

Q2 2015

DET NORSKE OLJESELSKAP

KARL JOHNNY HERSVIK, CEO
JONAS GAMRE, VP IR
15 JULY 2015



DET NORSKE

Highlights

■ Finance

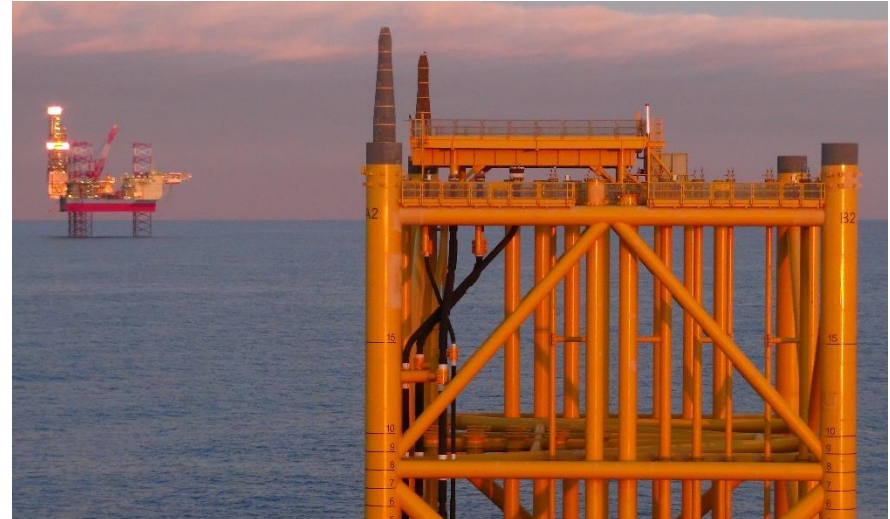
- Q2 EBITDA USD 239 million, EPS 0.04 (USD)
- Secured above USD 1 billion in additional liquidity in Q2

■ Production

- Total production of 58.4 mboepd in Q2 2015
- First oil EastKam L4, workover at KB-3, maintenance work

■ Development projects

- Ivar Aasen development on schedule
- Johan Sverdrup interest post MPE decision of 11.5733%
 - Det norske has decided to appeal the decision to the King in Council



Jacket installed on the Ivar Aasen field



Financials

Q2 2015



FINANCIALS

Statement of income

Income statement (USD mill)	Q2 2015	Q2 2014	FY 2014
Revenues	337	74	464
Production costs	51	7	67
Other operating expenses	23	13	49
EBITDAX	264	54	365
Exploration expenses	25	21	158
EBITDA	239	33	208
Depreciation	117	13	160
Impairment losses	-	-	346
Operating profit/loss (EBIT)	122	20	(299)
Net financial items	(59)	(24)	(77)
Profit/loss before taxes	63	(4)	(376)
Tax (+) / Tax income (-)	56	(32)	(93)
Net profit/loss	7	27	(279)
EPS (USD)	0.04	0.19	(1.68)

