

Information Memorandum



Norse Energy Corp. ASA

(a public limited liability company organized under the laws of the Kingdom of Norway)

Business Registration number 979 441 002

Manager

 Pareto Securities AS

27 January 2010

This Information Memorandum does not constitute an offer to buy, subscribe or sell the securities described herein.

Important Notice

This information memorandum (“**Information Memorandum**”) has been prepared in connection with Norse Energy ASA’s (“**Norse**” or the “**Company**”) demerger of the business areas in Brazil (the “**Transaction**”).

Capitalized terms used in this Section and not defined herein shall have the meaning ascribed to them in the Section headed “Definitions”.

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This Information Memorandum contains forward-looking statements. These statements involve known and unknown risks, uncertainties and other factors which may cause the Company's actual results, performance or achievements to be materially different from any future results, performances or achievements expressed or implied by the forward-looking statements.

In some cases, forward-looking statements can be identified by terminology such as "may", "will", "could", "should", "expect", "plan", "intend", "anticipate", "believe", "estimate", "predict", "potential" or "continue", the negative of such terms or other comparable terminology. These statements are only predictions. Actual events or results may differ materially. In evaluating these statements, prospective investors should specifically consider various factors, including the risks outlined in the Risk Factors Section above. These factors may cause our actual results to differ materially from any forward-looking statement. Although the Company believes that the expectations reflected in the forward-looking statements are reasonable, it cannot guarantee future results, levels of activity, performance or achievement.

Except as required by law, the Company undertakes no obligation to update publicly any forward-looking statements for any reason after the date of this Information Memorandum to conform these statements to actual results or to changes in our expectations or publicly release the result of any revisions to these forward-looking statements which the Company may make to reflect events or circumstances after the date of this Information Memorandum or to reflect the occurrence of unanticipated events. Investors are advised, however, to consult any further public disclosures made by the Company, such as filings made with Oslo Børs or press releases.

Table of contents

1	Risk Factors	4
2	Responsibility Statement.....	8
3	The Transaction	9
4	Presentation of Brazil Holding ASA	12
5	Presentation of Norse Energy Corp. ASA after the Transaction	18
6	Historical Financial Information	27
7	Pro Forma Financial Information.....	29
8	Additional Information	34
9	Definitions	35

Appendices

Appendix 1: Auditor's Report on pro forma financial information	A1
Appendix 2: Demerger plan.....	A2

1 RISK FACTORS

In addition to the other information set out in this Information Memorandum, the following risk factors should be carefully considered when deciding what action to take in relation to the Transaction. Any of the risks described below could have a material adverse impact on Norse, financial condition and results of operations and could therefore have a negative effect on the trading price of the shares in the Norse and affect a prospective investor's investment. The information below does not purport to be exhaustive. Additional risks and uncertainties not presently known to Norse currently deems immaterial may also have a material adverse effect on Norse, following the Transaction, the Group's business, financial condition and operating results.

1.1 Market risks

1.1.1 The Company experiences strong competition

The natural oil and gas industry is capital intensive and the Company operates in an environment in which many other companies have greater financial and technical resources than the Company. These other companies include major integrated oil and natural gas producers and numerous other independent oil and natural gas companies and individual producers and operators.

In the US, there is intense competition for the acquisition of resource properties considered to have commercial potential. The marketability and price of natural oil and gas which may be acquired or discovered will be affected by numerous factors beyond the control of the Company. The ability of the Company to market its natural oil and gas may be dependent upon its ability to acquire space on pipelines which deliver natural gas to commercial markets. Prices paid for and natural gas produced are subject to market fluctuations which will directly affect the profitability of producing any crude oil or natural oil and gas reserves which may be acquired or developed by the Company. The market prices for natural gas are volatile and subject to fluctuation. Any material declines in these prices could result in a reduction of any future net production revenue. The economics of producing from wells acquired or drilled by the Company may change as a result of lower commodity prices, which could result in a reduction in the economically recoverable volumes of the reserves of the Company. The Company may elect not to produce from certain existing wells at lower commodity prices. All of these factors may result in a material decrease in future net production revenue of the Company, causing a reduction in cash flow from operations which may be used to fund the Company's natural gas acquisition and development activities.

The Company's ability to successfully bid on and acquire additional property rights, to discover reserves, to participate in drilling opportunities and to identify and enter into commercial arrangements with customers will be dependent upon developing and maintaining close working relationships with its future industry partners and joint operators and its ability to select and evaluate suitable properties and to consummate transactions in a highly competitive environment.

1.1.2 Availability of drilling equipment and access restrictions

Oil and natural gas exploration and development activities in the US are dependent on the availability of drilling and related equipment, which the Company outsources in the particular areas where such activities will be conducted. Demand for such limited equipment or access restrictions may affect the availability of such equipment to the Company and may delay exploration and development activities.

1.2 Operational Risks

1.2.1 The Company's oil and natural gas production could vary significantly from the reports from independent reserve engineer firms

The Company bases its investment plans on reserve reports, prepared by the independent reserve engineer firms Gaffney Cline & Associates for reserves in Brazil, and Schlumberger Data & Consulting Services for reserves in the US. Such reports are also obtained at least annually to establish the expected production profiles for the fields in production, and the expected economic lifetime of the fields. Any reduction in reserves might lead to a write down of field investments due to impairment tests and increases in future depreciations.

1.2.2 The Company may not be able to discover new reserves

The Company's future oil and gas reserves, production, and cash flows in both US and Brazil are highly dependent on the Company successfully acquiring or new discoveries. Without the addition of new reserves, any existing

reserves the Company may have at any particular time and the production there from will decline over time through production and distribution into the market. A future increase in the Company's reserves will depend not only on the Company's ability to develop any properties it may have from time to time, but also on its ability to select and acquire suitable producing properties or prospects. There can be no assurance that the Company's future exploration and development efforts will result in the discovery and development of additional commercial accumulations of oil and gas. Should the Company not discover additional reserves, current operations may not be sustainable.

1.2.3 Technical risk in development of Brazilian oil fields and oil production

The development of the Brazilian oil fields in which NEC indirectly participates in is associated with significant technical risk and uncertainty with regards to production start. The risk costs include – but are not limited to - cost overruns, production disruptions and delays compared to initial plans established by the Operator. Some of the most important risk factors are related to the determination of reserves and their recoverability, and the planning of a cost efficient and suitable production method. There are also technical risks present in the production which may cause cost overruns, failed investment, and destruction of wells and reservoirs.

1.2.4 Estimates for abandonment costs

When the production from an oil field in Brazil cease, the Company is obliged to shut in wells and remove installations. Provisions are based on the best available estimates from the Operator, based on today's technology and today's prices for equipment and manpower.

1.2.5 Permits and licenses

Significant parts of the Company's operations in both the US and Brazil require licenses and permits from various governmental authorities. There can be no assurance that the Company will be able to obtain all necessary licenses and permits that may be required to carry out exploration and development at its projects. If the present permits and licenses are terminated or withdrawn, such event could have material negative effect of the Company's operations.

1.2.6 Governmental regulations

The oil and gas industry in general is subject to extensive government policies and regulations, which result in additional cost and risk for industry participants. Environmental concerns relating to the oil and gas industry's operating practices are expected to increasingly influence government regulation and consumption patterns which favor cleaner burning fuels such as gas. The Company is uncertain as to the amount of operating and capital expenses that will be required to comply with enhanced environmental regulation in both the US and Brazil in the future. These risks are mitigated by the Company, to the extent possible, by adherence to focused exploration and development strategies and the business acumen, experience and expertise of the Company's management.

1.2.7 Title to properties

The Company has not obtained legal opinions as to the title to its US properties and leases and cannot guarantee or certify that a defect in the chain of title may not arise to defeat the Company's interest in certain of its properties. Remediation of title problems could result in additional costs and litigation. If title defects are unable to be remedied, the Company may lose some of its interest in the disputed properties resulting in reduced production.

The Company conducts title reviews in connection with its principal properties as it believes are commensurate with the values of such properties. These reviews may not be sufficient to conclusively determine title.

1.2.8 Commodity price volatility

The oil and gas industry has been subject to considerable price volatility, over which companies have little control, and a material decline in prices could result in a decrease in the Company's production revenue. The oil and gas industry has inherent business risks and there is no assurance that products can continue to be produced at economical rates or that produced reserves will be replaced. Fluctuations in prices and currency exchange rates, as well as changes in production volumes, are daily risks in the industry.

1.2.9 Environmental risks

All phases of the oil and natural gas business present environmental risks and hazards and are subject to environmental regulation pursuant to a variety of international conventions and state and municipal laws and

regulations. Environmental legislation provides for, among other things, restrictions and prohibitions on spills, releases or emissions of various substances produced in association with oil and gas operations. The legislation also requires that wells and facility sites be operated, maintained, abandoned and reclaimed to the satisfaction of applicable regulatory authorities. Compliance with such legislation can require significant expenditures and a breach may result in the imposition of fines and penalties, some of which may be material. Environmental legislation is evolving in a manner expected to result in stricter standards and enforcement, larger fines and liability and potentially increased capital expenditures and operating costs. The discharge of oil, natural gas or other pollutants into the air, soil or water may give rise to liabilities to foreign governments and third parties and may require the Company to incur costs to remedy such discharge. No assurance can be given that environmental laws will not result in a curtailment of production or a material increase in the costs of production, development or exploration activities or otherwise adversely affect the Company's financial condition, results of operations or prospects.

1.2.10 Reliance on operations and key personnel

To the extent that the Company is not the operator of its properties, it will be dependent upon other guarantors or third parties operations for the timing of activities and will be largely unable to control the activities of such operators. In addition, the Company's success depends, to a significant extent, upon management and key employees. The loss of key employees could have a negative effect on the Company. Attracting and retaining additional key personnel will assist in the expansion of the Company's business. The Company will face significant competition for skilled personnel. There is no assurance that the Company will successfully attract and retain personnel required to continue to expand its business and to successfully execute its business strategy.

1.3 Financial risks

1.3.1 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they fall due. Prudent liquidity risk management includes maintaining sufficient cash and marketable securities, the availability of funding from an adequate amount of committed credit facilities, and the ability to close out market positions. Due to the dynamic nature of the Company's underlying business, parent company management maintains flexibility in funding by maintaining availability under committed credit lines and through the bond market.

In addition, management obtains funding through reserve based lending in the US and assets based lending in both the US and Brazil.

1.3.2 Credit risk

The Company is exposed to credit risk that arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables and committed transactions.

For banks and financial institutions, only independently rated parties with a minimum rating of ["A"] are accepted. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control in the operating units assesses the credit quality of the customer, taking into account its financial position, past experience and other factors.

The utilization of credit limits is regularly monitored and kept within approved budgets. The credit risk of the buyer of the natural gas in Brazil (Petrobras) to default on the payment is considered to be very low. The credit risk for the sale of natural gas, and sale and purchase of natural gas via the subsidiary Mid American Natural Resources ("MANR") and from the US G&T business segment is similarly considered to be low as historically the amount of default of receivables has been very low and the Company has implemented routines to screen the customers. In the US the Company has secured significant guarantees from customers of MANR.

1.3.3 Foreign exchange risk

The Company operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the Norwegian Kroner (NOK), the US dollar (USD) and the Brazilian Real (BRL). Management has set up a policy where group companies are required to manage their foreign exchange risk against their functional currency. Foreign exchange risk arises when future commercial transactions or recognized assets or liabilities are denominated in a currency that is not the entity's functional currency.

In Brazil the Company has investments in foreign operations, whose net assets are exposed to foreign currency translation risk. However, the Company has obtained loans in BRL to mitigate the currency risk arising from the subsidiaries net assets.

The Company seeks to be mainly exposed to US dollars, and will from time to time utilize financial instruments such as cross currency interest rate swaps to hedge the forward foreign currency risk associated with certain foreign currency denominated bond loans.

1.3.4 Interest rate risk

The Company has interest rate risk exposure arising from changes in USD, BRL(Brazil only) and NOK interest rates on long-term borrowings. Borrowings issued at variable rates expose the Company to cash flow interest rate risk. Borrowings issued at fixed-rates expose the Company to fair value interest rate risk.

To manage interest rate risk, management retains a proportion of fixed to floating rate borrowings within limits approved by the Board of Directors. The Company will achieve this through obtaining a mix of fixed and floating rate term debt, and by entering into interest rate swaps.

1.3.5 Commodity price risk

The nature of the Company's industry is subject to considerable price volatility, over which the Company holds little control, and a material decline in commodity prices could result in a decrease in our production revenue. To manage this risk, the Company strives to keep a balance between fixed and floating price contracts. This is mainly a risk in the US only as the Company has entered into a fixed price contract with the purchaser in Brazil (Petrobras).

1.3.6 Possible taxable event for US shareholders

The demerger may result in a taxable realization of the Norse shares exchanged with New Brazil shares for Norse's shareholders resident in the USA. This may result in a dividend, return of capital or capital gain for affected shareholders. The relevant shareholders are requested to seek independent legal advice on this matter.

2 RESPONSIBILITY STATEMENT

Statement from the Board of Directors of Norse Energy Corp. ASA

The Board of Directors of the Company confirms that, having taken all reasonable care to ensure that such is the case, the information contained in the Information Memorandum is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import.

Oslo, 27 January 2010

The Board of Directors of Norse Energy Corp. ASA



Dag-Erik Rasmussen
Chairman



Odd Næss
Board member



Katherine Hatlen Støvring
Board member



Bjarte Henry Bruheim
Board member



Kathleen Ruth Arthur
Board member

3 THE TRANSACTION

3.1 The purpose and description of the Transaction

Norse owns assets within two completely separate business areas in Brazil and the US respectively. This is not regarded as an optimal structure for operational and financial purposes. There are limited synergies between the business areas and significantly different investment return horizons, and a separation of the business areas will optimise the capital structure and provide considerable growth potential in the respective markets.

The Board of Directors is therefore proposing that Norse is divided into two parts, with ownership of the Company's mainland business, i.e., the business in the US and its associated assets, while the ownership of the business in Brazil and its associated assets is transferred to New Brazil Holding ASA ("Brazil Holding").

The Transaction will be carried out as a demerger-merger, where Brazil Holding is a newly incorporated private limited company wholly owned by Norse, which has been converted into a public limited company prior to the Transaction before being spun-off. Brazil Holding will not have any business activities or assets and liabilities prior to the Transaction, apart from a bank deposit of NOK 1 million.

