Capital Markets Day 2006

www.hydro.com

Cautionary note in relation to certain forward-looking statements

Certain statements contained in this announcement constitute “forward-looking information” within the meaning of Section 27A of the US Securities Act of 1933, as amended, and Section 21E of the US Securities Exchange Act of 1934, as amended. In order to utilize the “safe harbors” within these provisions, Hydro is providing the following cautionary statement.

Certain statements included within this announcement contain (and oral communications made by or on behalf of Hydro may contain) forward-looking information, including, without limitation, those relating to (a) forecasts, projections and estimates, (b) statements of management’s plans, objectives and strategies for Hydro, such as planned expansions, investments, drilling activity or other projects, (c) targeted production volumes and costs, capacities or rates, start-up costs, cost reductions and profit objectives, (d) various expectations about future developments in Hydro’s markets, particularly prices, supply and demand and competition, (e) results of operations, (f) margins, (g) growth rates, (h) risk management, as well as (i) statements preceded by “expected”, “scheduled”, “targeted”, “planned”, “proposed”, “intended” or similar statements.

Although Hydro believes that the expectations reflected in such forward-looking statements are reasonable, these forward-looking statements are based on a number of assumptions and forecasts that, by their nature, involve risk and uncertainty. Various factors could cause Hydro’s actual results to differ materially from those projected in a forward-looking statement or affect the extent to which a particular projection is realized. Factors that could cause these differences include, but are not limited to, world economic growth and other economic indicators, including rates of inflation and industrial production, trends in Hydro’s key markets, and global oil and gas and aluminium supply and demand conditions. For a detailed description of factors that could cause Hydro’s results to differ materially from those expressed or implied by such statements, please refer to the risk factors specified under “Risk, Regulation and Other Information – Risk Factors” on page 92 of Hydro’s Annual Report and Form 20-F 2005 and subsequent filings on Form 6-K with the US Securities and Exchange Commission.

No assurance can be given that such expectations will prove to have been correct. Hydro disclaims any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Use of non-GAAP financial measures/ Cautionary note in relation to oil and gas reserves

With respect to each non-GAAP financial measure Hydro uses in connection with its financial reporting and other public communications, Hydro provides a presentation of what Hydro believes to be the most directly comparable GAAP financial measure and a reconciliation between the non-GAAP and GAAP measures. This information can be found in Hydro's earnings press releases, quarterly reports and other written communications, all of which have been posted to Hydro's website (www.hydro.com).

The United States Securities and Exchange Commission permits oil and gas companies, in their filings with the SEC, to disclose only proved reserves that a company has demonstrated by actual production or conclusive formation tests to be economically and legally producible under existing economic and operating conditions. We use certain terms in this presentation material, such as expected recoverable resources, that the SEC's guidelines strictly prohibit us from including in filings with the SEC. Investors are urged to consider closely the disclosure in our Form 20-F, SEC File No. 1-9159, available from us at our Corporate Headquarter: Norsk Hydro, N-0240 Oslo, Norway. You can also obtain this form from the SEC by calling 1-800-SEC-0330.

Eivind Reiten
President and CEO

Strategy for future growth

- Build on strong position in industries with attractive market outlook
- Manage cost inflation challenges in both industries
- Grow our resource base in oil and gas
  - Strengthened resource base
  - Continued high exploration and selective acquisitions
  - Robust production and development portfolio in low risk regions
  - Expected oil and gas production 2010: 700 000 boed
  - Growth beyond 2010 from broader development and exploration portfolio
- Pursue profitable growth in aluminium upstream
  - Pursue alumina and metal opportunities in attractive areas
  - Finalize restructuring of Aluminium Products' portfolio
- Recruit and retain the best people

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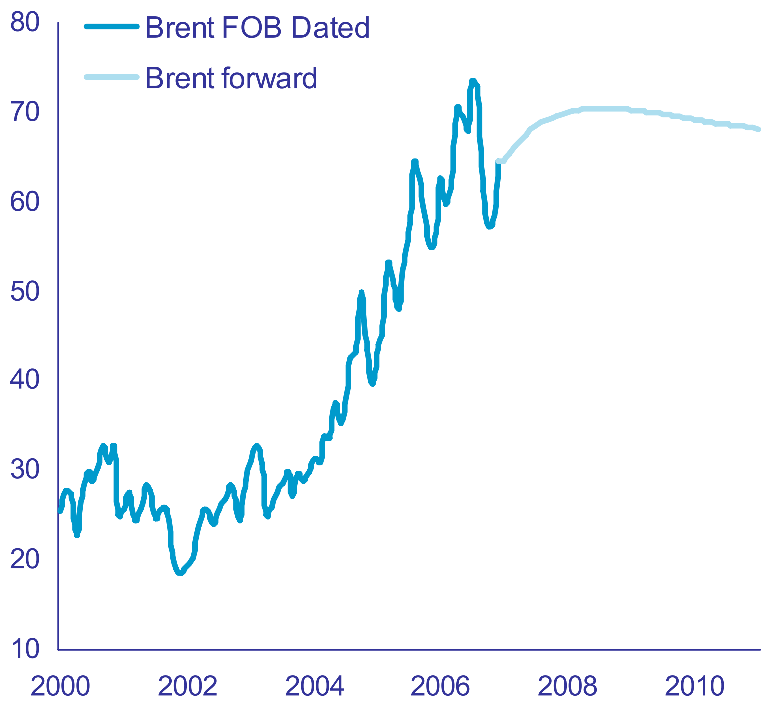
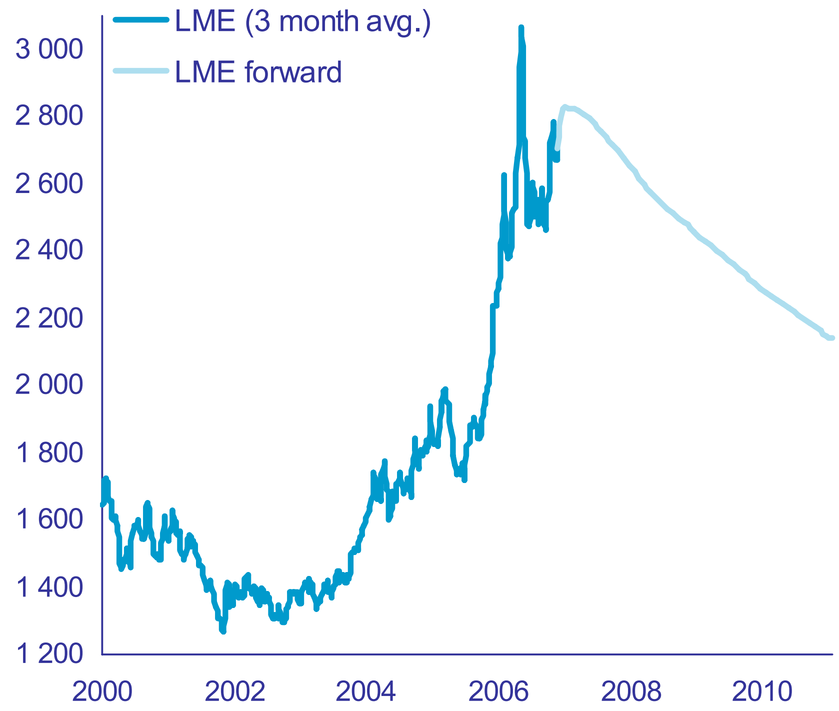
Strong and volatile price environment

