



HYDRO

Hydro Oil & Energy

Lehman Energy Conference, New York

www.hydro.com

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2005-09-08

Forward-Looking Statements/ Use of Non-GAAP Financial Measures

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 their 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 2004 Annual Report on Form 20-F filed with the U.S. Securities and Exchange Commission.

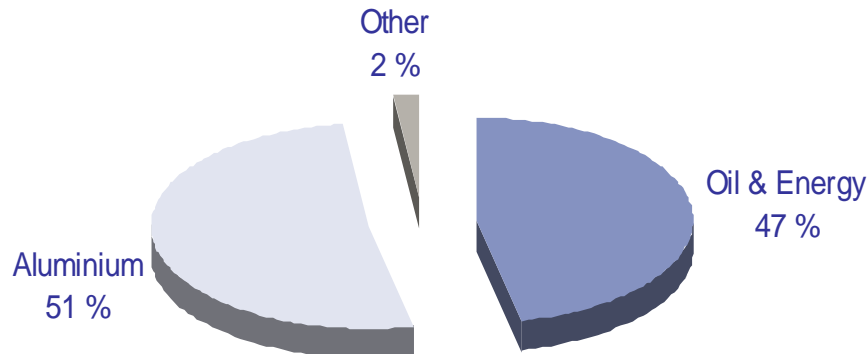
With respect to each non-GAAP financial measure Hydro uses in connection with its financial reporting and other public communications, Hydro provides a presentation of what Hydro believes to be the most directly comparable GAAP financial measure and a reconciliation between the non-GAAP and GAAP measures. 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).

Cautionary Note

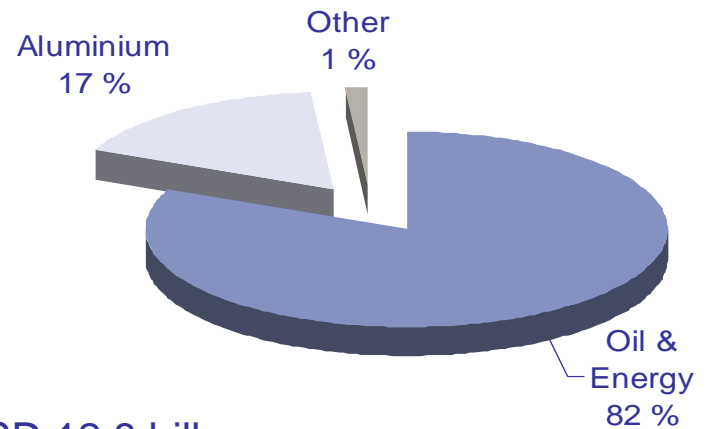
The United States Securities and Exchange Commission permits oil and gas companies, in their filings with the SEC, to disclose only proved reserves that a company has demonstrated by actual production or conclusive formation tests to be economically and legally producible under existing economic and 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.

Financial overview – 2004

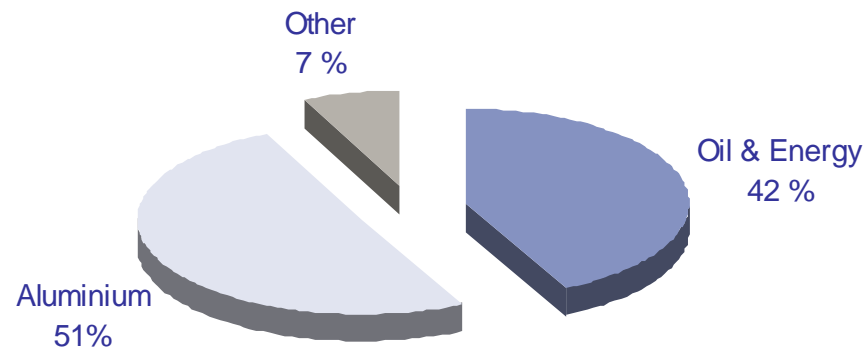
Operating revenues – USD 23 bill.



EBITDA – USD 7,6 bill.

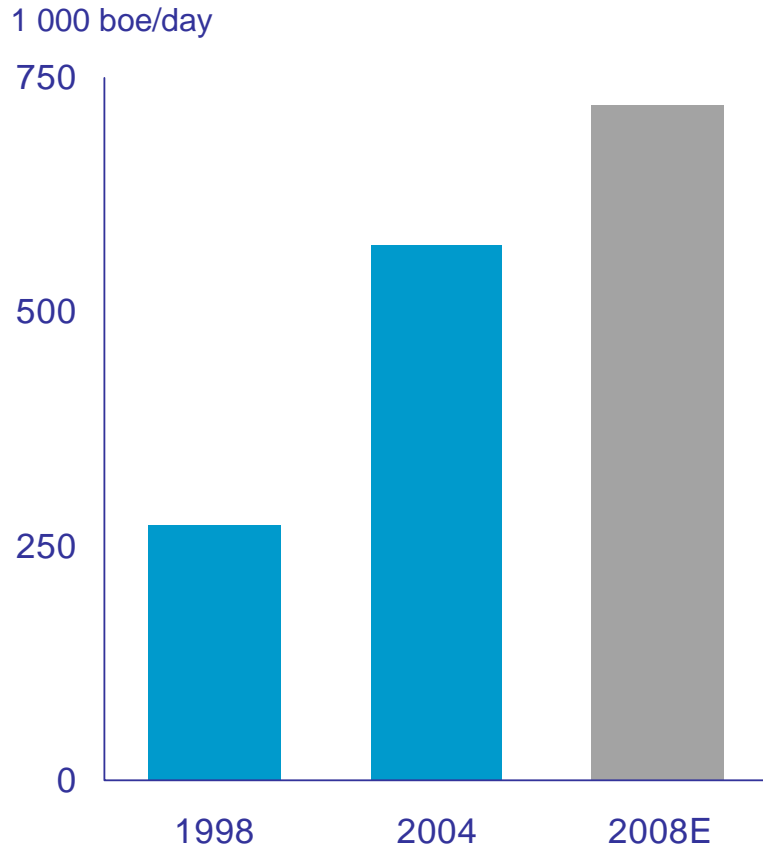


Capital Employed – USD 12,8 bill.

