USD 110m Senior Secured Bond Issue Investor Presentation

09 March 2018

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Risk factors summary[1]

Macroeconomic, geopolitical and industry risk

- The development of the global energy market prices are of key importance to the PV industry's and declining electricity prices could potentially significantly reduce the PV industry's demand for the Group's products.
- Changes in the legislation and regulatory framework in any of the jurisdictions in which the Group is active might have a significant negative impact on the Group.
- Trade barriers, trade restrictions and unfair trade practices has had a significant negative impact on the Group's ability to sell its products at attractive terms. This may continue, adversely affecting the Group's performance. The Group 's performance will be adversely affected to the extent it is restricted from selling into important markets or competitors achieve unfair competitive advantages.
- Limited capital availability for financing PV installations could have a significant negative impact on the demand for the Group's products.
- An increase in interest rates could significantly reduce the profitability of PV plants and reduce the demand for PV systems.
- The PV industry, including suppliers such as the Group, may not be able to be competitive against other sources of renewable or conventional energy, adversely affecting demand for the Group's products.
- Significant developments in technologies and changes in market structure supply and demand could significantly alter the Group's competitive situation.
- Overcapacity in parts or all of the markets in which the Group operates could lead to a reduction in average selling prices and difficulties in keeping high capacity utilization resulting in a significant deterioration of profitability.
- Significant changes in competitive dynamics, end user demand or technology could have a significant adverse effect on the Group business, prospects, financial results and results of operations.

Risks relating to the Group and the Bonds

- The Bonds may not be a suitable investment for all investors.
- The value of the collateral securing the Bonds may not be sufficient to cover the outstanding Bonds in case of default or liquidation.
- The Group may be unable to refinance all or a portion of its existing debt including the Bonds.
- A trading market for the Bonds may not develop or the market price of the Bonds may be volatile.
- The Issuer's redemption option may limit the market value of the Bonds.
- The Issuer may not have sufficient funds to redeem the Bonds upon the bondholders exercising their put options in the event of qualifying event.
- The Bonds may be subject to purchase and transfer restrictions.
- The Bond terms may be modified subject to majority decisions or subject only to the Issuer's agreement with the trustee.
- Prospective investors may not be able to recover in civil proceedings for U.S. securities laws violations.
- The Issuer, despite financial assistance from other Group Companies, may not be able to repay the Bonds.
- The terms and conditions of the Bonds are governed by Norwegian law and there are risks of changes to such laws.

Risks relating to the Group and the Business

- Key customers defaulting or going into bankruptcy, or renegotiation of contracts with key customers could have a significant negative impact on the Group's operating results.
- The Group has limited long-term agreements with its customers and accordingly is subject to short term fluctuations in demand, which could have significant negative impacts on its operating results.
- There are significant risks associated with joint ventures.

Note: 1) Please refer to appendix for a more comprehensive overview of the risk factors

Risk factors summary (cont'd)[1]

Risks relating to the Group and the Business

- There are significant risks associated with the growth of the Group. The Group may not succeed in securing the necessary financing for future investments, and future expansion projects may be significantly affected by cost overruns, schedule delays, technology risks and defects.
- The Group currently takes advantage of tax agreements and preferential tax treaties in certain territories. Such agreements and treaties are liable to change and renegotiations, which typically are outside the Group's control, that may remove some or all of the benefits the Group currently enjoys.
- Global economic downturn and dislocation in the financial markets may expose the Group to liquidity risk.
- Changes in the interest rates affect cash flows and the estimated fair values of assets and liabilities.
- The Group is exposed to exchange rate risks, and exchange rate changes might significantly influence the relative cost position of the Group and the estimated fair values of assets and liabilities.
- The Group will from time to time be involved in disputes and legal or regulatory proceedings.
- The continued operation in and intended expansion of the activities of the Group into additional foreign markets involves significant risks.
- The Group is dependent on a limited number of third party suppliers for key production raw materials, supplies, components and services for its products and any disruption to supply could negatively impact its business significantly.
- The Group is relying on external subcontractors and suppliers of services and goods to meet agreed or generally accepted standards.
- The Group's results of operations may be significantly adversely affected by fluctuations in energy prices.
- If the Group does not achieve satisfactory yields or quality in manufacturing its products, the Group's sales could decrease significantly and its relationships with its customers and its reputation may be harmed significantly.
- The Group relies upon intellectual property and trade secret laws and contractual restrictions to protect important proprietary rights, and, if these rights are not sufficiently protected, its ability to compete and generate revenue could suffer significantly.
- The Group may not obtain sufficient patent protection on the technology embodied in its products and production processes, which could significantly harm its competitive position and increase its expenses significantly.
- The Group's intellectual property indemnification practices may adversely impact its business significantly.
- The Group could get involved in intellectual property disputes that could be time-consuming and costly and could result in loss of significant rights and/or penalties.
- The Group may incur significant costs to comply with, or as a result of, health, safety, environmental and other laws and regulations.
- Because the markets in which the Group is active are highly competitive and many potential competitors may have greater resources, the Group may not be able to compete successfully and may lose or be unable to gain market share.
- The Group depends on certain executive officers and other key employees particular in the area of research and development and other qualified personnel in key areas.
- The Group could be seriously harmed by catastrophes, natural disasters, consequences of climate change, operational disruptions or deliberate sabotage.
- The Group could be seriously harmed by incidents resulting in damages not covered by insurance.
- The Group's insurance policies need regular renewal and the Group cannot guarantee that these renewals can be made on the same terms as existing policies or that the Group will be able to obtain insurance on normal and acceptable terms.
- There are risks related to unanticipated technology problems and deliberate attacks to the Group's telecommunications and information technology systems.
- There are risks related to estimation uncertainty, as the assumptions used as basis for management's estimations are inherently uncertain and unpredictable and, as a result, future estimates and actual results may differ from the current estimates.
- The Group's assets may be subject to further impairment of asset values.

Note: 1) Please refer to appendix for a more comprehensive overview of the risk factors

Today’s presenters

Tore Torvund
President & CEO

- More than 40 years of industry experience
- Joined REC Silicon in 2009
- Prior experience as Executive Vice President, Exploration & Production in StatoilHydro ASA, and Executive Vice President Oil and Energy in Norsk Hydro ASA
- Holds a Master of Science degree from the Norwegian University of Science and Technology

James A. May II
CFO

- Almost 30 years of finance/accounting experience
- Joined REC Silicon in 2008
- Prior experience from Hewlett Packard, as a certified public accountant[1] and Director of Finance for European Operations and Director of Financial Planning and Analysis for Kerr-McGee Chemical
- Holds Bachelor's degrees in Business Administration and Accounting from Boise State University

Note: 1) Pocatello, Idaho

Agenda

RECSiLICON

Introduction to REC Silicon

Global leader in the silicon industry

- Leading producer of advanced silicon materials, supplying high-performance polysilicon and silicon gases to the solar and electronics industries worldwide
- Combines over 30 years' experience and best-in-class proprietary technology
- Two U.S. based plants in Moses Lake, Washington and Butte, Montana, capable of supplying ~22,000 MT high-performance polysilicon
- Present in China through a JV with Chinese partner since 2014
- ~500 dedicated employees
- Headquartered at Fornebu, Norway
- Listed on the Oslo Stock Exchange under the ticker REC with a market cap of ~USD 450m as of 9 March 2018

- ◆ Moses Lake, WA, USA
- ◆ Butte, MT, USA
- ◆ HQ: Oslo, Norway
- ● Yulin JV, Shaanxi, PRC
- ● Sales offices;
  Seoul, South Korea
  Shanghai, PRC
  Taipei, Taiwan
  Tokyo, Japan

Two modern manufacturing plants and one JV

Moses Lake, Washington (USA)
- Constructed in 1984
- ~280 employees
- The largest granular polysilicon production plant in the world

Products
- ✓ *Polysilicon* Fluidized Bed Reactor *("FBR")*

Butte, Montana (USA)
- Constructed in 1998 (acquired 75% in 2009 and remaining 25% in 2015)
- ~220 employees
- World's largest supplier of silane gas and other specialty gases

- ✓ *Polysilicon (Siemens)*
- ✓ *Silane gas*

Joint Venture, Yulin (China)
- Started up in December 2017
- 15% ownership
- REC only international player with presence in China

- ✓ *Polysilicon FBR*
- ✓ *Polysilicon Siemens*
- ✓ *Silane gas*

Rich history of innovation from over 30 years' of production

1983 - 1984	Construction of Moses Lake plant (Silicon I) by Union Carbide Corporation
1990	Komatsu Ltd. acquires Moses Lake plant and creates Advanced Silicon Materials Inc. (ASiMI)
1996 - 1998	ASiMI constructs facility in Butte, Montana USA (Silicon II) which produces silane gas and polysilicon for the electronics industry
2002	REC enters into Joint Venture with ASiMI, Moses Lake plant separated as Solar Grade Silicon LLC (SGS), the first polysilicon producer dedicated to the solar industry
2005	REC purchases 75% ASiMI plant and remaining shares of SGS
2006	A new silane plant (Silicon III) and a new Fluid Bed Reactor (FBR) technology facility set up in Moses Lake
2006	Oslo Stock Exchange listing under the ticker REC
2007	New silane production unit (Silicon IV) set up next to Silicon III in Moses Lake
2009-2010	Start-up of Silicon III's silane facility and FBR as well as Silicon IV. REC acquires last 25% of ASiMI
2013	Renewable Energy Corporation ASA splits organization into two pure-play companies; REC Solar ASA and REC Silicon ASA
2014	REC Silicon enters JV in Yulin, China, with Shaanxi Non-Ferrous Tian Hong New Energy Co., Ltd. (SNF) to ensure REC Silicon's position as the only foreigner with access to the Chinese market
2014	New R&D laboratory opened at Moses Lake
2015	Start of JV construction
2017	JV plant successfully commencing production
2018	Enters agreement that reduces REC's equity stake in the JV from 49% to 15% in return for not contributing with capex funding, while maintaining the option to buy back 34% after 3 years

REC positioning in the supply chain

Summary of bond terms

Issuer	REC Silicon ASA
Guarantors	REC Silicon AS, REC Silicon Inc., REC Solar Grade Silicon LLC, REC Advanced Silicon Materials LLC (the "Butte Subsidiary"), REC Silicon Pte. Ltd. and other future Material Group Companies
Amount	USD 110 million
Status of the Bonds	Senior secured
Settlement Date	[●] April 2018
Maturity Date	[●] April 2023, 5 years from Settlement Date
Amortisation	100% at maturity
Coupon	[●]% p.a., semi-annually interest payments
Security	First security interest in the Butte Subsidiary, security interest in or right to use any intellectual property required to operate and maintain the Butte Facility from time to time being owned by a Group Company, and all tangible and intangible assets of the Butte Subsidiary, and pledge over the Escrow Account
Use of Proceeds	(i) Refinance the REC03 Bond and the Convertible Bond and (ii) general corporate purposes
Call Structure	Make Whole first 3 years, callable at par plus 40/20/10% of the Coupon after 36/48/54 months, respectively
Maintenance Covenant	Minimum Liquidity of USD 15 million
Incurrence Test[1]	Leverage Ratio (NIBD/EBITDA) below 3.0x
Dividend Restrictions	No dividends
Other Covenants	Including *inter alia* negative pledge, restrictions on subsidiaries' distribution, financial support , financial indebtedness, and Nomination of Material Group Companies
Investor Put Option	Put at 101% upon a Change of Control, De-Listing (of shares), or Listing Failure Put at prevailing Call Option price upon a Material Asset Sale Event (pertaining to the Moses Lake facility)
Mandatory Redemption	Redeem 100% of the outstanding Bonds at the prevailing Call Option price upon a Mandatory Redemption Event (pertaining to the Butte facility)
Listing	Oslo Børs or any other regulated market within six months
Documentation / Trustee	Norwegian / Nordic Trustee
Joint Lead Managers	Arctic Securities, DNB Markets

Note: 1) Only unsecured debt with maturity after the bonds or certain secured debt up to USD 60 million from a US government or US state-backed lender related to the further development of Moses Lake may be incurred under the Incurrence Test

RECSILICON

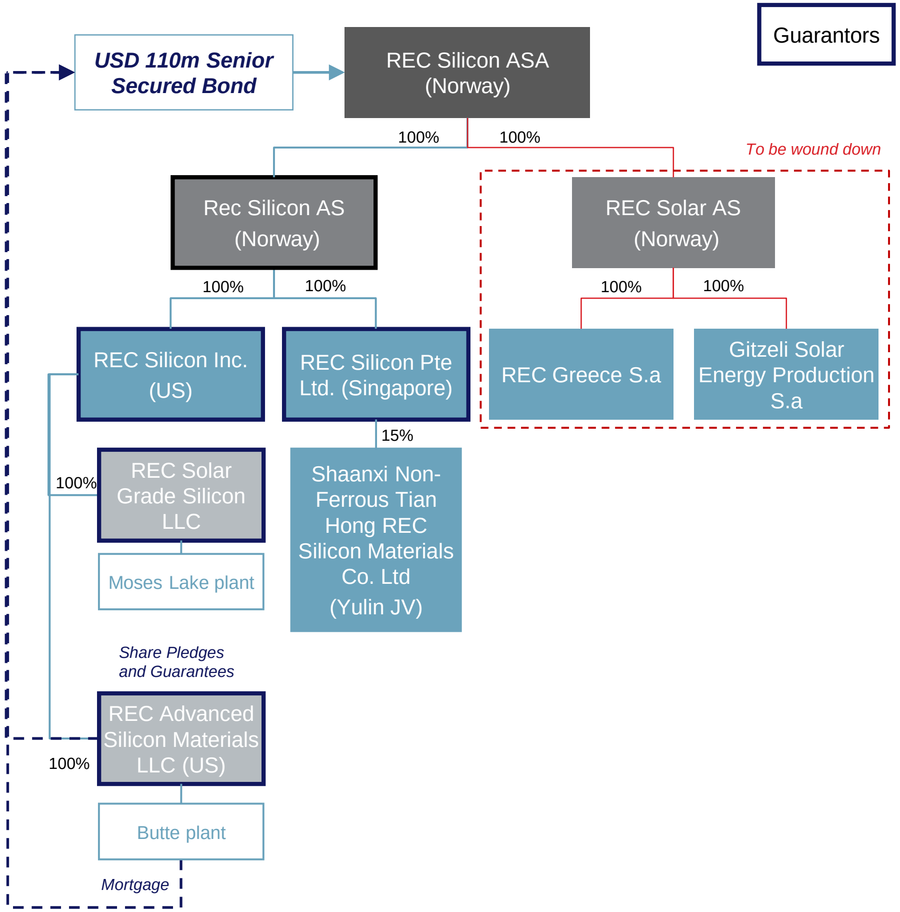
Structure overview

Transaction summary

- The Issuer is contemplating a USD 110m Senior Secured bond issue
- REC03 bond maturing in May 2018 to be repaid with cash while the net proceeds from the transaction will be used to repay the Convertible Bond maturing in September 2018
- The new bond will have 1st lien share pledge and asset pledges from the relevant Butte owning entities, and guarantees from other group companies
- Post transaction, leverage of the Issuer is expected at ~4.3x Net debt[1] / FY2017 EBITDA

Sources (USDm)		Uses (USDm)	
Senior secured bonds	110.0	Refinancing of REC03	55.5
Cash on balance sheet[2]	104.5	Refinancing of CB	110.0
		Rollover cash[3]	49.0
Total sources	**214.5**	**Total uses**	**214.5**

Simplified transaction structure



Note: 1) FY2017 pro forma the transaction and gross of accrued interest, transaction and any redemption costs
2) As per FY2017
3) Gross of accrued interest, transaction and any redemption costs

Credit highlights

1
1st lien security in high-value, strategic assets

- Secured bond structure with share pledges and asset pledges in the owning entity of the Butte facility, the world's largest supplier of silane gas and other specialty gases
- The Butte facility is able to operate separately from Moses Lake with limited carve-out costs
- Total investment of USD 351m already incurred - limited maintenance capex needs going forward
- Long-term relationships securing high, stable production and cash flow visibility