Oil price in USD/bbl

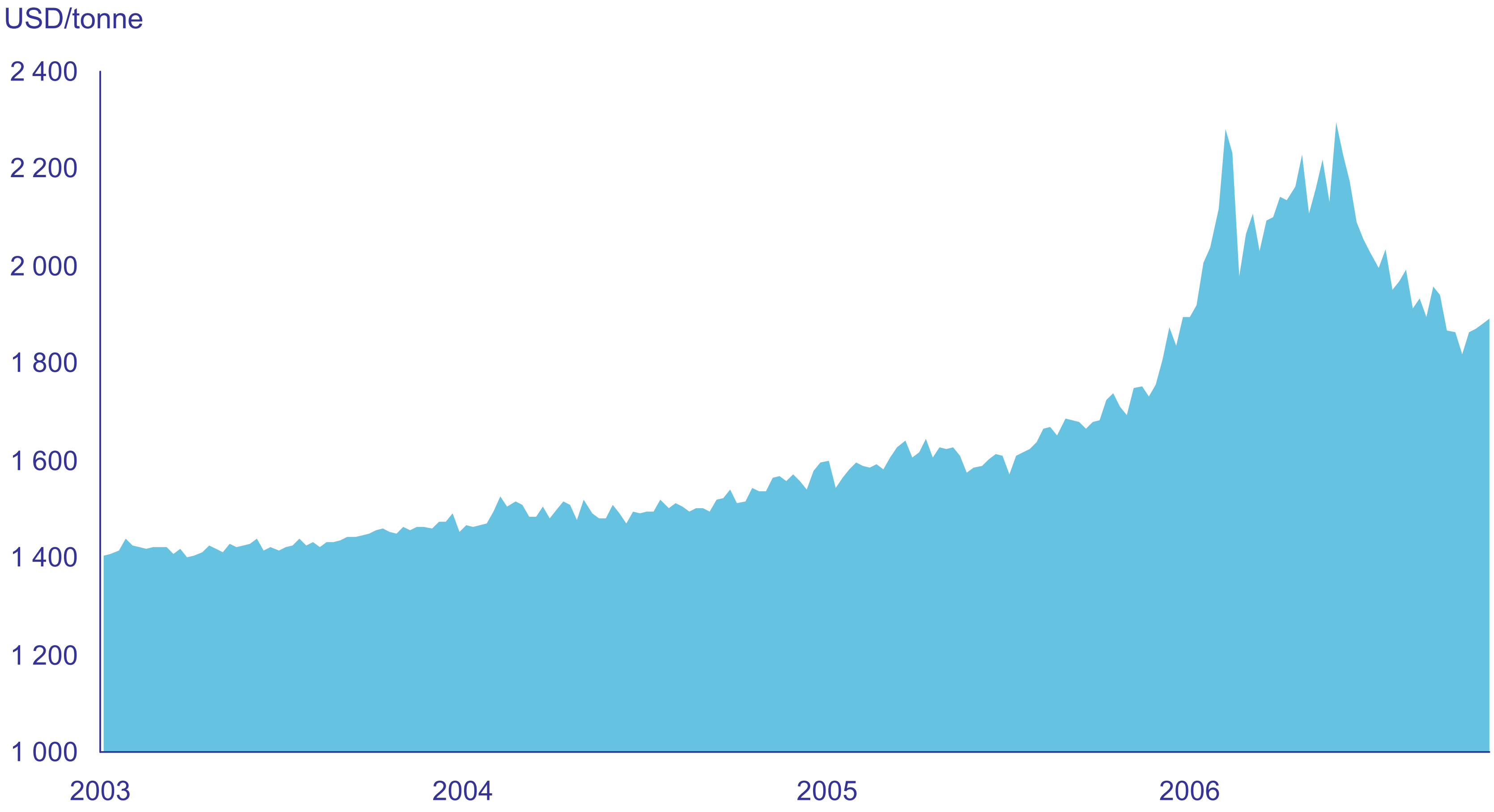


Aluminium price in USD/tonne



Source: Reuters Ecowin and Bloomberg 1 December 2006

5-year forward price at record-high levels in 2006



Maneuvering in a more difficult landscape

WEDNESDAY AUGUST 30 2006

Slide in US dollar hits world markets

By Neil Dennis and Chris Giles in London and Ralph Atkins in Frankfurt

Rusal and Sual clinch $30bn link

■ Three-way merger to create the world's biggest aluminium producer ■ Russian group plans London listing within three years

By Arkady Ostrovsky in Moscow and Rebecca Bream in London

ASIA

INTERNATIONAL
Herald Tribune

Algerian energy minister defends new tax on hydrocarbons

The Associated Press

EUROPE

Gazprom speculation is power behind RWE

Suez-GdF deal to win approval

■ Regulator drafts ruling that backs €72bn merger ■ Final decision rests with EU commissioners ■ Critical hurdles remain in France

By Tobias Buck and Karl de Meyer in Brussels and Peggy Hollinger in Paris

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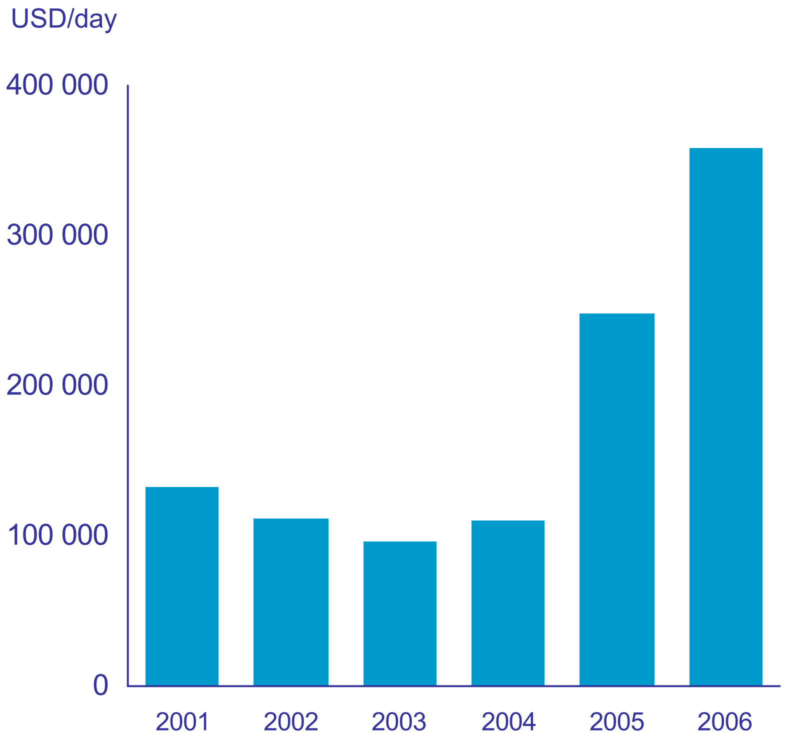
Hydro has what it takes

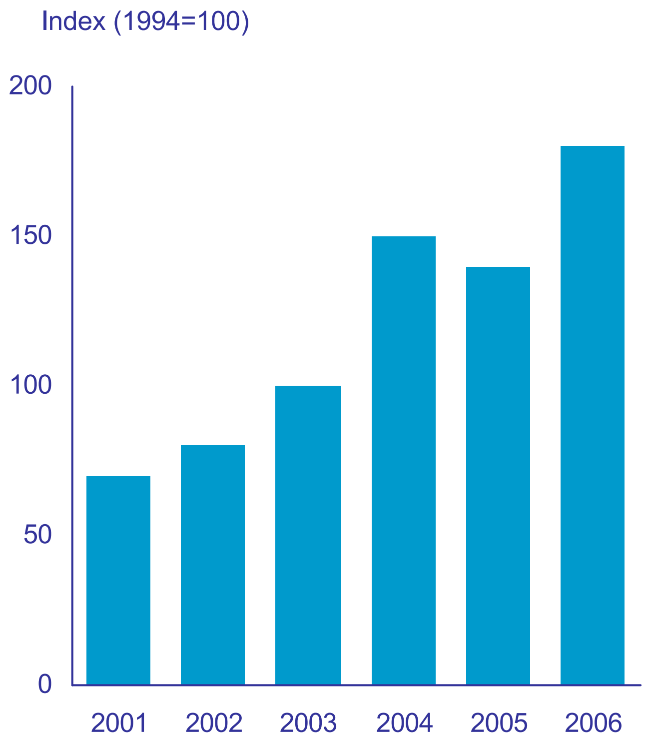
- World-class technology and competence
- Proven high-quality operations
- Cooperation tradition – Hydro and Norway
  - Commercial partnerships
  - Experience in cooperating with local and national authorities and communities
- Strong positions in key basins
- Systematic risk management
- Active portfolio management

Increasing industry cost

Dayrates ultra deepwater drilling rigs
Average fixture rates



Steel prices

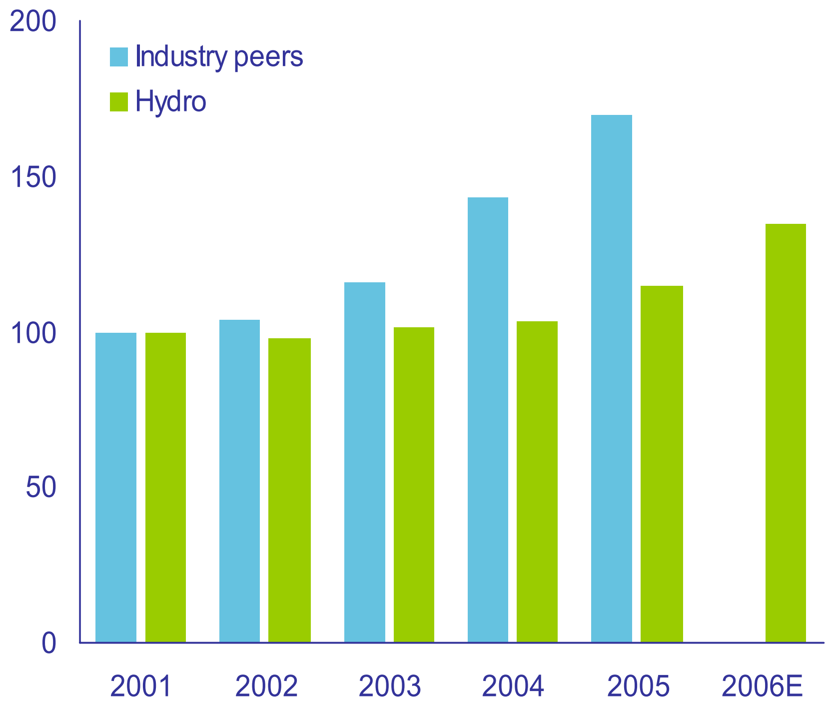


Sources: Fearnley Offshore (rig rates), CRUspi.com (Steel prices)

Hydro's cost increase well below industry average

Hydro versus industry peer group*

Index based on USD/boe operating cost**, 2001 = 100



- Rig rates up more than 200 percent since 2004
- Steel up 80 percent since 2003
- Drilling services up 50 percent since 2005
- Logistics up 40 percent since 2005

Portfolio maturity, field size and long-term contracts make Hydro robust to industry cost pressure

* Majors, US and European integrated players, US large independents
** Operating and lease expenses – not including gas injection cost
Source: SEC, Company reports

