HYDRO

Second quarter 2007

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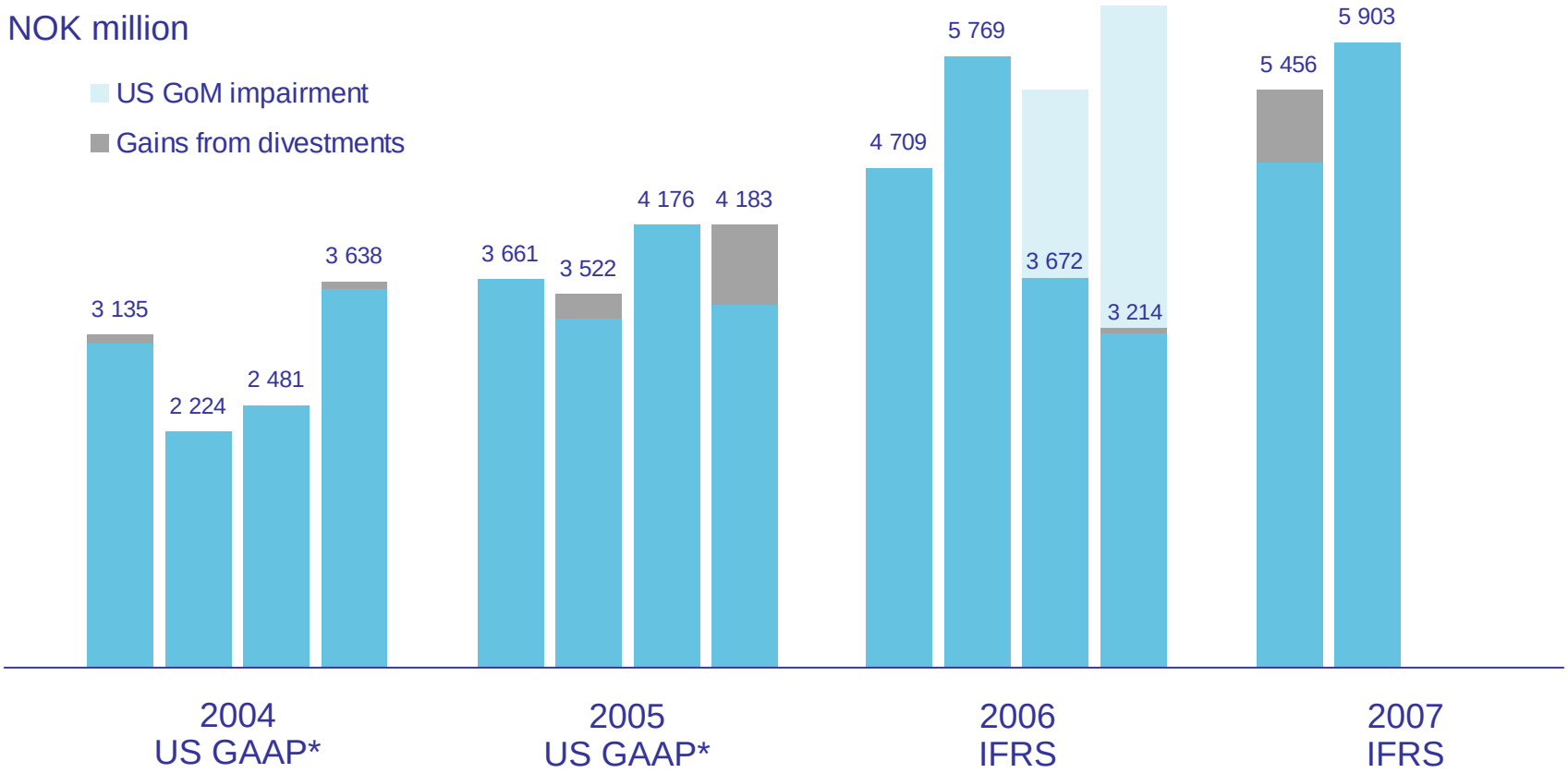
Highlights second quarter

- Strong results in all businesses
- Favorable market conditions
- Final approval of Qatalum
- Agreement to develop new alumina refinery in Brazil
- Ormen Lange 97 percent complete, on track for October start-up
- Shareholders' and regulatory approval of oil and gas merger

Net income from continuing operations



Accumulated				
US GAAP*	11 477	15 542	17 224	
IFRS			17 364	11 360

* US GAAP figures are not adjusted for reclassification of Polymers as discontinued operations and 2007 changes in US GAAP accounting principles

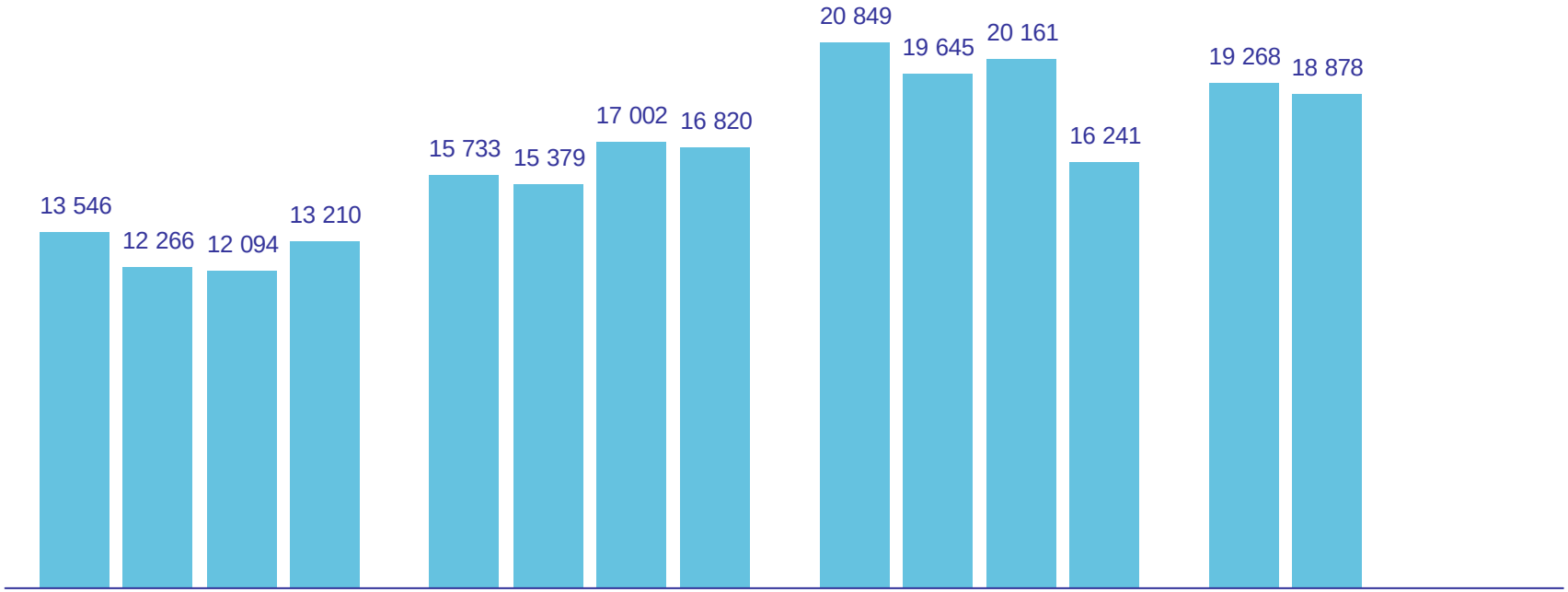
Consolidated income statements

NOK million	Q2 2007	Q1 2007	Q2 2006
Revenue	46 529	46 865	48 026
Share of the profit in equity accounted investments	350	283	358
Other income, net	301	1 075	432
Revenues and income	**47 180**	**48 224**	**48 816**
Depreciation, amortization and impairment	(4 651)	(4 593)	(4 000)
Other expenses	(28 331)	(28 986)	(29 196)
Earnings before financial items and tax (EBIT)	**14 198**	**14 644**	**15 620**
Financial income (expense), net	820	742	785
Income from continuing operations before tax	15 018	15 386	16 405
Income tax expense	(9 115)	(9 930)	(10 636)
Income from continuing operations	**5 903**	**5 456**	**5 769**
Income from discontinued operations	157	137	164
Net income	**6 060**	**5 594**	**5 932**
Net income attributable to minority interest	108	103	103
Net income attributable to parent	5 952	5 491	5 829
Earnings per share attributable to parent – NOK	4.90	4.50	4.70

For calculation of EPS Q2 2007: 1 226 647 365, Q1 2007: 1 226 175 885, Q2 2006: 1 247 199 793 shares

Adjusted EBITDA

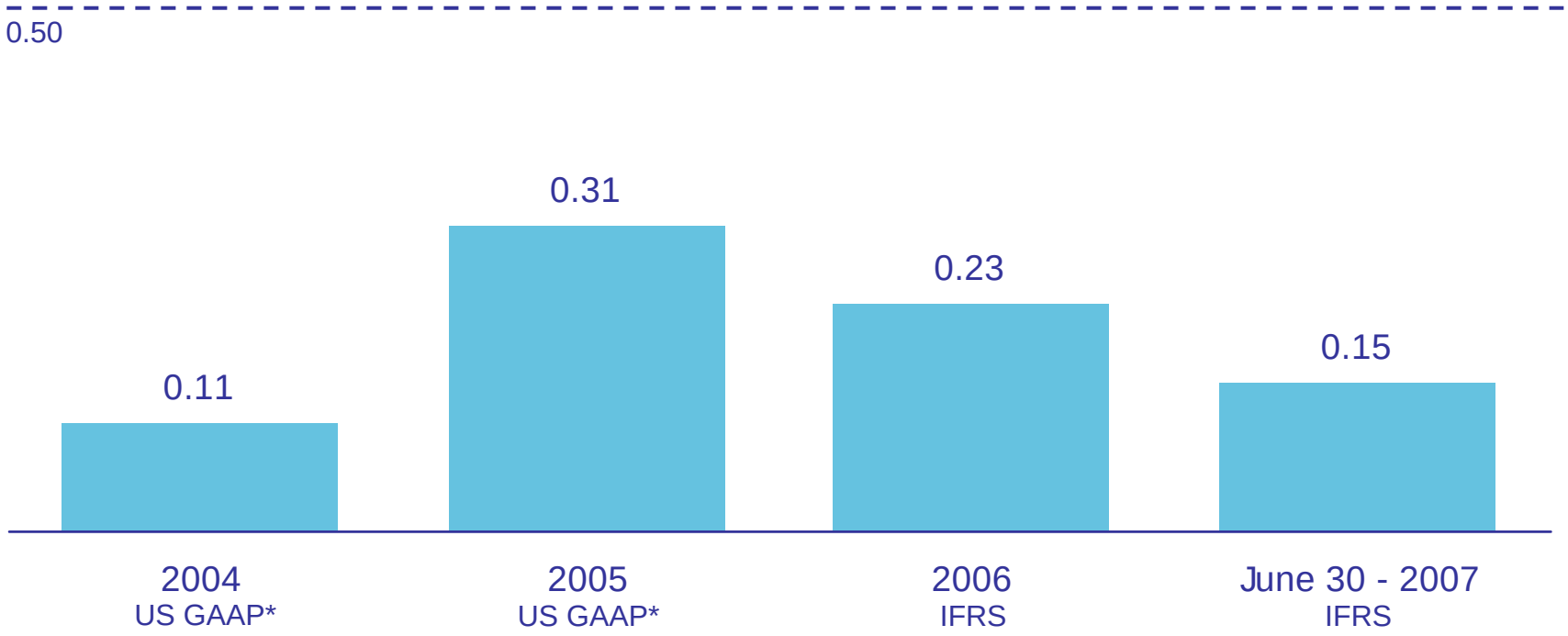
NOK million



2004	2005	2006	2007
US GAAP*	US GAAP*	IFRS	IFRS
Accumulated			
51 116*	64 933*	76 895	38 146

* US GAAP figures are not adjusted for reclassification of Polymers as discontinued operations and 2007 changes in US GAAP accounting principles

