Third quarter 2005

Highlights third quarter

- Record high earnings
- High oil price and good cost control
- Encouraging exploration results
- Agreement to acquire Spinnaker Exploration Company
- Mixed Aluminium results
- Solid financials

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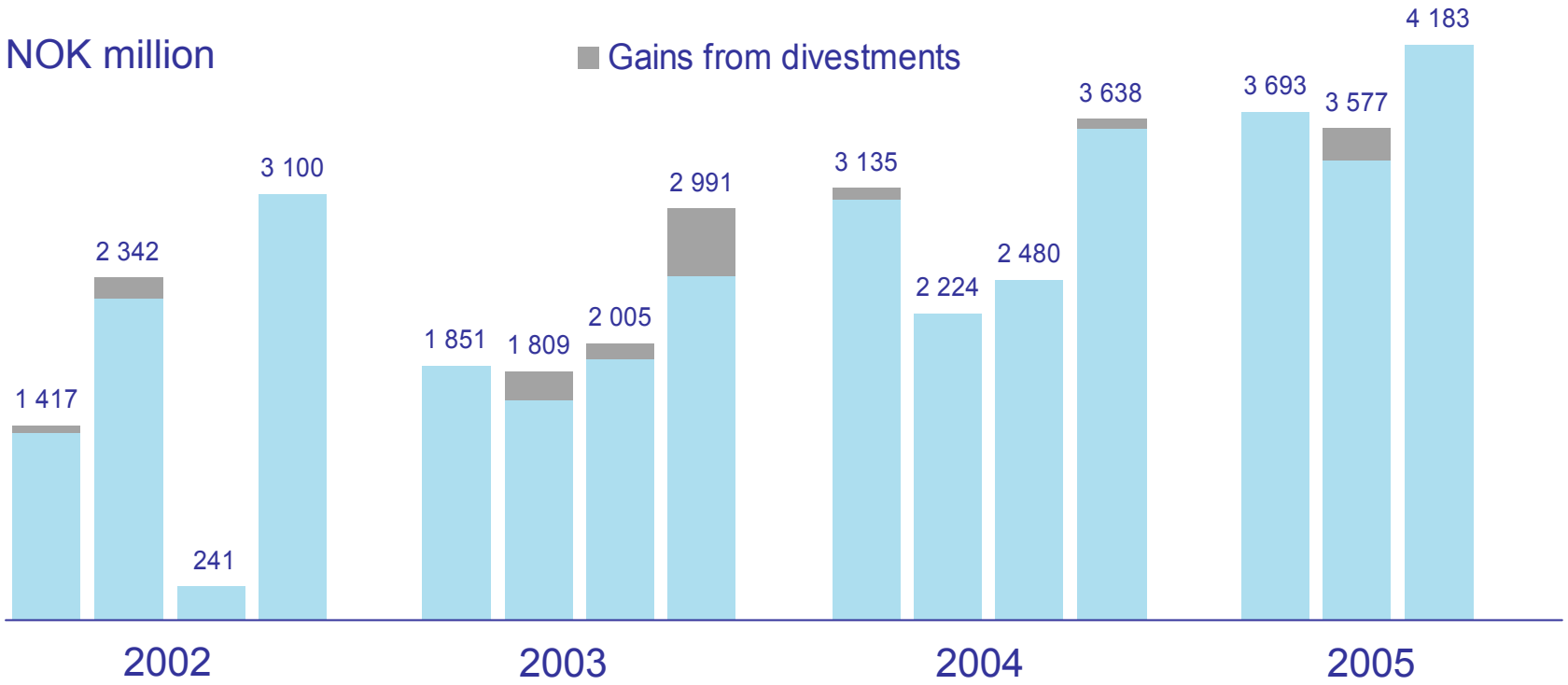
Income from continuing operations*

By quarter



Accumulated

2002	2003	2004	2005
7 100	**8 656**	**11 477**	**11 453**

* Including the effect of change in accounting principles for 1st quarter 2003 amounting to a positive effect of NOK 281 million

HYDRO

Consolidated income statements

NOK million	3rd quarter 2005	3rd quarter 2004
Operating revenues	44 612	38 176
Operating income	12 973	8 047
Non-consolidated investees	237	287
Financial income (expense), net	157	307
Other income, net	-	-
Income from continuing operations before tax and minority interest	13 367	8 641
Income tax expense	(9 182)	(6 083)
Minority interest	(2)	(78)
Income from continuing operations	4 183	2 480
Net income	4 183	2 480
Earnings per share from continuing operations – NOK	16.60	9.80
Earnings per share – NOK	16.60	9.80

For calculation of EPS, 3rd quarter 2005: 250 904 886 shares, 3rd quarter 2004: 254 138 918 shares

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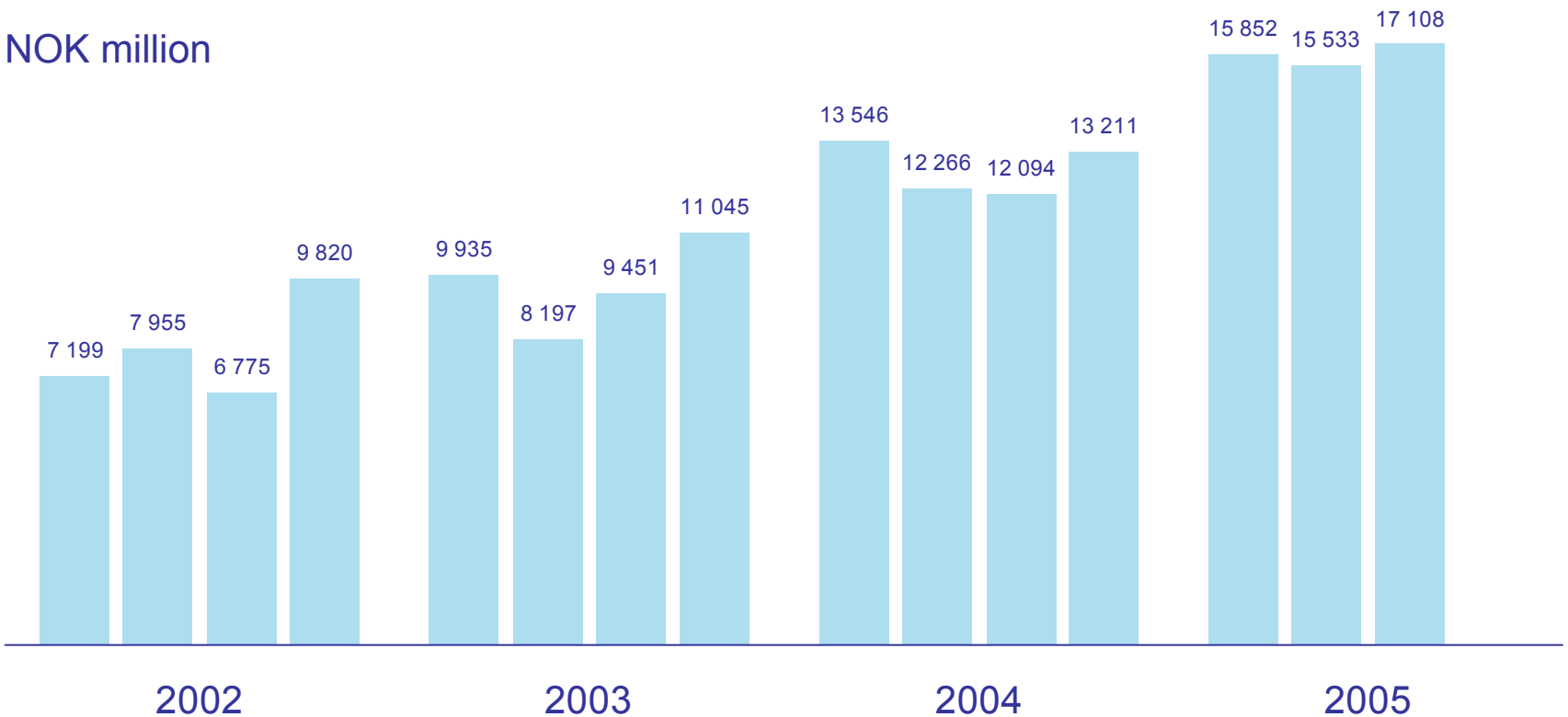
Adjusted EBITDA



Accumulated

2002	2003	2004	2005
31 749	**38 628**	**51 117**	**48 493**

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Oil & Energy – operating income

Operating income, NOK million	3rd quarter 2005	2nd quarter 2005	3rd quarter 2004
Exploration and Production	11 799	9 049	7 559
Energy and Oil Marketing	466	660	272
Eliminations	360	(262)	(310)
Oil & Energy	12 625	9 447	7 521

Operational data	3rd quarter 2005	2nd quarter 2005	3rd quarter 2004
Oil and gas production (1 000 boe/day)	541	539	514
Realized oil price, USD/bbl	60.40	49.80	41.70
Realized oil price, NOK/bbl	390.60	317.90	286.20
Realized gas price, NOK/Sm³	1.36	1.31	1.07
Exploration expense, NOK million	199	240	298

HYDRO

Aluminium – operating income

Operating income, NOK million	3rd quarter 2005	2nd quarter 2005	3rd quarter 2004
Metals	823	715	1 016
Rolled Products	182	308	167
Extrusion and Automotive	47	59	(8)
Other and eliminations	(210)	255	(317)
Aluminium	842	1 337	858

