

Norse Energy Corp. ASA

**The Role of Junior Companies
in Big Shale Development**

DnB NOR Shale Gas Conference

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Norse Energy Corp. ASA

Market Cap:
~\$330 million

Net Interest Bearing Debt (Q3-09):
~\$200 million

2P Reserves (2008):
0.25 TCF (43.8 MMBOE)

Contingent resources (2008)
2.12 TCF (377 MMBOE)

Production sales Q3-09
~24,400 Mcfe/day
(4,341 BOE/day)

NORSE ENERGY CORP. ASA – Holding company

100%

70%

Norse Energy
Operation USA

Norse Energy
Operation Brazil

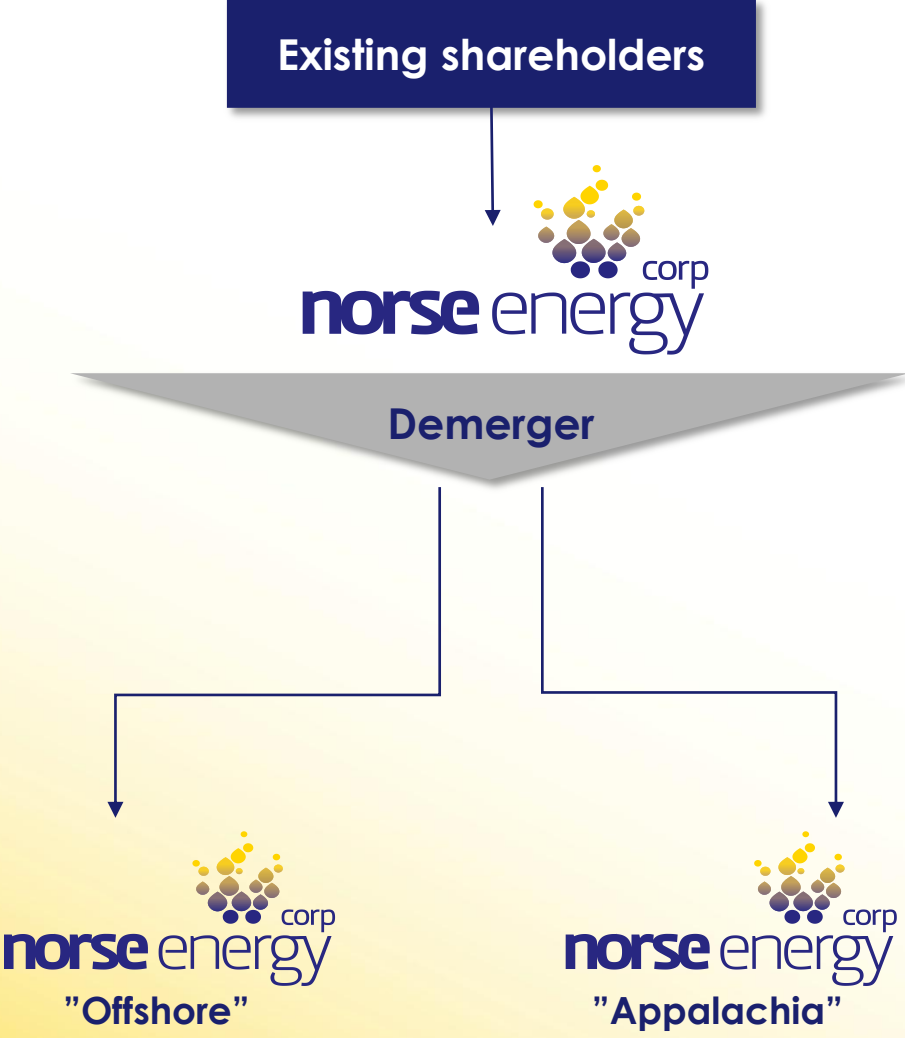
E&P
(Operator)

E&P
(Operator and Partner)

Pipeline

Gas marketing

Pure plays – "Appalachia" and "Offshore"