Adjusted net debt/equity ratio



Interest-bearing debt + net pension liability (tax adjusted) + operating lease commitments (discounted) – cash and cash equivalents – short term investments divided by shareholders' equity + minority interest

* US GAAP figures are not adjusted for reclassification of Polymers as discontinued operations and 2007 changes in US GAAP accounting principles

Oil & Energy highlights

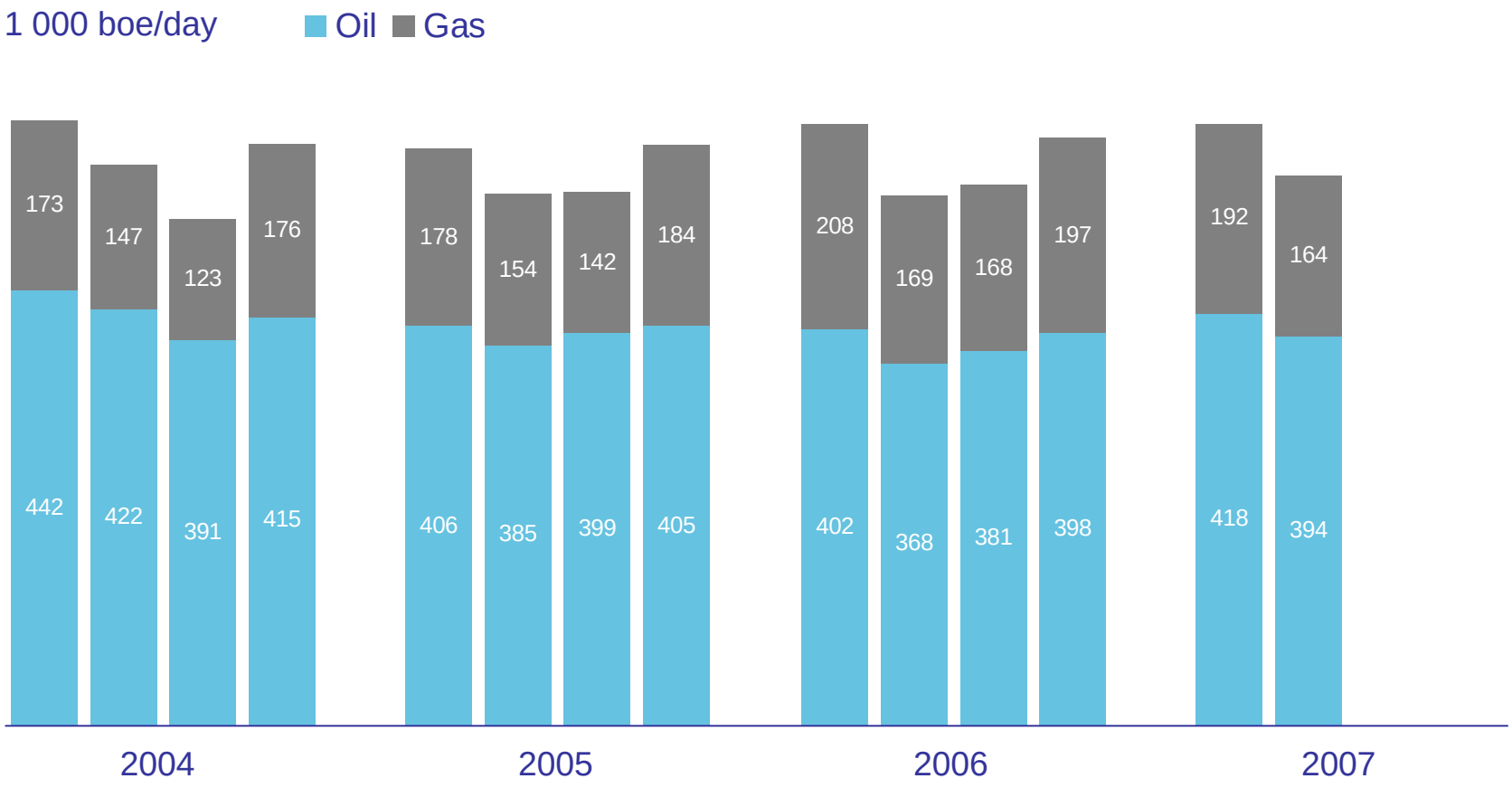
- Oil and gas production 558 000 boed
- Record-high international production
- Ormen Lange phase I on time and budget
- Vega and Vega South development plan approved
- StatoilHydro preparation on schedule

Oil & Energy key figures

Operational data	Q2 2007	Q1 2007	Q2 2006
Oil and gas production (1 000 boe/day)	558	610	537
Realized oil price, USD/boe	67.2	55.9	67.9
Realized oil price, NOK/boe	403.3	347.8	422.2
Realized gas price, NOK/Sm³	1.62	1.90	1.79
Exploration expense, NOK million	653	786	618

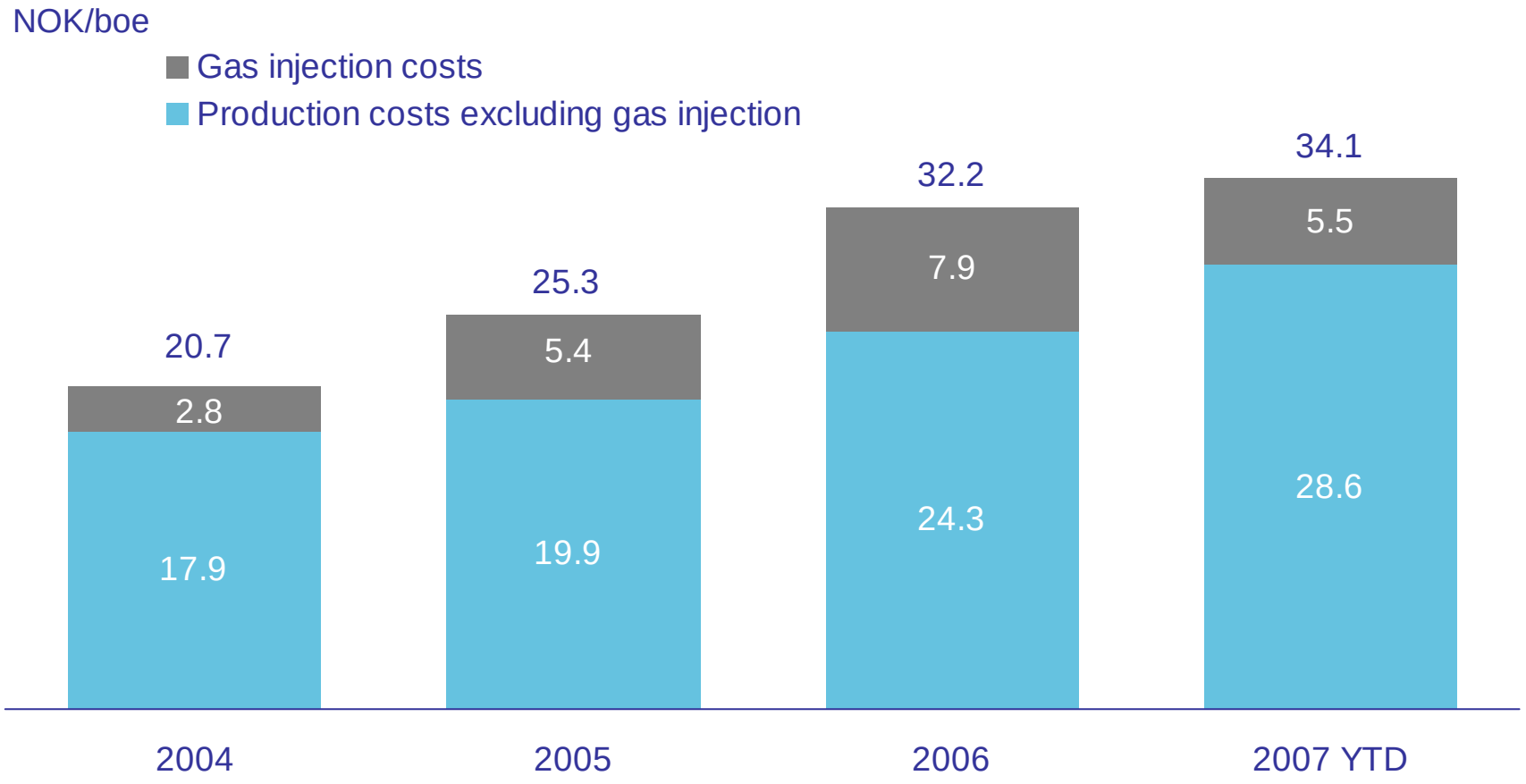
EBIT, NOK million	Q2 2007	Q1 2007	Q2 2006
Exploration and Production	10 857	10 146	11 675
Energy and Oil Marketing	987	1 310	1 178
Eliminations	(389)	(290)	344
Oil & Energy	**11 455**	**11 166**	**13 196**

Oil and gas production per quarter

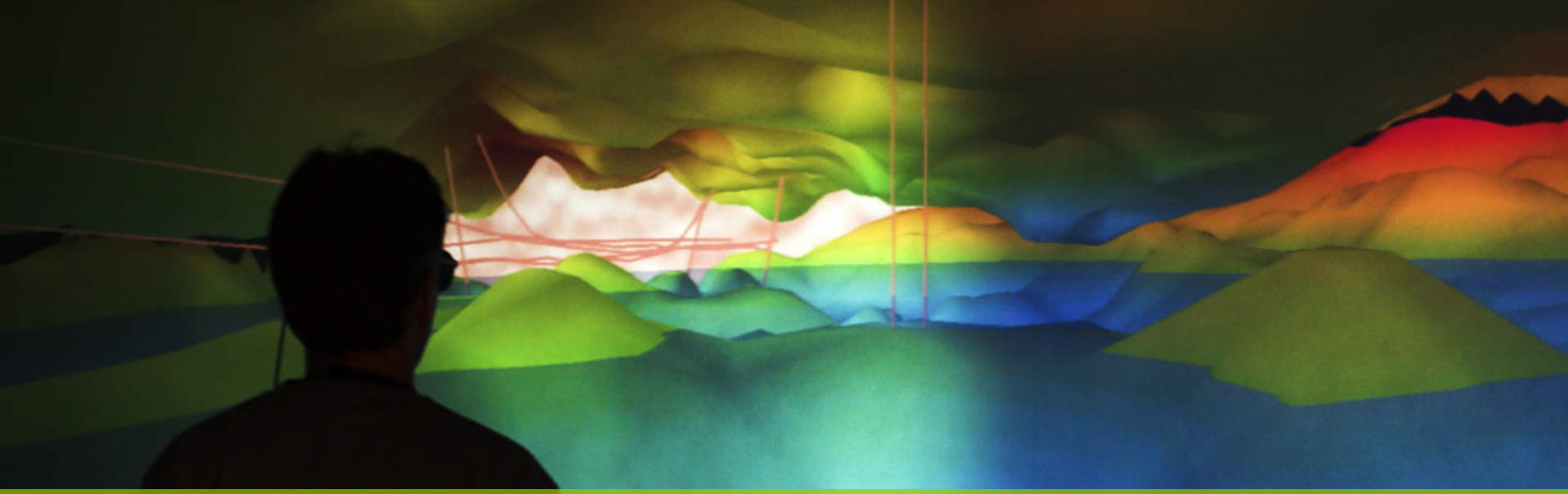


Average			
572	563	573	584

Production costs per barrel



Production in million boe			
209	206	209	106



Exploration activity

- Nine wells completed in Q2
- Seven new discoveries in Q2
  - Four commercial – two in Norway, one in Libya and one in GoM
  - Three under evaluation
  - In addition one discovery in Norway from Q1 declared commercial
- Activity of NOK 904 million

Oil & Energy prospects

- Continued high oil price
- 2007 production target 585 000 boed maintained
- High exploration activity
- Merger with Statoil to be completed 1 October
- Official opening of Ormen Lange 6 October

“New” Hydro

Another strong quarter for “new” Hydro

NOK million	Q2 EBIT (est)	Q2 EBITDA (est)
Aluminium Metal	2 465	3 124
Aluminium Products	355	671
Power	395	415
Corporate and other	(50)	(35)
Total	**3 165**	**4 175**
Special items	(245)	(389)
Total after special items	**2 920**	**3 786**

