

ANNUAL STATEMENT OF RESERVES 2014

Noreco's classification of reserves follows the SPE/WPC/AAPG/SPEE Petroleum Resources Management System (SPE-PRMS) published in 2007. The system is a recognised resource classification system in accordance with the Oslo Stock Exchange Circular 1/2013 "Revised listing and disclosure requirements for oil and natural gas companies".

The SPE-PRMS uses "reserves", "contingent resources" and "prospective resources" to classify hydrocarbon resources of varying technical maturity and commercial viability. The maturity within each class is also described to help guide classification of a given asset.

Details of SPE-PRMS can be found here: <http://www.spe.org/industry/reserves/prms.php>

RESERVES

In this document Noreco reports the company's reserves, estimated by Noreco in accordance with the SPE-PRMS standard. Economic limit tests have been performed based on a market forward oil price as of end 2013 as well as the company's best assumptions of future operating costs.

In addition, Noreco uses an external company (DeGolyer and MacNaughton) to perform an independent reserves analysis. Both the in-house and the independent reserves estimation follow SPE-PRMS.

As per 31 December 2014, Noreco has reserves in seven fields. Further information about the fields is available on Noreco's homepage www.noreco.com.

Noreco's reserves overview is shown in Table 1 and 2. The division is as suggested in Oslo Børs Circular 1/2013 Annex III, and the SPE PRMS reserves categories used is shown in brackets.

Table 1: Noreco reserves by asset

Developed assets (in production) as of 31.12.2014

	1P					2P				
	Liquids (mill bbl)	Gas (bscf)	Mill. boe	Interest %	Net mill. boe	Liquids (mill. bbl)	Gas (bscf)	Mill. boe	Interest %	Net mill. boe
Nini	0,2	0,0	0,2	30,0	0,1	1,5	0,0	1,5	30,0	0,4
Nini East	0,8	0,0	0,8	30,0	0,2	3,9	0,0	3,9	30,0	1,2
Cecilie	0,0	0,0	0,0	61,0	0,0	0,0	0,0	0,0	61,0	0,0
Lulita	0,5	2,2	0,9	28,2	0,3	0,7	2,9	1,3	28,2	0,4
Enoch	0,0	0,0	0,0	4,4	0,0	0,1	0,0	0,1	4,4	0,0
Oselvar	0,7	2,8	1,2	15,0	0,2	3,1	14,8	5,8	15,0	0,9
Huntington	11,4	8,0	13,3	20,0	2,7	17,9	9,7	20,1	20,0	4,0
Total					3,4					6,8

Under development (approved for development) as of 31.12.2014

	1P					2P				
	Liquids (mill bbl)	Gas (bscf)	Mill. boe	Interest %	Net mill. boe	Liquids (mill. bbl)	Gas (bscf)	Mill. boe	Interest %	Net mill. boe
Total					0,0					0,0

Non-developed assets (justified for development) as of 31.12.2014

	1P					2P				
	Liquids (mill bbl)	Gas (bscf)	Mill. boe	Interest %	Net mill. boe	Liquids (mill. bbl)	Gas (bscf)	Mill. boe	Interest %	Net mill. boe
Nini East	0,0	0,0	0,0	30,0	0,0	1,2	0,0	1,2	30,0	0,4
Total					0,0					0,4

Total reserves as of 31.12.2014

	1P					2P				
	Liquids (mill bbl)	Gas (bscf)	Mill. boe	Interest %	Net mill. boe	Liquids (mill. bbl)	Gas (bscf)	Mill. boe	Interest %	Net mill. boe
Nini	0,2	0,0	0,2	30,0	0,1	1,5	0,0	1,5	30,0	0,4
Nini East	0,8	0,0	0,8	30,0	0,2	5,0	0,0	5,0	30,0	1,5
Cecilie	0,0	0,0	0,0	61,0	0,0	0,0	0,0	0,0	61,0	0,0
Lulita	0,5	2,2	0,9	28,2	0,3	0,7	2,9	1,3	28,2	0,4
Enoch	0,0	0,0	0,0	4,4	0,0	0,1	0,0	0,1	4,4	0,0
Oselvar	0,7	2,8	1,2	15,0	0,2	3,1	14,8	5,8	15,0	0,9
Huntington	11,4	8,0	13,3	20,0	2,7	17,9	9,7	20,1	20,0	4,0
Total					3,4					7,2