A History of Value Creation in America

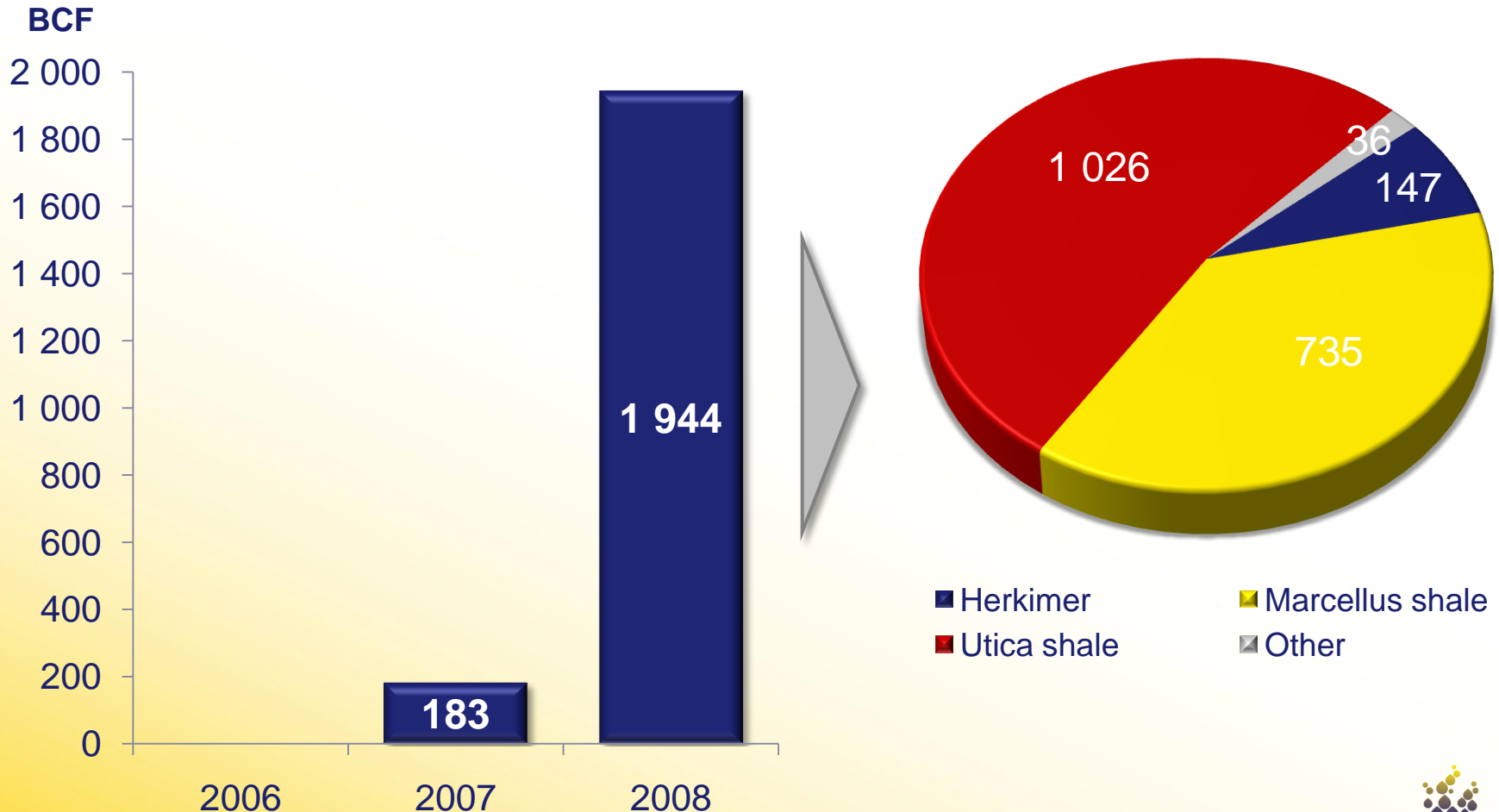
Gulf of Mexico, Oklahoma and Appalachian Basin