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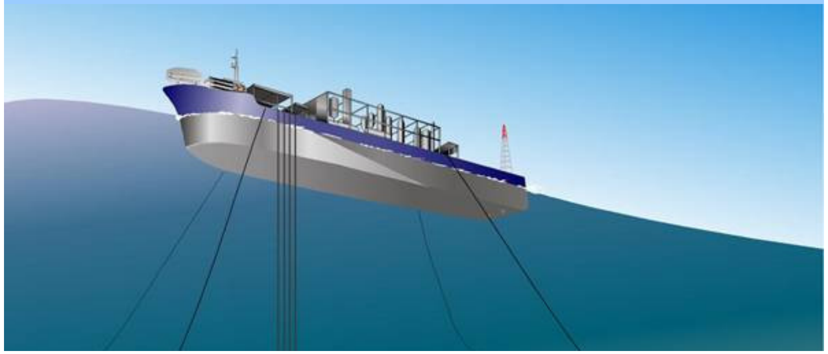
Distinct project skills more valuable than ever

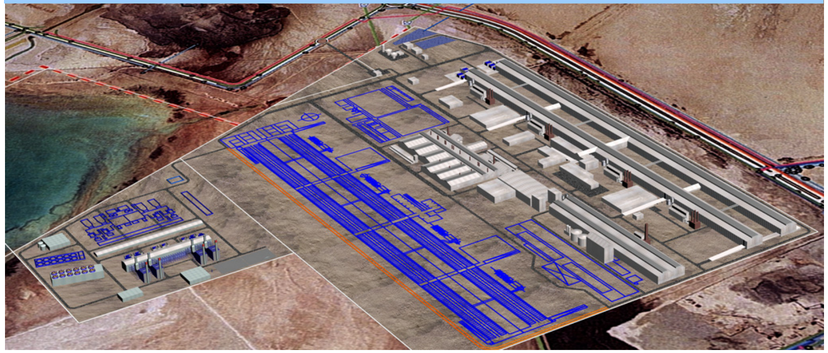
Gimboa



Ormen Lange

Sunndal

Qatalum



Climate change – the biggest challenge of all

Performance update

Key messages last year

- Hydro
  - Maintain financial strength
  - Build on technological and operational leadership
- Oil & Energy
  - Profitable production growth
  - Strengthen resource base
- Aluminium
  - Prioritize upstream investments and repositioning
  - Reduce downstream exposure – focus on cash generation

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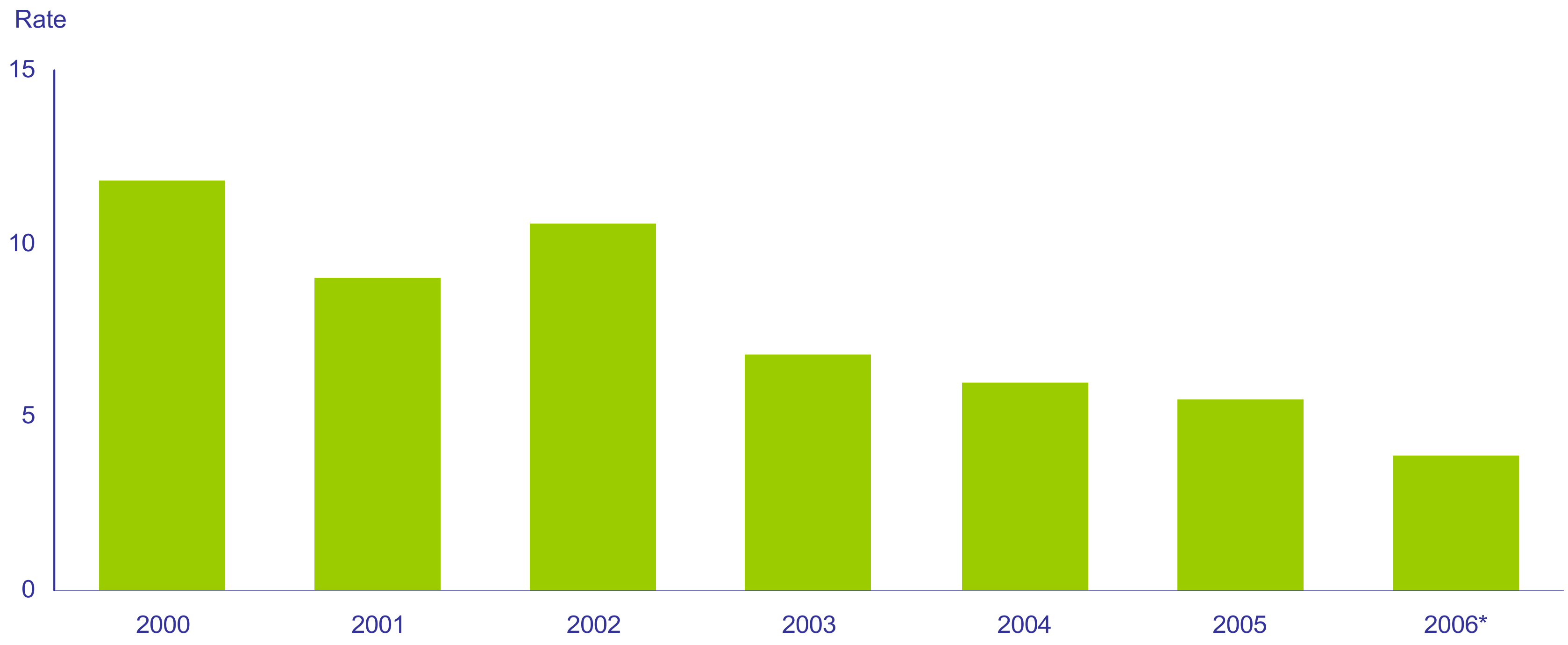
Safety improving

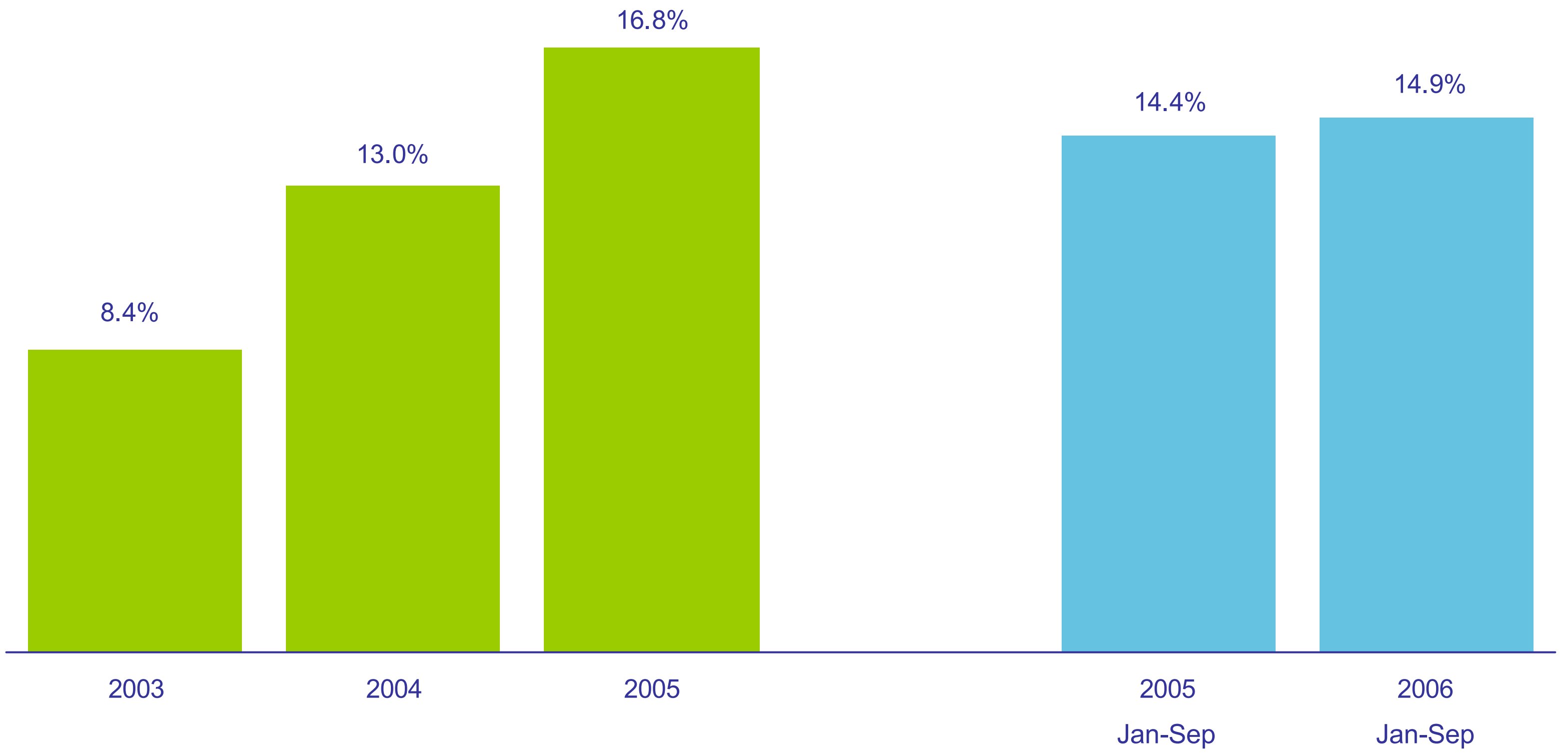
Total reported injuries per million working hours (TRI)



