RECSiLICON

THIRD QUARTER 2018

PRESENTATION

Disclaimer

This presentation includes and is based, inter alia, on forward-looking information and statements that are subject to risks and uncertainties that could cause actual results to differ. These statements and this presentation are based on current expectations, estimates and projections about global economic conditions, the economic conditions of the regions and industries that are major markets for REC Silicon ASA's (including subsidiaries and affiliates) lines of business. These expectations, estimates and projections are generally identifiable by statements containing words such as "expects", "believes", "estimates" or similar expressions. Important factors that could cause actual results to differ materially from those expectations include, among others, economic and market conditions in the geographic areas and industries that are or will be major markets for REC Silicon ASA's businesses, energy prices, market acceptance of new products and services, changes in governmental regulations, interest rates, fluctuations in currency exchange rates and such other factors as may be discussed from time to time in the presentation. Although REC Silicon ASA believes that its expectations and the presentation are based upon reasonable assumptions, it can give no assurance that those expectations will be achieved or that the actual results will be as set out in the presentation. REC Silicon ASA makes no representations or warranties, expressed or implied, as to the accuracy, reliability or completeness of the presentation, and neither REC Silicon ASA nor any of its directors, officers or employees will have any liability to you or any other persons resulting from your use.

This presentation was prepared for the third quarter 2018 results on October 24, 2018. Information contained herein will not be updated. The following slides should be read and considered in connection with the information given orally during the presentation.

REC Silicon ASA shares have not been registered under the U.S. Securities Act of 1933, as amended (the "Act"), and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of the Act.

Agenda

Q2 Financial Results

Financial Overview

Market Outlook

Trade Update

Yulin JV Update

Market Development

Short Term Business Plan

Guidance

Q & A

Highlights

Revenues: **$43.7M**

EBITDA: **($ 6.1M) Loss**

September 30, 2018 Cash Balance of $41.0M

- Cash Decrease of ($1.4M)
- Cash Outflows from Operations ($1.7M)
- Working Capital Decrease of $4.0M

FBR Cash Cost of $15.1/kg

- FBR Capacity Utilization Decreased to ~25% in June
- Lower Spending Due to Delay of Planned Maintenance

Silicon Gas Sales Volumes

- Sales Volume of 865MT (5.8% Decrease)
- 1.3% Silane Gas Price Increase

Yulin JV Start-up Progressing Well

- ~3,000MT Produced YTD
- FBR Solar Grade Quality Achieved
- Silane Units and FBR Reactors Have Achieved Design Capacity

Key Metrics

Polysilicon Sales Volume **	
Total	2,219MT
Inventory Increase	503MT

FBR Production	
Actual	1,170MT
Guidance*	1,200MT
Deviation	-2.5%

FBR Cash Cost	
Actual	$15.1/kg
Guidance*	$15.9/kg
Deviation	-5.0%

Total Polysilicon Production	
Actual	1,615MT
Guidance*	1,630MT
Deviation	-0.9%

Semiconductor Production	
Actual	296MT
Guidance*	300MT
Deviation	-1.4%

Silicon Gases Sales Vol.	
Actual	865MT
Guidance*	900MT
Deviation	-3.9%

* Guidance Presented July 19, 2018
** Excludes Fines and Powders

RECSiLICON

FINANCIAL REVIEW

Summary of Segments

(USD million)	Q3 2018		Q2 2018		YTD 2018	
	Revenues	EBITDA	Revenues	EBITDA	Revenues	EBITDA
Solar Materials (Moses Lake)	6.2	(9.9)	20.4	(15.9)	59.3	(17.4)
Semiconductor Materials (Butte)	37.6	9.3	38.6	14.4	113.9	41.2
Other	-	(5.4)	-	(8.1)	-	(24.4)
Eliminations	-	-	(0.0)	(0.0)	(0.9)	(0.5)
REC Silicon Group	43.7	(6.1)	58.9	(9.6)	172.3	(1.1)

Key Financial Results

Solar Materials

Revenues: $6.2M (69.8% Decrease vs. Q2'18)
EBITDA Contribution: ($9.9M) Loss

- Polysilicon Sales Volumes 658MT (62.2% Decrease vs. Q2'18)
  - 20.5% Average Price Decrease vs. Q2'18
  - 27.1% Prime Grade Solar Price Decrease vs. Q2'18

Semiconductor Materials

Revenues: $37.6M (2.5% Decrease vs. Q2'18)
EBITDA Contribution: $9.3M

- Polysilicon Sales Volumes 455MT (35.8% Increase vs. Q2'18)
  - 16.9% Average Price Decrease vs. Q2'18
  - 4.6% Semiconductor Grade Price Decrease vs. Q2'18
- Silicon Gas Sales Volumes 865MT (5.8% Decrease vs. Q2'18)
  - 1.3% Silane Price Increase vs. Q2'18