Operational data	3rd quarter 2005	2nd quarter 2005	3rd quarter 2004
Realized aluminium price, USD/tonne	1 770	1 842	1 667
Realized aluminium price, NOK/tonne	11 550	11 955	11 736
Primary aluminium production, kt	461	457	441

HYDRO

Operating income

Individual operating segment

NOK million	3rd quarter 2005	2nd quarter 2005	3rd quarter 2004
Exploration and Production	11 799	9 049	7 559
Energy and Oil Marketing	466	660	272
Eliminations	360	(262)	(310)
Oil & Energy	12 625	9 447	7 521
Metals	823	715	1 016
Rolled Products	182	308	167
Extrusion and Automotive	47	59	(8)
Other and eliminations	(210)	255	(317)
Aluminium	842	1 337	858
Other activities	(188)	109	263
Corporate and eliminations	(306)	362	(595)
Total	12 973	11 255	8 047

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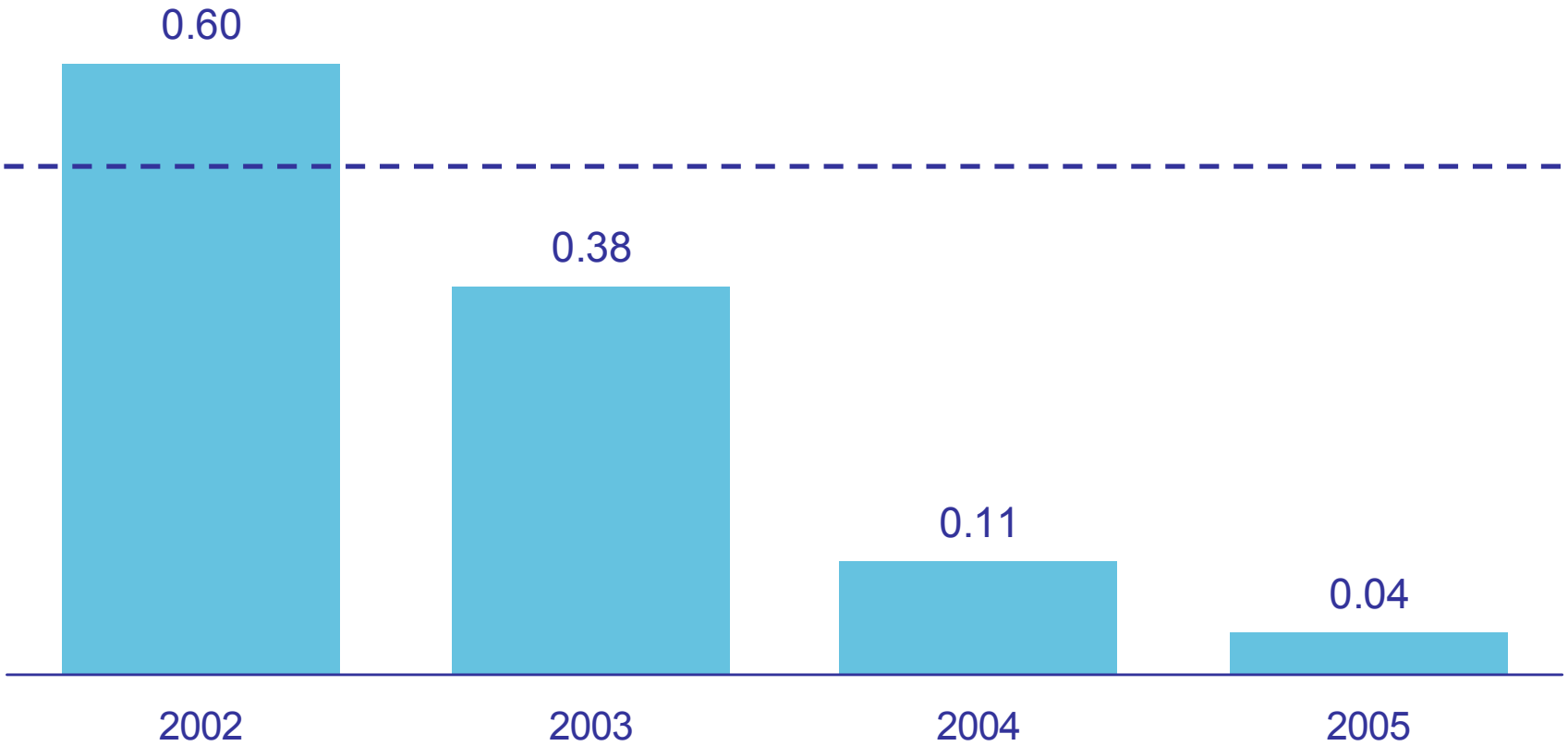
Adjusted net debt/equity ratio



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

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Oil & Energy – highlights

- Record result – high oil price and good cost control
- Successful exploration – 7 discoveries in third quarter
- Ormen Lange/Langeled on track – 49% complete
- First operatorship in Libya
- Agreement to acquire Spinnaker Exploration Company

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Hydro and Spinnaker – a perfect fit

- Strategic acquisition and strong international expansion
- Attractive and broad portfolio
- Significant high-margin production
- High-quality deepwater development opportunities
- Substantial exploration potential
- World-class competence joining forces

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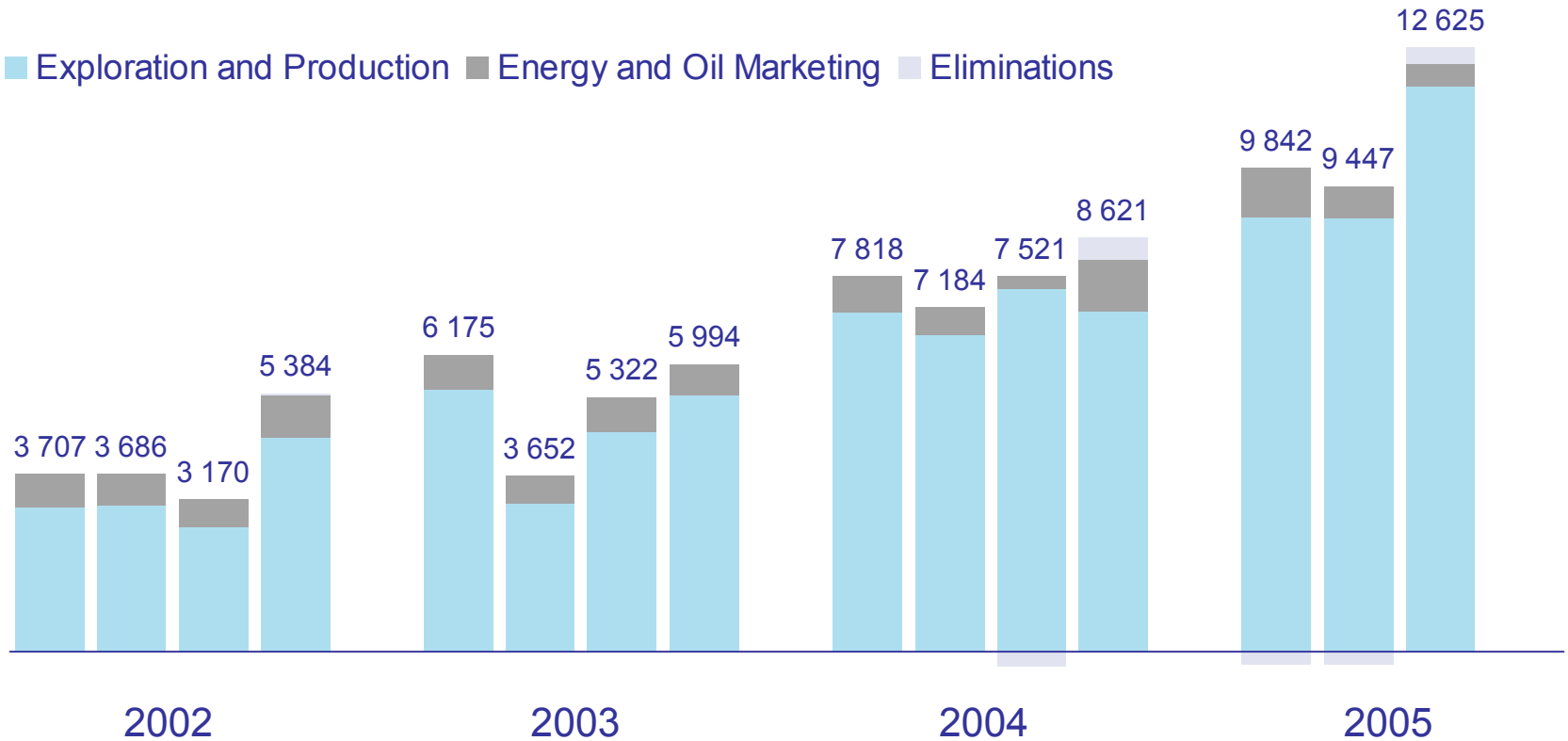
Oil & Energy – operating income