* 12 month rolling Oct 2005-Oct 2006

Improved returns

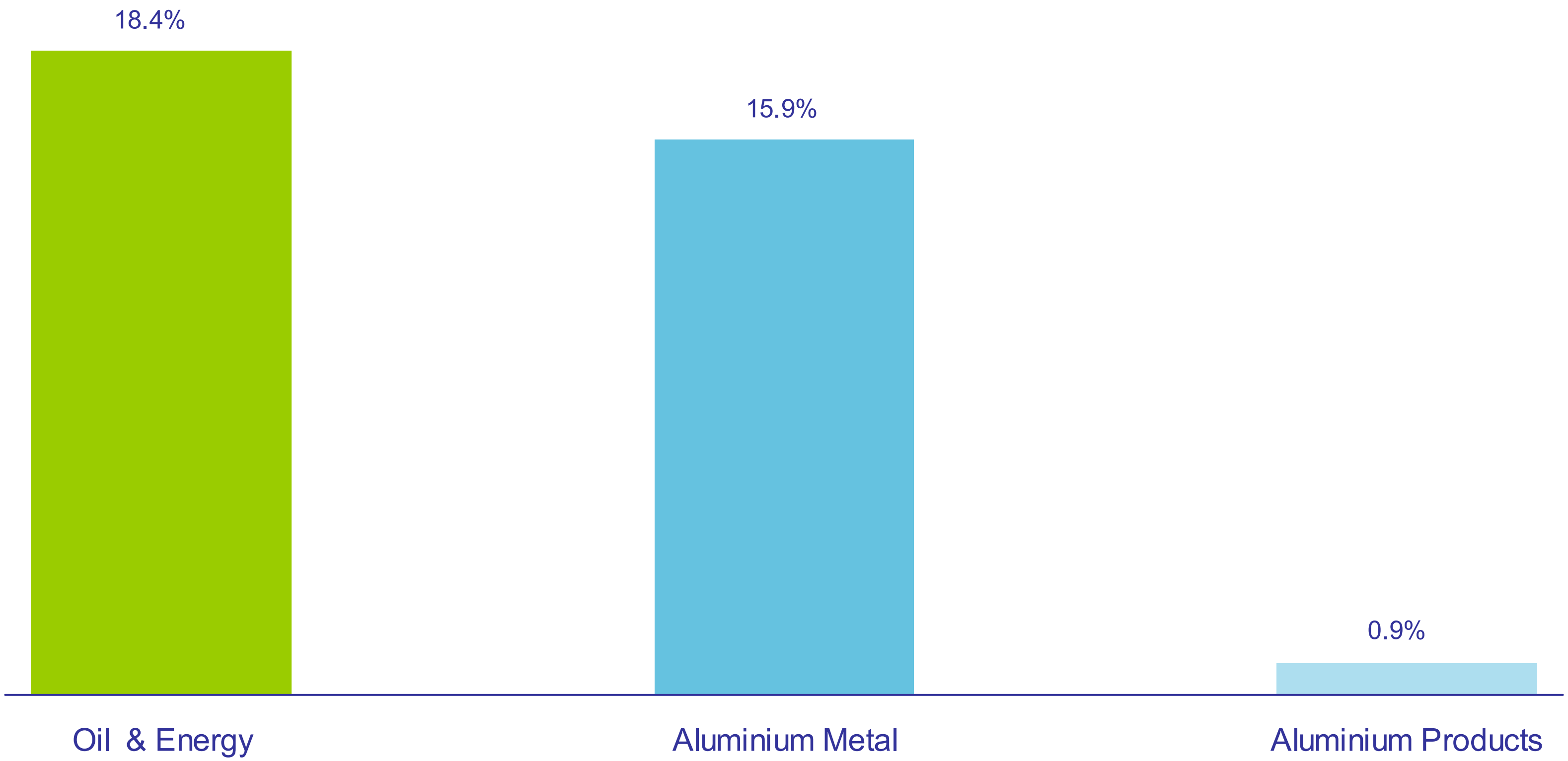
Return on average capital employed – RoaCE