- 1973 Norse Petroleum Established**
- 1993 Sold Gulf of Mexico oil and gas assets**
- 1997 Sold Oklahoma natural gas assets**
- 1996 Built and operated natural gas assets in Appalachia**
- 2005 Became Public Company listed in Oslo, Norway**
- 2008 Sold conventional natural gas assets in Appalachia**
- 2008 Proceeds redeployed into Herkimer development and unconventional shale assets**

Contingent resources (2C) development

US - Third-party certified (Schlumberger) year-end 08

2009 Schlumberger report anticipated February 2010

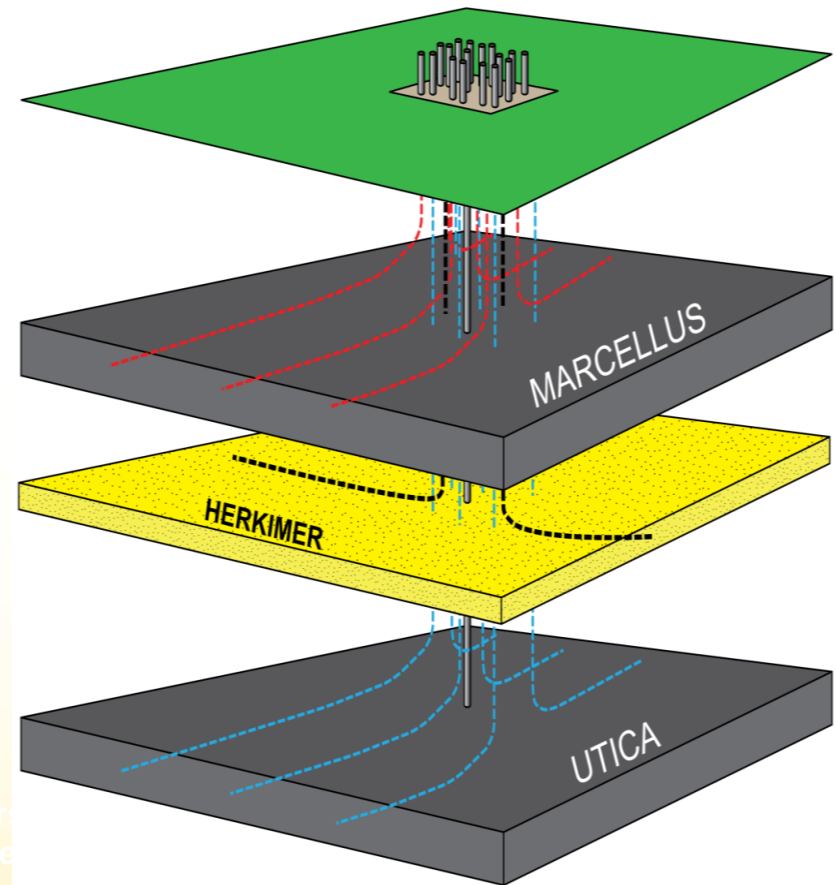


Resource Position

In the concordance of the Marcellus and Utica fairways

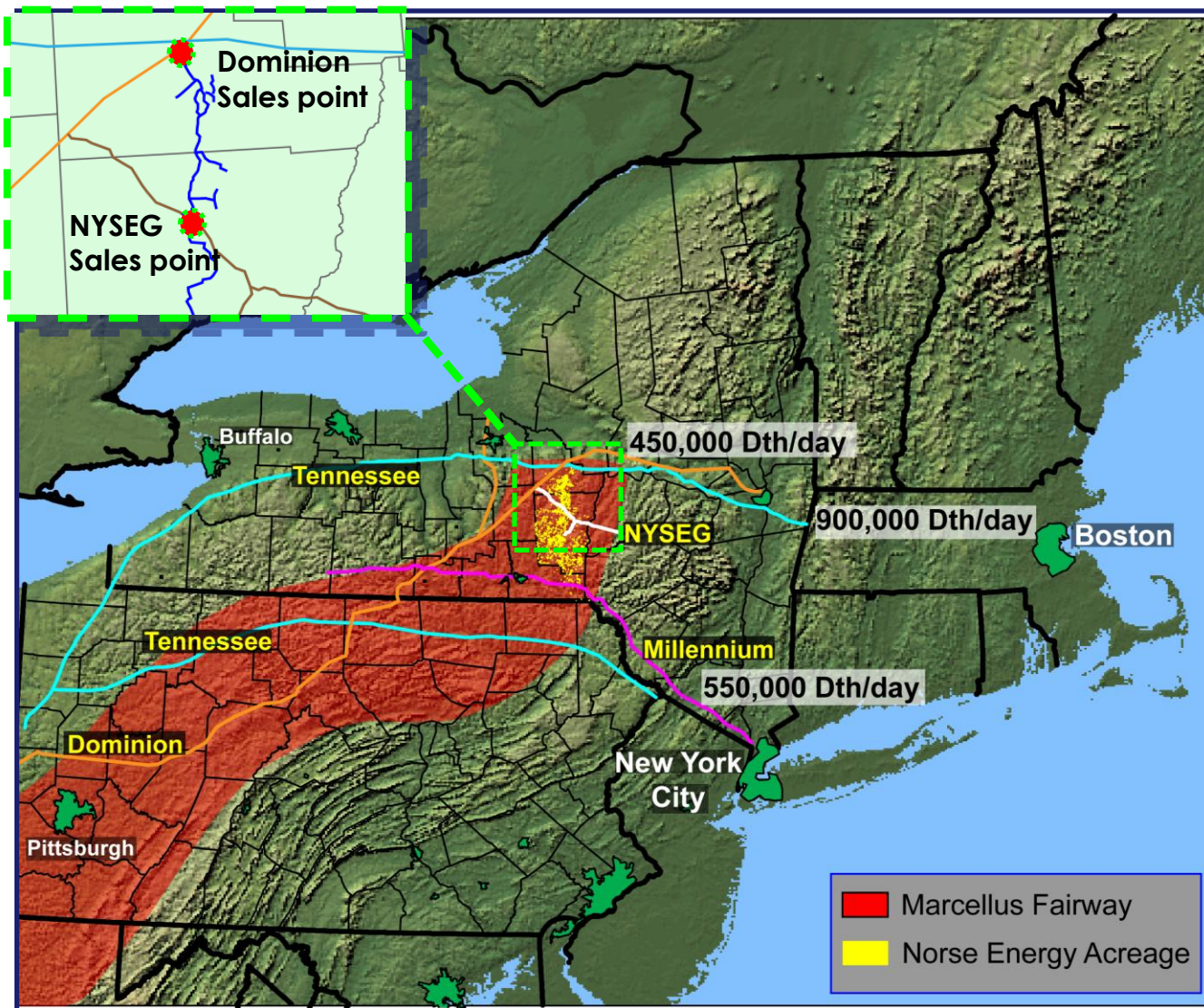
- 180,000 net acres
 - 130,000 acres with stacked play potential
- 1.8 Tcf (313 MMBOE) Marcellus and Utica shale Schlumberger certified end 08
- 0.15 Tcf (26 MMBOE) Herkimer Schlumberger certified end 08
 - Internal Herkimer estimate of 0.5 Tcf (90 MMBOE)