FINANCIALS

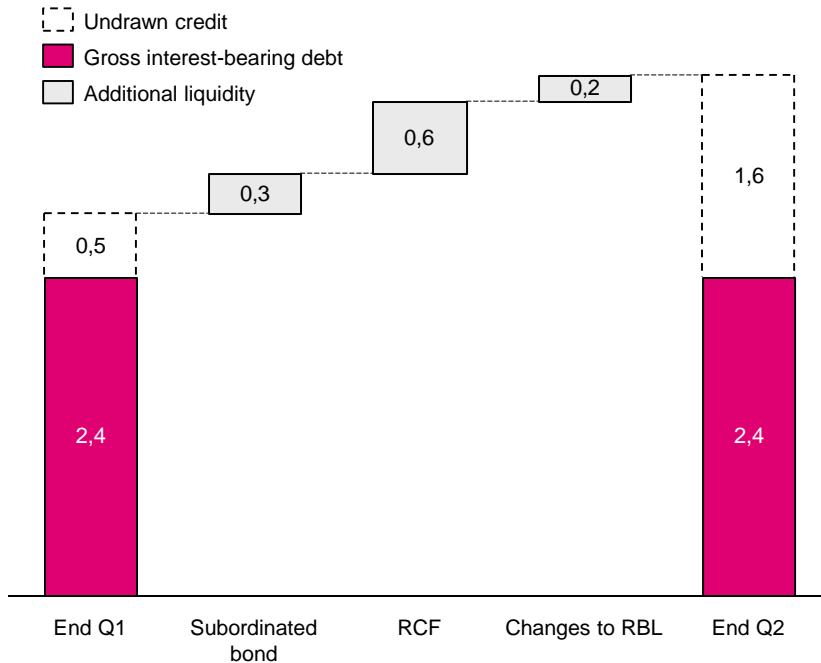
Statement of financial position

Assets (USD mill)	30.06.15	30.06.14	Equity and Liabilities (USD mill)	30.06.15	30.06.14
Goodwill	1 134	52	Equity	661	543
Other intangible assets	922	427	Other provisions for liabilities incl. P&A (long)	523	151
Property, plant and equipment	2 804	667	Deferred tax	1 354	-
Calculated tax receivables (long)	-	68	Bonds	529	403
Deferred tax asset	-	133	Bank debt	1 818	401
Receivables and other assets	254	198	Exploration facility	-	192
Calculated tax receivables (short)	-	231	Other current liabilities incl. P&A (short)	369	244
Cash and cash equivalents	188	157	Tax payable	47	-
Total Assets	5 301	1 934	Total Equity and Liabilities	5 301	1 934

FINANCIALS

Increased financial flexibility

Debt and undrawn credit (USDbn)



- Raised USD 300 million subordinated PIK Toggle bond and USD 550 million RCF in Q2 2015
- RBL borrowing base availability increased to USD 2.9 billion at the end of Q2, up from USD 2.7 billion at the end of 2014
- Undrawn credit of about USD 1.6 billion at the end of Q2 2015
- Net debt of USD 2.16 billion at the end of Q2 2015
 - Outstanding debt of USD 2.35 billion
 - Cash, cash equivalents of about 0.19 billion

FINANCIALS & FUNDING

Debt overview

	RBL Facility	RCF	DETNR02	DETNR03
Type	Bank	Bank	Bond	Bond
Security	Secured, 1 st lien	Secured, 2 nd lien	Senior Unsecured	Subordinated
Facility Size	3,000 USDm ¹	550 USDm	1,900 NOKm ²	300 USDm
Outstanding per 30.06.2015	1,870 USDm	n/a	255 USDm ²	300 USDm
Maturity	2021	2019 plus 1+1 year extension option	2020	2022
Coupon / interest	3m LIBOR + 300-325bp ³	3m LIBOR + 550bp ³	3m NIBOR + 6.5% ²	10.25%
Committment fee on unused credit	1.1%	2.2%	n/a	n/a
Main covenants	<ul style="list-style-type: none"> • Leverage ratio (Net interest-bearing debt/EBITDAX < 3.5x) • Interest cover ratio (EBITDA/Interest expenses > 3.5x) <ul style="list-style-type: none"> • Liquidity tests 		<ul style="list-style-type: none"> • Leverage ratio⁴ • Interest cover ratio⁴ 	N/A

¹ Borrowing Base Availability determined in semi-annual redeterminations. As of end June 2015, the borrowing base availability was USD 2.9 billion.

² DETNR02 converted to a synthetic USD loan using a Cross Currency Interest Rate Swap to USD 255 million, at 3m LIBOR + 6.81%.

³ Including margin and utilization fees, excluding commitment fees on undrawn amounts

⁴ Same leverage and interest cover ratio as in the RBL and the RCF

Operations

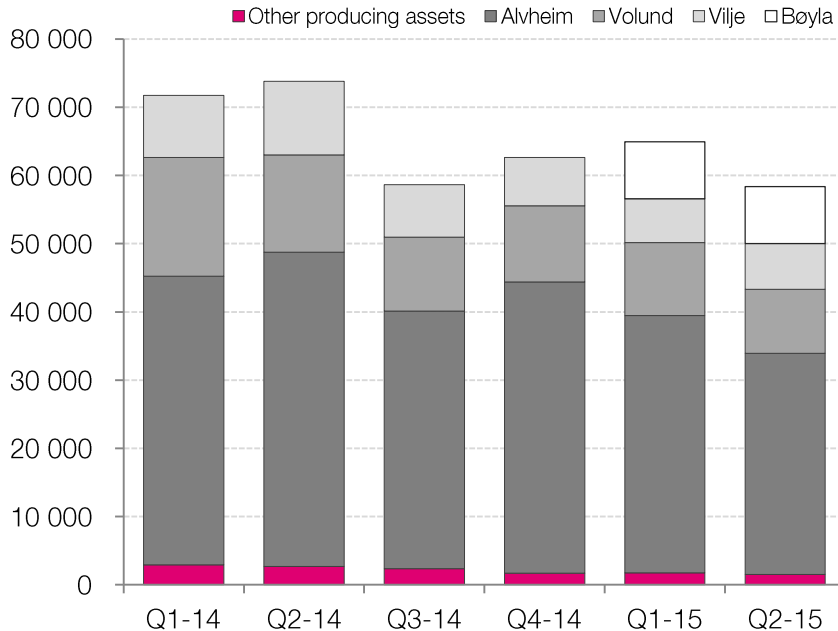
Q2 2015



PRODUCTION

Oil and gas production in Q2

Net production (boepd)