An application will be made to list the shares of Brazil Holding on the Oslo Stock Exchange from the date on which the Transaction comes into effect. The application will be sent to Oslo Stock Exchange within 25 February 2010 in order to facilitate an approval of listing of the shares at the Oslo Stock Exchange board meeting scheduled 25 March 2010. Accordingly, a report will be sent to Oslo Stock Exchange within 28 January 2010.

3.2 Timing and execution

The Transaction will be presented to the Companies' shareholders at Extraordinary General Meetings which are due to be held on 28 January 2010.

The Transaction shall come into effect for financial and accounting purposes on 1 January 2010 (the "**Demerger Date**").

From the Demerger Date onwards, assuming the Transaction comes into effect, Brazil Holding shall be deemed to have acquired the assets, rights and liabilities which Brazil Holding is due to acquire under the terms of the Demerger Plan.

From the Demerger Date onwards all transactions, costs and revenues associated with the assets, rights and liabilities which Brazil Holding is to acquire shall be ascribed to the relevant company, also such that settlement of intra-group balances continues in accordance with agreements and previous practice, unless otherwise specifically agreed. In this way revenues and expenses associated with the business to be transferred to Brazil Holding shall be ascribed to Brazil Holding to the extent that they are recognised in the accounts from the Demerger Date onwards.

Payments associated with investments and receipts associated with the sale of property, plant and equipment included in this business shall be ascribed to Brazil Holding to the extent that the investment or sale is recognised in the accounts from the Demerger Date onwards.

The Transaction shall be undertaken as a tax-exempt demerger pursuant to Chapter 11 of the Norwegian Taxation Act, and shall come into effect for tax purposes on the Demerger Date.

3.3 Transaction consideration

The consideration payable to Norse's shareholders when the Transaction comes into effect will consist of all the shares in the Brazil Holding after implementation of the de-merger. The Company's capital will therefore be reduced prior to the transfer of the demerged shares, with the entire existing share capital being distributed to the shareholders as consideration shares.

The consideration shares shall be distributed pro rata among the shareholders on the basis of the number of shares held in Norse on the date on which the Transaction is reported in the Register of Business Enterprises as having been completed.

The Company's share capital, in the amount of NOK 341,863,263, will be distributed such that the Company's share capital after completion of the demerger totals NOK 205,117,958, while Brazil Holding share capital totals NOK 136,745,305.

The exchange ratio has been based on a fundamental valuation of all assets within the two companies performed by Pareto Securities. The valuation is based on reserve reports, the Company's guidance and on the following assumptions:

- Forward oil and gas prices next 3 years and USD 70/bbl thereafter
- Oil - Next 3 years forward: USD 76.4/boe (2010), USD 82.1/boe (2011) and USD 84.8/boe (2012)

- US gas - Next 3 years forward: USD 5.8/mcf (2010), USD 6.6/mcf (2011) and USD 6.8/mcf (2012).
- Cost inflation of 2% p.a.
- Weighted Average Cost of Capital (WACC) of 12%.

The discounted cash flows based on the assumptions above are risked with a commercial risk factor in order to estimate a fair market value. Production and commercial discoveries (developments) are given the highest value while smaller discoveries have been risked with a higher risk factor. Exploration resources are risked with applicable geological risk and probability of commerciality.

Based on the above methodology, Pareto has calculated a net asset value of the US Operations of USD 223 million and a net asset value of USD 147 million on the Brazil Operations. Consequently the exchange ratio has been set at 60/40.

Risked net asset valuation		US	Brazil
Producing assets	USDm	32	156
Discoveries	"	277	164
Exploration	"		31
Gross asset values	"	309	351
Cash	"	20	8
Debt	"	-131	-135
Other assets	"	25	-17
Minority interests	"		-60
Net interest bearing debt & other assets	"	-86	-204
Net asset values	"	223	147

3.4 Allocation of assets and liabilities, rights and obligations pursuant to the Demerger plan

The assets and liabilities, rights and obligations allocated to the Company's business in Brazil will be transferred to Brazil Holding.

According to the demerger plan, the following assets shall be transferred to Brazil Holding:

1. 63,666,894 shares in Norse Energy do Brasil S.A. ("NEdB"), corresponding to 70% of all current shares in NEdB.
2. A cash holding corresponding to USD 8,000,000. The cash holding shall be adjusted with respect to revenues and expenses which are to be recognised in the Transferee's accounts in accordance with the Demerger Plan, and for any new internal loans granted to NEdB or its subsidiaries after the date of the opening balance sheet date.
3. All internal loans where the Transferor is the creditor and NEdB or NEdB's subsidiaries are the debtor.
4. Other of the Transferor's assets associated with the business activities of NEdB, including shares in any in-between companies.
5. If NEdB issues more shares to the Transferor until the demerger is effectuated, these shares shall also be transferred, against a corresponding reduction in the cash reserves.
6. Office equipment etc. as indicated in the draft opening balance sheet.

According to the demerger plan, the following liabilities shall be transferred to Brazil Holding:

1. Bonds with a face value totalling NOK 286,500,000 associated with the loan designated ISIN NO 001 027594.4 ("NEC01") plus accrued interest.
2. If, before the demerger comes into effect, the Company should raise new loans for the purpose of refinancing, in whole or in part, NEC01, these new loans or any relevant parts of them shall be transferred to Brazil Holding. If such refinancing has not yet been undertaken when the demerger comes into effect, the transfer of loans shall be carried out together with the transfer of associated loan receipts (less a deduction for a share of the loan costs) held in escrow account.

3. 75,000,000 warrants with ISIN NO 001 031754.8. A corresponding number of warrants shall be continued in the Company. The current subscription price of NOK 6.10 per share shall in connection with the demerger be distributed between the warrants in the Company and the warrants in Brazil Holding based on the relative relationship between the volume-weighted average trade prices for the shares in the companies on the first five trading days on the stock exchange for the respective companies after the demerger is effective. If Norsk Tillitsmann ASA decides on any other distribution ratio, the Distribution Ratio shall be adjusted accordingly without any other adjustment in the Demerger Plan.
4. Other of the Company's liabilities exclusively associated with the business activities of NEDB with subsidiaries.

Brazil Holding shall not acquire any other assets, liabilities or contracts over and above those listed above to which the Company is a party.

An agreement will be entered into between Brazil Holding and the Company under the terms of which the Company shall offer Brazil Holding necessary administrative services, the rental of premises and systems, etc, after the demerger. Said agreement may be terminated by the Company in whole or in part at 14 days' notice.

3.5 Employees

The Transaction will not result in any material change in the Company's organisation or management, and will therefore not have significant impact on the workforce. The intention is that the Company's employees will, for an interim period, assist Brazil Holding until Brazil Holding has a dedicated administration in place.

See section 4.8.2 for further information.

3.6 Costs of the Transaction

All costs associated with the demerger shall be divided equally between the Company and Brazil Holding. Estimated costs are approximately NOK 2 million.

3.7 Tax positions

The Transaction is undertaken with tax continuity in accordance with the rules for tax-exempt demergers in Norway. Thus, the Company assumes the tax assets and positions which the respective assets, rights and liabilities had when they were held by the Company.

Pursuant to Section 11-8 of the Norwegian Taxation Act tax positions which are not associated with the Company's assets and liabilities will be transferred to that company which continues the business activities from which the tax positions derive. Tax positions for which it is not possible to substantiate a probable link to a particular part of the business will be divided between the companies at the same ratio as that used to distribute net value.

The demerger may result in a taxable realization of the Norse shares exchanged with New Brazil shares for Norse's shareholders resident in the USA. This may result in a dividend, return of capital or capital gain for affected shareholders.

3.8 Conditions for completing the Transaction

Performance of the Transaction is conditional upon:

- (i) the EGM of Norse's shareholders approving the Transaction and the associated reduction of the capital.
- (ii) the increase of Brazil Holding capital.
- (iii) Implementation of the Transaction is also conditional upon the Oslo Stock Exchange accepting that the Company retains its listing (estimated January 2010) or will be listed at Oslo Axess and that Brazil Holding's shares are floated on the Oslo Stock Exchange/Oslo Axess after the Transaction has been completed (estimated April 2010).

4 PRESENTATION OF BRAZIL HOLDING ASA

4.1 Incorporation, registered office and registration number

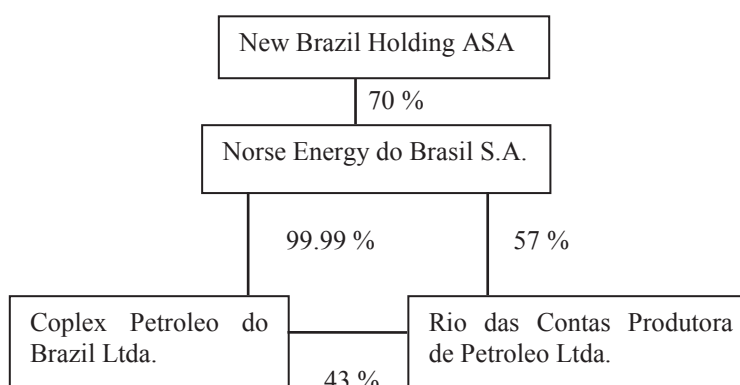
The Company's legal and commercial name is New Brazil Holding ASA. The Company is a Norwegian Public Limited Company organised under Norwegian law. The Company's registered organization number is 994 051 067. The Company was incorporated on 28 April 2009 under the name Startup 387 09 AS.

The Company's registered office is at Dr. Maudsgate 1-3, 0124 Oslo, Norway. The Company's telephone number is +47 23 01 10 00.

4.2 Legal structure

Brazil Holding is owned 100% by the Company and has at the date hereof no subsidiaries or affiliated companies.

After completion of the de-merger, the Brazil Holding Group will have the following legal structure:



4.3 Share capital and historical development of share capital

Year	Type of change in share capital	Change in issued share capital (NOK)	Total issued share capital (NOK)
2009	Incorporation	100,000	100,000
2009	Capital increase	900,000	1,000,000

4.4 Business overview

The Company currently participates in petroleum exploration and production via its Brazilian subsidiaries Norse Energy do Brasil S.A, Coplex Petroleo do Brazil Ltda. ("Coplex") and Rio das Contas Produtora de Petroleo Ltda. ("Rio das Contas"). The Company is active in two geological basins with a total of eight licenses: two in the Camamu-Almada basin offshore in the state of Bahia and six licenses offshore in the Santos basin.

In the Camamu-Almada basin, the Company participates in the development and production of the Manati gas field. The field has been in production since 2007 and average production in 2009 per September 30 was 2.962 BOE/day (net to the Company's 10% interest). The Company also holds a 10% interests in the Camarão Norte discovery (part of BCAM-40). This field was discovered in 2001, 9 km south of the Manati field and extends to the south into the BM-CAL-4 block which is 100% owned by El Paso. In addition, the Company holds 20% interest in the Sardinha field. This field is located 50 km's south of the Manati gas field and the field has been defined by 11 exploration wells supported with 2D and 3D seismic prior to the Company's acquisition of the field. Economic feasibility studies have been conducted by the operator to analyze the optimal development of the field, and the partners continue to evaluate conceptual solutions for a development.

In the Santos basin, the Company participates in the development of the BS-3 Integrated Project, which includes the Cavalo Marinho (50% interest), Estrela-do-Mar (65% interest), Coral re-development (35% interest), Caravela (100% Petrobras) and a pipeline to shore. The Company is currently working to optimize the field development plan for the BS-3 area. In addition, the Company was the successful bidder on three offshore blocks in the 9th ANP Bid Round – the S-M 1035, S-M 1037 and S-M 1100 (50% interest in all blocks). The Company is the operator of these fields, and a 3D seismic acquisition covering the 725 square kilometres area has been concluded.

The Company has only one business segment, E&P offshore Brazil, and currently sells all the natural gas to one buyer, Petrobras. An overview of the total sales is provided in the table below.

Year	Period	Brazil E&P (in USD thousand)
2009	Year to date Q3	23,562
2008	Year to date Q3	64,741
2008	Full year	73,551
2007	Full year	46,621
2006	Full year	28,908

4.5 The Brazilian market

Brazil is a bright spot in the world of energy exploration and production today, having one of the world's largest anticipated untapped resource bases. Brazil is developing an oil exporting nation with its recent discoveries of the deep sub-salt oil fields offshore the coast of Brazil. Currently Brazil has 12.6 billion barrels of oil reserves and 365 Bcm of gas reserves (source: CIA world fact book www.cia.gov). Brazil is currently undertaking one of the world's largest exploration programs to map the extent of discoveries such as Tupi. The state controlled oil major Petrobras is the leading oil and gas company in the region and is also partner with Norse in its licenses. As an early entrant since oil deregulation in 1997, Norse Energy Corp. established a significant presence through its acquisitions of proven reserves, as well as building productive relationships with the Brazilian authorities, financial institutions and Petrobras.

4.6 Patents and licenses

In order to operate in Brazil, the Company is dependent on certain exploration and production licenses. The Company currently holds the following eight licenses offshore Brazil:

License	NEdB Interest
BCAM-40/Manati (including Camarão Norte)	10 %
Sardinha	20 %
Cavalo Marinho	50 %
Estrela-do-Mar	65 %
Coral	35 %
S-M 1035	50 % (Operator)
S-M 1037	50 % (Operator)
S-M 1100	50 % (Operator)

4.7 Trend information

During 2009, the Company has seen significantly lower revenues than in the previous year. YTD Q3 2009 revenues were down 64% compared to the same period in 2008. This is mainly due to the fact that the Coral oil field ceased production at the end of 2008. In addition, the natural gas production from the Manati field has been lower than in 2008. However, production has picked up in the second half of 2009.

All natural gas in Brazil is sold to Petrobras on a fixed price contract. The fixed price is in BRL and will as such vary depending on the foreign exchange fluctuation versus USD.

For further trend information and comparison of financial information, reference is made to Norse Energy Corp. ASA's Third Quarter Report 2009 available on www.NorseEnergy.com.

Other than what is described in this Information Memorandum, there has been no significant change in the financial or trading position which has occurred since the end of the last financial period.