Area of Norse
non-core acre



Infrastructure

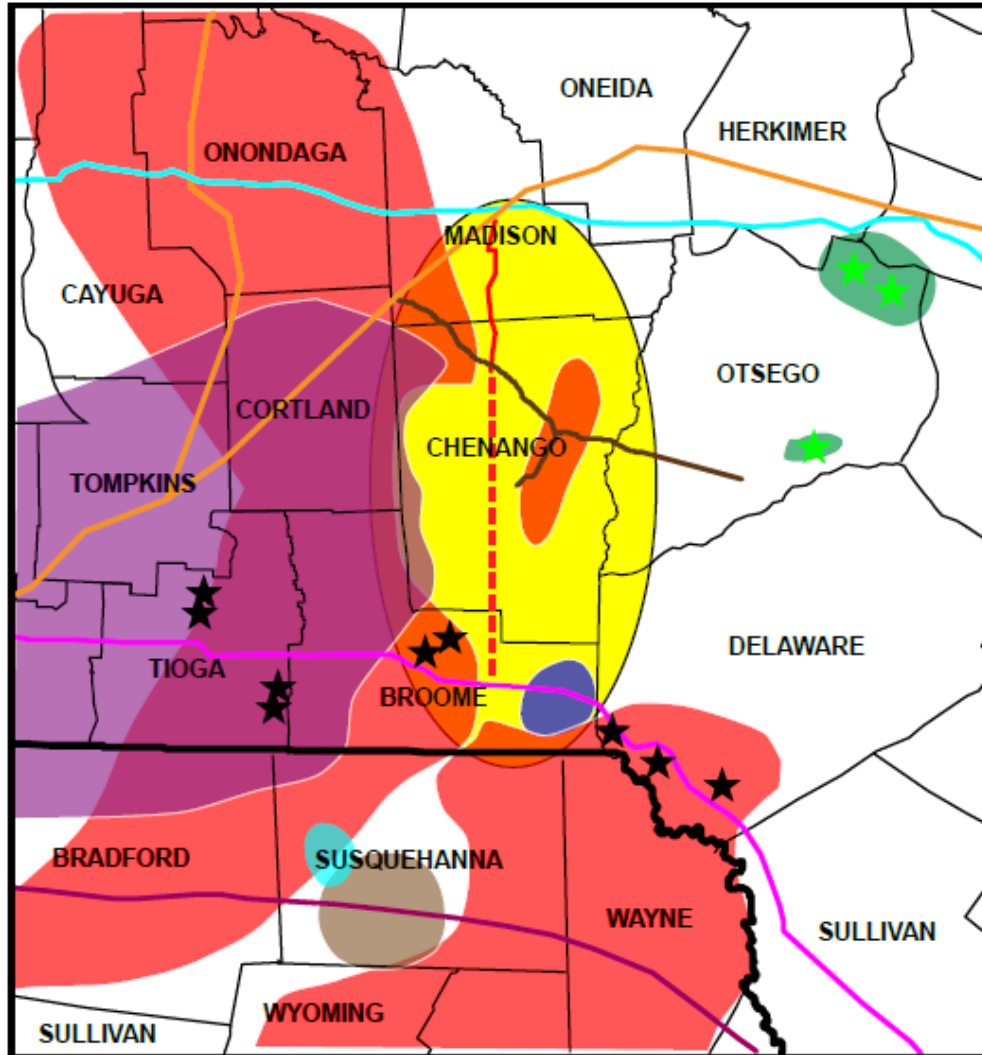
Delivering to major markets



- Build and operate mid-stream pipeline assets
 - Established taps into Dominion, NYSEG and Millennium
- Access to three major interstate pipelines
 - Feeding the Northeastern market
- NYMEX pricing advantage
 - Approx. 25 cents per MMBtu

Leasehold position

Attractive acreage position in a highly competitive area



- 180,000 acres (130,000 shown here)
- Low-cost
- Favorable royalties and other terms
- Surface to basement
- Continuous Herkimer drilling holds acreage for shale development

- Norse ~130,000 acres
- Fortuna Energy
- Chesapeake / Statoil
- XTO Energy/ExxonMobil
- Gastem
- Epsilon
- Cabot
- Norse gathering system
- ★ Horizontal Marcellus permit applications
- ★ Vertical Utica permits issued

Small Cap Shale Development Capital Raising Challenge

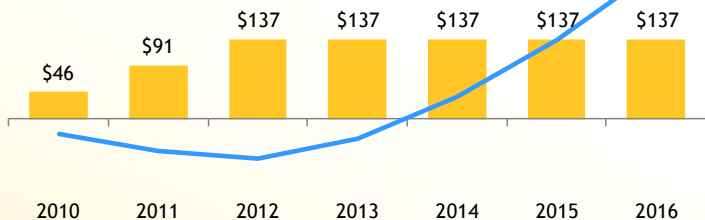
Generic example	
Acreage position	100,000
Total wells to develop acreage	875
Development horizon	26 years
Cost per well	3.8 USDm
Total well cost USDm	3.3 USDbn
Peak wells drilled per year	36
Drilling CAPEX USDm per year	128 USDm