Jan-Sep figures are not annualized

RoaCE by business area

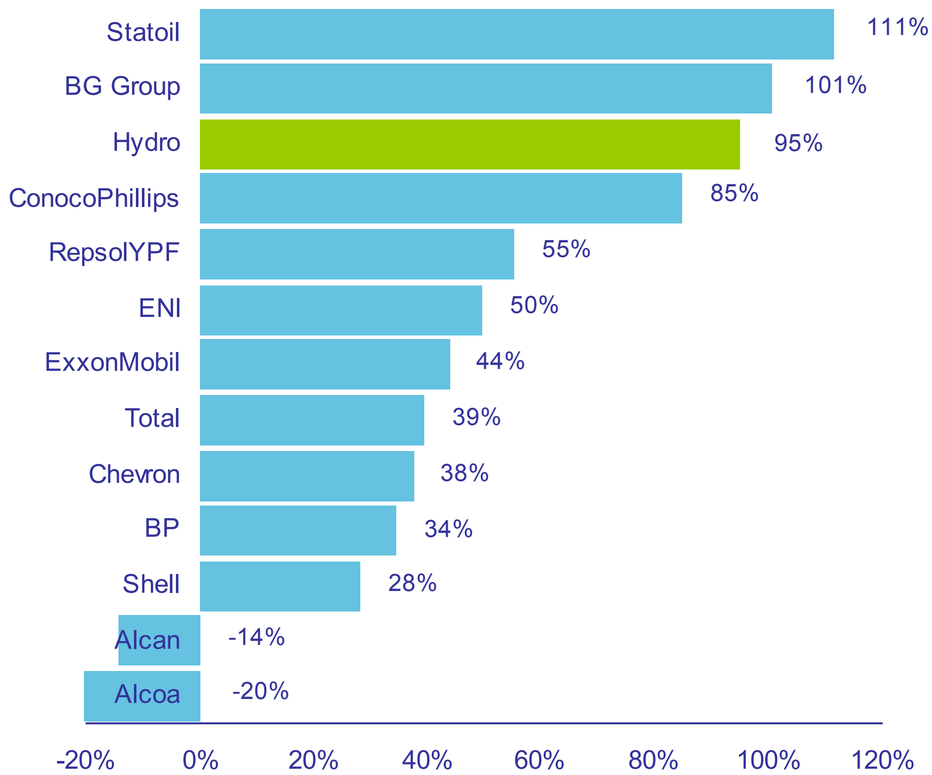
First nine months 2006



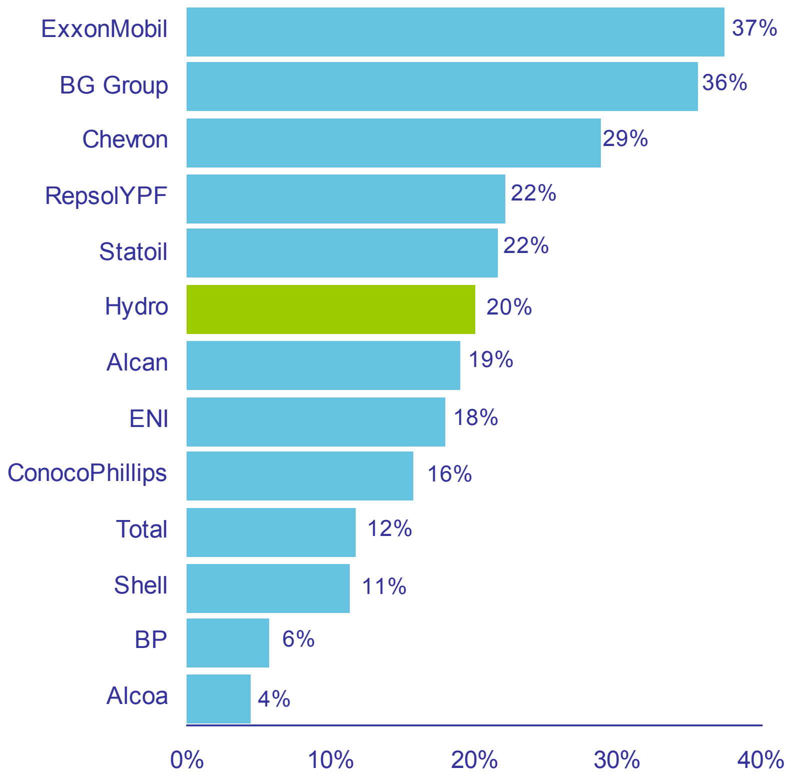
Figures are not annualized

Competitive share price development

1 January 2004 to 31 December 2005



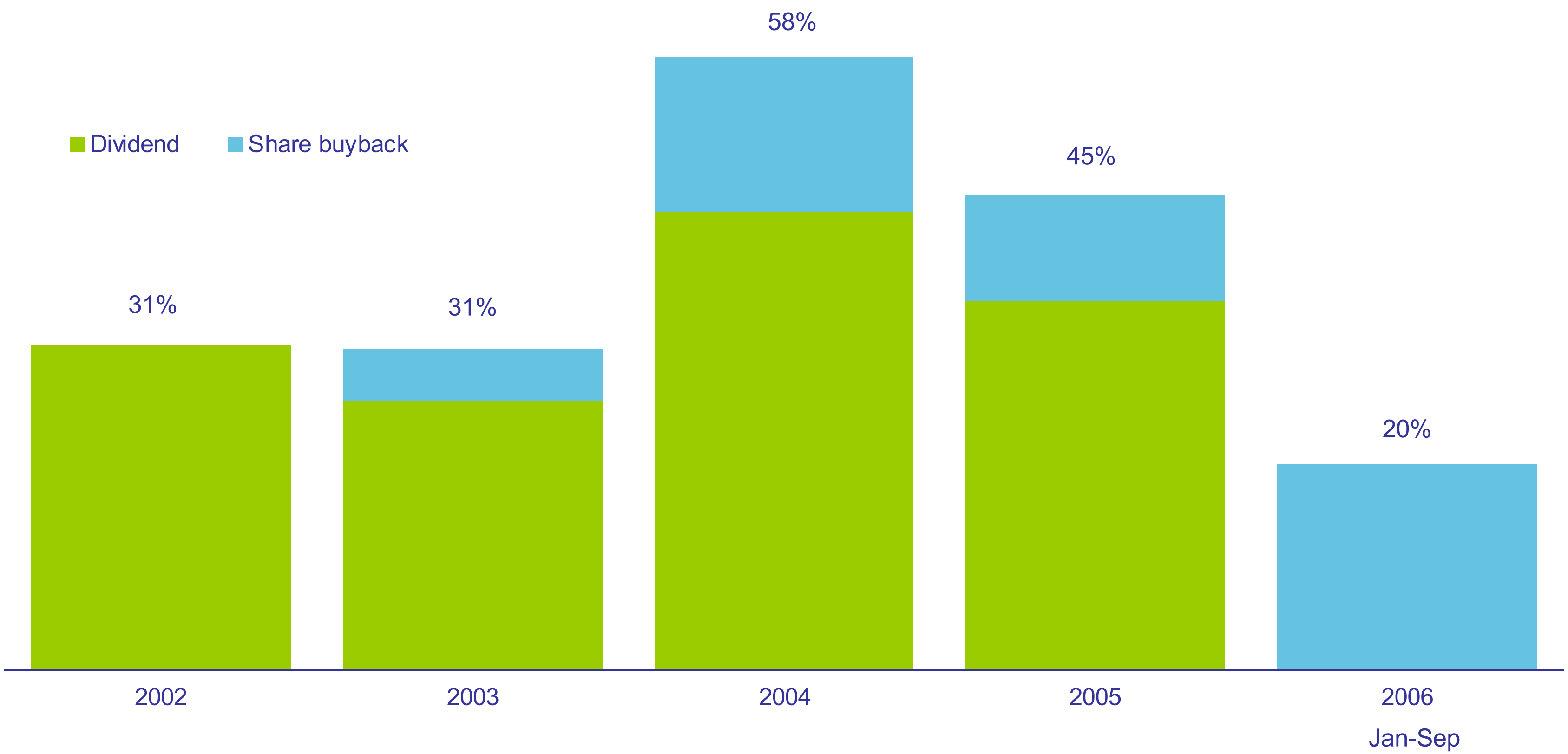
1 January to 1 December 2006



Source: Yahoo Finance, NYSE, USD

Competitive payout to shareholders

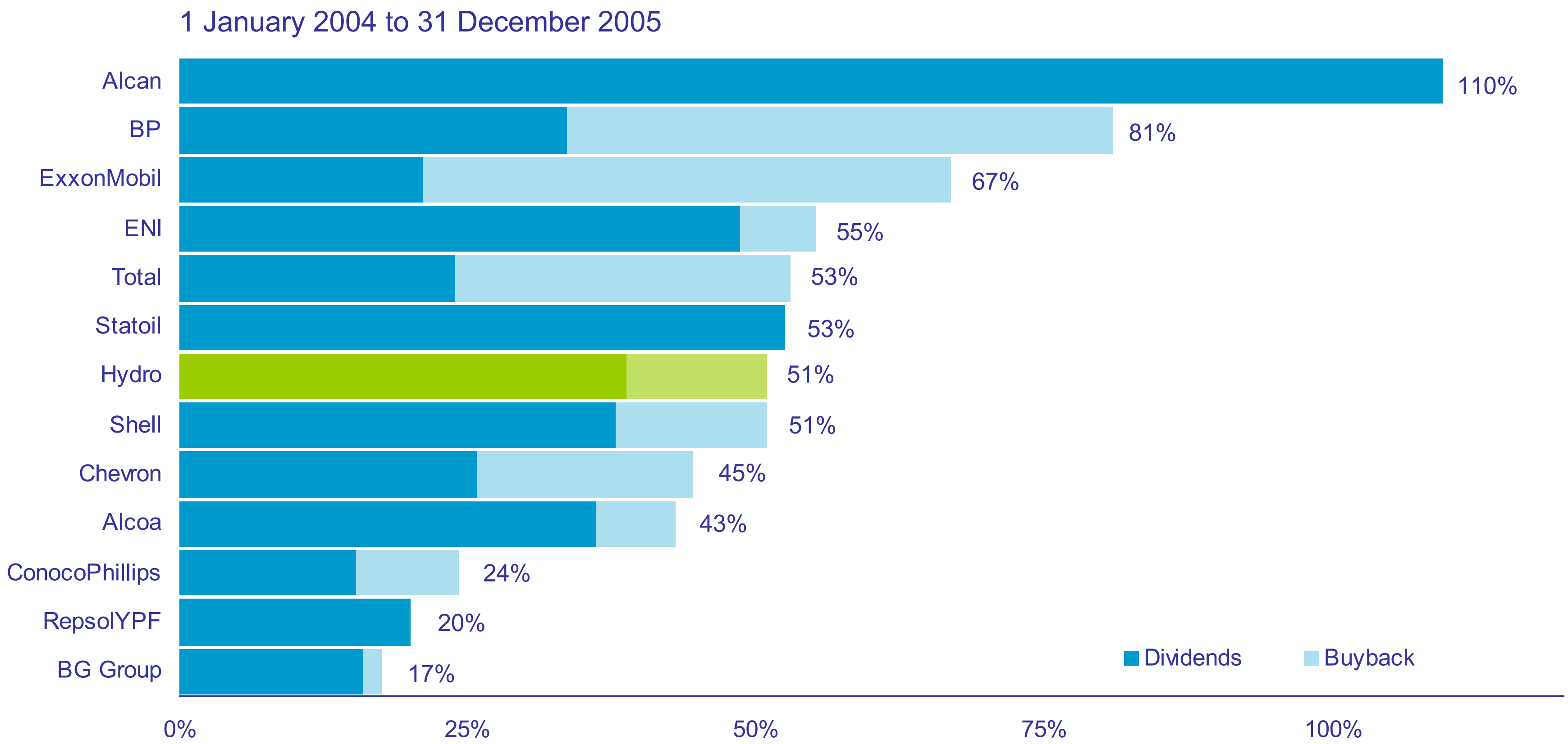
Payout ratio – dividend and buyback



Dividend allocated to the year for which the dividend was paid. Buyback allocated to the year when the buyback transactions were executed.

Competitive payout to shareholders

Dividend and share buyback relative to net income



Source: Company reports

Active portfolio management 1999-2006

Acquisitions and divestments 1999-2006	Enterprise value NOK billion
Acquisitions	
Saga Petroleum (1999)	31
VAW (2002)	24
Spinnaker Exploration (2005)	16
Wells, Technal and SDFI (2001-2002)	6
Total acquisitions	77
Divestments	
Yara International (2004)	*21
Various non-core activities (2000-2006)	28
Automotive Castings and Meridian (2006)	4
Total divestments	53

* Enterprise value at public listing date 25 March 2004

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A more focused portfolio

Capital employed NOK 109 billion

Net book value of assets 31 Dec 2005	Oil & Energy	Aluminium Metal	Aluminium Products	Other
Growth	NOK 56 billion			
Upstream repositioning and growth		NOK 27 billion		
Cash generation and divestments			NOK 19 billion	NOK 6 billion

Hydro Polymers – listing or divestment being considered

- Solid turnaround delivered
- EBITDA first nine months 2006 NOK 795 million
- Competitive position strengthened through chlorine and ethylene investments at Rafnes, Norway
- Positive outlook