2
Best in class cost-levels adapted to rebound in price

- Economies of scale ensure industry-leading cash cost of silane
- Capability to adapt showcased by a reduced FBR cash cost at Moses Lake to USD10.4/kg at 50% utilization in a demanding polysilicon price environment
- Further supported by ability to place volume outside China

3
REC silicon has become a global silicon material champion

- World's leading producers of advanced solar and electronic grade polysilicon and silicon gases
- Forerunner in FBR technology recognized as the low cost polysilicon leader
- Purest polysilicon rods in the industry, ideal for a wide variety of uses
- First tier 1 polysilicon producer to establish operations in China

4
Creditor friendly management team with strong track-record

- CEO and CFO with close to 20 years combined in REC
- Proven debt service and capital markets history
- Sustainable cost reduction implemented at the Butte and Moses Lake plants, securing EBITDA momentum
- Moses Lake utilization adjusted to minimize trade-war impact on profitability
- JV ownership reduced to remove funding requirements, while maintaining optionality to increase ownership

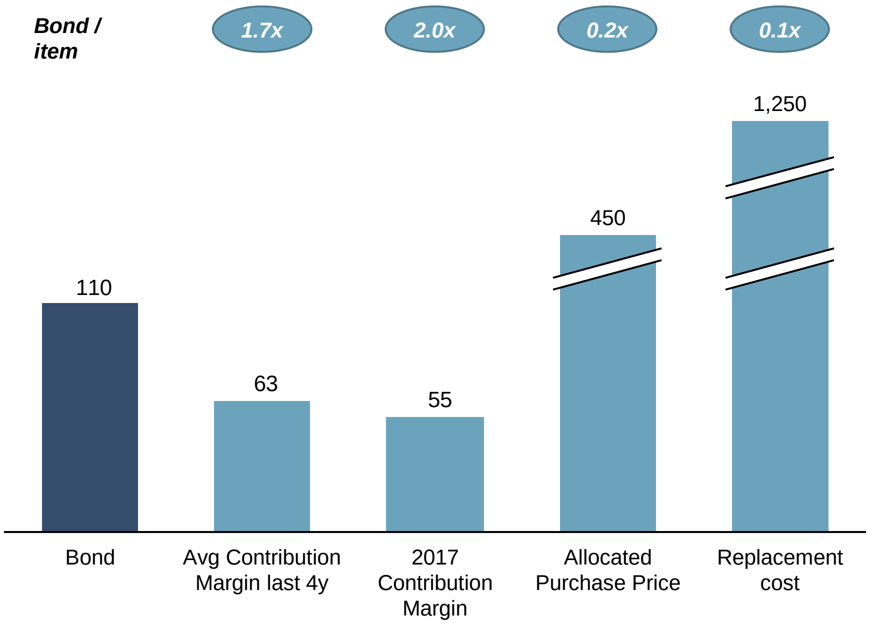
5
Growth momentum towards end-markets with upside if trade war resolves

- Renewables to increasingly dominate world electricity mix
- Solar power expected to have the highest growth rate across all energy sources
- Continued momentum in semiconductor market
- Expected 20-25% CAGR within Solar and 7% CAGR within semiconductors over the next 5 years

RECSiLICON

1 Security in Butte facility provides headroom for bond issue

Strong security coverage for Butte



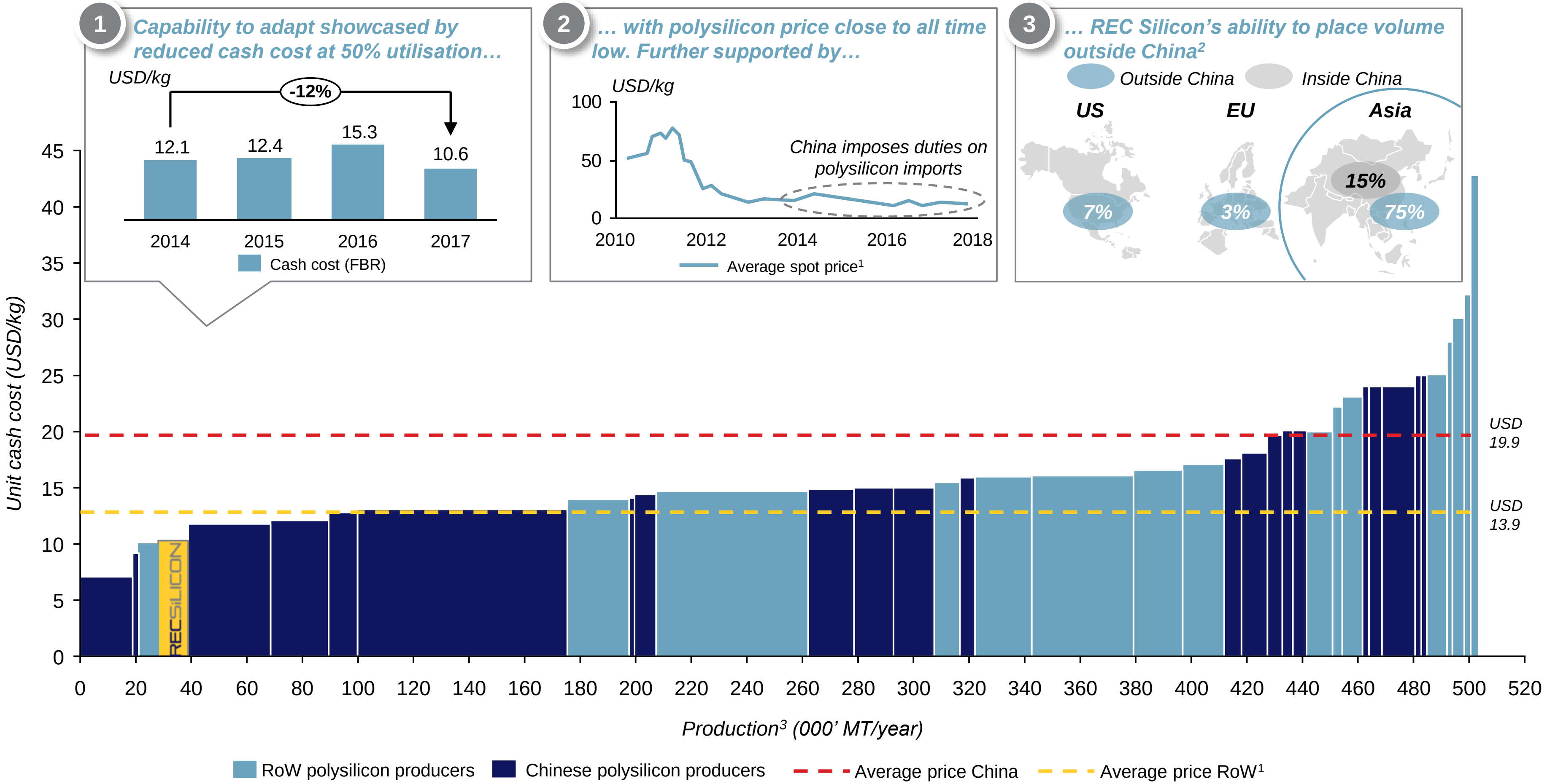
- Contribution Margin does not include any allocation of SG&A
- REC acquired the Butte plant for USD 450m in 2009
- Replication cost represents a substantial barrier to entry

Bond investor security highlights

- ✓ *Butte is a stand-alone facility, able to operate separately from Moses Lake at no material cost increments*
- ✓ *Scalable production with all relevant IP kept within company structure*
- ✓ *Butte has long-term relationships with customers securing high, stable production and cash flow visibility*
- ✓ *Limited need for maintenance capex at Butte plant going forward*
- ✓ *Well positioned to capture market share within the attractive semiconductor market*

2 Best-in-class cost levels adapted to rebound in price

Polysilicon industry unit cash cost



Note
1) Average spot price including price inside China
2) Based on 2016 numbers
3) Does not include idle capacity

RECSiLICON

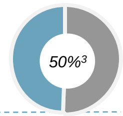
3 REC Silicon has become the global silicon champion…

Industry leading facilities…

Moses Lake, Washington (USA)
- Invested capital: USD 1.4bn
- Replacement cost: USD 1.5bn
- 2017 FBR production: 9,379 MT

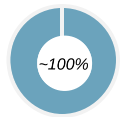
Capacity (MT): ~ 18,000

Utilisation



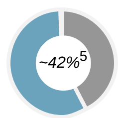
Butte, Montana (USA)
- Allocated Purchase Price: USD 450m
- Replacement cost: USD 1.25bn
- 2017 silicon gas sales: 3,000 MT
- 2017 polysilicon production: 2,256 MT

~4,500[1]
~2,000 – 4,000[2]



Joint Venture, Yulin (China)
- Invested capital: USD 1.2bn
- Replacement cost: USD 1.2bn
- 2018E FBR production: 8,000 MT

~ 19,000[3]
~ 500[1]
~ 300[4]



…with differentiating factors

FBR Technology pioneer
Forerunner in FBR technology yielding 90% lower electricity consumption

Cost leader
Proven ability to deliver production at sustainable cash-cost levels at 50% utilization

Purest polysilicon rods
Purest in industry – ideal for Float Zone, tear drop etc.

#1 supplier of silane gas
Butte is the world's largest supplier of silane gas and other specialty gases

First in China
First global player to enter a joint venture in China

#1 quality and cost
Will produce the highest quality, lowest cost granular polysilicon in the world

Products and position

Granular polysilicon

1 — The world's largest producer of granular polysilicon for solar applications

Silane gas (SiH_4)

1 — World's largest manufacturer of silane gas and silicon gases for production of semiconductors, flat panel displays and solar cells technologies

Polysilicon

Amongst the world's largest producers of polysilicon for the photovoltaic (PV) and electronics industries

Ultra-pure FZ polysilicon

One of the largest producers of ultra-pure FZ polysilicon for the electronics industry (hybrid/electric vehicles, wind energy, high voltage transmission+)

Nore: 1) Loaded silane
2) Poly production skewed towards semiconductor has 2,000 MT capacity whereas polysilicon production skewed towards solar has 4,000 MT capacity
3) FBR
4) Siemens
5) Based on estimated 2018 production

RECSILICON

4 Seasoned management team with strong track-record

Experienced management and board…

Tore Torvund | *President & CEO* — 2009

- Prior experience as Executive Vice President, Exploration & Production in StatoilHydro ASA, and Executive Vice President Oil and Energy in Norsk Hydro ASA
- Holds a Master of Science degree from the Norwegian University of Science and Technology

James A. May II | *CFO* — 2008

- Prior experience from Hewlett Packard, as a certified public accountant[1] and Director of Finance for European Operations and Director of Financial Planning and Analysis for Kerr-McGee Chemical
- Holds Bachelor's degrees in Business Administration and Accounting from Boise State University

Jens Ulltveit-Moe | *Chairman of the Board* — 2013

- Currently CEO and Board member of Umoe Group. Prior experience from McKinsey in New York and London, The Dutch SHV Group, and Knut Knutsen OAS. Also served as COB for PGS, Kverneland, Sevan Marine and REC
- Master degree in Business and Economics from the Norwegian School of Economics (NHH) and a Master degree from Columbia University

\# = *Year joined the company*

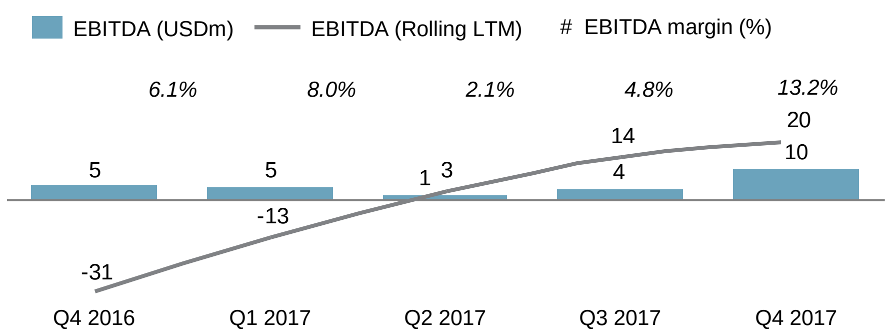
…with strong track-record and credit friendly behavior

- ✓ *Adopted to current market situation proven by ability to place volumes outside China*
- ✓ *Moses Lake utilization adjusted to minimize trade war impact on profitability*
- ✓ *Development of industry leading FBR technology*
- ✓ *Sustainable cost reduction securing EBITDA momentum*

Proven debt service history:

Bond	*Interest payments*	*Principal payment*
REC01	✓	✓
REC02	✓	✓
REC03	✓	(✓)
CB	✓	(✓)

Cost reduction and increased utilization driving EBITDA



FBR cash cost USD/kg:	Q4 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017
	11.2	10.7	11.0	10.4	10.4

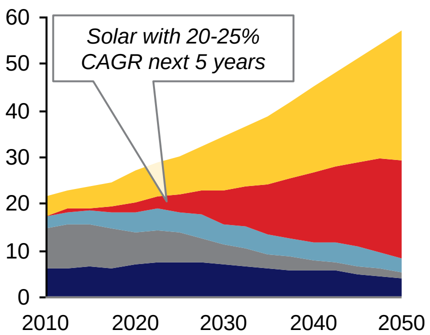
Note: 1) Pocatello, Idaho

RECSILICON

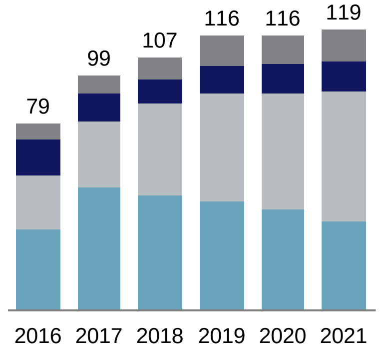
5 Exposed to end-markets with growth momentum

Industry leading growth rate expected for Solar…

Global electricity mix forecast (PWh/year)



Global PV new build forecast (GW)



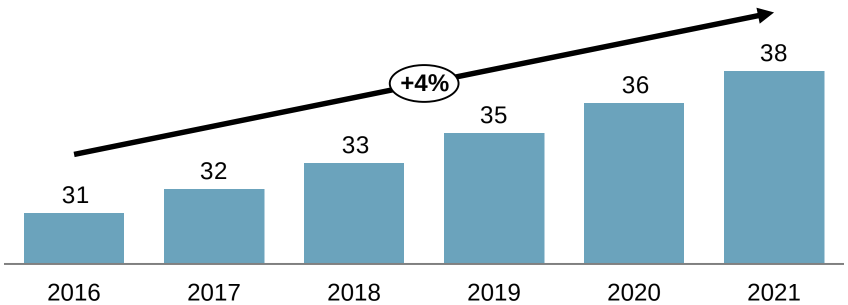
- Renewables will increasingly dominate world electricity mix
  - Driven by cost reduction in production process
- Solar PV with strongest growth across energy sources next 5 years

- The increasing global demand for panels fuels polysilicon demand
- Upside if trade dispute resolves due to increased utilisation at Moses Lake
- Better battery technology creates more flexibility favouring solar PV

…and continued momentum in semiconductor market

Global semiconductor market with drivers (USD)

Revenue process and production chemicals market for electronics (USDbn)



- Semiconductor market expected to grow steadily the next years driven by IoT
- Further industry upside:
  - Rivals' long-term fixed contracts expire and are up for grabs
  - Inventories decline as a result of high semiconductor capacity utilisation

Source: GTM Market Demand Tracker – February 1 2018, DNV GL – Energy transition outlook 2017
Note: 1) IoT represents "Internet of things"