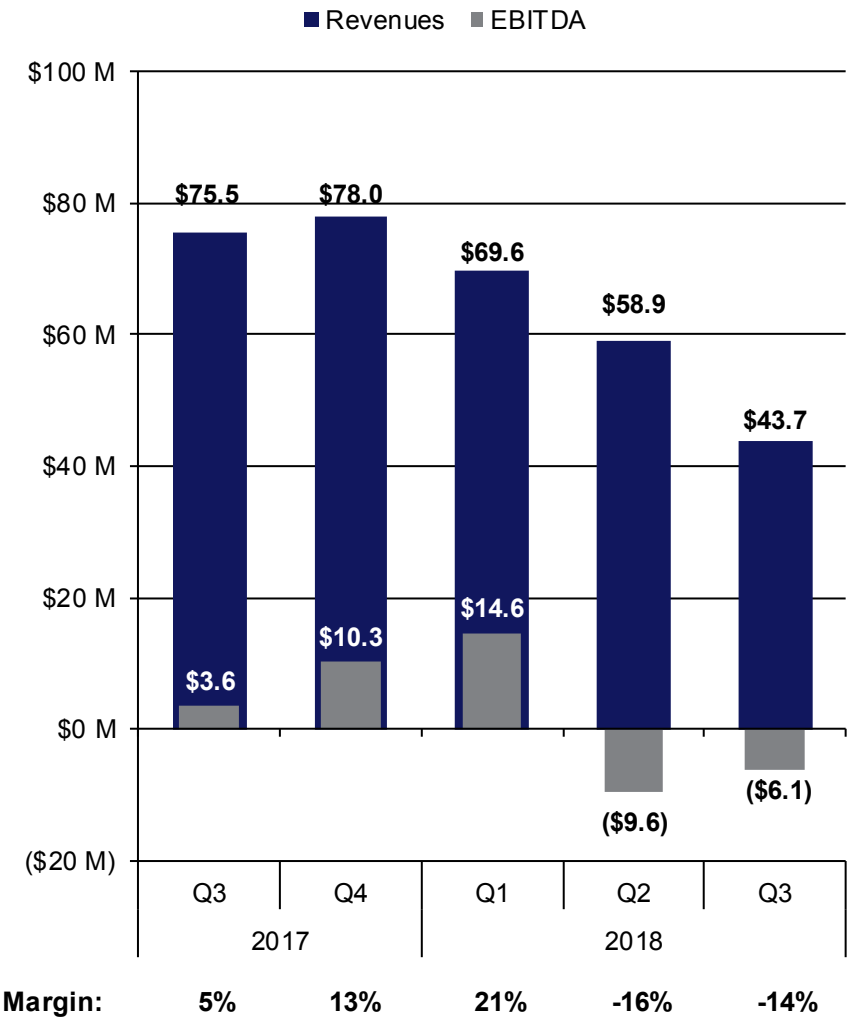
Other and Eliminations

Net Cost: ($5.4M) (33.3% Decrease vs. Q2'18)

- Reflects Success of Costs Savings Initiatives
- Includes $0.7M Reimbursement of Expense by Yulin JV

EBITDA Loss of ($6.1M)

- Low FBR Sales Volumes
- Inventory Write-downs due to Decreases in Solar Grade Polysilicon Prices
- Offset by Lower Spending (FBR Capacity Curtailment)



Cash Flows

Cash Outflows From Operating Activities ($1.7M)

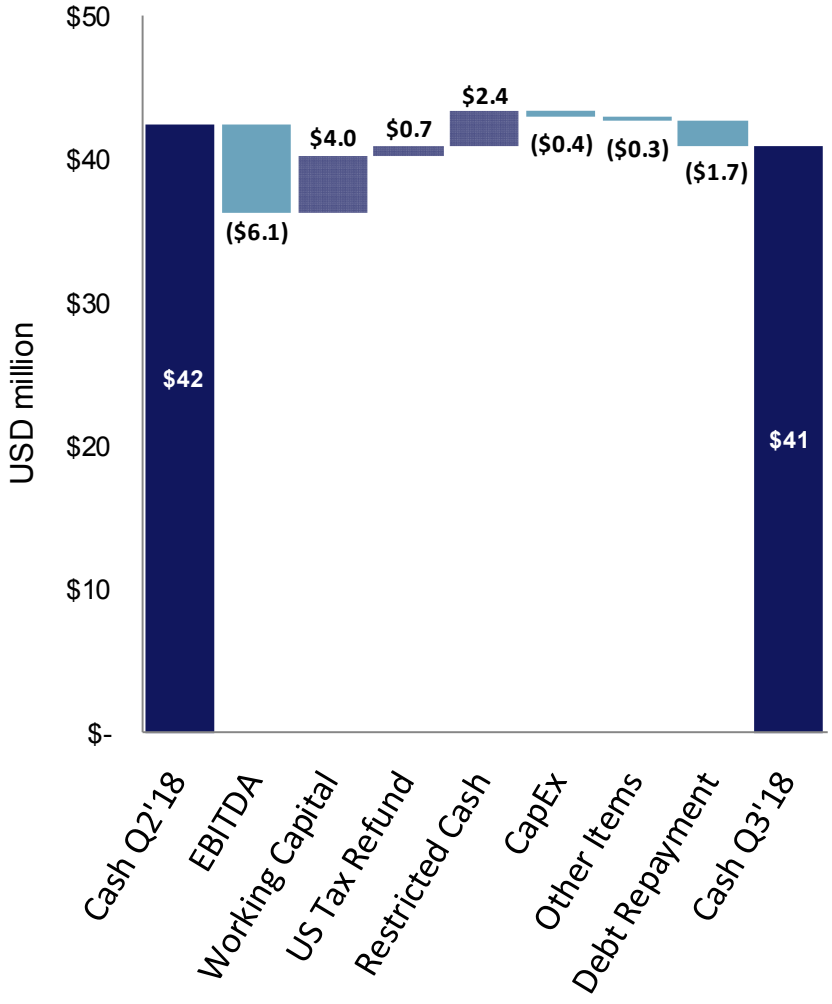
- EBITDA - Loss of ($6.1M)
- Working Capital Decrease $4.0M
  - Increase in Inventories ($5.6M)
  - Decrease in Receivables $5.5M
  - Increase in Payables $4.2M
- US Tax Refund $0.7M
- Other ($0.2M)