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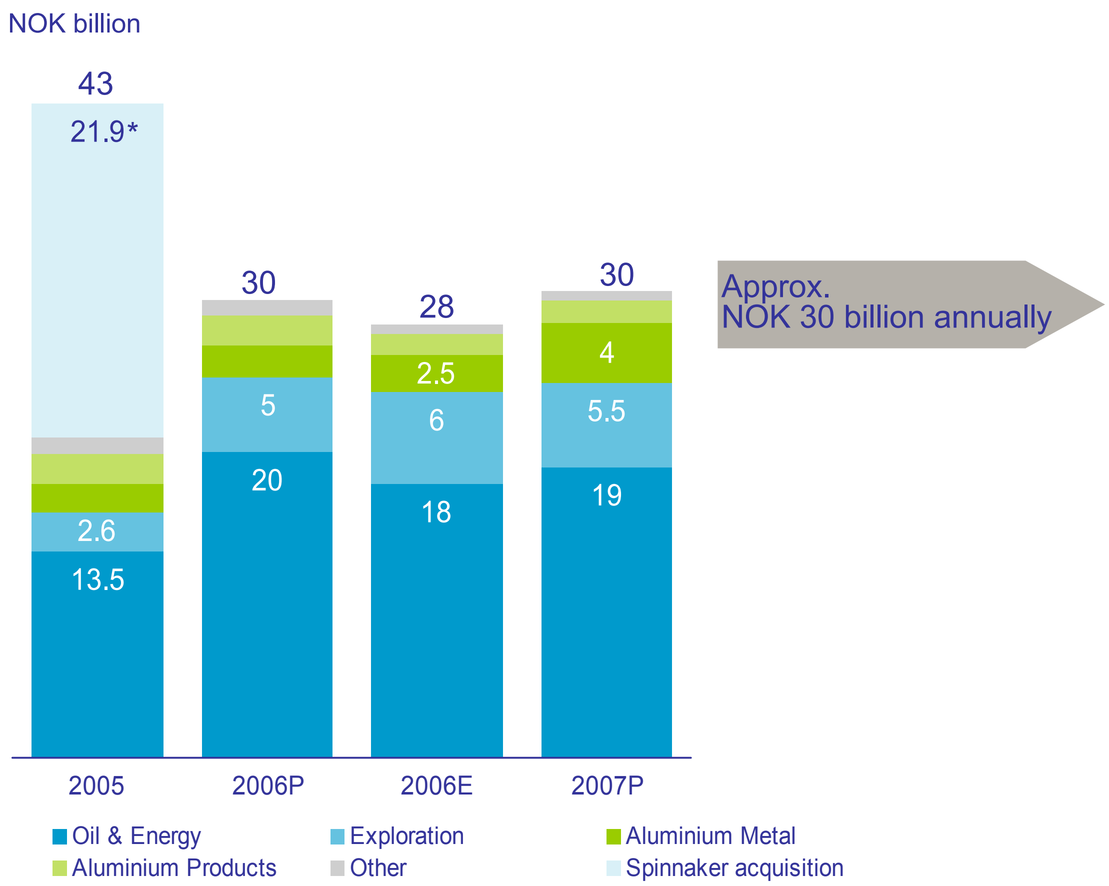
Capital allocation – upstream focus



2007-2010

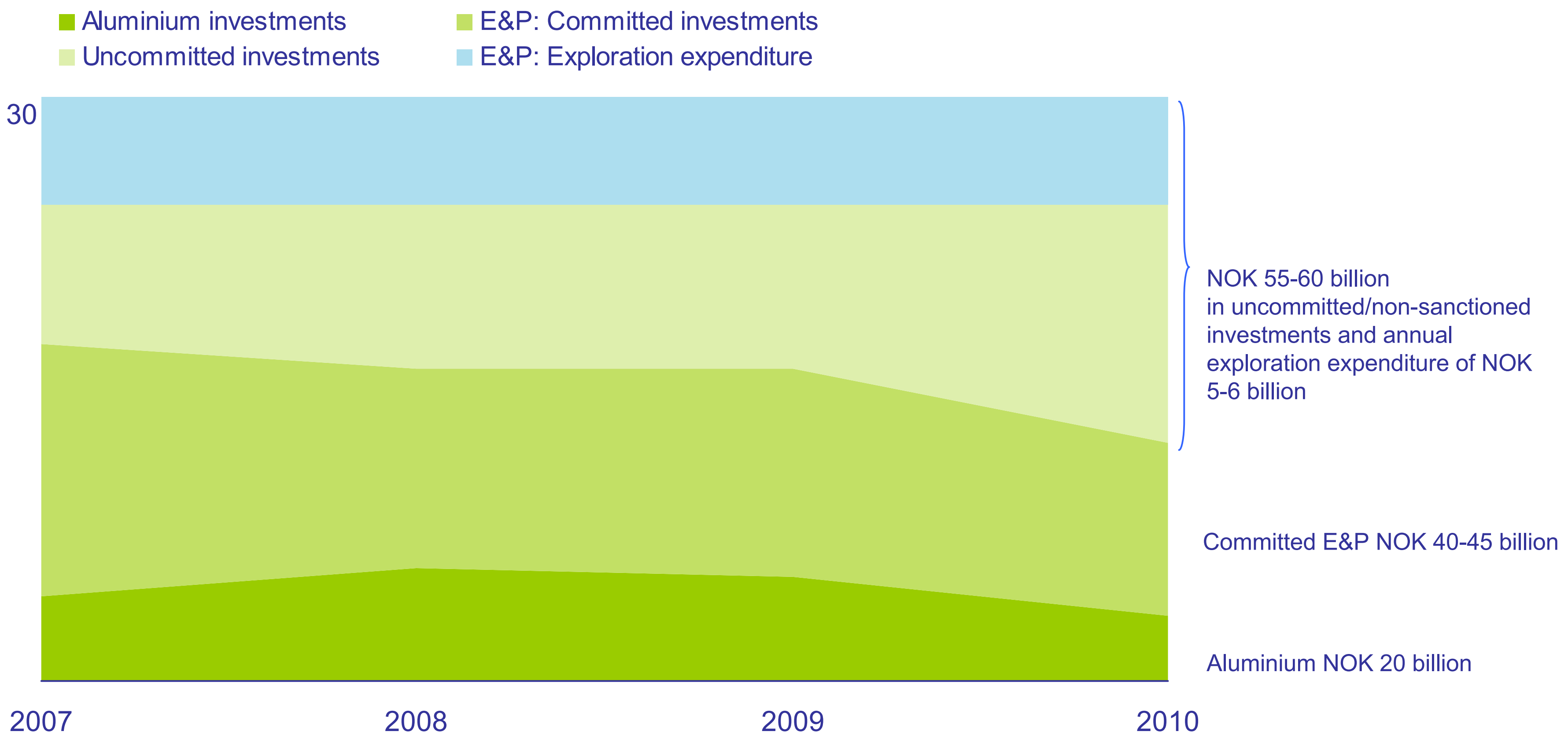
- Oil & Energy
  - Projects on track
  - High exploration activity
- Aluminium
  - Priority upstream

* Including non-cash element of NOK 5.5 billion

Additional information

Capital allocation 2007-2010

Annual investments approximately NOK 30 billion



Indicative price and currency sensitivities 2007

NOK million	Income before tax	Net income	Change
Oil price per barrel	1 190	345	1 USD
Aluminium price per tonne	1 000	655	100 USD

NOK million	Income before tax	Net income	Change
USD Oil & Energy	10 340	3 780	1 NOK
USD Aluminium Metal	3 280	2 130	1 NOK
USD Aluminium Products	(90)	(60)	1 NOK
USD before financial items	13 530	5 850	1 NOK
USD financial items	(3 600)	(2 500)	1 NOK
USD Net income	9 930	3 350	1 NOK

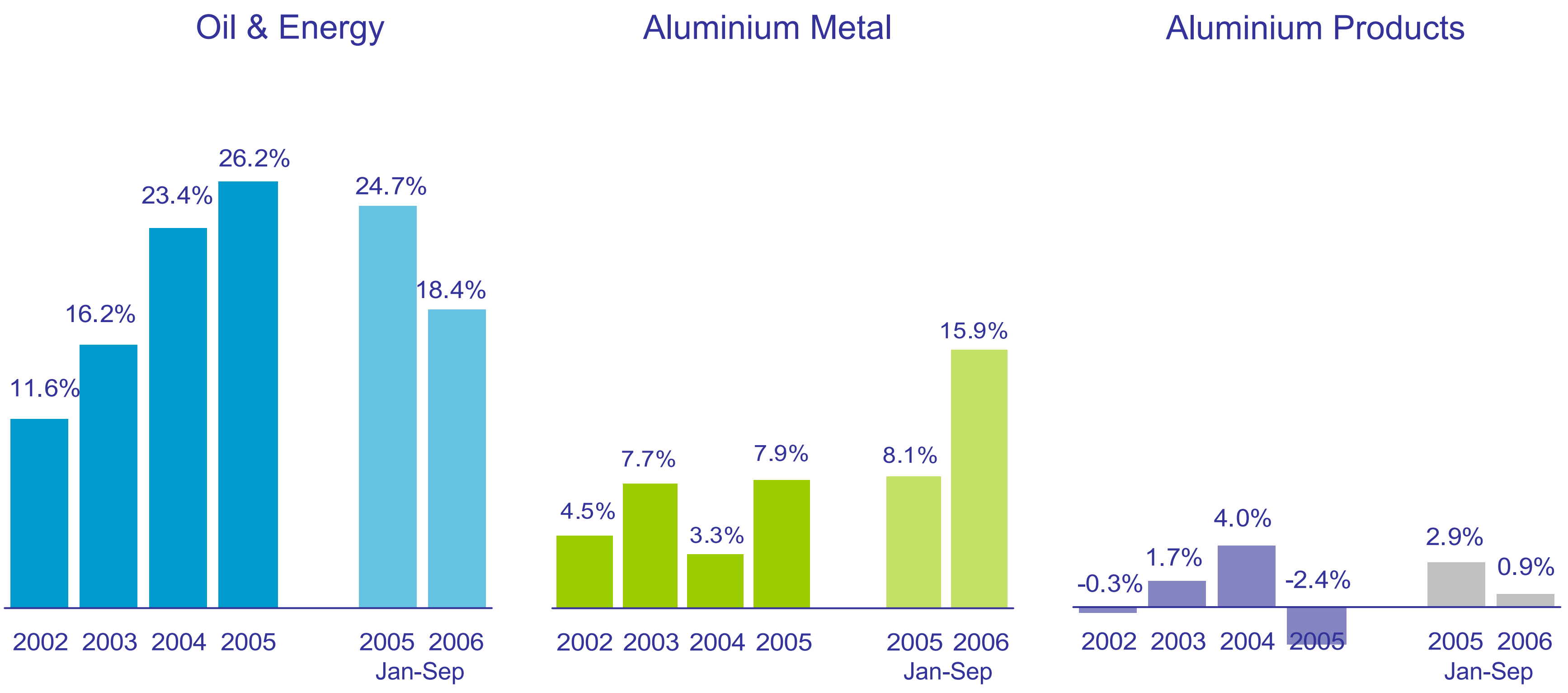
- Based on approximate average 2006 prices and expected business volumes for 2007:
  - Oil 65 USD/bbl
  - Aluminium 2 575 USD/tonne
  - NOK/USD 6.45
- USD sensitivity for Oil & Energy and Aluminium business areas includes both USD revenues and USD costs
- Total USD sensitivity of financial positions is NOK 4 600 million negative and consists of assets and liabilities in various financial instruments. Positive net working capital of USD 1 000 million reduces the total sensitivity to NOK 3 600 million.

