Norse Energy Corp. ASA

4th Quarter Financials
February 28th 2007

CEO Øivind Risberg
CFO Anders Kapstad


9 2 2007

Disclaimer

This presentation does not constitute and offer to buy or sell shares or other financial instruments in Norse Energy Corp. ASA. The discussions in this presentation may contain forward-looking statements, which reflect the Company’s current views with respect to certain future events and financial performance. Actual events or results may differ materially from those projected or implied in such forward-looking statements. The words ‘believe’, ‘budget’, ‘expect’, ‘anticipate’, ‘aim’, ‘intend’ and ‘plan’ and similar expressions identify forward looking statements. Due to such uncertainties and risks, prospective investors are cautioned not to place undue reliance upon such forward-looking statements.

Conversion factors

Natural gas and LNG

From	To billion cubic metres NG	billion cubic feet NG	million tonnes oil equivalent	million tonnes LNG	trillion British thermal units	million barrels oil equivalent
	Multiply by					
1 billion cubic metres NG	1	35.3	0.90	0.73	36	6.29
1 billion cubic feet NG	0.028	1	0.026	0.021	1.03	0.18
1 million tonnes oil equivalent	1.111	39.2	1	0.805	40.4	7.33
1 million tonnes LNG	1.38	48.7	1.23	1	52.0	8.68
1 trillion British thermal units	0.028	0.98	0.025	0.02	1	0.17
1 million barrels oil equivalent	0.16	5.61	0.14	0.12	5.8	1

Source: BP`s Statistical Review of World Energy 2004

- Fourth quarter highlights
- Financial review
- Operational review
  - Reserves
  - Brazil
  - USA
- Manati update
- Outlook

Highlights

- **Reduced Brazilian production, lower revenues and results**
  - Results affected by non-cash special items
- **New reserve report**
  - 2P reserves increased 42 percent from 2005 to 2006
- **Positive results from Manati drilling program**
  - Well #1 and #2 completed in Q4, further wells in Q1-07

norse energy corp

Key financials

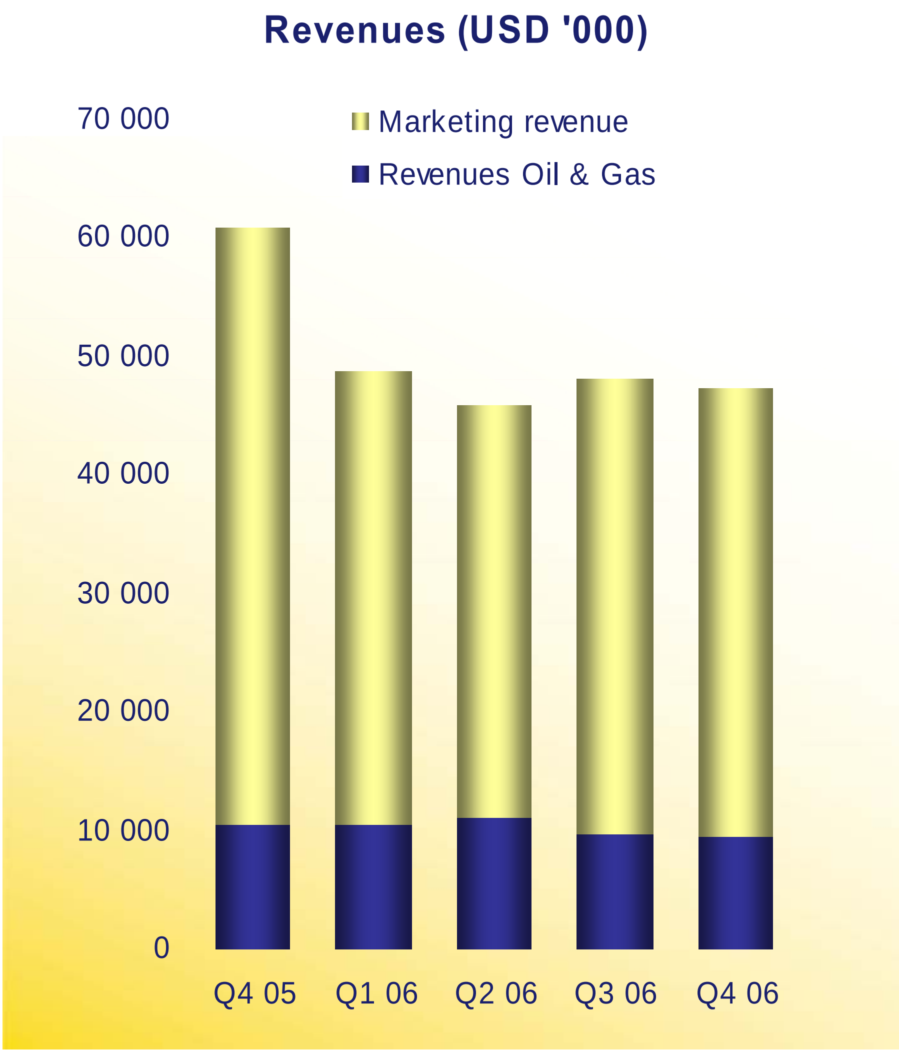
- Lower EBITDA due to reduced Coral production
- Firm development in the US
- Multiple non-cash items affecting P&L

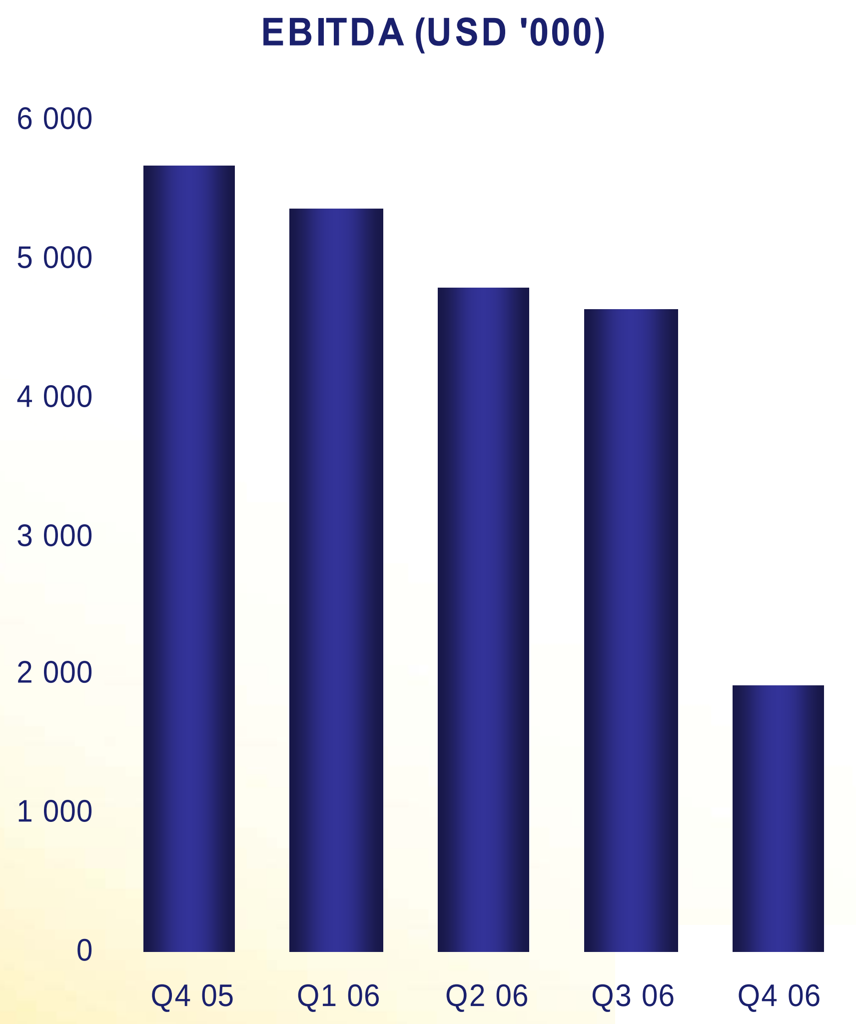
KEY FINANCIALS	Q4-06	Q3-06	2006	2005
EBITDA (MUSD)	1.9	4.6	16.5	19.8
EBIT (MUSD)	(3.7)	1.5	1.4	7.2
NET PROFIT (MUSD)	(11.9)	0.7	(10.7)	2.2
PRODUCTION (BOE/day)	1 798	2 044	2 043	2 501

