Capital Markets Day 2002
Hydro Oil & Energy

- Growth
- Performance

Executive Vice President
Tore Torvund

Oslo, December 9, 2002

Twin paths to create value

- Exploration and Production opportunities
- Positioning in the European energy market

Major energy player in Europe*

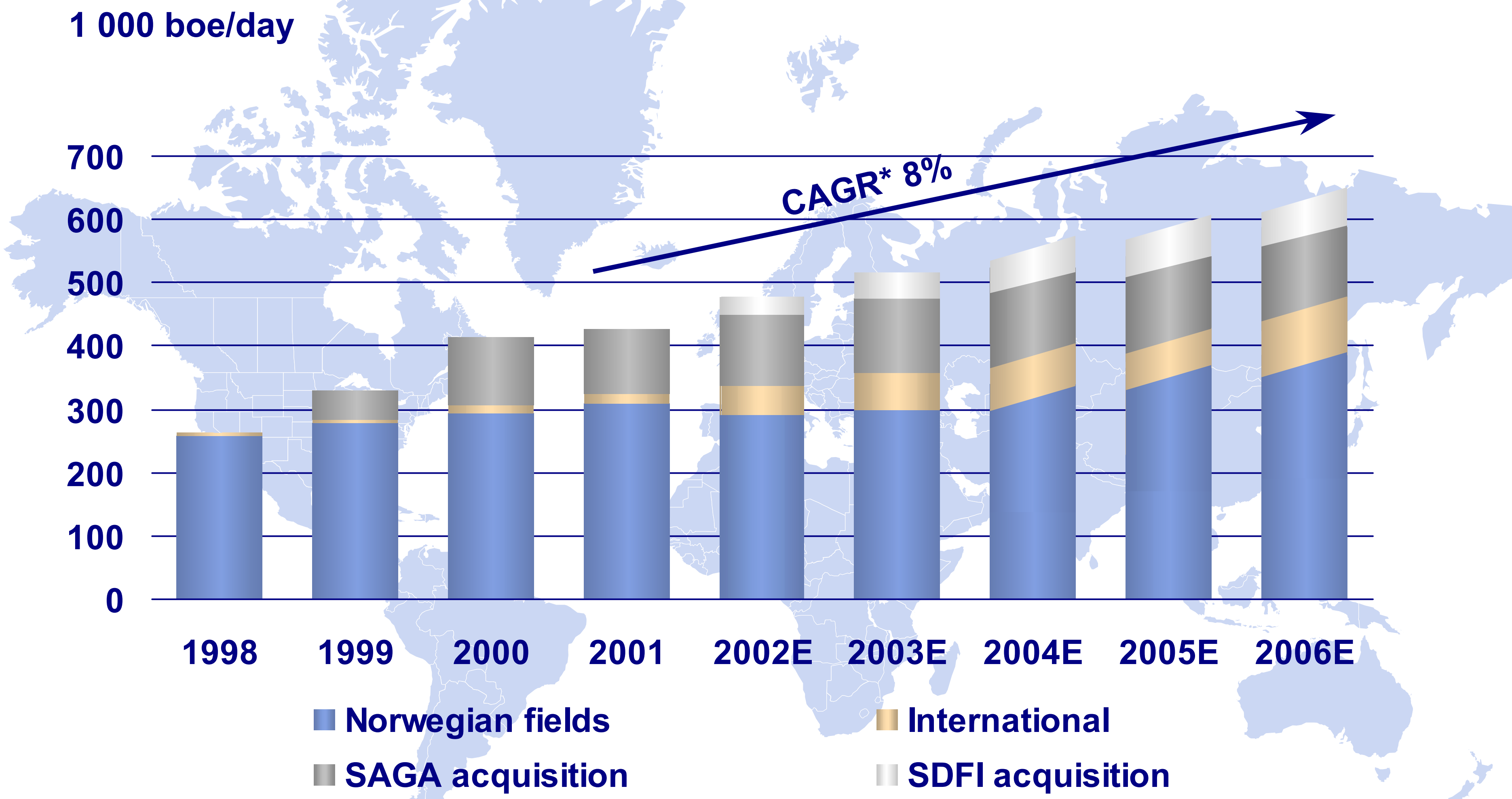
- **Norway**
  - **52% of proven oil reserves**
  - **27% of proven gas reserves**
  - **31% of hydroelectric power production**
  - **1% of population**

- **Norsk Hydro**
  - **Operate 1.2 million boe/day on NCS**
  - **Hydroelectric power generation 8.5 TWh**
  - **Largest energy consumer in Europe**