Investment criteria

● Oil price	USD 35 per barrel
● Aluminium price	USD 1 700 per tonne
● NOK/USD	6.5
● NOK/EUR	8.0
● Hurdle rate	8-10% IRR real after tax

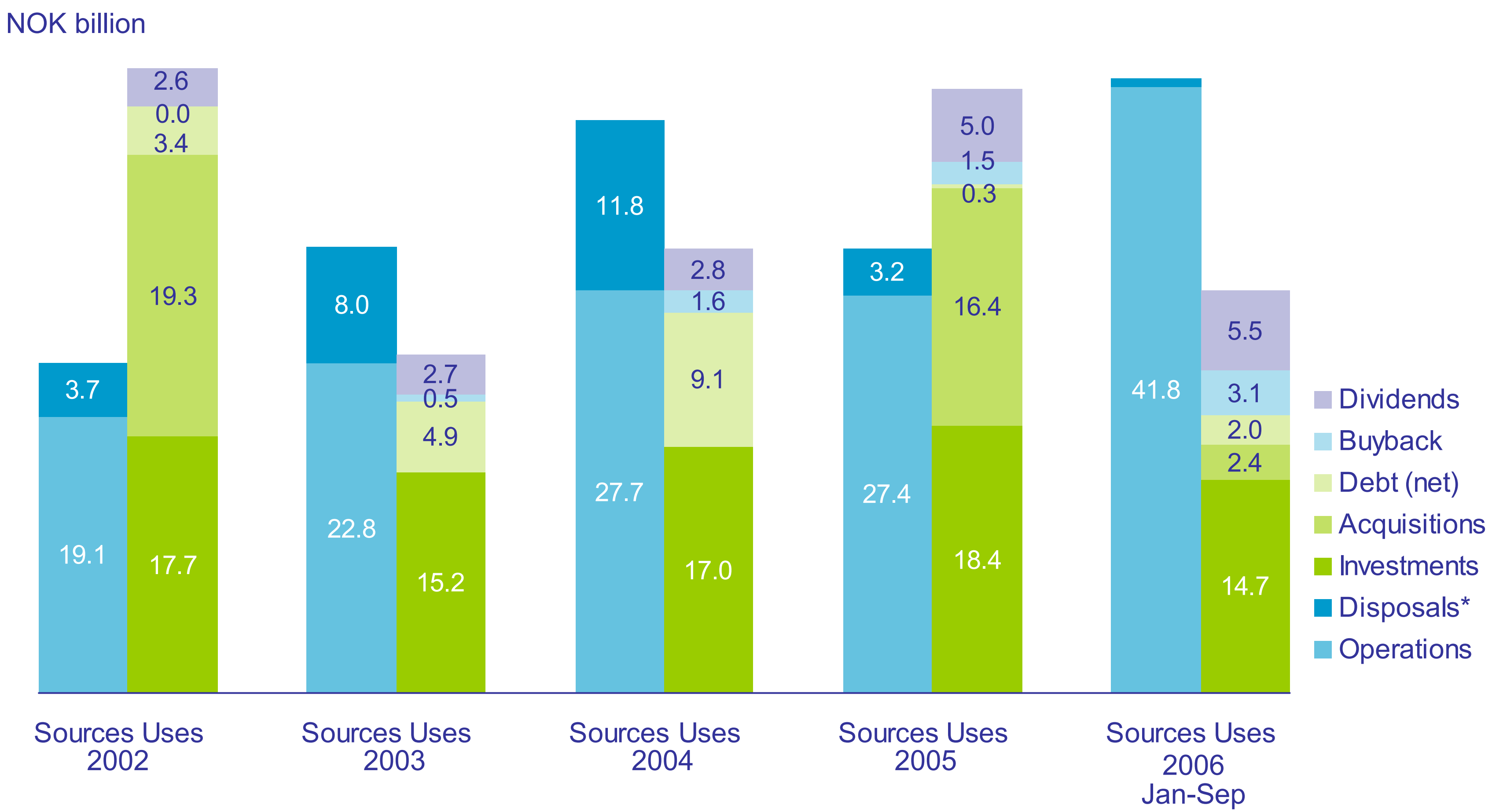
- IRR after tax above Hydro's cost of capital when risk is accounted for in cash flows