Table 2: Noreco reserves development

Net mill. boe	Developed assets (On production)		Under development (Approved for development)		Non-developed assets (Justified for development)		Total	
	1P	2P	1P	2P	1P	2P	1P	2P
Balance as of 31.12.2013	7,9	15,3	0,0	0,0	0,0	0,3	7,9	15,6
Production	(2,0)	(2,0)	-	-	-	-	(2,0)	(2,0)
Acquisitions/disposals	-	-	-	-	-	-	-	-
Extensions and discoveries	-	-	-	-	-	-	-	-
New developments	-	-	-	-	-	-	-	-
Revisions of previous estimates	(2,5)	(6,5)	-	-	-	0,1	(2,5)	(6,4)
Balance as of 31.12.2014	3,4	6,8	0,0	0,0	0,0	0,4	3,4	7,2

For conversion between gas volumes (scf) and oil equivalents (boe), Noreco has used 5600 scf equals 1 boe for Danish and Norwegian fields. For Huntington Noreco has used 4400 scf equals 1 boe.

The Nini, Nini East and Cecilie reserves are all produced via the Siri platform.

Nini, DCS, operated by Dong Energy, Noreco 30 percent

The reserves assessment of the Nini field is based on decline analysis of the producing wells. Reserves are approximately 20% lower than last year after accounting for the 2014 production and reduced economical lifetime.

Nini East, DCS, operated by Dong Energy, Noreco 30 percent

The reserves assessment of Nini East is based on detailed reservoir modelling. The reserves for a new production well are included in the Justified for Development category. Reserves are approximately 15% lower than last year after accounting for the 2014 production and reduced economical lifetime.

Cecilie, DCS, operated by Dong Energy, Noreco 61 percent

The reserves for the Cecilie field are based on decline analysis of existing wells. Cecilie is not considered to carry commercial reserves due to the oil price assumptions.

Lulita, DCS, operated by Maersk Oil & Gas, Noreco 28.2 percent

The 2P reserves for the Lulita field are based on decline analysis. The Lulita field is produced with a single well and there is potential for infill drilling (sidetrack). New seismic is being interpreted to address future possibilities. However, no firm plan exists and consequently there are no undeveloped reserves booked for Lulita. Reserves are reduced by approximately 5% after accounting for 2014 production and reduced economical lifetime.

Enoch, NCS, operated by Talisman, Noreco 4.36 percent

The Enoch field is produced with a single well, but the field has been shut down in 2013. The 2P reserves have been reduced by 95% accounting for reduced economical lifetime.

Oselvar, NCS, operated by Dong Energy, Noreco 15 percent

The reserves assessment of the Oselvar field is based on decline analysis. The production level so far has been lower than expected. The 2P reserves are approximately 70% lower than last year after accounting for the 2014 production, weaker than expected reservoir performance, and reduced economical lifetime.

Huntington Forties, UKCS, operated by E.ON Exploration and Production, Noreco 20 percent

Noreco's reserve estimate of the Huntington Forties reservoir is based on reservoir modelling together with recent production history. The 2P reserves on Huntington have been reduced by 40% accounting for 2014 production, weaker than expected reservoir performance and reduced economical lifetime.

CONTINGENT AND PROSPECTIVE RESOURCES

Noreco's contingent resources are from discoveries in various stages of maturation towards development on the Norwegian Danish and UK continental shelves.

In accordance with guidelines from Oslo Stock Exchange, Noreco does not quantify contingent resources in this ASR.

For a description and overview of our contingent resources, reference is made to Noreco's homepage www.noreco.com.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The reported reserve estimates are based on standard industry practices and methodology such as decline analysis, reservoir modelling and geological and geophysical analysis. The evaluations and assessments have been performed by engineers with extensive industry experience, and the methodology and results have been quality controlled as part of the company's internal reserves estimation procedures. The 2P reserves estimate represents the expected outcome for the fields based on the performance observed to date, the company's understanding of the fields and the planned activities in the licences.

A third party independent assessment has been performed by DeGolyer and MacNaughton on all of Noreco's fields categorised as reserves. The assessment is based on input data provided by Noreco, as well as full access to subsurface data and licence documentation. DeGolyer and MacNaughton performed an independent review of reserves on this basis. The independent review concludes with a reserves estimate that is 28 percent higher than Noreco's overall 2P estimate and hence serves as a verification of the Noreco reserves estimate.

The information included herein may contain certain forward-looking statements that address activities, events or developments that Noreco expects, projects, believes or anticipates will or may occur in the future. These statements are based on various assumptions made by Noreco, which are beyond its control and are subject to certain additional risks and uncertainties. As a result of these factors, actual events may differ materially from those indicated in or implied by such forward-looking statements.

The 2P reserve estimate for the Noreco portfolio is 7.2 million barrels of oil equivalents (boe) compared to 15.6 million boe in the year end 2013 reserves statement. This decrease is mainly a result of Oselvar and Huntington write downs and Noreco's production of 1.9 million boe in 2014.

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