Significant restructuring of Aluminium executed

- 180 000 tons of high-cost primary capacity closed
  - Final cost NOK 900 million vs estimated NOK 1 000 million
- Majority of automotive component business divested
  - New management in place to turn around Automotive Structures
- Magnesium business exit completed
- Underperforming extrusion units closed or turned around
- Cost-improvement measures in the United States continue

Aluminium Metal highlights

- Record results in first half
- Realized aluminium price USD 2 606 per ton in Q2
- Smelter production 435 000 tons in Q2 as projected
- Impairment write-down US remelters NOK 144 million
- Final Qatalum approval
- New alumina growth initiative in Brazil

Qatalum – mega smelter in key region

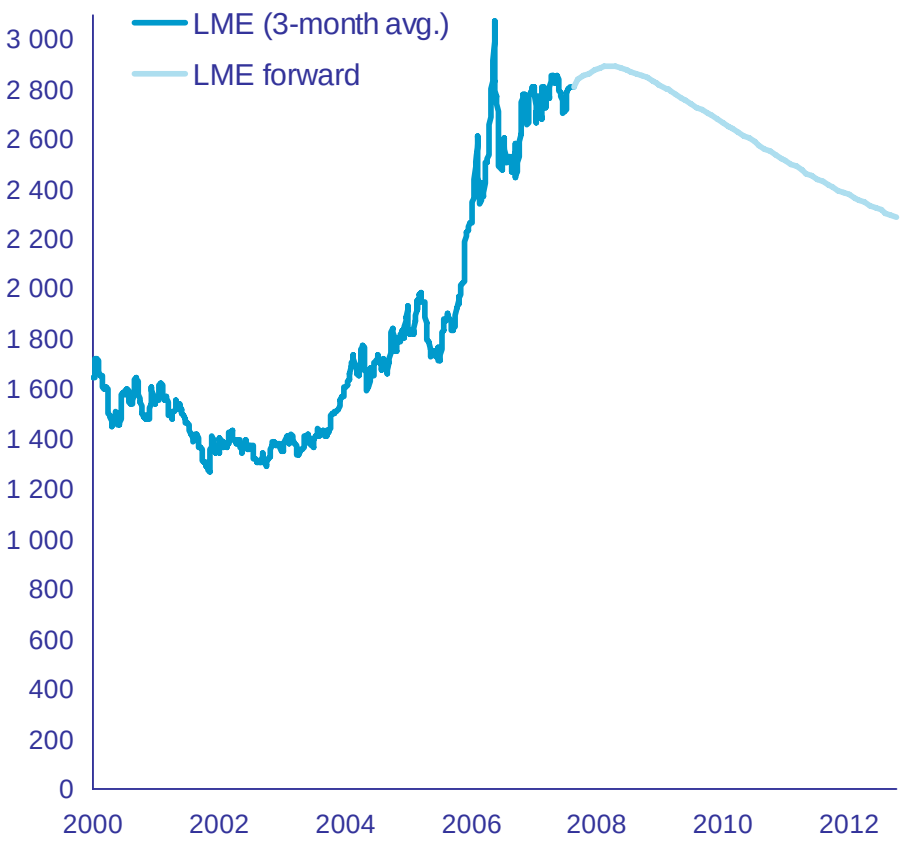
- 50/50 joint venture between Qatar Petroleum and Hydro
- 585 000 tons annually – expansion potential to 1.2 million tons annually
- First quartile operating cost – captive gas power
- Proprietary smelting technology
- Investment cost USD 4.8 billion (100 percent)
  - Including 1 250 MW gas fired power plant of USD 1 billion

Hydro joins alumina project in Brazil

- Agreement with Brazilian mining group CVRD, Hydro share 20 percent
- Alumina refinery to be located 5 km from Alunorte
  - Bauxite supply from CVRD's operation in Paragominas through existing pipeline
  - Hydro and CVRD already partners in Alunorte, the world's largest alumina refinery
- Final production 7.4 million tons alumina annual capacity
  - Four-stage development, each 1.85 million tons
- Investment estimate first stage USD 1.5 billion (100 percent)
  - Final build decision expected Q1 2008
  - Production start-up scheduled first half 2011

Aluminium market price – 3 month LME

USD per mt



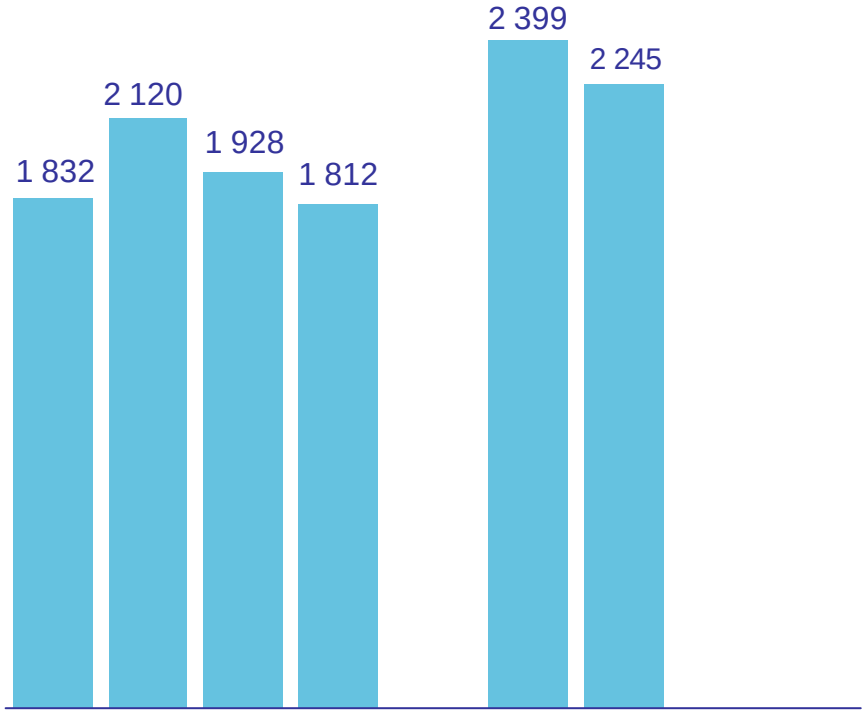
Primary aluminium LME	USD/ton
Q2 2007 average	2 799
Q2 2007 end	**2 725**
Q1 2007 average	2 746
Q1 2007 end	**2 780**
Average 2007 (1st half)	2 772
Average 2006 (year)	2 594

Source: Reuters Ecowin / Bloomberg, weekly average, forward curve as of 20 July 2007

Aluminium Metal EBIT

Adjusted for special items

NOK million



	2006	2007
Adjusted EBIT	7 692	4 644
Reported EBIT	7 302	4 999

- Realized aluminium price
  - USD 2 606 per ton
    - +1% vs Q1 2007, +10% vs Q2 2006
  - NOK 16 174 per ton
    - -2% vs Q1 2007, +5% vs Q2 2006
- Reduced price in NOK main reason for lower Q2 EBIT
- Primary production 435 000 tons
- Strong casthouse product premiums in Europe
- Strong contribution from Alunorte

Aluminium Metal prospects

- Continued high aluminum prices
- 83 percent of Q3 production sold at 2 606 USD/ton end June
  - Including full effect of strategic hedges
- Continued weak USD will have negative impact
- European market conditions remain strong
- 2007 production target 1 730 000 tons maintained

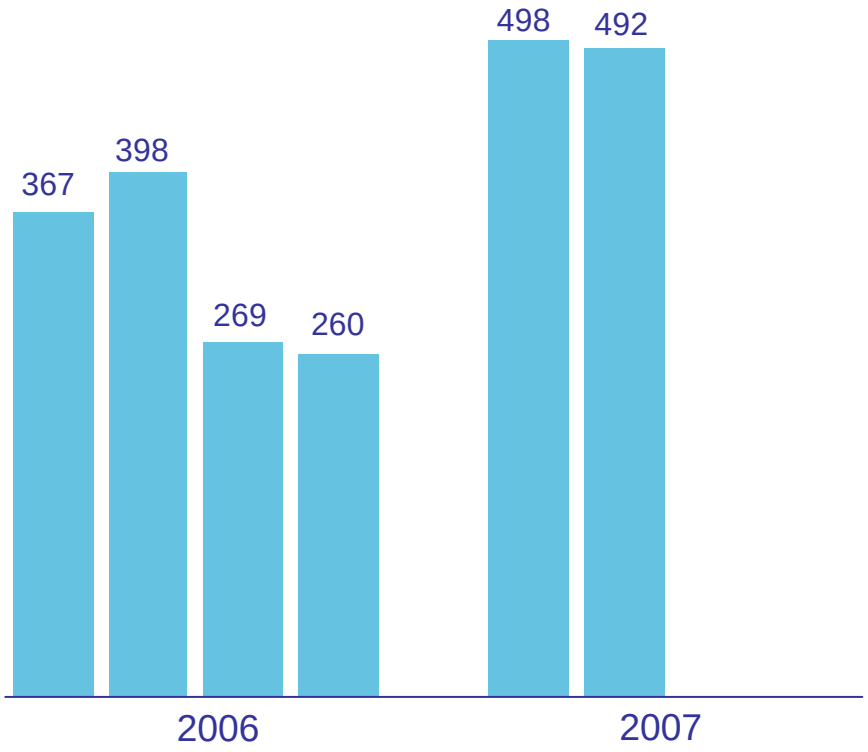
Aluminium Products highlights

- Underlying results remain strong
- Solid markets for Extrusion and Rolled Products in Europe
- Continued portfolio restructuring
- Challenging US markets
  - Cost-improvement measures implemented

Aluminium Products EBIT

Adjusted for special items

NOK million



	2006	2007
Adjusted EBIT	1 294	990
Reported EBIT	(104)	1 670

- Rolled Products
  - Margin and volume improvement
- Extrusion
  - Positive margin development
  - Volumes stable
  - Weak results in the US
- Automotive
  - Weak results
  - Divested activities (Castings) included in Q1 with EBIT of NOK 79 million
- Focus on cash generation first half
  - EBITDA* NOK 1 652 million
  - Investments NOK 166 million

* Excluding special items

Aluminium Products prospects

- Favorable outlook for main European markets
- Weak US markets
- Seasonal reduction in volumes in second half of 2007
- Ensure value creation from restructured portfolio

Priorities

- Operational excellence in all businesses
- World-class project execution of Qatalum
- Pursue new upstream growth initiatives
- Build on leading downstream market positions
- Final integration with Statoil
- Launch “new” Hydro – Capital Markets Day 6 September

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 review – Risk factors” on page 134 of Hydro’s Annual Report 2006 (including Form 20-F) 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.