Cash Flows From Investing Activities $2.0M

- Capex ($0.4M)
- Release of Restricted Cash $2.4M

Cash Outflows From Financing Activities ($1.7M)

- ($1.5M) Repurchase of USD Convertible
- ($0.2M) Fees Associated with Bond Issue



Liquidity

Nominal Debt - $134.5M

- Decrease of $1.6M in Q3'18
  - ($1.5M) Repayment of USD Convertible
  - ($0.1M) Due to Stronger USD Relative to NOK

Nominal Net Debt - $93.5M

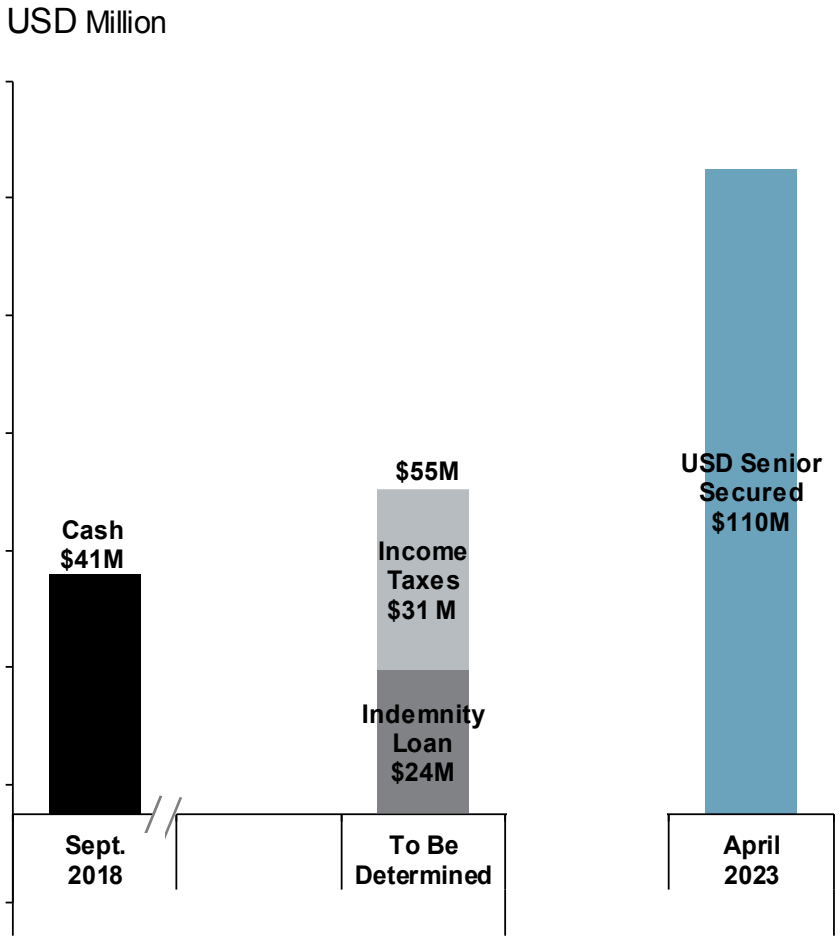
- Decrease of $0.1M in Q3'18
  - Decrease in Cash of $1.4M
  - Decrease in Nominal Debt of ($1.6M)

Indemnity Loan - $24M

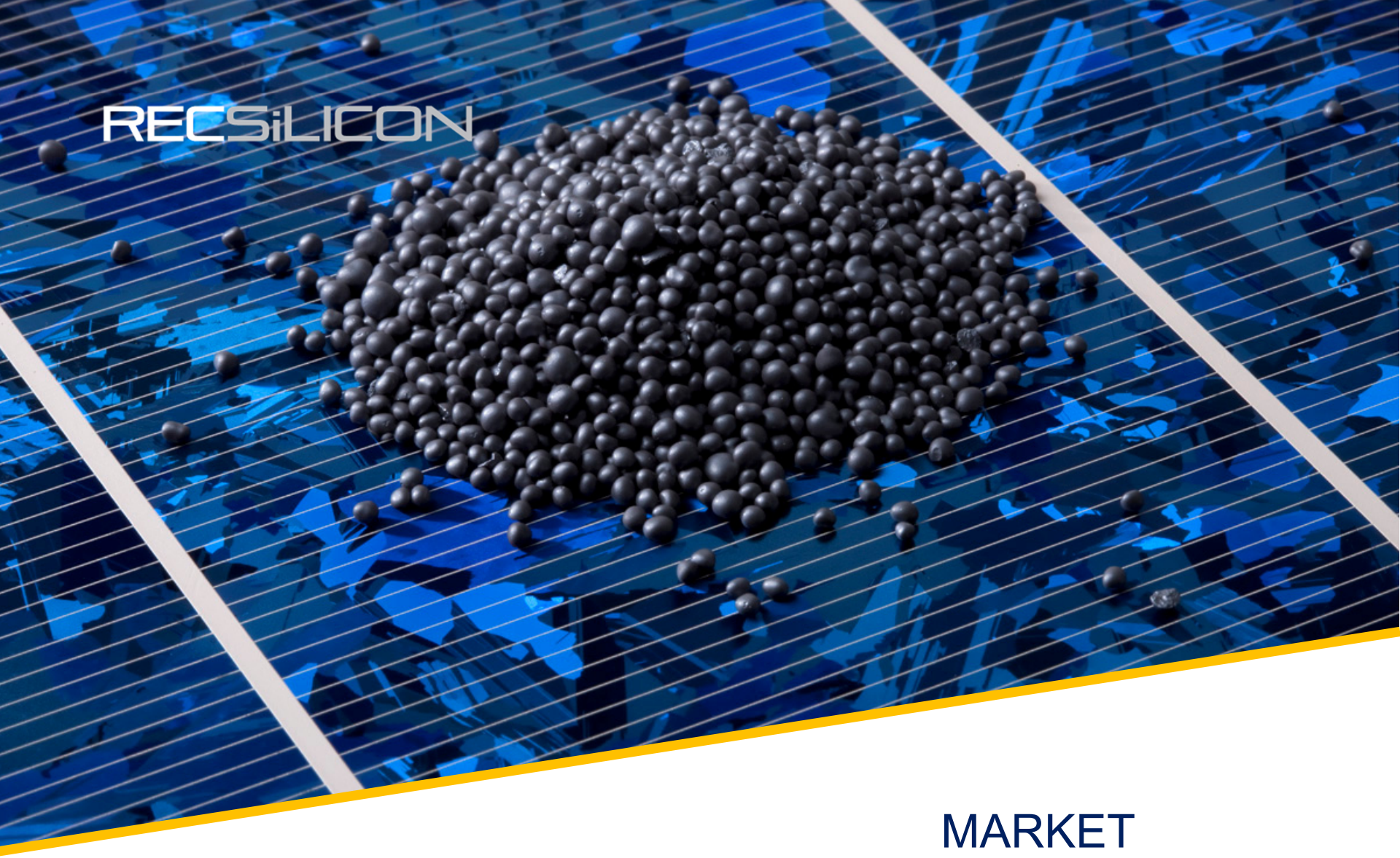
- Callable Beginning in February 2016
- Has not Been Called
- Due Date is Uncertain