RECSILICON

Agenda

1 Transaction summary

2 Company overview

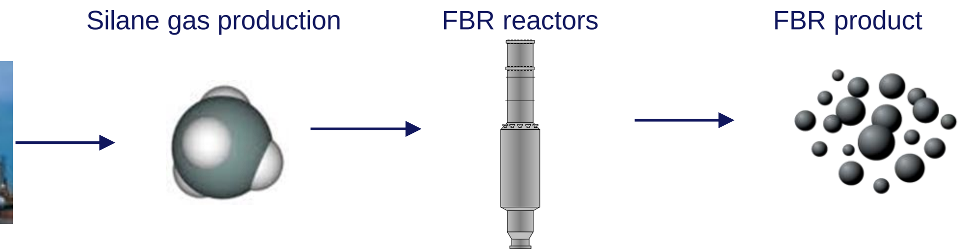
3 Market overview

4 Financials

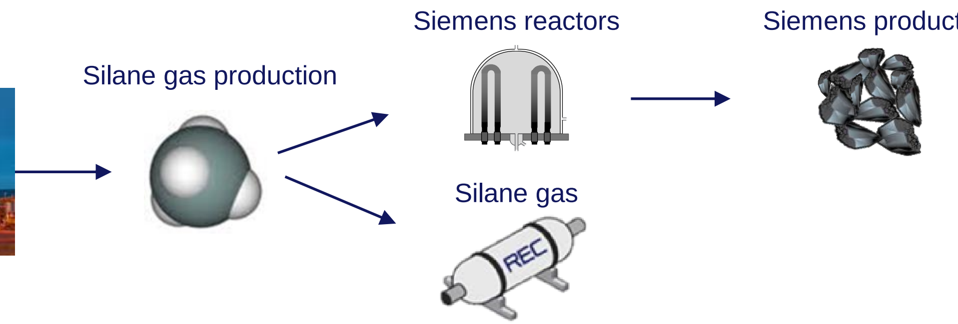
5 Supporting material

REC Silicon is a global player

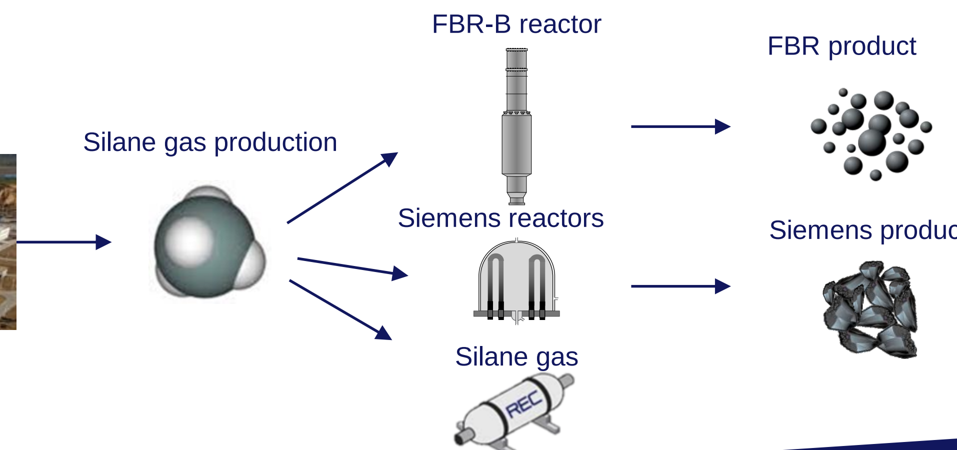
Moses Lake, Washington



Butte Montana

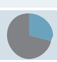
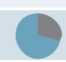


Yulin, Shaanxi Province, China



RECSILICON

Products – Offering silane and polysilicon products

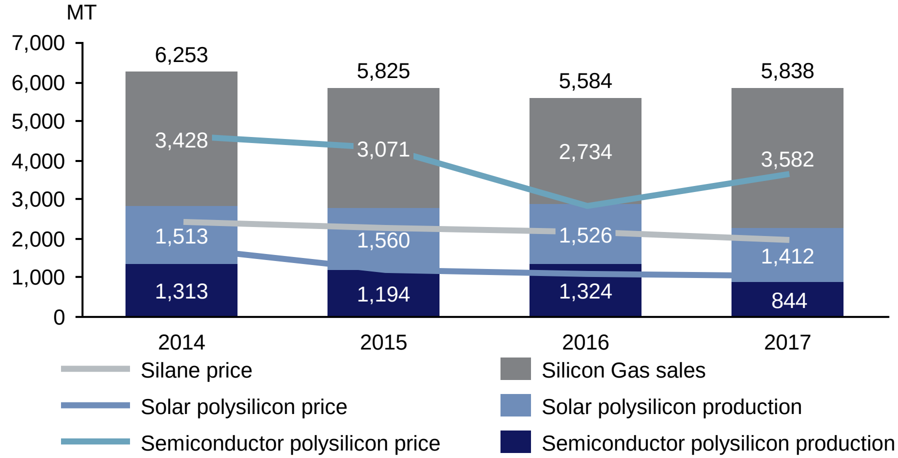
	Silane Gases	Electronic Grade CZ Semiconductor Polysilicon	Electronic Grade FZ Semiconductor Polysilicon	Solar Grade Polysilicon
				
Highlights	› ~70% global market share › ~70% contract coverage with 2 of 3 gas distribution companies › Long-term contracted revenue › Lowest cost supplier › Exceptional safety record/support of safety training and site audit	› Production of silicon wafers for semiconductor devices › Long-term supply relationships with an average of 10 years › Top 2 customers among top 4 electronic grade wafer companies › Product qualified by top 5 wafer companies	› Production for power semiconductor devices › Long-term supply relationships with an average of 14 years › Top 2 customers among top 3 FZ wafer companies › Product qualified by all of the top 5 FZ wafer companies	› Moses Lake the largest granular polysilicon plant in the world › Unique form factor allows for crucible recharge › Sustainable energy saving vs. competitor technology › Contingency feed process generates cost efficiency
End Markets / Product Applications	› Thin film transistor (TFT) displays › Semiconductors › Photovoltaics (PV) › Float glass › Silicon precursors for CVD	› (Mobile) communications › Consumer electronics › Computing › Automotive / Military › Aviation / Aerospace	› Power management › Power in- conversion › Electric motor controls › High voltage applications such as electric trains	› Polysilicon is the base material for PV cells › Ideally suited for multi crystalline tech › 2nd gen. FBR-B PV mono-crystalline capable
Key Customers	› Industrial and specialty gas distributors	› Semiconductor wafer manufacturers	› Float Zone semiconductor wafer manufacturers	› Solar wafer manufacturers
% of sales	29% 	71% 		
Manufacturing	Butte	Butte	Butte	Moses Lake

Butte plant - Industry leading silane gas manufacturing facility

Introduction to the Butte plant

- Commissioned in 1998
- World's largest supplier of silane gas (SiH_4) and other specialty gases for semiconductor, flat panel displays, glass, and solar applications
- Owns the largest ISO silane gas module fleet in the industry
- Employs ~220 dedicated employees
- Produces silane gas and electronic grade semiconductor polysilicon[1]
- In house maintenance and analytical facilities
- ISO 9002 certified

Volumes and prices



Products

Note: 1) As of Q3 2017 the Company has limited its solar grade production

RECSILICON

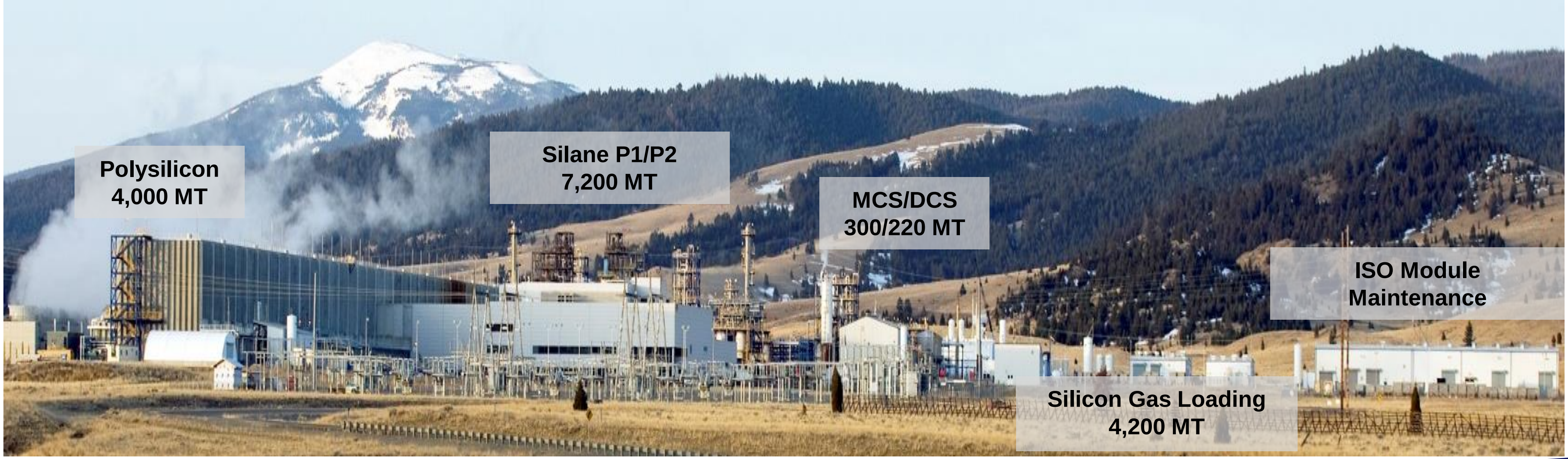
Butte plant (cont'd)

Advanced Silicon trend favors market growth

- Megatrends such as mobility, energy efficiency and power management favors growth of advanced silicon materials
- Extreme quality requirements and long qualification processes set high barriers for new entrants
- Competitive and flexible production platform based on the largest scale and lowest cost of silane production
  - Platform costly to replicate

REC well positioned to capture market share

- Independent manufacturing units with world's largest
  - 80 MT liquid silane storage capacity
  - Silane loading facility
  - Silane ISO Module container fleet
- Dominant silane market share and strong relationships with 1st tier customers



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Butte plant – Operations highly independent of the Group

		Headcount	✓✓✓ *Degree of autonomy*
Intellectual Property and R&D	› Siemens, 11 active patents with 4 pending applications › Silane, 6 active patents and 16 pending applications, › 5 active trademarks relevant to the Butte plant, or products › Stand-alone R&D function, including Siemens and silane technology	**7**	✓✓✓
Sales & purchasing	› Stand-alone functions › Butte entity is contract counterparty with customers	**14**	✓✓✓
Engineering	› Stand-alone function › Consists of both production engineering and general engineering › Supports continuous improvement and R&D initiatives	**22**	✓✓✓
Quality and lab	› Quality function self-sufficient › Analytical lab would have to be relocated from Moses Lake	**16**	✓✓✓
Production	› Independent of Moses Lake › Exception is filament where equipment and production is in Moses Lake	**122**	✓✓✓
Maintenance	› Key tasks self-sufficient at current state › Includes preventative maintenance and reliability functions	**41**	✓✓✓
IT	› Owns hardware systems and network › Would need to outsource software and support	**3**	✓✓✓
Administration	› Stand-alone organization › Some support functions and systems will have to be outsourced	**21**	✓✓✓

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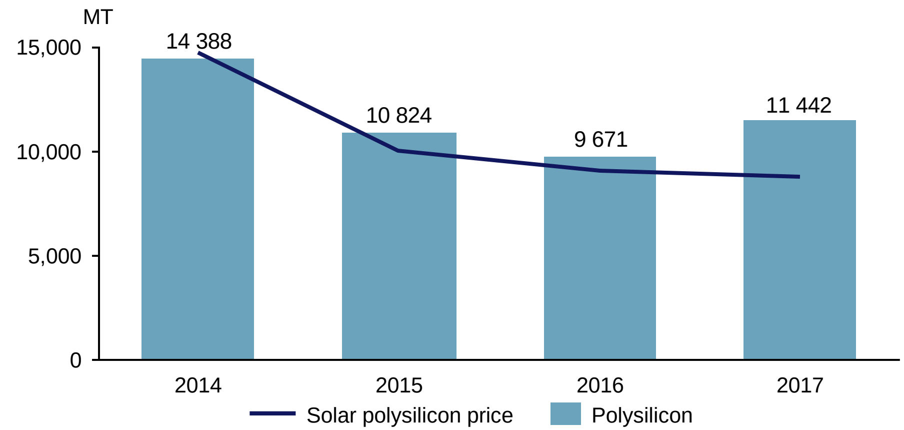
Moses Lake plant - Industry leading PV market facility

Introduction to Moses Lake plant

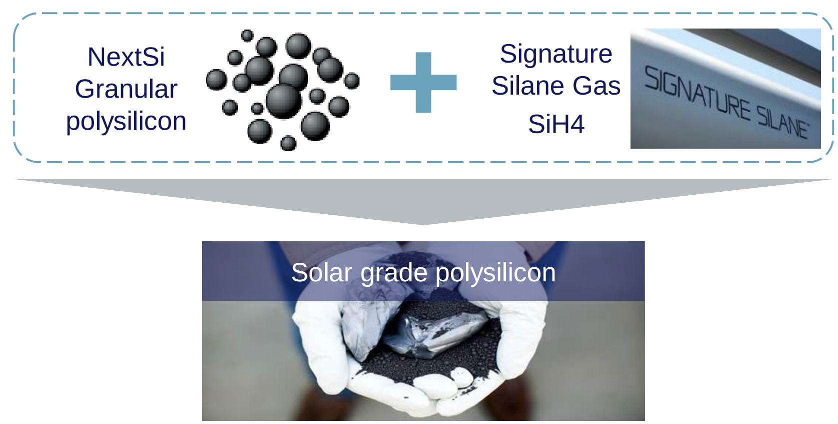
- Has since construction in 1984 grown to three silane units and one of the largest granular polysilicon production plants in the world
- ~280 employees
- ~18,000 MT FBR-A Capacity
- Silicon purification process, utilizing a Fluidized Bed Reactor (FBR)
  - Lowers the cost of producing solar products and saves significant amounts of electricity

Sales volumes and prices



Products and operations

Fluidized Bed Reactor



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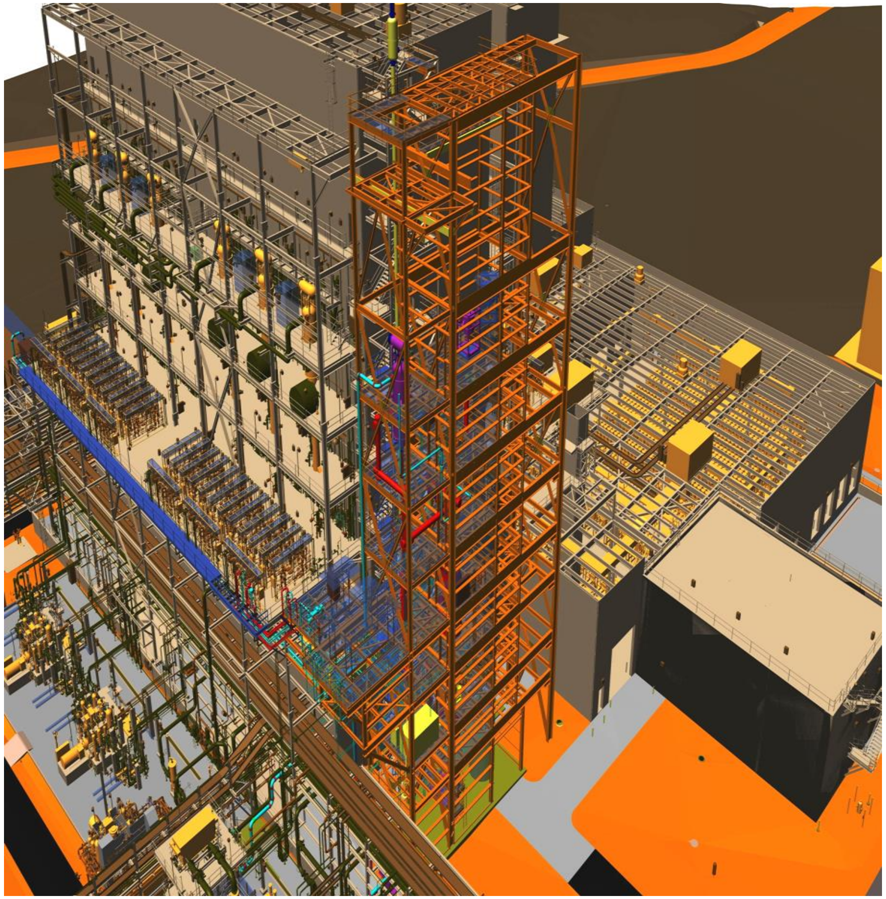
Moses Lake – The reactor 25/26 project