Q2 production

- Q2 2015 production of 58.4 mboepd
- Production efficiency was 95.4%, above target
- Realized oil price of USD 65/bbl

New wells and work-overs

- East Kameleon L4 came on stream mid April
- KB3 work-over completed mid May
- Drilling of the Bøyla M2 completed
- Drilling of the K6 (“Kneler 1”) well ongoing
 - KA1 well shut-in

2015 production guidance of 58-63 mboepd

- Production cost of USD 8-10/boe

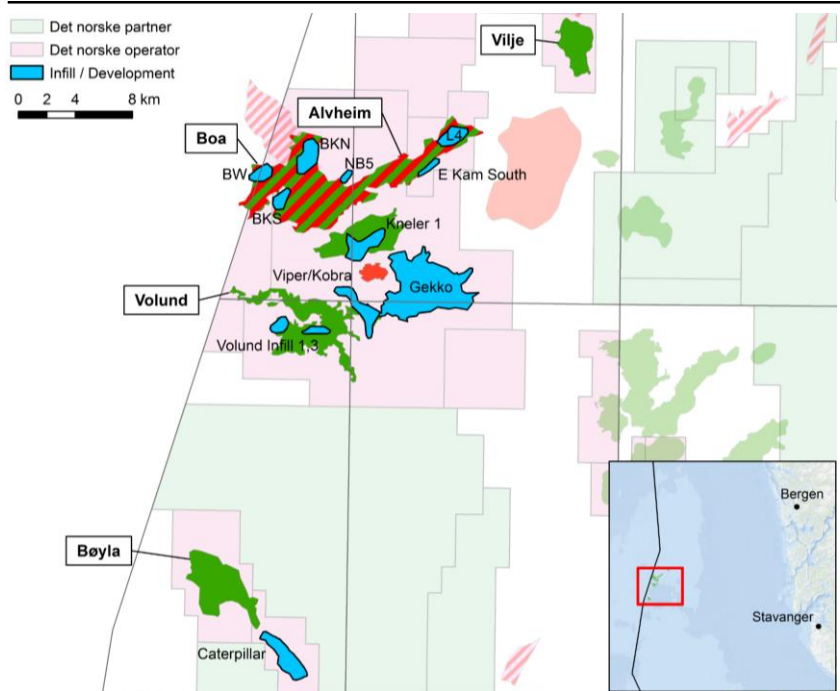
GREATER ALVHEIM AREA

Opportunities in the Alvheim area

New projects in the Alvheim area

- **4 new wells planned to come on stream in 2015**
 - Bøyla M1 on stream in January
 - East Kameleon L4 on stream in April
 - Bøyla M2 planned to come on stream in August
 - K6 planned to come on stream in Q4
- **Future infill wells and developments**
 - BoaKamNorth planned to commence drilling during autumn 2015
 - Viper/Kobra development ongoing
 - Infill wells to Volund
 - More infill wells to Boa
 - Attic oil
- **More discoveries being matured and numerous exploration targets identified**