NOK million



Accumulated

2002	2003	2004	2005
15 947	**21 143**	**31 144**	**31 914**

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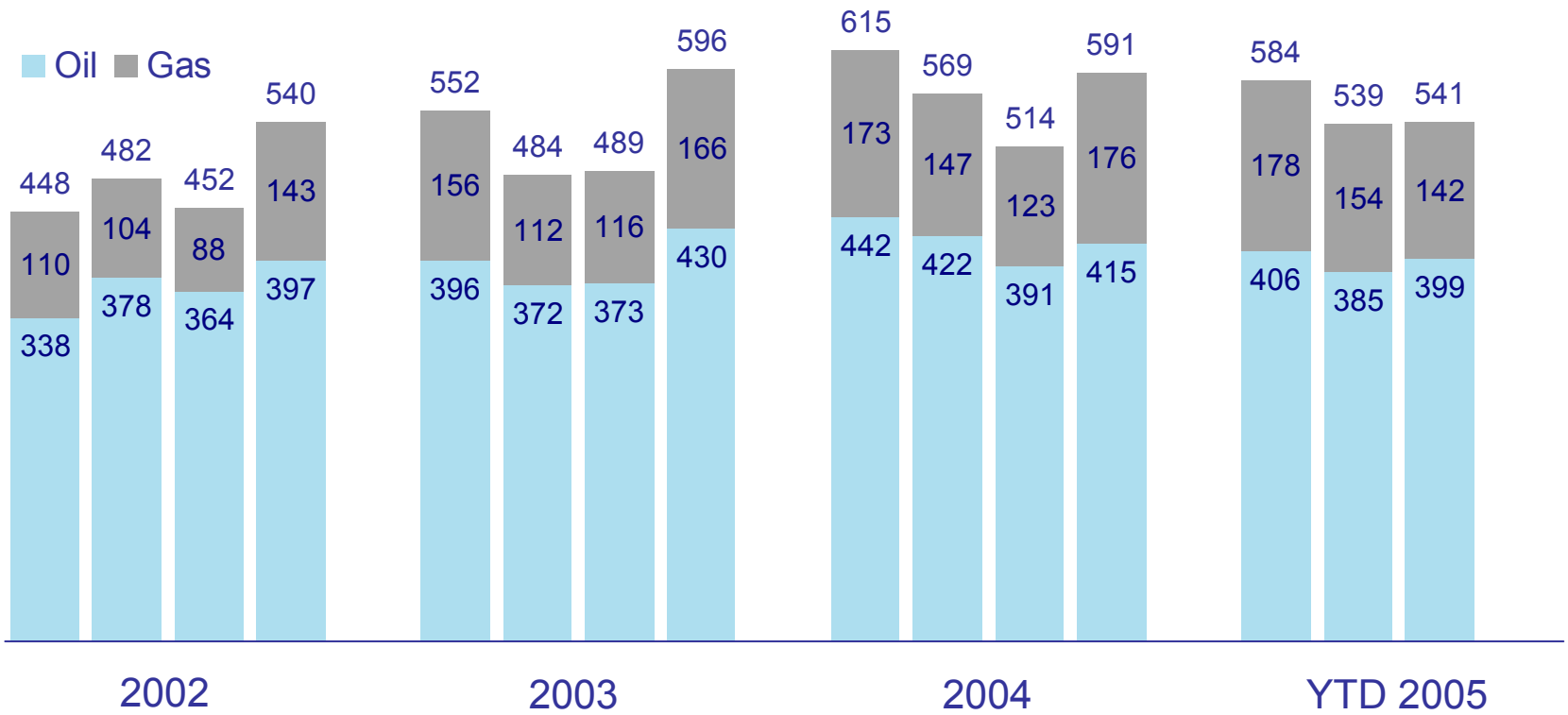
Petroleum production per quarter

1 000 boe/day



Average			
480	**530**	**572**	**554**

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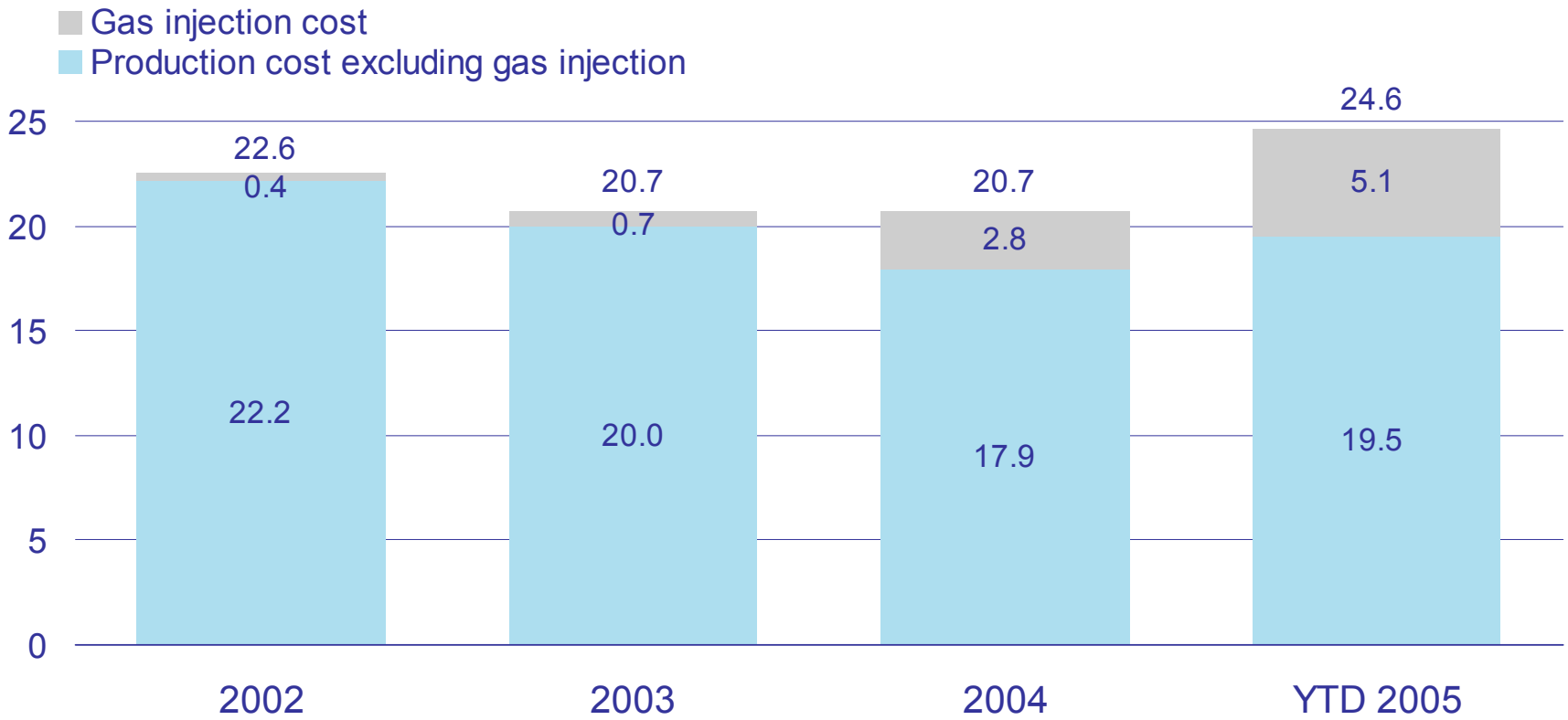
Production costs per barrel

NOK/boe



Production in million boe

2002	2003	2004	YTD 2005
175	**194**	**209**	**151**

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Exploration success
12 discoveries 2005 – 7 discoveries in third quarter