norse energy corp

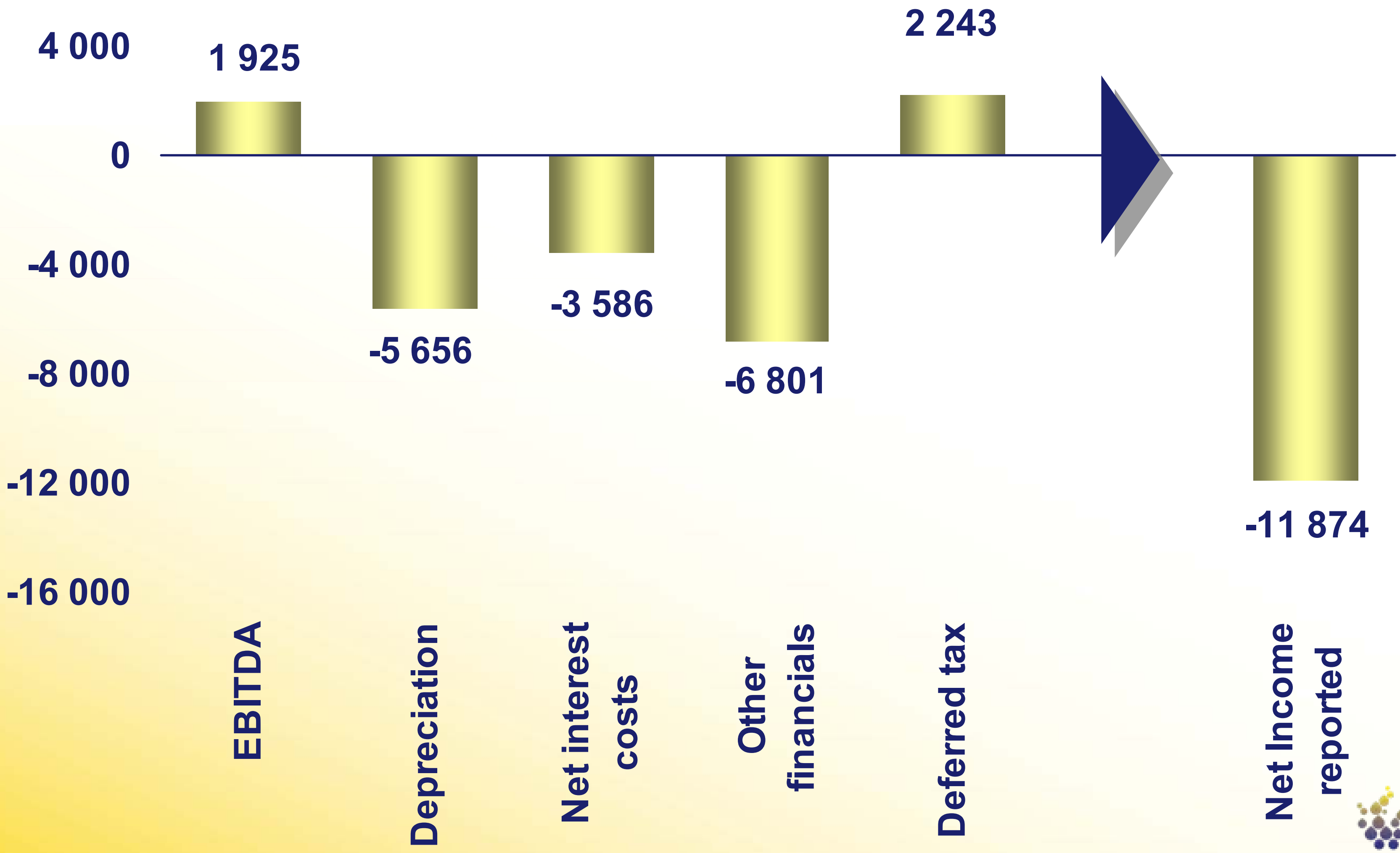
Key Financial Figures

Revenues and EBITDA



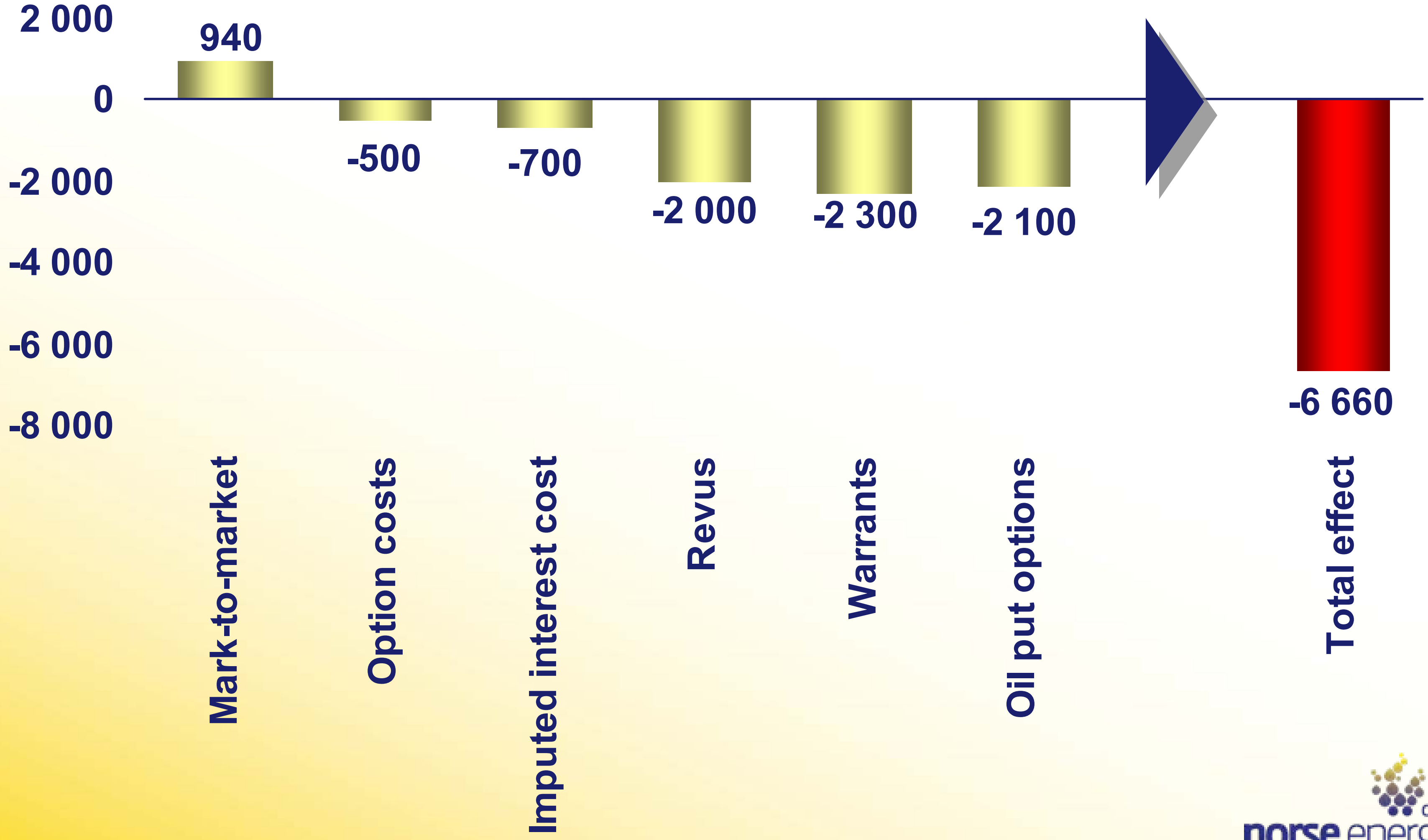


Financial result
Q4 Net profit (USD '000)



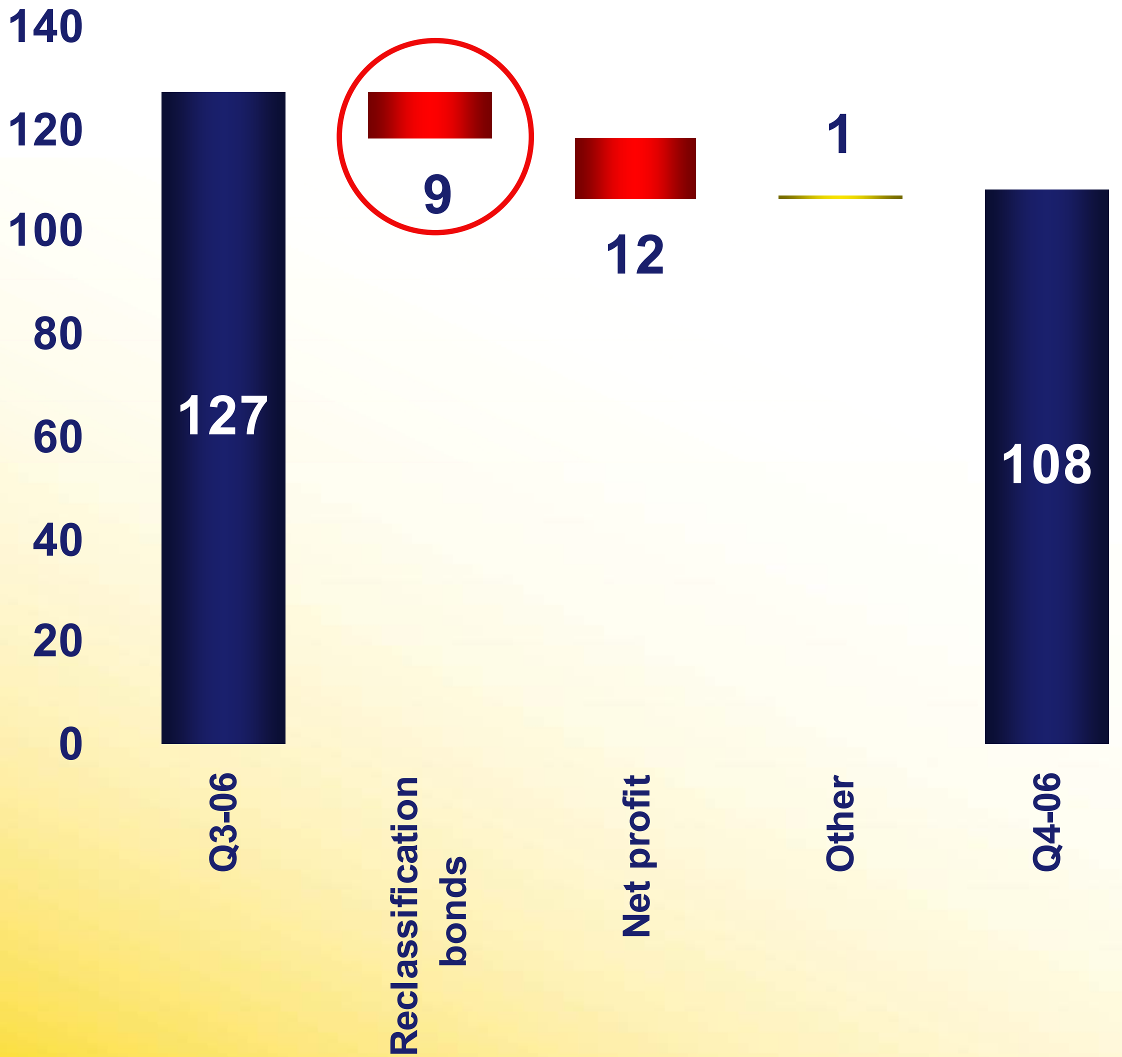
norse energy corp

Non-cash special items Q4 (USD '000)