Alvheim area



GREATER ALVHEIM AREA

Next projects in the Alvheim area

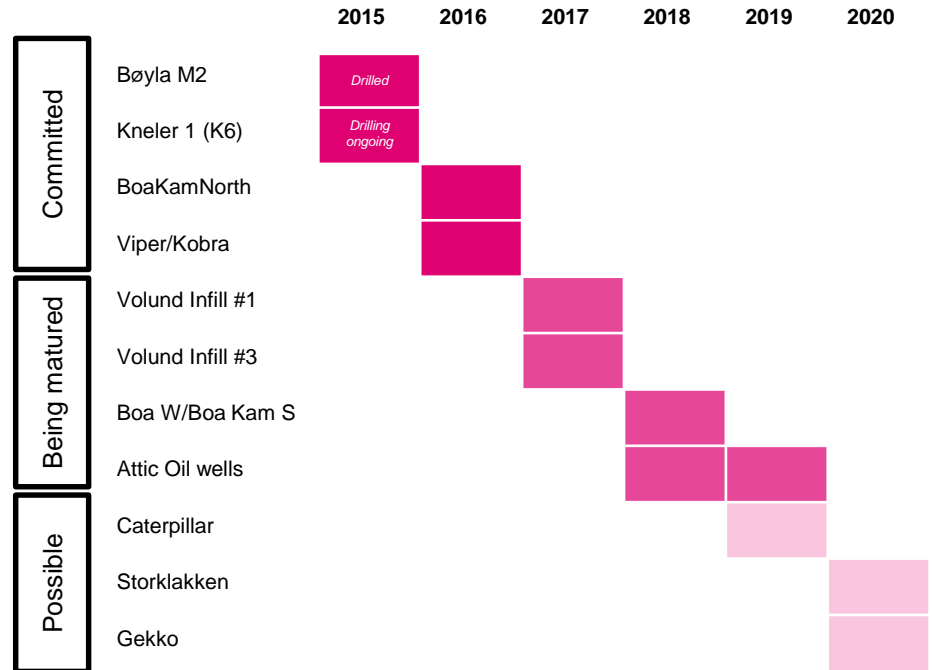
Planning for the next projects

- **Currently tendering for rig**
 - Securing rig capacity for the next likely projects in the Alvheim area

- **Acquiring long lead items for likely wells**
 - Ordered LLI's for the infill wells on Volund
 - In the process of approving orders for LLI's for Boa West/Boa Kam South and Attic Oil

- **Reusing, not reinventing**
 - Proven technology
 - Utilizing the same teams
 - Standardized development concepts
 - Learning and improvement processes

Illustrative timing of new wells in the Alvheim area



IVAR AASEN (~35%*)

Ivar Aasen project on schedule for first oil in 2016

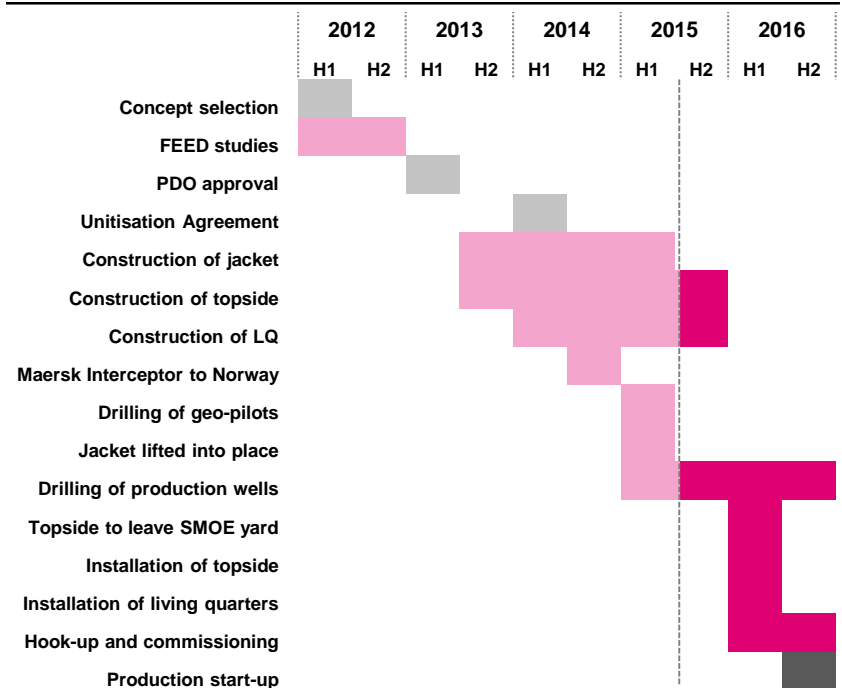
Events in the quarter

- Jacket lifted in place in June
- Drilling of geo-pilots concluded
- Construction of topside reached 70% completion
- Living quarter sections stacked

Key milestones going forward

- Drilling of production wells to commence in Q3
- Topside mechanical complete planned by year-end 2015
- Topside sail-away planned for spring 2016
- Hook-up and completion planned for summer and autumn 2016