* EU15+Norway

Sources: BP Statictical review, Eurostat

Competitive production growth

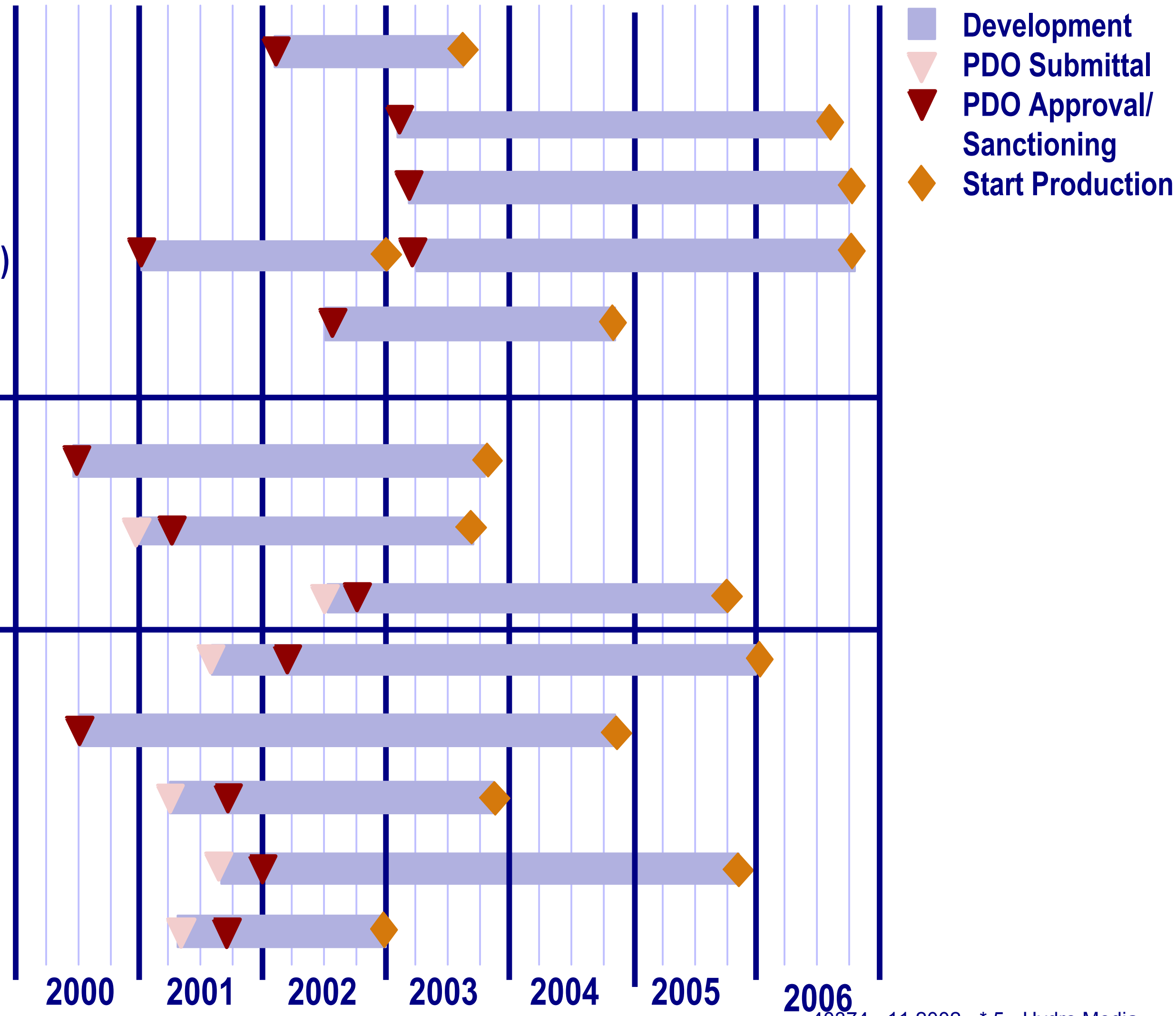


* Compound Annual Growth Rate, 2001 baseline

New fields on stream 2003-2006

Hydro share boe/day

	Field	Hydro share boe/day
International activity	Jasmim	4 000
	Dalia	20 000
	Rosa/Lirio	12 000
	Kharyaga 2+3	18 000 (phase 1-3)
	Murzuq A-field	4 000
NCS Operator	Grane	77 000
	Fram Vest	15 000
	Visund gas phase 1	7 900
NCS non-operator	Snøhvit	14 000
	Kvitebjørn	25 000
	Mikkel	5 000
	Kristin	30 000
	Sigyn	5 000



Continued focus on cost discipline

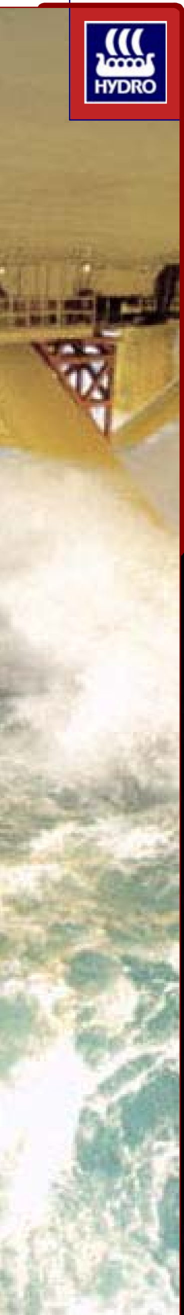
- Grane on track for 2003 Q3 start-up
  - Budget reduced by NOK 1 billion

Outlook 2003-2006[1]

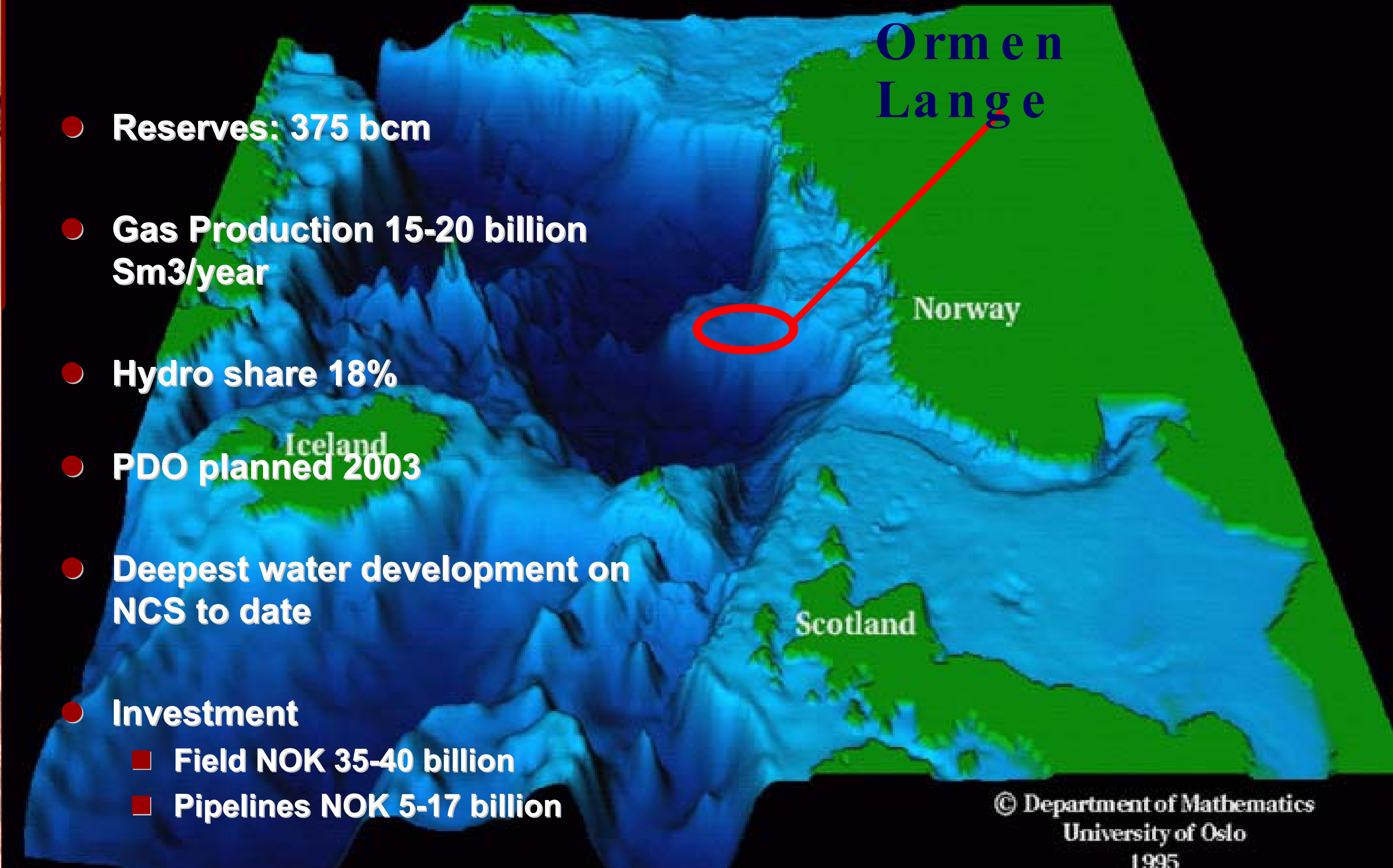
- Investments:
  - NOK 12 billion/year
- Operating cost level[2]:
  - Maintain at today's level