Norway
7 discoveries

- Astero
- Troll Brent
- M5
- Peon
- Oseberg B Sør
- Oseberg J
- Stetind

Denmark
1 discovery

- Hejre

Iran
1 discovery

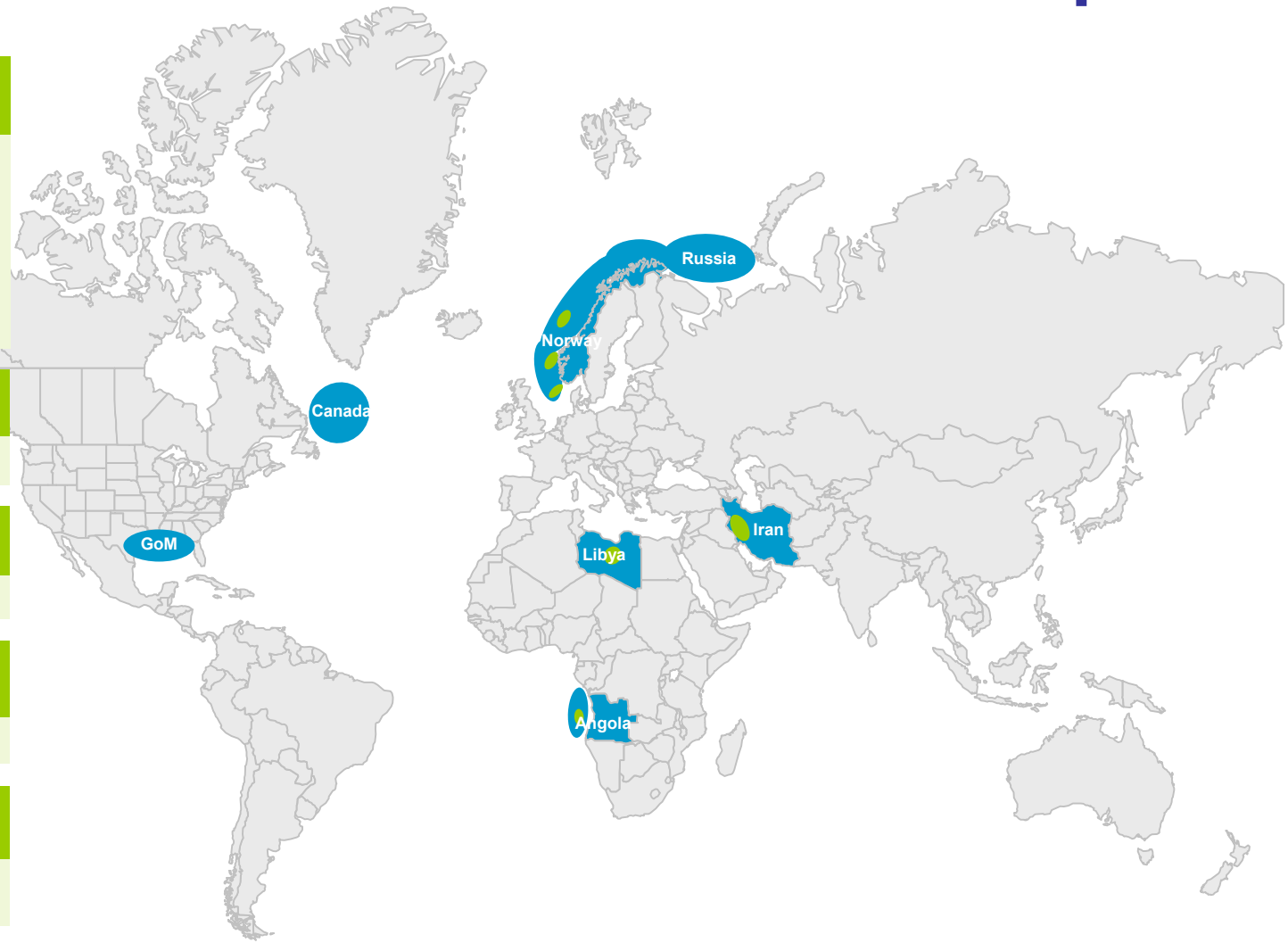
- Anaran

Libya
1 discovery

- NC 186 I1

Angola
2 discoveries

- Perpetua 2
- Lirio 2



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Oil & Energy – prospects

- Continued high energy prices
- 2005 production target revised to 565 000 boed
- High exploration and business development activity
- Spinnaker transaction expected closed in fourth quarter

HYDRO

Aluminium – highlights

- **Higher LME prices driven by increased raw material costs**
- **Results reflecting seasonal effects downstream**
  - Weak results in Extrusion and Automotive
- **Primary aluminium production up 5 percent**
  - Alouette expansion – producing at full capacity

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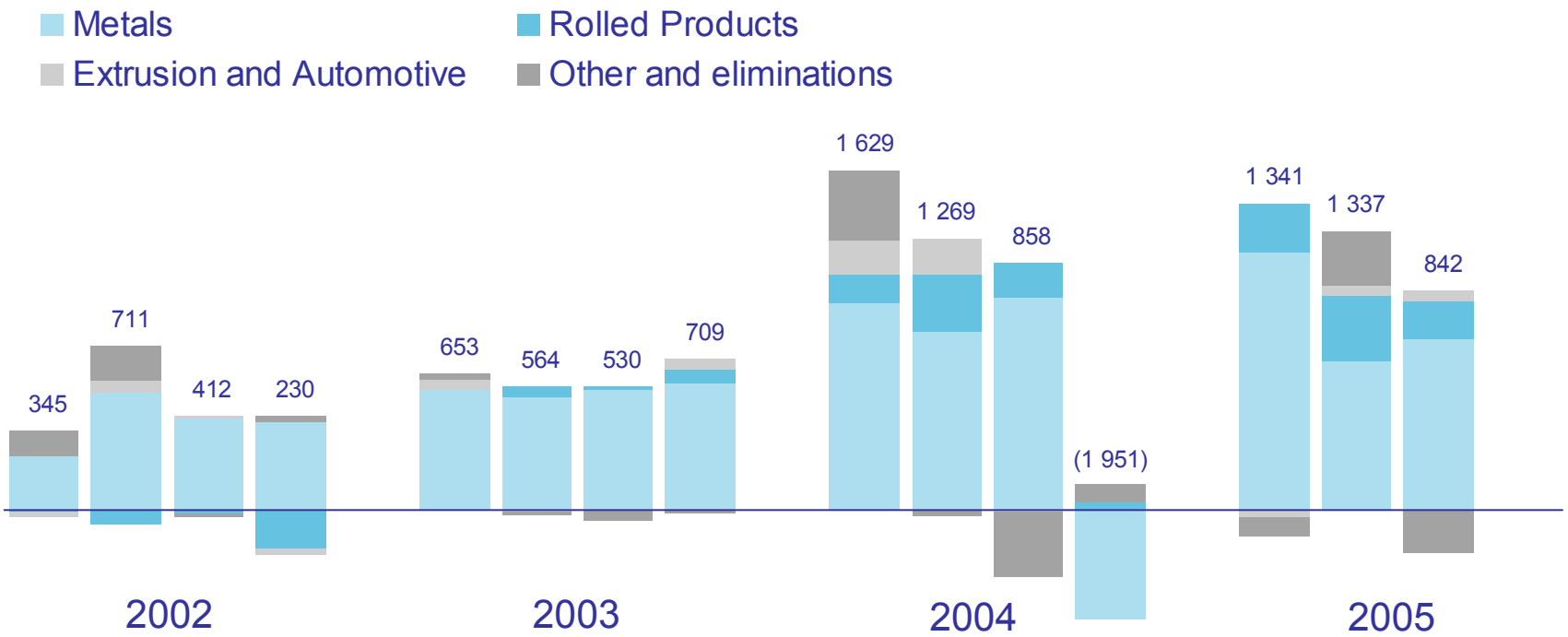
Aluminium – operating income

NOK million



Accumulated

2002	2003	2004	2005
1 698	**2 456**	**1 805**	**3 520**

HYDRO

Aluminium – prospects

- Higher aluminium prices
- Increasing energy costs – an industry challenge
- Smelter restructuring continues
- Strong focus on operational improvements

HYDRO

Hydro – priorities

- Continued operational improvements
- First-class project execution
- Aluminium – restructuring for future competitiveness
- Successful integration of Spinnaker
- Further strengthening of oil and gas resource base

HYDRO

Additional information

Adjusted income third quarter 2005

NOK million	Reported income	Adjustments	Adjusted income
Exploration and Production	11 799	-	11 799
Energy and Oil Marketing	466	-	466
Eliminations	360	(361)	(1)
Oil & Energy	12 625	(361)	12 264
Metals	823	-	823
Rolled Products	182	26	208
Extrusion and Automotive	47	14	61
Other and eliminations	(210)	231	21
Aluminium	842	271	1 113
Other activities	(188)	170	(18)
Corporate and eliminations	(306)	(3)	(309)
Total operating income	12 973	77	13 050
Non-consolidated investees	237	(77)	160
Financial income (expense), net	157	46	203
Other income (loss), net	-	-	-
Income from continuing operations before tax and minority interest	13 367	46	13 413
Income tax expense	(9 182)	(41)	(9 223)
Minority interest	(2)	-	(2)
Income from continuing operations	4 183	5	4 188

* Estimated tax effect on income statement adjustments

HYDRO

Infrequent and other special items impacting income statement third quarter 2005

		NOK million
Unrealized gains on gas contracts	Oil & Energy eliminations	(361)
Metal effect from FIFO valuation	Rolled Products	26
Rationalization costs	Extrusion and Automotive	14
Unrealized losses on LME contracts	Aluminium Other and Elimination	231
Insurance loss provision	Other activities	170
Unrealized gains on power contracts	Corporate and Eliminations	(3)
Net impact on operating income		**77**
Non-consolidated investees – currency gain for Alunorte	Metals	(77)
Financial income (expense) net – net currency loss	Hydro	46
Net impact on income from continuing operations before tax and minority interest		**46**

HYDRO

Adjusted income – YTD 2005

NOK million	Reported income	Adjustments	Adjusted income
Exploration and Production	29 905	-	29 905
Energy and Oil Marketing	2 172	(250)	1 922
Eliminations	(163)	181	18
Oil & Energy	31 914	(69)	31 845
Metals	2 766	6	2 772
Rolled Products	720	(187)	533
Extrusion and Automotive	81	251	332
Other and eliminations	(47)	23	(24)
Aluminium	3 520	93	3 613
Other activities	96	170	266
Corporate and eliminations	452	(1 227)	(775)
Total operating income	35 982	(1 033)	34 949
Non-consolidated investees	696	(34)	662
Financial income (expense), net	(1 311)	1 558	247
Other income (loss), net	233	(233)	-
Income from continuing operations before tax and minority interest	35 600	258	35 858
Income tax expense	(23 895)	(173)	(24 068)
Minority interest	(252)	-	(252)
Income from continuing operations	11 453	85	11 538

* Estimated tax effect on income statement adjustments

HYDRO

Infrequent and other special items impacting income statement – YTD 2005

		NOK million
Accounting imbalance gas portfolio	Energy and Oil Marketing	(250)
Unrealized losses on gas contract	Oil & Energy eliminations	181
Rationalization cost due to Aluimprover	Metals	6
Metal effect from FIFO valuation	Rolled Products	(47)
Reversal contract provisions	Rolled Products	(100)
Settlement Malaysia	Rolled products	(40)
Rationalization costs	Extrusion and Automotive	251
Unrealized losses on LME contracts	Aluminium Other and Elimination	23
Insurance loss provision	Other activities	170
Unrealized gains on power contracts	Corporate and Eliminations	(1 073)
Demanning cost	Corporate and Eliminations	(154)
Net impact on operating income		**(1 033)**
Non-consolidated investees – currency gain for Alunorte	Metals	(183)
Non-consolidated investees – closure cost	Metals	149
Financial income (expense) net – net currency loss	Hydro	1 558
Other income – gain on sale		(233)
Net impact on income from continuing operations before tax and minority interest		**258**

