

Norse Energy Corp. ASA

4th Quarter Financials

February 26, 2010

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AGENDA

- Corporate development, funding and financials
- Operational review & outlook Brazil
- Operational review & outlook US

Demerger of the company Approved by EGM on January 28, 2010



- Current structure sub-optimal for shareholders
 - Limited synergies between units
 - Facing different challenges
 - Capital requirements
 - Investment horizon
- Creating distinct business cases
 - Taking advantage of substantial growth opportunities in each market
 - Optimizing capital structure and financing alternatives for each business unit
- Visualize shareholder value

*Before NOK 60 million repair issue ending March 8, 2010

Demerger of the company

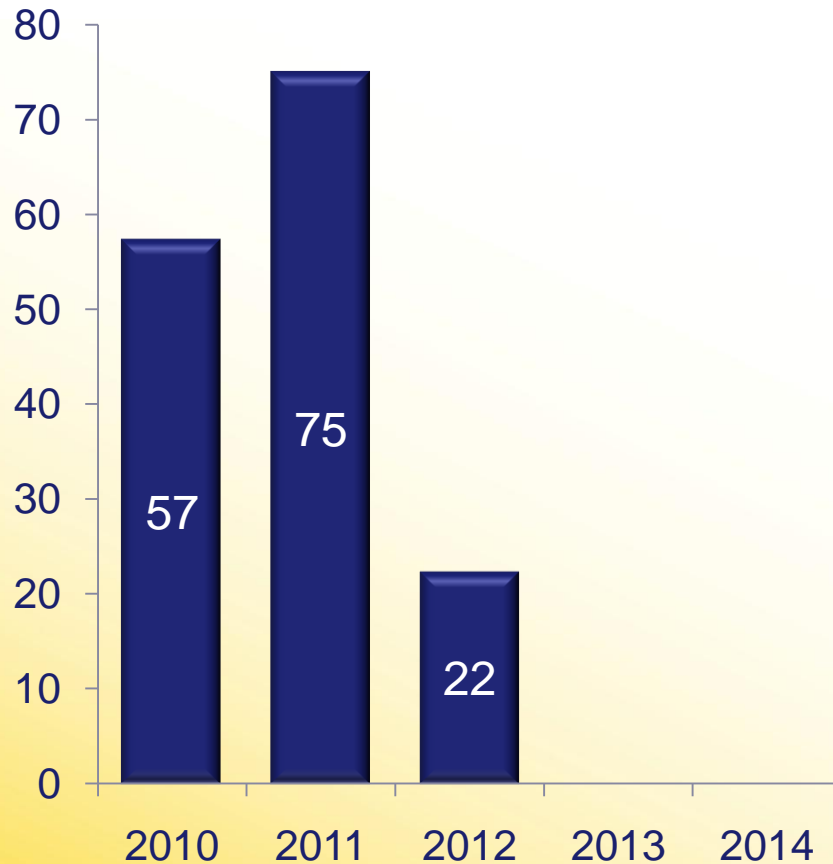
Status and timeline

- **OSE Board meeting on listing application of New Brazil Holding** **March 25, 2010**
- **Creditor period ending** **April 1, 2010**
- **Distribution of shares and listing of New Brazil Holding upon registration in Registry of Business Enterprises** **April (earliest)**

Bond restructuring

Reduced 85 USDm in principal repayment in 2010 and 2011

Old repayment schedule NEC ASA



Restructured repayment schedule



Note: Assuming NOK/USD at 5.90
Not adjusted for potential warrant effect of 75 million warrants in 2011

Q1 share issues

Funding 2010 business plans, including bond prepayment

- **Raised NOK 300 million at 4.25 per share in January**
 - Private placement directed at Norwegian market and international institutional investors
 - Increased number of shares to 459 million

- **NOK 60 million repair issue at 4.25 per share ongoing**
 - Subscription period from February 17 – March 8, 2010
 - 7.2% minimum subscription rights per existing share as of January 11, 2010
 - Shares to be traded on or about March 23, 2010
 - Increases number of shares up to 473 million

Q4 Highlights

Reserves & Resources (third-party certified)

- Small change in 2P reserves to 42.9 MMBOE YE 2008 to YE 2009
- Doubling of 2C contingent resources to 728 MMBOE YE 2008 to YE 2009

Operations

- Increased production in Brazil
- US production reached 12,000 Mcf/day target at year-end

Financials

- EBITDA of USD 5.8 million
 - Higher revenue from Brazil and US Energy Marketing