1) Excl. Exploration
2) Field Production costs + depreciation and abandonment + net tariffs + other income/cost

Ormen Lange – planned production 2007



- Reserves: 375 bcm
- Gas Production 15-20 billion Sm3/year
- Hydro share 18%
- PDO planned 2003
- Deepest water development on NCS to date
- Investment
  - Field NOK 35-40 billion
  - Pipelines NOK 5-17 billion



Access to attractive acreage

International E&P strategy:

- Priority to oil prospects
- Based on NCS operator competencies
- Alliance with regional players

Alliances:

Canada
Petro-Canada

Angola
Sonangol

Iran
NIOC

Libya
TotalFinaElf

Potential projects:

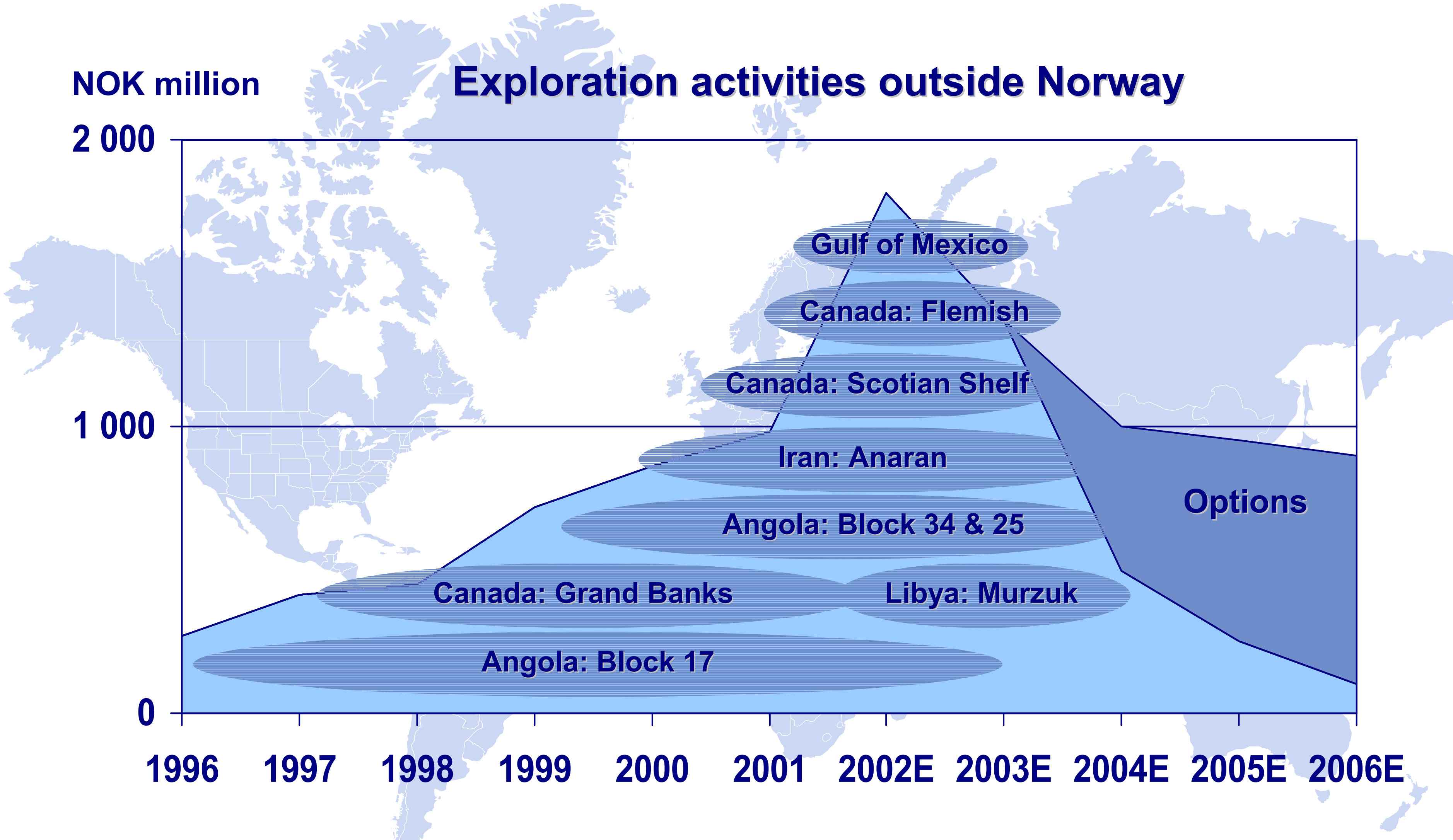
Canada
Hebron & Annapolis

Angola
Further developments

Iran
Anaran

Libya
Murzuk basin

Exploration options with low future commitments



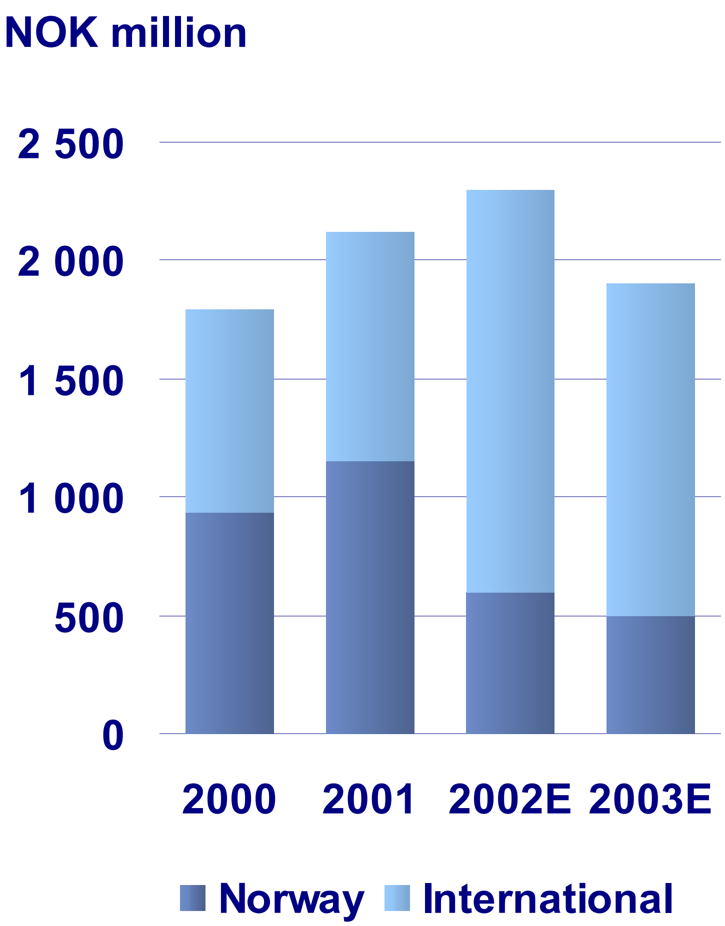
Excluding licence acquisition costs