norse energy corp

Equity development Q3-06 to Q4-06



Equity ratio Q3: 37.3 %

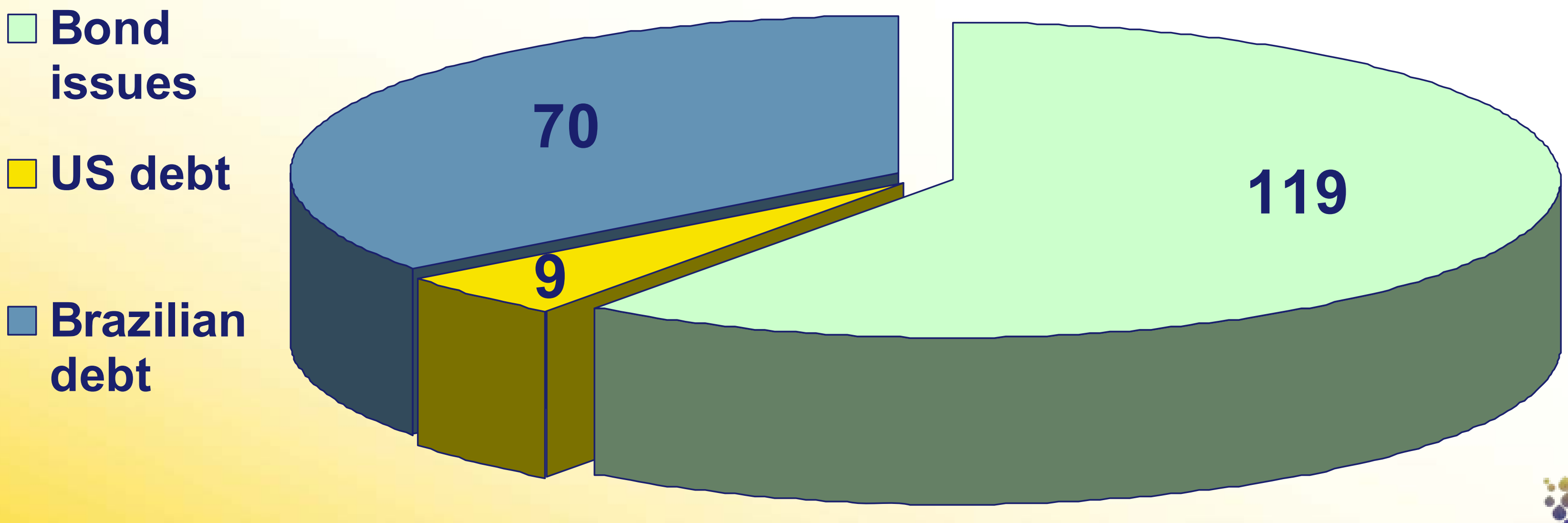
Equity ratio Q4: 27.5 %

norse energy corp

Financials and debt structure

Q4 2006	MUSD
Total Assets	392
Equity ratio	27%

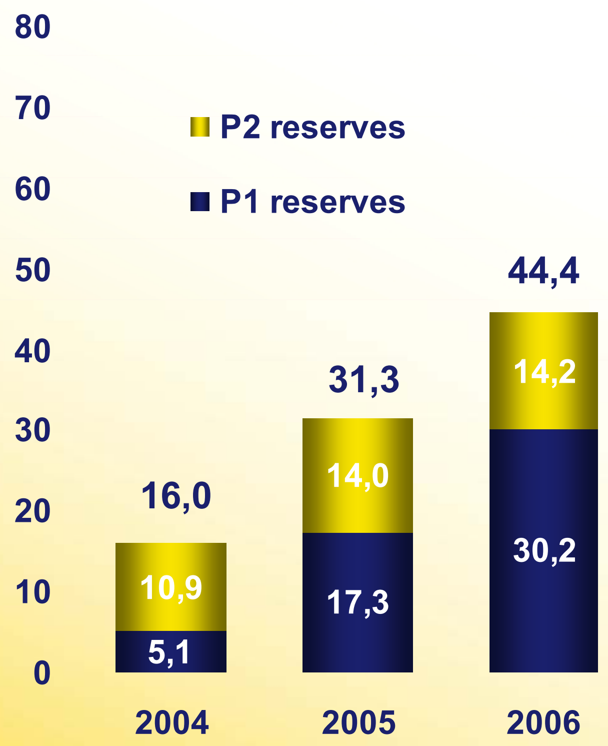
Total interest bearing debt outstanding end 2006: MUSD 198



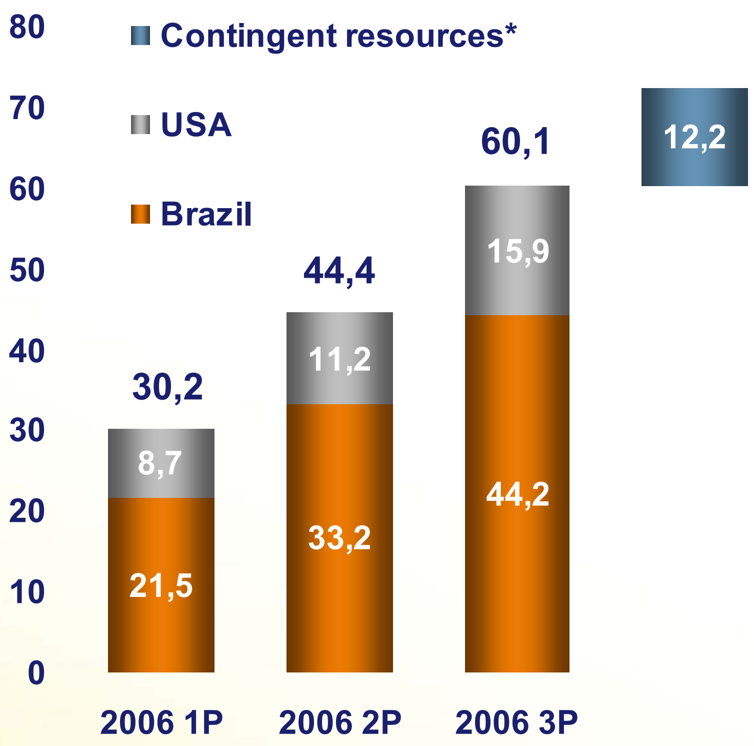
Operational review

Reserves development
Third-party certified

Reserves by category (MMBOE)



Reserves by geography 2006 (MMBOE)