Status of project

- The reactors will have a capacity of 3,000 MT/yr of high purity granular polysilicon
  - Suitable for Mono PV and semi applications
- Remaining Cost USD 60m
  - USD 40m for Rx 25/26
  - USD 20m for Post Treatment
  - USD 36.5m already invested in Rx 25/26
- Status reactor 25/26
  - Engineering is complete
  - 73% procurement complete with lead and major components onsite
  - Underground and foundations complete
  - Some procurement and construction of the building and reactor remains
  - 12 months to complete
- Status post treatment
  - Post treatment ready to start front end engineering design
  - 24 months to complete

Rx 25 design model



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Agenda

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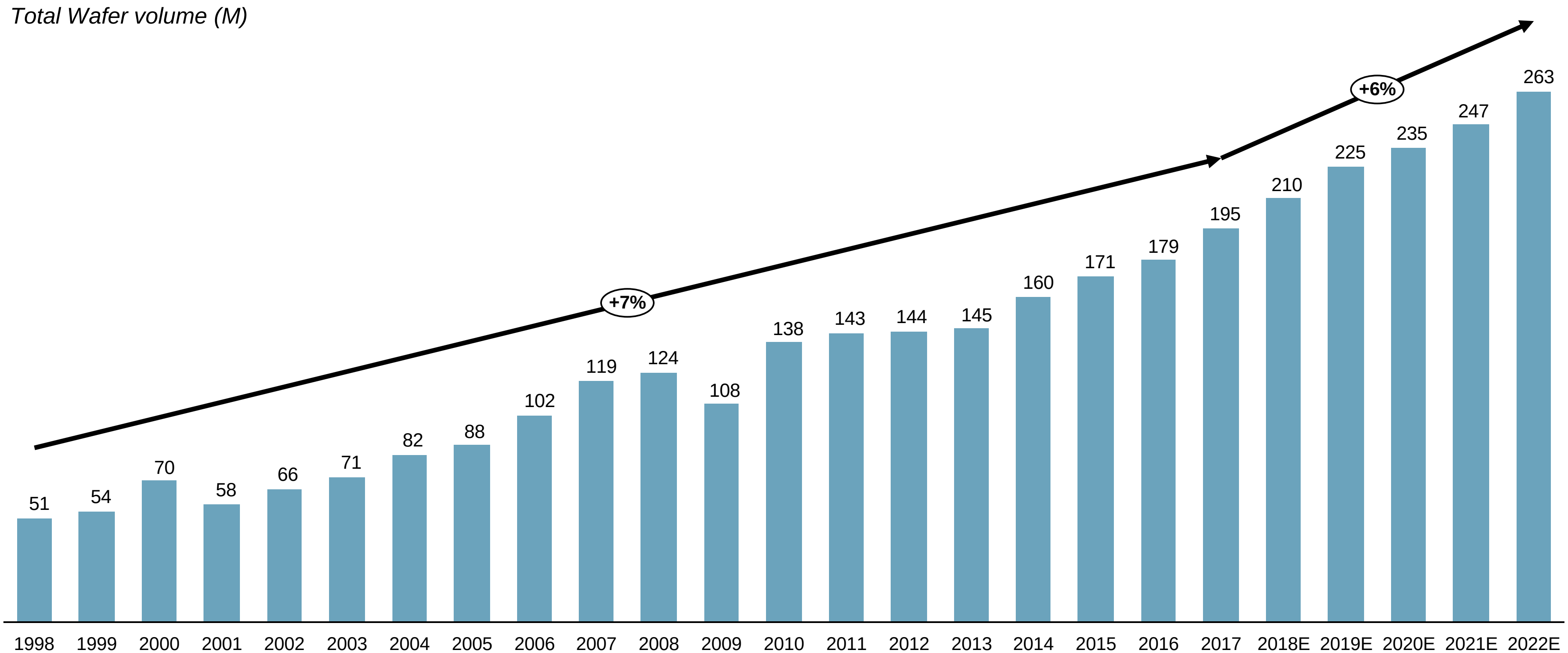
Semiconductor market is experiencing stable growth…

Annual industry wafer demand[1]



- Semiconductor market has seen stable growth since 1998 of 7% CAGR
- Growth expected to continue in the next years at a 6% CAGR

Source: IC Insights
Note: 1) 200mm-equivalents

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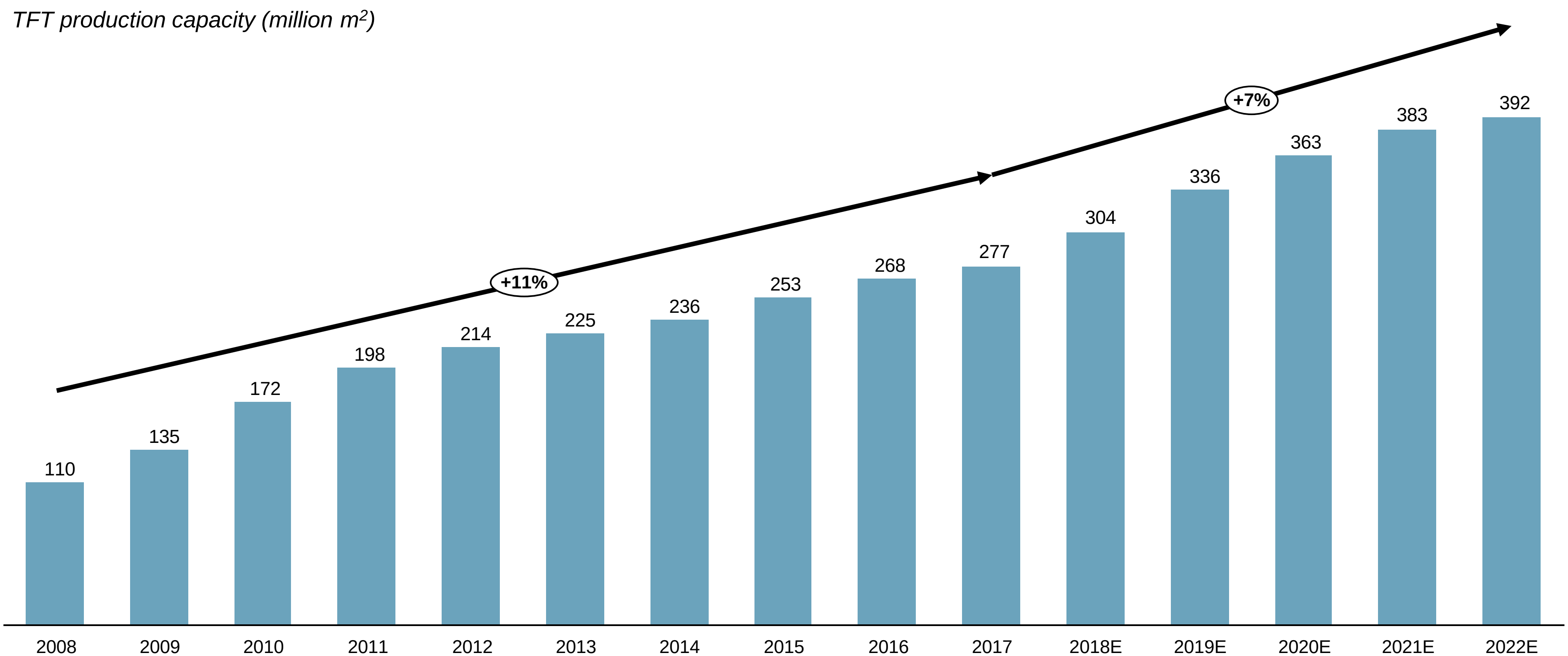
…as is the silane gas market

TFT array production

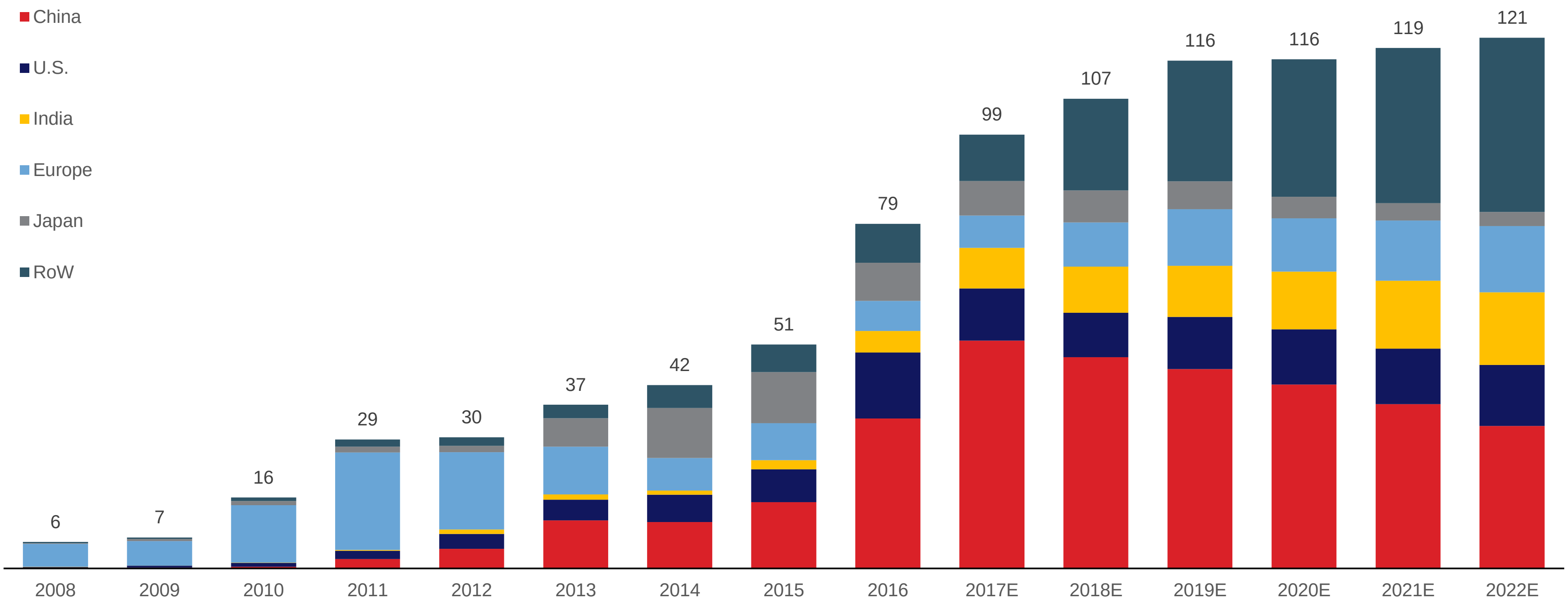


- Silane gas production has seen a healthy annual growth rate of 11% between 2008 and 2017
- Growth expected to continue over the next years at a 7% CAGR

Source: HIS Markit, Numbers are based on standard forecast (does not include <30% probability)

Solar – Fastest growing renewable energy source globally

End-user PV demand (GW)



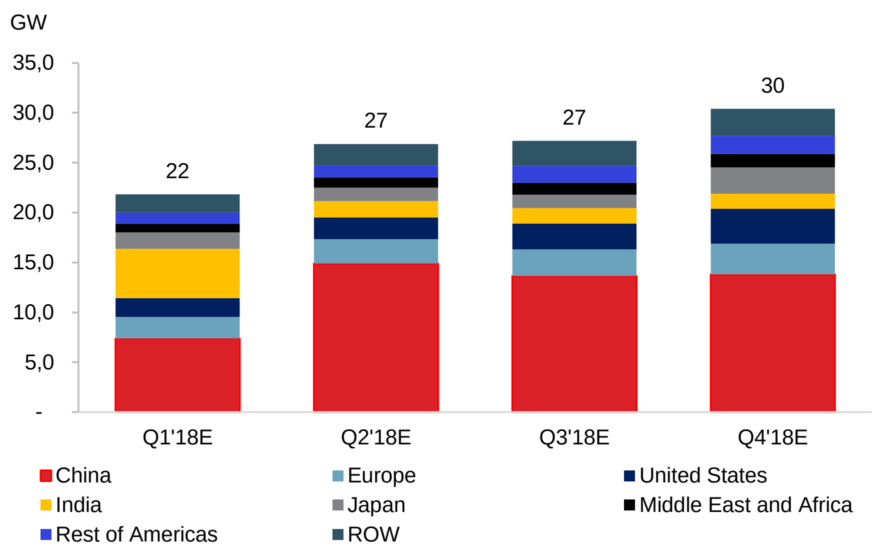
- Growth rate of 32% in PV demand since 2008
- Contrary to “flat to slight decreasing” demand expectations for 2017, demand grew by ~25% over the year
- Expected growth in demand between 2017 and 2022 translates to 4.5 grams per watt, an additional 100kMT of polysilicon

Source: GTM Market Demand Tracker – February 1, 2018

Strong demand remains both in the short and longer term

2018 quarterly installation forecast

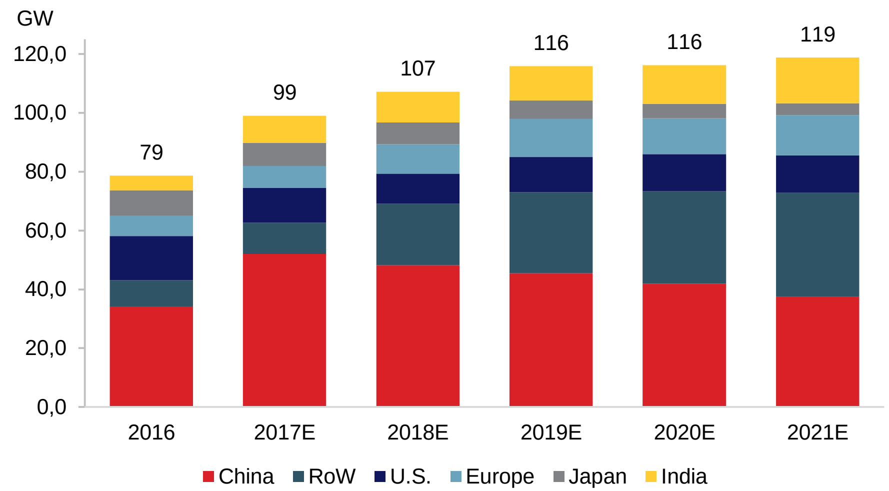
IHS Markit installation forecast[1]



- High demand in India in Q1'18
  - 2017 Installations delayed
- China 2017 FiT rates extended to June 2018
- Global trade barriers limit market access for Chinese modules
  - May increase domestic installations

2016-2021E installation forecast

GTM installation forecast[2]



- Continued growth expected for PV installations
- China continues to dominate demand
- Response to Section 201 Decision:
  - Highest impact on US utility scale installations
  - Stockpile of module inventories deplete in 2018
- Demand growth in Europe

Source: 1) HIS Markit PV Demand Market Tracker – December 6, 2017
2) GTM Market Demand Tracker – February 1, 2018