Discoveries made in 2002

Country	Exploration well	Hydro share	Discovery
Canada	Annapolis	25%	Gas
	Hibernia & Terra Nova	5-15%	Evaluation ongoing
Libya	Block 190 B1 (P-17)	20%	Oil
	Block 186 D2 (DEL-1)	20%	Oil
	Block 186 D3 (DEL-2)	20%	Oil
Angola	Block 17	10%	Evaluation ongoing
Norway	PL 050 (34/10-45)	9%	Oil
	PL 050 (34/10-46)	9%	Oil
	PL 050 (34/10-47)	9%	Oil
	PL 128 Stær (6608/10-8)	13.5%	Oil
	PL 209 Ormen Lange (6305/4-1)*	25%	Gas
	PL 091 Tyrihans (6406/3-6)*	12%	Oil

* Appraisal

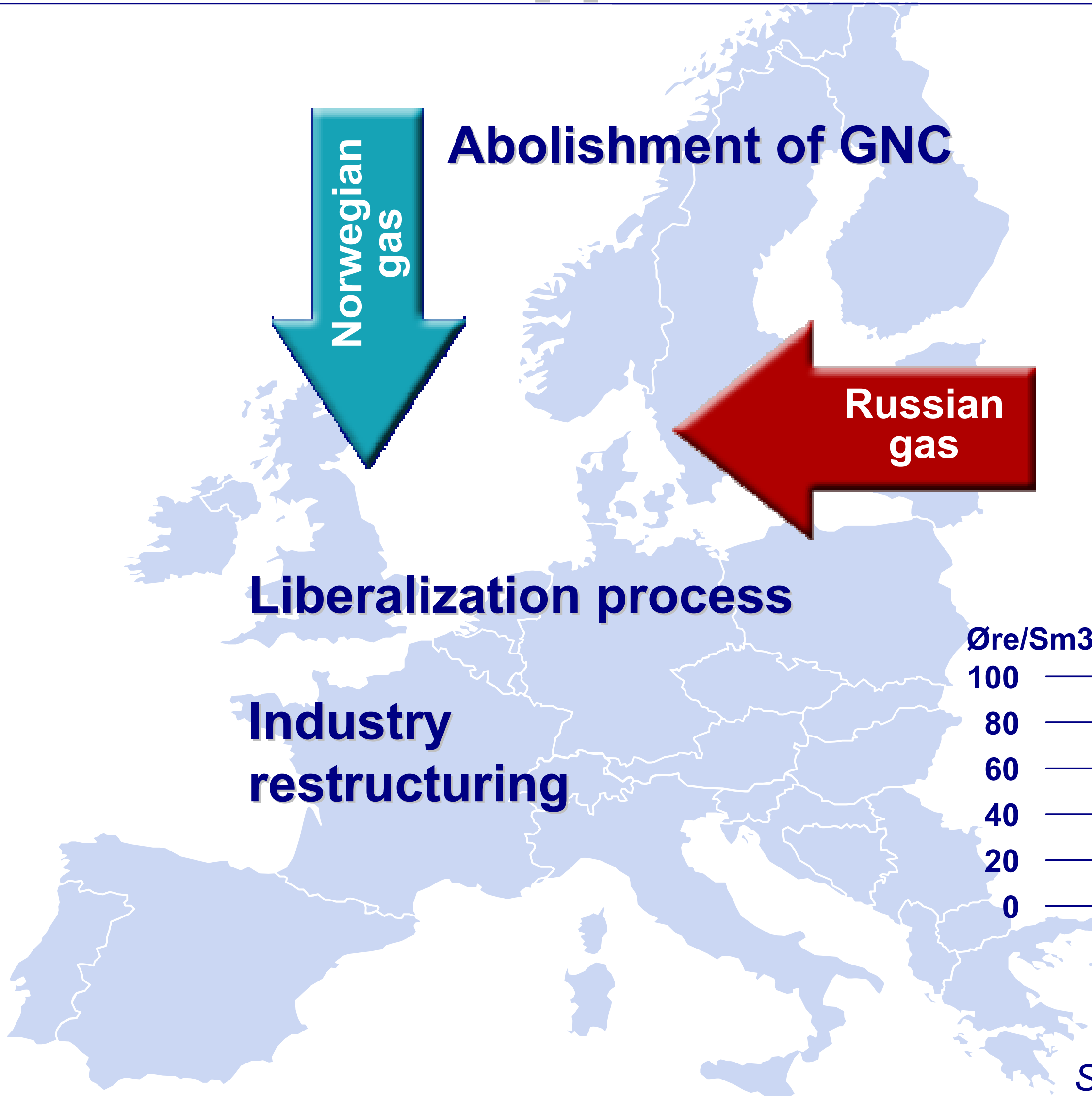
Substantial exploration in 2003



Major exploration wells

Location	Hydro share	Status
USA – Gulf of Mexico	25%	2 wells Q1, new options
Canada – Annapolis	25%	Delineation well Q4
Canada – Flemish Pass	33%	2 wells Q1-2
Iran – Anaran	100%	2 wells Q1
Angola – Block 34	30%	1 well Q4
Angola – Block 25	20%	2 wells Q2
Libya	20%	4-6 wells
Norway	–	17th round & satellite wells