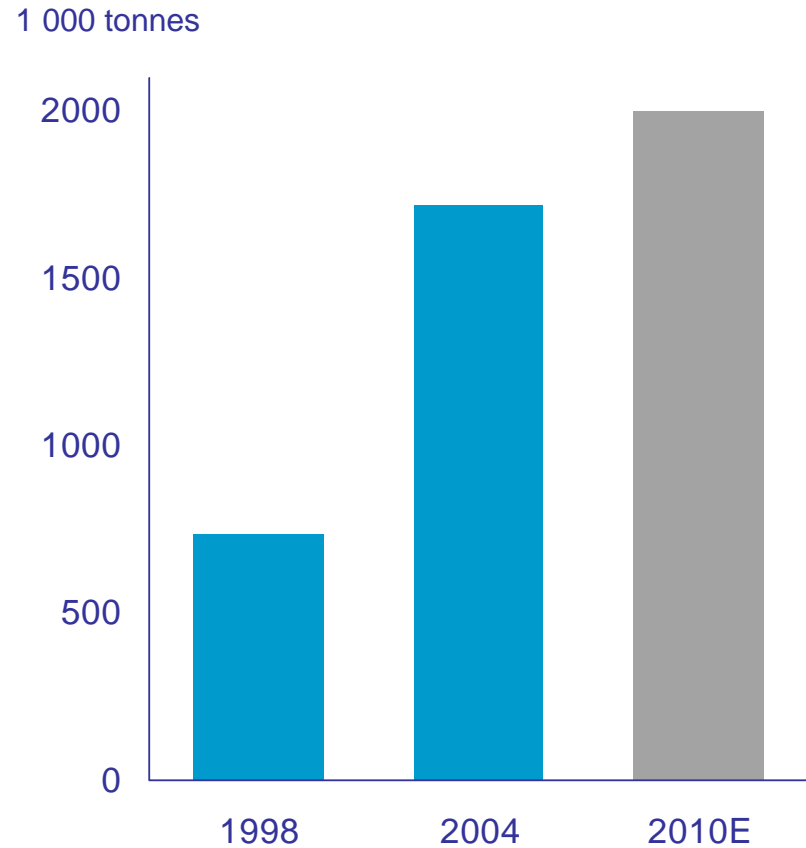


Consistently delivering profitable growth

Oil and gas production

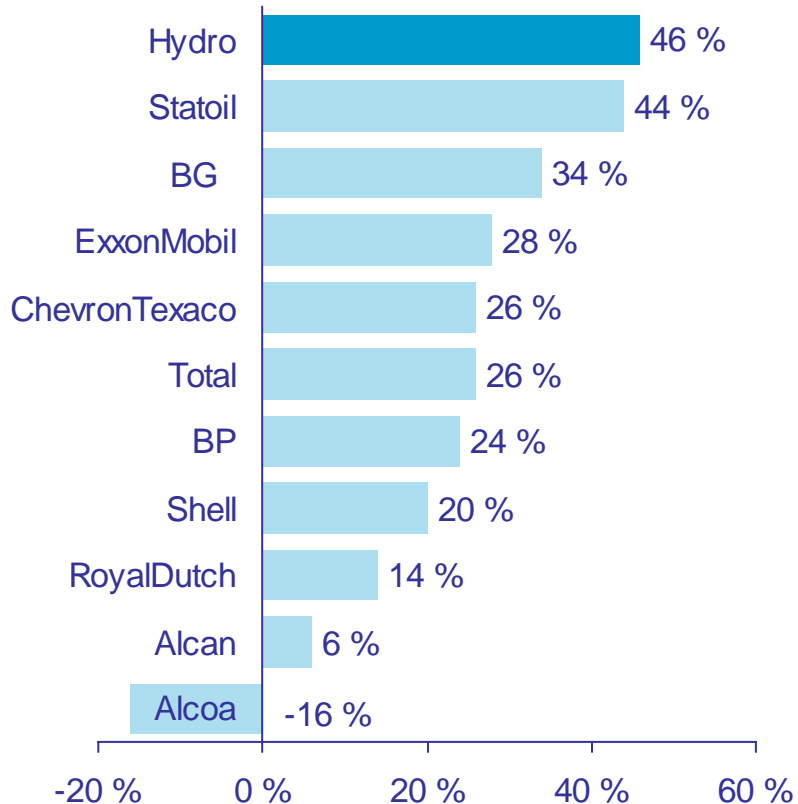


Aluminium production

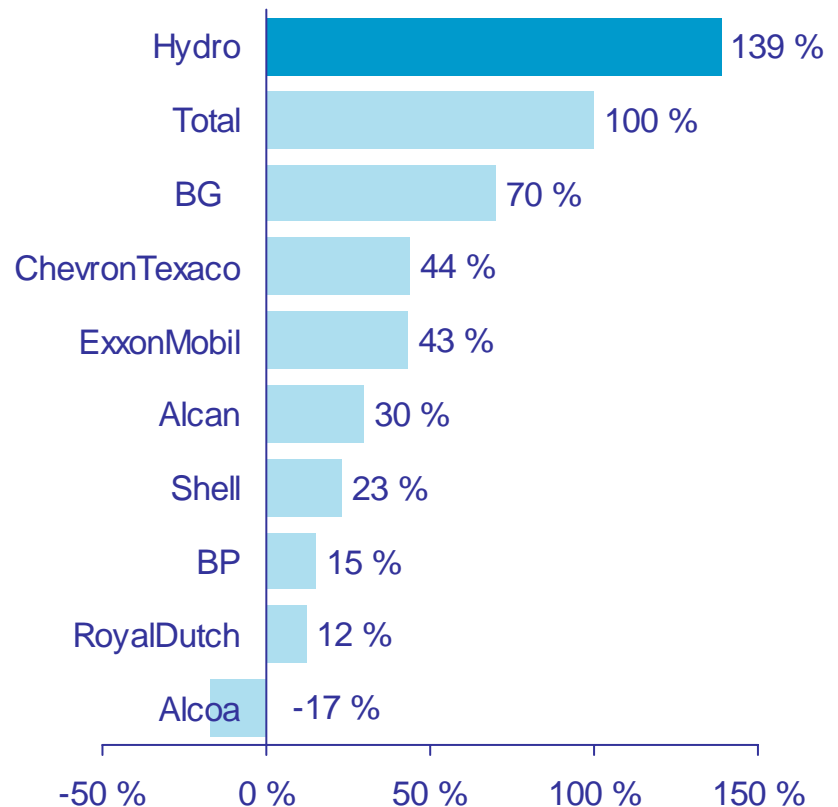


Total Shareholder Return

2004



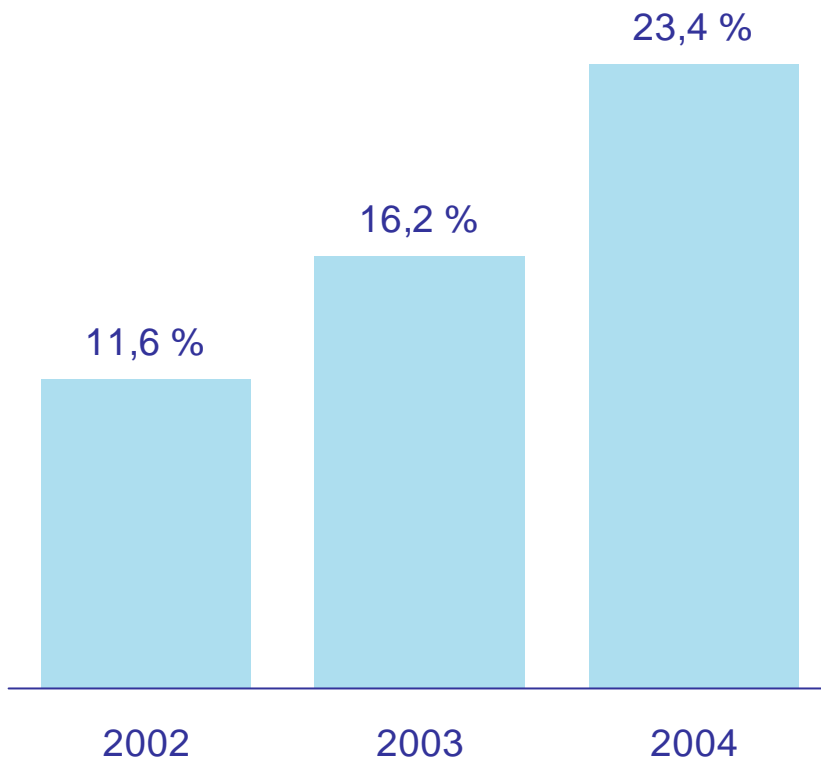
2000-2004



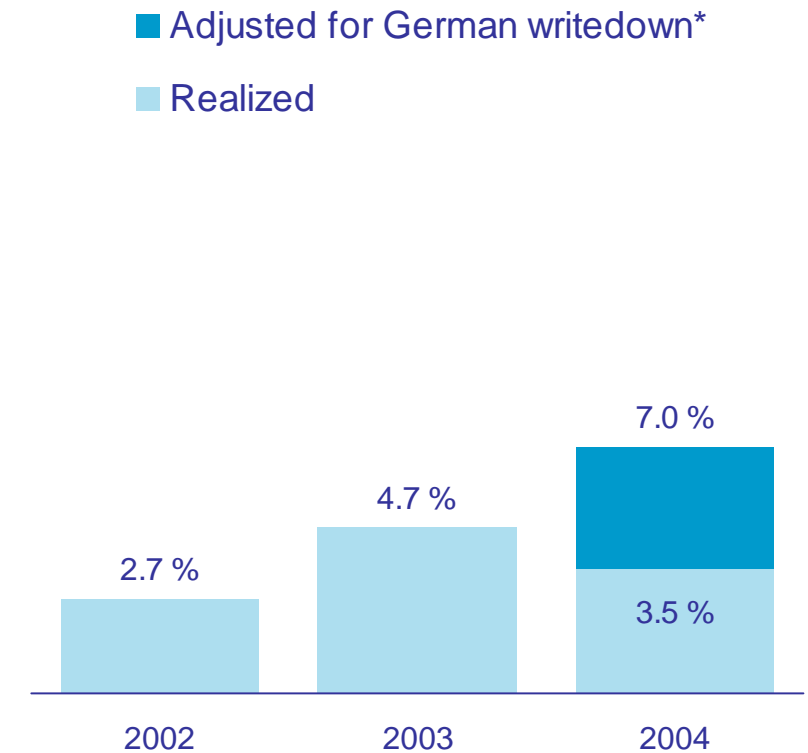
Source: Goldman Sachs

RoaCE by business area

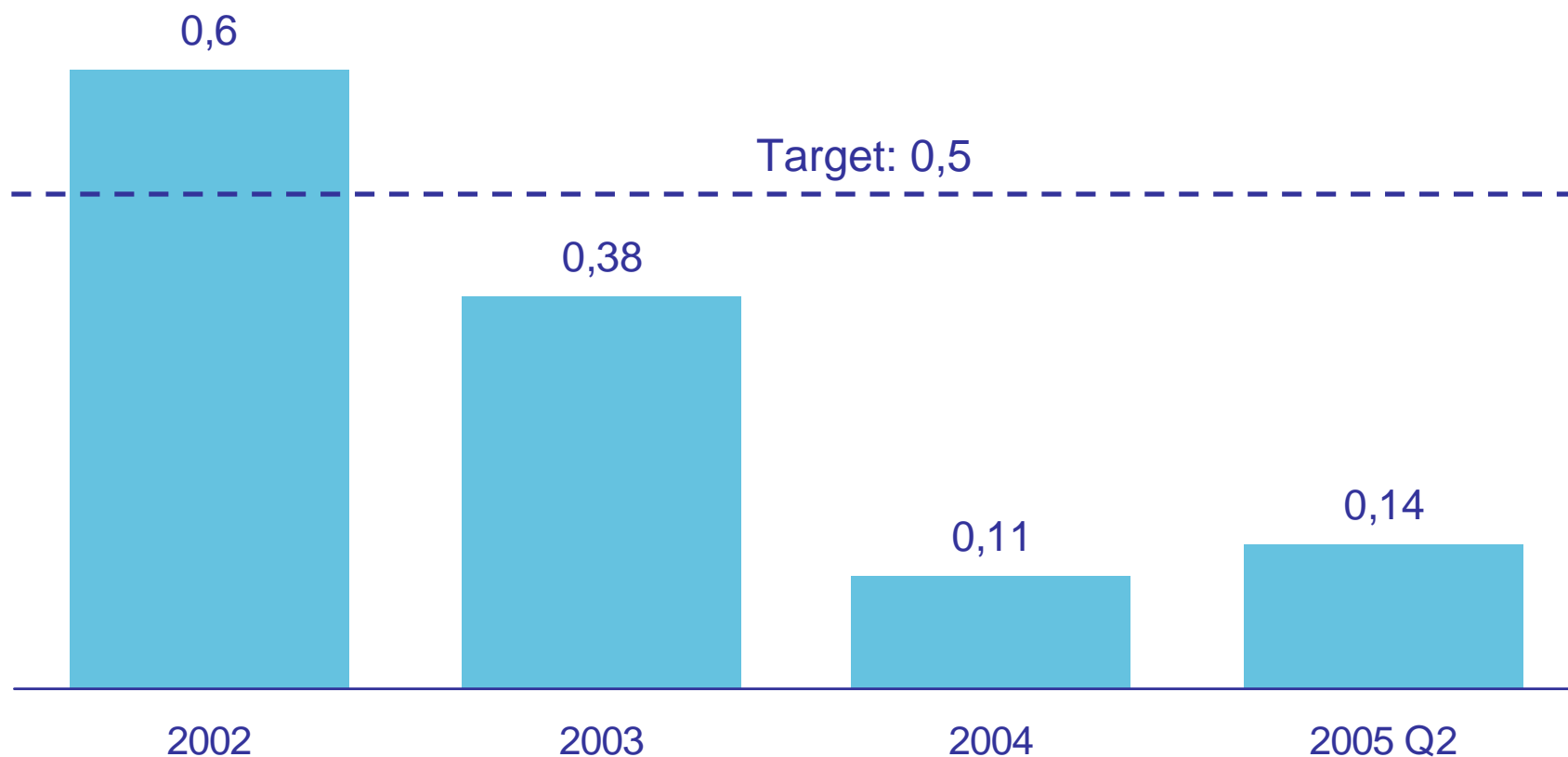
Oil & Energy




Aluminium



Debt/equity ratio



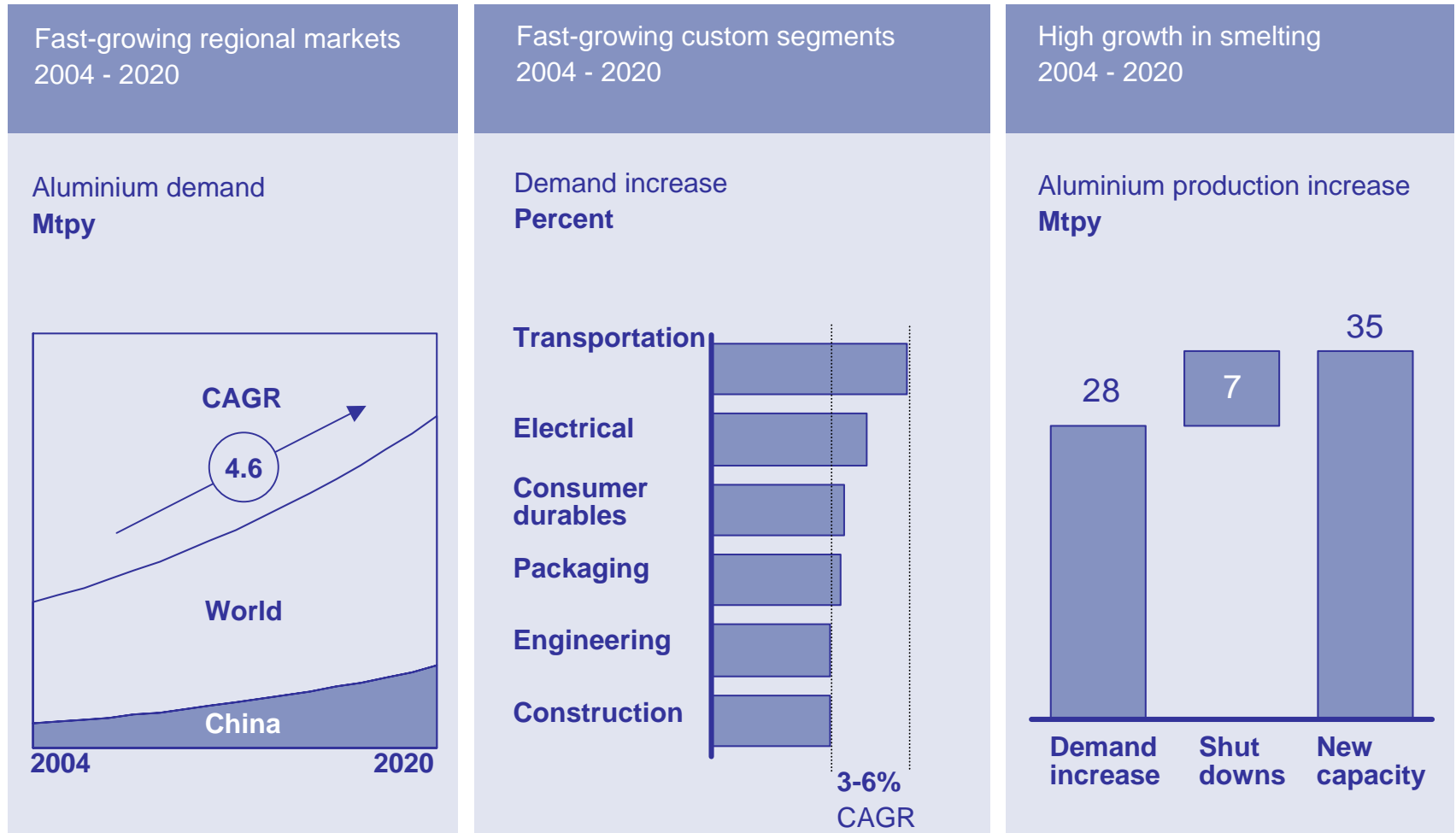
Interest-bearing debt + net pension liability (tax adjusted) + operating lease commitments (discounted) – cash and cash equivalents – other liquid assets divided by shareholders' equity + minority interest



Aluminium – highlights

- **Strong primary metal market fundamentals**
- **Mixed development downstream**
- **Planning new world-class plant in Qatar**
- **Intensified restructuring - decision to close primary capacity**

The industry provides attractive opportunities



Source: Demand model; McKinsey metals and mining practice; team analysis

Aluminium

Qatar – project description

- Heads of agreement signed
- Annual capacity
 - 570 000 tonnes
 - Expansion potential up to 1 200 000 tonnes
- Investments
 - Smelter and casthouse: USD 2 – 2.5 billion
 - Power plant: USD 0.7-0.8 billion
- Hydro 50% ownership
 - Hydro to market total tonnage
- Production start-up end 2009
- Exceed 10% IRR after tax at USD 1400/tonne