Additional information

Adjusted income Q2 2007

NOK million	Reported income	Adjustments	Adjusted income
Exploration and Production	10 857	(323)	10 534
Energy and Oil Marketing	987	117	1 104
Eliminations	(389)	390	1
Oil & Energy	11 455	184	11 639
Aluminium Metal	2 465	(220)	2 245
Aluminium Products	355	137	492
Other activities	32	–	32
Corporate and eliminations	(109)	(135)	(244)
Total EBIT	14 198	(34)	14 164
Financial income (expense), net	820	(713)	107
Income continuing operations before tax and minority interest	15 018	(747)	14 271
Income tax expense [1)]	(9 115)	453	(8 661)
Income from continuing operations	5 903	(294)	5 610

1) Estimated tax effect on income statement adjustments using the quarterly marginal tax rate of 60.7%

Special items impacting income statement Q2 2007

		NOK million
Unrealized (gains)/losses on oil and gas derivatives, Spinnaker	Exploration & Production	(9)
Unrealized (gains)/losses on gas contracts	Exploration & Production	(314)
Unrealized (gains)/losses on gas contracts	Energy and Oil Marketing	144
Unrealized (gains)/losses on power contracts	Energy and Oil Marketing	(27)
Unrealized (gains)/losses on gas and power contracts	Eliminations Oil & Energy	390
Total impact	**Oil & Energy**	**184**
Closure costs	Aluminium Metal	66
Impairment Ellenville and St. Augustine	Aluminium Metal	144
Unrealized (gains)/losses on LME contracts	Aluminium Metal	(193)
Unrealized (gains)/losses on power contracts	Aluminium Metal	(175)
Associates/JVs – unrealized currency (gains)/losses Alunorte	Aluminium Metal	(77)
Associates/JVs – unrealized (gains)/losses on LME contracts Alunorte	Aluminium Metal	40
Associates/JVs – unrealized (gains)/losses power contracts Søral	Aluminium Metal	(25)
Total impact	**Aluminium Metal**	**(220)**
Inventory (gains)/losses	Rolled Products	28
Rationalization costs US	Extrusion	63
Net gain on disposed business	Automotive	15
Unrealized (gains)/losses on LME contracts	Other and Eliminations	31
Total impact	**Aluminium Products**	**137**
Unrealized (gains)/losses on power and NGL contracts	Corporate and Eliminations	(135)
Total impact	**Corporate and Eliminations**	**(135)**
Net impact on EBIT	**Hydro**	**(34)**
Net foreign exchange (gain)/loss	Hydro	(713)
Net impact on income continuing operations before tax and minority interest	**Hydro**	**(747)**
Marginal tax rate [1)]	Hydro	60.7%
Estimated impact on income tax expense	Hydro	453
Net impact on income from continuing operations	**Hydro**	**(294)**

1) Estimated tax effect on income statement adjustments using the quarterly marginal tax rate of 60.7%

Adjusted income Q2 2006

NOK million	Reported income	Adjustments	Adjusted income
Exploration and Production	11 675	125	11 800
Energy and Oil Marketing	1 178	(231)	947
Eliminations	344	(344)	–
Oil & Energy	13 196	(450)	12 746
Aluminium Metal	2 333	(213)	2 120
Aluminium Products	326	72	398
Other activities	32	–	32
Corporate and eliminations	(267)	110	(157)
Total EBIT	15 620	(481)	15 139
Financial income (expense), net	785	(781)	4
Income continuing operations before tax and minority interest	16 405	(1 262)	15 143
Income tax expense [1)]	(10 636)	818	(9 818)
Income continuing operations	5 769	(444)	5 325

1) Estimated tax effect on income statement adjustments using the quarterly marginal tax rate of 64.8%

Special items impacting income statement Q2 2006

		NOK million
Unrealized (gains)/losses on oil and gas derivatives, Spinnaker	Exploration & Production	163
Unrealized (gains)/losses on gas contracts	Exploration & Production	(38)
Unrealized (gains)/losses on gas contracts	Energy and Oil Marketing	(112)
Unrealized (gains)/losses on power contracts	Energy and Oil Marketing	(49)
Business combination acquisition cost adjustment	Energy and Oil Marketing	(70)
Unrealized (gains)/losses on gas and power contracts	Eliminations Oil & Energy	(344)
Total impact	**Oil & Energy**	**(450)**
Closure costs	Aluminium Metal	11
Unrealized (gains)/losses on LME contracts	Aluminium Metal	(217)
Unrealized (gains)/losses on power contracts	Aluminium Metal	(25)
Associates/JVs – unrealized currency (gains)/losses Alunorte	Aluminium Metal	10
Associates/JVs – unrealized (gains)/losses on LME contracts Alunorte	Aluminium Metal	3
Associates/JVs – unrealized (gains)/losses power contracts Søral	Aluminium Metal	5
Total impact	**Aluminium Metal**	**(213)**
Inventory (gains)/losses	Rolled Products	(149)
Impairment Ellenville	Extrusion	116
Closure costs Magnesium	Automotive	69
Impairment losses	Automotive	23
Unrealized (gains)/losses on LME contracts	Other and Eliminations	13
Total impact	**Aluminium Products**	**72**
Unrealized (gains)/losses on power and NGL contracts	Corporate and Eliminations	175
Elimination of demanning costs Magnesium operations Porsgrunn	Corporate and Eliminations	(65)
Total impact	**Corporate and Eliminations**	**110**
Net impact on EBIT	**Hydro**	**(481)**
Net foreign exchange (gain)/loss	Hydro	(781)
Net impact on income continuing operations before tax and minority interest	**Hydro**	**(1 262)**
Marginal tax rate [1)]	Hydro	64.8%
Estimated impact on income tax expense	Hydro	818
Net impact on income continuing operations	**Hydro**	**(444)**

1) Estimated tax effect on income statement adjustments using the quarterly marginal tax rate of 64.8%

Estimated EBIT and EBITDA for “new” Hydro 2007

Q1

EBIT (est)	Reported	Special items	Adjusted
Aluminium Metal	2 534	(135)	2 399
Aluminium Products	1 315	(817)	498
Power	300	(22)	278
Corporate and other	(250)	207	(43)
Total	**3 899**	**(767)**	**3 132**

EBITDA (est)	Reported	Special items	Adjusted
Aluminium Metal	3 074	(135)	2 939
Aluminium Products	1 661	(817)	844
Power	328	(22)	306
Corporate and other	(233)	207	(26)
Total	**4 830**	**(767)**	**4 063**

Q2

EBIT (est)	Reported	Special items	Adjusted
Aluminium Metal	2 465	(220)	2 245
Aluminium Products	355	137	492
Power	395	(27)	368
Corporate and other	(50)	(135)	(185)
Total	**3 165**	**(245)**	**2 920**

EBITDA (est)	Reported	Special items	Adjusted
Aluminium Metal	3 124	(364)	2 760
Aluminium Products	671	137	808
Power	415	(27)	388
Corporate and other	(35)	(135)	(170)
Total	**4 175**	**(389)**	**3 786**

Earnings before financial items and tax (EBIT)

NOK million	Q2 2007	Q1 2007	Q2 2006
Exploration and Production	10 857	10 146	11 675
Energy and Oil Marketing	987	1 310	1 178
Eliminations	(389)	(290)	344
Oil & Energy	**11 455**	**11 166**	**13 196**
Aluminium Metal	2 465	2 534	2 333
Aluminium Products	355	1 315	326
Other Activities	32	27	32
Corporate and Eliminations	(109)	(398)	(267)
Total	**14 198**	**14 644**	**15 620**

Variance analysis Hydro

NOK million	First half	Q2
2007	28 842	14 198
2006	32 404	15 620
Variance EBIT	(3 562)	(1 422)
Prices and currency		
- Oil	(624)	(5)
- Gas	(691)	(173)
- LME	2 635	1 604
- Currency	(1 514)	(511)
- Margin	(1 865)	(2 230)
- Volume	1 175	1 579
- Strategic hedges	(370)	(109)
- Derivatives	(1 469)	222
- Associates and JCE	–	23
- Exploration and production costs	151	(269)
- Other operational costs, net	(126)	(705)
- Depreciation incl. impairment	(1 382)	(730)
- Portfolio	517	(120)
Variance EBIT	(3 562)	(1 422)

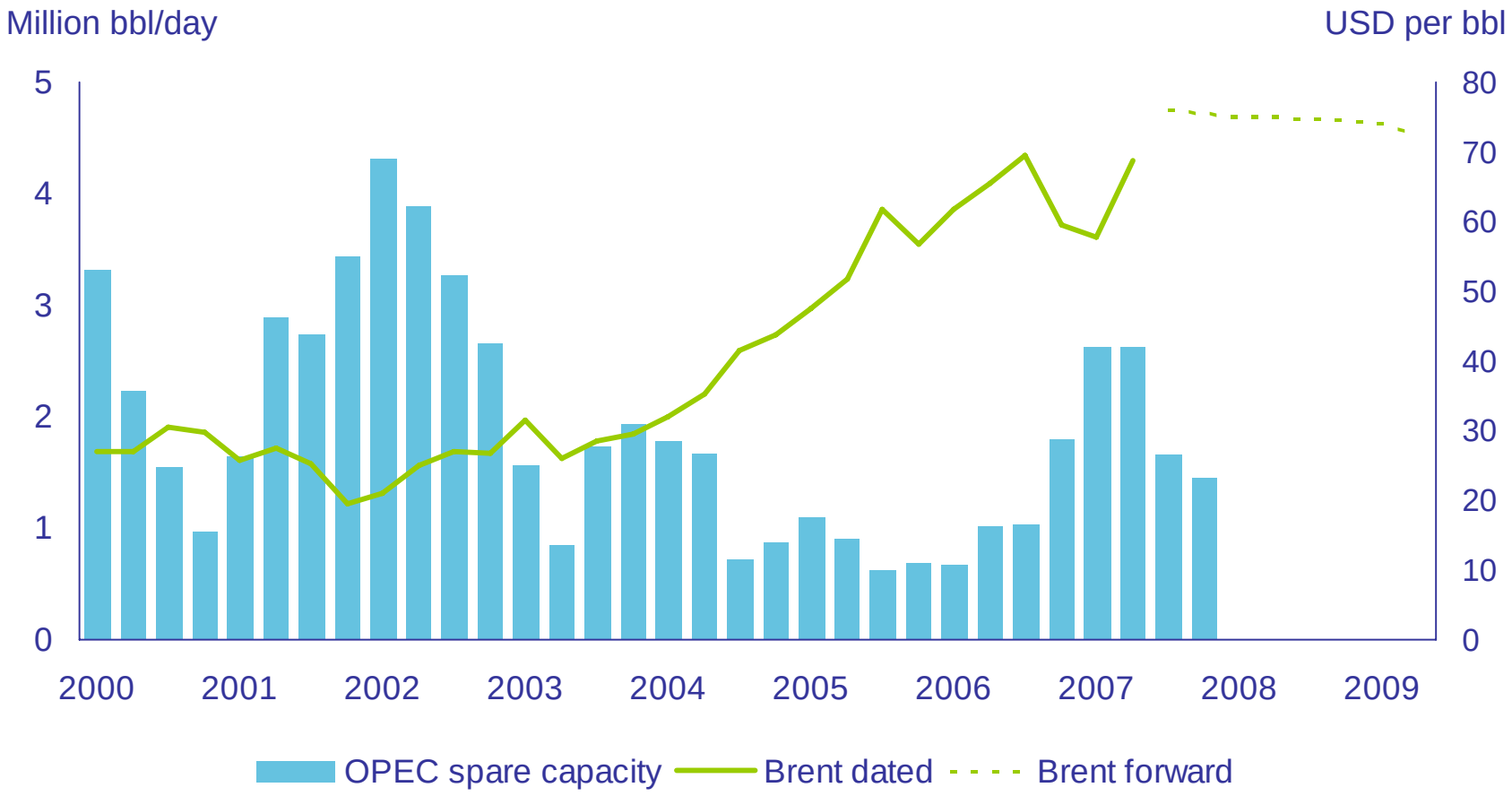
Consolidated balance sheets

NOK million	30 June 2007	31 March 2007	30 June 2006
Cash and cash equivalents	20 896	21 881	7 725
Short-term investments	6 274	14 982	12 669
Receivables and other current assets	42 092	44 377	47 021
Inventories	15 639	16 564	15 985
Assets held for sale	7 167	–	–
Non-current assets	139 163	145 574	150 454
Total assets	**231 232**	**243 377**	**233 854**
Short-term interest-bearing debt	3 391	3 629	3 545
Other current liabilities	56 085	66 426	65 381
Liabilities included in disposal groups	1 956	–	–
Long-term interest-bearing debt	18 479	19 043	19 942
Other long-term liabilities	28 570	29 787	27 480
Deferred tax liabilities	22 975	23 634	26 370
Minority interest	825	848	700
Equity attr. to equity holders of the parent	98 952	100 011	90 436
Total liabilities and equity	**231 232**	**243 377**	**233 854**