Q4 Key financials

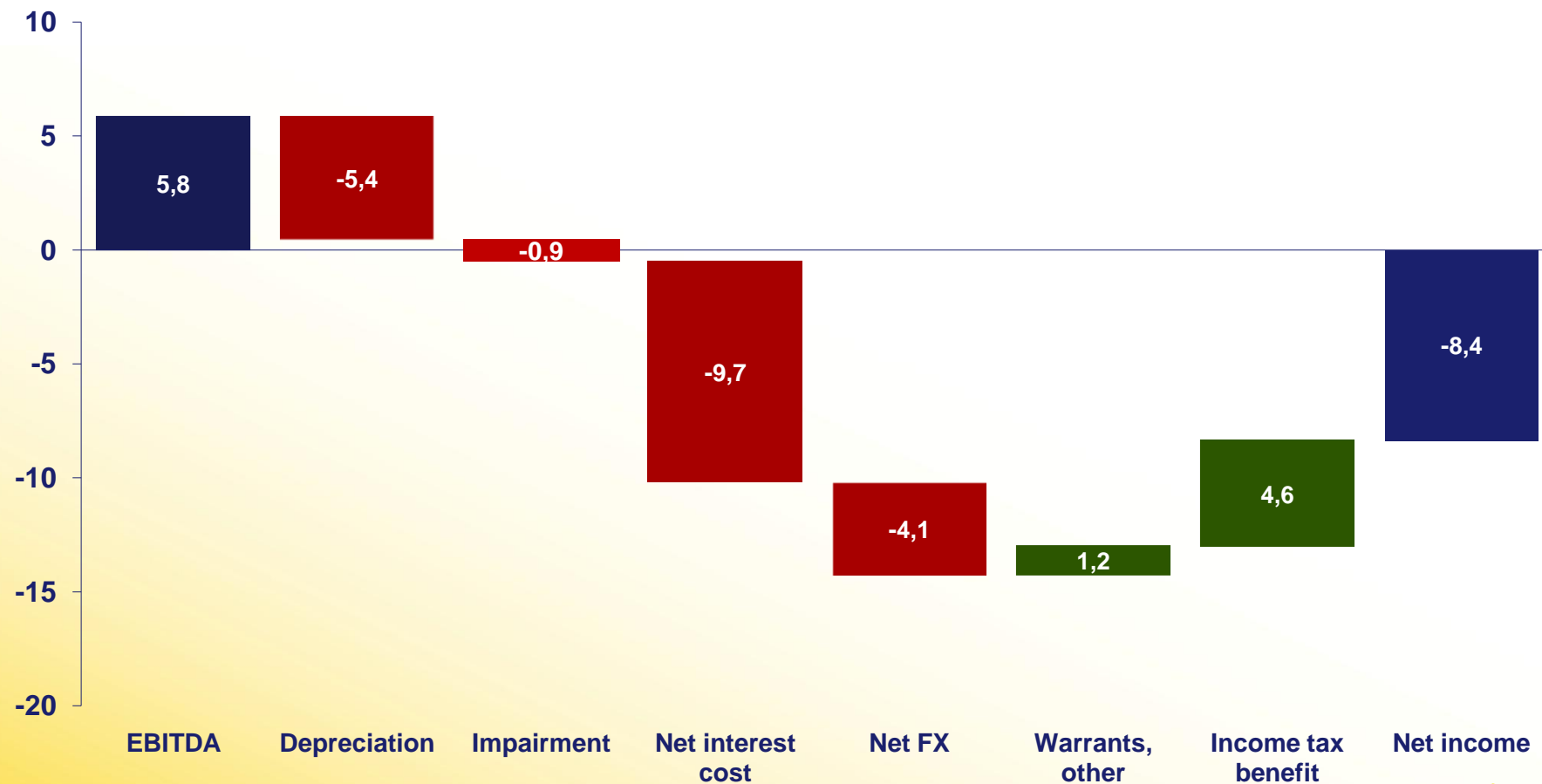
Income statement

USD thousands	Q4-2009	Q3-2009
Marketing revenue	25 440	18 116
Oil and Gas revenue	14 208	12 937
Fair value adjustments and other income	640	457
Total revenues and other income	40 288	31 510
Marketing purchases	22 521	18 020
Production costs	1 711	1 428
Exploration and dry-hole costs	3 816	7 226
General and administrative costs	6 410	7 513
EBITDA	5 831	-2 677
Depreciation	5 396	4 528
Impairment	948	12 598
EBIT - Operating income/(loss)	-514	-19 803
Net interest income/(costs)	-9 690	-5 441
Net foreign exchange gain/(loss)	-4 052	-498
Warrants effect - gain/(loss)	1 297	-1 425
Other financial income/(costs)	-62	-18
Income/(loss) before tax	-13 020	-27 186
Income tax benefit/(expense)	4 645	6 263
Net income/(loss) for the period	-8 375	-20 923

P&L items

Q4 2009

USD million



Q4 Key financials

Balance sheet - Assets

	Q4-09	Q3-09
	USD Thousands	
<i>Non-current assets</i>		
Licenses and exploration assets	148 984	158 283
Goodwill and other intangible assets	5 719	5 728
Deferred tax assets	22 564	21 469
Production assets and equipment	205 140	182 661
Other financial assets	6 666	10 032
Other non-current assets	5 680	5 179
<i>Total Non-current assets</i>	394 753	383 353
<i>Current assets</i>		
Accounts receivables and other short-term assets	19 517	26 059
Other financial assets	5 383	5 800
Other current assets	12 728	15 565
Cash and cash equivalents	37 303	43 610
<i>Total current assets</i>	74 931	91 034
<i>Total Assets</i>	469 684	474 386