* Contingent resources for Sardinha, Caravela Sul, BAS131, but excluding USA

norse energy corp

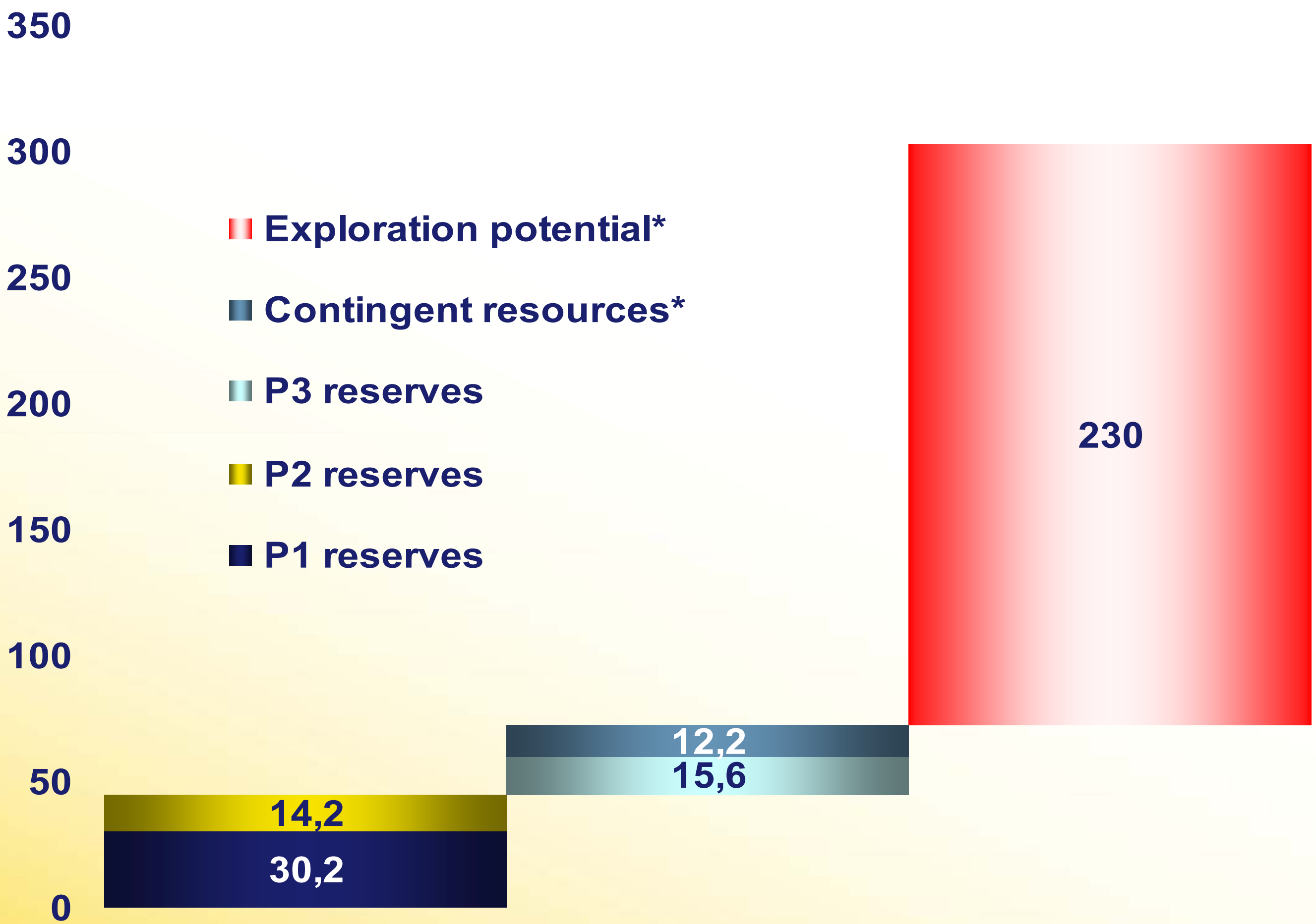
Reserves development
(MMBOE)

2P RESERVES END 2005	**31,3**
Production 2006	(0,8)
Acquisitions/Disposals	7,7
New developments	7,5
Revisions	(1,3)
2P RESERVES END 2006	**44,4**
P3 reserves	15,6
Contingent resources*	12,2
RESERVES & CONTINGENT RESOURCES END 2006	**72,3**