Reassessment of Tax - $31M

- Uncertain Timing and Outcome



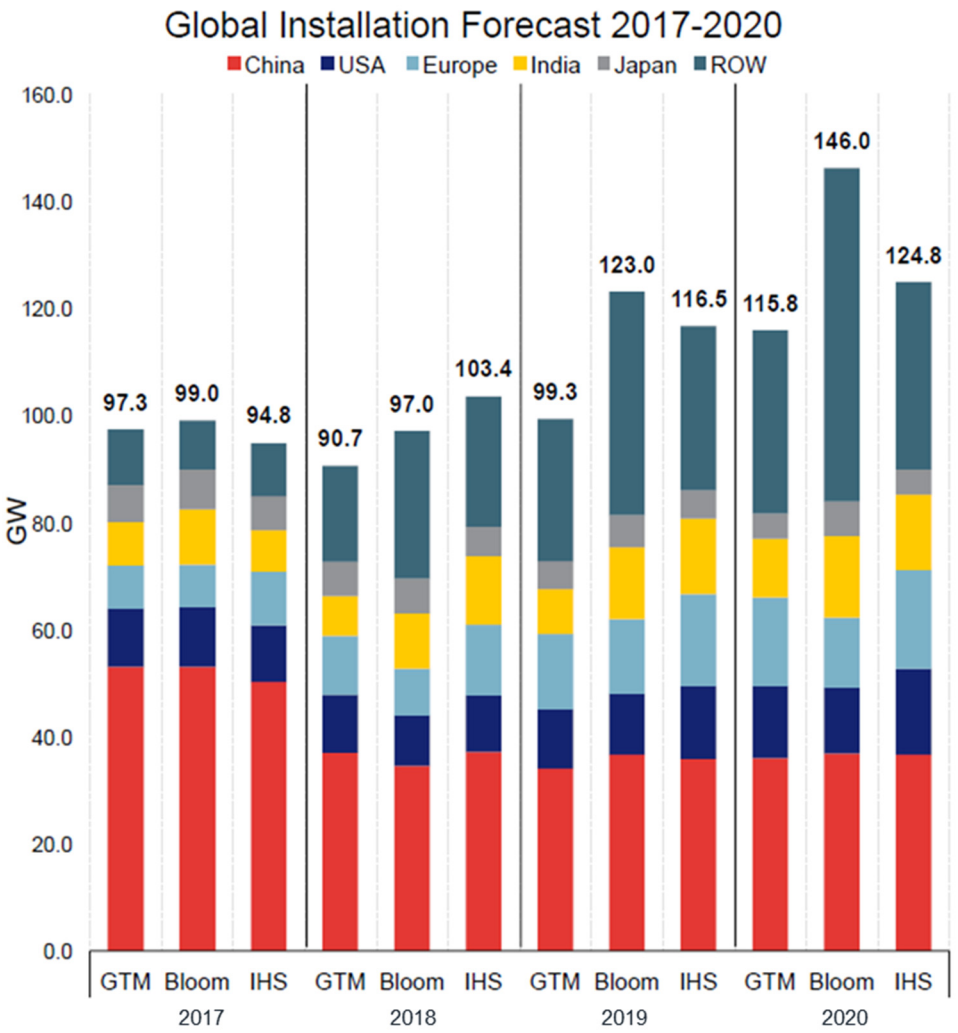
RECSiLICON



MARKET OUTLOOK

Global Installation Forecast

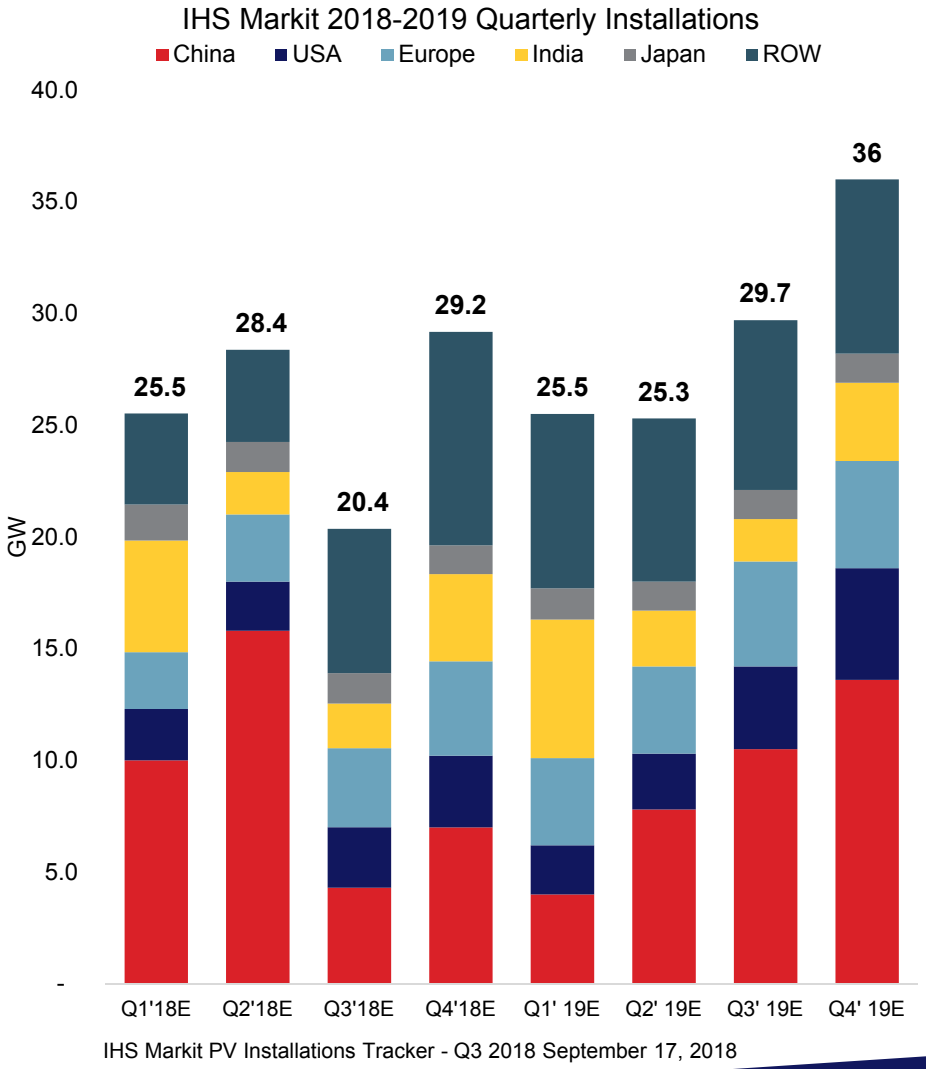
- PV Market Development
  - ~5-10% Decline 2017-2018
  - ~10-20% Growth 2018-2020
- PV Modules at $0.25/W
  - Efficiency and Size of the Industry
  - Increased Watt/Module
  - Strong Competition
- PV Approaching Grid Parity
  - Increase in Electricity Prices
  - Higher Natural Gas Prices
  - Higher Coal Prices