Q4 Key financials

Balance sheet – Equity and liabilities

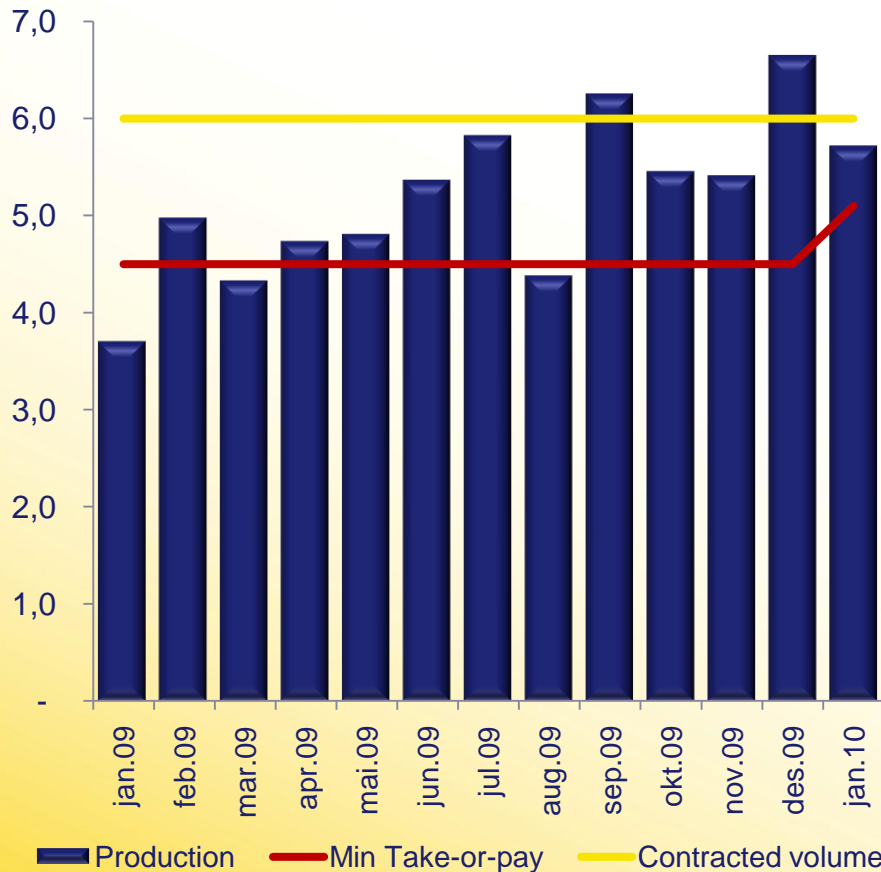
	Q4-09	Q3-09
	USD Thousands	
Paid-in capital	143 603	143 603
Other equity	-57 229	-43 310
Total Equity attributable to shareholders of the parent	86 374	100 293
Non-controlling interests	32 664	33 745
Total equity	119 037	134 037
Long-term liabilities		
Long-term interest bearing debt	94 750	94 023
Deferred tax liabilities	223	6 848
Liabilities related to warrants	11 295	12 592
Other financial liabilities	645	1 049
Other long- term liabilities	21 435	13 411
Total long-term liabilities	128 348	127 923
Short-term liabilities		
Short-term interest bearing debt	158 160	153 793
Other financial liabilities	1 231	1 120
Accounts payable, accrued liabilities and other	62 907	57 512
Total short-term liabilities	222 299	212 425
Total Liabilities	350 647	340 348
Total Equity and Liabilities	469 684	474 386

Operational review & outlook Brazil

Manati (10%)

Camamu-Almada Basin

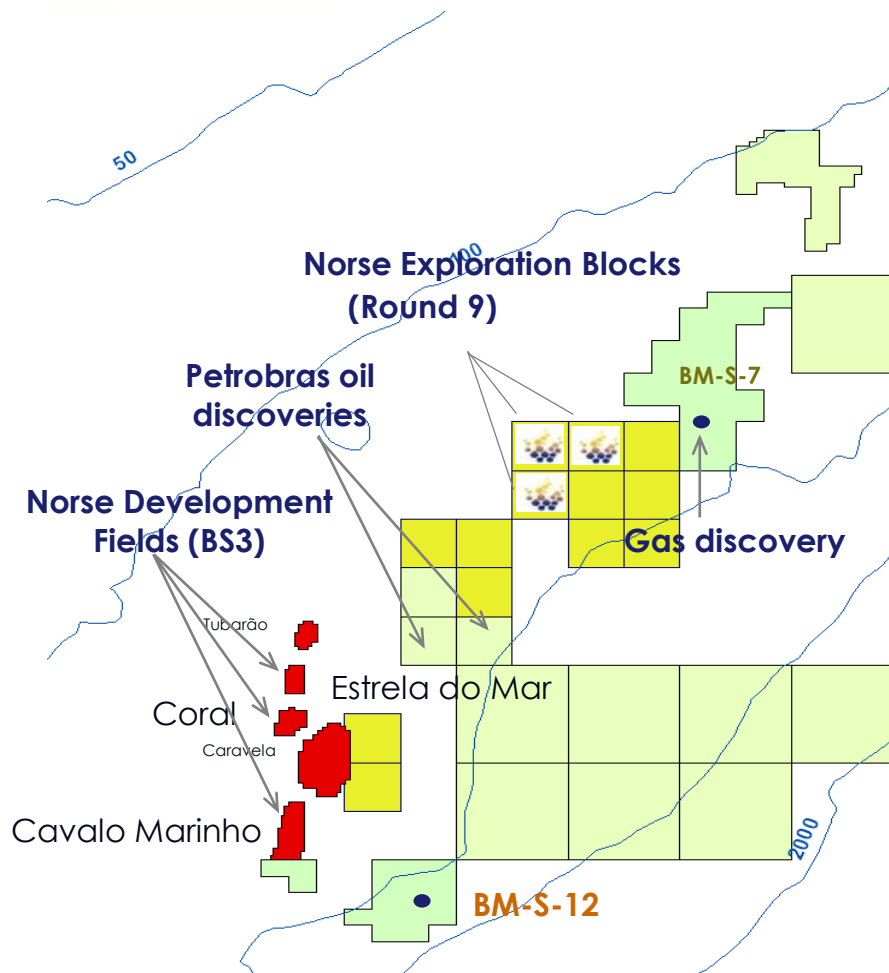
MM m3/day Manati production profile (gross)