* Contingent resources for Sardinha, Caravela Sul, BAS131, but excluding USA

norse energy corp

2006 Company asset base (MMBOE)
Reserves, resources and exploration potential

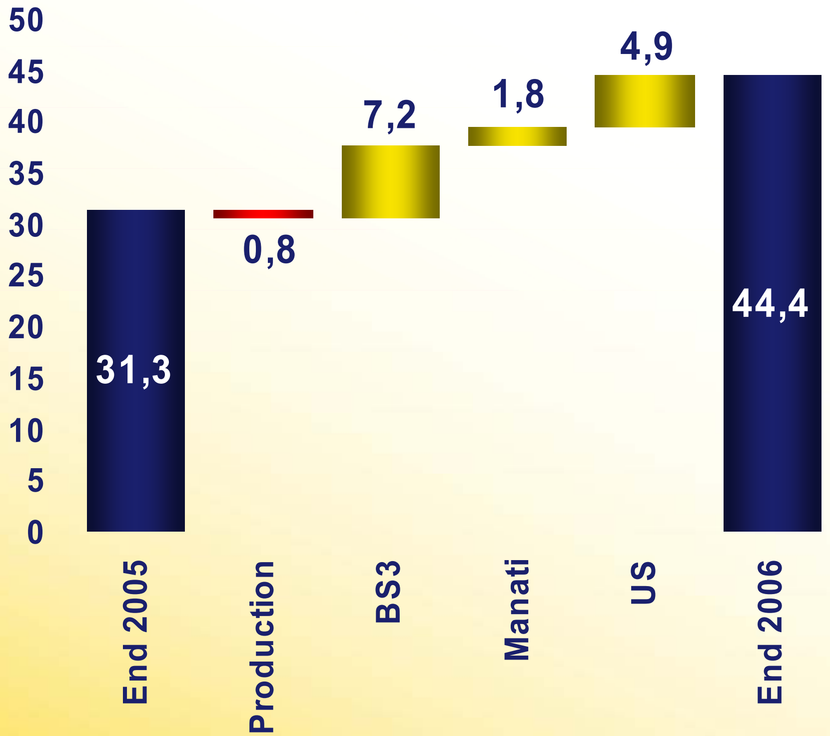


* Excluding USA, Exploration potential based on in-house evaluation

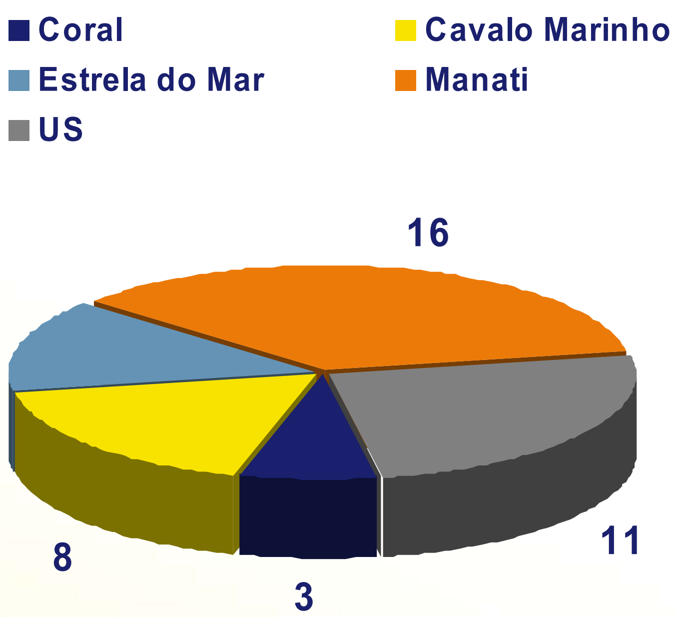
norse energy corp

Reserve development
2P reserves

2006 Reserve development (MMBOE)



2006 Reserves by field (MMBOE)



norse energy corp

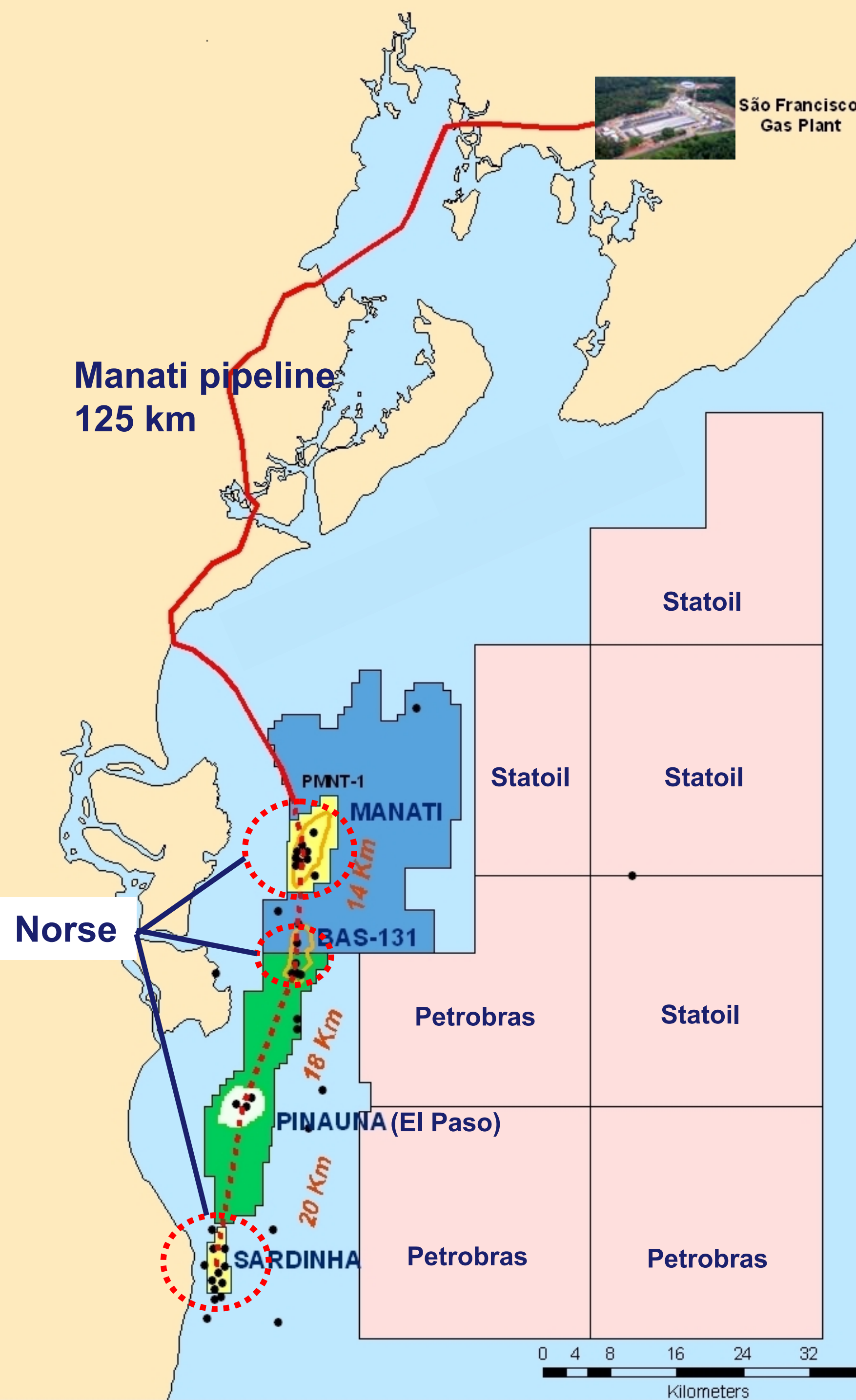
Operational review – Manati

	Well	Status	Gross pay (m)	Net pay (m)	Online	Inclusion in proven reserves
Q4-06	# 1	Completed	327	262	Yes	Revised
	# 2	Completed	233	186	Yes	Revised
2007→	# 3	Completed	266	192	Q1-06	Old
	# 4	Completed	236	192	Q1-06	Old
	# 5	Under completion	345	232	2007	Old
	# 6	Scheduled	N/A	N/A	2007	N/A
	# 7	Approved to drill*	N/A	N/A	N/A	N/A

* Field extension

- **Production commenced mid January**
- **January production averaged 1.8 MM^3/field days**
- **February production down nine days due to pipeline inspection**
- **Current production running at ~2.0 MM^3/day**
- **Production ramp-up according to market demand**

norse energy corp



Operational review - Brazil

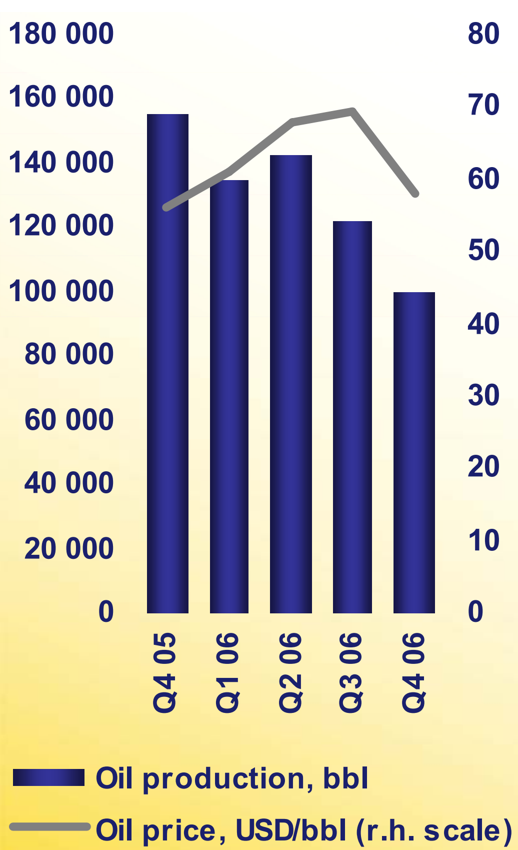
Manati / Camamu-Almada

- **Government push to increase local gas supply**
- **BAS131 development**
  - Partners decision to go ahead
  - Unitization meeting with El Paso planned
  - Concept evaluations started
- **Sardinha development**
  - Gas price discussions initiated
  - G&G revision started
  - Concept evaluations started
- **BCAM-40 exploration drilling**
  - Awaiting environmental licenses

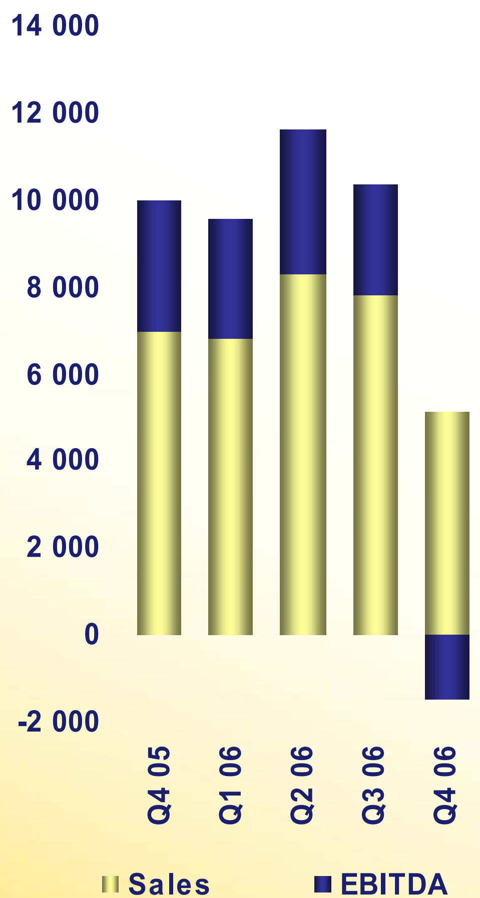
norse energy corp

Operating assets - Brazil
Coral

Oil production and price



Brazil E&P (USD '000)



Coral well update

- Well #3 lost
- Well #4 re-completed successfully, producing ~700 m3/day
- Well #5 to be re-completed

- Q4 oil price 58.1 USD/bbl vs. Q3 69.4 USD/bbl

- Q4 production (100% basis) was 3 098 bpd (down from 4 133 in Q3)

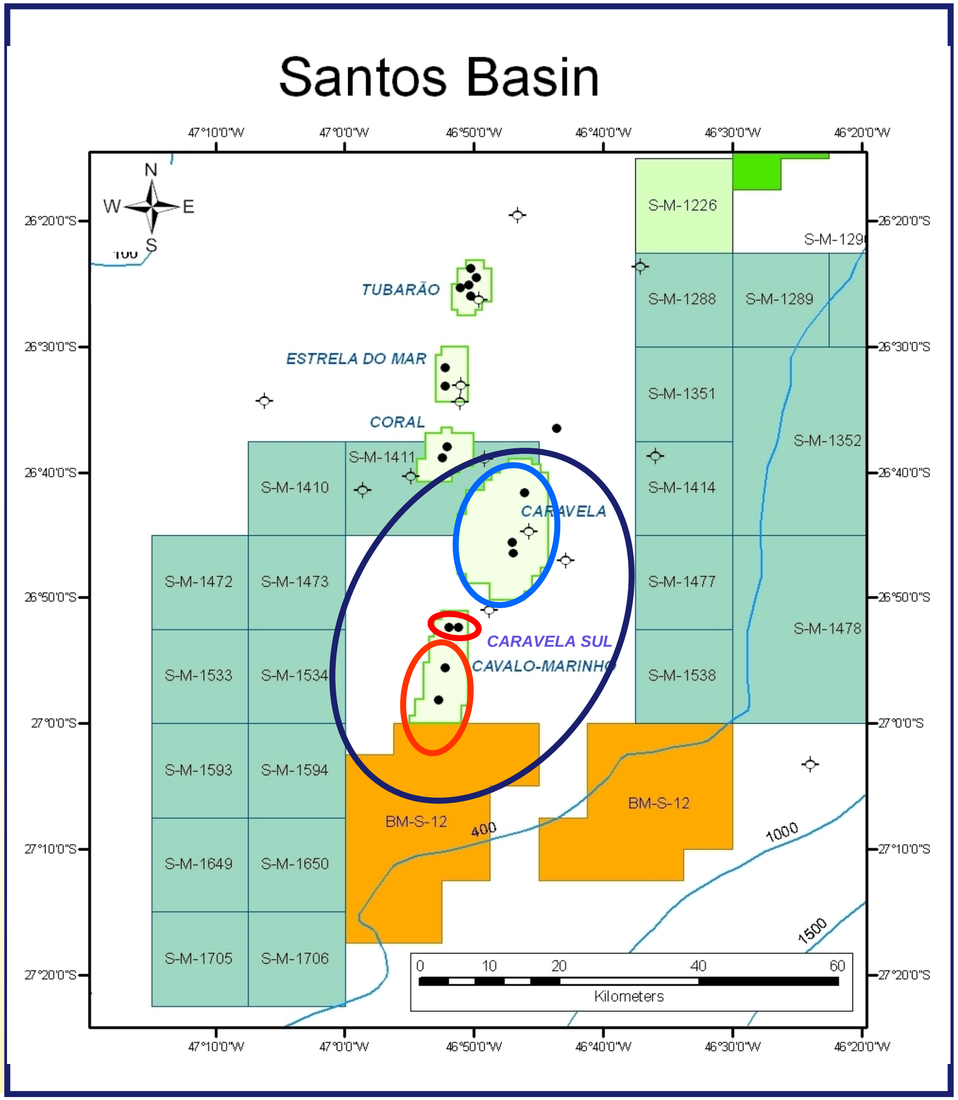
- Q1 production to date ~2 500bbls (100%). Current production above 4 500 bbl/day after re-work from #4