Statement of cash flows

NOK million	Six months ended 30 June 2007	Six months ended 30 June 2006
Operating activities:		
Net income	11 654	10 715
Depreciation, amortization and impairment losses	9 245	7 860
Other adjustments	(4 091)	4 405
Net cash provided by operating activities	**16 808**	**22 980**
Investing activities:		
Purchases of property, plant and equipment	(7 100)	(7 171)
Purchases of other long-term investments	(1 540)	(1 546)
Purchases of short-term investments	(4 250)	(10 700)
Proceeds from sales of property, plant and equipment	30	89
Proceeds from sales of other long-term investments	4 199	417
Proceeds from sales of short-term investments	12 950	1 850
Net cash provided (used) in investing activities	**4 289**	**(17 061)**
Financing activities:		
Loan proceeds	15	79
Principal repayments	(739)	(1 553)
Ordinary shares purchased	–	(1 347)
Ordinary shares issued	30	30
Dividends paid	(6 134)	(5 506)
Net cash provided by (used in) financing activities	**(6 828)**	**(8 297)**
Foreign currency effect on cash and bank overdraft	8	(8)
Net cash provided (used) by discontinued operations	380	(305)
Net increase (decrease) in cash, cash equivalents and bank overdraft	**14 657**	**(2 691)**
Cash, cash equivalents and bank overdraft reclassified to assets held for sale	(555)	–
Cash, cash equivalents and bank overdraft at beginning of period	6 674	9 964
Cash, cash equivalents and bank overdraft at end of period	**20 776**	**7 273**

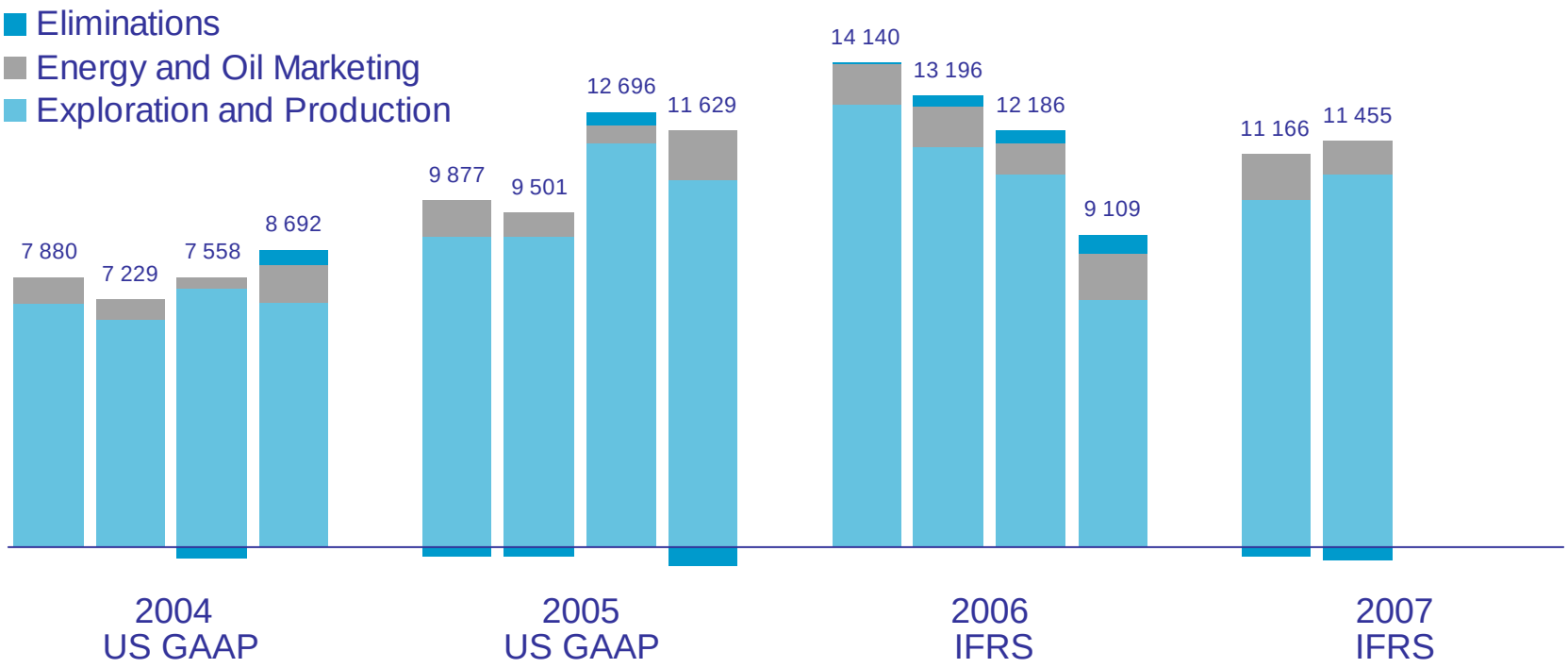
High oil price driven by supply concerns



Sources: Pira, Reuters, Platts

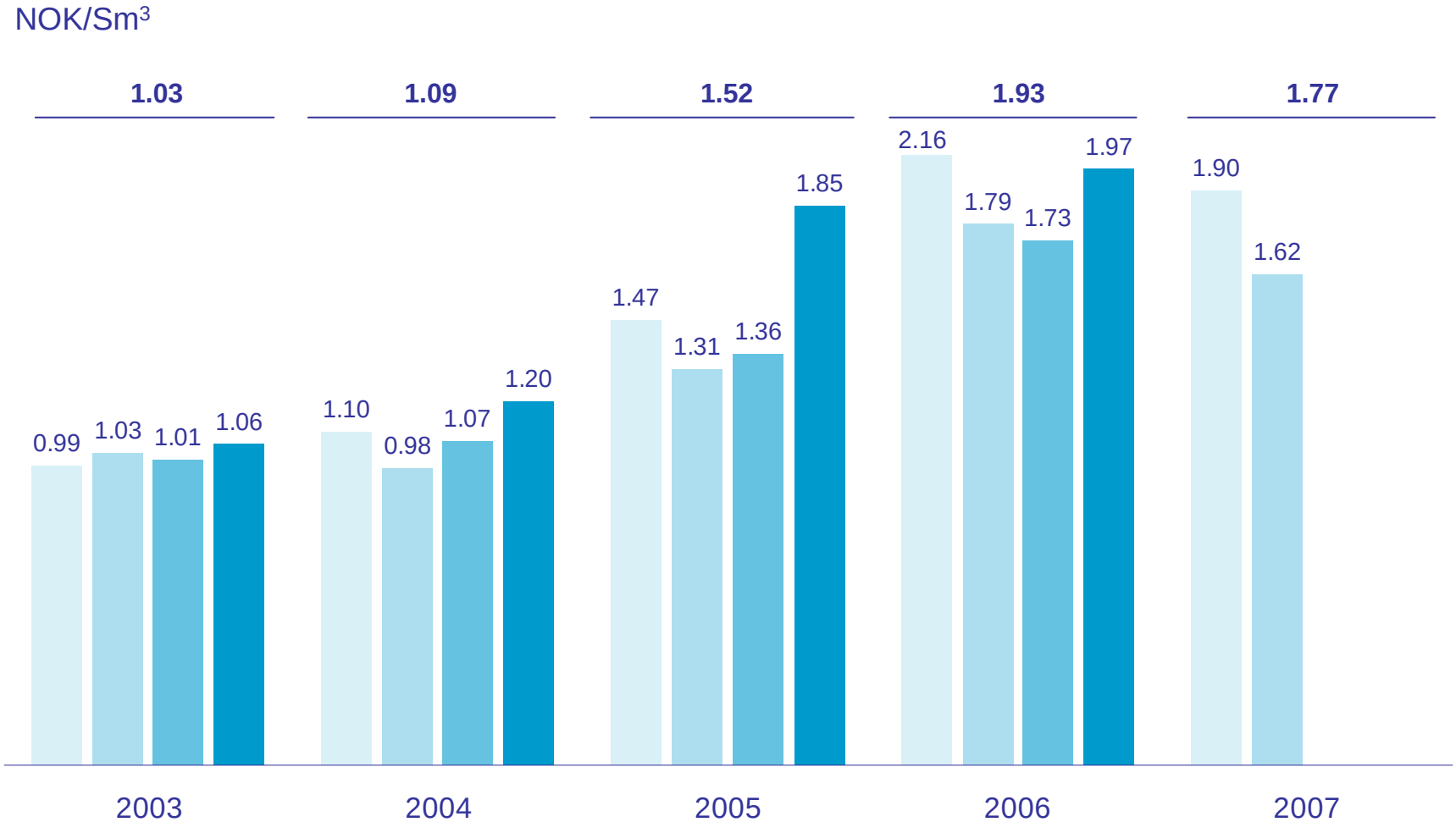
Oil & Energy – EBIT

NOK million



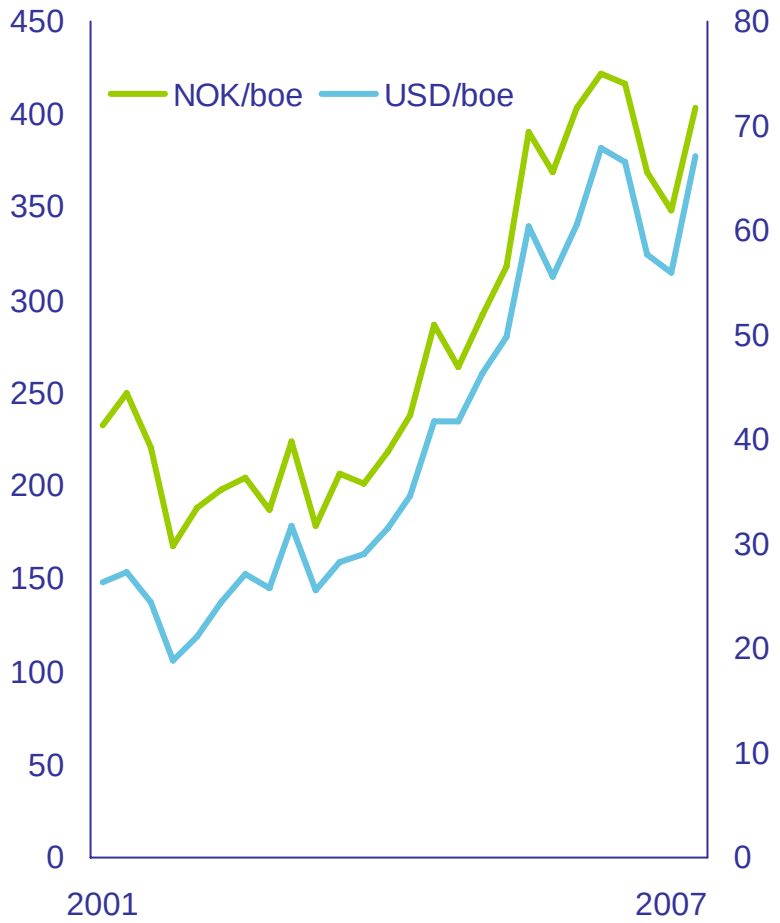
Accumulated			
31 359	43 703	48 632	22 622