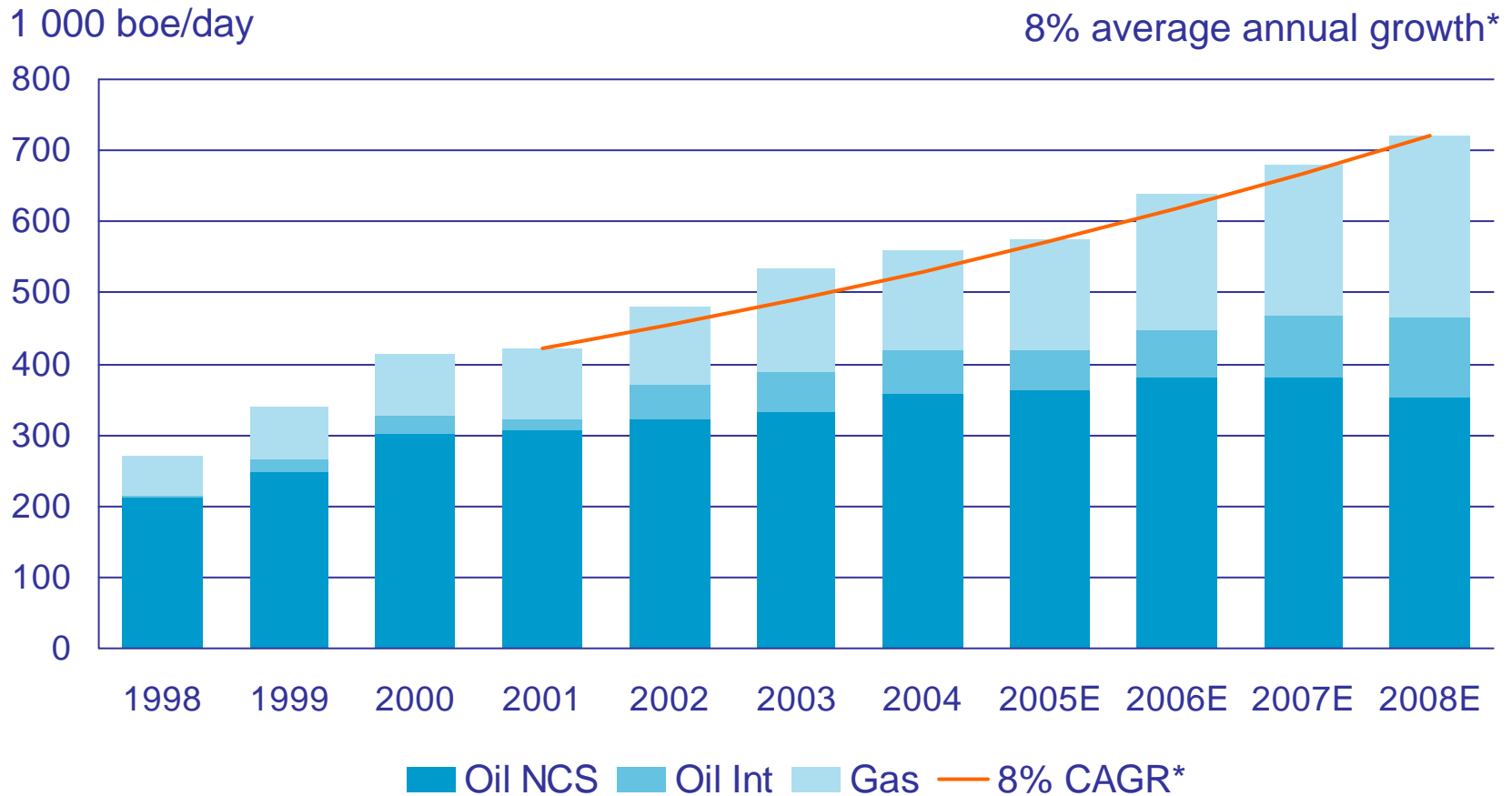




Oil & Energy

- One of the most efficient North Sea operators
- Continued strong production growth
- Exploration activity bearing fruit
- Adding value by applying world class competence

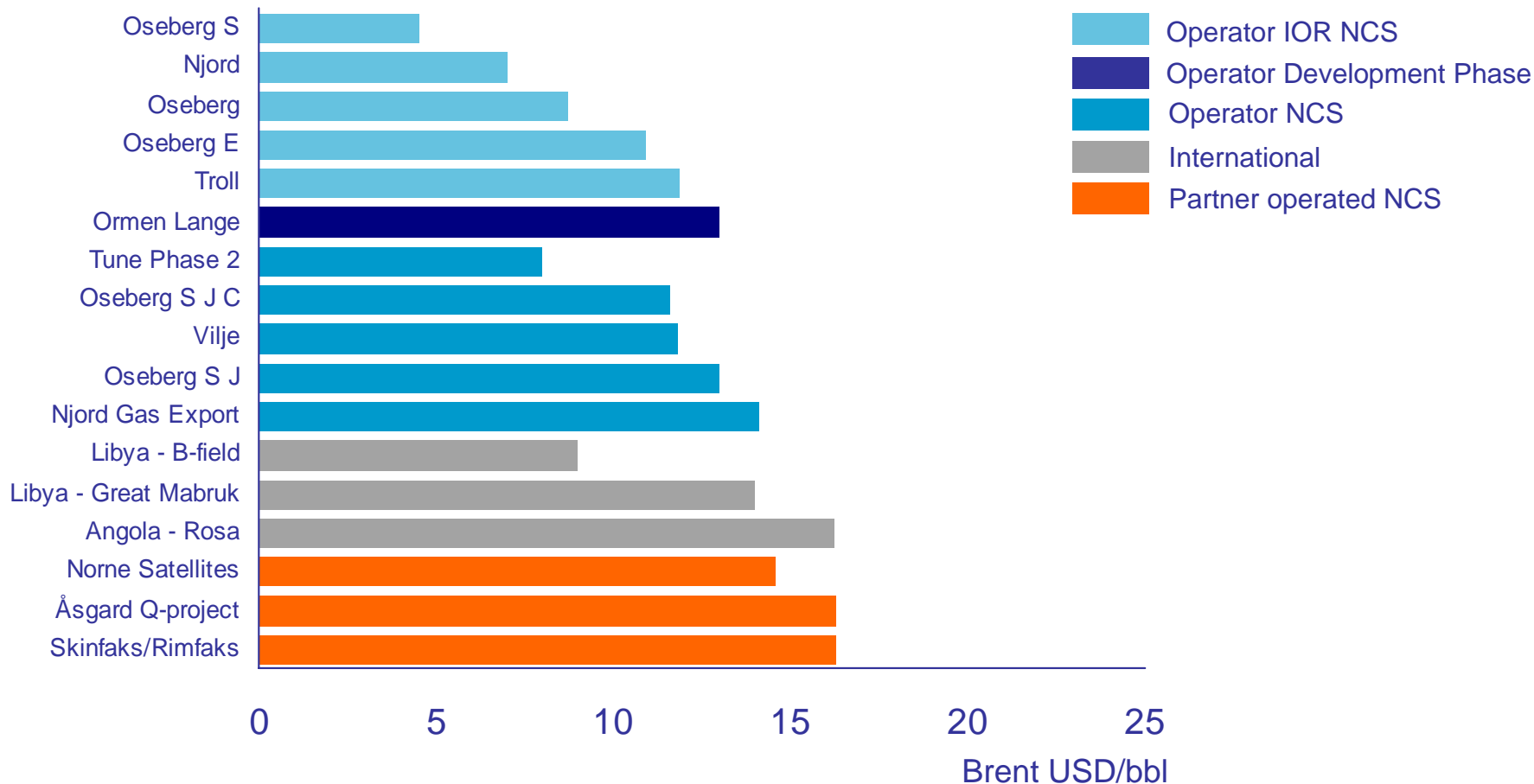
Continued strong production growth



*Compound Annual Growth Rate, 2001 baseline

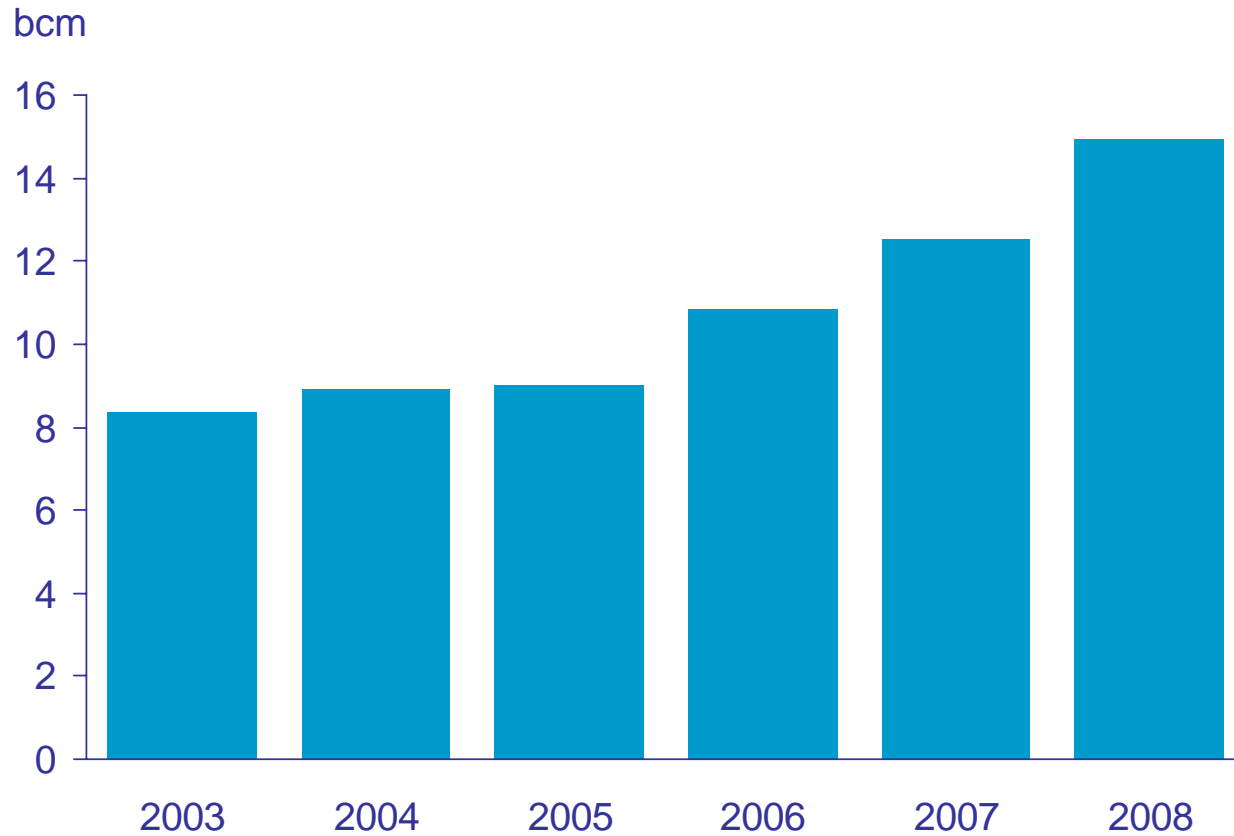
Strong production growth based on attractive project portfolio