- Workover cost on Coral #3 affected Q4 figures

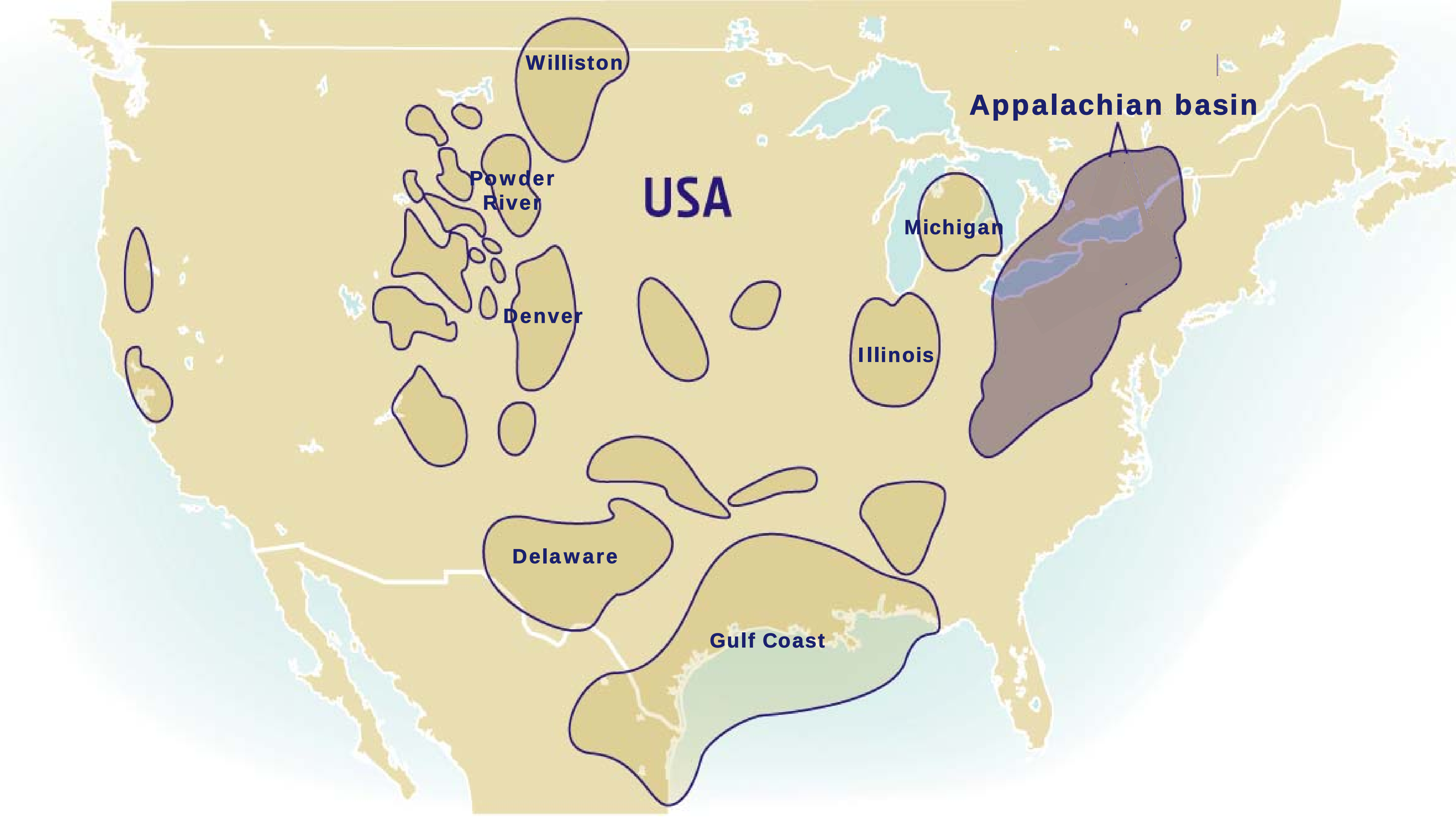
norse energy corp

BS3 – integrated development

- **Cavalo Marinho field**
  - Advancements made in integrated BS3 development concept
- **Estrela do Mar field**
  - Development still under evaluation