Average realized gas prices

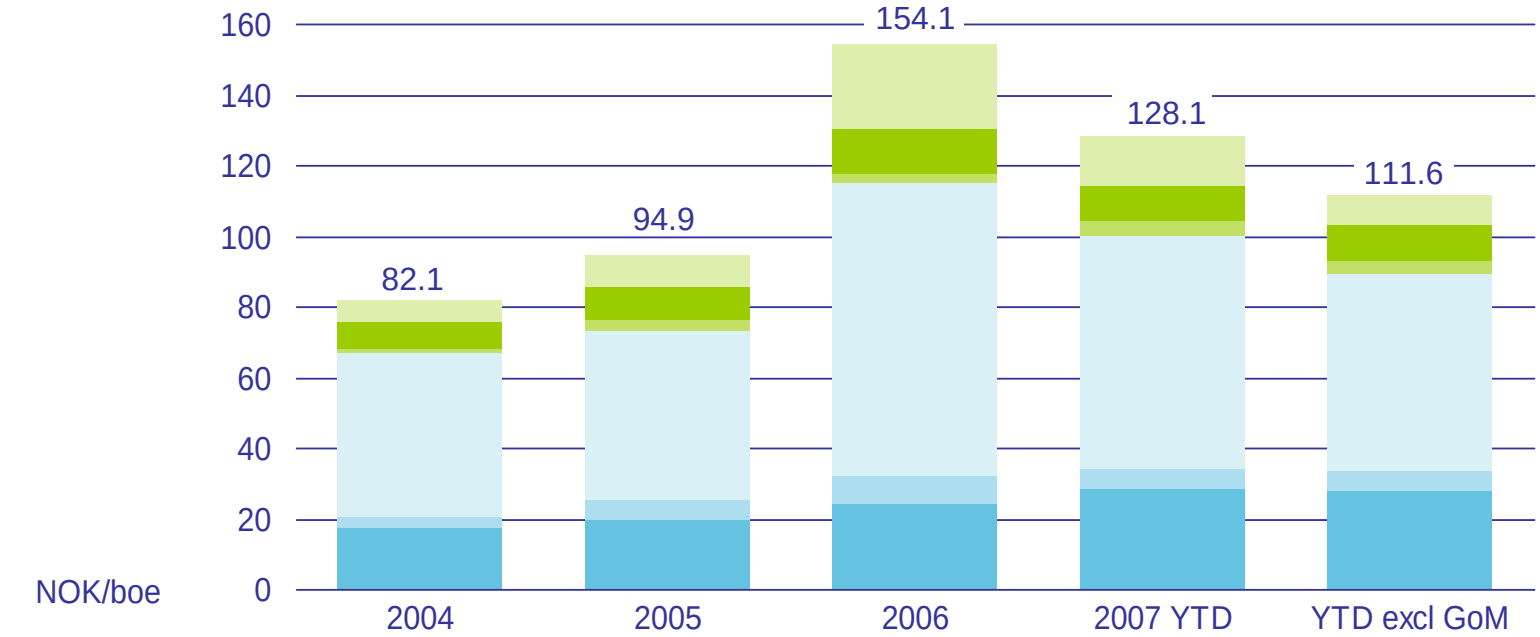


Average prices and exchange rates

	Oil USD/boe	Oil NOK/boe	NOK/USD	Gas NOK/Sm^3
Q1 2005	46.4	291.7	6.29	1.47
Q2 2005	49.8	317.9	6.39	1.31
Q3 2005	60.4	390.6	6.47	1.36
Q4 2005	55.6	368.8	6.63	1.85
Avg. 2005	53.1	342.2	6.44	1.52
Q1 2006	60.6	403.5	6.67	2.16
Q2 2006	67.9	422.2	6.22	1.79
Q3 2006	66.6	420.6	6.32	1.73
Q4 2006	57.8	369.2	6.39	1.97
Avg. 2006	63.1	404.0	6.40	1.93
Q1 2007	55.9	347.8	6.22	1.90
Q2 2007	67.2	403.3	6.00	1.62
Avg. 2007	61.5	375.6	6.11	1.77



Operating costs per boe



	2004	2005	2006	2007 YTD	YTD excl GoM
Exploration	6.0	8.9	23.9	13.6	8.4
Net transportation	8.3	9.4	12.4	10	10.1
Other cost/income	0.7	3	2.7	4.3	3.6
Deprec.& aband.	46.4	48.2	83.1	66.1	55.9
Gas for injection	2.8	5.4	7.9	5.5	5.7
Prod. cost	17.9	19.9	24.3	28.6	27.9
Production million boe	209	206	209	106	101

Oil production per field – Q2

1 000 boe/day oil and NGL/condensate	Share	Hydro Q2 2006	Hydro Q2 2007
Grane	38.00%	84	79
Oseberg incl. C & East	34.00%	48	39
Girasol/Jasmin/Dalia/Rosa	10.00%	7	30
Snorre	17.77%	19	25
Åsgard	9.61%	17	19
Troll	9.78%	21	18
Terra Nova	15.00%	3	18
Ekofisk	5.81-6.65%	24	16
Oseberg South	34.00%	23	16
Gullfaks	9.00%	17	16
Kristin	14.00%	9	12
Fram	25.00%	7	10
US Gulf of Mexico		9	10
Visund	20.30%	3	10
Vigdis	13.28%	6	10
Hibernia	5.00%	9	8
Sleipner Area	8.85-10.00%	5	6
Norne	8.10%	9	6
Tordis	13.28%	5	6
Brage	20.00%	4	5
Kharyaga	40.00%	4	5
Njord	20.00%	5	4
Other fields		31	26
Total oil		**368**	**394**
Gas		**169**	**164**
Total oil and gas		**537**	**558**

Gas production per field – Q2

1 000 boe/day	Share	Hydro Q2 2006	Hydro Q2 2007
Troll	9.78%	48	53
Sleipner Area	8.85-10.00%	18	23
Åsgard	9.61%	15	20
US Gulf of Mexico		11	13
Tune	40.00%	18	12
Kristin	14.00%	6	8
Gullfaks	9.00%	6	6
Oseberg incl C & East	34.00%	10	6
Visund	20.30%	2	5
Oseberg South	34.00%	4	3
Kvitebjørn	15.00%	16	3
Ekofisk	5.81-6.65%	5	3
Mikkel	10.00%	3	3
Other		6	6
Total gas		**169**	**164**
Oil		**368**	**394**
Total oil and gas		**537**	**558**

Oil production per field – first half

1 000 boe/day oil and NGL/condensate	Share	Hydro 2006	Hydro 2007
Grane	38.00%	83	81
Oseberg incl C & East	34.00%	49	43
Snorre	17.77%	23	28
Girasol/Jasmin/Dalia/Rosa	10.00%	10	28
Åsgard	9.61%	18	20
Ekofisk	5.81-6.65%	23	19
Troll	9.78%	22	19
Oseberg South	34.00%	24	18
Terra Nova	15.00%	7	18
Gullfaks	9.00%	18	15
Kristin	14.00%	8	13
Fram	25.00%	7	11
Visund	20.30%	2	11
US Gulf of Mexico		8	10
Vigdis	13.28%	8	10
Hibernia	5.00%	9	7
Sleipner Area	8.85-10.00%	6	7
Tordis	13.28%	6	6
Kharyaga	40.00%	5	5
Norne	8.10%	8	5
Njord	20.00%	5	4
Brage	20.00%	4	4
Other fields		32	24
Total oil		**385**	**406**
Gas		**188**	**178**
Total oil and gas		**573**	**584**

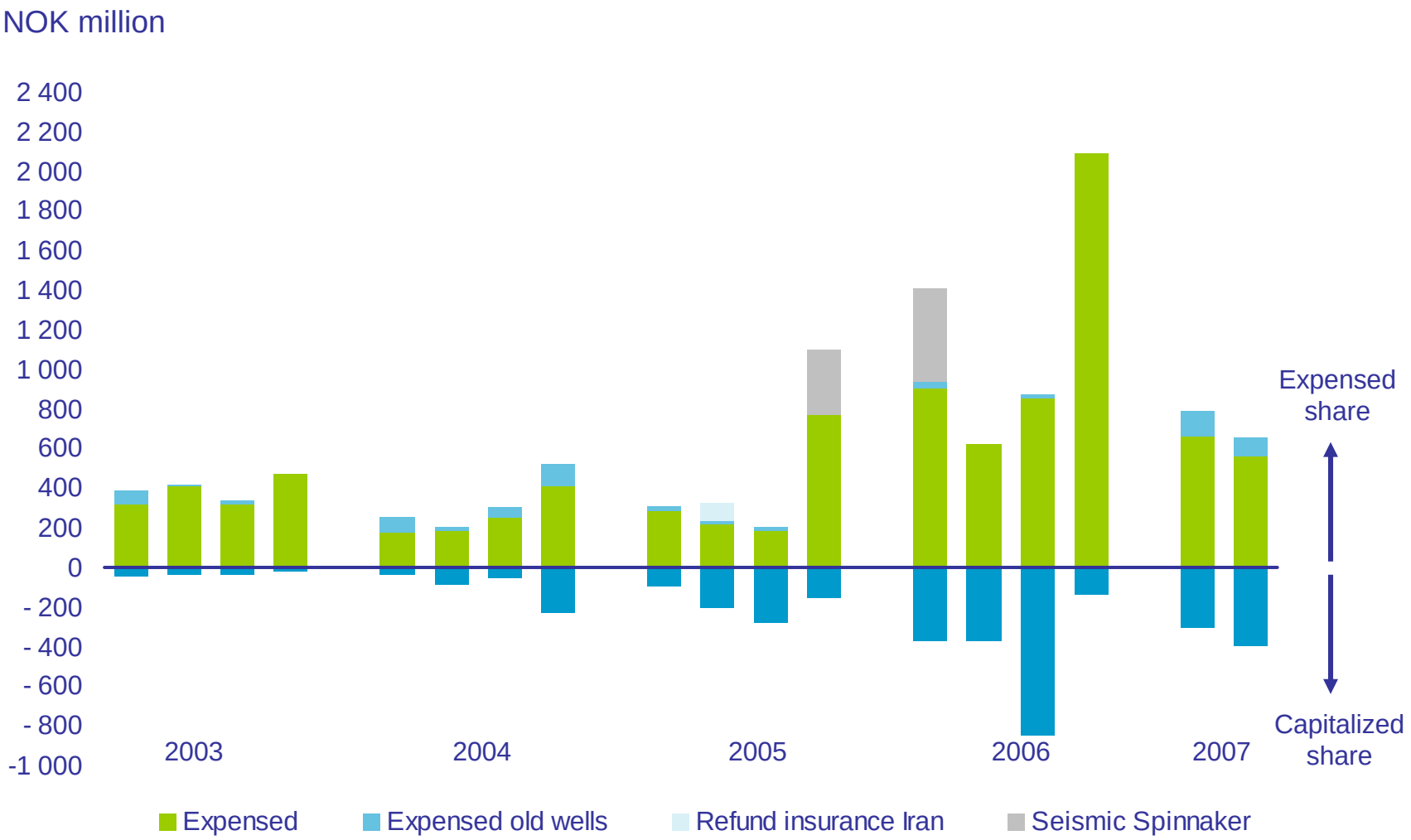
Gas production per field – first half

1 000 boe/day	Share	Hydro 2006	Hydro 2007
Troll	9.78%	51	57
Sleipner Area	8.85-10.00%	21	23
Åsgard	9.61%	16	20
Tune	40.00%	19	13
US Gulf of Mexico		10	13
Oseberg incl C & East	34.00%	22	10
Kristin	14.00%	5	8
Gullfaks	9.00%	7	7
Kvitebjørn	15.00%	16	6
Visund	20.30%	1	6
Oseberg South	34.00%	4	4
Ekofisk	5.81-6.65%	4	4
Mikkel	10.00%	3	3
Other		9	4
Total gas		**188**	**178**
Oil		**385**	**406**
Total oil and gas		**573**	**584**