HYDRO

Adjusted income third quarter 2004

NOK million	Reported income	Adjustments	Adjusted income
Exploration and Production	7 559	-	7 559
Energy and Oil Marketing	272	(46)	226
Eliminations	(310)	300	(10)
Oil & Energy	7 521	254	7 775
Metals	1 016	19	1 035
Rolled Products	167	(11)	156
Extrusion and Automotive	(8)	116	108
Other and eliminations	(317)	286	(31)
Aluminium	858	410	1 268
Other activities	263	-	263
Corporate and eliminations	(595)	278	(317)
Total operating income	8 047	942	8 989
Non-consolidated investees	287	(66)	221
Financial income (expense), net	307	(424)	(117)
Other income (loss), net	-	-	-
Income from continuing operations before tax and minority interest	8 641	452	9 093
Income tax expense	(6 083)	(171)	(6 254)
Minority interest	(78)	(43)	(121)
Income from continuing operations	2 480	238	2 718

* Estimated tax effect on income statement adjustments

HYDRO

Infrequent and other special items impacting income statement third quarter 2004

Item		NOK million
Inventory gains	Energy and Oil Marketing	(46)
Unrealized losses on gas contracts	Oil & Energy eliminations	300
Rationalization costs due to Aluimpower	Metals	19
Inventory gains	Rolled Products	(11)
Rationalization costs due to closure of plant	Extrusion and Automotive	73
Impairment loss	Extrusion and Automotive	43
Unrealized losses on LME contracts	Other and elimination	286
Unrealized losses on power contracts	Corporate and Eliminations	278
Net impact on operation income		942
Non-consolidated investees – currency loss for Alunorte	Metals	(66)
Financial income (expense) net – net currency loss	Hydro	(424)
Net impact on income from continuing operations before tax and minority interest		**452**

HYDRO

Operating income – Adjusted EBIT – Adjusted EBITDA

Third quarter 2005

NOK million	Operating income	Non-cons. investees	Interest income	Selected fin. items	Other income	Adjusted EBIT	Depr. and amort.	Adjusted EBITDA
Exploration and Production	11 799	-	3	3	-	11 805	2 316	14 121
Energy and Oil Marketing	466	58	7	1	-	532	178	710
Eliminations	360	(1)	-	-	-	359	-	359
Oil & Energy	12 625	57	10	4	-	12 696	2 494	15 190
Metals	823	129	-	38	-	990	438	1 428
Rolled Products	182	(6)	2	(1)	-	177	166	343
Extrusion and Automotive	47	11	4	(1)	-	61	326	387
Other and eliminations	(210)	-	-	-	-	(210)	-	(210)
Aluminium	842	134	6	36	-	1 018	930	1 948
Other activities	(188)	46	26	56	-	(60)	141	81
Corporate and eliminations	(306)	-	185	5	-	(116)	5	(111)
Total	12 973	237	227	101	-	13 538	3 570	17 108

HYDRO

Adjusted EBITDA

Individual operating segment

NOK million	3rd quarter 2005	3rd quarter 2004
Exploration and Production	14 121	9 761
Energy and Oil Marketing	710	477
Eliminations	359	(310)
Oil & Energy	15 190	9 928
Metals	1 428	1 659
Rolled Products	343	353
Extrusion and Automotive	387	401
Other and eliminations	(210)	(317)
Aluminium	1 948	2 096
Other activities	81	495
Corporate and eliminations	(111)	(425)
Total	17 108	12 094

HYDRO

Variance analysis Hydro group

NOK million	Year to date	3rd quarter
2005 2004	48 493 37 906	17 108 12 094
Variance adjusted EBITDA	10 587	5 014
- Prices and currency, Exploration and Production (E&P) - Margin incl. currency effects [1)] - Volume - Fixed costs - Depreciation - Production and exploration costs, E&P - Infrequent items - Trading and unrealized LME effects, Aluminium - Other	11 045 155 (535) 945 185 (610) 160 (215) (760)	4 305 245 705 240 (45) (90) 90 15 (540)
Variance operating income	10 369	4 926
- Non-consolidated investees - Interest income and other - Other income - Depreciation and amortization	157 145 123 (207)	(52) 103 37
Variance adjusted EBITDA	10 587	5 014

1) Including positive variance for elimination of unrealized gain/loss on electricity contracts (NOK 999 million for the year and 281 million for the quarter) and positive variance for elimination of the gain/loss on gas contracts (NOK 120 million for the year and NOK 660 for the quarter)

HYDRO

Depreciation, depletion and amortization

Individual operating segment

NOK million	3rd quarter 2005	3rd quarter 2004
Exploration and Production	2 316	2 208
Energy and Oil Marketing	176	159
Oil & Energy	2 492	2 367
Metals	428	455
Rolled Products	152	171
Extrusion and Automotive	325	377
Aluminium	905	1 003
Other activities	133	127
Corporate and eliminations	6	3
Total	3 536	3 500

HYDRO

Net financial income (expense)

NOK million	3rd quarter 2005	3rd quarter 2004
Interest income Dividends and net gain (loss) on securities	227 101	189 38
Interest income and other financial income	328	227
Interest expense Capitalized interest Net foreign exchange gain (loss) Other	(323) 219 (46) (21)	(538) 222 424 (28)
Interest expense and foreign exchange gain (loss)	(171)	80
Net financial income (expense)	157	307

HYDRO

Equity in net income of non-consolidated investees

Individual operating segment

NOK million	3rd quarter 2005	3rd quarter 2004
Exploration and Production	-	1
Energy and Oil Marketing	58	43
Eliminations	(1)	(1)
Oil & Energy	57	43
Metals	129	158
Rolled Products	(6)	(2)
Extrusion and Automotive	11	28
Aluminium	134	184
Other activities	46	60
Corporate and eliminations	-	-
Total	237	287

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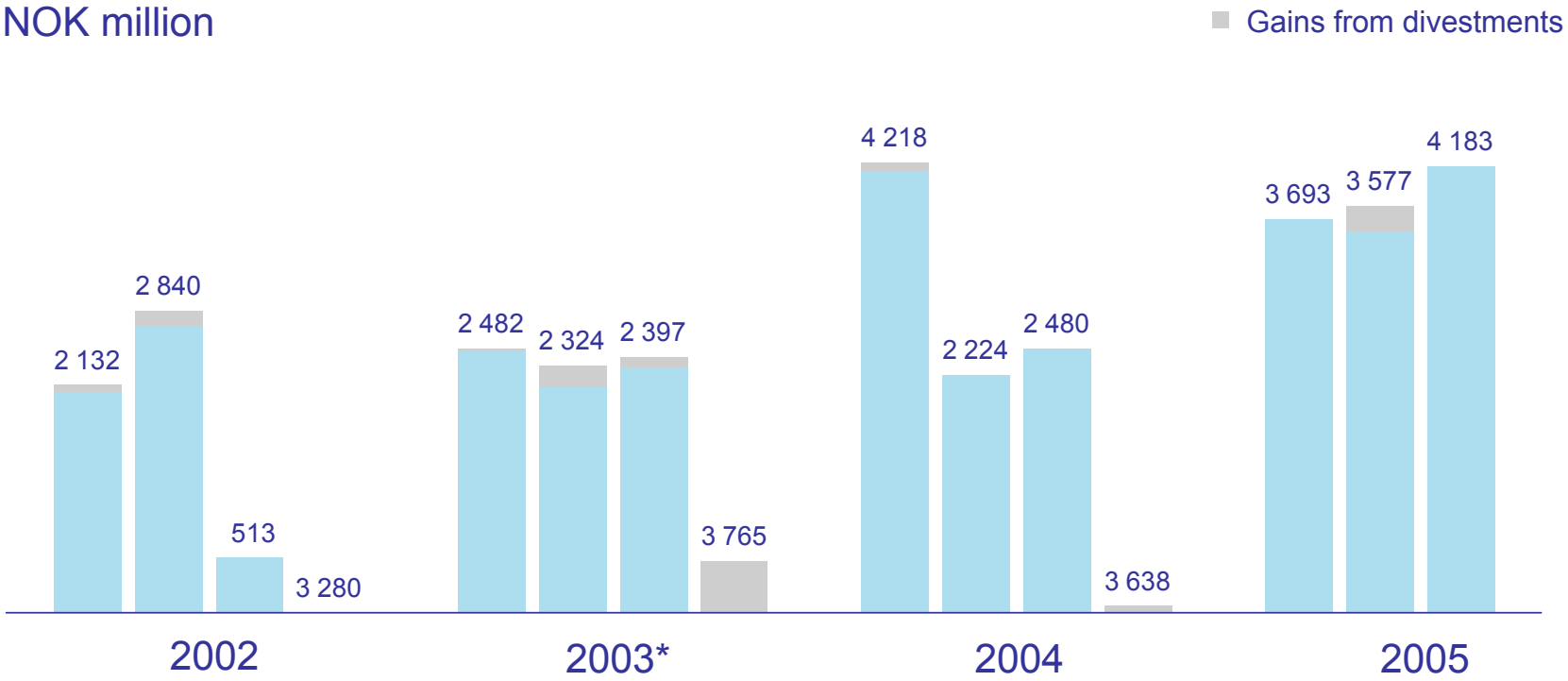
Net income*

By quarter

NOK million



Accumulated

2002	2003*	2004	2005
8 765	**10 968**	**12 560**	**11 453**

* Including the effect of change in accounting principles for 1st quarter 2003 amounting to a positive effect of NOK 281 million

HYDRO

Investments [1)]