Oil price giving 10% real rate of return post tax*

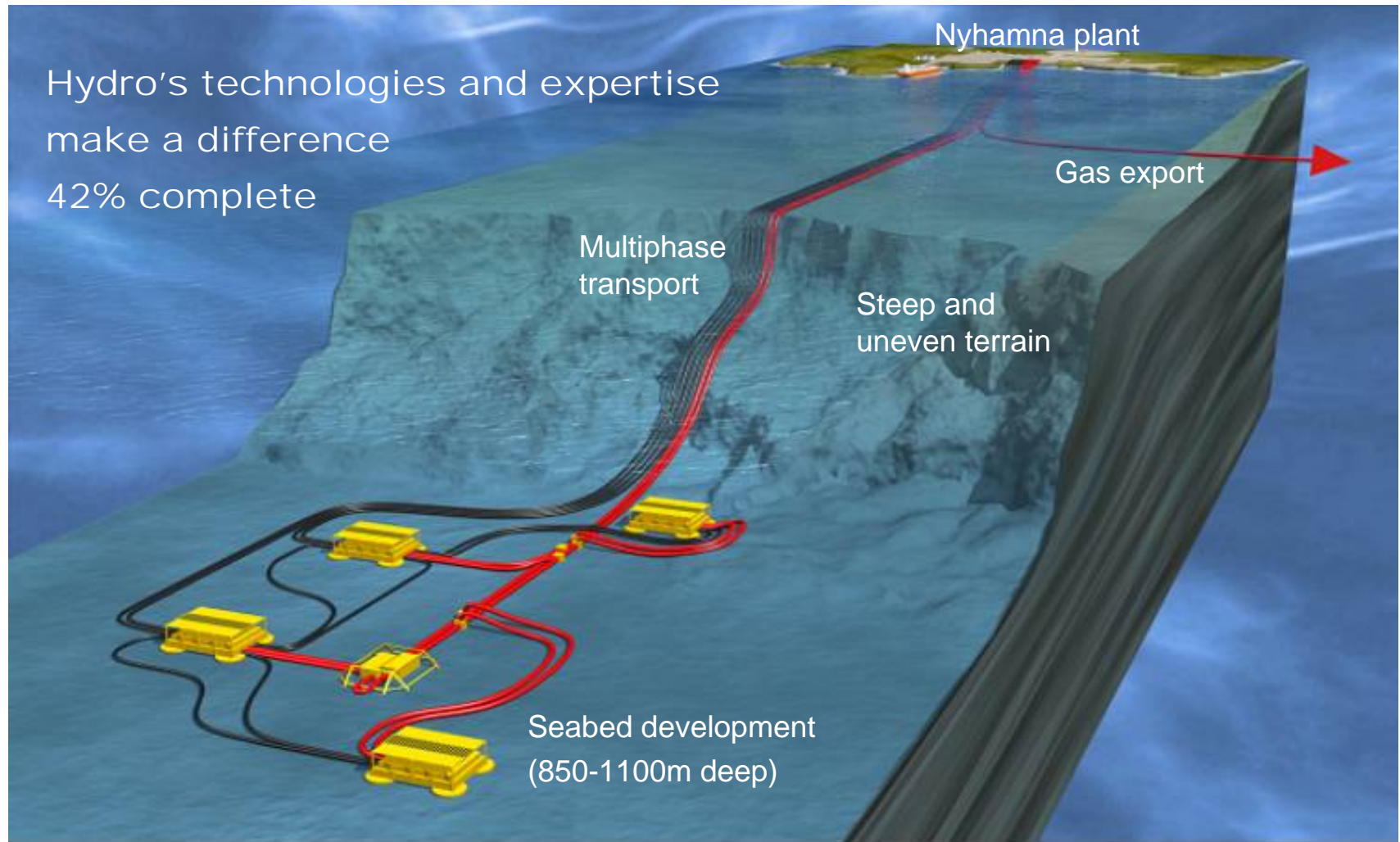


*Calculations based on USD/NOK exchange rate 8

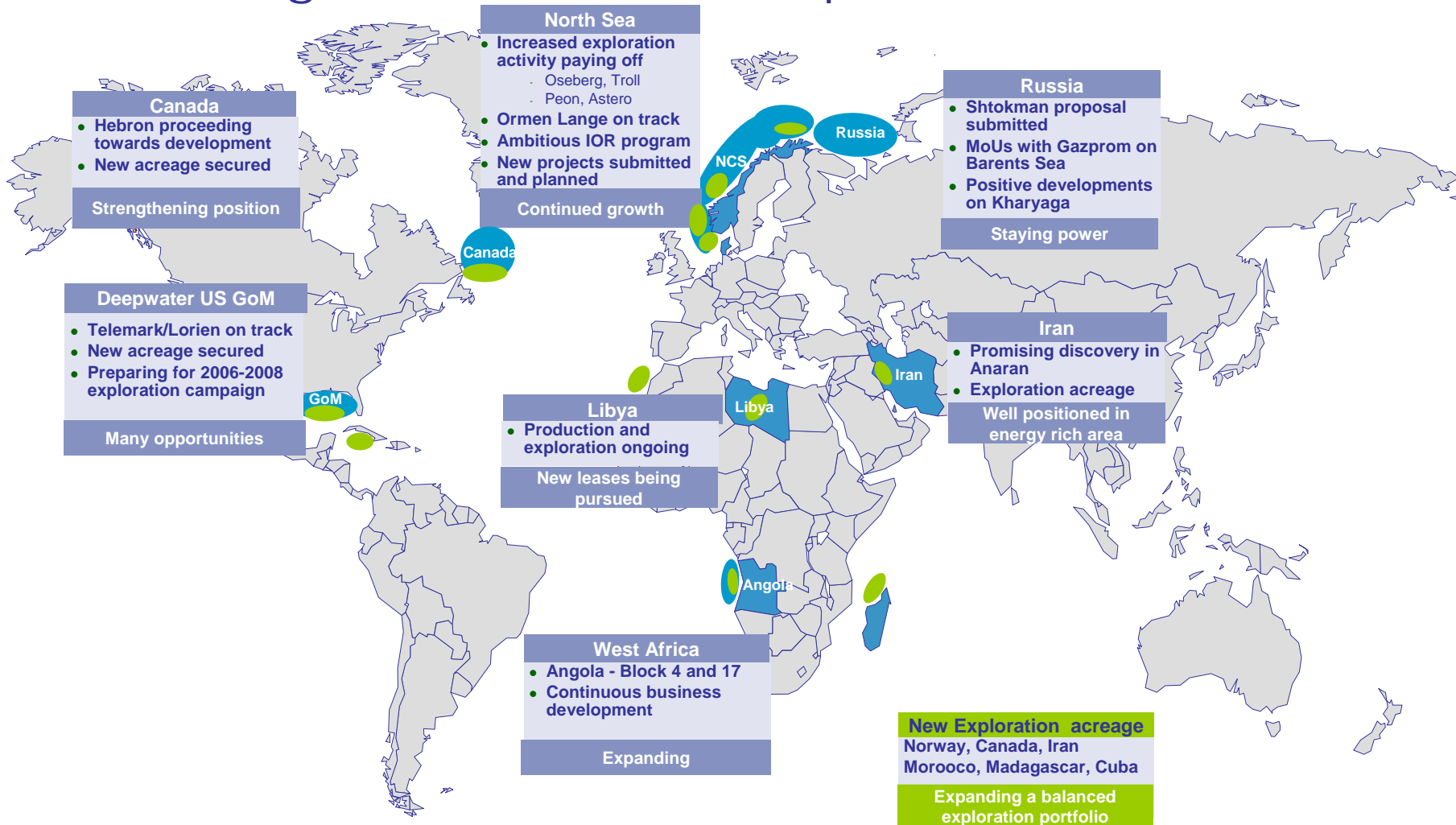
Strong growth in equity gas production



The Ormen Lange development concept



Increasing our international presence