- Manati production increased 7% from third quarter
- Production in Q4 of 5.85 MMm3/day (3,678 boe net to Norse)
- Record field production of 7.71 MMm3/day (4,849 boe net to Norse) on December 13, 2009
- Gas price +7% to 8.02 USD/MMBtu due to stronger Real against the USD
- Minimum take-or-pay volume increased to 5.1 MMm3/day from 2010

Santos Basin

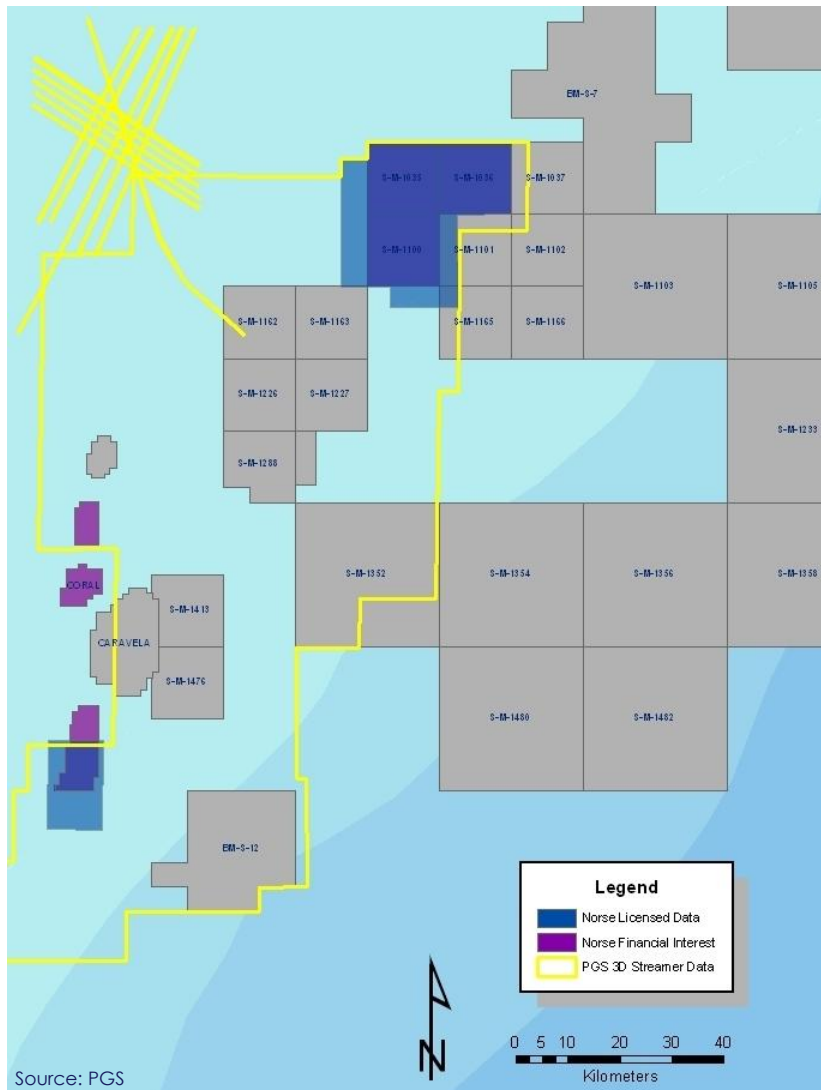
Possible BS-3 development jointly with other fields



- Commenced studies of B1 reservoirs containing up to 1 billion BOE Oil-in-Place in Estrela do Mar and Cavalo Marinho
- Petrobras considers joint development of BS-3 area with two recent discoveries in BMS-40, approximately 30km northeast
- Success could mean lower development costs and accelerated production start-up