  - Co2 Taxes



GTM PV Pulse October 2018. Bloomberg PV Market Outlook, Q3 Dated August 2018. 'IHS Markit PV Installations Tracker - Q3 2018 September 17, 2018

Quarterly Installation Forecast

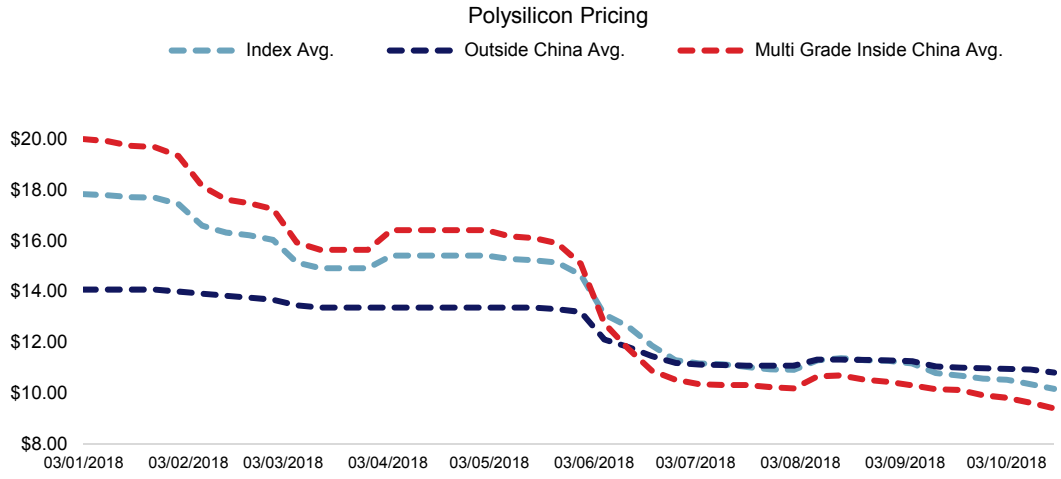
- Low Inventory Growth in Q3 2018 Across The Value Chain
  - Reduction in Capacity Utilization
- Q4 2018 Forecast to Outperform Q3 2018
- First Half of 2019 Forecast to be Relatively Flat
  - Chinese Stimulus May Increase Demand
- Demand Growth Forecast in Second Half of 2019