Three paths to future growth

- **Existing portfolio**

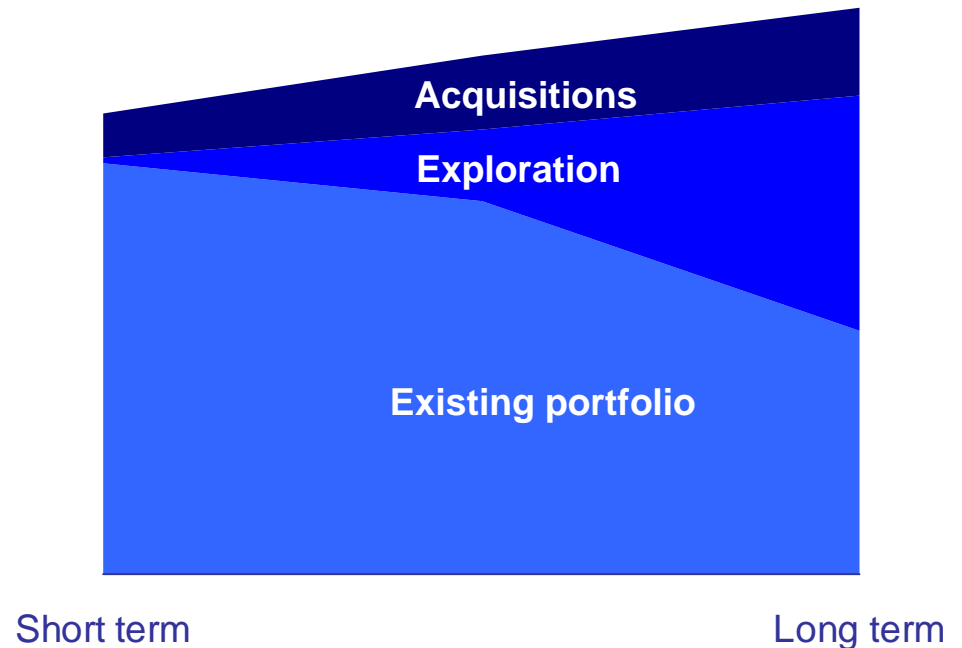
- Increased recovery
- Develop technical resources

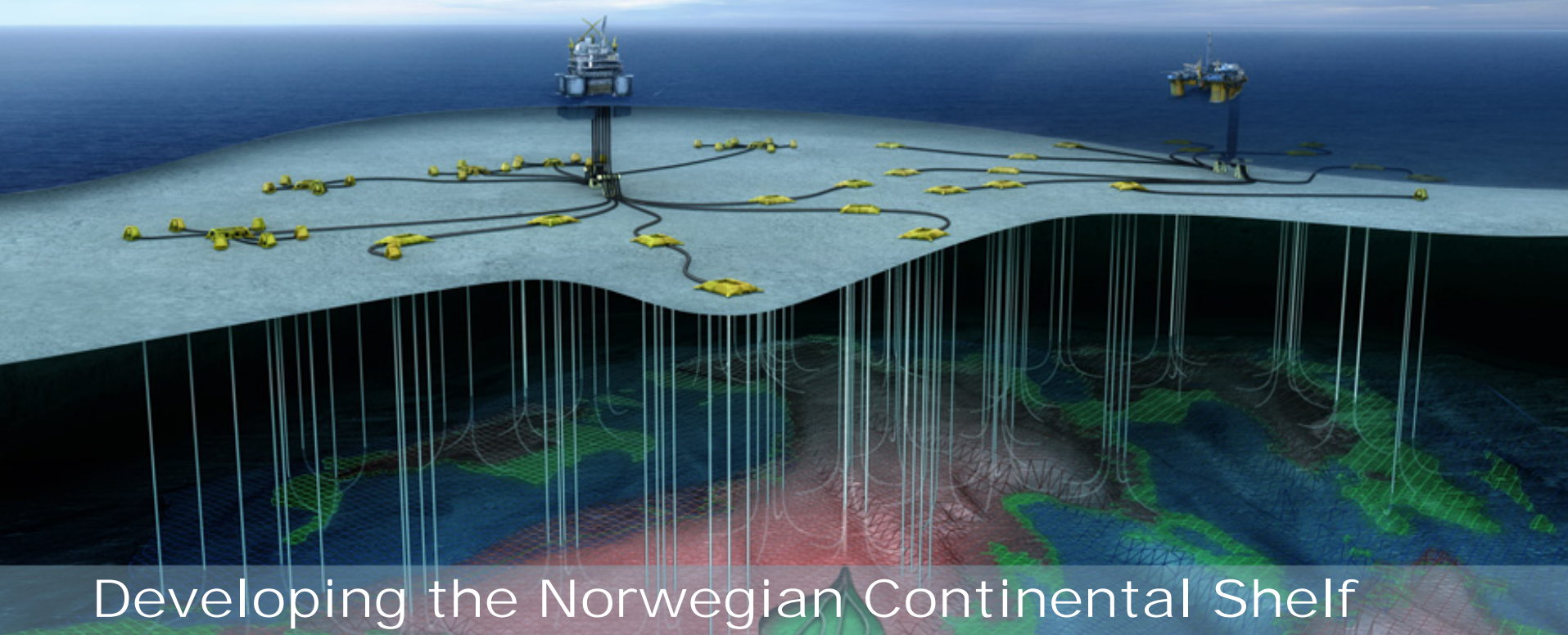
- **Exploration**

- Increase predictability
- Exploit infrastructure position
- Entry in new regions