European Energy Market – offers new opportunities



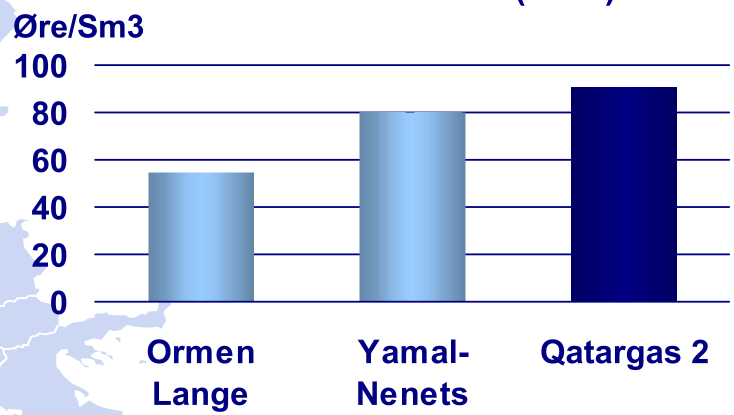
Abolishment of GNC

Liberalization process

Industry restructuring

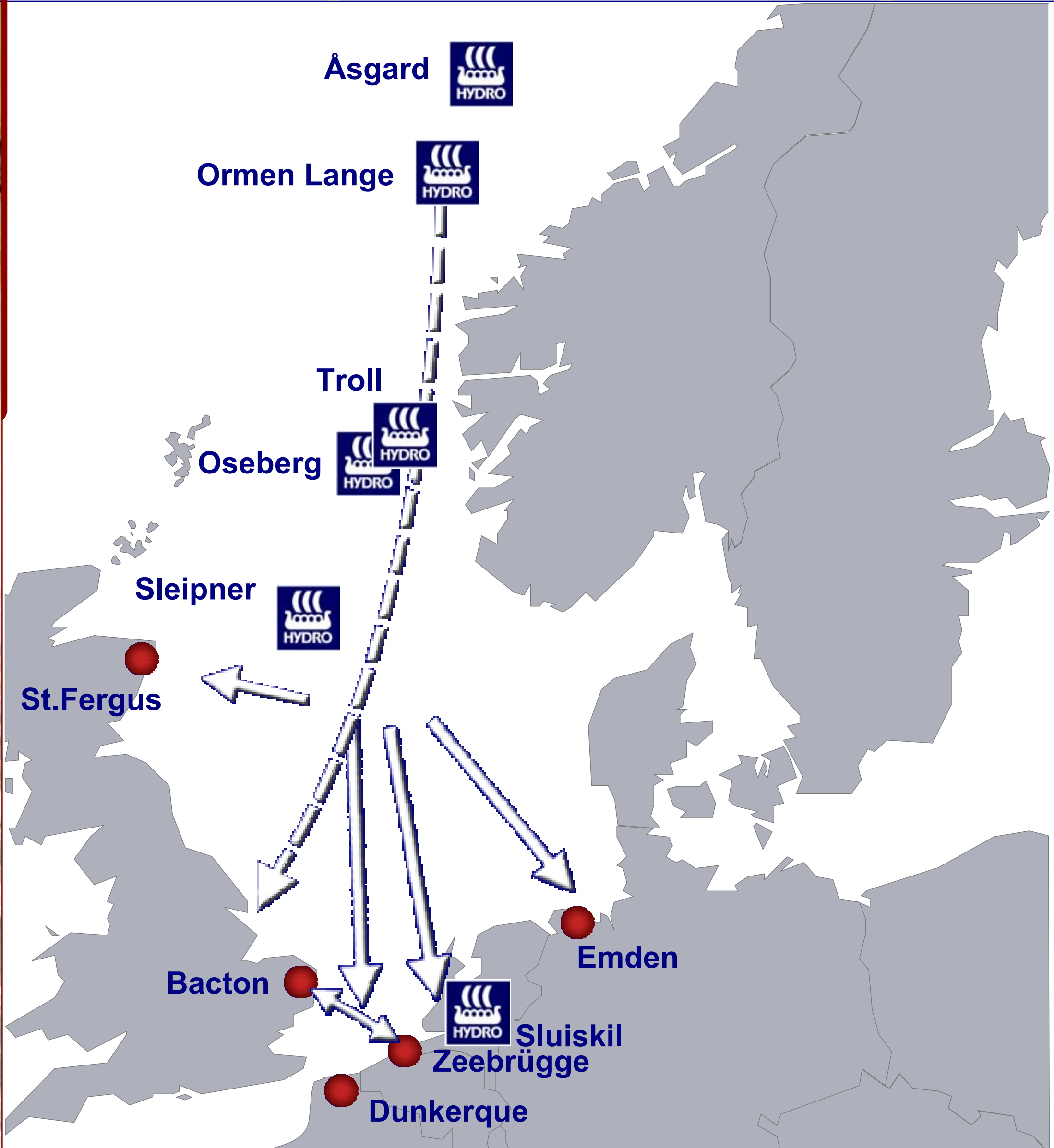
Shtokman positioning

Long run marginal cost delivered to UK (NBP)



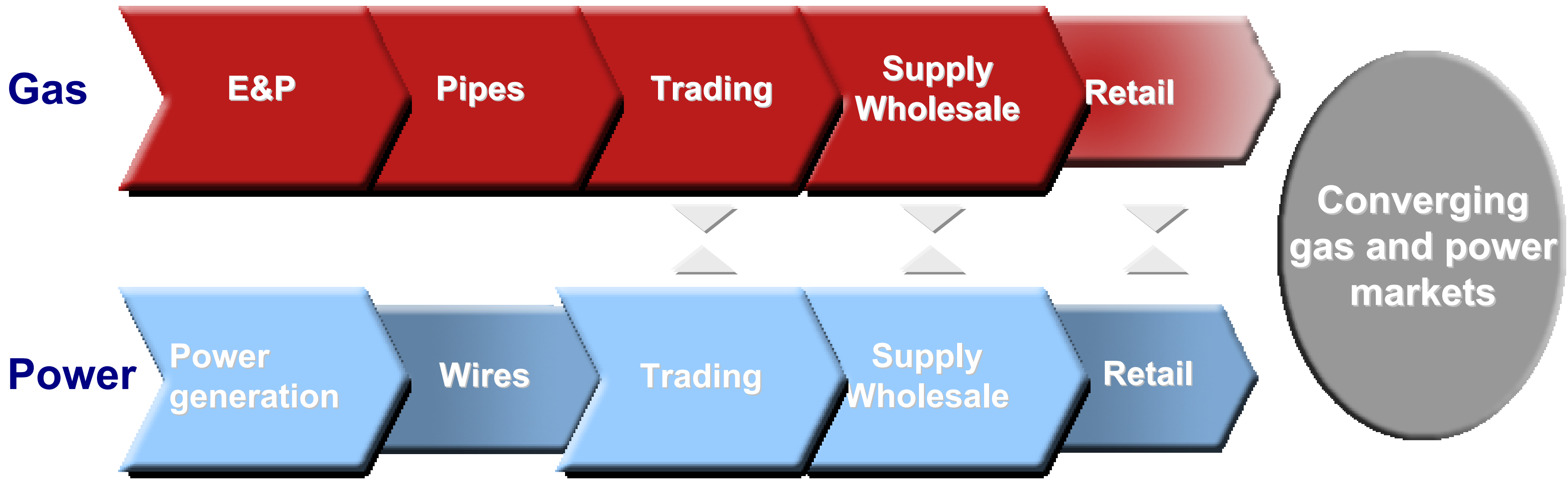
Source: Wood Mackenzie (Dec 2002)