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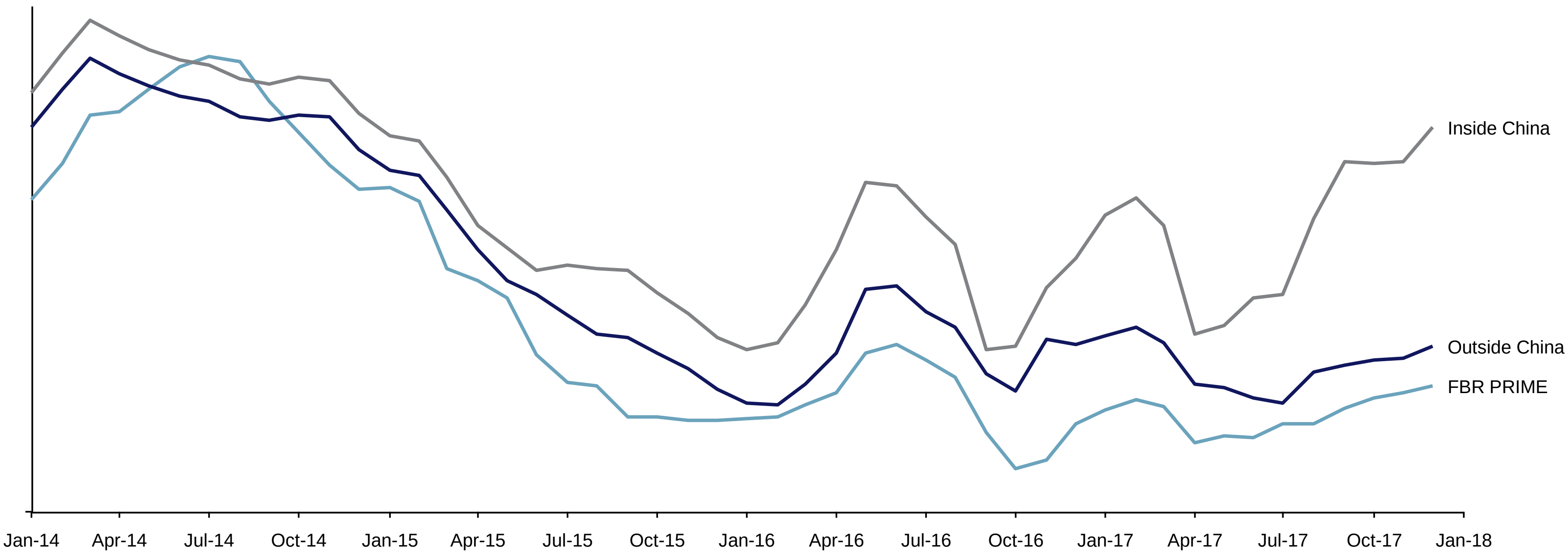
Polysilicon spot price

FBR Prime vs Solar Indices

Polysilicon spot price



- Polysilicon supply remains tight inside China
- REC continues discounts to maintain market share outside China
- REC expects stable prices during Q1 2018

Source: GTM Pulse January 2018 edition

RECSILICON

Agenda

RECSILICON

Key financial results – Group level

Increasing revenues YoY

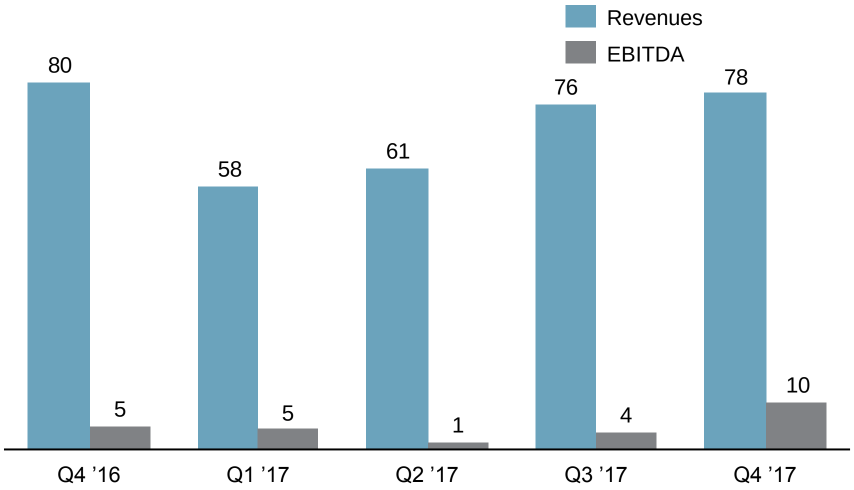
- Solar price increases reflect tight market
- Polysilicon sales limited by production
- Increasing silicon gas sales

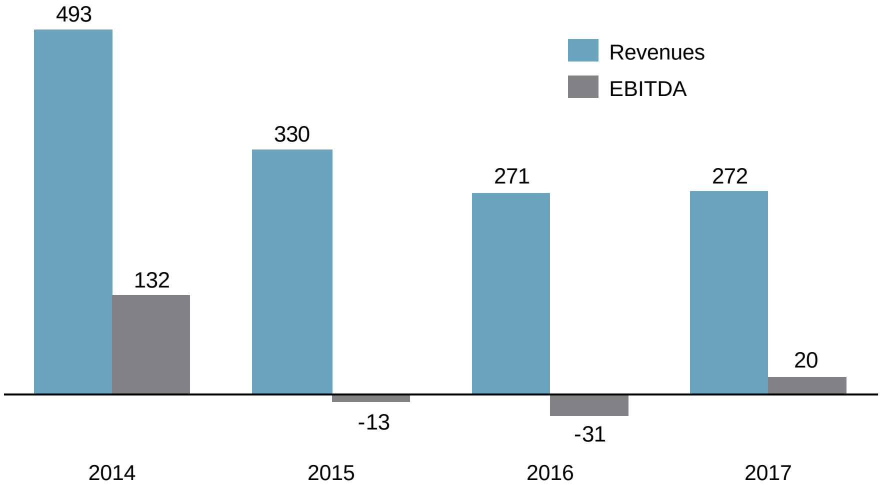
Steady EBITDA improvement

- High margin silicon gas sales
- Prime solar grade price increase
- FBR cash cost of USD10.4/kg

The Company has adapted well to the demanding market conditions

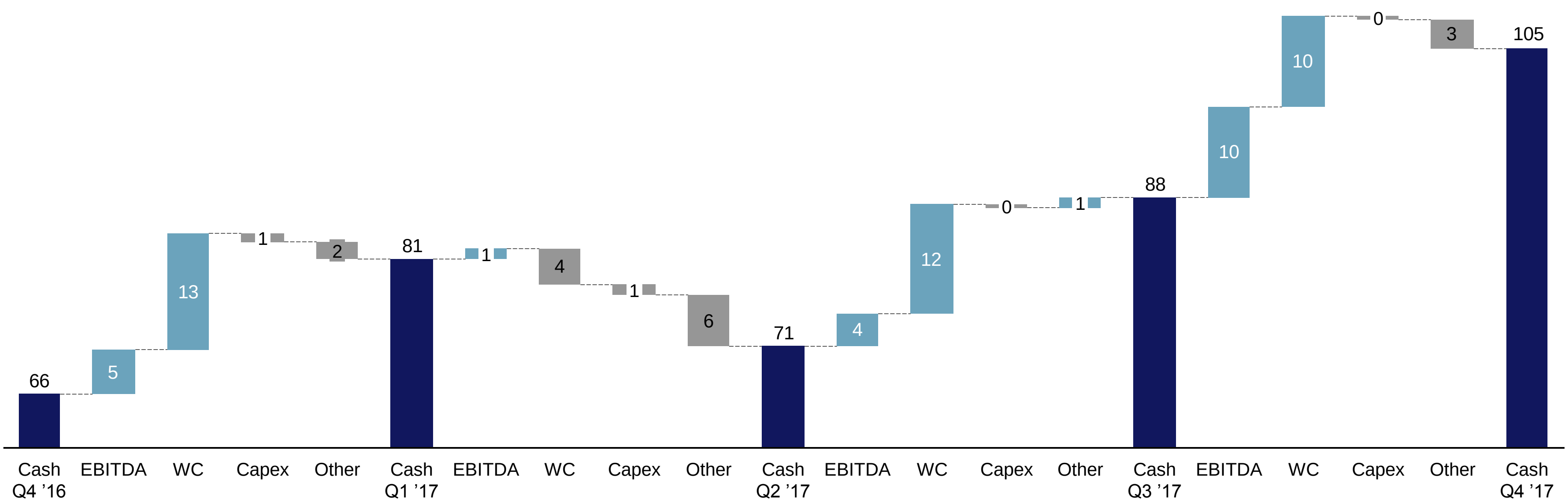
- Best-in-class operations
- Successfully executed initiatives to match spending and activity levels to utilized capacity





Note: 1. Adjusted for USD 101m

Strong cash flow development throughout 2017



- Strong positive cash flow throughout 2017, enhancing liquidity position with some USD 41m
- Positive EBITDA contribution driven by:
  - Improved market fundamentals, driving both volumes and prices
  - Successful cost-cutting initiatives and low FBR cash costs due to stable operations at ~50% capacity utilization
- Cash release from strict working capital management in particular towards receivables turnover and reduction in inventories through batch sales of abnormal stock
- Limited capex required to maintain plant and equipment
- Cash flow expected to be slightly positive during Q1 2018

RECSILICON

Segment information

Butte	USDm	2014	2015	2016	2017
Polysilicon production in MT (Siemens)		*2,826*	*2,754*	*2,850*	*2,256*
Polysilicon sales in MT (Siemens)		*2,426*	*2,634*	*3,333*	*2,093*
Silicon gas sales in MT		*3,428*	*3,071*	*2,734*	*3,582*
Total revenues		201	177	154	147
Contribution margin		93	61	41	55

Moses Lake	USDm	2014	2015	2016	2017
Polysilicon production in MT (Granular)		*15,929*	*14,098*	*7,863*	*9,379*
Polysilicon sales in MT (Granular)		*14,388*	*10,824*	*9,671*	*11,442*
Total revenues		291	153	117	128
Contribution margin		96	-23	-41	-2

Other	USDm	2014	2015	2016	2017
Total revenues		0	0	0	0
Contribution margin		44	-51	-31	-33

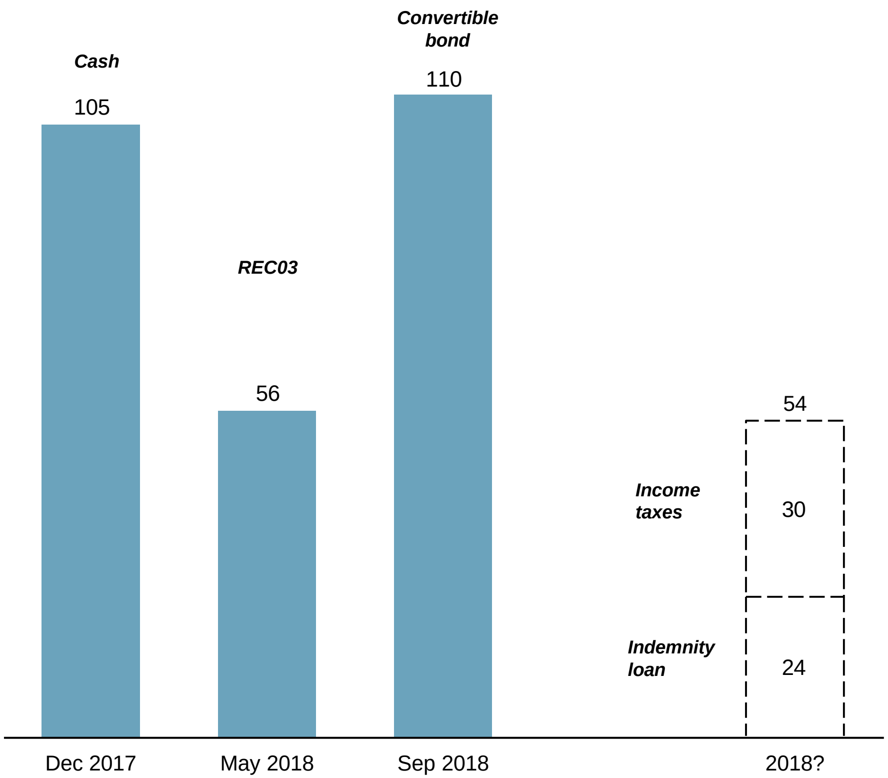
Group	USDm	2014	2015	2016	2017
Polysilicon production in MT (Siemens)		*2,865*	*2,785*	*2,867*	*2,257*
Polysilicon sales in MT (Siemens)		*2,466*	*2,636*	*3,396*	*2,101*
Silicon gas sales in MT		*3,428*	*3,076*	*2,734*	*3,501*
Polysilicon production in MT (Granular)		*15,929*	*14,098*	*7,863*	*9,379*
Polysilicon sales in MT (Granular)		*14,388*	*10,824*	*9,671*	*11,403*
Total revenues		493	330	271	272
EBITDA		233	-13	-31	20

- Butte & Moses Lake Operations
  - Contribution Margin reflects Revenues less cost of sales
  - Excludes allocation of SG&A expenses
- Other
  - Contribution margin reflects SG&A expenses in support of operations in the US
  - SG&A has not been allocated out
  - Results in 2014 include special items of USD 101m for the transfer of FBR technology to the Yulin JV
- Group
  - Consolidated results for all operations and administrative activities
  - Includes the elimination of intercompany transactions (not shown)

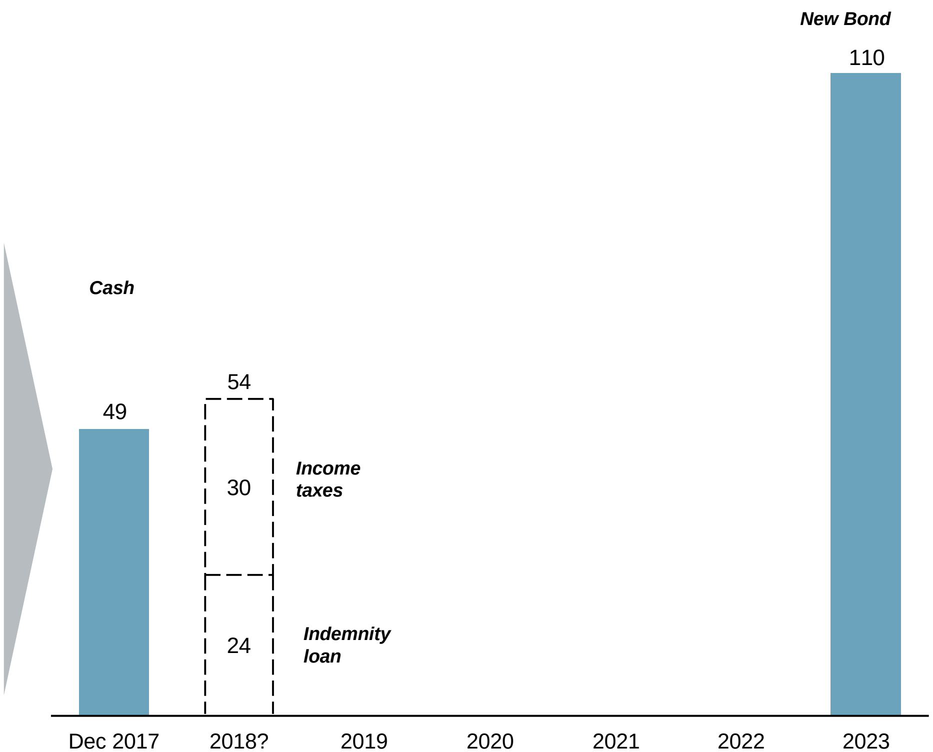
RECSILICON

Refinancing will create financial runway for REC Silicon

Pre-transaction capital structure and debt maturities



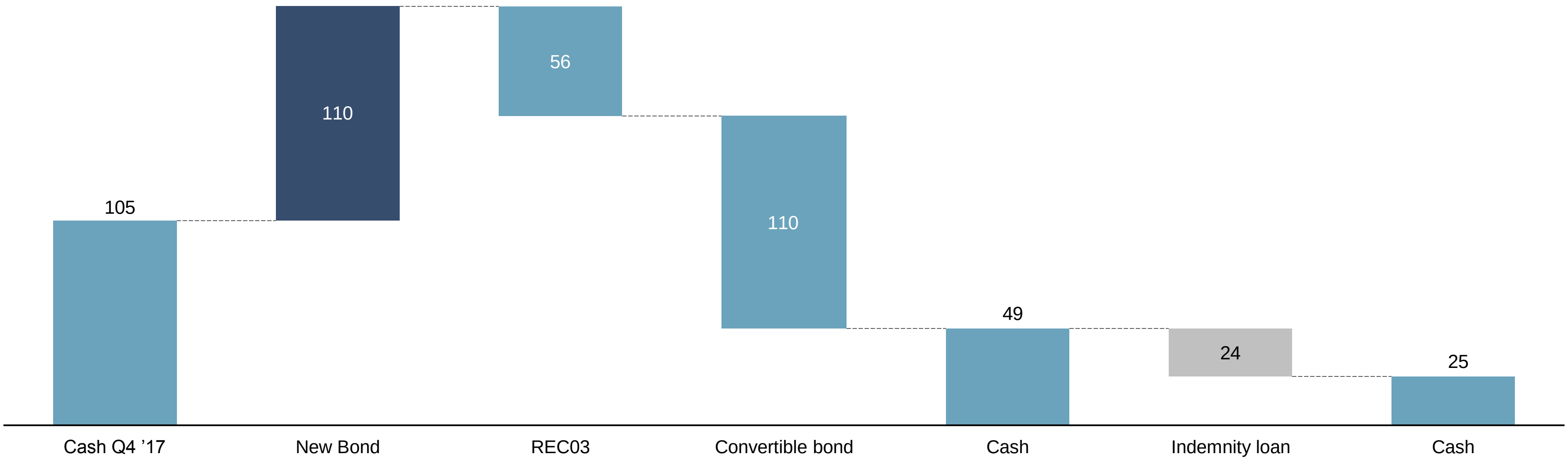
Post-transaction capital structure and debt maturities