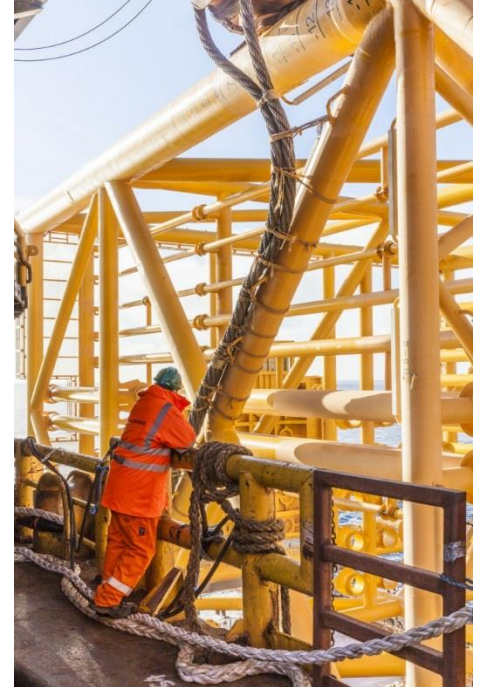
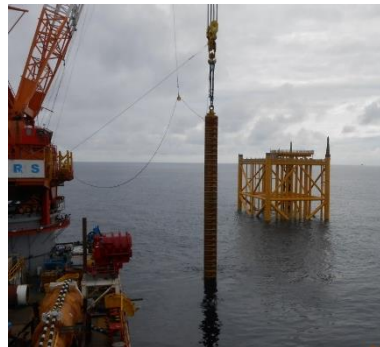
Detailed timeline



IVAR AASEN (~35%*)

Jacket installed on the field

- The jacket was lifted in place on the seabed 112 meters below sea level on 10 June
- Piling and grouting activities are now concluded and the jacket installation is completed
- Laying of pipelines between Edvard Grieg and Ivar Aasen will commence this summer



IVAR AASEN (~35%*)

Topside construction reached 70% completion

■ Construction progressed well in Q2

- Construction of the topside is about 70% complete
- Crane cabin and crane boom were lifted in place on the main module in June
- M50 transformer module lifted in June
- Record high activity level in the yard in Singapore

■ Topside on schedule

- Detailed engineering completed
- Key equipment packages arrived on site as planned
- Start onshore commissioning this autumn
- Mechanical complete scheduled by year-end 2015
- Sail-away scheduled for spring 2016



IVAR AASEN (~35%*)

Living quarter stacked to its full height

- **Living quarter was successfully stacked in June**
 - Aluminum section of about 1,000 tonnes jacked up
 - Steel section of nearly 600 tonnes placed below
 - Antenna tower installed on top
- **Living quarter scheduled to be mechanical complete by year-end**



IVAR AASEN (~35%*)

Drilling of geo-pilots completed

- **Five targets were drilled and completed in Q2**
 - Three geo-pilot targets planned, five drilled within original schedule and budget
- **Geo-pilots have provided valuable information for the placement of the first production wells**
- **Further drilling on Ivar Aasen**
 - Pre-drilling activities through the jacket expected to commence shortly



Maersk Interceptor

JOHAN SVERDRUP (11.5733%)

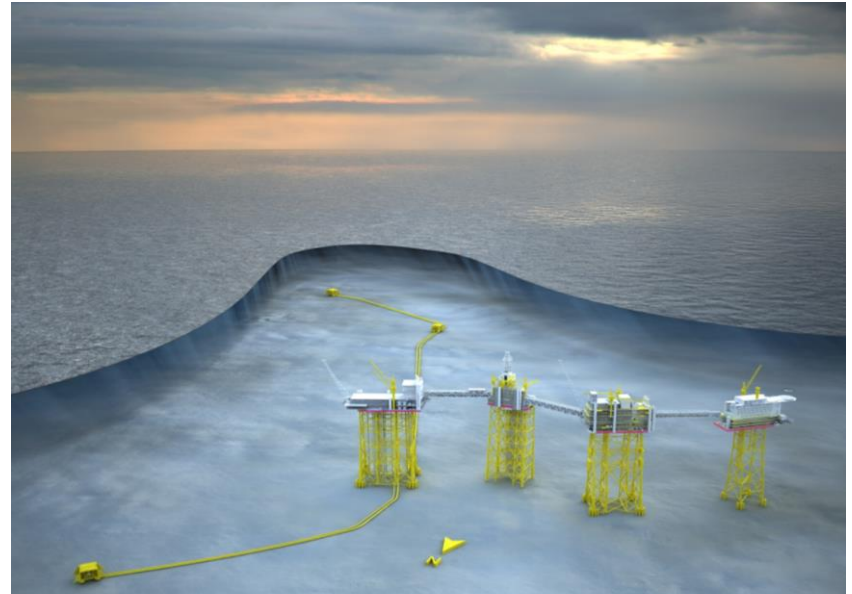
Johan Sverdrup project progressing as planned