Strong and flexible gas position in Europe



- Strong growth in equity production
- Ormen Lange – large uncommitted volumes
- Access to several landing points
- Diversified customer portfolio

Energy markets towards integration



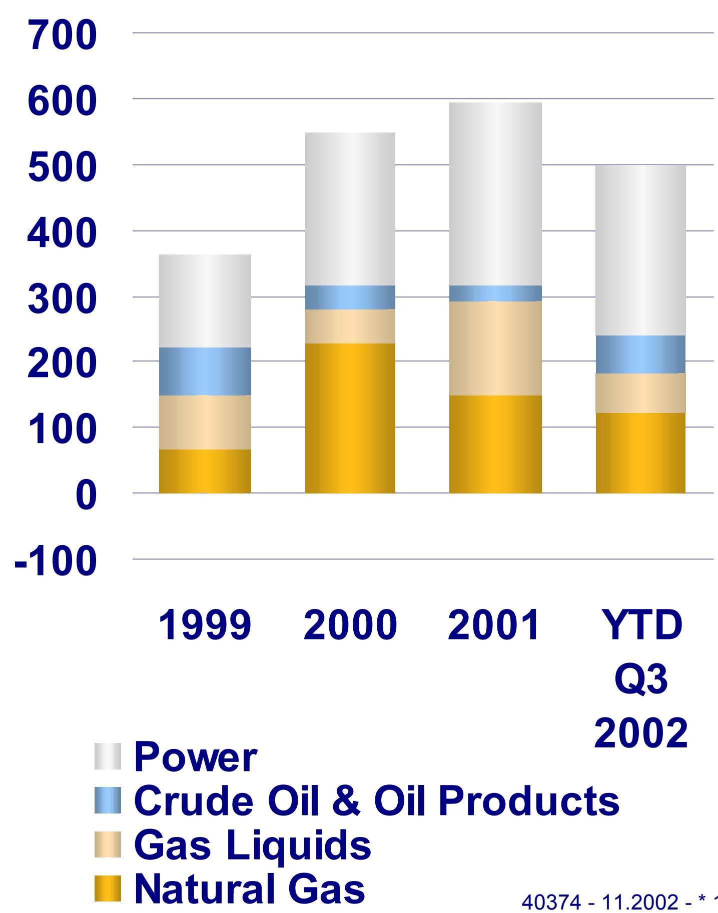
Hydro participates selectively in the gas and power value chains

Commercial track record

- Active player at gas hubs since market opening
- Nordpool experience in power trading
- Active portfolio management