- **Acquisitions**

- Utilize our competence
- Capital discipline

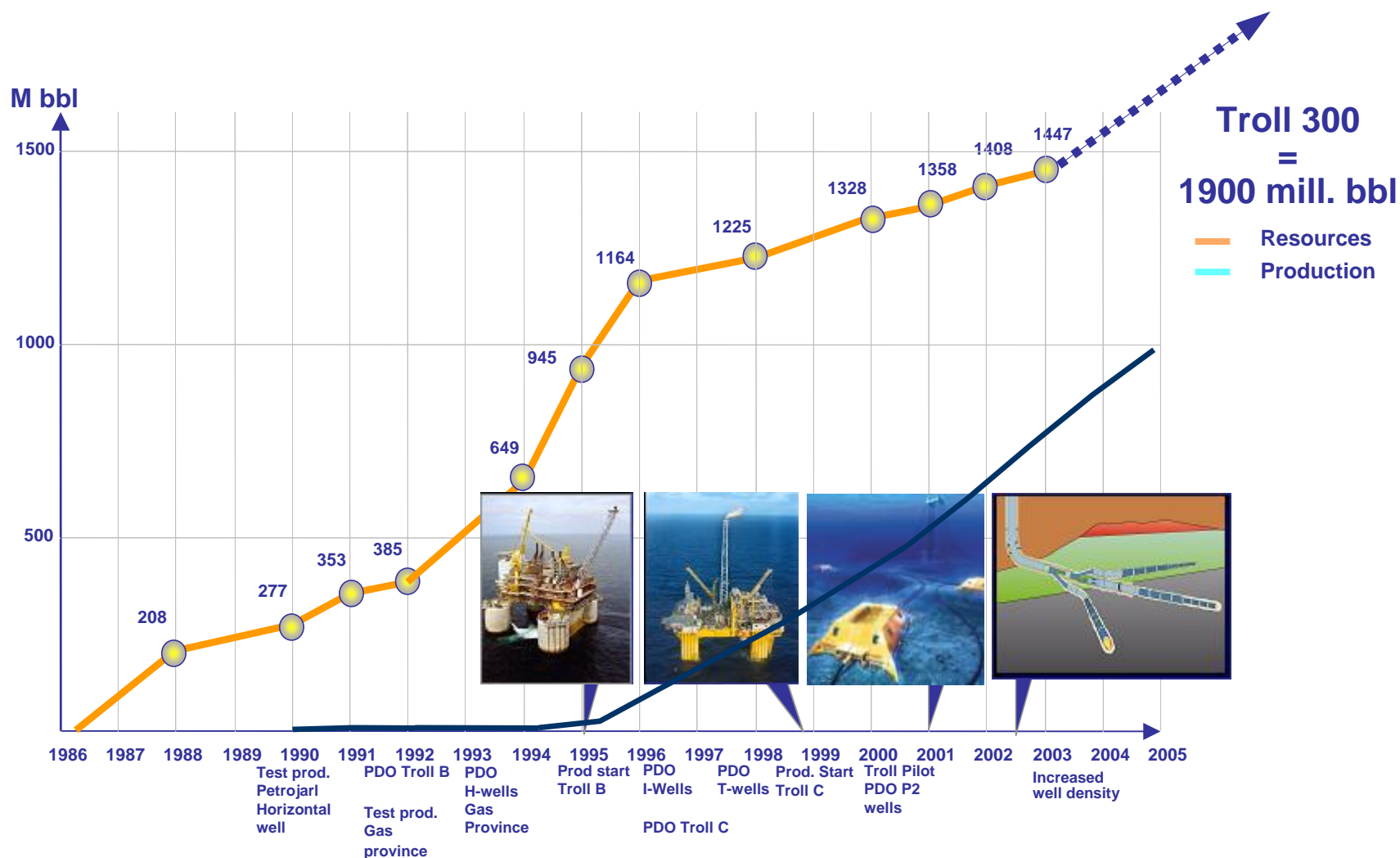




The Hydro Troll field development

- **Development projects on plan**
- **Ambitious IOR projects**
- **Submitted new development projects**
- **Preparing for important 19th round**

Creating value by integrating new technologies



Exploration strategy paying off

- **North Sea discoveries 2005**

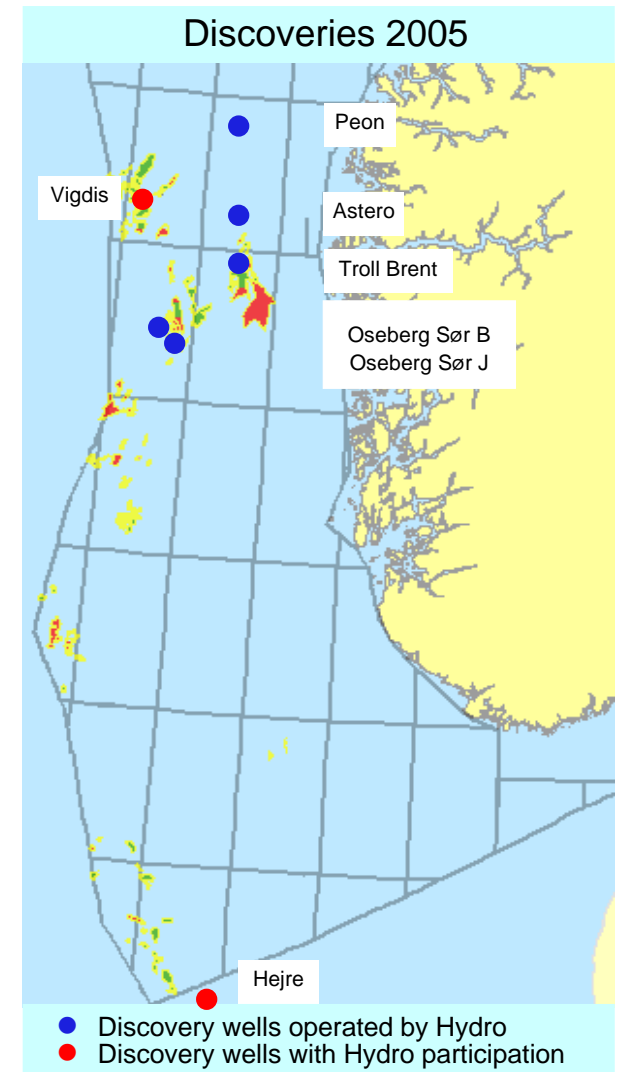
- Astero
- Peon
- Troll Brent
- Oseberg South - B South
- Oseberg South - J Central
- Vigdis M5

- **International discoveries 2005**

- Angola
- Denmark
- Iran

- **Ambitious exploration plans going forward**

- 2H'05: Spudding 15-20 wells
- 2006: 20 wells



NCS: 21 billion barrels left to discover

Barents Sea: 6.2 billion barrels

High risk – high potential
Oil-play potential

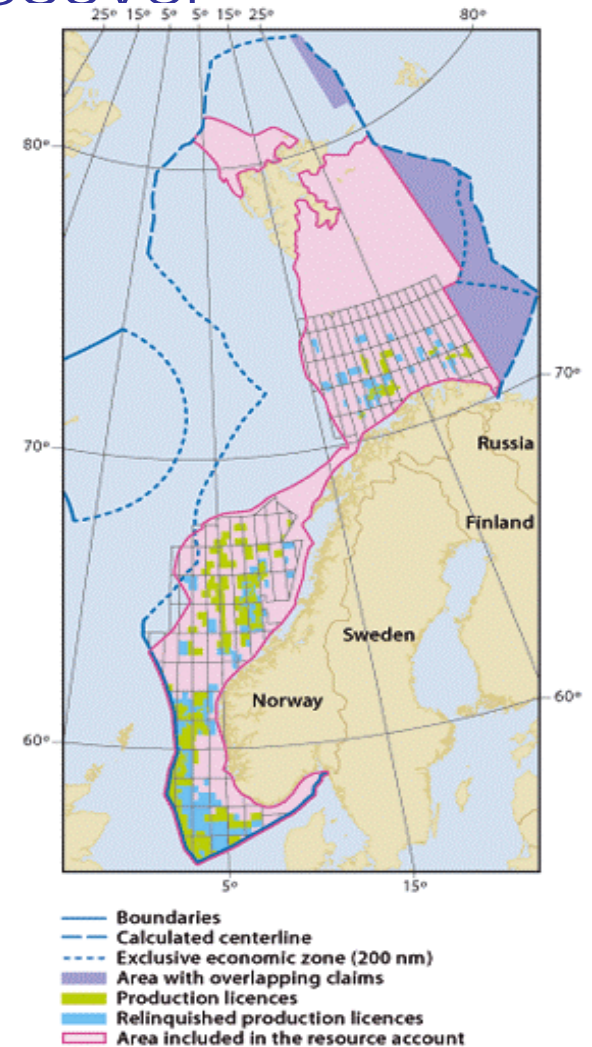
Norwegian Sea: 7.7 billion barrels

High risk – medium/high potential

North Sea: 7.5 billion barrels

Moderate risk – smaller structures
High value per barrel

Source: NPD



A dark blue world map with glowing yellow city lights, centered on the Atlantic Ocean and Africa.

Hydro – priorities

- **Operational improvements**
- **First-class project execution**
- **Improve Aluminium profitability**
- **Strengthen oil & gas resource base**

Hydro is a Fortune 500 energy and aluminium supplier with 36,000 employees in more than 40 countries. For almost 100 years, our Norwegian heritage has influenced Hydro's approach to value creation. In our view, business performance and societal needs are inseparable and interdependent. We take pride in creating value by strengthening the viability of the customers and communities we serve.

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Progress of a different nature



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Additional information

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Key facts

Ormen Lange and Langeled project

Total field & pipeline investments	NOK 66 bn (2003)	(9,5 bn USD)
Profitable	Above \$13/bbl > 10% IRR after tax	
Production start Ormen Lange	October 2007	
Operations start Langeled	October 2006	
Recoverable gas reserves	397 Bcm	(14 TCF)
Recoverable condensate	28.5 Mcm	
Gas production	21.4 Bcm/yr	(2.100 mmcfd)
Condensate production	40.000 bbl/d	
Water depth	850 – 1 100 metres	

Canada

Mature area opportunities in highly profitable portfolio

Existing portfolio

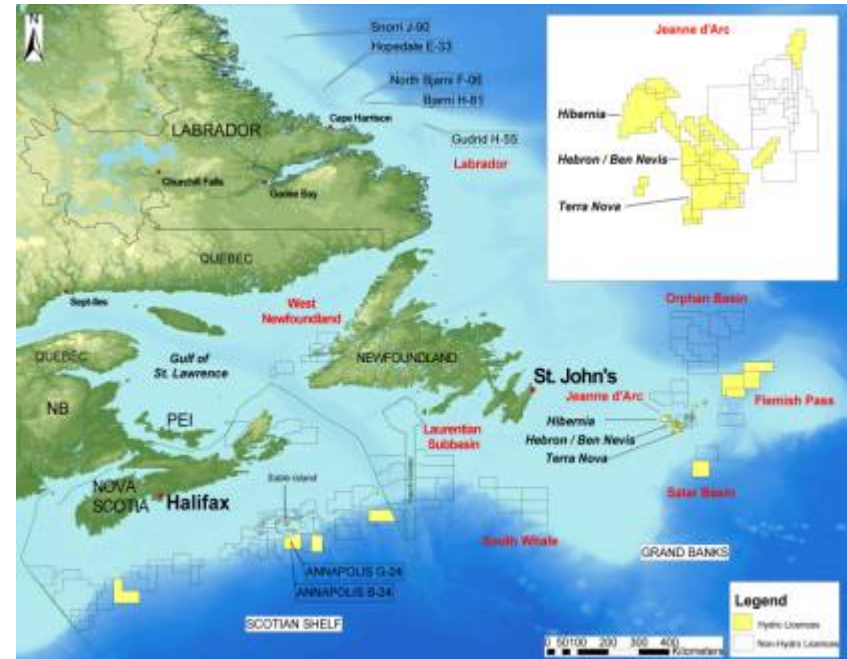
Hibernia and Terra Nova optimization
Hebron development solution