Individual operating segment

NOK million	3rd quarter 2005	3rd quarter 2004
Exploration and Production	2 730	2 571
Energy and Oil Marketing	557	400
Oil & Energy	3 287	2 971
Metals	290	821
Rolled Products	122	68
Extrusion and Automotive	287	281
Other and eliminations	-	-
Aluminium	699	1 170
Other activities	190	237
Corporate and eliminations	10	63
Total	4 186	4 441

1) Additions to property, plant and equipment (capital expenditures) plus long-term securities, intangibles, long-term advances and investments in non-consolidated investees

HYDRO

Consolidated balance sheet

NOK million	30.09.2005	30.09.2004	31.12.2004
Cash and cash equivalents	16 607	30 246	14 366
Short-term investments	16 760	1 632	10 970
Receivables and other current assets	38 851	37 251	32 219
Inventories	14 225	12 458	12 851
Non-current assets	131 771	132 770	129 837
Total assets	218 214	214 357	200 243
Short-term interest-bearing debt	4 324	3 326	3 785
Current portion of long-term debt	397	549	568
Other current liabilities	51 406	46 962	41 724
Long-term interest-bearing debt	20 456	26 718	19 487
Other long-term liabilities	19 462	16 962	17 703
Deferred tax liabilities	29 206	33 248	29 515
Minority interest	1 357	1 792	1 571
Shareholders' equity	91 606	84 800	85 890
Total liabilities and shareholders' equity	218 214	214 357	200 243
Shareholders' equity per share, NOK	365.30	335.10	342.40

HYDRO

Statement of cash flow

NOK million	Nine months ended 30 September 2005	Nine months ended 30 September 2004
Operating activities:		
Net income	11 453	8 922
Depreciation, depletion and amortization	10 598	10 788
Other adjustments	3 334	4 664
Net cash provided by operating activities	25 385	24 374
Investing activities:		
Purchases of property, plant and equipment	(11 819)	(11 243)
Purchases of other long-term investments	(444)	(554)
Purchases of short-term investments	(15 162)	(10)
Proceeds from sales of property, plant and equipment	1 256	475
Proceeds from sales of other long-term investments	747	1 143
Proceeds from sales of short-term investments	9 545	11
Net cash used in investing activities	(15 877)	(10 178)
Financing activities:		
Loan proceeds	677	101
Principal repayments	(1 663)	(4 028)
Ordinary shares purchased	(1 177)	(1 684)
Ordinary shares issued	56	29
Dividend paid	(5 021)	(2 811)
Net cash used in financing activities	(7 128)	(8 393)
Foreign currency effect on cash	(139)	(4)
Net cash provided by discontinued operations	-	9 574
Net increase (decrease) in cash and cash equivalents	2 241	15 373
Cash and cash equivalents at beginning of period	14 366	14 873
Cash and cash equivalents at end of period	16 607	30 246

HYDRO

Financial solidity – calculation

Amounts in NOK million		31 December 2001	31 December 2002	31 December 2003	31 December 2004	30 September 2005
[A]	Cash and cash equivalents	27 148	5 965	15 249	14 366	16 607
[B]	Short-term investments	2 421	2 647	1 581	10 970	16 760
[C]	Bank loans and other interest-bearing short-term debt	(8 458)	(7 306)	(5 569)	(3 785)	(4 324)
[D]	Current portion of long-term debt	(1 966)	(1 958)	(1 242)	(568)	(397)
[E]	Long-term debt	(37 853)	(30 902)	(28 568)	(19 487)	(20 456)
[F]=[A]+[B] +[C]+[D]+[E]	Net interest-bearing debt	(18 708)	(31 554)	(18 549)	1 496	8 189
[G]	Net pension liabilities at fair value	(2 133)	(10 107)	(11 973)	(10 056)	(10 879)
[H]	Expected income tax benefit 30%	640	3 032	3 592	3 017	3 264
[I]=[G]+[H]	Net pension liabilities tax adjusted	(1 493)	(7 075)	(8 381)	(7 039)	(7 615)
[J]	Operating lease commitments discounted at 4.8% (2004: 10%)	(5 072)	(4 924)	(4 916)	(3 500)	(4 062)
[K]=[F]+[I]+[J]	Adjusted net interest-bearing debt	(25 272)	(43 552)	(31 846)	(9 043)	(3 488)
[L]	Net pension liabilities not recognized without equity effect	(2 767)	(6 994)	(7 862)	(6 341)	(6 340)
[M]	Expected income tax benefit 30%	830	2 098	2 358	1 902	1 902
[N]=[L]+[M]	Equity adjustment off-balance sheet pension liabilities	(1 937)	(4 896)	(5 504)	(4 439)	(4 438)
[O]	Minority interest	1 051	1 143	660	(1 571)	(1 357)
[P]	Shareholders' equity	74 793	75 867	88 080	(85 890)	(91 606)
[Q]=[N]+[O]+[P]	Adjusted shareholders' equity and minority	73 907	72 114	83 236	(83 022)	(88 525)
[R]=[K] / [Q]	Adjusted debt / equity ratio	0.34	0.60	0.38	0.11	0.04

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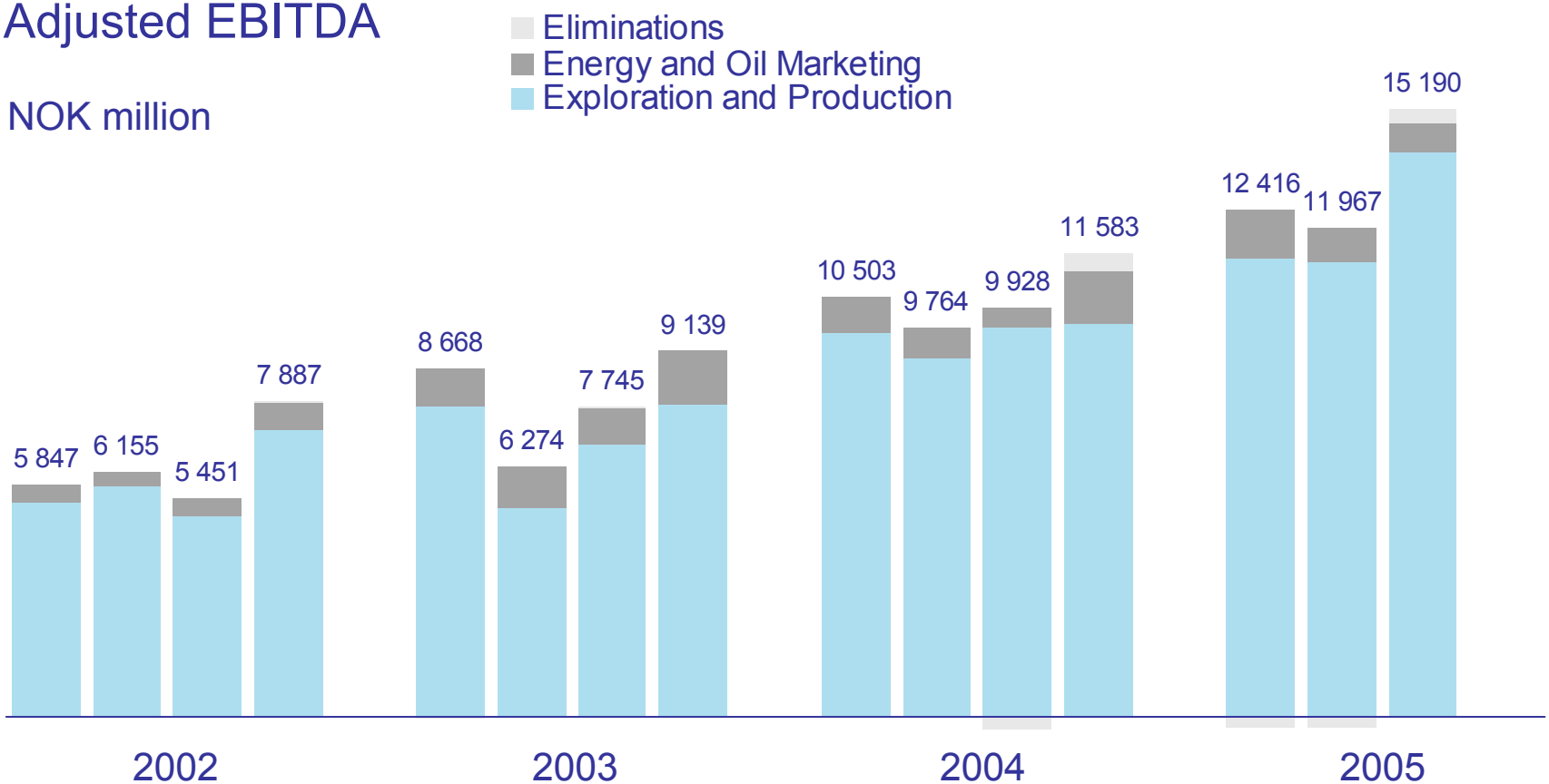
Oil & Energy

Adjusted EBITDA

NOK million



Accumulated

2002	2003	2004	2005
25 340	**31 826**	**41 778**	**39 573**

HYDRO

Variance analysis Oil & Energy

NOK million	Year to date	3rd quarter
2005 2004	39 573 30 195	15 190 9 928
Variance adjusted EBITDA	9 378	5 262
- Prices and currency - Oil - Gas - Currency	10 510 2 405 (1 870) 11 045	4 250 660 (605) 4 305
- Margin - Volume - Fixed costs - Depreciation - Production costs - Exploration costs - Other	70 (230) 15 20 (610) - (920)	540 890 (40) (125) (190) 100 (380)
Variance operating income	9 391	5 103
- Non-consolidated investees - Interest income and other - Depreciation and amortization	39 (24) (28)	13 20 126
Variance adjusted EBITDA	9 378	5 262