4.8 Board of Directors and Management

4.8.1 Board of directors

Dag Erik Rasmussen, Chairman of the Board, born 1961. Dag Erik Rasmussen is Candidate in Jurisprudence from the University of Oslo (1989). Rasmussen has been partner with Advokatfirmaet Selmer DA since year 2000. Before joining Selmer he was Secretary of the Board and Head of Legal Department at the Oslo Stock Exchange (1998-2000) and Legal Counsel at the Oslo Stock Exchange from 1994. Rasmussen's professional background also includes positions as associate at Wiersholm, Mellbye & Bech (1993-94), Legal Counsel for the Lillehammer Olympic Organization Committee (1993-94), Associate at Hauge & Stange Lund (1992-93), Deputy Judge in Nedre Romerike Municipal Court (1990-93) and Public Prosecutor at Larvik Police Authority (1989-90). Mr Rasmussen has served as a board member for companies listed on the Oslo Stock Exchange (Rem Offshore ASA and Wavefield Inseis ASA) and holds several board positions within the Sector Asset Management Group. Rasmussen is a lecturer in securities and corporate law. He is a Norwegian citizen living in Bærum, outside of Oslo.

Bjarte Henry Bruheim, Non-Executive Director, born 1955. Mr. Bruheim is a graduate of the Norwegian University of Science and Technology with an MSc in physics and electronics. Mr. Bruheim has considerable business and operational experience, and he is one of the founders of Petroleum Geo-Services ASA. Mr. Bruheim served as President and Chief Operating Officer in PGS until 2001, and he currently holds multiple board positions, among others in Electromagnetic Geoservices ASA and Odim ASA. Mr. Bruheim is a Norwegian citizen and resides in Houston, USA.

Kathleen Arthur, Non-Executive Director, born 1953. Ms Arthur is a former Vice President Exploration and Production in Chevron Corporation. Ms. Arthur has considerable operational experience, in addition to various board positions. Ms. Arthur is a Canadian citizen and resides on Vancouver Island, Canada.

Katherine H. Støvring, Non-Executive Director. Ms Støvring is a former Vice President International Exploration and Production in Statoil, and prior to this worked with Planning and Performance Management in the Gas, Power and Renewables division of BP plc in London. Ms Støvring graduated from London Business School (Sloan Programme) in 2001. In addition she is a member of the Norwegian Bar and a Solicitor Admitted to the Rolls of England and Wales. Ms Støvring is a Norwegian and US citizen and resides in Oslo, Norway.

Odd Næss, Non-Executive Director. Mr Næss is a former banking executive with the Offshore and Shipping department in DnC, serving six out of seventeen years as head of the department. Furthermore, Mr Næss has considerable business and operational experience and has since 1988 run his own business. Mr Næss has conducted numerous management consulting projects, investment projects and served as a BOD member and chairman in several companies. Mr Næss was from 1990-2003 the Chairman of the Board of Naturgass, the US entity of the predecessor to Norse Energy Corp ASA. Mr Næss was instrumental in helping to build the US part of the business in Norse Energy under Naturgass before the merger with Northern Oil in 2005. Mr Næss holds a Master's degree in Business Administration from Nürnberg University, Germany.

4.8.2 Management

Kjetil Solbrække, Chief Executive Officer Norse Energy do Brasil S.A., born 1962. In 1989 he completed his degree in Economics at the University of Oslo. After graduation he worked for the Ministry of Petroleum and Energy in Norway for six years. Mr. Solbrække joined Hydro in 1998, where he held many different positions including Chief Financial Officer and Senior Vice President of International Business Development. In 2005 Mr. Solbrække became the Country manager for Hydro Brazil, responsible for establishing Hydro Oil and Energy within Brazil. On October 1st 2007, after the Statoil and Hydro merger, Mr. Solbrække was appointed Senior Vice President for the South Atlantic Region, with responsibility for Latin America and Africa in the Department of International Exploration and Production in the newly formed Norwegian oil and gas giant StatoilHydro, based in Oslo. He joined Norse in early 2008 as Chief Executive Officer of Norse Energy do Brasil S.A. Mr. Solbrække is a Norwegian citizen and resides in Rio de Janeiro, Brazil.

Anders Kapstad, Chief Financial Officer in Norse Energy Corp. ASA, born 1964. Mr. Kapstad joined Norse Energy Corp in August 2005. Mr. Kapstad holds a Bachelor of Science degree from the University of San Francisco and an MBA from SDA Bocconi in Milan, Italy. Mr. Kapstad has 15 years of investment banking experience, holding positions within equity sales, portfolio management, private banking and corporate finance. Mr. Kapstad is a Norwegian citizen and resides in Oslo, Norway.

Carl Peter Berg, VP Norse Energy do Brasil S.A., born 1964. Mr. Berg joined Norse Energy do Brasil in August 2006. Mr. Berg holds a Master of Business Administration from the Norwegian School of Economics and Business Administration (NHH). Mr. Berg has extensive experience from management consultancy and financial planning. Mr. Berg is a Norwegian citizen and resides in Rio de Janeiro, Brazil.

4.8.3 Shareholdings, stock options, service contracts with the Group and benefits upon termination of employment

The following table sets forth, as of the date of this Information Memorandum, the number of shares owned directly or indirectly by each of Brazil Holding's directors and management, and the number of options held by such persons:

Name	Position	No of Shares	No of Options
Anders Kapstad	CFO Norse Energy Corp. ASA	408,500	1,000,000
Carl Peter Berg	VP Norse Energy do Brasil S.A.	377,500	50,000
Bjarte Bruheim	Board Member Norse Energy Corp. ASA	25,300,000	
Odd Næss	Board Member Norse Energy Corp. ASA	7,565,000	

The CEO of Norse Energy do Brasil S.A. has 700,000 synthetic option in the subsidiary Norse Energy do Brasil and an agreement of two years salary in case of resignation, and the CFO of Norse Energy do Brasil S.A. has an agreement of six months salary in case of resignation. Norse Energy do Brasil S.A. has entered into a consultancy agreement with BOD member Kathleen Arthur for providing technical advisory services. The contract can be terminated with one month notice from both parties. The retainer fee is CAD 30,000 per month.

4.9 Corporate governance

The Board acknowledges the Norwegian Code of Practice for Corporate Governance of October 21, 2009 and the principle of comply or explain. The Board will implement the Code and will use its guidelines as the basis for the Board's governance duties. The Board believes that the Company is currently in compliance with the principles contained in the Code.

The Board has a nomination Committee, acting as a sub committee of the Board, comprising Wollert Hvide (Shareholder) and Odd Næss (Board member). The members are independent of the executive management of the Company.

The Company has previously not found a need to establish an independent nomination committee elected by the General Meeting, but in 2009, the Board appointed a nomination committee as a sub committee of the Board. At the Annual General Meeting in 2010, a nomination committee will be elected by the shareholders

4.10 Major shareholders

Brazil Holding is a wholly-owned subsidiary of the Company.

4.11 Legal and arbitration proceedings and material contracts

Brazil Holding is currently involved in the following legal disputes:

- Brazil Holding is a party in a lawsuit filed by the Municipality of Cairu- Bahia, against ANP – Brazilian Petroleum Agency, Petrobras, Queiroz Galvão Oleo & Gas and Brasoil Manati Exploração Petrolífera, June 12th, 2008. The Municipality of Cairu is demanding that the concession agreement is declared invalid and that the royalty is increased from the current level of 7.5% to 10%. In addition the municipality claims that the difference of 2.5% is paid with retroactive effect from the startup date. Brazil Holding legal advisors in the process evaluate the risk of financial liabilities associated with this lawsuit as remote. No accrual has been made related to this issue.
- The Association of Petrobras Engineers (AEPET) filed a lawsuit against The Brazilian Petroleum Agency (ANP) and all companies that bid on concessions in the ANP 3rd Round. The purpose of this lawsuit was to annul the 3rd Bid Round as well as all the concession contracts signed as a result of this bid round. Since the company's subsidiary Rio das Contas acquired the concessions in BM-CAL 5 & 6 that was granted to Petroserv in this bid round, the company was summoned to reply to the lawsuit. Brazil Holding evaluates the risk related to this lawsuit to be remote as the arguments used to annul the 3rd Bid Round and signed concession contracts are inconsistent, and are against previous jurisprudences of the Court of the State of Rio de Janeiro. No accrual has been made related to this lawsuit.
- Brazil Holding subsidiary Rio das Contas is a party in a lawsuit filed by the Fishermen Association in the Manati Project region demanding indemnification for environmental damages as a result of alleged non-

implementation of the compensatory measures established on the Environmental studies and reports part of the Environmental Licensing Process. There was a subsidiary request for an injunction to suspend the activities of implementation of the platform, pipeline and all infrastructure related to the project, which was not granted by the Court. Brazil Holding evaluates the risk associated with this law suit as remote since the basic argument is that the implementation of the Manati project has caused environmental damages, but throughout the petition there was no indication of a concrete damage. The issuance of the IBAMA Operation License further strengthens the company's case. No accrual has been made related to this lawsuit.

- Brazil Holding are under an administrative proceeding with the tax authorities regarding PIS (Social Integration Program) and COFINS (Social Securities on Revenues) levied on financial revenues, which on December 31, 2008, totaled approximately USD 1 million. Based on the opinion of Brazil Holding legal advisors, we believe the risk of loss is considered remote. Accordingly, no accrual has been made in the financial statement related to this administrative proceeding.

The Company has entered into contracts that are customary for international oil and gas companies, as well as certain bond loan agreements that will be assumed by Brazil Holding conditional on the successful approval of the General Meeting on January 28, 2010. The Company is not aware of any material contracts outside of the normal course of business other than the demerger plan.

Except for the matters described above, Brazil Holding is not involved in any governmental, legal or arbitration proceedings, which may have, or have had in the recent past significant effects on Brazil Holding or Brazil Holding's financial position or profitability. Brazil Holding is further not aware of any such proceedings that are pending or threatened, nor has Brazil Holding been involved in any such proceedings during the last 12 months.

4.12 Capital resources

Brazil Holding obtains its sources of funding from a mix of equity, bank debt, bonds and sale/farm-out of assets.

On a parent level, the Company has prior to the demerger completed a private placement in September 2009. In the second quarter of 2009, the Company sold a minority share in the subsidiary Norse Energy do Brasil to Sector Asset Management. This improved the Company's balance sheet and provided improved financial flexibility. Additionally, Norse Energy Corp. ASA successfully completed a NOK 300 million equity issue on January 12, 2010 (subject to approval at an Extraordinary General Meeting on February 2, 2010).

The bondholders approved refinancing should provide the Company with ample time to capitalize properly on its huge resource base. The average 1-2 year postponement of principal repayments is not only a relief for the Company but will also provide the bondholders with additional security and comfort on timely repayment. Ultimately the refinancing should increase the likely-hood of shareholders being able to optimize the return on investment in the Company. The nominal value of the bond loan that will be assumed is approximately USD 51.1 million, of which USD 7.7 million is current debt. The bond loan will carry a fixed interest rate and will be denominated in NOK. The Company will have the following principal payment schedule (USD/NOK = 5.60, amounts in USD million);

Bond loans	2010	2011	2012	2013	2014	TOTAL
TOTAL	7.7	21.7	21.7	-	-	51.1

On the Brazilian subsidiary level, the debt restructuring has been finalized, although some last formalities are still remaining. BNDES-supported loan documents are being drafted and the BNDES loan tranche will cover existing loans as well as credit facility for future planned capital expenditures related to upgrade of the Manati compressor station. The refinancing will not only simplify the loan structure but also provide a lengthier amortization schedule.

The subsidiary in Brazil is formally not in compliance with its covenants, the loan has therefore been classified as current debt and amounted to approximately USD 79.5 million per September 30, 2009. In connection with the restructuring of the debt in Brazil, the Company has negotiated a waiver for the covenant non compliance that it expects to have signed by the bank no later than Q1 2010.

In the pro forma condensed consolidated financial statements per September 30, 2009, Brazil Holding has current assets of USD 48.3 million and short-term liabilities of USD 170.5 million. However, as a consequence of the bondholder approved refinancing previously discussed, approximately USD 43.4 million will no longer be deemed short-term

In the opinion of Brazil Holding Group, its working capital is sufficient to cover Brazil Holding present requirements, that is, for a period of at least 12 months from the date of this Information Memorandum.

4.13 Statutory auditors

The Company's auditor is Deloitte AS, Karenslyst allé 20, P.O. Box 347 Skøyen, 0213 Oslo, Norway. The auditor is a member of the Norwegian Auditor Association (Den Norske Revisorforening).

5 PRESENTATION OF NORSE ENERGY CORP. ASA AFTER THE TRANSACTION

5.1 Incorporation, registered office and registration number

The Company's legal and commercial name is Norse Energy Corp. ASA. The Company is a Norwegian Public Limited Company organised under Norwegian law. The Company's registered organization number is 979 441 002. The Company was incorporated on 2 December 1997 under the name Northern Offshore ASA.

The Company's registered office is at Strandveien 50, 1366 Lysaker, Norway. The Company's telephone number is +47 23 01 10 00 and the web-address is: www.NorseEnergy.com.

5.2 Legal structure

After completion of the de-merger, the Company will have the following structure:

Company	Subsidiaries	Ownership (in %)	Nationality of subsidiary
Norse Energy Corp. ASA	Norse Energy AS	100	Norway
	Norse Energy Holdings Inc	100	USA
	Naftex Energy Corporation	100	Canada
Naftex Energy Corporation	Naftex Energy (Whitehorse) Limited	100	Canada
	Naftex Energy (Yukon) Limited	100	Canada
Norse Energy Holdings Inc	Norse Energy Corp. USA	100	USA
	Nornew Energy Supply, Inc.	100	USA
	Norse Pipeline, LLC	100	USA
	Mid American Natural Resources, LLC	100	USA
	NEC Drilling, LLC	100	USA
	Strategic Energy Corporation	50	USA
Strategic Energy Corporation	MariCo Oil and Gas Corporation	100	USA
Norse Energy Corp. USA	Vandermark Exploration, Inc.	100	USA
NEC Drilling, LLC	Drillco Inc.	100	USA

5.3 Share capital and historical development of share capital

Prior to the proposed demerger, the Company has made the following changes in the share capital (after the merger between Northern Oil and NaturGass (USA) in 2005):

Year	Type of change in share capital	Change in issued share capital (NOK)	Change in number of shares	Par value per share (NOK)	Total issued share capital (NOK)
2005	Starting capital after merger			0,88	223 798 042
2005	Write-down of treasury shares	-40 929 191	-46 510 444	0,88	182 868 851
2005	Private placements	46 904 000	53 300 000	0,88	229 772 851
2005	Conversion of loan	11 482 744	13 048 573	0,88	241 255 595
2005	Sale of treasury shares	40 929 191	46 510 444	0,88	282 184 786
2006	Private placement	28 160 000	32 000 000	0,88	310 344 786
2008	Exercise of stock options	440 000	500 000	0,88	310 784 786
2009	Private placement	31 078 477	35 316 451	0,88	341 863 263

5.4 History and development

The Company's legal and commercial name is Norse Energy Corp. ASA. The Company is a Norwegian Public Limited Company organised under Norwegian law. The Company's registered organization number is 979 441 002.