The refinancing will create a financial runway for the Company

RECSILICON

Capital funding overview



- USD 55.5m REC03 due in May 2018 and USD 110.0m USD convertible bond due in September 2018
  - Will be repaid with cash at hand and by the new bond
- USD 24m indemnity loan can be covered by cash at hand while maintaining headroom to minimum liquidity covenant
  - Timing of the liability remains uncertain
- The potential Income tax liability, estimated at USD 30m could be served partly with cash at hand - should it occur - while any shortfall could be covered by either;
  - Cash flow from operations, or
  - Additional debt or new equity
  - The occurrence - and if so timing - of the liability is uncertain

Agenda

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Yulin JV

History

2014 Yulin JV Agreement

- Received USD 198m for FBR technology transfer
  - Used to retire USD 142.7m of REC debt
- REC's Equity Contribution
  - 15% August 2014: USD 75m
  - 34% July 2017: USD 169m resolved

2018 Framework Agreement

- Yulin JV Shareholding
  - SNF ~85%, REC Silicon ~15%
- REC to Pay
  - USD 0.6m interest and;
  - USD 10.4m over 3 Installments
- After 3 years, REC has the option to
  - Buy back ~34% Equity Interest from SNF,
  - or Remain or sell a ~15% Equity interest

Implications for REC

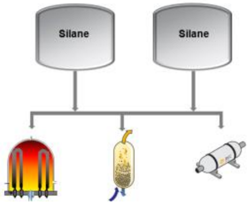
- No off-balance sheet liabilities
- Maintain option to continue as the only international player in China

Status

- First silane unit and FBR reactors started up December 2017
  - Production at 25% Capacity by end of Q1 2018
- Second silane unit and remaining FBR reactors start-up in Q2 2018
  - Full production capacity by second half 2018
- 2018 Targets
  - Polysilicon production = ~8,000 MT (FBR & Siemens)
  - Demonstrate high purity electrical grade polysilicon production
- Total investment within budget of USD1.25bn

Signing seremony, Feb 2014

Production facility



Solar trade war still unresolved

AD/CVD

- China and Taiwan accused of dumping
- US initiates tariff – Currently 62%
- China responds – 57% Tariff on US polysilicon
- REC access to Chinese markets restricted Since 2015

Section 201

- US module producers file for protection
- Affects all US imports of cells and modules
- President Trump's ruling:
    - 30% tariff on cells & modules
    - Stepdown to 5% over 4 years
    - 2.5 GW cell quota

US Government expresses commitment to pursue settlement for US polysilicon

- US Government is focused on value of US polysilicon industry
- US President Trump's order included:

> ***"The U.S. Trade Representative will engage in discussions… that could lead to positive resolution of the separate antidumping and countervailing duty measures currently imposed on Chinese solar products and U.S. polysilicon."***

Other financial indebtedness items

Indemnity loan

- NOK 200m indemnification loan is related to the REC Wafer Norway AS bankruptcy
- The loan represents estimated indemnification amounts
- The loan has been reported as an interest bearing liability; however, interest has not started to accrue
- Once the loan is called, outstanding amounts will bear interest at a rate of NIBOR + 0.5%
- The loan contains no financial covenants
- The loan was callable in February 2016, but has not been called
- The due date is uncertain

Reassessment of tax

- The company has received a draft decision from the Norwegian Central Tax Office (the “CTO”) concerning tax years 2009 through 2011, disallowing losses of NOK 7.7bn in total
- The company expects these amounts to be adjusted for group contributions and carry back of tax losses, which would result in the recognition of an estimated USD 26m in tax expense plus interest of approximately USD 4m
- The company has filed its response to the CTO in opposition to the draft decision. While timing is uncertain, the company does not expect a final ruling before 2H 2018
- In the company’s tax advisors’ opinion, it is more likely than not that the company’s position will prevail
- The outcome is uncertain, but the company continues to believe that the losses are tax deductible and that the Company’s position will eventually prevail
- The company intends to vigorously oppose any adverse ruling and intends to use all means available to press the company’s position in the appeals process

Q1 and 2018 expectations

FBR Production	
Q1	2,620MT
2018	9,760MT

FBR Cash Cost	
Q1	USD 11.1/kg
2018	USD 11.7/kg

Total Polysilicon Production	
Q1	2,990MT
2018	11,330MT

Semiconductor Production	
Q1	210MT
2018	870MT

Silicon Gas Sales	
Q1	880MT
2018	3,700MT

2018 Capex[1]	
Maintenance	USD 4m

Note: 1) Additions to Property, Plant and Equipment

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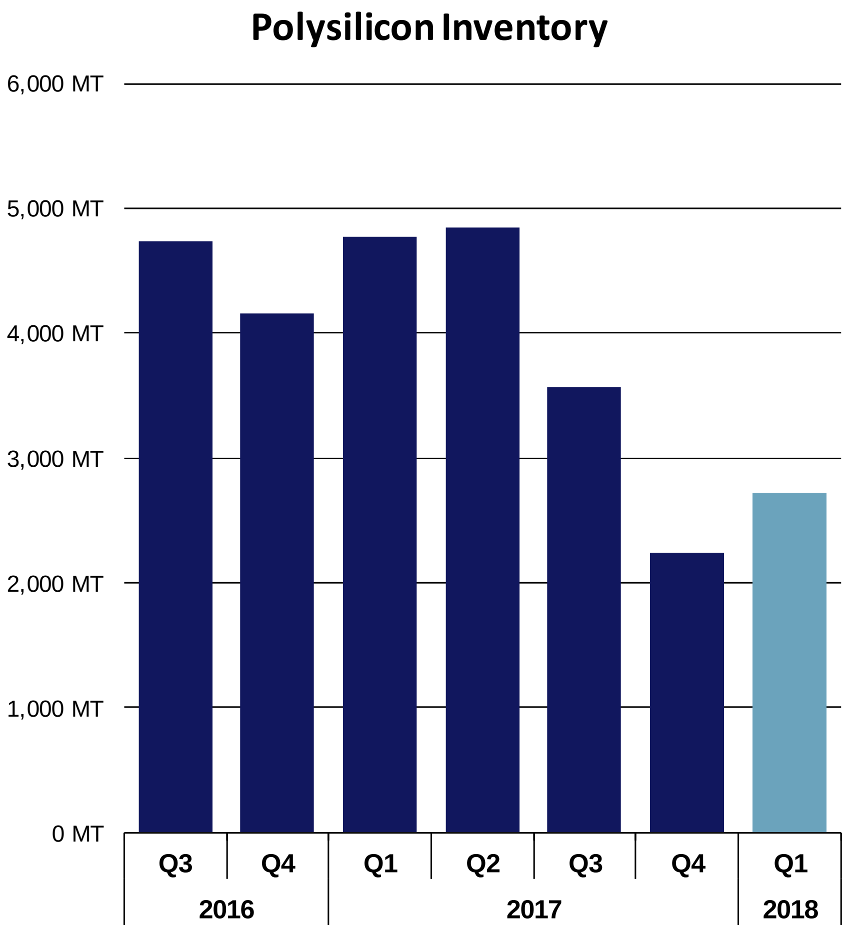
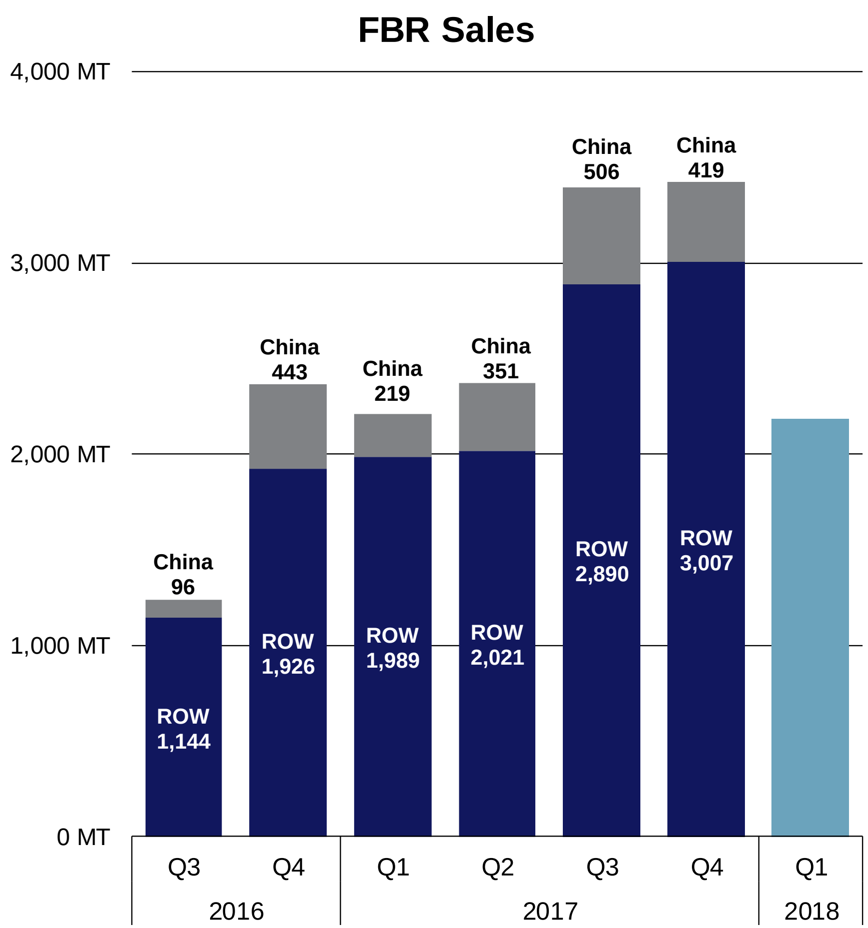
FBR production balanced with sales volumes





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Profit & Loss

(USD IN MILLION)	YEAR 2014	YEAR 2015	YEAR 2016	YEAR 2017
Revenues	493.0	329.9	271.2	272.4
Cost of materials	-99.7	-96.1	-60.0	-54.3
Changes in inventories	29.2	12.0	-29.0	-18.2
Employee benefit expenses	-93.5	-89.5	-74.6	-73.9
Other operating expenses	-197.0	-169.2	-140.3	-106.2
Other income and expenses	101.0	-0.1	2.0	-0.1
EBITDA	232.9	-13.0	-30.8	19.8
Depreciation	-131.9	-131.1	-90.3	-145.2
Amortization	-2.5	-3.1	-1.9	-1.8
Impairment	-4.3	-151.6	-93.1	-0.3
Total depreciation, amortization and impairment	-138.8	-285.7	-185.3	-147.3
EBIT	94.1	-298.8	-216.0	-127.5
Share of profit/loss of investments in associates	-0.6	-1.8	-2.9	-1.8
Financial income	4.6	3.4	1.7	0.6
Net financial expenses	-24.2	-11.2	-13.5	-30.2
Net currency gains/losses	131.8	115.1	-13.5	-34.1
Net gains/losses derivatives and fair value hedge	-1.5	0.0	0.0	0.0
Fair value adjustment convertible bonds	14.6	3.3	-3.9	-16.2
Net financial items	125.3	110.5	-29.2	-79.9
Profit/loss before tax from continuing operations	218.8	-190.1	-248.1	-209.2
Income tax expense/benefit from continuing operations	-5.4	127.3	100.7	-157.8
Attributable to:				
Owners of REC Silicon ASA	212.8	-62.6	-147.4	-367.0
Earnings per share (In USD)				
From continuing operations				
-basic	0.09	-0.02	-0.06	-0.14
-diluted	0.09	-0.02	-0.06	-0.14

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Balance sheet

(USD IN MILLION)	YEAR 2014	YEAR 2015	YEAR 2016	YEAR 2017
ASSETS				
Non-current assets				
Intangible assets	24.2	21.9	17.3	15.7
Land and buildings	74.6	62.8	51.7	50.5
Machinery and production equipment	839.9	605.2	460.7	416.7
Other tangible assets	20.9	16.2	13.2	12.0
Assets under construction	35.3	65.8	69.7	61.1
Property, plant and equipment	970.6	750.0	595.2	540.3
Government grant assets	116.7	110.8	89.7	0.0
Financial assets and prepayments	12.8	4.1	3.8	3.8
Deferred tax assets	0.0	34.5	134.7	0.0
Total non-current assets	1,124.4	921.2	840.7	559.8
Current assets				
Inventories	128.2	141.6	104.1	82.9
Trade and other receivables	124.1	70.3	55.3	48.6
Current tax assets	0.0	0.0	0.6	0.0
Restricted bank accounts	1.1	3.7	4.0	4.4
Cash and cash equivalents	96.4	95.4	65.8	104.5
Total current assets	349.8	311.0	229.8	240.4
Total assets	**1,474.2**	**1,232.2**	**1,070.6**	**800.2**

(USD IN MILLION)	YEAR 2014	YEAR 2015	YEAR 2016	YEAR 2017
EQUITY AND LIABILITIES				
Shareholders' equity				
Paid-in capital	3,115.3	3,158.0	3,158.0	3,158.0
Other equity and retained earnings	-2,060.9	-2,237.0	-2,376.0	-2,709.1
Total shareholders' equity	1,054.4	921.0	782.0	448.9
Non-current liabilities				
Retirement benefit obligations	18.4	18.2	18.1	20.1
Deferred tax liabilities	94.1	5.5	4.5	0.4
Investments in Associates	22.4	28.5	35.7	34.7
Derivatives	2.0	0.0	0.0	0.0
Non-current financial liabilities, interest bearing	190.4	138.8	144.1	0.0
Non-current prepayments, interest calculation	3.2	1.1	5.9	5.5
Other non-current liabilities, not interest bearing	0.1	0.2	0.2	8.8
Total non-current liabilities	330.5	192.3	208.6	69.6
Current liabilities				
Trade payables and other liabilities	80.1	72.5	53.8	62.9
Provisions	0.0	0.0	0.0	0.3
Current tax liabilities	2.6	0.0	0.0	26.0
Derivatives	0.0	1.4	1.5	1.5
Current financial liabilities, interest bearing	-0.2	42.9	23.1	187.8
Current prepayments, interest calculation	6.7	2.0	1.6	3.1
Total current liabilities	89.3	118.9	80.0	281.7
Total liabilities	419.8	311.2	288.6	351.3
Total equity and liabilities	**1,474.2**	**1,232.2**	**1,070.6**	**800.2**

Cash flows

(USD IN MILLION)	YEAR 2014	YEAR 2015	YEAR 2016	YEAR 2017
Cash flows from operating activities				
Profit/loss before tax from total operations 1)	218.2	-189.9	-248.1	-209.2
Income taxes paid/received	3.4	-3.0	0.0	0.6
Depreciation, amortization and impairment	138.8	285.7	185.3	147.3
Fair value adjustment convertible bond	-14.6	-3.3	3.9	16.2
Equity accounted investments, impairment financial assets, gains/losses on sale	0.6	1.8	2.9	1.8
Gains/losses on disposal of discontinued operations	0.6	-0.2	0.0	0.0
Changes in receivables, prepayments from customers etc.	-3.5	38.2	15.3	5.9
Changes in inventories	-33.0	-13.4	37.4	22.6
Changes in payables, accrued and prepaid expenses	-4.0	-3.8	-12.8	18.6
Changes in provisions	-1.3	0.0	0.0	0.3
Changes in VAT and other public taxes and duties	3.4	2.5	0.0	1.0
Changes in derivatives	11.3	-0.3	0.0	0.0
Currency effects not cash flow or not related to operating activities	-127.4	-111.7	13.2	33.6
Other items	-104.8	-1.0	6.8	0.1
Net cash flow from operating activities	87.7	1.6	3.8	38.8
Cash flows from investing activities				
Cash payments for shares (incl. equity accounted investments)	-75.0	0.0	0.0	0.0
Proceeds from finance receivables and restricted cash	5.6	0.8	0.3	0.0
Payments finance receivables and restricted cash	0.0	0.0	-0.2	-0.2
Proceeds from sale of property, plant and equipment and intangible assets	198.0	0.0	0.0	0.0
Payments for property, plant and equipment and intangible assets	-35.8	-54.7	-14.5	-2.6
Proceeds from investment in municipal bonds	0.0	5.7	0.0	0.0
Net cash flow from investing activities	92.8	-48.2	-14.4	-2.8
Cash flows from financing activities				
Increase in equity	0.0	42.7	0.0	0.0
Payments of borrowings and up-front/waiver loan fees	-143.1	-6.7	-21.2	0.0
Proceeds from borrowings	0.0	17.1	0.0	0.0
Net cash flow from financing activities	-143.0	53.1	-21.2	0.0
Effect on cash and cash equivalents of changes in foreign exchange rates	-2.6	-7.4	2.2	2.8
Net increase/decrease in cash and cash equivalents	34.8	-1.0	-29.7	38.8
Cash and cash equivalents at the beginning of the period	61.6	96.4	95.4	65.8
Cash and cash equivalents at the end of the period	96.4	95.4	65.8	104.5

Risk factors (1/11)

Investing in the Bonds involves inherent risks. Prospective investors should, based on attentive investors' presupposed understanding of macroeconomic conditions and financial market dynamics, carefully review this Information Presentation and carefully consider the risk factors set out in this section before making a decision to invest in the Bonds.