Santos Basin

Received 3D seismic – positive first impression

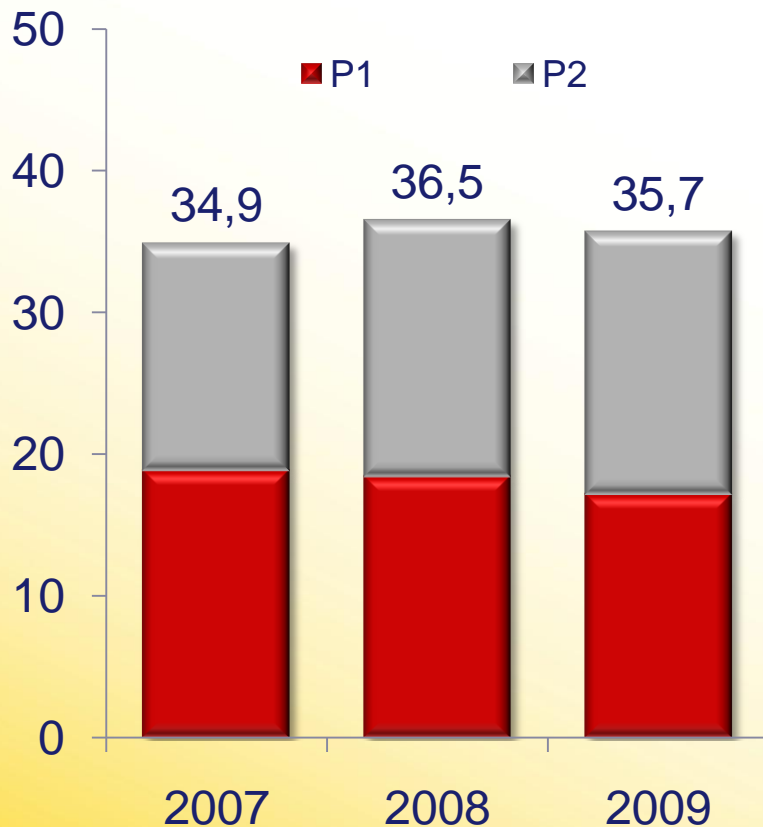


- Good quality data from PGS
- Indications of 2-4 new leads that were not identified on 2D seismic
- Confirms presence of 5-7 potentially interesting structures
- Interpretation and analysis of the petroleum system to be concluded in Q3 2010
- Work to identify partner to participate in drilling campaign has been initiated
- Drill or drop decision by Q1 2011

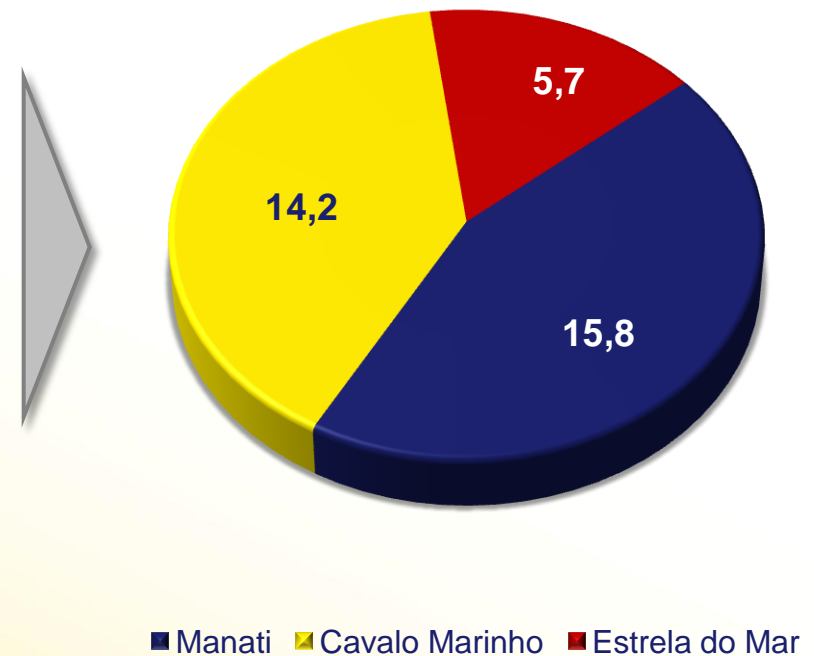
Reserves development

2P Brazil reserves split by field

Reserves by category (MMBOE)

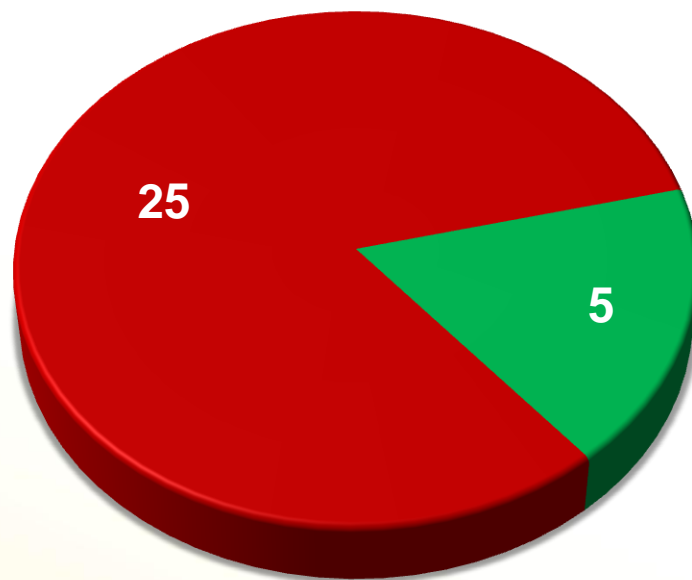
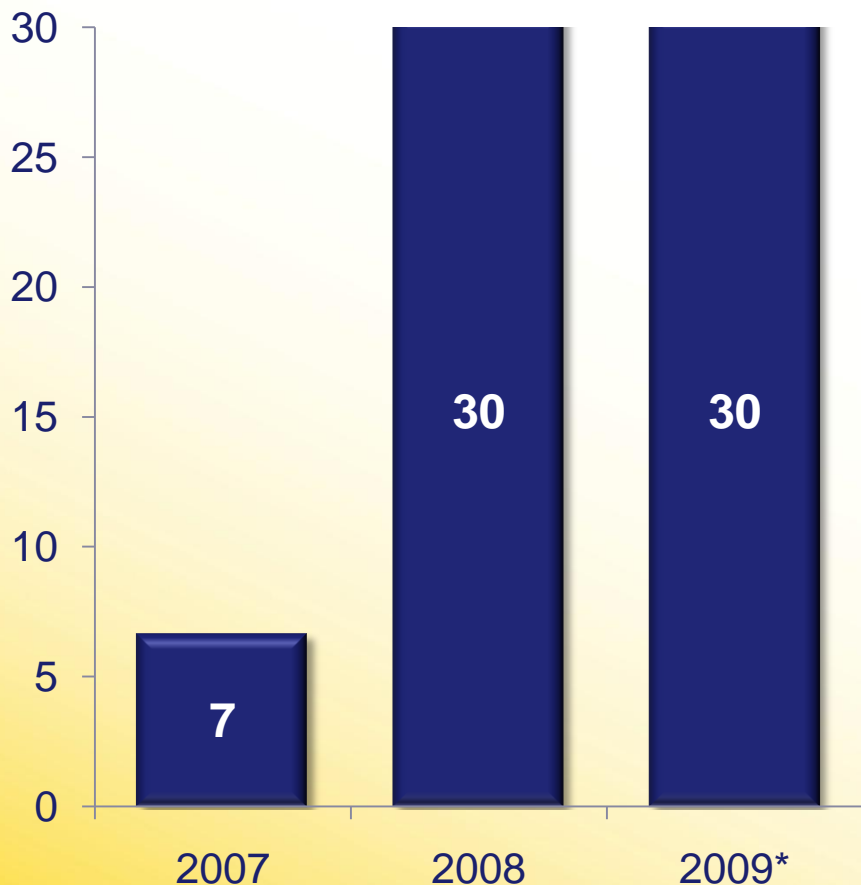