In 2005, the two companies Northern Oil ASA and NaturGass (USA) AS merged and the Company changed its name to Norse Energy Corp. ASA. On 13 July, 2005 the Company was listed on the Oslo Stock Exchange under the ticker symbol "NEC".

Northern Oil was incorporated on 2 December, 1997 under the name Northern Offshore ASA. In the beginning of the year 2000, Northern Offshore ASA acquired a controlling interest in two Canadian oil companies, Naftex and Petrolex Corporation. Naftex owned all the shares in Coplex which, in turn, owned 27.5% interests in the Coral, Estrela-do-Mar and Cavalo Marinho fields offshore Brazil. Subsequent to this acquisition, a decision was made to split the business of Northern Offshore ASA into two parts. The original investments in drilling units and production platforms were transferred to a new company; Northern Offshore Ltd. The oil related assets represented by the shareholdings in Naftex and Petrolex remained in the ownership of Northern Offshore ASA. Following these transactions Northern Offshore ASA was renamed to Northern Oil ASA and continued its original listing on the Oslo Stock Exchange under the new name. Northern Oil focused its activities on the exploration and production of oil. In 2002, Naftex sold its interest in Egypt to Lukoil. Petrolex Energy Corporation also sold its interests in Columbia.

NaturGass (USA) AS was an upstream energy company focusing on natural gas drilling, production, gathering and transportation, which activities were conducted through Strata Management, located in Houston. NaturGass dates back to 1991 when key members of NaturGass' board of directors and management acquired Norse Finans AS which had a controlling interest in the Norwegian oil- and gas company Norse Petroleum AS, which was established in 1973 to participate in offshore fields outside Norway. Norse Petroleum AS sold all the US offshore assets to the NASDAQ pink sheet listed Bounty Group Inc. in exchange for 53% ownership in the latter. Subsequent to the transaction Bounty Group Inc sold all its offshore assets and was delisted from NASDAQ after a reverse split, which gave Norse Petroleum AS a 100% ownership of Bounty Group Inc. After these transactions, Bounty Group Inc. owned approximately 60 gas producing wells in the Appalachian Basin. Bounty Group Inc later changed its name to Strata Management Corporation, and sold the gas wells to its subsidiary Nornew. Strata Management is the parent company of the US operations, and has later changed its name to Norse Energy Corp. USA and is today known as Norse Energy Holdings Inc. NaturGass owned 32.66% of the shares in Northern Oil prior to the merger in 2005.

Today, the Company's main offices are in Rio de Janeiro, Brazil, where the Brazilian operations that originated in Northern Oil are concentrated, and in Buffalo, New York and Pittsburgh, Pennsylvania where the US operations are located. In addition, the Company has a corporate office in Oslo, Norway.

5.5 Business overview

5.5.1 Overview of the Company's operations

The Company has three business segments in the US:

- Exploration and Production of natural gas ("E&P")
- Gathering and Transmission of natural gas ("G&T")
- Energy Marketing ("EM")

An overview of the total revenues is provided in the table below, and the three business segments are also described below.

Year	Period	E&P (in USD thousand)	G&T (in USD thousand)	EM (in USD thousand)	Corporate & eliminations (in USD thousand)	Consolidated (in USD thousand)
2009	Year to date Q3	11,875	3,152	77,462	-6,904	85,585
2008	Year to date Q3	35,914	3,752	174,145	-5,029	208,782
2008	Full year	40,988	5,007	225,216	-10,254	260,957
2007	Full year	14,407	6,646	158,247	-11,210	168,090
2006	Full year	11,572	4,392	148,339	-6,547	157,756

5.5.2 Exploration and Production (E&P)

The E&P business segment, known as Norse Energy Corp. USA, operates principally in central New York in the Herkimer, Utica and Marcellus formations, and also holds acreage in western New York. The Company operates ~80 wells and owns an interest in 60 non-operated wells. The subsidiary's land, geological and geophysical activities are located in Buffalo, NY.

The revenues in this business segment for all periods listed above are derived from the sale of natural gas to customers in the North East US. In addition, the 2008 revenues include a gain recognized related to the sale of certain E&P assets.

Included with this subsidiary are 67 miles of a midstream gathering system that provides the ability to transport gas to major pipelines.

5.5.3 Gathering and Transmission (G&T)

The G&T business is comprised of the operations of Norse Pipeline, LLC and Nornew Energy Supply. Together these entities own and operate a 348 miles gathering and transmission system. Norse Pipeline, LLC consists of about 320 miles of high pressure steel pipeline capable of gathering natural gas from over 6,500 gas wells located in western New York and northwestern Pennsylvania. The gathering system has delivery points into major interstate pipelines, as well as to local end users. Nornew Energy Supply is comprised of a 28 mile gathering system that includes a firm contract until 2020 to a municipal utilities facility.

The revenues in this business segment for all periods listed above are derived from transportation and sale of retained natural gas to end-users in North East US. Sales are accounted for on a gross basis. As a result, the revenues will fluctuate based on the changes in the natural gas pricing.

5.5.4 Energy Marketing (EM)

The EM business segment is made up of Mid American Natural Resources, an established energy marketing and trading company in the Appalachian region. The focus of the EM subsidiary is to add value to the Company's business by attracting gas flow to its proprietary pipelines and by optimizing the value of Norse Energy's gas production and that of the other local Appalachian producers. The EM business offers a full range of services to the natural gas producers, commercial and industrial consumers, and pipeline companies from the Ohio Valley to the East Coast of the US.

The revenues in this business segment for all periods listed above are mainly derived from purchase and sale of natural gas in North East US. Sales are accounted for on a gross basis. As a result, the revenues will fluctuate based on the changes in the natural gas pricing.

5.5.5 Property plants and equipment connected with the US operations

The US operations hold significant property, plant and equipment, as well as intangible assets. The main assets are related to intangible assets such as licenses and other exploration assets, and production assets and pipeline fixtures. For a detailed overview of book values for property, plant and equipment, refer to section 7.1.

5.5.6 Reserves

The Company has adopted a policy of regional Reserve Reporting using external third party companies to audit its work and certify reserves and resources according to the guidelines established by the Oslo Stock Exchange (OSE). Reserve and Contingent Resource estimates comply with the definitions set by the Petroleum Resources Management System (PRMS) issued by the Society of Petroleum Engineers (SPE), the American Association of Petroleum Geologists (AAPG), the World Petroleum Council (WPC) and the Society of Petroleum Evaluation Engineers (SPEE) in March 2007. The Company has a long-standing relation with its certification agent in the US; Schlumberger Technology Corporation.

As of 31 December, 2008, Schlumberger certified 1P reserves in the US of 4.35 MMBOE, 2P reserves of 7.25 MMBOE and 3P reserves of 8.32 MMBOE. In addition, certified contingent resources (2C or best estimate) amounted to 346.21 MMBOE.

5.6 The Markets

5.6.1 Brazil

Brazil is a bright spot in the world of energy exploration and production today, having one of the world's largest anticipated untapped resource bases. Brazil is developing an oil exporting nation with its recent discoveries of the deep sub-salt oil fields offshore the coast of Brazil. Currently Brazil has 12.6 billion barrels of oil reserves and 365 Bcm of gas reserves (source: CIA world fact book www.cia.gov). Brazil is currently undertaking one of the world's largest exploration programs to map the extent of discoveries such as Tupi. The state controlled oil major Petrobras is the leading oil and gas company in the region and is also partner with Norse in its licenses. As an early entrant since oil deregulation in 1997, Norse Energy Corp. established a significant presence through its acquisitions of proven reserves, as well as building productive relationships with the Brazilian authorities, financial institutions and Petrobras.

5.6.2 The US

The densely populated Northeast is the largest energy consumer of any US region while enjoying a robust economy despite the recent financial turmoil globally. In 2008 the US accounted for 19% of the world's gas production which is second only to Russia. The US is a net importer of oil and gas and has the most developed gas market in the world. Despite falling gas prices and weak economic activity, the development of onshore shale gas has revitalized

the growth ambition of the domestic US gas market. Norse' assets in the Appalachian basin are focused on development of the conventional Herkimer sands which produced 12,000 mmscf/day at year-end 2009. In addition there is a tremendous potential in the "unconventional" Marcellus shale gas fairway stretching through Norse's acreage. Recently ExxonMobile made an offer to acquire XTO Energy for USD 41 billion due to its strong presence in the US shale gas development. Norse's acreage is adjacent to major shale gas developers such as XTO and Chesapeake (which is partly owned by Statoil). Development of the Marcellus shale in New York State where Norse is operating is expecting to commence as soon as new legislation for testing with hydraulic fracturing is in place.

5.7 Trend information

During 2009, the company has seen significantly lower revenues than in the previous year. YTD Q3 2009 revenues were down 59 % compared to the same period in 2008. This is mainly due to the fact that the sales in the EM business segment are accounted for on a gross basis and the natural gas prices were significantly lower in 2009 compared to 2008. In addition, revenues in the E&P business segment included the sale of the Medina properties in 2008 while no such sale of properties has been done in 2009. The natural gas prices continue to be low in 2009, but have picked up significantly in the colder months in late 2009 and early 2010. This fluctuation in prices will impact the Company's financial statements.

At the close of the third quarter 2009, the New York Department of Environmental Conservation (NYDEC) released for public comment the long awaited proposal for new environmental rules and regulations for shale gas development; the Supplemental Generic Environmental Impact Statement (SGEIS). Prior to issuance of final document there is a public comment period, ending 31 December, 2009, and a series of scheduled regional hearings where the Company is participating. The comprehensive document should provide an effective roadmap for shale development.

The bondholder approved refinancing will improve the cash flow in 2010 and 2011 as the principal payments are postponed. Interest costs will increase as the interest coupon will be higher, and the amortization of the bond loans will increase due to the issuance of new associated warrants.

For further trend information and comparison of financial information, reference is made to Norse Energy Corp. ASA's Third Quarter Report 2009 available on www.NorseEnergy.com.

5.8 Patents and licenses

The Company has certain licenses and authorizations customary for an oil and gas operating company.

The Company also holds approximately 180,000 acres in the Appalachian Basin. About 5,000 of these acres are owned 100% by the Company, while the remaining acreage is leased with a landowner royalty (usually 12.5%).

Maintaining these leases is critical to the Company in order to produce and sell the natural gas. The Company also holds certain right-of-way needed to construct the pipeline to transport the natural gas to the markets in the North East US.

5.9 Board of Directors and Management

5.9.1 Board of Directors

Dag Erik Rasmussen, Chairman of the Board, born 1961. Dag Erik Rasmussen is Candidate in Jurisprudence from the University of Oslo (1989). Rasmussen has been partner with Advokatfirmaet Selmer DA since year 2000. Before joining Selmer he was Secretary of the Board and Head of Legal Department at the Oslo Stock Exchange (1998-2000) and Legal Counsel at the Oslo Stock Exchange from 1994. Rasmussen's professional background also includes positions as associate at Wiersholm, Mellbye & Bech (1993-94), Legal Counsel for the Lillehammer Olympic Organization Committee (1993-94), Associate at Hauge & Stange Lund (1992-93), Deputy Judge in Nedre Romerike Municipal Court (1990-93) and Public Prosecutor at Larvik Police Authority (1989-90). Mr Rasmussen has served as a board member for companies listed on the Oslo Stock Exchange (Rem Offshore ASA and Wavefield Inseis ASA) and holds several board positions within the Sector Asset Management Group. Rasmussen is a lecturer in securities and corporate law. He is a Norwegian citizen living in Bærum, outside of Oslo.

Bjarte Henry Bruheim, Non-Executive Director, born 1955. Mr. Bruheim is a graduate of the Norwegian University of Science and Technology with an MSc in physics and electronics. Mr. Bruheim has considerable business and operational experience, and he is one of the founders of Petroleum Geo-Services ASA. Mr. Bruheim served as President and Chief Operating Officer in PGS until 2001, and he currently holds multiple board positions, among others in Electromagnetic Geoservices ASA and Odim ASA. Mr. Bruheim is a Norwegian citizen and resides in Houston, USA.

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Katherine H. Støvring, Non-Executive Director. Ms Støvring is a former Vice President International Exploration and Production in Statoil, and prior to this worked with Planning and Performance Management in the Gas, Power and Renewables division of BP plc in London. Ms Støvring graduated from London Business School (Sloan Programme) in 2001. In addition she is a member of the Norwegian Bar and a Solicitor Admitted to the Rolls of England and Wales. Ms Støvring is a Norwegian and US citizen and resides in Oslo, Norway.

Odd Næss, Non-Executive Director. Mr Næss is a former banking executive with the Offshore and Shipping department in DnC, serving six out of seventeen years as head of the department. Furthermore, Mr Næss has considerable business and operational experience and has since 1988 run his own business. Mr Næss has conducted numerous management consulting projects, investment projects and served as a BOD member and chairman in several companies. Mr Næss was from 1990-2003 the Chairman of the Board of Naturgass, the US entity of the predecessor to Norse Energy Corp ASA. Mr Næss was instrumental in helping to build the US part of the business in Norse Energy under Naturgass before the merger with Northern Oil in 2005. Mr Næss holds a Master's degree in Business Administration from Nürnberg University, Germany.

5.9.2 Management

Øivind Risberg, Chief Executive Officer of the Norse Group since 1991, born 1958. He was the cofounder and CEO of the US activity and has lived in Houston, Texas since 1993. Mr. Risberg divested most all of the US natural gas business in 1997 and focused on building Norse Energy's US future in the Appalachian Basin. Mr. Risberg has been the Chairman of the Board, CEO and President of Norse Energy Corp. Holdings Inc. since 1993. Mr. Risberg is Chairman of the Board of Norse Energy do Brasil. He holds a Bachelor of Science degree from the University of Oslo, Norway and a Bachelor of Business Administration degree from the Norwegian School of Management. Mr. Risberg is a citizen of Norway.