This section addresses risks associated with the macroeconomic context, the industry in which the Group operates and specific risks associated with the Group's business - production of advanced silicon materials, and supply of high-purity polysilicon and silicon gases to the solar photovoltaic ("PV") and electronics industries worldwide (the "Business"), and risks relating to the Bonds. The risk factors are not listed in any particular order of priority as to severity, significance or probability of occurrence of individual risks.

Additional risks and uncertainties, such risks and uncertainties presently neither known to the Issuer nor the relevant Group Companies, or currently deemed immaterial, may also affect and impair the Group's business operations and/or financial condition, and/or the value of the Bonds.

The Issuer's and the Group's business, financial condition, results of operations and cash flows could be materially adversely affected in the event of risks materializing. Under such conditions, the trading price of the Bonds could depreciate, and an investor may lose part or all of its investment. Therefore, an investment in the Bonds is suitable only for investors who understand the general risks associated with this type of investment, as well as the risks associated with the Issuer and the Group, specifically, and who can afford a loss of part or all of the investment in the Bonds.

Any forward-looking statements contained in this Presentation also involve risks and uncertainties. Actual results are, as a result of numerous factors including the risks described below and elsewhere in this Information Memorandum, likely to differ from those on which such forward-looking statements are based.

Macroeconomic, geopolitical and industry risk

The development of the global energy market prices are of key importance to the PV industry's and declining electricity prices could potentially significantly reduce the PV industry's demand for the Group's products.

The financial return of an investment in a PV system depends to a large extent on the market price of the electricity produced. While this is further influenced by government subsidies and support, as outlined below, the future development of the PV industry will to a significant degree depend on the development in electricity market prices over time. Electricity prices depend on a number of factors including, but not limited to, availability and costs of primary energy sources (including oil, coal, natural gas and uranium), and the development in cost, efficiency and equipment investment need for other electricity producing technologies, including other renewable energy sources. Additionally, developments in the cost of electricity transmission and electricity storage will influence the relevant market price. Declining electricity prices could potentially, through reduced demand from the PV industry, significantly reduce the demand for the Group's products, which could have a significant adverse effect on the Group's business, prospects, financial results and results of operations.

Changes in the legislation and regulatory framework in any of the jurisdictions in which the Group is active might have a significant negative impact on the Group.

The Group is exposed to risks related to general changes in legislation and regulatory framework in the various jurisdictions in which the Group operates. Changes in the legislative and fiscal framework, both generally and related to the customers in the PV industry, could have a significant adverse effect on the Group's business, prospects, financial results and results of operations.

Risk factors (2/11)

<u>Macroeconomic, geopolitical and industry risk cont'd</u>

Trade barriers, trade restrictions and unfair trade practices has had a significant negative impact on the Group's ability to sell its products at attractive terms. This may continue, adversely affecting the Group's performance. The Group 's performance will be adversely affected to the extent it is restricted from selling into important markets or competitors achieve unfair competitive advantages.

The Trump Administration recently issued a tariff scheme and quotas pertaining to imports of solar cells and modules, potentially aggravating the ongoing trade war between the United States and China, already hindering the Group from effectively competing for market share in certain markets. The new tariff and quotas could potentially also impact the Groups ability to compete in other key markets due to other countries' retributions. The continuance of, or implementing of further, trade restrictions, other barriers and unfair market practices could have a significant adverse effect on the Group's business, prospects, financial results and results of operations.

Limited capital availability for financing PV installations could have a significant negative impact on the demand for the Group's products.

The demand for PV products is dependent on the availability of short and long term funding (project financing as well as longer-term debt and equity financing) of small and large scale PV projects. A scarcity of financing during any given period of time could limit the demand for PV projects with a negative impact on the growth of the PV industry, implying a negative impact on the demand for the Group's products. This could have a significant adverse effect on the Group's business, prospects, financial results and results of operations.

An increase in interest rates could significantly reduce the profitability of PV plants and reduce the demand for PV systems.

Grid-connected PV plants are often to a large extent financed by the incurrence of debt. By reducing financing costs, relatively low interest rates generally have had a positive effect on the profitability of PV plants in recent years. In addition, the low interest rate environment has reduced the expected return on certain alternative investments. Relatively low interest rates therefore have made an essential contribution to the increase in the demand for PV systems. An increase in interest rates could significantly reduce the profitability of PV plants and reduce the demand for PV systems. This could in turn result in a decrease in demand for the Group's products, which could have a significant adverse effect on the Group's business, prospects, financial results and results of operations.

The PV industry, including suppliers such as the Group, may not be able to be competitive against other sources of renewable or conventional energy, adversely affecting demand for the Group's products

The PV industry competes, in particular, with other sources of renewable energy (e.g., wind, biomass, fuel cells) and conventional power generation. If prices for conventional and/or other renewable energy resources decline or if other renewable energy resources enjoy greater policy support than the PV industry, and the PV industry is not able to achieve reduction in aggregate production costs that enable reduced price per kilowatt-hour of electricity, the PV industry could suffer. This could result in lower demand from the Group's customers, which could have a significant adverse effect on the Group's business, prospects, financial results and results of operations.

Significant developments in technologies and changes in market structure supply and demand could significantly alter the Group's competitive situation.

Significant developments in technologies and changes in market structure, supply and demand could significantly alter the Group's competitive situation, which could have a significant adverse effect on the Group's business, prospects, financial results and results of operations.

Risk factors (3/11)

<u>Macroeconomic, geopolitical and industry risk cont'd</u>

Overcapacity in parts or all of the markets in which the Group operates could lead to a reduction in average selling prices and difficulties in keeping high capacity utilization resulting in a significant deterioration of profitability.

Periods of oversupply can result in reduced capacity utilization at the Group's production facilities, and therefore lead to higher manufacturing costs and/or layoffs and plant closures, which could have a significant adverse effect on the Group's business, prospects, financial results and results of operations.

Significant changes in competitive dynamics, end user demand or technology could have a significant adverse effect on the Group business, prospects, financial results and results of operations.

The Group is active as a sub-supplier to a wide range of end-uses, mainly in applications relating to electronics, flat panel displays and semiconductors. Significant changes in competitive dynamics, end user demand or technology in these markets could have a significant adverse effect on the Group's business, prospects, financial results and results of operations.

<u>Risks relating to the Group and the Business</u>

Key customers defaulting or going into bankruptcy, or renegotiation of contracts with key customers could have a significant negative impact on the Group's operating results.

If one or more of the Group's key customers were to default, and the Group would be unable to find alternative buyers or have to sell at a considerably lower price, this could have a significant material adverse effect on the financial results of the Group.

The Group has limited long-term agreements with its customers and accordingly is subject to short term fluctuations in demand, which could have significant negative impacts on its operating results.

The Group is exposed to fluctuations in sales prices and volume, which could cause its operating results to fluctuate and could have significant adverse effect on the Group's business, prospects, financial results and results of operations.

There are significant risks associated with joint ventures.

Where the Group participates in joint ventures, the companies in which the Group has made investments might be dependent on obtaining additional funding. If the credit market conditions worsen, the ability of these companies to obtain the external funding necessary to finance their development would be severely impaired, resulting in an increased demand on the Group to provide the necessary funding. The Group could under such circumstances be forced to either (i) take part in the funding, and be subject to an increased financial exposure, or (ii) not take part in the funding and face dilution of the Group's ownership share, or potentially face a loss of the investment if the joint venture does not succeed in meeting its funding requirement, resulting in either a worsening of the development potential, or in the worst case, bankruptcy. Any of these alternatives would affect the Group's financial position and/or liquidity situation.

There are significant risks associated with the growth of the Group. The Group may not succeed in securing the necessary financing for future investments, and future expansion projects may be significantly affected by cost overruns, schedule delays, technology risks and defects.

Developing appropriate internal organizational structures and management processes on an ongoing basis and the need to hire, integrate and retain an appropriate number of qualified employees represents a particular challenge for the Group. The Group may not succeed in securing the necessary financing for future investments.

Risk factors (4/11)

Risks relating to the Group and the Business cont'd

Future expansion projects may be significantly affected by cost overruns, schedule delays, technology risks and defects. This could have significant adverse effects on the Group's business, prospects, financial results and results of operations.

The Group currently takes advantage of tax agreements and preferential tax treaties in certain territories. Such agreements and treaties are liable to change and renegotiations, which typically are outside the Group's control, that may remove some or all of the benefits the Group currently enjoys.

The Group currently takes advantage of tax agreements and preferential tax treaties in certain territories. Such agreements and treaties are liable to change and renegotiations, which typically are outside the Group's control, may remove some or all of the benefits the Group currently enjoys. Any changes to these arrangements may, accordingly, have a detrimental effect on the Group's financial position, cash flows and its ability to compete going forward.

Global economic downturn and dislocation in the financial markets may expose the Group to liquidity risk.

There can be no assurance that the Group over the longer term will be able to refinance its debt as it becomes due or obtain additional debt financing on commercially acceptable terms or to access the Group's current debt facilities.

Changes in the interest rates affect cash flows and the estimated fair values of assets and liabilities.

The Company is exposed to interest rate risk through funding and cash management activities. Changes in interest rates affect the estimated fair values of financial assets and liabilities with fixed interest rates. When estimating value in use of other assets, or groups of assets, changes in interest rates may affect the discount rate and consequently the estimated fair values. Changes in interest rates also impacts the competitiveness of solar power installations and thereby the customer's willingness and capability to pay for the Group's products. This could have a significant adverse effect on the Group's business, prospects, financial results and results of operations.

The Group is exposed to exchange rate risks, and exchange rate changes might significantly influence the relative cost position of the Group and the estimated fair values of assets and liabilities.

The Group operates internationally and is exposed to currency risk arising from commercial transactions and assets and liabilities in currencies other than the entities' functional currencies. The Group sells its products in the global market. The Group's competitors are situated in several geographical locations and might have exposure to a different mix of currencies from the Group. Therefore, the relative development of the Group's main cost currencies and those of its competitors could significantly influence the Group's relative cost position and the estimated fair values of assets and liabilities. This could potentially make the Group's production facilities fundamentally uncompetitive, something that could have a significant adverse effect Group's business, prospects, financial results and results of operations.

The Group will from time to time be involved in disputes and legal or regulatory proceedings.

The Group will from time to time be involved in disputes and legal or regulatory proceedings. Such disputes and legal or regulatory proceedings may be expensive and time-consuming, and could divert management's attention from the Group's business. Furthermore, legal proceedings could be ruled against the Group and the Group could be required to, inter alia, pay damages or fines, halt its operations, stop the sale of its products, etc., which could have a significant adverse effect on the Group's business, prospects, financial results and results of operations.

The Group is dependent on a limited number of third party suppliers for key production raw materials, supplies, components and services for its products and any disruption to supply could negatively impact its business significantly.

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Risk factors (5/11)

Risks relating to the Group and the Business cont'd

The failure of a supplier to supply raw materials, components, consumables and/or services in a timely manner, or to supply raw materials, components, consumables and/or services that meet the Group's quality, quantity and cost requirements, could impair the Group's ability to manufacture its products or decrease its costs (including claims), particularly if it is unable to obtain substitute sources of these raw materials, components, consumables and/or services on a timely basis or on terms acceptable to the Group. This could have a significant adverse effect on the Group's business, prospects, financial results and results of operations.

The Norwegian Central tax Office has prepared a draft decision concerning the Issuer's tax returns for the fiscal years 2009,2010 and 2011, whereby claimed deductions for losses are challenged.

The Company has received a draft decision from the Norwegian Central Tax Office, whereby claimed losses for the fiscal years 2009 through 2011 are challenged. The Company has responded to the draft decisions, and addressing what it sees as misinterpretation of legal doctrine and fallacies in application of factual circumstance. Although Company has received advice to from its tax advisors to the effect that it is more likely than not that the Company's position will prevail, there can be no assurance that the Company will succeed in its challenges. Should the Company's views not ultimately prevail , the Company will be subject to substantial tax claims. Even if the Company is ultimately successful, it may need to fund the value of interim decisions.

The Group is relying on external subcontractors and suppliers of services and goods to meet agreed or generally accepted standards.

The Group's polysilicon manufacturing operations rely on external subcontractors and suppliers of services and goods to varying degrees. This operating model inherently contains a risk to the Group's goodwill and branding. If suppliers fail to meet agreed or generally accepted standards in areas such as environmental compliance, human rights, labor relations and product quality, this could have a significant adverse effect on the Group's business, prospects, financial results and results of operations. The scope of this risk has increased in recent years, as the Group's business has grown in size and extended into many new geographic markets, including the production facility in Singapore and outsourcing of a part of the cell and module manufacturing.

The Group's results of operations may be significantly adversely affected by fluctuations in energy prices.

Electricity is a principal component of cost of production. Significant increases in the cost of electricity at the Group's polysilicon production facilities could have a significant adverse effect on the Group's business, prospects, financial results and results of operations.

If the Group does not achieve satisfactory yields or quality in manufacturing its products, the Group's sales could decrease significantly and its relationships with its customers and its reputation may be harmed significantly.

If the Group does not achieve planned yields, its product costs could increase, and product availability would decrease, which could have a significant adverse effect on the Group's business, prospects, financial results and results of operations. The Group, like any manufacturer, from time to time receives complaints from customers regarding the quality of its products. Also, product quality has become an increasingly important competitive factor in the market and, the Group is constantly striving to improve the quality of its products. If the Group is not able to achieve satisfactory quality in manufacturing its products or does not continue to develop at the same rate as its competitors, the demand for its products could be adversely affected and existing contracts could be terminated, which could have a significant adverse effect on the Group's business, prospects, financial results and results of operations.

The Group relies upon intellectual property and trade secret laws and contractual restrictions to protect important proprietary rights, and, if these rights are not sufficiently protected, its ability to compete and generate revenue could suffer significantly.