2009 2P Reserves by field (MMBOE)



Contingent resources (2C) development Brazil - Preliminary, Third-party certified (Gaffney Cline)

MMBOE



■ BS-3

■ Other

* Sardinha volume of 4.5 MMBOE per end 08, not updated in 2009 report

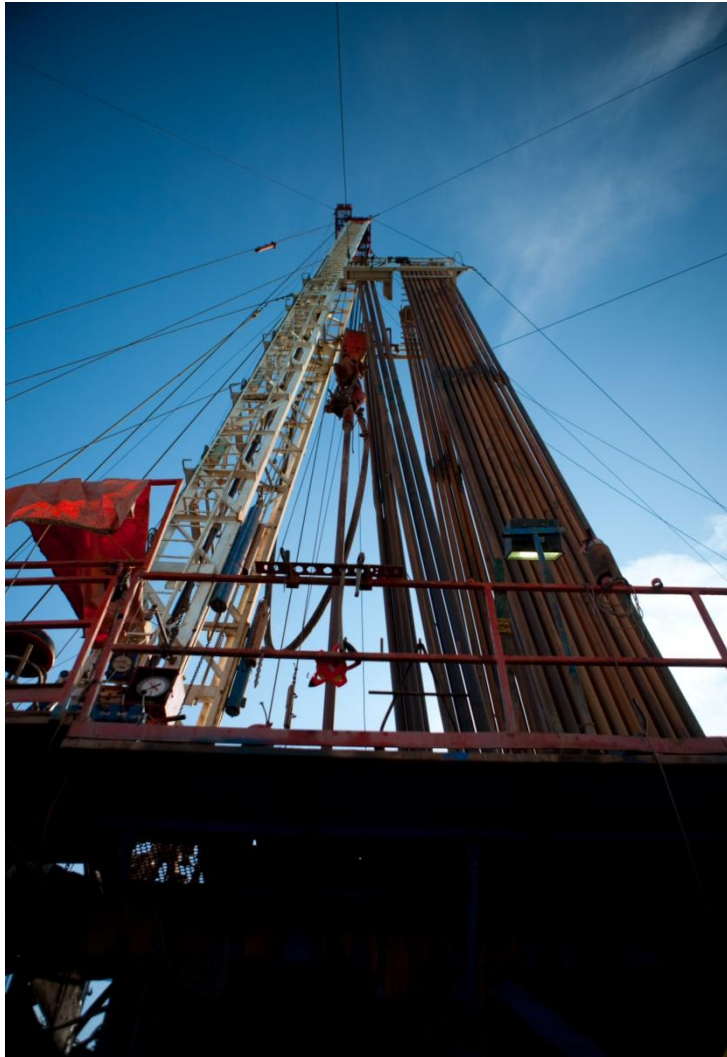
Strategic Outlook

Brazil entity

- **Convert B1 reservoir volumes in BS-3 to contingent resources**
- **Analysis of 3D for exploration blocks**
 - **Find partner for exploration blocks – farm down H2 2010**
- **Will continue to build on a balanced portfolio - exploring strategic alternatives to increase size of company**

Operational review & outlook USA

US Production



- Production rate reached 12,000 Mcf (2,137 BOE) at year end, but level was not sustained into Q1 2010
 - Q4 2009 average production of 6,524 Mcf (1,162 BOE) per day
 - Q1 2010 average to date of ~7,800 Mcf (1,390 BOE) per day
 - Several high impact producing wells exhibited onset of water production
 - Immediate tubing interventions and new production techniques
- 4 wells currently waiting on regulatory approval of pipeline connection
- Year end 2010 target remains 24,000 Mcf (4,275 BOE) per day