Source: Tudor Pickering Holt & Co. Conceptual New York Marcellus Joint Venture, January 2010

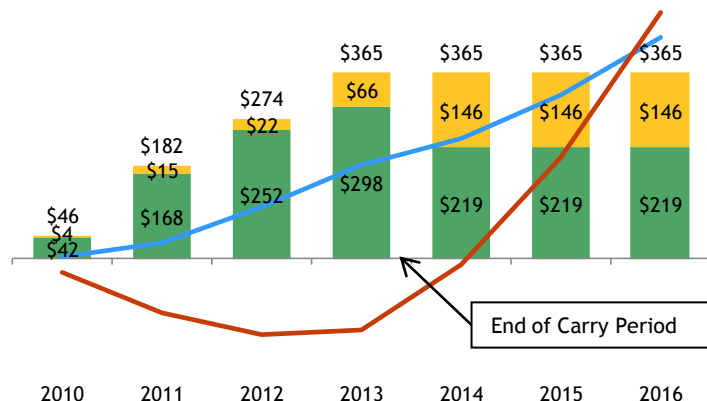
Impact of a JV Partner

Junior Company Shale Development Opportunity

Stand Alone Company Capex/Cumulative FCF
(dollars in millions)



Accelerated JV Capex/Cumulative FCF
(dollars in millions)



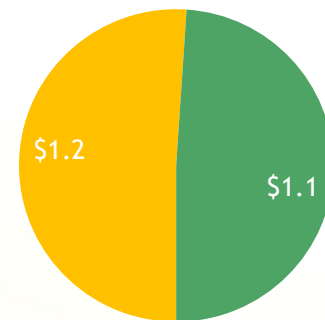
Single Company Stand Alone Value

NPV10: \$1.4 Bn
Junior Company IRR: 61%



Joint Venture Value

NPV10: \$2.3 Bn
Junior Company IRR: >100%
Partner IRR: 30%



New York Regulation moving forward

Resolution expected in Q2 2010

Current New York Regulatory Structure

- + Drilling has been ongoing in New York for decades
- + Norse has been continuously drilling in New York since 1996
- + Vertical and Horizontal wells are allowed today
- 80,000 gallon frac limitation today
- No horizontal shale wells permitted today

Statewide Uniform Regulation for Shale

- + SGEIS Public comment period ended 31 December 09
 - ~10,000 comments received
- + Issuance of final regulation expected in Q2 2010

2010 business plan

Herkimer field development while awaiting New York shale regulations

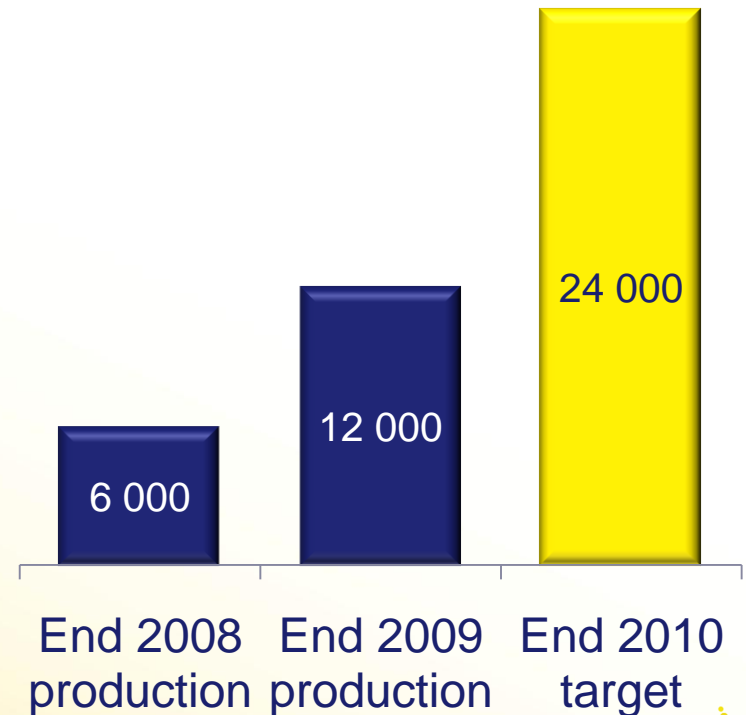
Herkimer

- 30 Herkimer wells
- 24,000 Mcf (4,275 BOE) per day end of year target
- Gathering system expansion
- 3D Seismic