Mark Dice, President and Chief Operating Officer, born 1957. Mr. Dice joined Norse Energy Holdings Inc. in June 2009. Mr. Dice holds an MBA from the Kellogg Graduate School of Management at Northwestern University, an M.S. in Geology from Kent State University and a B.S. in Geology from Muskingum College. He has over 28 years of diverse international oil and gas industry experience having held positions in BP and Amoco including Exploration Manager, Commercial Manager, Performance Unit Leader in the Deepwater Gulf of Mexico and Vice President of Petrotechnical Development. He has previously lived in Houston, Chicago, London and Hong Kong. Mr. Dice is a citizen of the United States and currently maintains residences in Houston, Texas and Orchard Park, New York.

Richard Boughrum, Chief Financial Officer of Norse Energy Holdings Inc., born 1950. Mr. Boughrum has extensive capital markets experience with more than 20 years of investment banking experience, primarily in the energy sector with Goldman Sachs in New York. He has been the CFO of a public energy marketing company and a private multi-national telecom marketing company before joining Norse Energy in the US. Mr. Boughrum has a BS in Journalism and an MS in Communications from the University of Illinois and an MBA in Finance and Accounting from the University of Illinois. Mr. Boughrum is a citizen of the United States and is planning to relocate from North Carolina.

Steve Novakowski, Executive Vice President of Operations & Drilling, born 1959. Mr. Novakowski began his career in the energy industry in 1981, as a petroleum engineer for Halliburton working primarily in the northern Appalachian Basin of the U.S. where he gained technical proficiency in the areas of cementing, completion and stimulation of oil and gas wells. From 1988 to 1990, he was a drilling and production engineer for a mid-sized independent producer and became manager of the northeastern operations for that company in 1990, being directly responsible for 1100 Appalachian Basin oil and gas wells and a staff of 35 employees. In 1994, he became an independent drilling, production and completions consultant with continuing Appalachian emphasis until joining Nornew full time as staff engineer in 2001. Mr. Novakowski holds a Bachelor of Science degree in Petroleum and Natural Gas Engineering from Pennsylvania State University. Mr. Novakowski is a US citizen and resides in North East, Pennsylvania, USA.

Stuart Loewenstein, Executive Vice President of Exploration and Development in the United States, born 1960. In 1983 Mr. Loewenstein completed a Bachelors degree in geology from the State University of New York at Buffalo, and did graduate work in geology with a concentration in geophysics at the University of Buffalo from 1983 to 1985. Since that time, he has worked as a geologist, geophysicist and manager in the oil and natural gas industry in the Appalachian Basin, including President of Quest Energy which he founded in 1997 and was co-owner until its sale in 2006. Mr. Loewenstein has co-authored numerous professional papers on geology and exploration methods in the Appalachian Basin. Mr. Loewenstein is a member of the American Association of Petroleum Geologists and the Society of Exploration Geophysicists and has served on the Board of Directors of the Independent Oil and Gas Association of New York. He joined Norse Energy in early 2006. Mr. Loewenstein is a US citizen and resides in Buffalo, New York State, USA.

S. Dennis Holbrook. Executive Vice President Regulatory, Public & Investor Relations, born 1953. Mr. Holbrook has over 35 years experience in the energy industry, focusing on legal, public policy, contractual and regulatory matters. He was instrumental in the formation of the Gas Industry Standards Board (GISB), now the North American Energy Standards Board (NAESB), where he served as its first Executive Committee Chairman and later as the organization's General Counsel. While in private practice, he represented numerous energy clients including natural gas marketers, storage operators and exploration and production companies. He was formerly a senior executive of National Fuel Gas, an integrated interstate pipeline, utility, storage operator and exploration and production company. Previously he worked in Washington, DC for the Federal Energy Administration and prior to that he served on the staff of U.S. Senator James Buckley focusing on energy issues. Mr. Holbrook earned a B.A. in political science from Bucknell University and a *Juris Doctorate* from the Columbus School of Law, Catholic University, where he was named to the *C U Law Review*. He is also a graduate of the Executive Development Program of the University of Michigan, Graduate School of Business Administration. Mr. Holbrook serves on the board of directors of both public service and industry organizations, including the Independent Oil & Gas Association of New York, on which he has served as a director for over 25 years. Mr. Holbrook is a US citizen and resides in East Aurora, New York State, USA.

5.9.3 Shareholdings, stock options, service contracts with the Group and benefits upon termination of employment

The following table sets forth, as of the date of this Information Memorandum, the number of Shares owned directly or indirectly by each of the Company's directors and management, and the number of options held by such persons (when the Shares are owned through a holding company, the ownership in such holding company is stated):

Name	Position	No of Shares	No of Options
Øivind Risberg	CEO	14,611,894	4,000,000
Mark Dice	COO and President	400,000	2,500,000
Richard Boughrum	CFO	10,000	1,000,000
Steve Novakowski	EVP Operations & Drilling	27,500	500,000
Stuart Loewenstein	EVP Exploration & Development	361,556	600,000
S. Dennis Holbrook	EVP Regulatory, Public & Investor Relations	2,183,873	500,000
Bjarte Henry Bruheim	Board Member Norse Energy Corp. ASA	25,300,000	
Odd Næss	Board Member Norse Energy Corp. ASA	7,565,000	

In addition, Øivind Risberg holds 1,445,218 NEC-J warrants in the Company.

The CEO has an agreement of two year's salary in case of resignation. No other members of the administrative, management or supervisory bodies' currently have entered into any service contracts with the Company or any of its subsidiaries providing for benefits upon termination of their employment.

5.10 Corporate Governance

The principle behind good corporate governance is to establish and maintain a strong, sustainable and competitive company in the best interest of the shareholders, employees, business associates, third parties and society at large. The Board recognizes that the shareholders and others should have confidence in the way the Company is governed and managed. A successful value-added business is profoundly dependent upon transparency and internal and external trust. The Company believes that this is achieved by building a solid reputation based on financial performance, the Company's values and by fulfilling its promises. The Board acknowledges the Norwegian Code of Practice for Corporate Governance of 21 October, 2009 and the principle of comply or explain, and believes that it is in full compliance with the Code. We have implemented the Code and used its guidelines as the basis for the Board's governance duties. A full version of the policy is posted on the Company's website at www.NorseEnergy.com.

5.11 Major shareholders

An overview of the Company's 20 largest shareholder as of 25 January 2010 is set out in the table below:

Investor	Country	No. of shares	%
1 PNC INTERNATIONAL BANK LTD	Ireland	61 521 400	15,84%
2 PNC INTERNATIONAL BANK LTD	Ireland	18 918 300	4,87%
3 PNC INTERNATIONAL BANK LTD	Ireland	15 947 919	4,11%
4 NORDEA BANK NORGE ASA	Norway	14 809 166	3,81%
5 PNC INTERNATIONAL BANK LTD	Ireland	12 021 967	3,09%
6 BRUHEIM BJARTE HENRY	Norway	11 300 000	2,91%
7 VIKSUND AS	Norway	8 050 500	2,07%
8 DNB NOR SMB	Norway	7 665 000	1,97%
9 SOLODDEN AS	Norway	6 561 394	1,69%
10 WESTCAP A/S	Norway	5 190 200	1,34%
11 NESTOR SHIPPING AS	Norway	4 389 000	1,13%
12 FARSTAD JAN HENRY	Norway	3 900 616	1,00%
13 DANSKE BANK A/S	Denmark	3 532 883	0,91%
14 PACTUM AS	Norway	3 500 000	0,90%
15 NORDNET BANK AB	Sweden	3 012 839	0,78%
16 SAF INVEST AS	Norway	3 000 000	0,77%
17 WILHELMSEN LINES SHIPOWNING AS	Norway	3 000 000	0,77%
18 CITIBANK N.A. (LONDON BRANCH)	Finland	2 820 100	0,73%
19 TYRHOLM & FARSTAD A/S	Norway	2 529 616	0,65%
20 MP PENSJON	Norway	2 489 600	0,64%

Pursuant to the Norwegian Securities Trading Act, a person, entity or group acting in concert that acquires shares, options for shares or other rights to shares resulting in its beneficial ownership, directly or indirectly, in the aggregate meeting or exceeding the respective thresholds of 5%, 10%, 15%, 20%, 25%, 1/3, 50%, 2/3 and 90% of the share capital and/or the voting rights in the Company has an obligation under Norwegian law to notify Oslo Børs and the Company immediately. The same applies to disposals of shares (but not options or other rights to shares) resulting in a beneficial ownership, directly or indirectly, in the aggregate meeting or falling below said thresholds. A change in ownership level due to other circumstances may also trigger the notification obligations when said thresholds are passed, e.g changes in the Company's share capital.

5.12 Statutory auditors

The Company's auditor is Deloitte AS, Karenslyst allé 20, P.O. Box 347 Skøyen, 0213 Oslo, Norway. Deloitte has been the Company's auditor since 2008. The auditor is a member of the Norwegian Auditor Association (Den Norske Revisorforening).

Prior to Deloitte the Company's auditor was Ernst & Young AS, Christian Frederiks plass 6, P.O. Box 20, Oslo, Norway.

5.13 Legal and arbitration proceedings and material contracts

The Company may from time to time be involved in disputes in the ordinary course of its business activities. However, at the time of this Information Memorandum the Company is not involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) which may have or have had in the recent past significant effects on the Company and/or the Company's financial position or profitability, except from the following;

- One of the legal advisers of the subsidiary Norse Pipeline has advised the Company of the substantial likelihood that the parcels of real property comprising the "penny pipeline" will be assessed at amounts substantially in excess of the previous assessments for property tax purposes. This will require a legal

challenge to maintain current assessment levels. The magnitude of the anticipated assessments cannot be determined at this time. The Company has not accrued for any amounts relating to this potential assessment.

The Company has been involved in the following proceedings during the past 12 months:

- Two separate lawsuits on the docket involve injury to an employee of a drilling services company who was purported injured during drilling operations. In each respective case, the drilling company was under contract to the subsidiary Norse Energy Corp. USA. In each lawsuit, Norse Energy Corp. USA is contractually indemnified by the drilling company from liability for any damages awarded pursuant to these causes of action, thus Norse Energy Corp. USA does not anticipate any liability resulting from these causes of action.
- In May 2008, a lawsuit was brought against Norse Energy Corp. USA related to damages suffered to certain real property. The owner of the property contends that Norse Energy Corp. USA trespassed onto her property and harvested and removed timber from it. She seeks damages of USD 85,000 for the timber and USD 255,000 for a treble damage award. The case is in the early stages and it is too difficult to determine the likelihood of an unfavorable outcome. No accrual has been made related to this claim.

The Company has entered into contracts that are customary for international oil and gas companies, as well as certain bond loan agreements. The Company is not aware of any material contracts outside of the normal course of business.

Except for the matters described above, Norse is not involved in any governmental, legal or arbitration proceedings, which may have, or have had in the recent past significant effects on Norse or Norse's financial position or profitability. Norse is further not aware of any such proceedings that are pending or threatened, nor has Norse been involved in any such proceedings during the last 12 months.

5.14 Capital resources

The Company obtains its sources of funding from a mix of equity, bank debt, bonds and sale/farm-out of assets.

The Company has prior to the demerger completed a private placement in September 2009. In the second quarter of 2009, the Company sold a minority share in the subsidiary Norse Energy do Brasil to Sector Asset Management. This improved the Company's balance sheet and provided improved financial flexibility. Additionally, the Company successfully completed a NOK 300 million equity issue on January 12, 2010 (subject to approval at an Extraordinary General Meeting on February 2, 2010).

The bondholder approved refinancing should provide the Company with ample time to capitalize properly on its huge resource base. The average 1-2 year postponement of principal repayments is not only a relief for the Company but will also provide the bondholders with additional security and comfort on timely repayment. Ultimately the refinancing should increase the likely-hood of shareholders being able to optimize the return on investment in the Company. In addition to the postponement of principal repayment, the refinancing also entails a step-up in interest coupon and the issuance of associated warrants. This refinancing is reflected in the pro forma financial statements in section 7. Following this refinancing, the Company will have bond loans of approximately USD 106.4 million, of which approximately USD 16.0 million is current debt. All the bond loans will carry a fixed interest rate, and approximately 95% of the outstanding bond loans will be denominated in USD. The Company will have the following principal payment schedule (USD/NOK = 5.60, amounts in USD million);

Bond loans	2010	2011	2012	2013	2014	TOTAL
TOTAL	16.0	3.7	35.6	41.5	9.6	106.4

In the US, the Company utilizes reserve based lending to fund the ongoing drilling program. The credit line currently stands at USD 21.75 million, and this loan has been classified as current debt since the subsidiary Norse Energy Corp. The Company anticipates a redetermination shortly, and aims to increase reserve based lending (revolving credit) to the budgeted USD 29 million. The US revolving credit is based upon eligible reserves that are required to be redetermined twice a year. The USA is not in compliance with covenants related to G&A cost ratio and working capital. The working capital requirement will be repaired by contributions from the parent in Norway. The G&A violation is a result of low gas prices in the quarter coupled with building the appropriate infrastructure as the Company position itself to take advantage of the opportunities available with its' existing acreage. The Company believes that this ratio will improve as production increase through the normal drilling program and as natural gas prices begin to normalize. In addition the Company continues to review the cost structure in order to better understand and reduce the G&A costs. The Company receives waivers from the lender on a quarterly basis.

In the pro forma condensed consolidated financial statements per September 30, 2009, the Company has current assets of USD 42.8 million and short-term liabilities of USD 48.9 million. Short-term interest bearing debt of USD

32.8 million consists of the 15% prepayment of the bond loans and the reserve based lending in the US subsidiaries where the outstanding balance has been reclassified to short-term, both discussed above.

In the opinion of the Company, its working capital is sufficient to cover the Company s present requirements, that is, for a period of at least 12 months from the date of this Information Memorandum.