HYDRO

Variance analysis Exploration and Production

NOK million	Year to date	3rd quarter
2005 2004	36 925 28 344	14 121 9 761
Variance adjusted EBITDA	8 581	4 360
Prices and currency		
- Oil	10 510	4 250
- Gas	2 405	660
- Currency	(1 870)	(605)
	11 045	4 305
- Volume	(915)	510
- Depreciation	45	(110)
- Production costs	(610)	(190)
- Exploration costs	-	100
- Other	(905)	(375)
Variance operating income	8 658	4 240
- Non-consolidated investees	-	(1)
- Interest income and other	(32)	13
- Depreciation and amortization	(45)	108
Variance adjusted EBITDA	8 581	4 360

HYDRO

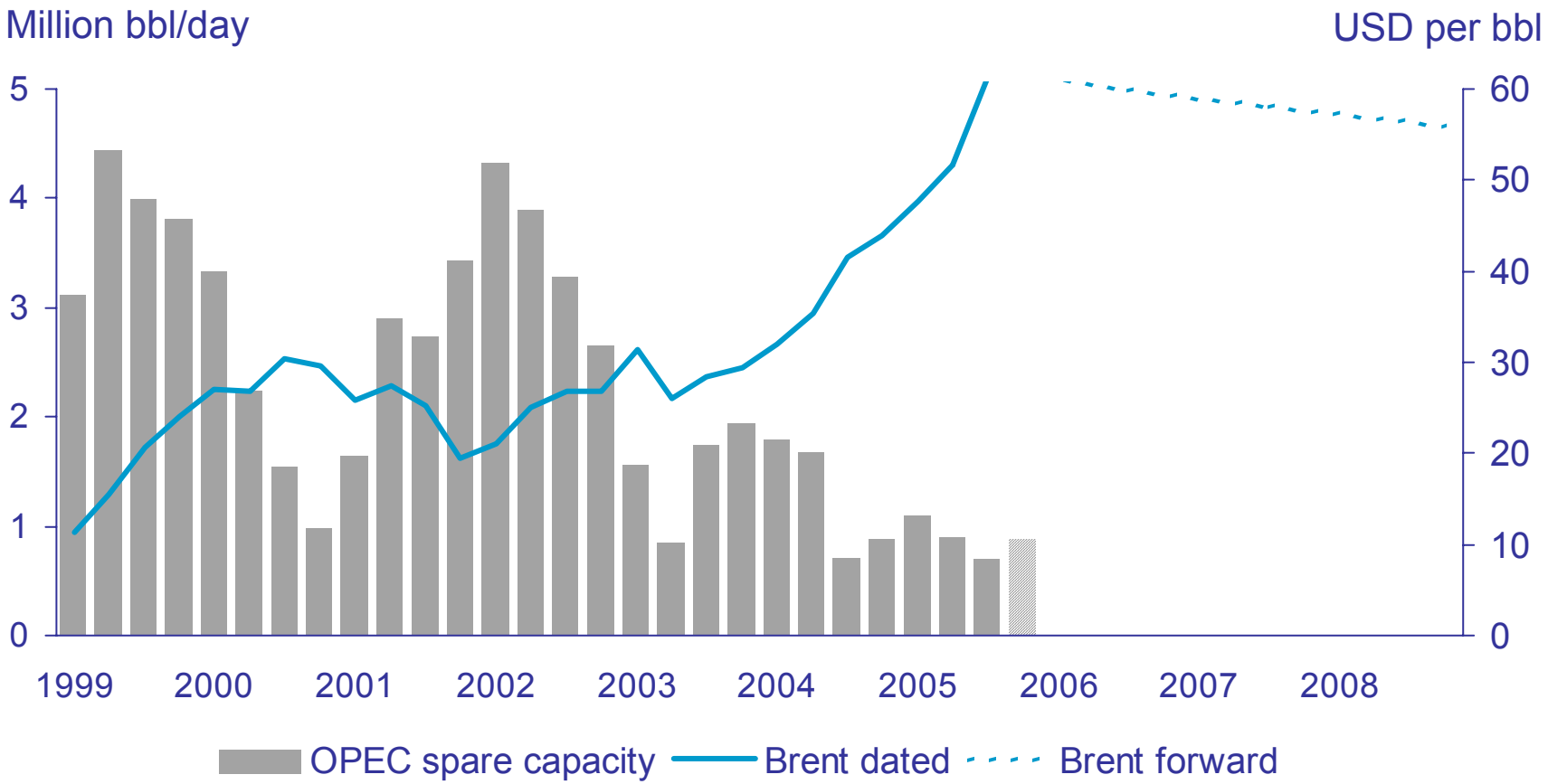
Variance analysis Energy and Oil Marketing

NOK million	Year to date	3rd quarter
2005 2004	2 811 2 153	710 477
Variance adjusted EBITDA	658	233
- Margin - Volume - Fixed costs - Depreciation - Other	(70) 685 15 (25) (15)	(130) 380 (40) (15) (5)
Variance operating income	594	194
- Non-consolidated investees - Interest income and other - Depreciation and amortization	40 7 17	15 6 18
Variance adjusted EBITDA	658	233

HYDRO

High oil price driven by supply concerns

OPEC spare capacity at low levels

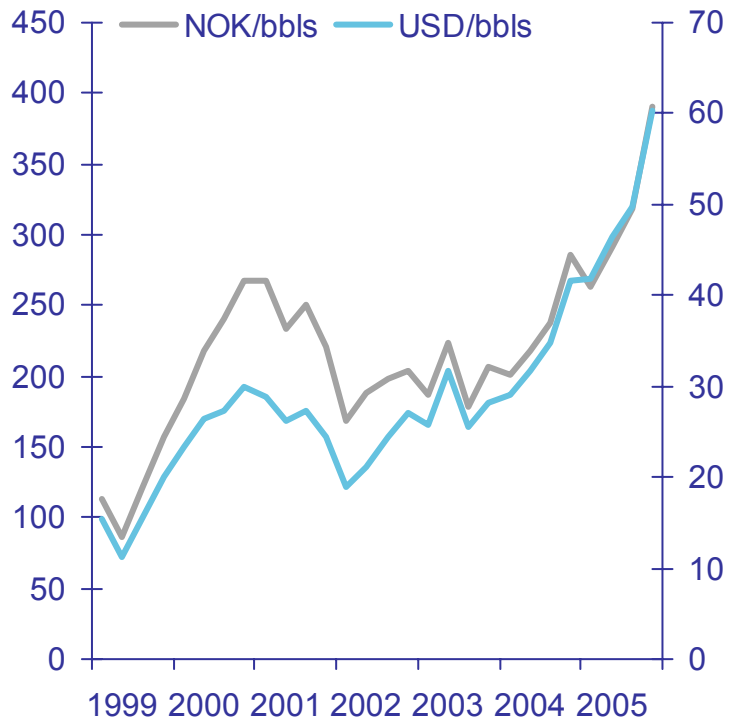


Sources: Pira, Reuters, Platts

HYDRO

Average prices and exchange rates

	USD/boe	NOK/boe	NOK/USD	NOK/Sm^3
1Q 2004	31.6	218.3	6.91	1.10
2Q 2004	34.7	238.0	6.85	0.98
3Q 2004	41.7	286.3	6.87	1.07
4Q 2004	41.8	263.8	6.32	1.20
Average 2004	37.3	251.3	6.74	1.09
1Q 2005	46.4	291.7	6.29	1.47
2Q 2005	49.8	317.9	6.39	1.31
3Q 2005	**60.4**	**390.6**	**6.47**	**1.36**
Average 2005 YTD	52.2	333.4	6.38	1.38