RoaCE by business area



Jan-Sep figures are not annualized

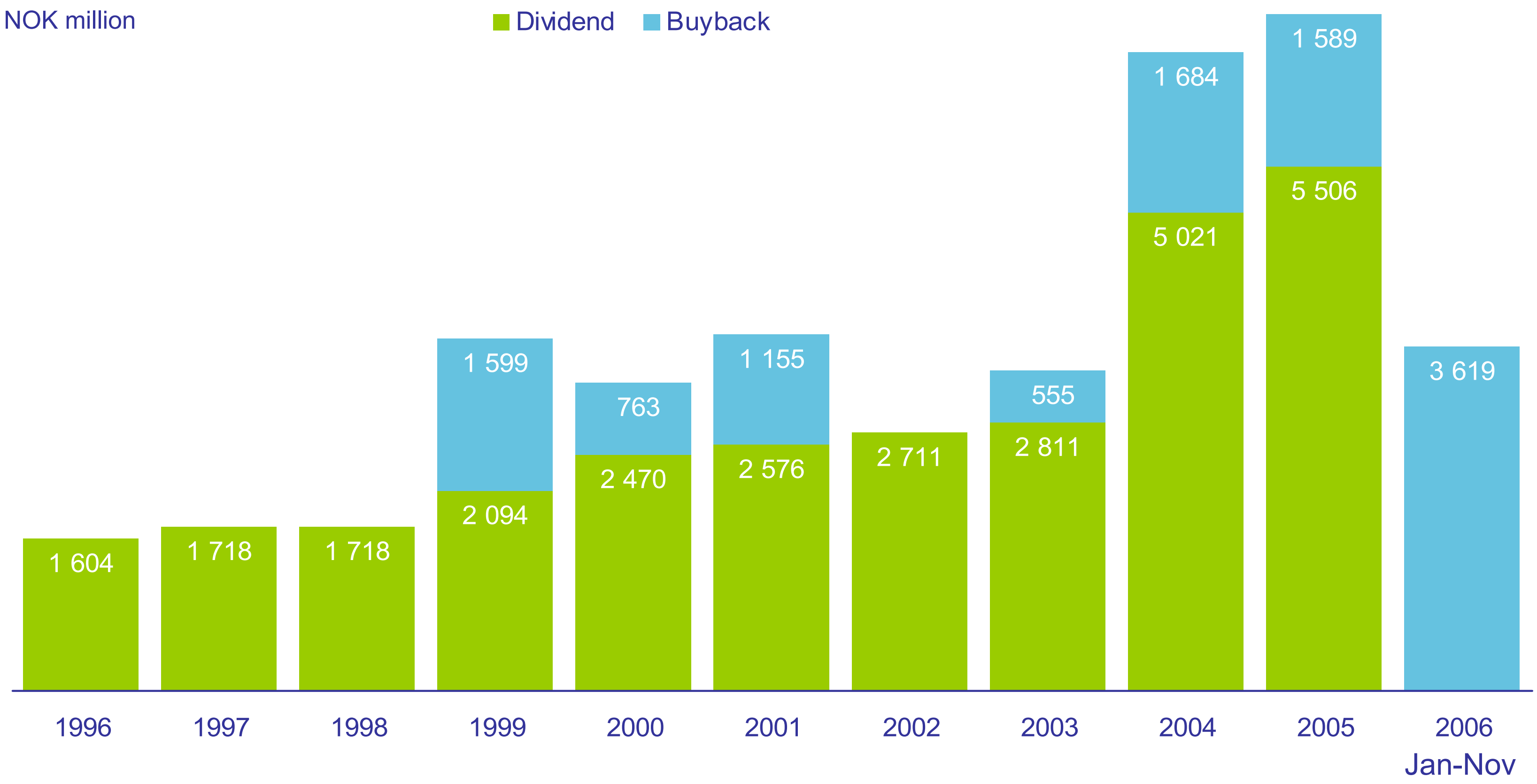
Sources and uses of cash



* Net cash from discontinued operations (Yara) included

Increasing payout to shareholders

Dividend policy: 30 percent payout over time



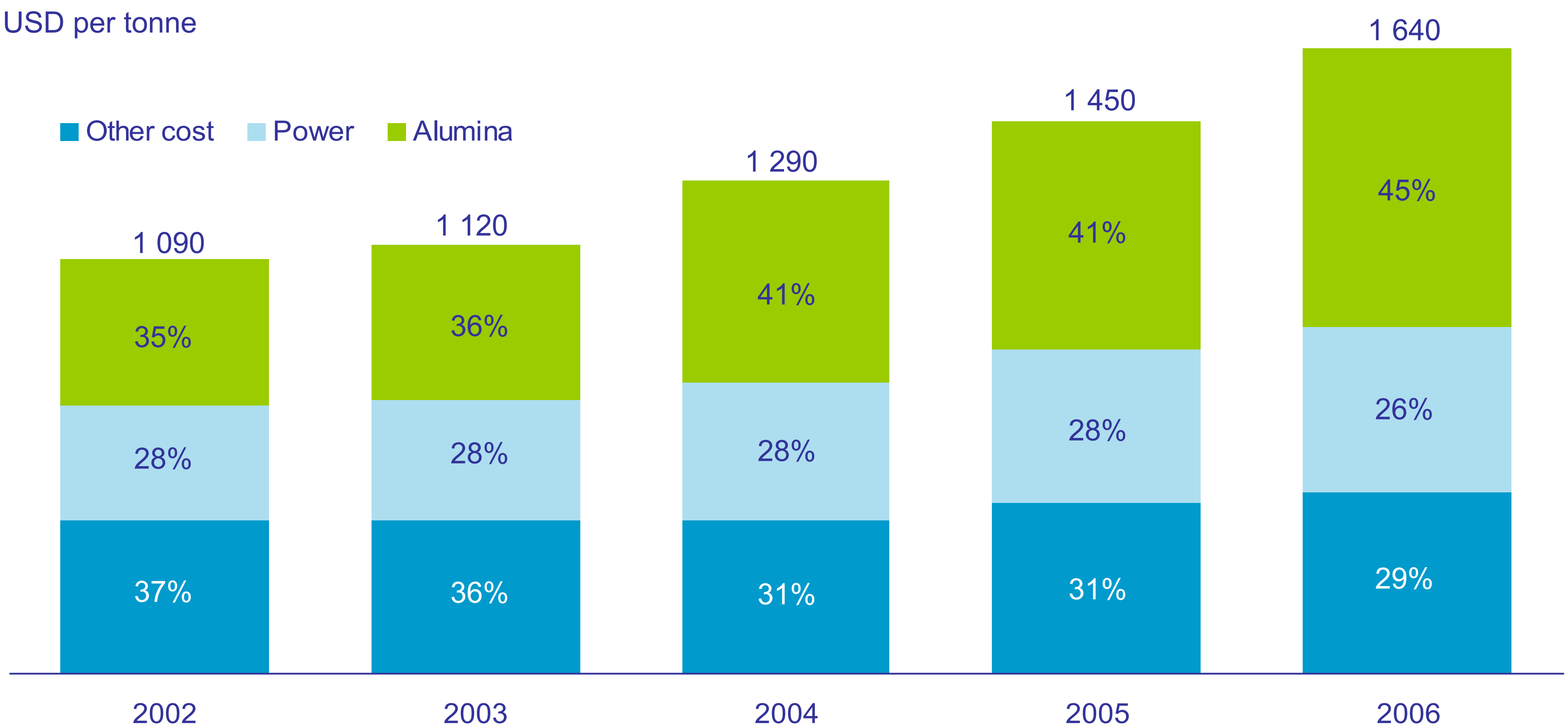
Dividend allocated to the year after for which the dividend was paid. Buyback allocated to the year when the buyback transactions were executed.

Field development portfolio
Generating above 200 000 boed at peak

Start year	Field name	Hydro share at peak rate	Peak year	Country	Type	Operator
2006	Dalia	21,000	2008	Angola	Oil	Total
2007	Ormen Lange	70,000	2010	Norway	Gas/Cond	Hydro
	Rosa	14,000	2008	Angola	Oil	Total
	Independence Hub Area	11,500	2008	US GoM	Gas	Hydro/others
	Vilje	10,000	2008	Norway	Oil	Hydro
	Njord Gas	8,000	2008	Norway	Gas	Hydro
	Volve	6,000	2008	Norway	Oil/Gas	Statoil
	Rimfaks/Skinfaks	3,000	2011	Norway	Oil/Gas	Statoil
	Murzuk NC-186: B & H field	TBD	-	Libya	Oil	Repsol
2008	Oseberg Delta	13,500	2009	Norway	Oil	Hydro
	Gimboa	5,500	2009	Angola	Oil	Sonangol/Hydro technical
	Oseberg East Drilling	5,500	2010	Norway	Oil	Hydro
	Tune South	4,500	2009	Norway	Oil	Hydro
	Alve *	3,000	2009	Norway	Gas/Cond	Statoil
2009	Tyrihans	14,000	2016	Norway	Oil	Statoil
	Thunder Hawk	11,000	2010	US GoM	Oil	Murphy
2010	Vega *	18,000	2011	Norway	Gas/Oil	Hydro

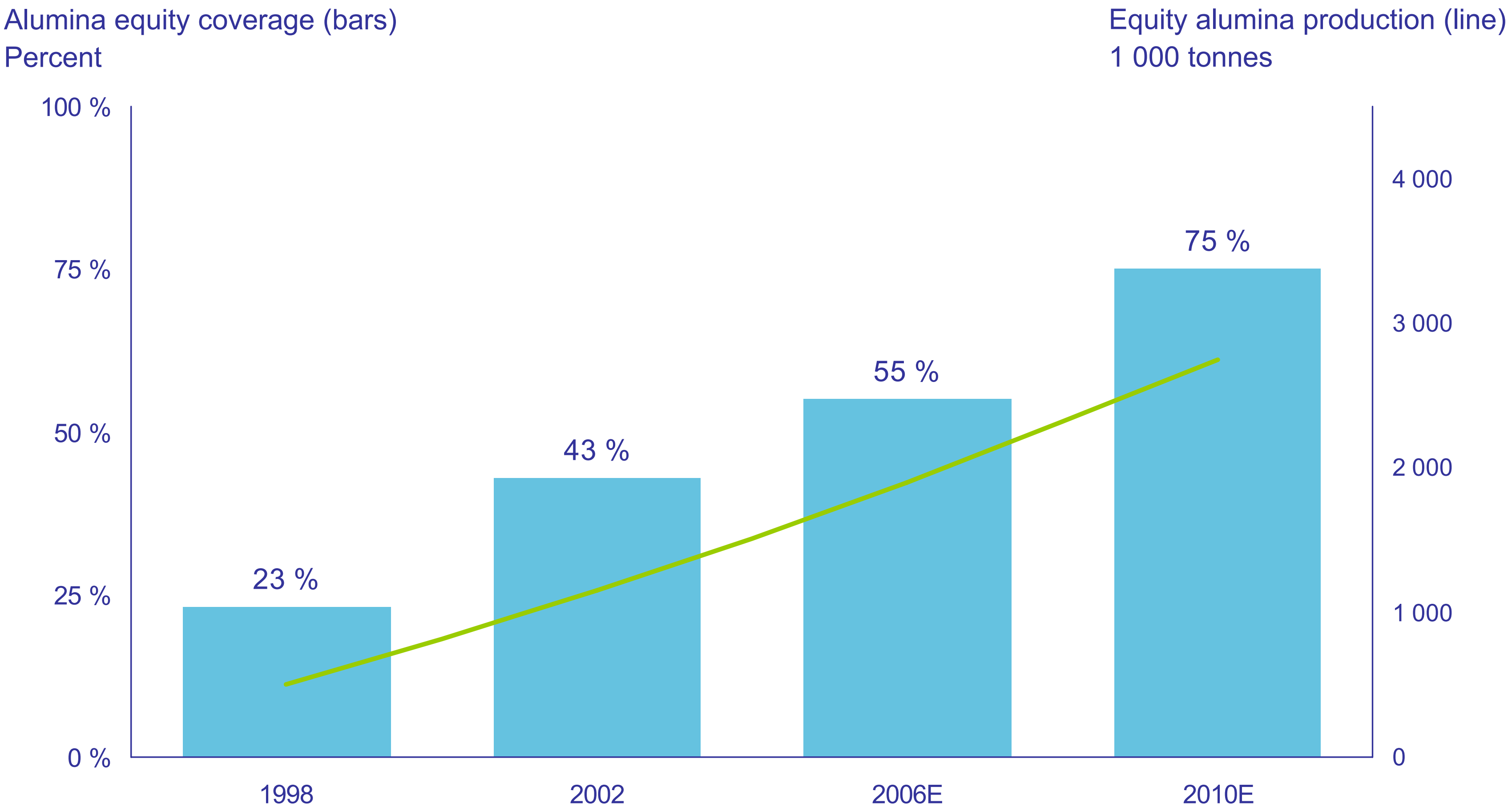
* Will be sanctioned in December 2006

Rising smelter cost for the industry



Source: CRU (Corporate operating cost definition)

Increasing alumina equity coverage for Hydro



Investor Relations in Hydro

Investor Relations in Hydro

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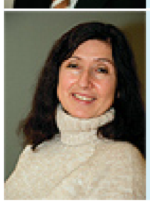	**Irene Raposo**	**Investor Relations Secretary**	irene.raposo@hydro.com	**t** **+47 22 53 31 53** **m** **+47 414 02 174**

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