■ PDO endorsed by the Parliament in June

- Production start-up: Q4 2019
- Volumes: 1.7-3.0bn boe (~80% from Phase 1)
- Capex: NOK 117bn in Phase 1, NOK 170-220bn for full field

■ Important contracts have been awarded

- EPC contracts for LQ and drilling topsides
- Various other contracts (EPma, riser jacket, heavy lift) for all four platforms
- Power from shore
- Drilling contract



The Johan Sverdrup development

JOHAN SVERDRUP (11.5733%)

Det norske to appeal MPE's decision

- **The Ministry of Petroleum and Energy decided the tract participation in Johan Sverdrup**
 - 11.5733% ownership interest to Det norske
 - Based on the decision, Det norske's pro forma 2P reserves are 477 mmboe, where Johan Sverdrup accounts for 271 mmboe
- **Det norske has decided to appeal the decision by the MPE to the King in Council**



Johan Sverdrup

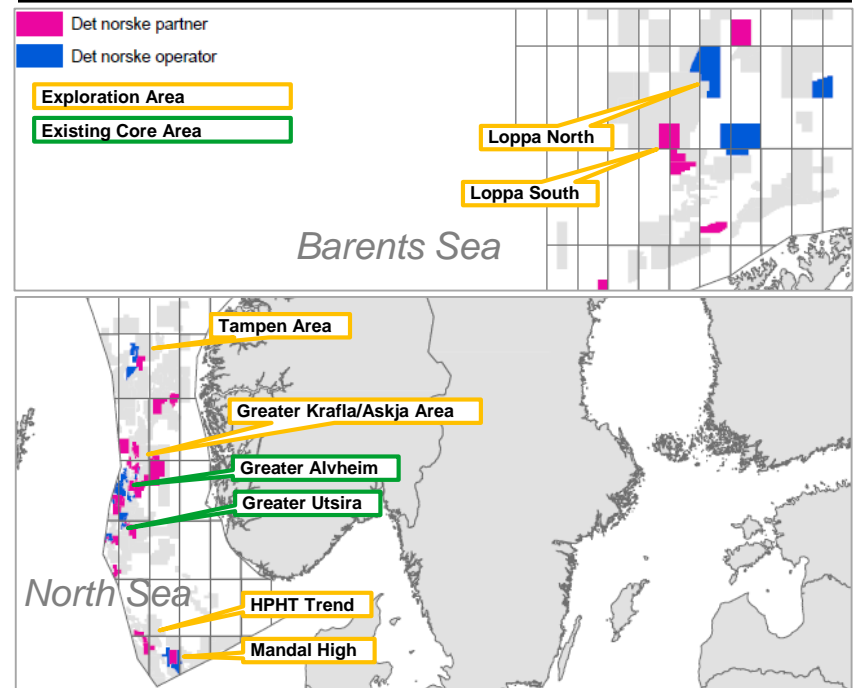
EXPLORATION

A portfolio ensuring long term reserve replacement

Revamping the exploration strategy

- **2015 exploration wells**
 - Discoveries in the Krafla area, Gina Krog East 3 and Skirne East
 - Dry well at Snømus
- **2015 – a transition year**
 - Re-assessing current exploration inventory
 - Portfolio optimization ongoing
 - Business intelligence efforts
 - Assessing 23rd round's value potential
- **Focus on core areas in 2016 and onwards**
 - Rovarkula to be drilled in 2016
 - Krafla/Askja area expected to be further explored in 2016
 - Gohta expected to be further explored in 2016

Overview of existing core and exploration areas



Outlook

Q2 2015



OUTLOOK

Summary and outlook

■ Development projects

- Ivar Aasen progressing according to plan
- Johan Sverdrup progressing according to schedule, Det norske awaits the outcome of the appeal process
- Continue to develop the Alvheim area

■ Reiterate 2015 guidance

- Production of 58-63 mboepd in 2015
- CAPEX of USD 950-1,000 million, and EXPEX of USD 115-125 million
- Production cost of USD 8-10/boe

■ Financing

- Available liquidity of USD 1.75 billion
- Secured funding for work programme until first oil at Johan Sverdrup

■ Cost efficiency programme ongoing

- Identified measures exceeding USD 100 million being implemented, improvement project initiated as a second phase



DETNORSKE

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