6 HISTORICAL FINANCIAL INFORMATION

6.1 Selected financial information for Norse

(All figures in USD thousand)

The selected historical consolidated financial data for Norse Energy Corporation ASA set forth in this section has been derived from NEC's audited group financial statements for the financial years 2008, 2007 and 2006, and the unaudited quarterly reports for Q3 2009 and Q3 2008.

These financial statements have been prepared in accordance with IFRS and the Company's accounting principles may be found in the related Annual Reports.

There have been no audit qualifications in connection with the 2006-2008 financial statements. In the 2008 audit report Deloitte draws attention to the Board of Directors discussion of the uncertainty concerning funding that was present at the time of the audit report, without qualifying its report.

The selected financial data set forth below may not contain all of the information that is important to a potential investor of shares in the demerged company. As a result, the data should be read in conjunction with the relevant financial statements and the notes to those statements.

NEC ASA Consolidated Financial Statements	Q3 YTD 2009	Q3 2009	Q3 YTD 2008	Q3 2008	2008	2007	2006
	Unaudited	Unaudited	Unaudited	Unaudited	Audited	Audited	Audited
Marketing revenue	72 779	18 116	167 747	61 587	213 706	148 398	138 988
Oil and gas revenue	34 509	12 937	70 368	27 185	84 018	61 171	39 945
Fair value adjustments and other income	1 859	457	35 408	9 816	36 784	5 142	8 580
Total revenues and other income	109 147	31 510	273 523	98 588	334 508	214 711	186 664
Marketing purchases	68 748	18 020	163 036	59 454	206 500	141 588	135 329
Production costs	4 249	1 428	19 663	6 856	27 949	25 802	20 550
Exploration and dry-hole costs	15 037	7 226	20 123	4 857	27 225	2 629	1 660
General and administrative costs	19 526	7 513	22 699	7 186	31 605	17 870	13 261
Depreciation	13 374	4 528	11 695	4 039	16 719	28 901	15 124
Impairment	14 363	12 598	0	0	25 911	26 159	0
Total operating expenses	135 297	51 313	237 216	82 392	335 909	242 949	185 924
Operating profit/(loss)	-26 150	-19 803	36 307	16 196	-1 401	-28 238	740
Net interest income/(costs)	-16 119	-5 441	-18 679	-6 051	-23 771	-16 062	-8 490
Net foreign exchange gain/(loss)	28 701	-498	11 207	5 770	5 828	4 146	1 354
Warrants effect - gain/(loss)	-590	-1 425	-3 074	30 709	8 096	3 311	0
Other financial income/(costs)	-165	-18	-1 488	-191	-382	401	-6 801
Net financial items	11 827	-7 382	-12 034	30 237	-10 229	-8 204	-13 937
Net profit/(loss) before tax	-14 324	-27 185	24 273	46 433	-11 630	-36 442	-13 197
Income tax benefit/(expense)	391	6 263	-9 852	3 907	1 090	7 737	876
Net profit/(loss) for the period	-13 933	-20 922	14 421	50 340	-10 540	-28 705	-12 321
Net profit/(loss) attributable to:							
Shareholders of the parent company	-11 823	-18 812	14 421	50 340	10 540	-28 705	-12 265
Non-controlling interests	-2 110	-2 110	0	0	0	0	-56
Total	-13 933	-20 922	14 421	50 340	10 540	-28 705	-12 321

NEC ASA Consolidated Statements of Financial position	Q3 2009 Unaudited	Q3 2008 Unaudited	2008 Audited	2007 Audited	2006 Audited
Non-current assets					
Intangible assets					
Licenses and exploration assets	158 283	139 917	132 386	119 117	129 131
Goodwill and other intangible assets	5 728	5 746	5 755	5 790	5 826
Deferred tax assets	21 469	0	10 105	0	0
Total intangible assets	185 480	145 663	148 246	124 907	134 957
Properties and field investments					
Field investment and equipment	182 661	175 941	150 218	159 160	164 323
Other fixed assets	5 179	4 648	6 252	4 459	3 815
Total properties and field investments	187 840	180 589	156 470	163 619	168 138
Other non-current assets	10 032	12 532	13 763	20 180	7 330
Total Non-current assets	383 352	338 784	318 479	308 706	310 425
Current assets					
Inventory	0	2 019	290	3 051	3 237
Accounts receivables and other short-term assets	47 424	66 619	47 102	43 523	32 297
Assets held for sale	0	0	0	36 568	0
Cash and cash equivalents	43 610	45 169	32 207	43 747	55 739
Total current assets	91 034	113 807	79 599	126 889	91 273
Total assets	474 386	452 591	398 078	435 595	401 698
Equity					
Total Equity attributable to shareholders of the parent	100 293	85 284	67 749	83 423	105 215
Non-controlling interests	33 745	0	0	0	0
Total equity	134 038	85 284	67 749	83 423	105 215
Long-term liabilities					
Long-term interest bearing debt	94 023	197 240	145 360	194 660	158 758
Deferred tax liabilities	6 848	22 129	11 788	14 460	29 943
Other long-long term liabilities	27 052	43 864	25 555	42 161	21 608
Total long-term liabilities	127 923	263 233	182 703	251 281	210 309
Short-term liabilities					
Short-term interest bearing debt	153 793	46 252	84 007	48 764	21 861
Accounts payable, accrued liabilities and other short term liabilities	58 632	57 822	63 619	52 127	64 313
Total short-term liabilities	212 425	104 074	147 626	100 891	86 174
Total liabilities	340 348	367 307	330 329	352 172	296 483
Total equity and liabilities	474 386	452 591	398 078	435 595	401 698

7 PRO FORMA FINANCIAL INFORMATION

7.1 Pro forma financial information

(All figures in USD thousand)

7.1.1 General information- description of the transaction

The pro forma financial information is prepared by using management's assumptions. It is not necessarily indicative of the effects on the financial position that would have been attained if the above mentioned transactions actually occurred at the dates assumed under section 7.1.2. Moreover the pro forma financial information is not intended to and does not provide all the information and disclosures necessary to present a true and fair view in accordance with IFRS as adopted by EU.

7.1.2 Purpose of the unaudited pro forma financial information

The unaudited pro forma financial information has been prepared in connection with the demerger of the Offshore (Brazil) business as described in this Information document, to illustrate the main effects the demerger would have had on:

- The audited consolidated profit and loss statement for 2008 and the unaudited consolidated profit and loss statement for Q3 YTD 2009, and
- The unaudited consolidated balance sheet as of 30 September 2009, had the demerger been implemented at that date.

The renegotiated bond loan agreements are dependent on the demerger being approved by the extraordinary general meeting. The renegotiated terms and conditions have been adjusted pro forma to illustrate the effect (including tax effect) on the unaudited Q3 YTD 2009 profit and loss and Balance sheet and the audited full year 2008 had the renegotiated terms been implemented as from 1 January 2009 and 1 January 2008, respectively. No other pro forma adjustments have been considered relevant.

7.1.3 Basis for preparation

The unaudited pro forma financial information has been compiled using accounting principles that are consistent with Norse Energy Corporation ASA's accounting principles (IFRS). These accounting principles are described in the Company's 2008 Annual Report.

The unaudited pro forma financial information has been prepared for illustrative purposes only. Because of its nature it addresses a hypothetical situation and therefore does not represent the company's actual financial position or results. There is a greater degree of uncertainty associated with pro forma figures than with actual reported results.

The New Brazil Holding ASA demerged figures have been obtained solely from the NEC ASA consolidated reports. They consist of the Brazil figures which represent the Brazil operations, the NEC 01 bond loan and 40 % of the NEC J liability that are allocated to Brazil business in the demerger plan, and allocated overhead costs from the Norwegian parent company.

The historical figures for New Brazil Holding ASA have been prepared under the same accounting principles as described for NEC ASA in section 6.1.

The unaudited pro forma financial information has been prepared for illustrative purposes only. Because of its nature it addresses a hypothetical situation and therefore does not represent the Company's actual financial position or results. There is a greater degree of uncertainty associated with pro forma figures than with actual reported results.

7.1.4 Pro forma financials

Proforma Condensed Consolidated Financial Statements YTD Q3 2009

Unaudited	NEC ASA YTD Q3 2009	New Brazil Holding ASA demerged	Proforma adjustments NEC ASA	notes	Proforma NEC ASA demerged
Marketing revenue	72 779				72 779
Oil and Gas revenue	34 509	23 562			10 947
Fair value adjustments and other income	1 859	-267			2 126
Total revenues and other income	109 147	23 295			85 852
Marketing purchases	68 748	-			68 748
Production costs	4 249	2 805			1 444
Exploration and dry-hole costs	15 037	14 165			872
General and administrative costs	19 526	9 022			10 504
Depreciation	13 374	4 726			8 648
Impairment	14 363	12 500			1 863
Total operating expenses	135 297	43 218			92 079
Operating profit/(loss)	-26 150	-19 923			-6 227
Net interest income/(costs)	-16 119	-7 026	-664	1)	-9 757
Net foreign exchange gain/(loss)	28 701	28 701			-
Other financial income/(costs)	-755	-309			-446
Net financial items	11 827	21 365			-10 203
Net profit/(loss) before tax	-14 324	1 442	-664		-16 430
Income tax benefit/(expense)	391	-4 011	1 475	2)	5 877
Net profit/(loss) for the period	-13 933	-2 569	810		-10 553

Pro forma adjustments:

The only pro forma profit and loss adjustment is the effect of the renegotiated bond loans terms on the demerged NEC ASA.

1) Loan restructuring

Bond loan costs in the demerged NEC ASA at original terms have been replaced with pro forma calculated cost according to the renegotiated NEC 02, NEC 03, NEC 04 and NEC 05 bond loan terms. The cost has been calculated as if the restructuring took place 1 January 2009, with 15% early payment in April 2009. This is expected to have a continuing impact on the Company.

Specification of net effect:

Loan costs at original terms	8 478
<u>Less pro forma loan cost at renegotiated terms</u>	<u>-9 142</u>
Net effect	664

2) Tax effect of bond loan restructuring

Loan cost allocated to the US increases by 4 337 as a consequence of the restructuring. Due to different tax positions in Norway and US the restructuring results in a positive tax effect that has been estimated at 1,475 pro forma (4 337 multiplied by the tax rate in US- 34 %). This is expected to have a continuing impact on the Company.

Proforma Condensed Consolidated Statement of Financial Position
Q3 2009

	NEC ASA YTD Q3	New Brazil Holding	Proforma adjustments NEC	notes	Proforma NEC ASA
Unaudited					
Non-current assets					
Licenses and exploration assets	158 283	121 785			36 498
Goodwill and other intangible assets	5 728	-			5 728
Deferred tax assets	21 469	21 469			-
Field investment and equipment	182 661	107 010			75 651
Other financial assets	10 032	2 984			7 049
Other fixed assets	5 179	2 873			2 306
Total non-current assets	383 353	256 121			127 232
Current assets					
Accounts receivables and other short-term assets	26 059	18 729			7 330
Other financial assets	5 800	0			5 800
Other current assets	15 565	13 236			2 329
Cash and cash equivalents	43 610	16 303			27 307
Total current assets	91 034	48 268			42 766
Total assets	474 386	304 388			169 998
Equity					
Total equity attributable to shareholders of the parent	100 293	82 611	98 357	-104 925	11 113
Non-controlling interests	33 745	33 745			-
Total equity	134 038	116 356	98 357	-104 925	2) 11 113
Long-term liabilities					
Long-term interest bearing debt	94 023	0	-89 590	82 511	1) 86 944
Deferred tax liabilities	6 848	0			6 848
Liabilities related to warrants *	12 592	5 037		6 675	1) 14 230
Other financial liabilities	1 049				1 049
Other long term liabilities	13 411	12 486			925
Total long-term liabilities	127 923	17 522	-89 590	89 186	109 997
Short-term liabilities					
Short-term interest bearing debt	153 793	127 977	-8 767	15 739	1) 32 788
Other financial liabilities	1 120	6			1 114
Accounts payable, accrued liabilities and other short term liabilities	57 512	42 527			14 986
Total short-term liabilities	212 425	170 510	-8 767	15 739	48 888
Total liabilities	340 348	188 032	-98 357	104 925	158 885
Total equity and liabilities	474 386	304 388	0	0	169 998

*Liabilities related to the NEC J warrants have been split between New Brazil Holding ASA and NEC ASA according to the 40-60 valuation split.

Pro forma adjustments:

- 1) The renegotiated NEC 02, NEC 03, NEC 04, NEC 05 bond loans replaces the original loans (short term 8,767, long term 89,590). The warrant elements (6,675) have been valued and are classified separate from the loans. Since the functional currency of the parent is USD while the equity is denominated in NOK, the warrants are classified as liabilities and not as equity. In the above table the pro forma adjustment has been presented in two steps. NEC 02, NEC 03, NEC 04, NEC 05 bond loans current carrying values totaling 98 357 have been derecognized, and replaced by the pro forma book values totaling 104 925. The total renegotiated values are specified below.

Total renegotiated loan values

	NEC 02	NEC 03	NEC 04	NEC 05	Total
Nominal value	73 946	8 676	4 753	17 550	104 925
Warrant value	4 713	553	290	1 119	6 675
Book value ex warrant	69 232	8 123	4 463	16 431	98 250

15 % of the renegotiated nominal loan amount, 15 739, has been classified as current according to the early payment clause in the bond loan agreements.

2) NEC ASA pro forma equity development

	Equity
NEC ASA equity at 30 september 2009	134 038
Net asset value to New Brazil Holding ASA	-116 356
Net equity effect from renegotiated bond loans	-6 568
NEC ASA equity after demerger	11 113

Proforma Condensed Consolidated Financial Statements 2008

	NEC ASA 2008	New Brazil Holding ASA demerged	Proforma adjustments NEC ASA	notes	Proforma NEC ASA demerged
Marketing revenue	213 706				213 706
Oil and Gas revenue	84 018	73 551			10 467
Fair value adjustments and other income	36 784	840			35 944
Total revenues and other income	334 508	74 391			260 117
Marketing purchases	206 500				206 500
Production costs	27 949	25 692			2 257
Exploration and dry-hole costs	27 225	22 937			4 288
General and administrative costs	31 605	15 918			15 687
Depreciation	16 719	11 237			5 482
Impairment	25 911	25 911			-
Total operating expenses	335 909	101 695			234 214
Operating profit/(loss)	-1 401	-27 304			25 903
Net interest income/(costs)	-23 771	-11 699	-272	1)	-12 344
Net foreign exchange gain/(loss)	5 828	5 828			-
Other financial income/(costs)	7 714	2 400			5 314
Net financial items	-10 229	-3 470			-7 031
Net profit/(loss) before tax	-11 630	-30 774	-272		18 872
Income tax benefit/(expense)	1 090	10 674	2 598	2)	-6 986
Net profit/(loss) for the period	-10 540	-20 100	2 326		11 886

Pro forma adjustments:

The only pro forma profit and loss adjustment is the effect of the renegotiated bond loans terms on the demerged NEC ASA.