Marcellus

- Vertical well pilot program and core analysis
- 3D Seismic acquisitions
- Strengthen shale organization

Gross production Mcf/day



Billion dollar Herkimer play potential

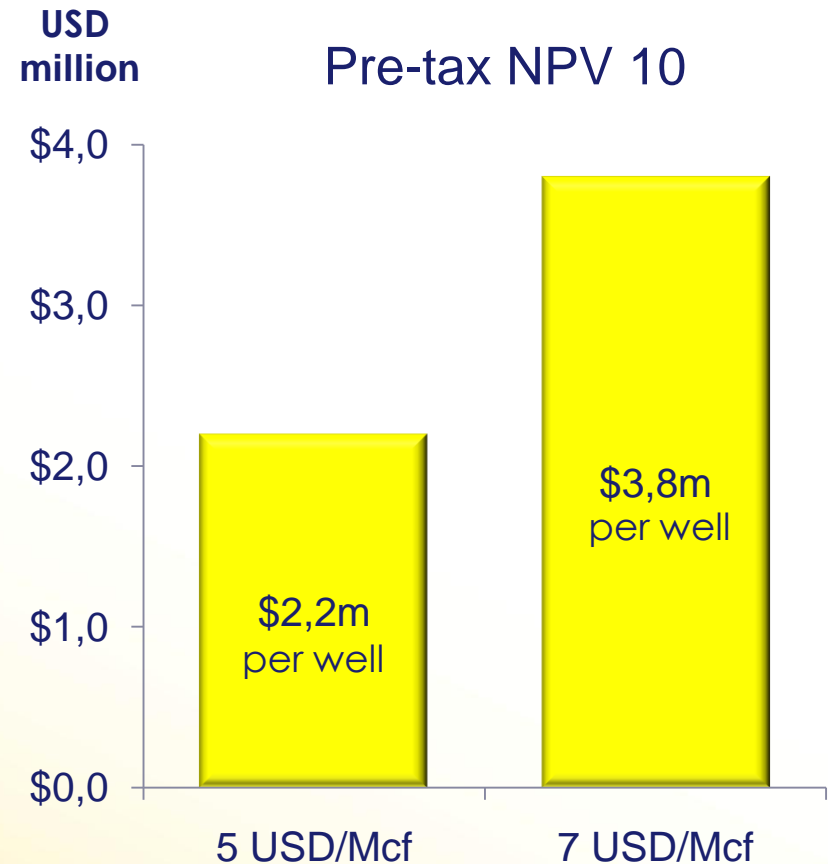
Base case study

Base case study assumptions:

- Initial Production (IP): 1,250 Mcf/day
- Investment USD 1.2 million
 - Incl. Land, Seismic, gathering cost
- Decline rate of 50% (year 1), 25% (year 2), 10% (year 3 onwards)
- Discount rate 10%

Herkimer sandstone play:

- 300+ Herkimer locations identified on seismic in Central New York state
- Internal evaluation of the field indicates 0.5 Tcf (90 MMBOE) recoverable gas



Norse Energy USA

Uniquely positioned in Appalachian shale trends

- **Multiple gas plays on ~180,000 acres in northern Appalachia**
 - Unique location with three stacked plays
 - Herkimer sandstone
 - Marcellus shale
 - Utica shale
 - Fully amortize Herkimer well cost to ensure future Marcellus and Utica wells are lowest cost in the play
- **Infrastructure in place**
 - Build and control own gathering systems
 - Three major interstate pipelines adjacent to NEC acreage provide access to highest priced market in the US
- **Appalachian expertise**
 - 14 years corporate experience in the Appalachian basin
 - Poised to capture the value of three attractive plays