Contribution margin – Trading

NOK million



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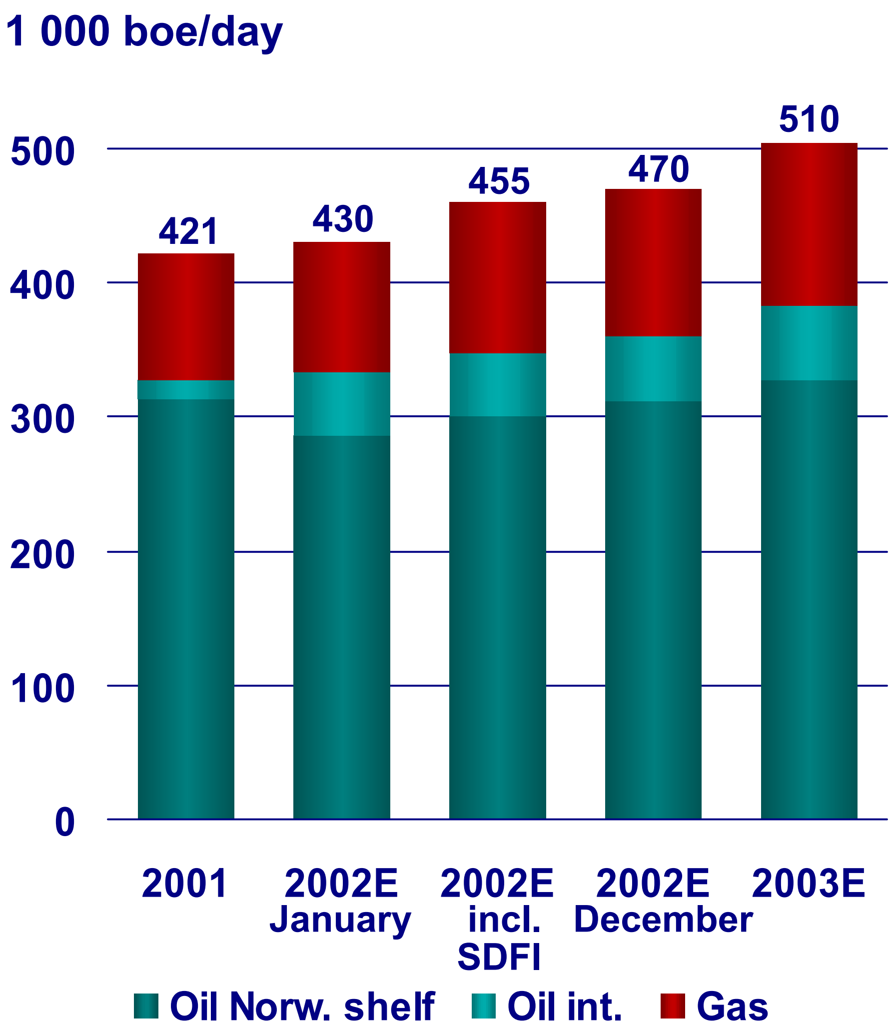
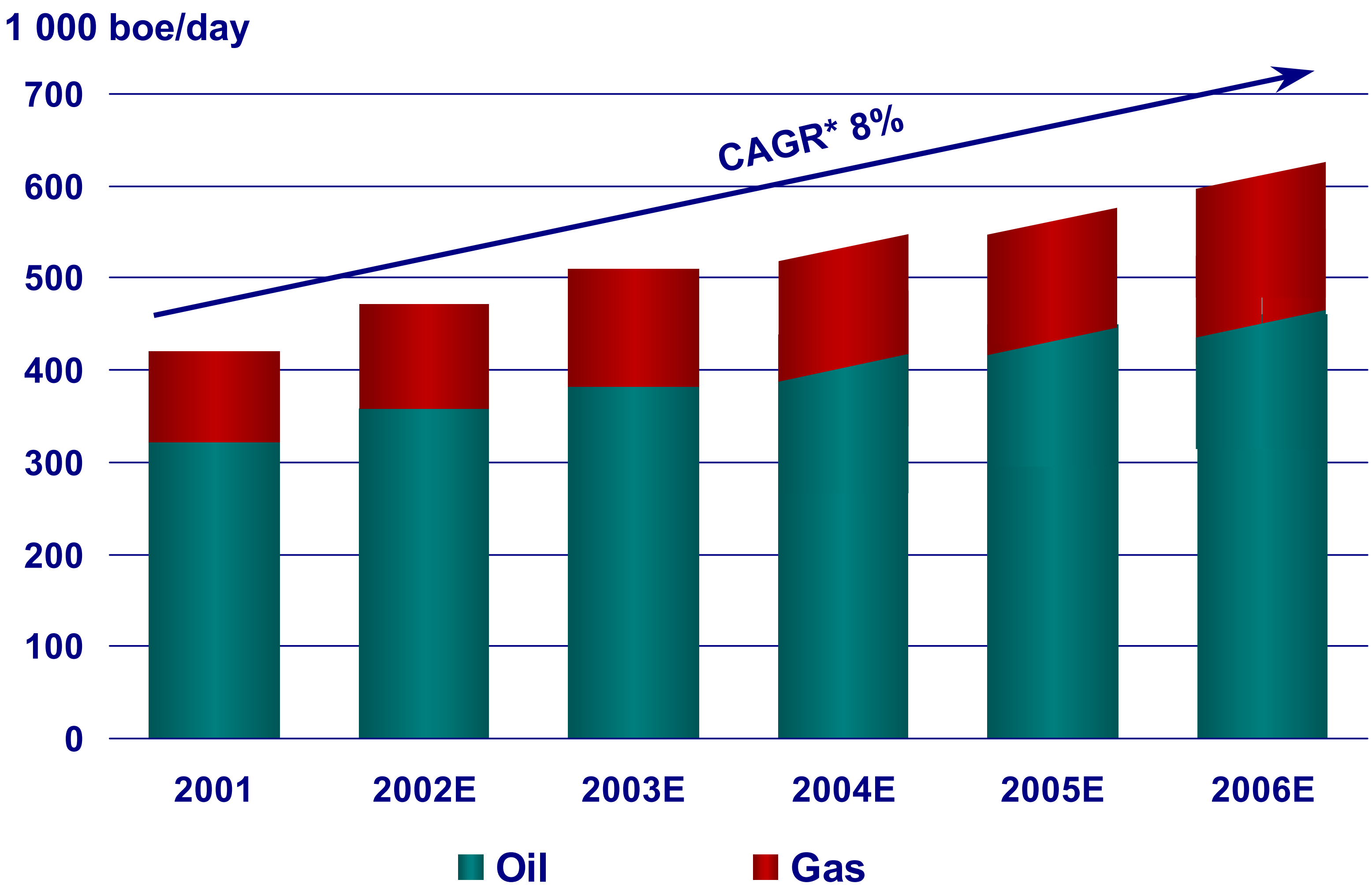
HYDRO

Strong production growth



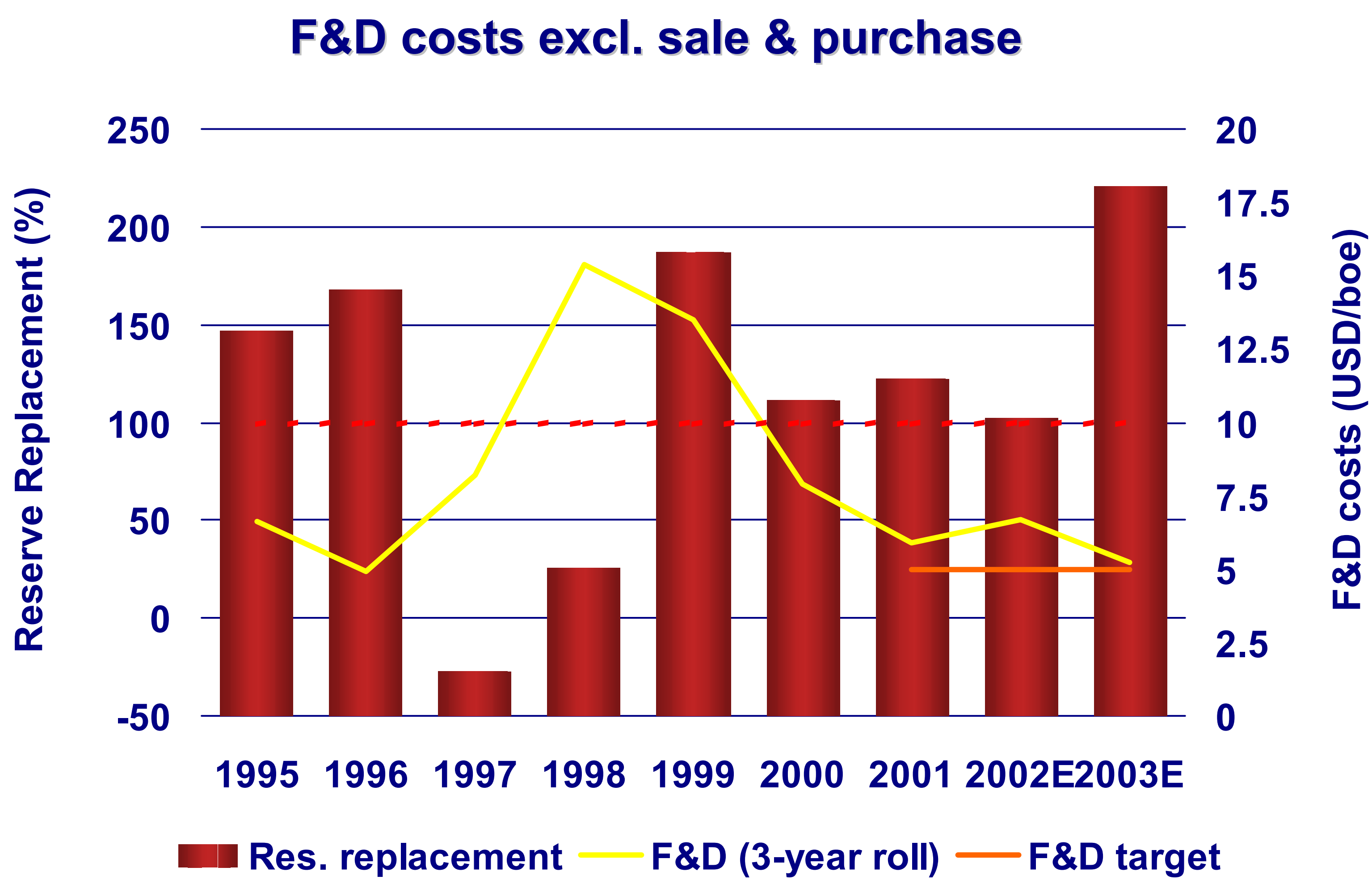
- 12% production growth 2001-2002 including SDFI
- Production target for 2003 510 000 boe/day