1) Loan restructuring

Bond loan costs in the demerged NEC ASA at original terms have been replaced with pro forma calculated cost according to the renegotiated NEC 02, NEC 03, NEC 04 and NEC 05 bond loan terms. The cost has been calculated as if the restructuring took place 1 January 2008, with 15% early payment in April 2008. This is expected to have a continuing impact on the Company.

Specification of net effect:

Loan costs at original terms	11 735
<u>Less pro forma loan cost at renegotiated terms</u>	<u>-12 007</u>
<u>Net effect</u>	<u>- 272</u>

2) Tax effect of bond loan restructuring

Loan cost allocated to the US increases by 7 642 as a consequence of the restructuring. Due to different tax positions in Norway and US the restructuring results in a positive tax effect that has been estimated at pro forma 2 598 (7 642 multiplied by the tax rate in US- 34 %). This is expected to have a continuing impact on the Company.

8 ADDITIONAL INFORMATION

8.1 Third party information

Market and industry data used throughout this Information Memorandum was obtained from various publicly available or independent third party sources. Although the Company believes that these independent sources are generally reliable, the accuracy and completeness of such information are not guaranteed and have not been verified with complete certainty due to limits on the availability and reliability of raw data, the voluntary nature of the data gathering process and the limitations and uncertainties inherent in any statistical survey of market size or consumer demand. References in this Information Memorandum to research reports or articles should not be construed as depicting the complete findings of the entire referenced report or article. The information in each report or article is not incorporated by reference into this Information Memorandum.

The information in this Information Memorandum that has been sourced from third parties has been accurately reproduced and, as far as the Company is aware and able to ascertain from the information published by that third party, no facts have been omitted that would render the reproduced information inaccurate or misleading.

8.2 Documents on display

For the life of this Information Memorandum following documents (or copies thereof) may be inspected at www.NorseEnergy.com or at the Company's business address:

- i. Articles of Association of the Company;
- ii. audited historical financial information for the Company's annual accounts for 2006, 2007 and 2008 and unaudited interim report for third quarter ended 30 September 2009; and
- iii. stock exchange notices, including quarterly reports, distributed by the Company through Oslo Børs' information system after the submission of the application for listing.

8.3 Incorporated by reference

The information incorporated by reference in this Information Memorandum shall be read in connection with the cross-reference list set out in the table below. Except as provided in this section, no information is incorporated by reference in this Information Memorandum.

All the relevant information can be found on the Company's webpage www.NorseEnergy.com

Section in Information Memorandum	Disclosure requirements of the Information Memorandum	Reference document and link	Page (P) in reference document
Section 6	Audited historical financial information (Annex I, Section 20.1)	Norse – financial statements 2008: http://feed.ne.cision.com/wpfs/00/00/00/00/00/0E/B1/90/wkr0010.pdf	P 25-87
		Norse – Director's report 2008: http://feed.ne.cision.com/wpfs/00/00/00/00/00/0E/B1/90/wkr0010.pdf	P 14-20
		Norse – financial statements 2007: http://feed.ne.cision.com/wpfs/00/00/00/00/00/0C/42/66/wkr0010.pdf	P 19-84
		Norse – Director's report 2007: http://feed.ne.cision.com/wpfs/00/00/00/00/00/0C/42/66/wkr0010.pdf	P 12-17
		Norse – financial statements 2006: http://feed.ne.cision.com/wpfs/00/00/00/00/00/0C/31/47/wkr0009.pdf	P 19-68
		Norse – Director's report 2006: http://feed.ne.cision.com/wpfs/00/00/00/00/00/0C/31/47/wkr0009.pdf	P 14-17
		Norse – Auditor's report 2008: http://feed.ne.cision.com/wpfs/00/00/00/00/00/0E/B1/90/wkr0010.pdf	P 88
Section 6	Audit report (Annex I, Section 20.4.1)	Norse – Auditor's report 2007: http://feed.ne.cision.com/wpfs/00/00/00/00/00/0C/42/66/wkr0010.pdf	P 85
		Norse – Auditor's report 2006: http://feed.ne.cision.com/wpfs/00/00/00/00/00/0C/31/47/wkr0009.pdf	P 69
Section 6	Accounting policies (Annex I, Section 20.1)	Norse – Accounting principles: http://feed.ne.cision.com/wpfs/00/00/00/00/00/0E/B1/90/wkr0010.pdf	P 30-36
Section 6	Interim financial information (Annex I, Section 20.6.1)	Norse – third quarter financial statements 2009, with comparable figures for the same period in 2008: http://feed.ne.cision.com/wpfs/00/00/00/00/00/0F/FC/33/wkr0013.pdf	P 9-16
		Norse – Director's report third quarter 2009: http://feed.ne.cision.com/wpfs/00/00/00/00/00/0F/FC/33/wkr0013.pdf	P 4-8

9 DEFINITIONS

The following glossary applies in this Information Memorandum unless dictated otherwise by the context, including the foregoing pages of this Information Memorandum.

9.1 Definitions

Articles of Association:	The Articles of Association of the Company.
BNDES	The Brazilian Development Bank
Board	The Board of Directors of Norse Energy Corp. ASA.
Brazil Holding	New Brazil Holding ASA
Brazil Holding Group	New Brazil Holding and its subsidiaries
G&A	General and administrative
Group	Norse Energy Corp. ASA and its subsidiaries
NEC:	Norse Energy Corp. ASA.
IFRS:	International Financial Reporting Standards.
Manager:	Pareto Securities AS.
NOK:	Norwegian Kroner, the lawful currency of the Kingdom of Norway.
NGAAP:	Norwegian generally accepted accounting standards.
Norwegian Public Limited Companies Act:	The Norwegian Public Limited Companies Act of 13 June 1997 no. 45 (“Allmennaksjeloven”).
Norwegian Securities Trading Act:	The Securities Trading Act of 29 June 2007 no. 75 (“Verdipapirhandelloven”).
Oslo Børs:	Oslo Børs ASA (translated “the Oslo Stock Exchange”).
Information Memorandum:	This Information Memorandum dated 27 January 2010 prepared in connection with the Transaction.
Share(s):	“Shares” means common shares in the capital of Norse Energy Corp. ASA and “Share” means any one of them.
The Company	Norse Energy Corp. ASA
Transaction:	The demerger of the business in Brazil and its associated assets is transferred to New Brazil Holding ASA
USD:	United States Dollars.
VPS account:	An account with VPS for the registration of holdings of securities.
VPS:	Verdipapirsentralen (Norwegian Central Securities Depository), which organizes the Norwegian paperless securities registration system.

Appendix 1: Auditor's Report on pro forma financial information

<div data-bbox="217 1792 264 1989" data-label="Image"> </div> <div data-bbox="373 1603 399 1989" data-label="Text"> <p>To the Board of Directors of Norse Energy Corp. ASA</p> </div> <div data-bbox="414 1366 461 1989" data-label="Section-Header"> <h2>INDEPENDENT ASSURANCE REPORT ON THE PRO FORMA FINANCIAL INFORMATION</h2> </div> <div data-bbox="518 1326 708 1989" data-label="Text"> <p>In accordance with the "Continuing Obligations of Stock Exchange Listed Companies" issued by Oslo Børs (Oslo Stock Exchange) and EU Regulation No 809/2004, we report on the compilation of the unaudited pro forma financial information of Norse Energy Corp ASA and subsidiaries ("the Company") consisting of the unaudited pro forma balance sheet of the Company as at 30 September 2009, the unaudited profit and loss accounts of the Company for the periods ended 31 December 2008 and 30 September 2009 and accompanying notes and descriptions to the unaudited pro forma financial information, which is set out in section 7 of the Company's information memorandum dated 27 January 2010 ("the Information Memorandum").</p> </div> <div data-bbox="724 1332 914 1989" data-label="Text"> <p>The pro forma financial information has been compiled on the basis described in section 7 of the Information Memorandum, for illustrative purposes only, to provide information about how the demerger of the Company's business areas in Brazil might have affected the unaudited consolidated balance sheet of the Company as at 30 September 2009 and the unaudited consolidated profit and loss account of the Company for the period ended 30 September 2009 and unaudited consolidated profit and loss account of the Company for the year ended 31 December 2008. Because of its nature, the pro forma financial information addresses a hypothetical situation and, therefore, does not represent the Company's actual financial position or results.</p> </div> <div data-bbox="938 1711 963 1989" data-label="Section-Header"> <h3>The Board of Directors' responsibility</h3> </div> <div data-bbox="963 1341 1010 1989" data-label="Text"> <p>It is the Board of Directors' responsibility to compile the pro forma financial information in accordance with the requirements of EU Regulation No 809/2004.</p> </div> <div data-bbox="1034 1812 1059 1989" data-label="Section-Header"> <h3>Reporting responsibility</h3> </div> <div data-bbox="1059 1326 1232 1989" data-label="Text"> <p>It is our responsibility to provide the opinion required by Annex II item 7 of EU Regulation No 809/2004 as to the proper compilation of the pro forma financial information. We are not responsible for updating any reports or opinions previously made by us for any events that occurred subsequent to the date of our report on the historical financial information used in the compilation of the pro forma financial information, nor does the aforementioned opinion require an audit of historical unaudited financial information or the assumptions summarized in section 7 of the Information Memorandum. The financial information used in the compilation of the pro forma information is unaudited as described in section 7 of the</p> </div> <div data-bbox="1276 1592 1329 1989" data-label="Text"> <p><small>Deloitte refers to one or more of Deloitte Touche Tohmatsu, a Swiss entity, and its network of member firms, each of which is a separate legal entity. Please see www.deloitte.com/deloitte/norway for a detailed description of the legal structure of Deloitte Touche Tohmatsu and its member firms.</small></p> </div> <div data-bbox="1329 1825 1351 1989" data-label="Text"> <p><small>Member of Deloitte Touche Tohmatsu</small></p> </div> <div data-bbox="1318 1301 1351 1491" data-label="Text"> <p><small>Member firm of Deloitte Touche Tohmatsu</small></p> </div> <div data-bbox="188 409 207 443" data-label="Text"> <p>PAGE 2</p> </div> <div data-bbox="217 934 256 1079" data-label="Image"> </div> <div data-bbox="317 445 363 1079" data-label="Text"> <p>Information Memorandum. We do not accept any responsibility for financial information which we have not audited.</p> </div> <div data-bbox="387 949 411 1079" data-label="Section-Header"> <h3>Work performed</h3> </div> <div data-bbox="414 409 606 1079" data-label="Text"> <p>We conducted our work in accordance with Norwegian Standard on Assurance Engagements 3000, "Assurance Engagements Other than Audits or Reviews of Historical Financial Information". We planned and performed our work to obtain reasonable assurance that the pro forma financial information in all material respect has been properly compiled on the basis stated and that such basis is consistent with the accounting policies of the Company. Our work primarily consisted of comparing the unaudited financial information with the source documents as presented in section 7 of the Information Memorandum, considering the evidence supporting the adjustments and discussing the pro forma financial information with the Management of the Company.</p> </div> <div data-bbox="630 1012 652 1079" data-label="Section-Header"> <h3>Opinion</h3> </div> <div data-bbox="655 967 681 1079" data-label="Text"> <p>In our opinion:</p> </div> <div data-bbox="678 439 745 1079" data-label="List-Group"> <ol style="list-style-type: none"> The pro forma financial information has been properly compiled on the basis stated in section 7 of the Information Memorandum; and That basis is consistent with the accounting policies of the Company. </div> <div data-bbox="761 414 845 1079" data-label="Text"> <p>This report is issued for the sole purpose of the Information Memorandum required by Oslo Børs' "Continuing Obligations of Stock Exchange Listed Companies" section 3.5 as set out in the Information Memorandum. This report is not appropriate in other jurisdictions and should not be used or relied upon for any purpose other than the described demerger.</p> </div> <div data-bbox="882 913 928 1079" data-label="Text"> <p>Oslo, 27 January 2010 Deloitte AS</p> </div> <div data-bbox="938 857 1026 1108" data-label="Text"> </div> <div data-bbox="1005 831 1051 1079" data-label="Caption"> <p>Ingebrigt G. Hisdal State authorized public accountant</p> </div>
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Appendix 2: Demerger plan

<div>DEMARGER PLAN</div> <div>Plan for the demerger of Norse Energy Corp. ASA Company reg. no. 979 441 002 December 18, 2009</div>	<div>DEMARGER PLAN</div> <div><div>1. FORMALITIES</div><div><div>The transferor:</div><div>Norse Energy Corp. ASA (the "Transferor")</div><div>Registered address: Strandveien 50, 1366 Lysaker</div><div>in the district of: Bærum</div><div>Company reg. no: 979 441 002</div><div>Share capital: NOK 341,863,263</div><div>The transferee:</div><div>New Brazil Holding ASA (the "Transferee")</div><div>Registered address: Ruselekkveien 26, 0114 Oslo</div><div>in the district of: Oslo</div><div>Company reg. no: 994 051 067</div><div>Share capital: 1,000,000</div><div>Hereinafter the Transferor and the Transferee are jointly referred to as the "Companies".</div></div><div><div>2. GENERAL INFORMATION REGARDING THE DEMERGER</div><div><div>2.1 The purpose of the demerger</div><div>The Transferor owns assets within two completely separate business areas in Brazil and the USA respectively. This is not regarded as an optimal structure for operational and financial purposes. There are limited synergies between the business areas, and a separation of the business areas will optimise the capital structure and provide considerable growth potential in the respective markets.</div><div>The Board of Directors is therefore proposing that the Transferor be divided into two parts, with ownership of the company's mainland business, i.e. the business in the USA and its associated assets, while the ownership of the business in Brazil and its associated assets is transferred to the Transferee.</div><div>The demerger will be carried out as a demerger-merger, where the Transferee is a newly incorporated public limited company wholly owned by the Transferor.</div><div>The Transferee will not have any business activities or assets and liabilities prior to demerger, apart from a bank deposit of NOK 1 million. An application will be made to list the shares of the Transferee on the Oslo Stock Exchange from the date on which the demerger comes into effect.</div><div>The Transferor will be demerged thus:</div><div><div>a. the Transferor shall transfer the assets, rights and liabilities stipulated in the Demerger Plan to the Transferee,</div><div>b. the Transferor's share capital shall be reduced and the Transferor's shareholders shall be compensated in the form of shares in the Transferee as stipulated in the Demerger Plan.</div></div></div></div></div>
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The Transferee's share capital shall be increased as part of the demerger.