New York Shale regulation

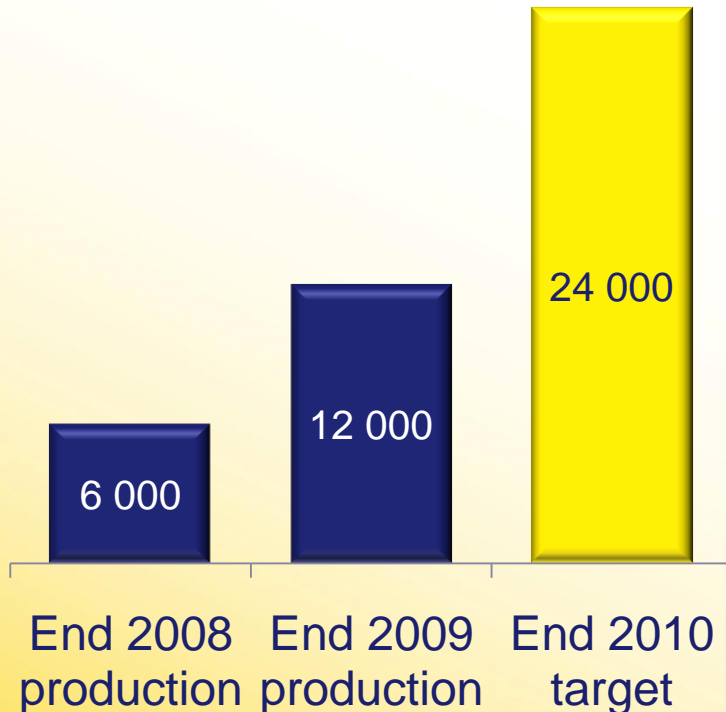
Current New York Regulatory Structure

- + Drilling has been ongoing in New York for over 150 years
- + Hydro-fracing has been used successfully in New York since the early 1960s
- + Norse has been continuously drilling in New York since 1996 both horizontal and vertical wells
- + Vertical shale wells are allowed under current rules
- 80,000 gallon frac limitation under current rules
- No horizontal shale wells being permitted or large volume hydro-fracing until Supplemental Generic Environmental Impact Statement (SGEIS)

2010 business plan

Herkimer field development while awaiting New York shale regulations

Gross production Mcf/day



Herkimer

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

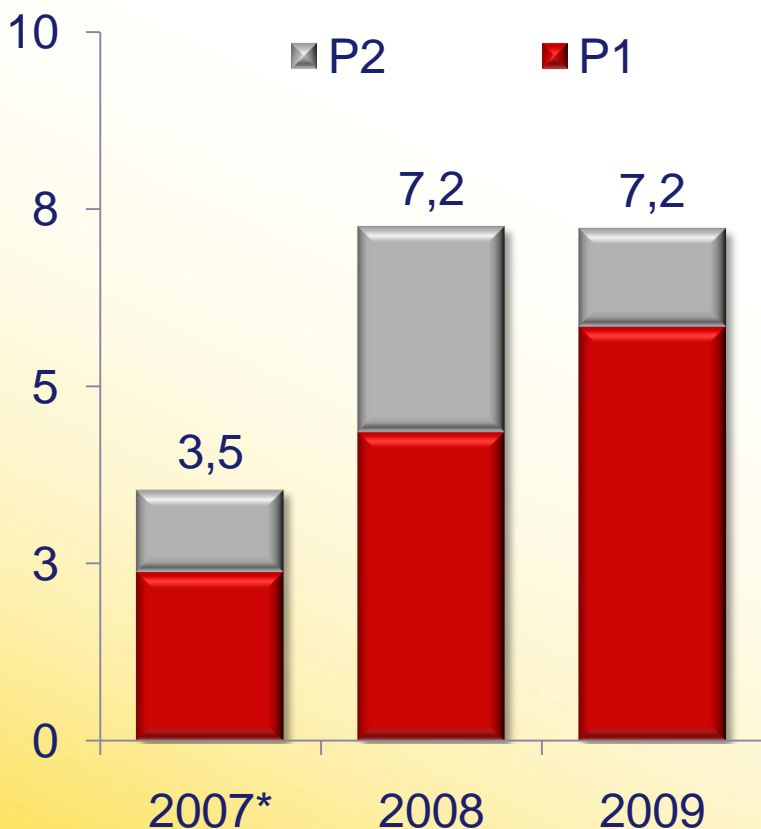
Marcellus

- Vertical well pilot program and core analysis
- 3D Seismic
- Norse preparing for finalization of SGEIS