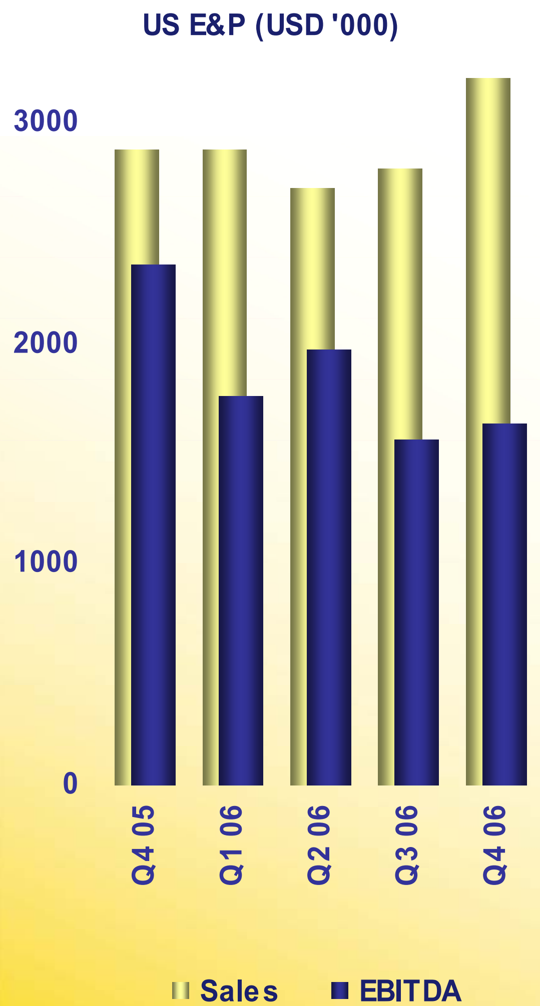


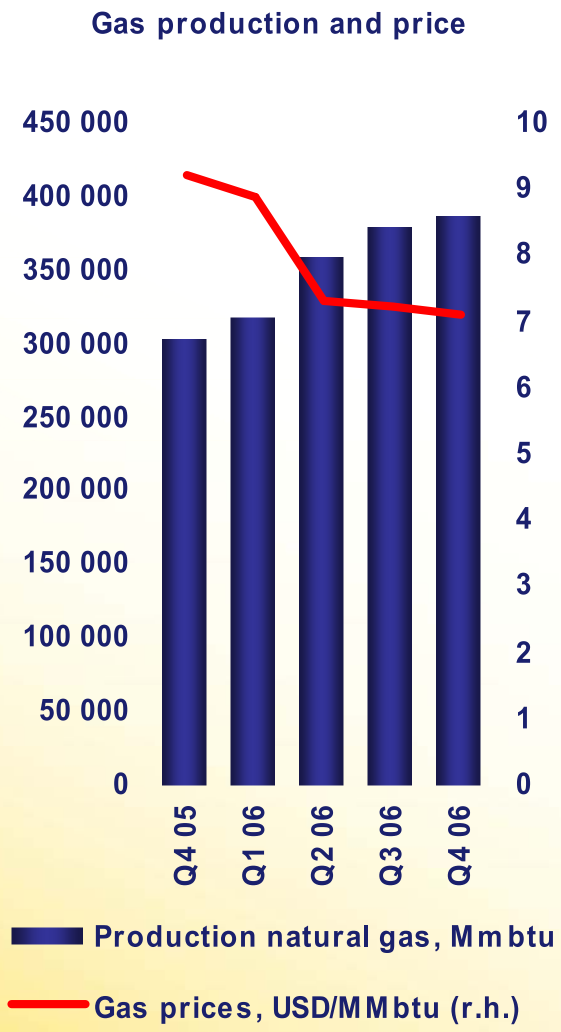
US Strategic focus – Appalachian basin



Operational Review - USA

Exploration & Production

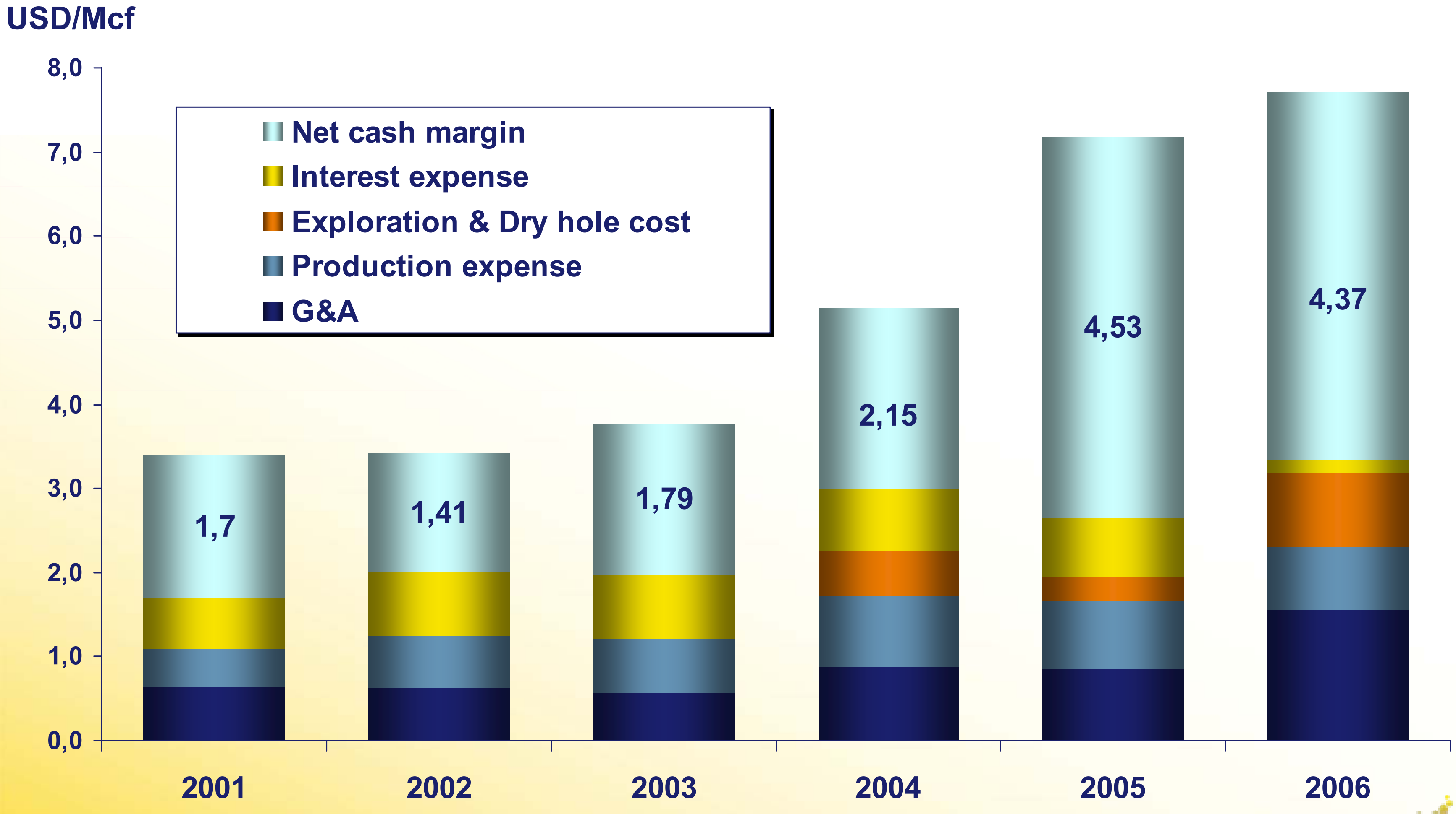




- **Gross production of 4,198 MMbtu per day**
- **26 wells drilled in Q4**
- **A total 59 wells drilled in 2006**
  - Success rate 97%
  - 39 of the new wells online by end of year

norse energy corp

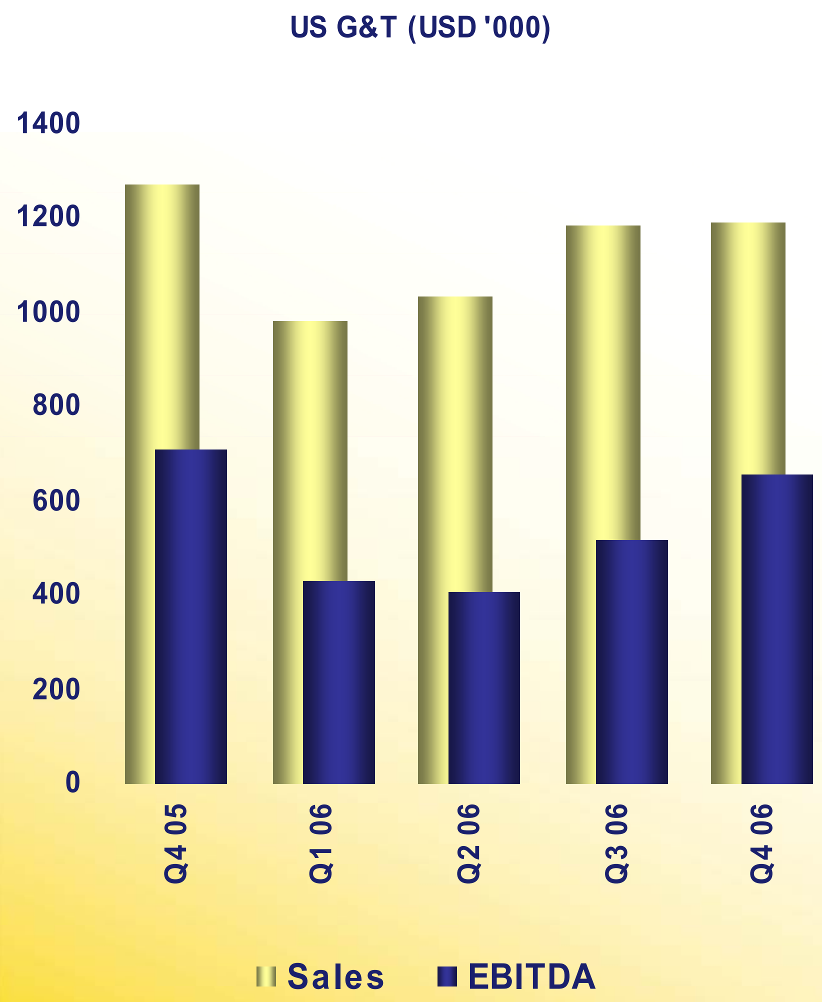
E&P division
Costs and net profit per Mcf



norse energy corp

Operational Review - USA

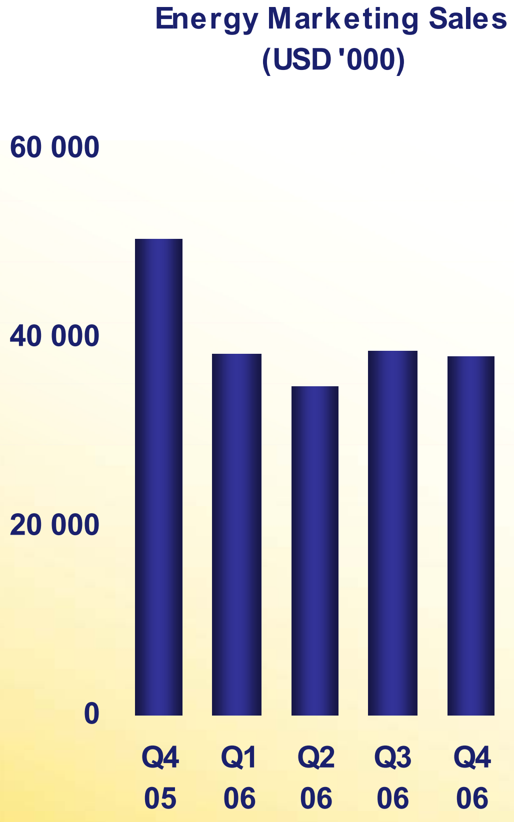
Gathering & Transmission

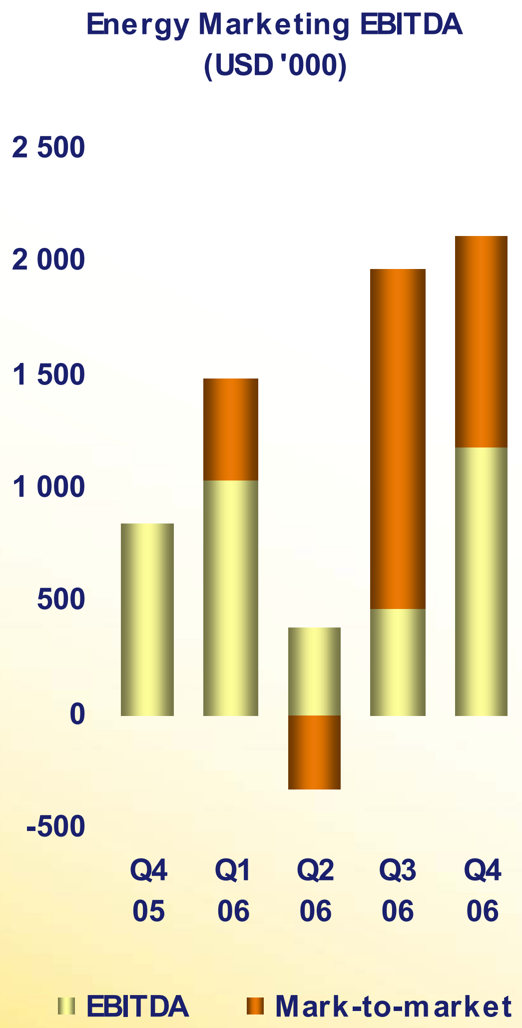


- Continued strong throughput, improved EBITDA
- Throughput increased by 27 percent in 2006
- Evaluating pipeline extension projects and stripping plants

Operational Review - USA

Energy Marketing





- **Record EBITDA 2.1 MUSD in Q4**
  - Positive USD ~940,000 effect of mark-to-market contract accounting
- **2006 EBITDA 5.6 MUSD**
  - Above expectations
  - Positive mark-to-market net effect 2.6 MUSD in 2006

norse energy corp

Outlook

- **Successful completion of Manati field development**
- **Conclude integrated BS3 discussions Norse – Petrobras Joint Venture**
- **Exploration campaign starting**
- **Production profile will change with Manati**
    - Gas will soon account for ~2/3 of production in Brazil
- **Continued drill bit growth onshore USA and first deep exploration well scheduled for later this year**

norse energy corp

Enclosures

Income Statements
Balance Sheets
Cash Flow Statements
Segment Information
- Production Figures by Division
- Key Financials by Division