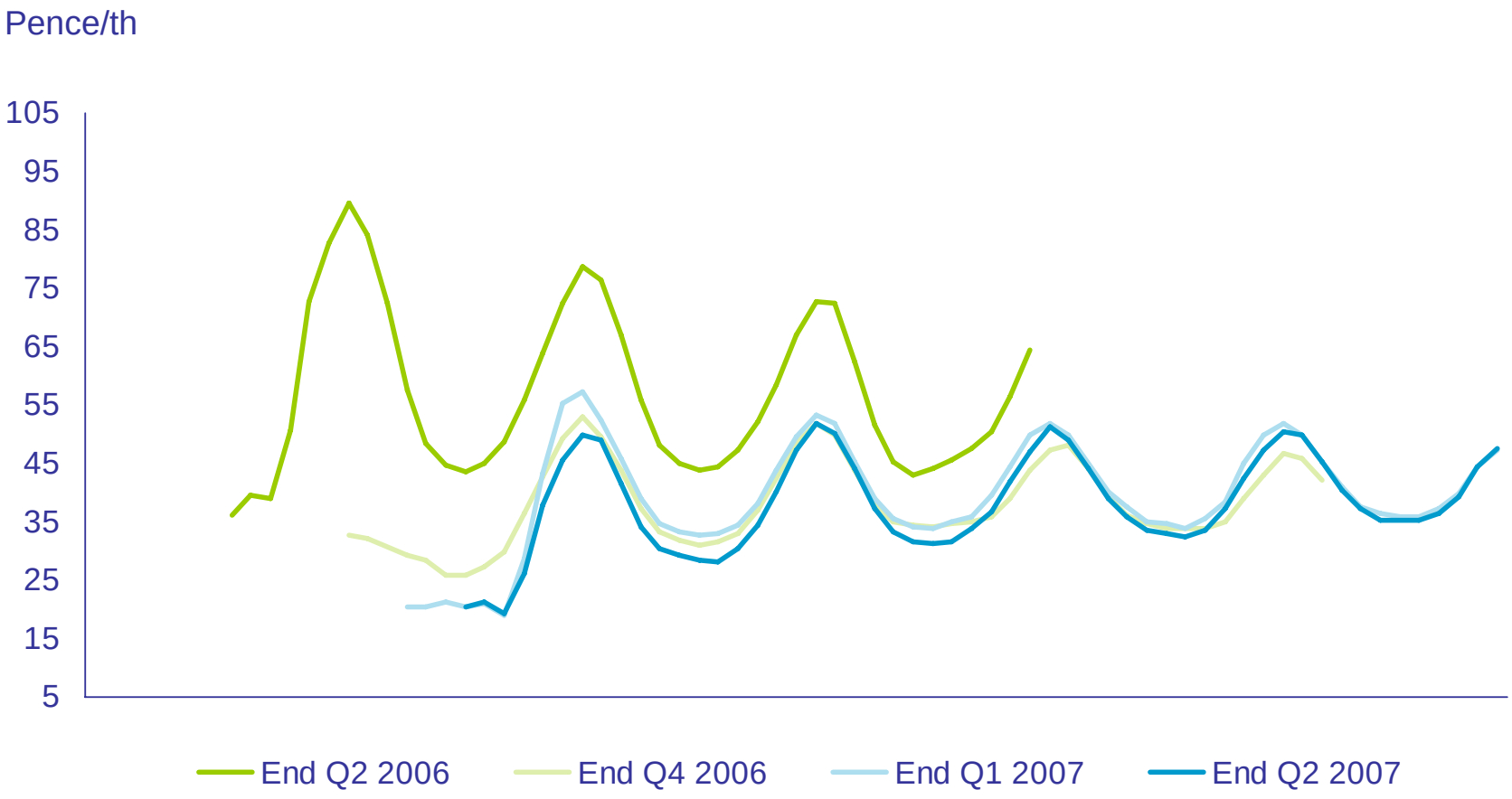
New fields on stream 2007 – 2010

Start year	Field name	Hydro share at peak production (boed)	Country	Type	Operator
2007	Ormen Lange	70 000	Norway	Gas/condensate	Hydro, Shell
	Rosa	14 000	Angola	Oil	Total
	Independence Hub Area	12 500	US GoM	Gas	Hydro, Dominion, Anadarko
	Vilje	10 000	Norway	Oil	Hydro
	Njord Gas	7 800	Norway	Gas	Hydro
	Volve	6 000	Norway	Oil/gas	Statoil
	Rimfaks/Skinfaks	3 000	Norway	Oil/gas	Statoil
	Murzuk NC-186: B&H fields	TBD	Libya	Oil	Repsol
2008	Oseberg Delta	13 200	Norway	Oil/gas	Hydro
	Gimboa	5 500	Angola	Oil	Sonangol/Hydro technical assistant
	Oseberg East Drilling	5 600	Norway	Oil	Hydro
	Alve	3 000	Norway	Gas/condensate	Statoil
2009	Tyrihans	14 000	Norway	Oil	Statoil
	Tune South	4 500	Norway	Oil/gas	Hydro
	Thunder Hawk	10 700	US GoM	Oil/gas	Murphy
2010	Vega	18 000	Norway	Gas/oil	Hydro
	Peregrino	47 000	Brazil	Oil	Hydro, Anadarko

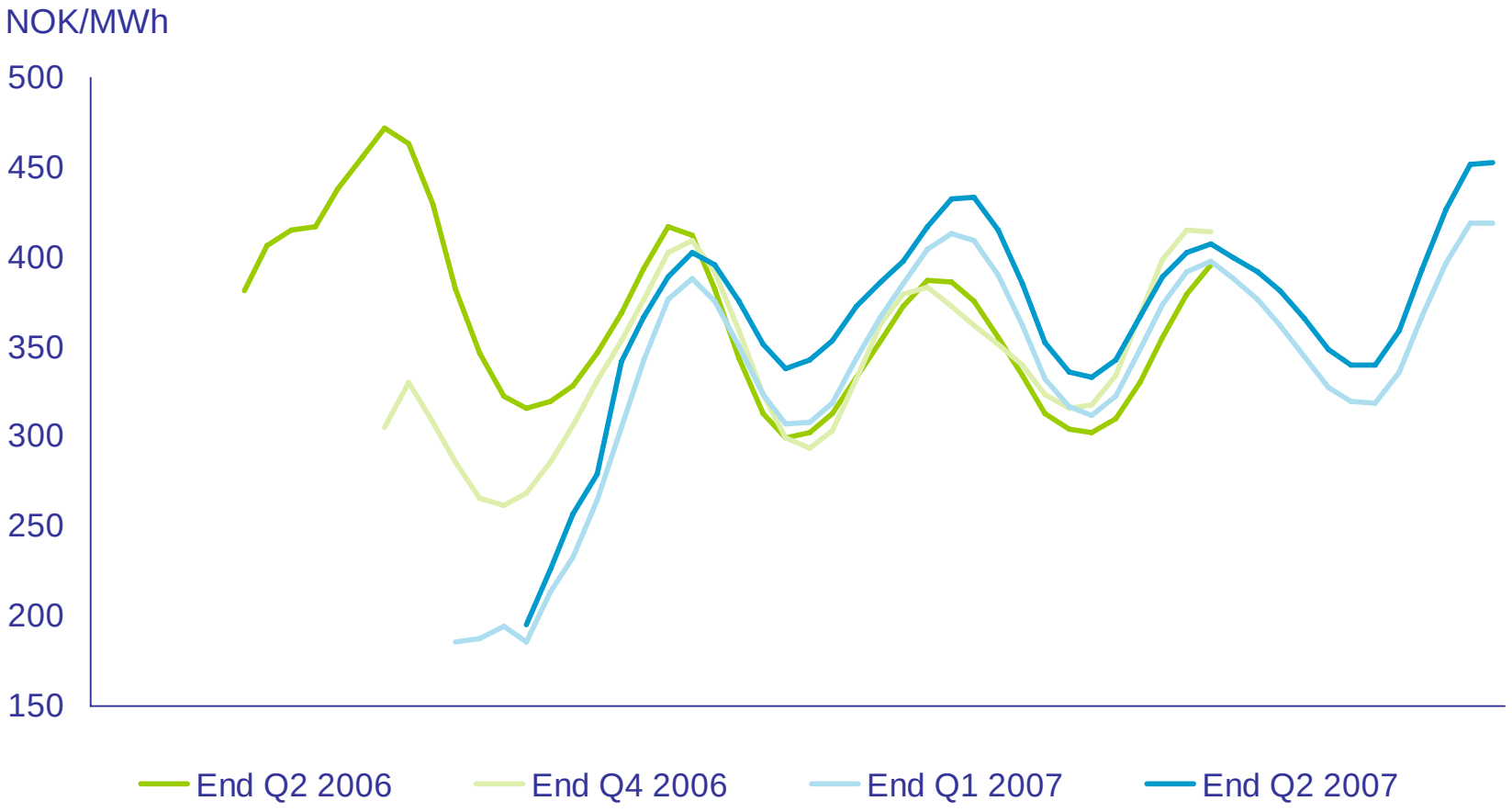
Exploration activity and costs



UK gas prices – NBP forward curves



Nordic power market – forward curves



Variance analysis Oil & Energy

NOK million	First half	Q2
2007	22 622	11 455
2006	27 337	13 196
Variance EBIT	(4 715)	(1 741)
Prices and currency		
- Oil	(624)	(5)
- Gas	(691)	(173)
- Currency	(1 514)	(511)
- Margin	(262)	(818)
- Volume	1 091	1 283
- Derivatives	(1 149)	(79)
- Associates and JCE	(64)	(41)
- Exploration and production costs	151	(269)
- Other operational costs, net	(279)	(390)
- Depreciation incl. impairment	(1 373)	(738)
Variance EBIT	(4 715)	(1 741)

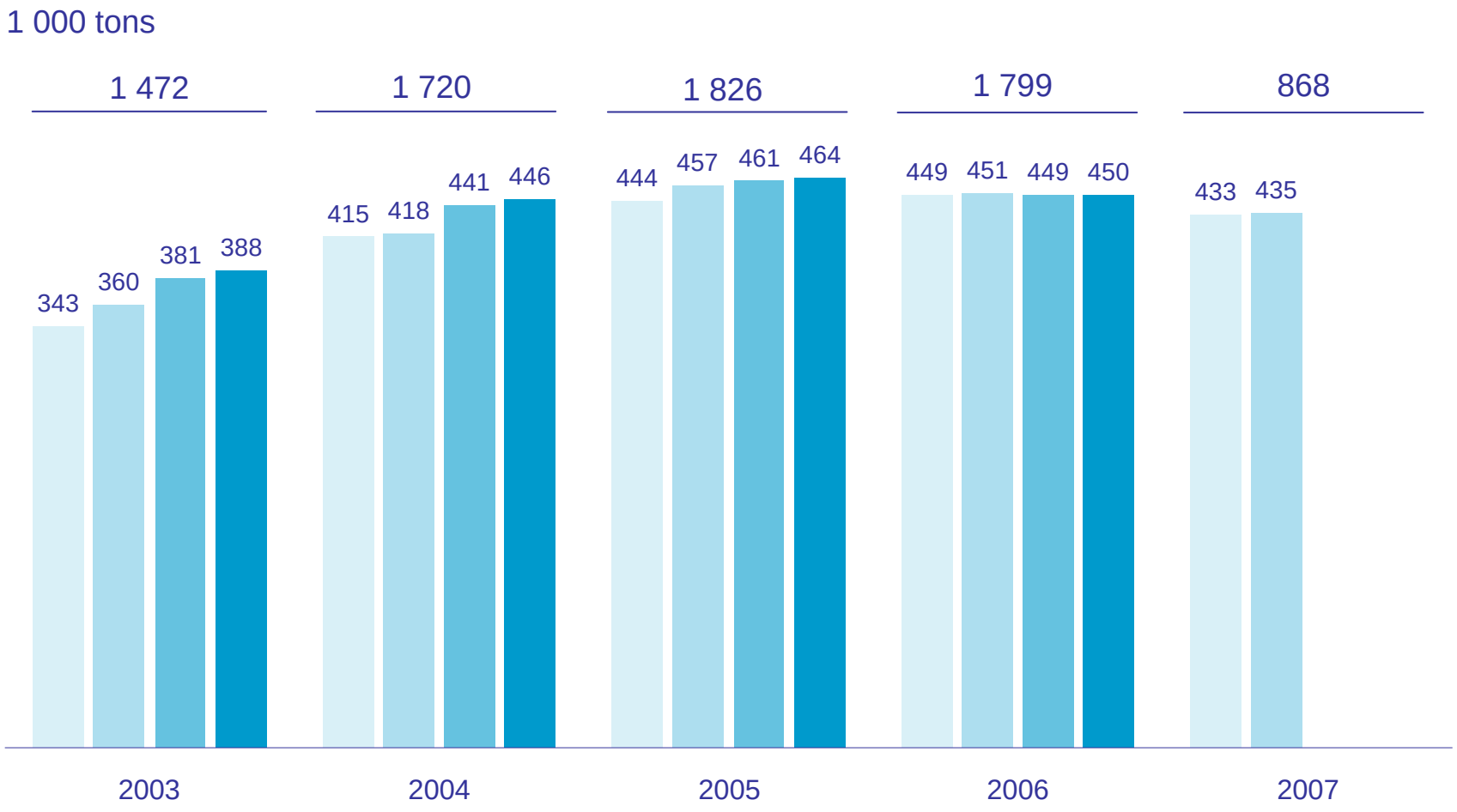
Variance analysis Exploration and Production

NOK million	First half	Q2
2007 2006	21 004 24 601	10 857 11 675
Variance EBIT	(3 598)	(817)
Prices and currency		
- Oil	(624)	(5)
- Gas	(691)	(173)
- Currency	(1 514)	(511)
- Volume	453	613
- Derivatives	124	450
- Associates and JCE	(3)	(2)
- Exploration costs	587	(34)
- Production costs	(435)	(234)
- Other operational costs, net	(129)	(187)
- Depreciation incl. impairment	(1 365)	(734)
Variance EBIT	(3 598)	(817)