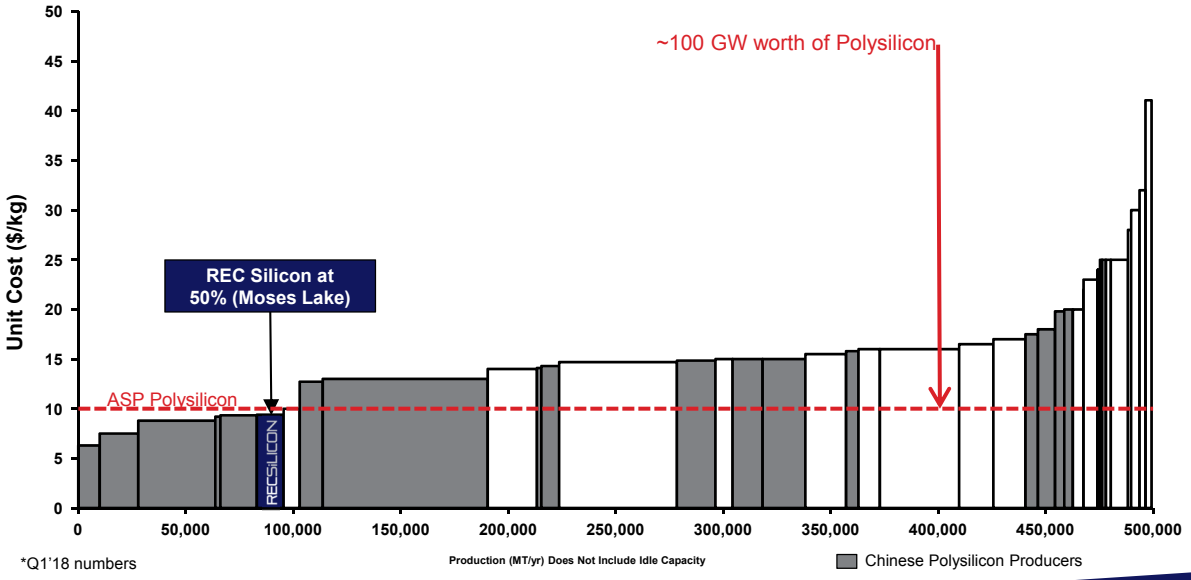


IHS Markit PV Installations Tracker - Q3 2018 September 17, 2018

Polysilicon Below Industry Cash Cost

- Polysilicon ASP Below Cash Cost For the Industry
- Curtailment and Postponement of New Capacity
- REC to Sell Below Market Price Due to Trade War





RECSiLICON

TRADE WAR UPDATE

US & China Solar Trade Situation Complicated

Section 201

- Affects all Imported Cells & Modules into US From all Countries
- 4 Year Remedy Announced Effective in Early February 2018
  - 30% Tariff on Cells & Modules, Stepdown to 5% Over 4 Years, 2.5 GW Cell Quota

Section 301, 25% Tariff Now Applicable

- Chinese Solar Cells & Modules Named on Recent Section 301 List

Overall Tariffs in Excess of 90% for Chinese Cells and Modules

- Existing AD/CVDs on Chinese & Taiwanese Cells and Modules + Section 201 Tariffs + Section 301 Tariff
- Chinese Solar Cell & Modules Now Less Than 1% of Total US Solar Product Imports (in 2018)

5 Year Sunset Reviews in Coming Months for AD/CVDs on Both US Polysilicon & Chinese Solar Cells (Original Orders)

- Unlikely To Result in a Change To The Status Quo Without a Change in Broader US & China Trade Relationship

However Upside for REC Exists in Political Environment

- A Trade Deal Is An Important Priority For Both US & China
  - Increasing Internal Pressure On Both Countries To Resolve, USG Have Been Very Open That It Is Seeking A Negotiation & Deal, China Has Its Own Multi Layered Internal Pressures To Resolve
- US Polysilicon is Well Positioned To Form Part Of A Trade Deal
  - The Adverse Impacts To The US Polysilicon Industry Are Directly Caused By An Unfair Trade Retaliation By China
  - President Trump Public Commitment To Pursue Settlement For US Polysilicon
    - Section 201 Announcement "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..."

- New USG is Focused on Value of Advanced Materials Including US Polysilicon industry
  - Trump Government Focused On Strengthening US Manufacturing, Internalizing And Supporting Supply Chains – "It's A Key Issue Of National Security"
  - USG Focused On Countering China's Industrial Policy/Planned Dominance In Batteries
  - This Is A Very Favorable Climate To Seek Support For Companies Like REC In The US

YULIN JV UPDATE

Good Progress in The Start Up of Yulin JV

youser RECSiLICON 天瑞硅材料

Fluid Bed Reactor Status:

- ~3000 MT Granular Polysilicon Produced
- 8 Reactors Operational as of End of Q3
- Remaining FBR Reactors Start in Q4
- Solar Grade Quality
- First Commercial Sale

Silane Unit Status:

- Silane 10 Unit Running: Capacity Ramping To Meet FBR Reactor Demand
- Silane 20 Unit Conducting Maintenance Turnaround