The Transferor shall remain in existence after the demerger, with a reduced share capital.

3. CONSIDERATION PAYABLE AND DISTRIBUTION OF SHARE CAPITAL

The consideration payable to the Transferor's shareholders when the demerger comes into effect shall be made up of all the shares in the Transferee after implementation. The Transferee's capital will therefore be reduced prior to the transfer of the demerged assets and liabilities, with the entire existing share capital being distributed to the shareholder.

These shares shall be distributed pro rata among the shareholders on the basis of the number of shares held in the Transferor on the date on which the demerger is reported in the Register of Business Enterprises as having been completed.

The Transferor's share capital, in the amount of NOK 341,863,263, will be distributed such that the Transferor's share capital after completion of the demerger totals NOK 205,117,958 while the Transferee's share capital totals NOK 136,745,305.

Distribution of the share capital between the companies is based on the Distribution Ratio as described in section 5.1 below.

4. DEMERGER DATE, ETC

The demerger shall come into effect for financial and accounting purposes on January 1, 2010 (the "**Demerger Date**").

From the Demerger Date onwards, assuming the demerger comes into effect, the Transferee shall be deemed to have acquired the assets, rights and liabilities which the company is due to acquire under the terms of the Demerger Plan.

From the Demerger Date onwards all transactions, costs and revenues associated with the assets, rights and liabilities which the Transferee is to acquire shall be ascribed to the relevant company, also such that settlement of intra-group balances continues in accordance with agreements and previous practice, unless otherwise specifically agreed. In this way revenues and expenses associated with the business to be transferred to the Transferee shall be ascribed to the Transferee to the extent that they are recognised in the accounts from the Demerger Date onwards.

Payments associated with investments and receipts associated with the sale of property, plant and equipment included in this business shall be ascribed to the Transferee to the extent that the investment or sale is recognised in the accounts from the Demerger Date onwards.

The demerger shall be undertaken as a tax-exempt demerger pursuant to Chapter 11 of the Taxation Act, and shall come into effect for tax purposes on the Demerger Date.

5. DISTRIBUTION OF ASSETS, RIGHTS AND LIABILITIES

5.1 The Distribution Ratio in general

The Transferor is being demerged such that the Transferee will take over assets and liabilities from the Transferor as stipulated in section 5.2 below.

The Transferor's Board of Directors has obtained a valuation from Pareto Securities AS, which concludes that the assets and liabilities to be transferred to the Transferee in accordance with the Demerger Plan together amount to 40 per cent of the Transferor's real net value. A more detailed presentation of the valuation can be found in the Board's report in Appendix 4.

The boards of directors are proposing that the demerger be carried out in accordance with the above-mentioned real value distribution, such that the Transferor's equity capital is transferred in line with the following distribution ratio under which 40 per cent is taken over by the Transferee, while 60 per cent is retained by the Transferor.

5.2 Assets and liabilities to be transferred to the Transferee

The following assets shall be transferred to the Transferee:

1. 63,666,894 shares in Norse Energy do Brazil S.A. ("NEdB"), corresponding to 70 percent of all current shares in NEdB.
2. A cash holding corresponding to USD 8,000,000. The cash holding shall be adjusted with respect to revenues and expenses which are to be recognised in the Transferee's accounts in accordance with the Demerger Plan, and for any new internal loans granted to NEdB or its subsidiaries after the date of the opening balance sheet date.
3. All internal loans where the Transferor is the creditor and NEdB or NEdB's subsidiaries are the debtor.
4. Other of the Transferor's assets associated with the business activities of NEdB, including shares in any in-between companies.
5. If NEdB issues more shares to the Transferor until the demerger is effectuated, these shares shall also be transferred, against a corresponding reduction in the cash reserves.
6. Office equipment etc. as indicated in the draft opening balance sheet.

The following liabilities shall be transferred to the Transferee:

1. Bonds with a face value totalling NOK 286,500,000 associated with the loan designated ISIN NO 001 027594.4 ("NEC01") plus accrued interest.
2. If, before the demerger comes into effect, the Transferor should raise new loans for the purpose of refinancing, in whole or in part, NEC01, these new loans or any relevant parts of them shall be transferred to the Transferee. If such refinancing has not yet been undertaken when the demerger comes into effect, the transfer of loans shall be carried out together with the transfer of associated loan receipts (less a deduction for a share of the loan costs) held in escrow account.
3. 75,000,000 warrants with ISIN NO 001 031754.8. A corresponding number of warrants shall be continued in the Transferor. The current subscription price of NOK 6.10 per share shall in connection with the demerger be distributed between the warrants in the Transferor and the warrants in the Transferee based on the relative relationship between the volume-weighted average trade prices for the shares in the Companies on the first five trading days on the stock exchange for the respective Companies after the demerger is effective. If Norsk Tillsmann ASA decides on any other distribution ratio, the Distribution Ratio shall be adjusted accordingly without any other adjustment in the Demerger Plan.
4. Other of the Transferor's liabilities exclusively associated with the business activities of NEdB with subsidiaries.

The Transferee shall not acquire any other assets, liabilities or contracts over and above those listed above to which the Transferor is a party.

An agreement will be entered into between the Transferee and the Transferor under the terms of which the Transferor shall offer the Transferee necessary administrative

services, the rental of premises and systems, etc, after the demerger. Said agreement may be terminated by the Transferee in whole or in part at 14 days' notice.

A draft of the opening balance for the Transferee is presented in [Appendix 1](#).

5.3 Tax positions

The demerger is undertaken with tax continuity in accordance with the rules for tax-exempt demergers. Thus, the Transferee assumes the tax assets and positions which the respective assets, rights and liabilities had when they were held by the Transferee.

Pursuant to Section 11-8 of the Taxation Act tax positions which are not associated with the Transferor's assets and liabilities will be transferred to that company which continues the business activities from which the tax positions derive. Tax positions for which it is not possible to substantiate a probable link to a particular part of the business will be divided between the Companies at the same ratio as that used to distribute net value.

5.4 Documents, archives, accounts-related material, etc

Accounts-related material, the minutes of board meetings and other company documentation relating to the Transferor shall be kept by the Transferor. The Transferee shall, upon request, have access to this material as necessary.

Documents and archive material follow the business, asset or liability with which the material is associated. The other company is entitled to retain such material only if the company is under a statutory obligation to do so.

6. COMPANY-RELATED RESOLUTIONS

6.1 Proposed resolution relating to the reduction in the Transferor's capital and changes in its articles of association

The Board of Directors proposes that the Extraordinary General Meeting of the Transferor's shareholders pass the following resolution:

"The Demerger Plan drawn up by the Board of Directors of Norse Energy Corp. ASA is hereby approved."

The share capital shall be reduced by NOK 136,745,305 through a NOK 0.352 reduction in the nominal value of each share, from NOK 0.68 to NOK 0.528. Other capital withdrawals will reduce premium funds and other equity in line with accounting continuity principles by a total of NOK 381,677,000.

The proceeds from the capital reduction, which is being performed in connection with the demerger or the company, shall be distributed to shareholders in the form of shares in the Transferee.

Article 4 of the company's articles of association shall be changed to read:

"The Company's share capital totals NOK 205,117,958, divided between 388,480,981 shares, each having a face value of NOK 0.528³ fully paid up."

6.2 Proposed resolution relating to the Transferee

Before the merger comes into effect the Transferee will be converted into a public limited company and will increase its share capital to NOK 1 million.

As part of the demerger a capital reduction as well as a capital increase in the Transferee will be carried out.

³ If the capital reduction is to be dealt with as item 5 at the general meeting is approved, the share capital will be reduced by NOK 68,372,653 in connection with the demerger, by reducing the nominal value of each share from NOK 0.44 per share by NOK 0.176 to NOK 0.264.
If the capital reduction is to be dealt with as item 5 at the general meeting is approved, the nominal value of each share in connection with the demerger will be NOK 0.264 and the company's share capital will be NOK 100,589,979.

The capital reduction will be carried out by setting the value of the share capital to zero, with the existing share capital being distributed to the shareholder.

The capital reduction will take place in connection with the demerger coming into effect.

The capital increase will be carried out through the issue of consideration shares to the Transferor's shareholders. The assets, rights and liabilities which are demerged from the Transferor will be used as payment for shares in the Transferee.

By declaring its assent to this Demerger Plan, the General Meeting of the Transferee's shareholders passes the following resolution:

1. The company's share capital shall be reduced by NOK 1,000,000 from NOK 1,000,000 to NOK 0 in connection with the demerger of Norse Energy Corp. ASA coming into effect, with the share capital being distributed to Norse Energy Corp. ASA.

2. The company's share capital shall thereafter be increased to NOK 136,745,305 through the issue of 388,480,981 shares, each having a face value of NOK 0.352³, in connection with the demerger of Norse Energy Corp. ASA (the Transferor) coming into effect as described in the Demerger Plan dated 18 December 2009 (the "Demerger").

3. The shares shall be issued pro rata to shareholders of the Transferor on the date on which the Demerger can into effect. Existing shareholders' preference rights are waived.

4. Total share deposit is NOK 518,422,305 (which gives a subscription price per share of NOK 1.334) of which NOK 136,745,305 is share capital and the remaining NOK 381,677,000 is premium which shall be distributed based on accounting continuity principles.

5. The contribution owed by the individual shareholder is deemed to have been settled when the Demerger comes into effect by the assets, rights and liabilities belonging to the Transferor being transferred to the company as described in the Demerger Plan.

6. The shares are deemed to have been subscribed when the General Meetings of the Transferor's shareholders and the company approve the Demerger Plan.

7. The shares entitle the holder to a dividend from the date on which the capital increase is registered by the Register of Business Enterprises.

8. Article 3 of the articles of association shall be modified to specify the share capital and number of shares following the capital increase.

7. LEGAL PERFORMANCE

7.1 Notification of shareholders

The Demerger Plan and other case documents will be sent to each of the Companies' shareholders no later than one month before the General Meeting that is due to consider the plan, cf. Section 13-12 of the Public Limited Companies Act.

7.2 Notification of the Demerger Plan to the Register of Business Enterprises

The Register of Business Enterprises will be notified of the Demerger Plan no later than one month before it is presented to a general meeting of the Transferor's shareholders, cf. Section 13-13 of the Public Limited Companies Act.

7.3 Approval of the demerger

The Demerger Plan will be presented to the Companies' shareholders at Extraordinary General Meetings which are due to be held on January 25, 2010.

³ New share capital after the resolution mentioned in item 5 of the notice of the general meeting regarding capital reduction will be NOK 68,372,653 and the nominal value per share will be NOK 0.176.

⁴ Any increased share capital in the Transferor before the demerger is registered will lead to an increased number of shares in the Transferee, while face value will be adjusted proportionally so that the capital increase in the Transferee will be held constant.

Upon such approval, a new board of directors will be elected on the Transferee. From this date onwards all matters related to the activities to be acquired under the Demerger Plan shall be carried out by the Transferee, if necessary supported by management of the Transferor, while the board in the Transferee shall supervise such matters.

7.4 Registration in the Register of Business Enterprises

As soon as possible after the EGMs have approved the demerger, the Register of Business Enterprises will be notified of the decision. From the date of that announcement, the company's creditors have a period of two months in which to file their objections to the demerger.

7.5 Completion of the demerger

As soon as all the conditions for implementation of the demerger have been met and the deadline for creditor objections has passed, the Register of Business Enterprises will be notified that the demerger will come into effect, with the effects pursuant to Sections 13-16 and 14-8 of the Public Limited Companies Act, after which the shares in the Transferee will be registered in the Norwegian Central Securities Depository (VPS).

8. THE IMPACT OF THE DEMERGER ON THE WORKFORCE

The demerger is not expected to lead to any material change in the Transferee's organisation or management, and thus is expected to have no impact on the company's workforce. The Transferor will, for an interim period after the demerger, undertake the administration of the Transferee. The Transferee has no employees.

9. ASSUMPTIONS FOR THE DEMERGER

The implementation of the demerger is conditional upon the EGM of the Transferor's shareholders approving the Demerger Plan and the associated reduction of the Transferor's capital and the increase of the Transferee's capital.

Implementation of the demerger is also conditional upon the Oslo Stock Exchange accepting that the company retains its listing and that the Transferee's shares are listed on the Oslo Stock Exchange after the demerger has been completed.

10. PARTICULAR RIGHTS

No particular rights are due in connection with the demerger.

11. COSTS

All costs associated with the demerger shall be divided equally between the Transferor and the Transferee.

12. CORRECTIONS AND CHANGES TO THE DEMERGER PLAN

The Board of Directors of the Transferor may make minor changes to and correct obvious errors in the Demerger Plan, if such is necessary and desirable and causes no damage or nuisance to the Companies or the shareholders.

13. ATTACHMENTS

The following Appendices are attached to the Demerger Plan:

1. Opening balance for the Transferee with auditor's confirmation.
2. The last three years' annual financial statements, annual reports and auditor's reports for the Transferor, as well as the audited interim balance sheet as at 30 September 2009.
3. Draft articles of association for the Companies.

4. Report from the Transferor's Board of Directors relating to the demerger.
5. Expert opinion relating to the demerger and capital contribution in kind.

Oslo, December 18, 2009

The Board of Directors of Norse Energy Corp. ASA

.....
Dage Erik Rasmussen	Bjarte Henry Bruheim
.....
Katherine H Søvring	Odd Næss
.....
Kathleen Ruth Arthur	

The Board of Directors of New Brazil Holding ASA

.....
Dag Erik Rasmussen	Bjarte Henry Bruheim
.....
Katherine H Støvring	Odd Næss
.....
Kathleen Ruth Arthur	

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