Both oil and gas production are growing



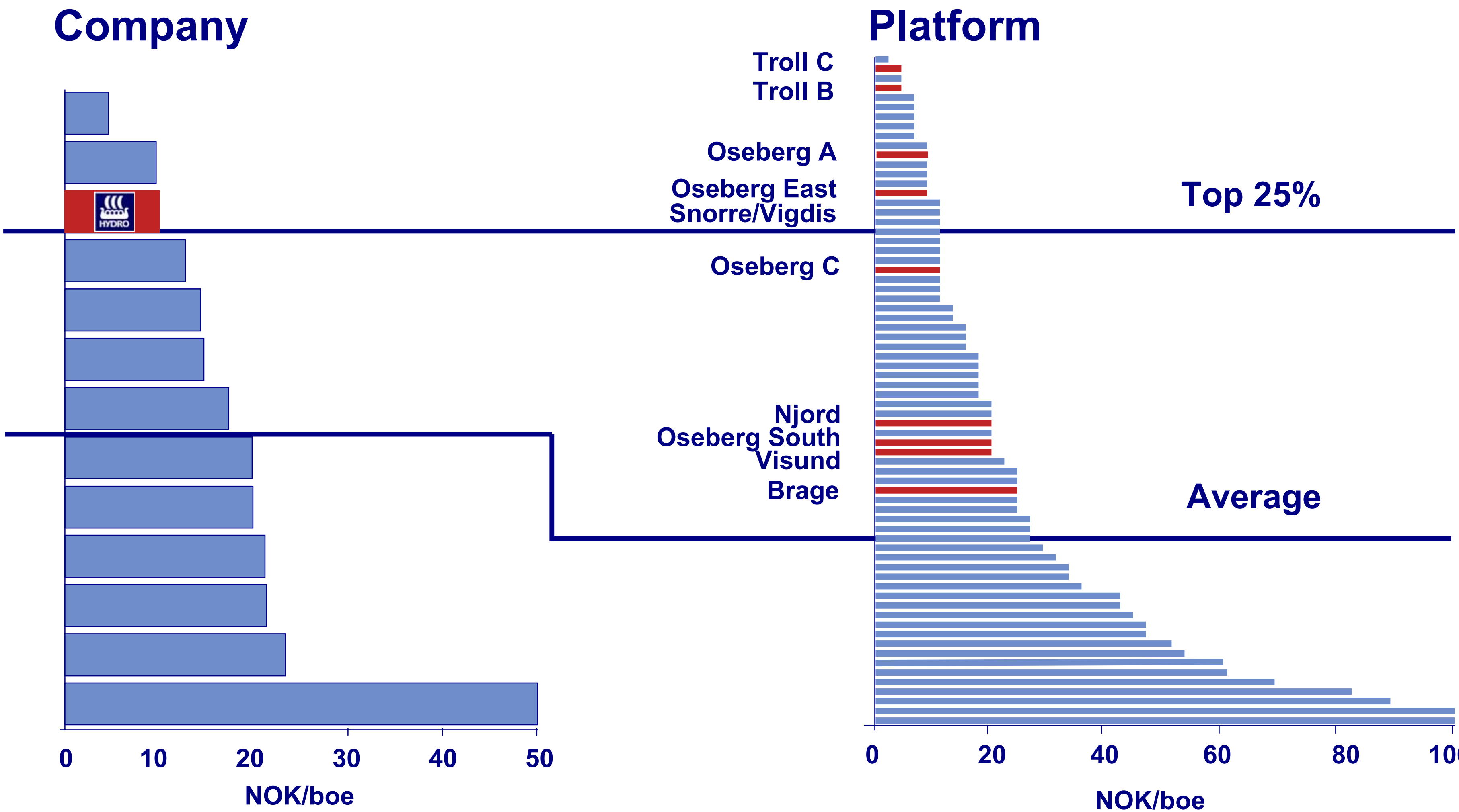
* Compound Annual Growth Rate, 2001 baseline

F&D costs tracking down towards target



Reserves changed from P80 to P90 in 1997

Strong performance in operations



Benchmark of Norway and UK Central North Sea

Source: McKinsey, June 2002

Financial and operating targets for 2003

• Production target	510 000 boe/day
• Operating cost (excl. exploration)	NOK 82/boe
• F&D costs (3 year average)	USD 5/boe
• Reserves Replacement Ratio (3 year average)	140%
• CAPEX level	NOK 11.5 billion
• Exploration level	NOK 1.9 billion

Key Messages

- Strong organic E&P growth
  - CAGR of 8% extended through 2006
  - More projects to come on stream 2007 onwards
- Substantial exploration portfolio to be tested 2003
  - Exploration strategy to be evaluated prior to new commitments
- Building strength in liberalizing European energy markets
- Ambitious financial and operating targets for 2003

Safe harbour statement

In order to utilize the "Safe Harbour" provisions of the United States Private Securities Litigation Reform Act of 1995, Hydro is providing the following cautionary statement: This presentation contains certain forward-looking statements with respect to the financial condition, results of operations and business of the Company and certain of the plans and objectives of the Company with respect to these items. By the nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. The actual results and developments may differ materially from those expressed or implied in the forward-looking statements due to any number of different factors. These factors include, but are not limited to, changes in costs and prices, changes in economic conditions, and changes in demand for the Company's products. Additional information, including information on factors which may affect Hydro's business, is contained in the Company's 2001 Annual Report on Form 20-F filed with the U.S. Securities and Exchange Commission.