Risk factors (6/11)

Risks relating to the Group and the Business cont'd

The Group seeks to protect important proprietary manufacturing processes, documentation and other written materials, and other intellectual property primarily under patent, trade secret and copyright laws. It also typically requires employees, consultants and companies that have access to its proprietary information to execute confidentiality agreements. The steps taken by the Group to protect its proprietary information may not be adequate to prevent misappropriation of its technology. In addition, the Group's proprietary rights may not be adequately protected because:

people may not be deterred from misappropriating its technologies despite the existence of laws or contracts prohibiting misappropriation;

policing unauthorized use of the Group's intellectual property is difficult, expensive and time-consuming, and the Group may be unable to determine the extent of any unauthorized use; and

the laws of certain countries in which the Group markets or plans to market its products may offer little or no protection for its proprietary technologies.

Unauthorized copying or other misappropriation of the Group's proprietary technologies could enable third parties to benefit from its technologies without paying for doing so. Any inability to adequately protect its proprietary rights could harm the Group's ability to compete, to generate revenue and to grow its business. This could have a significant adverse effect on the Group's business, prospects, financial results and results of operations.

The Group may not obtain sufficient patent protection on the technology embodied in its products and production processes, which could significantly harm its competitive position and increase its expenses significantly.

The Group's patent applications may not result in issued patents, and even if they result in issued patents, the patents may not have claims of the scope that the Group seeks. In addition, any issued patents may be challenged, invalidated or declared unenforceable, or a competitor may have filed similar patent applications as the Group in the 18 non-published months prior to the Group's own filing. The Group's present and future patents may provide only limited protection for its technology and may not be sufficient to provide competitive advantages. For example, competitors could be successful in challenging any issued patents or, alternatively, could develop similar or more advantageous technologies on their own or design around the Group's patents. Also, patent protection in certain countries may not be available or may be limited in scope and any patents obtained may not be as readily enforceable as in all jurisdictions, making it difficult for the Group to effectively protect its intellectual property from misuse or infringement by other companies in these countries. Any inability to obtain and enforce intellectual property rights in some countries could have a significant adverse effect on the Group's business, prospects, financial results and results of operations. In addition, given the costs of obtaining patent protection and the sometimes limited potential for protection, the Group may choose not to protect certain innovations that later turn out to be important. There is also a general risk that the Group receives information subject to confidentiality agreements, regarding other parties' know-how and trade secrets in relation to technology which may hinder the Group from development of similar intellectual assets.

The Group's intellectual property indemnification practices may adversely impact its business significantly.

The Group may be required to indemnify some of its customers and third party intellectual property providers for certain costs and damages of patent infringement in circumstances where its products are a factor creating the customer's or these third party providers' infringement liability. This practice may subject the Group to significant indemnification claims by its customers and third party providers. The Group cannot guarantee that indemnification claims will not be made or that any such claims will not have a significant adverse effect on the Group's business, prospects, financial results and results of operations.

The Group could get involved in intellectual property disputes that could be time-consuming and costly and could result in loss of significant rights and/or penalties.

Risk factors (7/11)

Risks relating to the Group and the Business cont'd

The Group cannot guarantee that grounds for such claims of infringement does not currently exist or will not occur in the future. Intellectual property litigation is expensive and time consuming, could divert management's attention from the Group's business and could have a material adverse effect on the Group's business, prospects, financial results or results of operations.

The Group may incur significant costs to comply with, or as a result of, health, safety, environmental and other laws and regulations.

The Group's operations are subject to numerous environmental requirements under the laws and regulations of the various jurisdictions in which the Group conducts its business. Such laws and regulations govern, among other matters, air pollution emissions, wastewater discharges, solid and hazardous waste management, and the use, composition, handling, distribution and transportation of hazardous materials. Many of these laws and regulations are becoming increasingly stringent (and may contain "strict liability"), and the cost of compliance with these requirements can be expected to increase over time.

The Group's manufacturing processes in Moses Lake, Washington and Butte, Montana involve manufacturing, processing, storage, use, handling, distribution and transport of silane gas and other substances of an explosive or hazardous nature. Accidents or mishandlings involving these substances could cause severe or critical damage or injury to property and human health. Such an event could result in civil lawsuits and/or regulatory enforcement proceedings, both of which could lead to significant liabilities. Any damage to persons, equipment or property or other disruption of the Group's ability to produce or distribute the Group's products could result in significant additional costs to replace or repair and insure the Group's assets, which could negatively affect the Group's business, prospects, financial results and results of operations. The Group also incurs considerable expenditures to install, maintain and monitor equipment designed to safely manage these volatile substances and to limit and manage air emissions, waste water discharges and solid and hazardous waste generated by the Group's processes.

The Group depends on various discharge permits granted by authorities. From time to time, breaches of the allowed emission limits set out in such permits may occur. If such limits of the relevant permits should be exceeded, this may have a significant effect on the Group's operations and result, as the Group may be ordered to temporarily halt production, be subject to fines and/or be ordered to undertake corrective measures.

The Group cannot predict the impact of new or changed laws or regulations relating to health, safety, the environment or other concerns or changes in the ways that such laws or regulations are administered, interpreted or enforced. The requirements to be met, as well as the technology and length of time available to meet those requirements, continue to develop and change. To the extent that any of these requirements impose substantial costs or constrain the Group's ability to expand or change its processes, the Group's business, prospects, financial results and results of operations could suffer. Any breach of such requirements could in addition result in fines or other substantial costs and/or constraint the Group's ability to operate its production plants, which could have a significant adverse effect on its business, prospects, financial results and results of operations.

The Group depends on certain executive officers and other key employees particular in the area of research and development and other qualified personnel in key areas.

The success of the Group depends on qualified executives and employees, in particular certain executive officers of the Group and employees with research and development expertise. The loss of executives, key employees in the area of research and development, or other employees in key positions could have a material adverse effect on the market position and research and development expertise of the Group. Considerable expertise could be lost or access thereto gained by competitors. Post-contractual prohibitions on competition exist for only certain members of the Group's management and despite the existence of such post-contractual prohibitions, no assurance can be given that such prohibitions will be complied with or, if breached, can be enforced effectively. Due to intense competition, there is a risk that qualified employees will be attracted by competitors and that the Group will be unable to find a sufficient number of appropriate new employees. There can be

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Risk factors (8/11)

Risks relating to the Group and the Business cont'd

no assurance that the Group will be successful in retaining these executives and the employees in key positions or in hiring new employees with corresponding qualifications. If the Group fails to do so, it could have a significant adverse effect on the Group's business, prospects, financial results and results of operations.

The Group could be seriously harmed by catastrophes, natural disasters, consequences of climate change, operational disruptions or deliberate sabotage.

Silane gas is a pyrophoric, i.e. a highly combustible substance which explodes upon contact with air, and is therefore potentially destructive and extremely dangerous if mishandled or in uncontrolled circumstances. The occurrence of a catastrophic event involving silane gas or hydrogen at one of the Group's polysilicon production facilities could threaten, disrupt or destroy a significant portion or all of the Group's polysilicon and silane gas production capacity at such facility for a significant period of time. Additionally, the polysilicon production facilities are highly reliant on electricity. Accordingly, an interruption in the supply of electricity at one of the Group's manufacturing facilities could disrupt a significant portion of the Group's production capacity for a significant period of time. Finally, the occurrence of deliberate industrial sabotage or a terrorist attack at one of the Group's manufacturing facilities could threaten, disrupt or destroy a significant portion of the Group's production capacity for a significant period of time.

Despite insurance coverage, the Group could incur uninsured losses and liabilities arising from such events, including damage to the Group's reputation, and/or suffer substantial losses in operational capacity, which could have a significant adverse effect on the Group's business, prospects, financial results and results of operations.

The Group could be seriously harmed by incidents resulting in damages not covered by insurance.

The Group operates several complex chemical plants, and operates in several countries. There is a risk that incidents can occur resulting in damages not covered by insurance, which could have a significant adverse effect on the Group's business, prospects, financial results and results of operations.

The Group's insurance policies need regular renewal and the Group cannot guarantee that these renewals can be made on the same terms as existing policies or that the Group will be able to obtain insurance on normal and acceptable terms.

The Group renegotiates and renews its insurance policies on a regular basis. Although the Group has not received any indication that the future renewal of its insurance policies will be difficult, the Group cannot guarantee that these renewals can be made on the same terms as existing policies or that the Group will be able to obtain insurance on normal and acceptable terms. If not, such circumstances could have a significant adverse effect on the Group's business, prospects, financial results and results of operations.

Because the markets in which the Group is active are highly competitive and many potential competitors may have greater resources, the Group may not be able to compete successfully and may lose or be unable to gain market share.

The Group's existing and potential competitors may for various reasons be able to respond more quickly than the Group to changing customer demands or to devote greater resources to the development, promotion and sales of their products. The Group's business relies on sales of its products, and competitors with more diversified product offerings may be better positioned to withstand a decline in the demand for products of the types that the Group offers. It is possible that new competitors or alliances among existing competitors could emerge and rapidly acquire significant market share, which would harm the Group's business. If the Group fails to compete successfully, it could have a significant adverse effect on the Group's business, prospects, financial results and results of operations.

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Risk factors (9/11)

Risks relating to the Group and the Business cont'd

There are risks related to unanticipated technology problems and deliberate attacks to the Group's telecommunications and information technology systems.

The Group is dependent on advanced computer database and telecommunications technology as well as upon its ability to protect its telecommunications- and information technology systems against damage or system interruptions from human error, natural disasters, telecommunications failures, sabotage or vandalism and computer viruses. A temporary or permanent loss of any of the Group's systems or networks could cause significant disruption to the Group's business operation. The Group cannot guarantee absolute protection against unauthorised attempts to access its servers, its data and information systems, attempts to cause technical malfunctions or interruptions in its IT services or the loss or corruption, as a result of a virus or otherwise, of databases, software, hardware or any other IT equipment. Such damages could have a significant adverse effect on the Group's business, prospects, financial results and results of operations.

There are risks related to estimation uncertainty, as the assumptions used as basis for management's estimations are inherently uncertain and unpredictable and, as a result, future estimates and actual results may differ from the current estimates.

The preparation of financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, as well as the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Consolidated financial statements, changes in key assumptions could lead to the recognition of additional impairment losses. Changes in evaluation of the useful lives of assets may change depreciation and amortization going forward. The Group is subject to income taxes in several jurisdictions. Judgment is required in determining the provision for income taxes, and the final outcome may be different from the amounts that were initially recorded. The Group recognizes its best estimate of provisions for liabilities of uncertain amount and timing, including warranty provisions, provisions for restructuring, onerous contracts and asset retirement and restoration obligations. Management believes that the assumptions are reasonable, but they are inherently uncertain and unpredictable and, as a result, future estimates and actual results may differ from the current estimates.

The Group's assets may be subject to further impairment of asset values.

The estimated values in use of the Group's operating assets are sensitive to changes in prices and other key assumptions. There is a risk that the price projections and cost targets that are used in the impairment tests cannot be achieved and that management needs to adjust its judgment of the future developments. This can result in a further reduction of the estimated cash flows and thereby the estimated values in use.

Risks relating to the Bonds

The Bonds may not be a suitable investment for all investors.

Each potential investor in the Bonds must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should: (i) have sufficient knowledge and experience to make a meaningful evaluation of the Bonds; (ii) have access to and knowledge of the appropriate analytical tools to evaluate an investment in the Bonds; (iii) have sufficient financial resources and liquidity to bear the risks associated with investment in the Bonds; (iv) understand the terms of the Bonds and the behaviour of the relevant financial markets; and (v) be able to evaluate possible scenarios for economic interest rate and other factors that may affect its investment.

Risk factors (10/11)

Risks relating to the Bonds cont'd

The value of the collateral securing the Bonds may not be sufficient to cover the outstanding Bonds in case of default or liquidation.

Although the Bonds are secured obligations of the Issuer, there can be no assurance that the value of the assets securing the Bonds and the Issuer's other assets will be sufficient to cover all the outstanding Bonds together with accrued interests and expenses in case of a default and/or if the Issuer goes into liquidation.

The Group may be unable to refinance all or a portion of its existing debt including the Bonds.

If the Group is unable to generate sufficient cash flow from operations in the future to service its debt, the Group may be required to refinance all or a portion of its existing debt, including the bonds, or to obtain additional financing. There can be no assurance that any such refinancing would be possible or that any additional financing could be obtained. Inability to obtain such refinancing or financing may have a material adverse effect on the Group's business, results of operations, financial position and/or cash flow.

A trading market for the Bonds may not develop or the market price of the Bonds may be volatile.

The Bonds will be new securities for which currently there is no trading market. There can be no assurance as to: (i) the liquidity of any such market that may develop; (ii) bondholders' ability to sell the Bonds; or (iii) the price at which bondholders would be able to sell the Bonds. If such a market were to exist, the Bonds could trade at prices that may be lower than the principal amount or purchase price, depending on many factors, including prevailing interest rates, the market for similar bonds and the Group's financial performance and outlook. If an active market does not develop or is not maintained, the price and liquidity of the Bonds may be adversely affected.

The Issuer's redemption option may limit the market value of the Bonds.

The terms and conditions of the Bond Terms will provide that the Bonds shall be subject to optional redemption in accordance with the terms and conditions of the Bond Terms. This is likely to limit the market value of the Bonds. It may not be possible for bondholders to reinvest proceeds at an effective interest rate as high as the interest rate on the Bonds.

The Issuer may not have sufficient funds to redeem the Bonds upon the bondholders exercising their put options in the event of qualifying event.

Upon the occurrence of a change of control event, de-listing event, a listing failure event or a material asset sale event, each individual bondholder shall have a right to require that the Issuer purchases all or some of the Bonds held by that Bondholder, as further set out in the Bond Terms. However, it is possible that the Issuer may not have sufficient funds or be able to obtain third-party financing to make the required redemption of bonds, resulting in an event of default under the Bonds.

The Bonds may be subject to purchase and transfer restrictions.

While the Bonds are freely transferable and may be pledged, any Bondholder may be subject to purchase or transfer restrictions with regard to the Bonds, as applicable from time to time under local laws to which a Bondholder may be subject (due e.g. to its nationality, its residency, its registered address, its place(s) for doing business or similar), including, but not limited to, specific transfer restrictions applicable to Bondholders located in the United Kingdom and the United States. The Group is relying upon exemptions from registration under the U.S. Securities Act, applicable state securities laws and UK and EU securities laws in the placement of the Bonds. As a result, in the future the Bonds may be transferred or resold only in a transaction registered under or exempt from the registration requirements of such legislation. Consequently, investors may not be able to sell their Bonds at their preferred time or price. The Issuer cannot assure investors as to the future liquidity of the Bonds and as a result, investors bear the financial risk of their investment in the Bonds, and each Bondholder must ensure compliance with applicable local laws and regulations at its own cost and expense.

Risk factors (11/11)

Risks relating to the Bonds cont'd

The Bond terms may be modified subject to majority decisions or subject only to the Issuer's agreement with the trustee.

The Bond Terms governing the Bonds will contain provisions for calling meetings of Bondholders. These provisions permit defined majorities to make decisions affecting and binding all Bondholders. The trustee may, without the consent of the bondholders, agree to certain modifications of the Bond Terms and other finance documents which, in the opinion of the trustee, are proper to make.

Prospective investors may not be able to recover in civil proceedings for U.S. securities laws violations.

The Bonds will be issued by the Issuer, which is incorporated under the laws of the Kingdom of Norway. Many of the Issuer's and the Group's members of senior management and Directors and executives currently reside outside the United States. As a result, prospective investors may be unable to effect service of process within the United States, or to recover on judgments of U.S. courts in any civil proceedings under the U.S. federal securities laws.

The Issuer, despite financial assistance from other Group Companies, may not be able to repay the Bonds.

If the cash flow and capital resources are insufficient to fund the debt obligations, the Group may be forced to sell assets, seek additional equity or debt capital or restructure its debt. In addition, any failure to make scheduled payments of interest and principal on outstanding indebtedness is likely to result in a reduction of credit rating, which could harm the ability to incur additional indebtedness on acceptable terms.

The terms and conditions of the Bonds are governed by Norwegian law and there are risks of changes to such laws.

The terms and conditions of the Bonds are governed by Norwegian law in effect as at the date of this presentation. No assurance can be given as to the impact of any possible judicial decision or change to such laws or administrative practices after the date of this presentation.


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