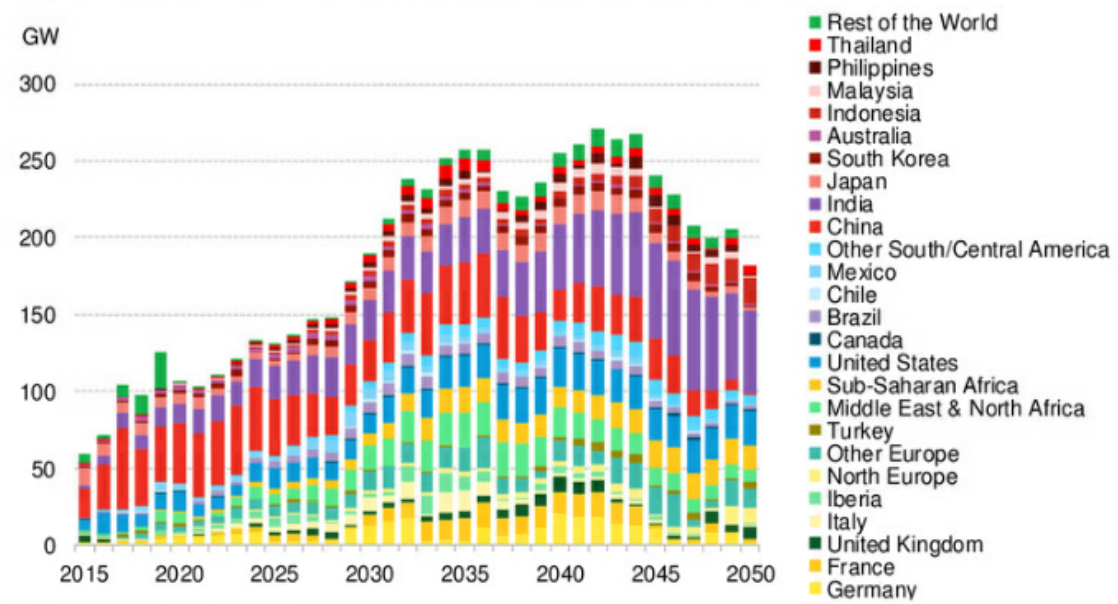
Siemens Reactor Status:

- Siemens Reactors Operational
- Commercial CZ Production Per Plan
- FZ Production Trials Underway

REC SILICON MARKET DEVELOPMENT

PV Market Will Double Within The Next 5-10 Years

- PV Will Gradually be Competitive Without Subsidies
- Electricity Storage Solutions
- Strong Focus on Clean Energy Due to Local Pollution and Climate Change Regulations
- 90% of PV Modules are Based on Polysilicon

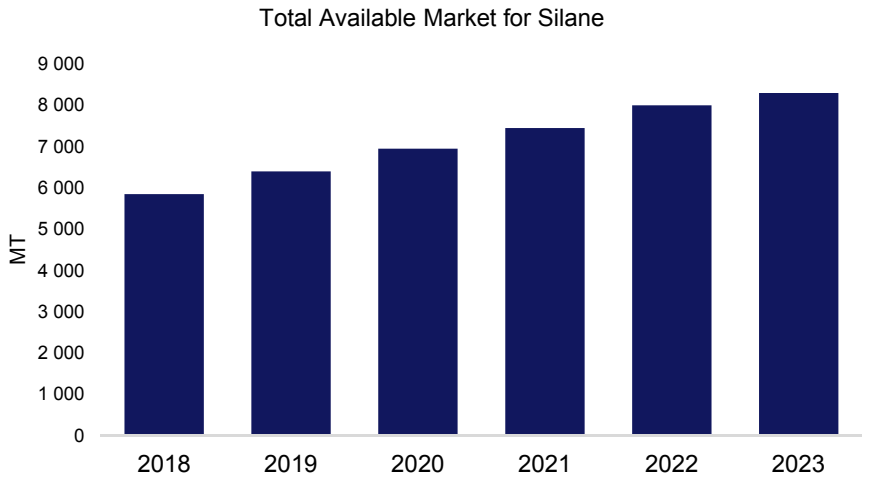


Source: Bloomberg NEF

Silicon Gas and Semiconductor Markets Continue to Grow

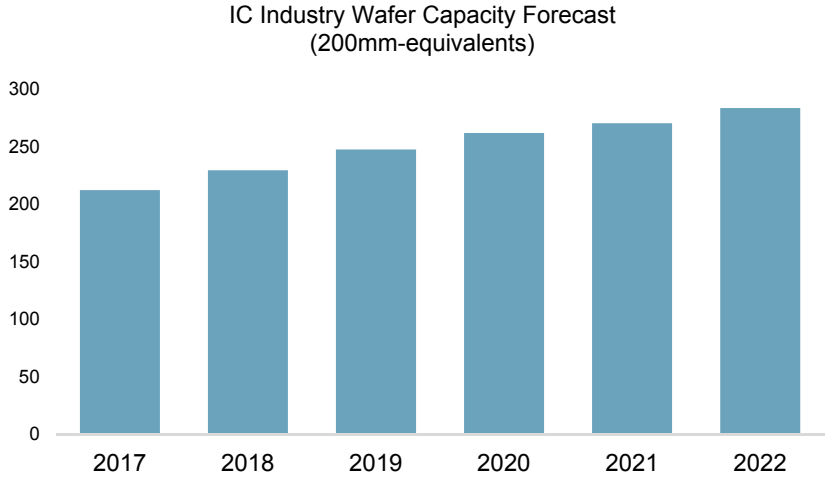
Silicon Gas

- More Deposition Steps
  - PV Cell Technologies and Volume
  - Advanced Semiconductor Technologies
- New Flat Panel Display and Semiconductor Manufacturing Facilities Coming Online