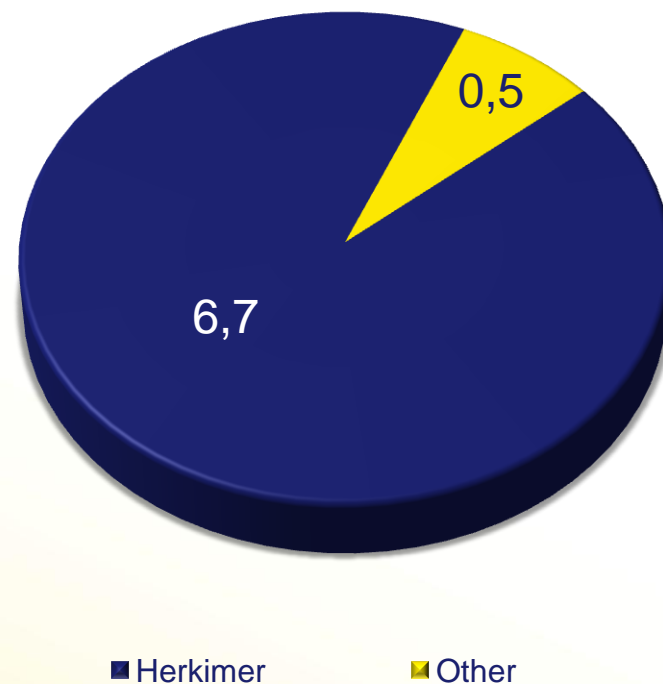
Reserves development

2P reserves split by formation

Reserves by category (MMBOE)

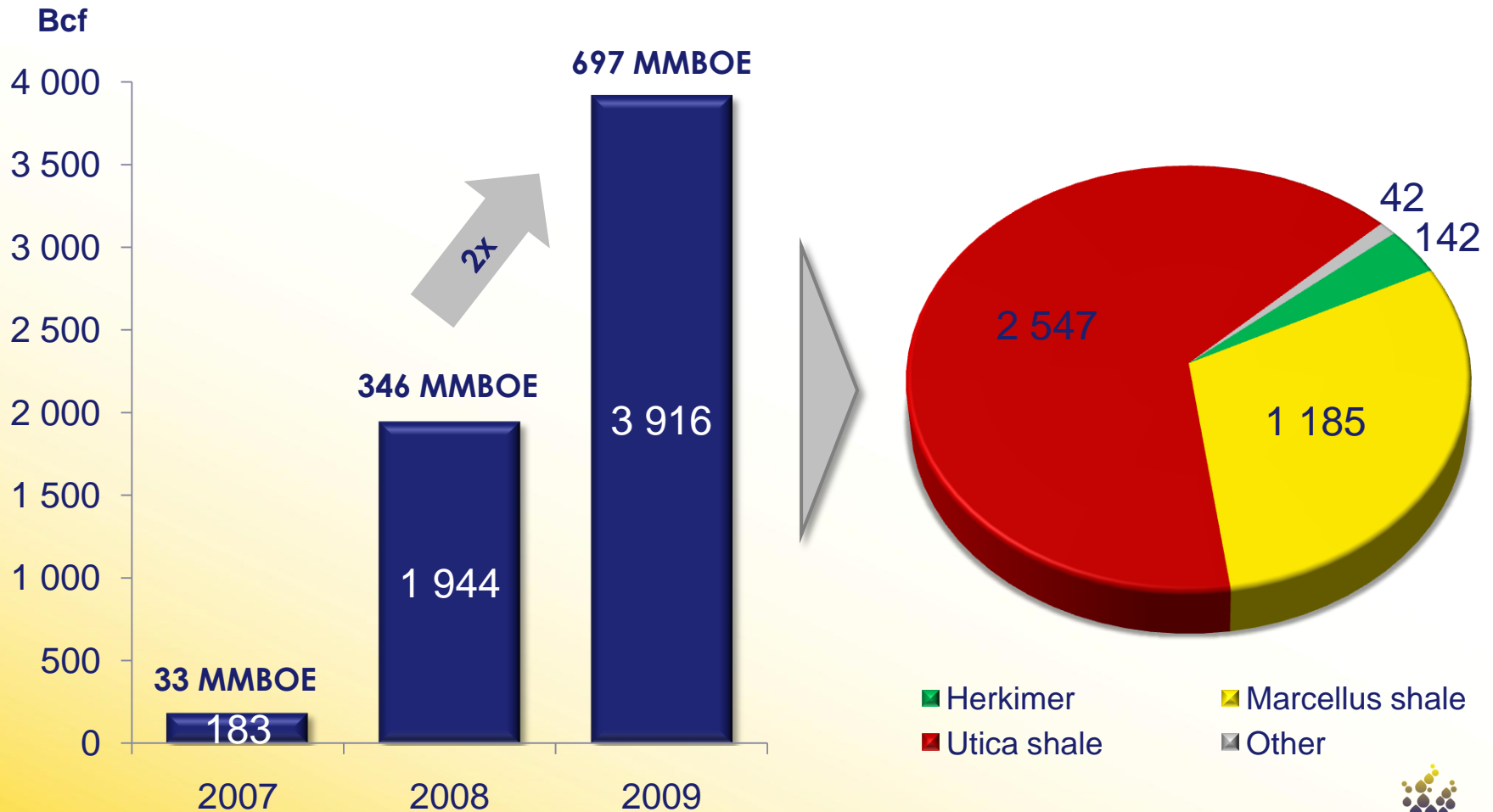


2009 2P Reserves by field (MMBOE)



* 2007 reserves adjusted for Medina reserves sold

Contingent resources (2C) development US - Third-party certified (Schlumberger)



Strategic Outlook

US entity

- **US focus on onshore unconventional oil & gas resources**
- **Asset inventory in place to build a significantly larger company**
 - Marcellus shale, Herkimer sandstone play, Utica shale
 - 180,000 acre land position
- **Deal-market for unconventional oil & gas resources very active**