Variance analysis Energy and Oil Marketing

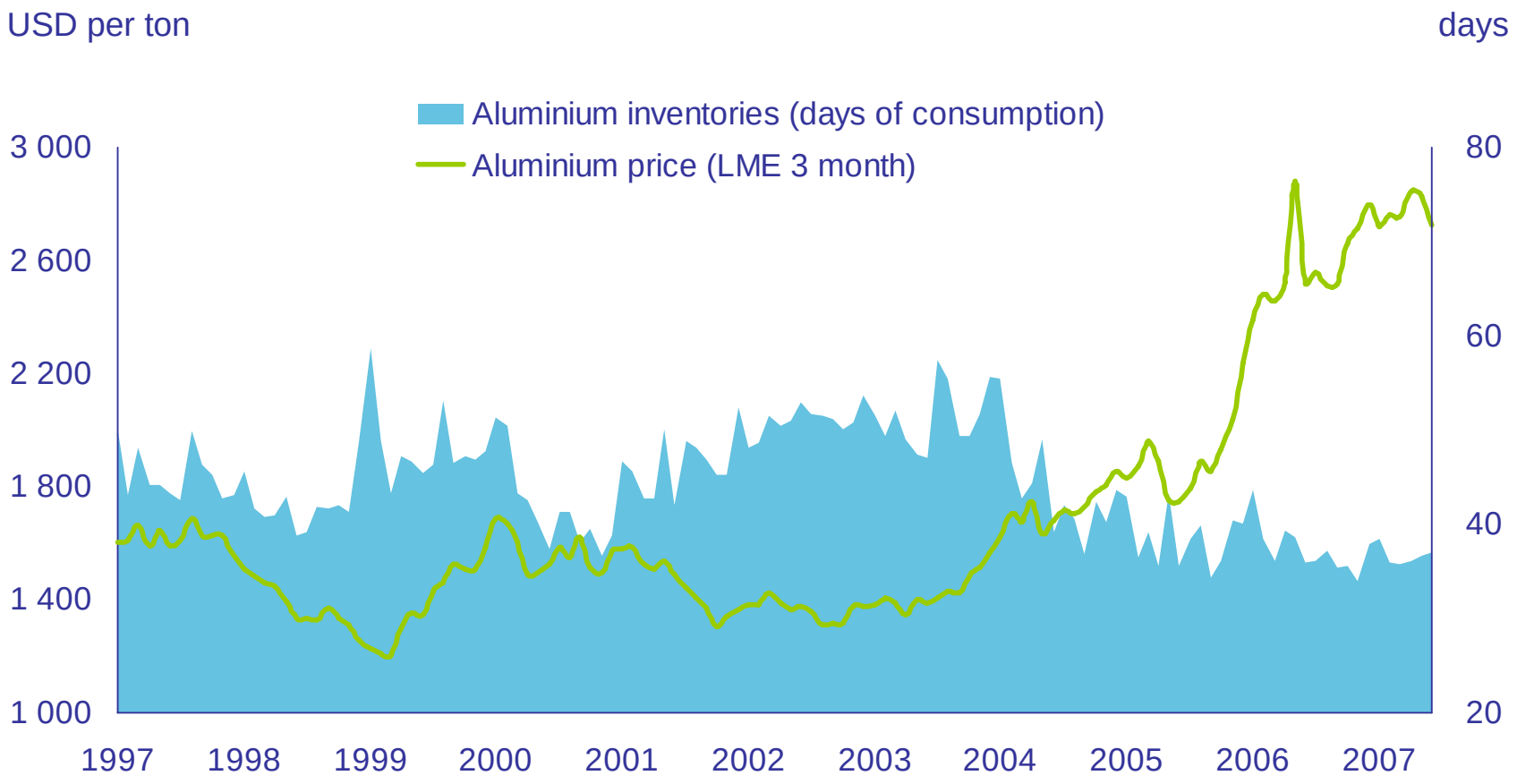
NOK million	First half	Q2
2007 2006	2 297 2 335	987 1 178
Variance EBIT	(38)	(191)
- Margin - Volume - Derivatives - Associates and JCE - Other operational costs, net - Depreciation	(239) 638 (219) (61) (148) (8)	(654) 670 39 (39) (200) (5)
Variance EBIT	(38)	(191)

Primary aluminium production per quarter



Slovalco consolidated from Q1 2004

Primary aluminium market



Aluminium Metal hedge programs [1)]

	2007	2008
2006-2008 program – volume ton [2)]	163 800	167 100
2006-2008 program – LME price USD/ton	2 300	2 200
2003-2007 program (Sunndal) – volume ton [3)]	108 900	–
2003-2007 program (Sunndal) – LME price USD/ton	1 500	–
2003-2007 program (Sunndal) – LME price NOK/ton	14 220	–
Hedged volume in percent of primary aluminium production volume	16%	–

1) All hedges are designated as cash flow hedges of forecasted sales of primary metal production. Realized gains and losses on the hedges are recognized in earnings when the actual sales are made. All unrealized gains and losses on the hedges are booked directly to shareholders' equity.

2) Volumes are spread evenly throughout the year. The hedge program is aimed at mitigating the effects of higher power prices.

3) Volumes are spread evenly throughout the year. The Sunndal hedge program was implemented in connection with the Sunndal metal plant expansion which was completed in 2004. 2007 amount is 45 000 tons in each of the three first quarters, down to 28 000 tons in the fourth quarter. 2007 currency hedge amount is USD 45 million in each of the three first quarters, down to USD 27 million in the fourth quarter.

Aluminium – operational data

Volumes and prices	Q2 2007	Q1 2007	Q4 2006	Q3 2006	Q2 2006	Q1 2006	Q4 2005	Q3 2005	Q2 2005
Primary production (1 000 mt)	435	433	450	449	451	449	464	461	457
LME realized (USD/mt) including hedges	2 606	2 588	2 430	2 462	2 368	2 146	1 851	1 770	1 842
NOK/USD realized including hedges *	6.21	6.37	6.50	6.36	6.47	6.85	6.56	6.47	6.51
LME realized (NOK/mt) including hedges	16 174	16 480	15 793	15 662	15 331	14 697	12 145	11 453	11 992
LME realized (USD/mt) excluding hedges	2 762	2 734	2 560	2 614	2 476	2 192	1 883	1 796	1 886
NOK/USD realized excluding hedges *	6.07	6.25	6.46	6.33	6.32	6.66	6.51	6.39	6.29
LME realized (NOK/mt) excluding hedges	16 780	17 082	16 536	16 537	15 638	14 591	12 257	11 468	11 865
Total metal products sales excluding trading (1 000 mt)	767	788	775	783	856	869	736	741	835
Rolled Products external shipment (1 000 mt)	264	266	247	251	252	254	227	244	243
Extrusion external shipment (1 000 mt)	165	164	153	155	171	167	146	146	164

* Difference between realized exchange rate and spot rate at the transaction date is reported as currency gain/loss and not included in EBITDA (except currency hedges where hedge accounting is applied)

Aluminium Metal – EBIT

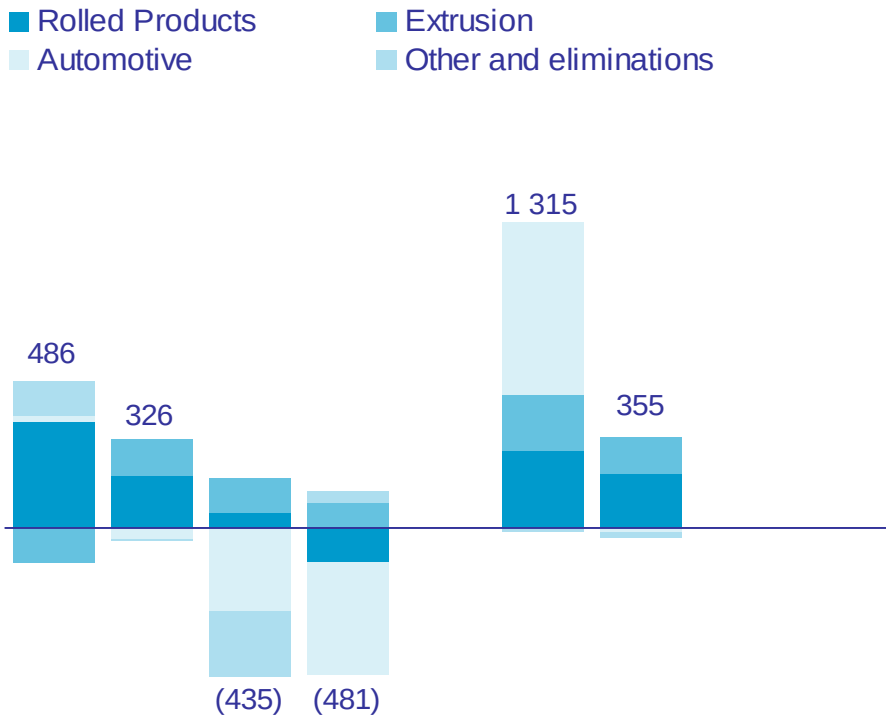
NOK million

Accumulated	2006	2007
	7 302	4 999

- Realized aluminium price
  - USD 2 606 per ton
    - +1% vs Q1 2007, +10% vs Q2 2006
  - NOK 16 174 per ton
    - -2% vs Q1 2007, +5% vs Q2 2006
- Primary aluminium production
  - 435 000 tons
    - 433 000 Q1 2007, 451 000 Q2 2006
- Strong casthouse product premiums in Europe
- Strong contribution from Alunorte
- Net positive special items NOK 220 million in Q2

Aluminium Products – EBIT

NOK million



Accumulated	2006	2007
	(104)	1 670

- Rolled Products
  - Margin improvement compared to Q1
  - Volume stable compared to Q1
  - Negative metal effect NOK 28 million in Q2
- Extrusion
  - Positive margin and volume development in Europe
  - Challenging US markets
  - Rationalization costs of NOK 63 million in Q2
  - Volumes stable
- Automotive
  - Weak results
  - Divested activities (Castings) included with EBIT of NOK 79 million in Q1 2007
  - Gain on divested activities NOK 691 million in Q1 2007
- Focus on cash generation first half
  - EBITDA* NOK 1 652 million
  - Investments NOK 166 million

* Excluding special items

Variance analysis Aluminium Metal

NOK million	First half	Q2
2007 2006	4 999 4 039	2 465 2 333
Variance EBIT	960	132
- Price LME - Margin - Volume - Strategic hedges - Derivatives - Associates and JCE - Other operational costs, net - Depreciation - Portfolio	2 635 (1 468) (60) (370) 178 77 194 (204) (22)	1 604 (1 182) 66 (109) 42 74 (199) (167) 3
Variance EBIT	960	132

Variance analysis Aluminium Products

NOK million	First half	Q2
2007 2006	1 670 813	355 326
Variance EBIT	858	29
- Margin - Volume - Derivatives - Associates and JCE - Other operational costs, net - Depreciation - Portfolio	(219) 145 (192) (3) 376 212 539	(251) 231 (9) (6) 1 186 (123)
Variance EBIT	858	29

Variance analysis Rolled Products

NOK million	First half	Q2
2007 2006	577 701	234 231
Variance EBIT	(124)	2
- Margin - Volume - Derivatives - Associates and JCE - Other operational costs, net - Depreciation - Portfolio	(79) 121 (2) 3 (202) 25 10	50 60 8 (8) (114) 15 (9)
Variance EBIT	(124)	2

Variance analysis Extrusion

NOK million	First half	Q2
2007 2006	409 –	164 156
Variance EBIT	409	8
- Margin - Volume - Associates and JCE - Other operational costs, net - Depreciation	22 (42) (6) 297 138	(98) 34 (5) (50) 126
Variance EBIT	409	8

Variance analysis Automotive

NOK million	First half	Q2
2007 2006	733 (30)	(15) (49)
Variance EBIT	763	34
- Margin - Volume - Associates and JCE - Other operational costs, net - Depreciation - Portfolio	(128) 66 – 245 49 529	(189) 137 7 148 45 (115)
Variance EBIT	763	34

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