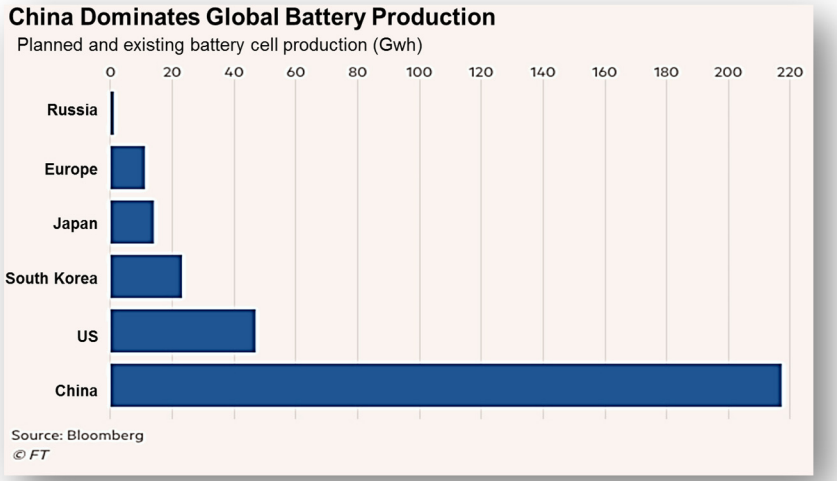
Semiconductor Polysilicon

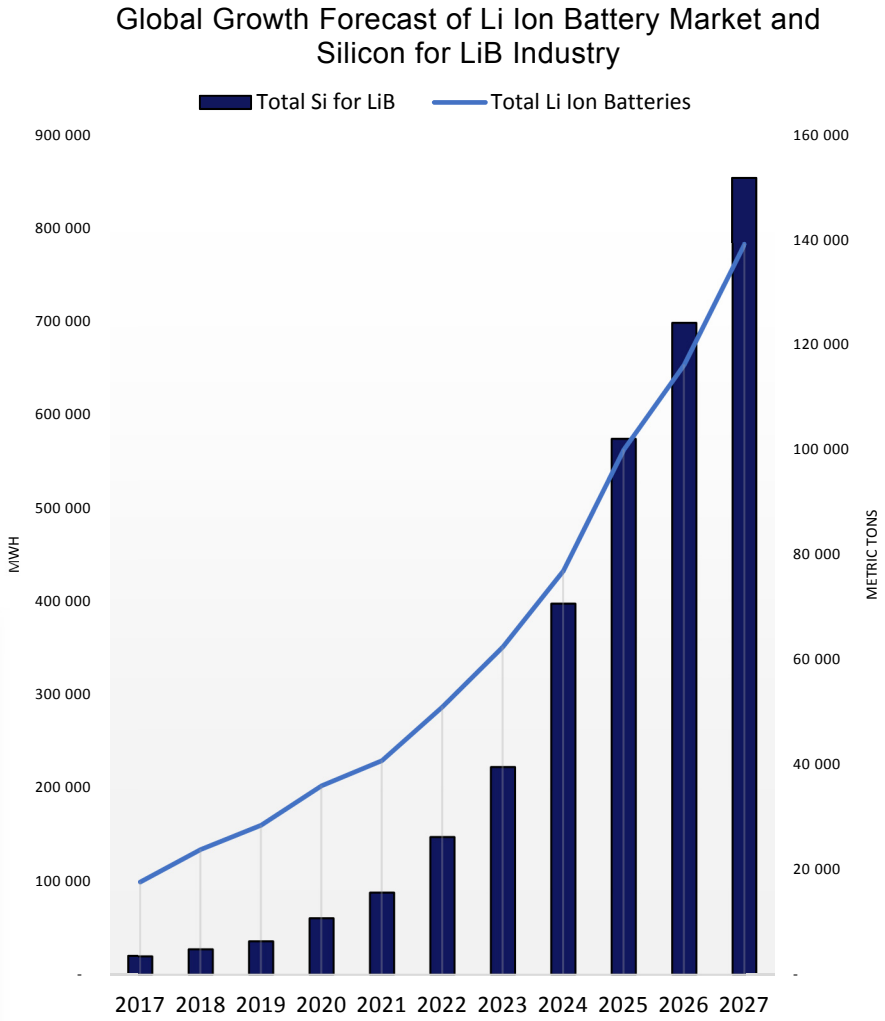
- Industry to Continue at ~6% CAGR
- IoT Technologies Drive Growth
  - Wearable Technologies
  - Mobile Phones / Tablets
- Electric Vehicle Markets Require More Electronic Grade Polysilicon



The Battery Market Will be an Important Market for Silane and Polysilicon

- Industry Tests indicate an Increased battery Capacity by **4 times** by using Silicon Instead of Graphite in the Anodes, and Improved **recharging speed**
- 5,000-10,000 MT Used Today, By Major Battery Makers Like Tesla, Samsung, Panasonic, LG
- Market Could Exceed 100,000 MT
- Strong Focus in the US and EU to Build a Battery Industry





RECSiLICON

SHORT TERM BUSINESS PLAN

Short Term Business Plan

Actions Taken:

- Reduced FBR Utilization
  - Operating at ~25% Capacity
  - Manage Inventory Levels
- Reviewing All Costs
  - Reduce Expenditure Levels
  - Renegotiate Supply Contract Terms
- Customer Relationships
  - Explore Long-term Agreements with Existing Customers

Next Steps:

- US/China Solar Trade War Resolution
- Maintain Cash Balance Above $15M Through 2019
  - Assumes Current Capacity Utilization
- Increase FBR Sales
  - Increase the FBR Blend Ratio
  - Offer Discount Compared to Market Price
- Be Well Positioned When Polysilicon Demand Recovers

GUIDANCE

Updated 2018 Guidance

FBR Production	
Q4	1,190MT
2018	7,565MT

FBR Cash Cost	
Q4	$15.3/kg
2018	$12.3/kg

Total Polysilicon Production	
Q4	1,660MT
2018	9,276MT

Semiconductor Production	
Q4	340MT
2018	1,153MT

Silicon Gas Sales	
Q4	850MT
2018	3,530MT

2018 CapEx *	
Maintenance	$3M

* Additions to Property Plant and Equipment

Q4 2018 Reporting
February 12, 2019

recsilicon.com

Follow us on LinkedIn