Key Financial Figures

Income Statement

Profit and Loss Statement

(Dollars in thousands)	2006 Q4	2006 Q3	2006 Q2	2006 Q1	2005 Q4	2006 Full year	2005 Full year
Total revenues	43 750	48 245	45 929	48 653	60 806	186 577	124 306
Trading purchase of oil and natural gas	(30 847)	(34 012)	(33 392)	(36 141)	(48 466)	(134 392)	(82 288)
Production expenses	(5 993)	(5 126)	(5 325)	(4 106)	(4 597)	(20 550)	(14 140)
General and administrative expenses	(4 260)	(4 070)	(2 371)	(2 565)	(2 083)	(13 266)	(7 541)
Exploration costs	(724)	(410)	(45)	(481)	13	(1 660)	(497)
EBITDA	**1 925**	**4 627**	**4 796**	**5 360**	**5 673**	**16 708**	**19 840**
Depletion and depreciation	(5 656)	(3 110)	(3 322)	(3 216)	(3 565)	(15 304)	(12 627)
Operating income (EBIT)	**(3 731)**	**1 517**	**1 474**	**2 144**	**2 108**	**1 404**	**7 213**
Net interest costs	(3 586)	(1 919)	(1 239)	(1 109)	(1 619)	(7 853)	(5 098)
Other financial items (net)	(6 801)	883	128	340	1 028	(5 450)	2 676
Results from continued operations	**(14 117)**	**481**	**363**	**1 375**	**1 517**	**(11 898)**	**4 791**
Taxes	2 243	181	(48)	(1 168)	(1 258)	1 208	(2 560)
Net profit before minority interest	**(11 874)**	**662**	**315**	**207**	**259**	**(10 690)**	**2 231**
Minority interest	-	-	-	(56)	(57)	(56)	(282)
Net profit after minority interest	**(11 874)**	**662**	**315**	**151**	**202**	**(10 746)**	**1 949**
Earnings per share ($)	*0,00*	*0,00*	*0,00*	*0,00*	*0,00*	*0,00*	*0,01*
Diluted earnings per share ($)	*0,00*	*0,00*	*0,00*	*0,00*	*0,00*	*0,00*	*0,01*

* Pro forma consolidated figures, as if Northern Oil and NaturGass had been consoliidated for the full period

Balance Sheets

Balance Sheet

(Dollars in thousands)	As of 12.31.06	09.30.06	06.30.06	03.31.06	12.31.05
Property and equipment	219 103	196 622	170 505	158 742	97 627
Fields under development	69 307	50 758	46 804	45 138	45 138
Intangible assets	5 826	5 879	5 879	6 347	6 347
Other non-current assets	5 901	5 200	1 136	453	2 424
Other current assets	33 046	41 689	34 909	41 559	42 394
Inventory	3 237	2 618	2 538	2 562	1 988
Cash and cash equivalents	55 740	37 232	25 972	31 802	39 387
Total Assets	**392 160**	**339 998**	**287 743**	**286 603**	**235 305**
Equity	107 551	126 795	115 519	116 638	96 473
Minority interest	-	-	-	1 631	1 575
Other long term liabilities	13 501	2 679	7 890	6 677	6 673
Deferred tax	29 473	18 640	17 199	17 356	17 062
Long term debt	160 606	103 982	80 144	78 491	57 795
Short term debt	22 033	51 897	32 996	32 427	10 973
Other current liabilities	58 995	36 005	33 995	32 930	44 754
Total Liabilities and Equity	**392 160**	**339 998**	**287 743**	**286 150**	**235 305**

Equity reconciliation *(Dollars in thousands)*	
Opening balance, January 1	**96 473**
Share issue	17 888
Acquisition minority	(652)
Result for the period	(10 746)
Employee share options	928
Other comprehensive income	3 543
Adjustments to last year equity	574
Currency Translation Adjustment	(457)
Closing balance, December 31	**107 551**

* Pro forma consolidated figures, as if Northern Oil and NaturGass had been consoliidated for the full period

Key Financial Figures

Cash Flow Statements

Cash Flow Statements

(Dollars in thousands)	2006 Q4	2006 Q3	2006 Q2	2006 Q1	2005 Q4	2006 Full year	2005 Full year
Cash flows from operating activities							
Net profit for the period	(11 875)	662	316	207	(74)	(10 690)	4 791
Employee options accrual	439	283	205	-	-	927	-
Depreciation and amortization	5 710	3 110	3 322	3 216	3 566	15 358	12 627
Change in accounts receivable and other current assets	7 684	(4 896)	3 953	4 983	(14 553)	11 724	(23 290)
Change in inventory	(1 879)	1 179	25	(574)	(911)	(1 249)	(1 005)
Change in accounts payable	21 549	4 655	(578)	(10 675)	10 003	14 951	2 390
Change in other assets and liabilities	271	(5 856)	(1 339)	1 231	1 448	(5 693)	(1 801)
Net cash flows from operating activities	**21 899**	**(863)**	**5 904**	**(1 612)**	**(521)**	**25 328**	**(6 288)**
Cash flows from investing activities							
Acquisition of minority	1 519	-	(1 945)	-	-	(426)	-
Acquisition of oil put options	-	-		(1 399)	-	(1 399)	(1 863)
Investment in property, plant and equipment	(46 686)	(35 181)	(15 073)	(64 009)	(4 795)	(160 949)	(12 598)
Net cash flows from investing activities	**(45 167)**	**(35 181)**	**(17 018)**	**(65 408)**	**(4 795)**	**(162 774)**	**(14 461)**
Cash flows from financing activities							
Proceeds from issuance of shares	-	-	-	18 748	-	18 748	24 780
Share issue cost	-	-	-	(860)	-	(860)	(2 275)
Sale of treasury shares	-	-	-	-	-	-	20 530
Proceeds from loans obtained	33 046	49 934	13 096	46 635	10 326	142 711	42 316
Repayment of loans	(6 597)	(9 683)	(7 811)	(4 749)	(1 923)	(28 840)	(32 082)
Equity from convertible loan	(9 130)	9 130	-	-	-	-	-
Other long term debt	24 457	(2 077)	-	(340)	-	22 040	(661)
Net cash flows from financing activities	**41 776**	**47 304**	**5 285**	**59 434**	**8 403**	**153 799**	**52 608**
Cash and cash equivalents in companies acquired, net	-	-		-	-	-	7 253
Change in cash and cash equivalents during period	**18 508**	**11 260**	**(5 829)**	**(7 586)**	**3 087**	**16 353**	**39 112**
Cash and cash equivalents at beginning of period	37 232	25 972	31 801	39 387	28 033	39 387	275
Cash and cash equivalents at end of period	**55 740**	**37 232**	**25 972**	**31 801**	**31 120**	**55 740**	**39 387**

Key Financial Figures
Segment Results

Gross revenue, EBITDA and EBIT	2006				2005	2006	2005
	Q4	Q3	Q2	Q1	Q4	Full year	Full year
Brazil E&P							
Oil revenues (net of royalties and tax)	5 104	7 830	8 286	6 793	6 969	28 013	28 019
EBITDA	(1 497)	2 529	3 332	2 763	3 344	7 127	14 996
EBIT (Operating profit)	(5 471)	142	729	311	1 292	(4 289)	5 028
USA E&P							
Natural gas revenues	3 200	2 792	2 701	2 879	2 880	11 572	8 097
EBITDA	1 639	1 563	1 970	1 756	2 352	6 928	6 042
EBIT (Operating profit)	364	1 076	1 482	1 274	1 649	4 196	4 232
USA G&T							
Income from gathering and transmission	1 189	1 183	1 036	983	1 273	4 391	3 907
EBITDA	657	519	406	431	707	2 013	1 569
EBIT (Operating profit)	413	272	182	197	484	1 064	763
USA Energy Marketing							
Oil and natural gas trading	37 909	38 478	34 745	38 220	50 290	149 352	85 312
EBITDA	2 118	1 970	47	1 489	837	5 624	1 302
EBIT (Operating profit)	2 112	1 965	42	1 484	832	5 603	1 294
Corporate Overhead and Eliminations							
Revenue	(3 652)	(2 038)	(839)	(222)	(606)	(6 751)	(1 029)
EBITDA	(993)	(1 954)	(959)	(1 079)	(1 567)	(4 985)	(4 069)
EBIT (Operating profit)	(1 149)	(1 938)	(961)	(1 122)	(2 149)	(5 170)	(4 104)
Group							
Total Revenue	43 750	48 245	45 929	48 653	60 806	186 577	124 306
EBITDA	1 925	4 627	4 796	5 360	5 673	16 708	19 840
EBIT (Operating profit)	(3 731)	1 517	1 474	2 144	2 108	1 404	7 213

norse energy corp

Key Financial Figures

Segment Production Figures

Production figures	2006				2005	2006	2005
	Q4	Q3	Q2	Q1	Q4	Full year	Full year
Brazil E&P							
Oil production, barrels (100%)	285 077	380 280	519 055	489 232	563 827	1 673 644	2 615 276
Oil price, $/bbl (before royalty and tax)	$ 58,10	$ 69,42	$ 67,69	$ 61,00	$ 56,08	$ 64,58	$ 53,55
USA E&P							
Production natural gas, MMBTU	386 249	379 737	358 211	317 924	303 732	1 442 121	1 138 894
Gas price, $/MMBtu	$ 7,11	$ 7,23	$ 7,33	$ 8,87	$ 9,41	$ 7,58	$ 7,11
USA G&T							
Throughput (MMBTU)	1 732 825	1 797 581	1 573 527	1 272 927	1 327 538	6 376 860	5 036 737