Exploration

Near infrastructure led exploration
Mature current licence portfolio
Assess risk/volume in immature basins

Acquiring resources

Increase technical resources in the
Grand Banks area



Angola

Diversified opportunities in profitable growth portfolio

Existing portfolio

Girassol and Jasmim optimizations

Dalia/Rosa development projects

3rd production hub selection

Exploration

Commercialize Block 4 discovery

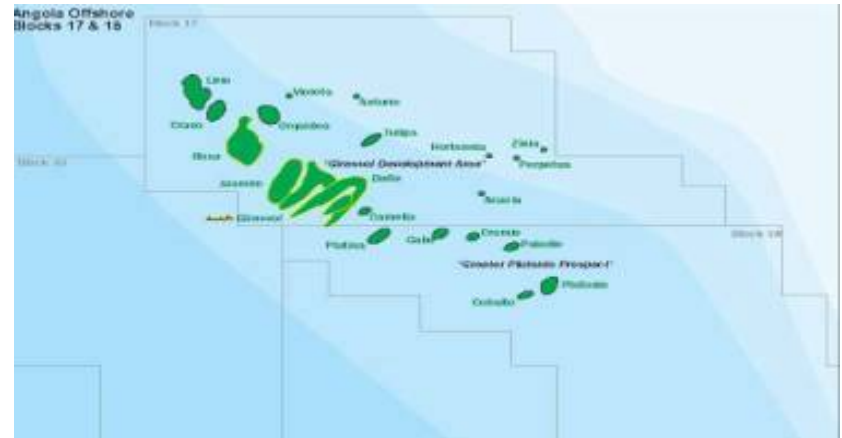
Alternative potential in Block 34

New opportunities with Sonangol P&P

Significant mid-sized prospect potential

Acquiring resources

Additional opportunities based on proven reserves



Russia

Legacy asset opportunities through long-term commitment

Existing portfolio

- Further development of Kharyaga

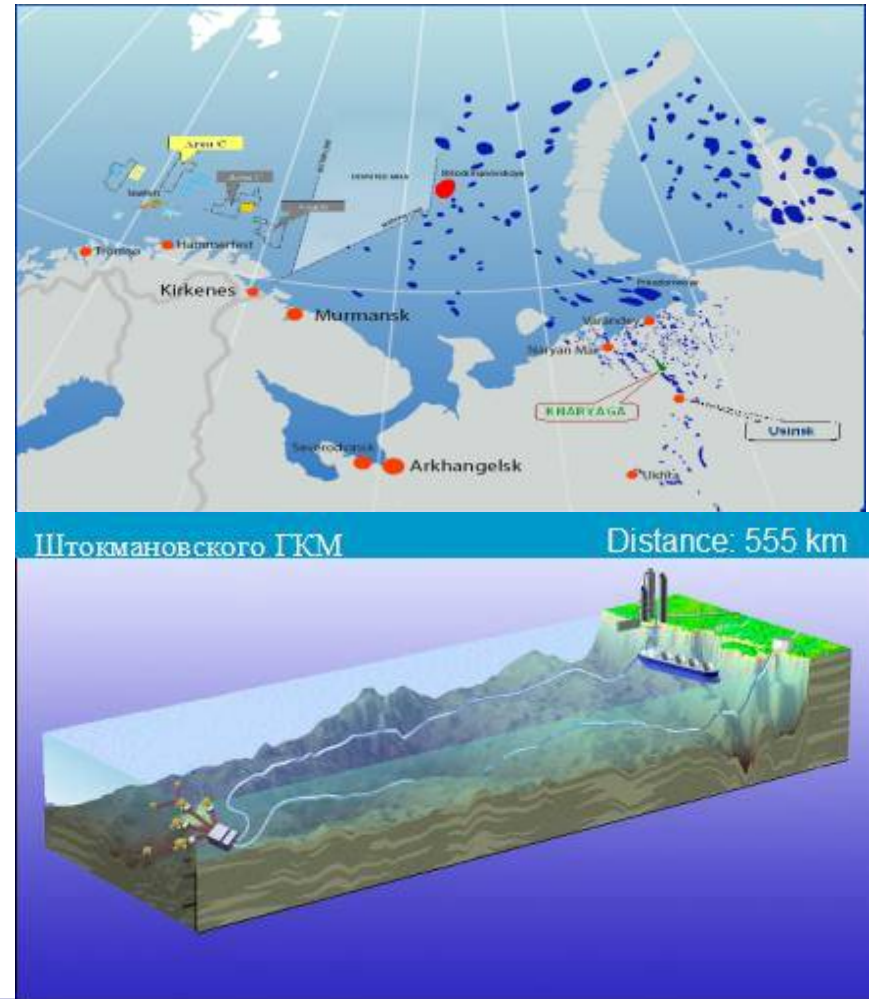
Exploration

- Pursuing business opportunities

Acquiring resources

- Shtokman

- Co-operation with Gazprom on the development concept



Libya

Existing exploration potential in long-term core area

Existing portfolio

- Mabruk developments

- Murzuq developments

Exploration

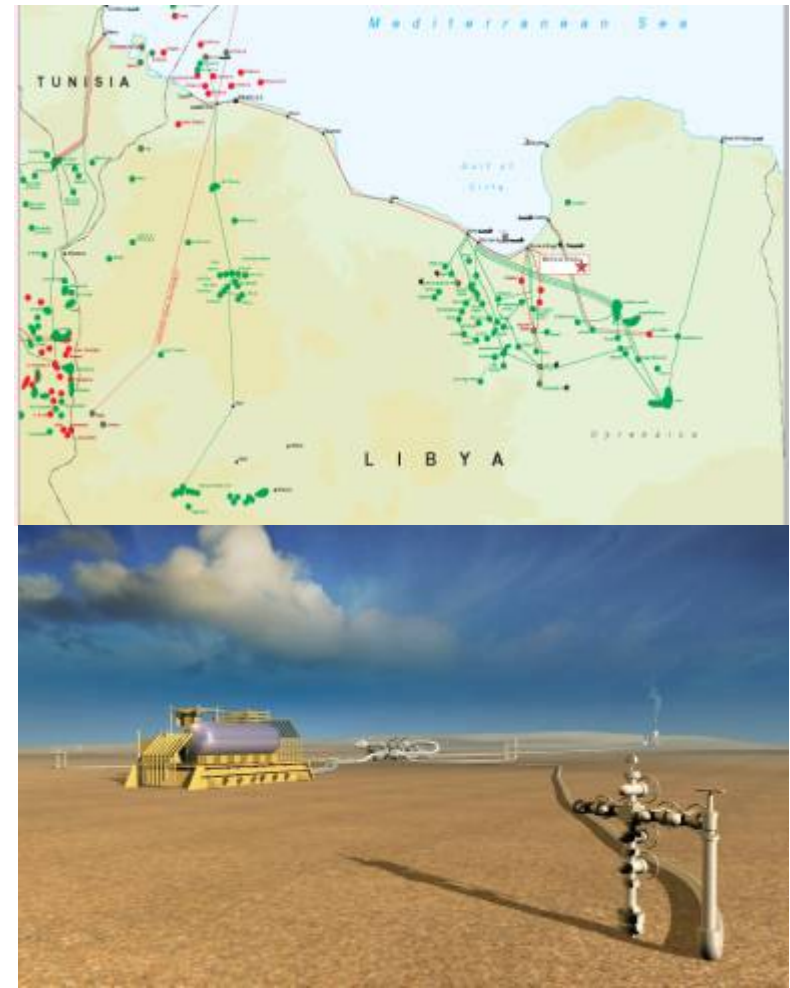
- Exploration drilling

- Co-operation with Wintershall

- EPSA exploration round V

Acquiring resources

- Actively pursuing additional value creating growth opportunities



Iran

Exploring for oil in key petroleum province

Existing portfolio

Anaran exploration acreage

Exploration

Azar well with positive progress

Khoramabad contract bid submitted



Gulf of Mexico

Commercial mindset and deep-water competence

Existing portfolio

- Telemark development (operator)
- Lorien development (non operator)

Exploration

- Successful lease sales
- Operator blocks

Acquiring resources

- Actively pursuing additional value creating growth opportunities