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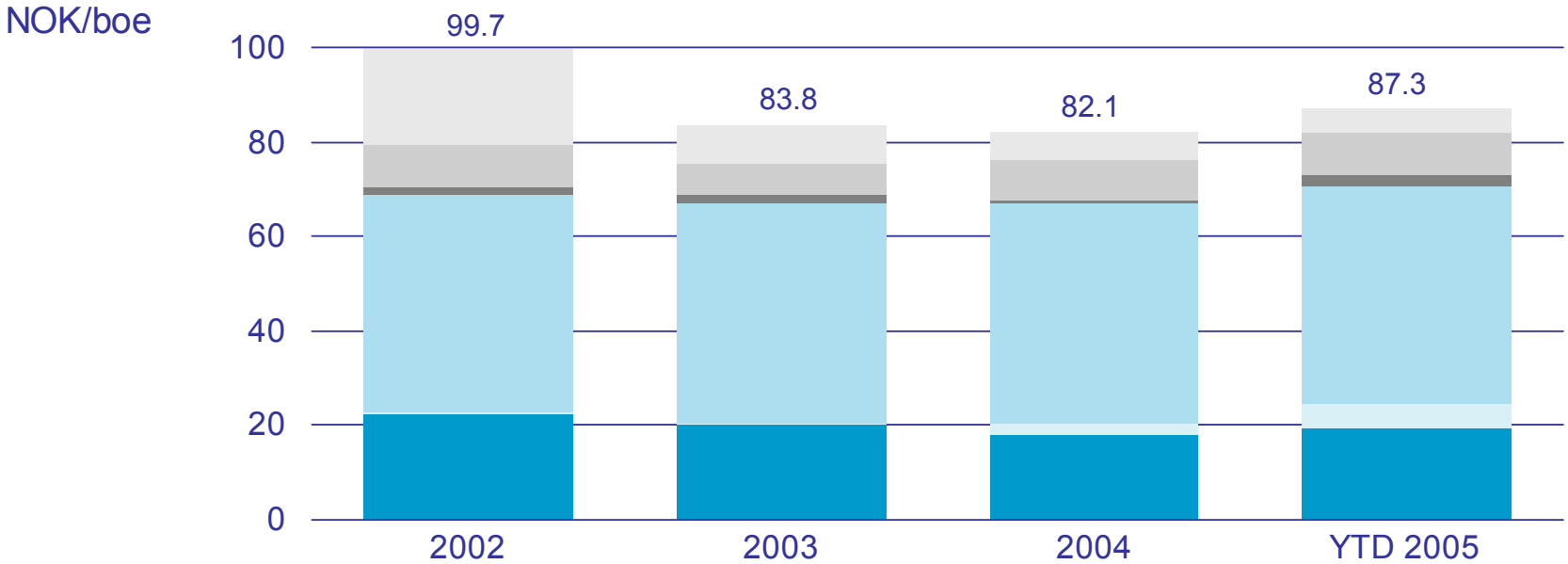
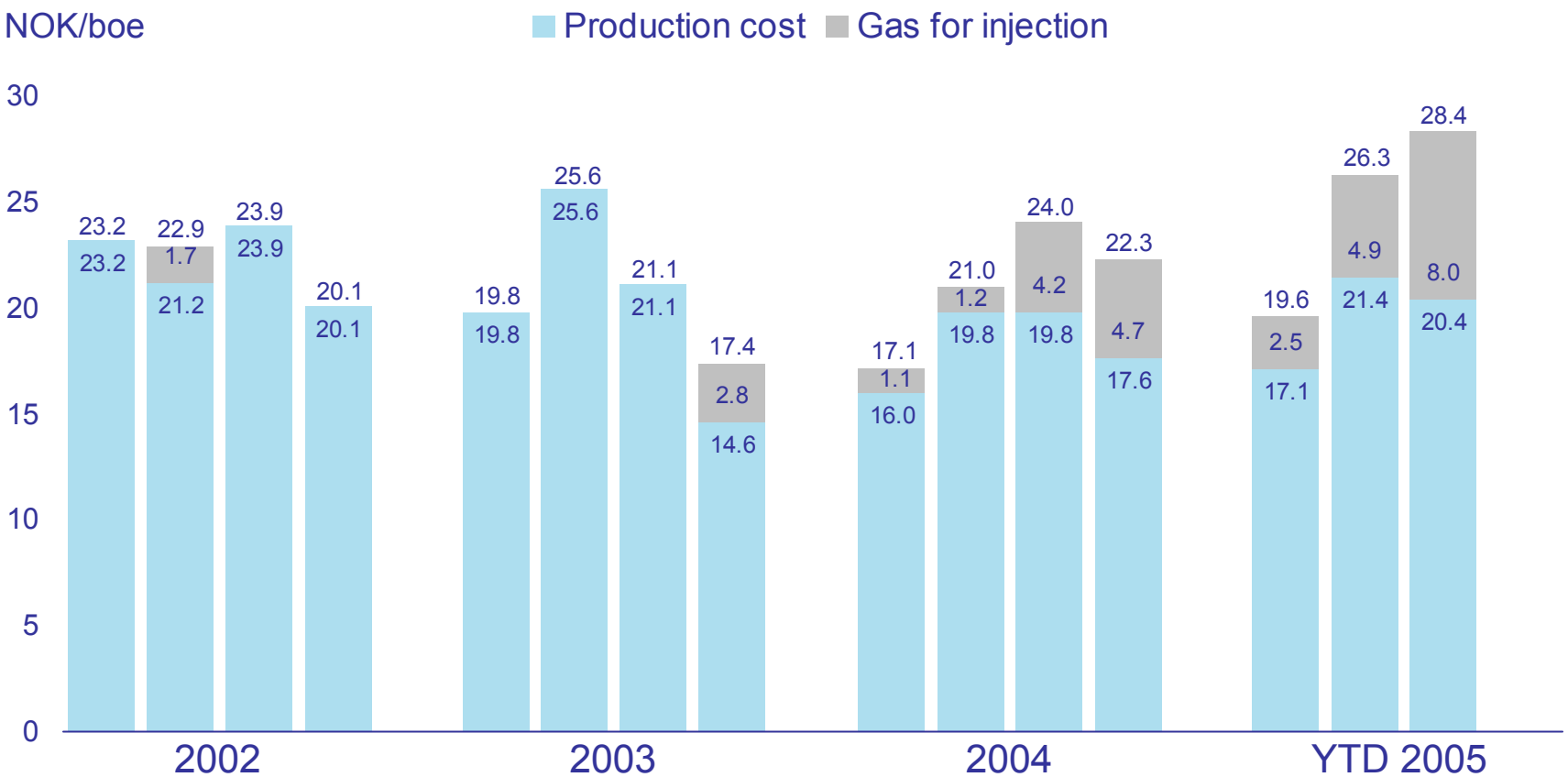
Operating costs per boe



	2002	2003	2004	YTD 2005
Exploration	20.3	8.1	6.0	4.9
Net transportation	9.0	6.8	8.3	9.3
Other cost/income	1.4	1.7	0.7	2.3
Deprec.& aband.	46.4	46.4	46.4	46.1
Gas for injection	0.4	0.7	2.8	5.1
Prod. cost	22.2	20.0	17.9	19.5
Production million boe	175	194	209	151

HYDRO

Production costs per barrel



Weighted average

2002	2003	2004	YTD 2005
22.6	**20.7**	**20.7**	**24.6**

HYDRO

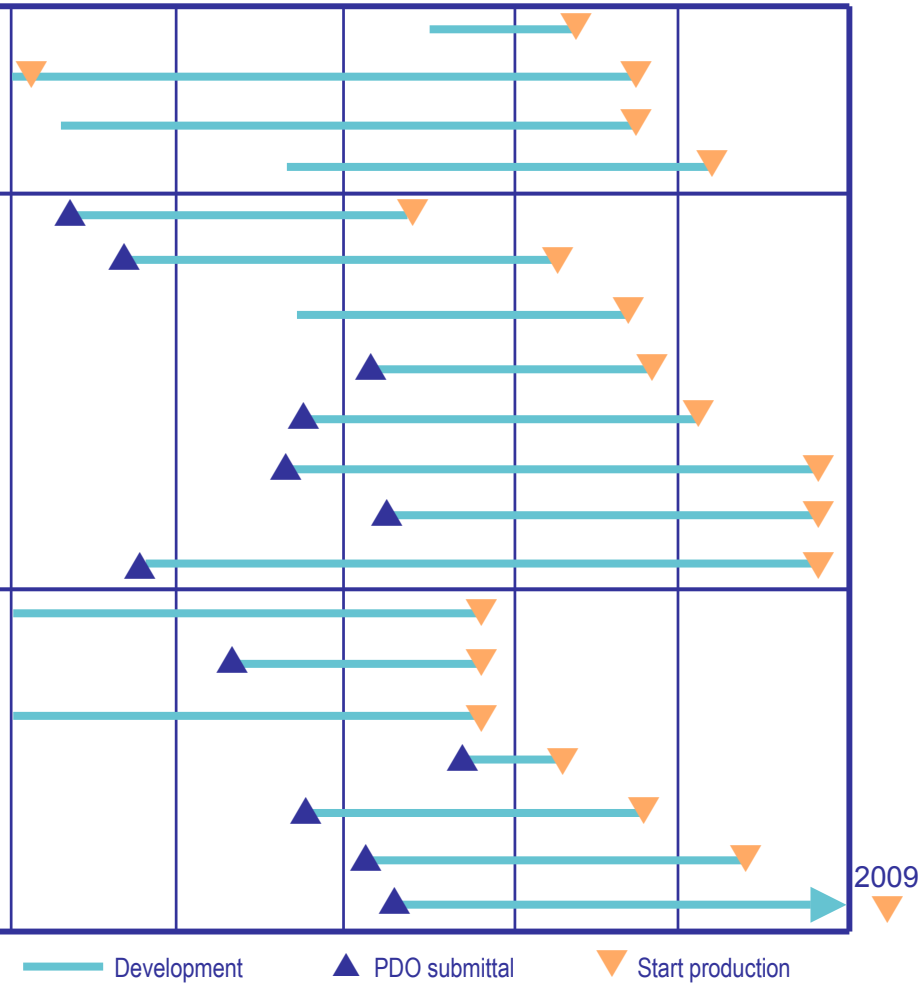
Production per field – 3Q 2005

Boe/day (oil including NGL and condensate)	Share %	3Q 04	Hydro 3Q 04	3Q 05	Hydro 3Q 05
Grane	38.00	115 000	43 836	195 000	73 951
Oseberg incl C	34.00	163 000	55 451	151 000	51 347
Snorre	17.65	191 000	33 709	168 000	29 660
Oseberg South	34.00	83 000	28 210	79 000	26 726
Ekofisk	6.65	311 000	20 667	345 000	22 914
Girasol/Jasmin	10.00	186 000	18 568	192 000	19 206
Gullfaks inclu. Sat C	9.00	240 000	21 601	208 000	18 683
Åsgard	9.60	185 000	17 717	186 000	17 900
Troll B	9.78	133 000	12 961	131 000	12 779
Terra Nova	15.00	89 000	13 367	79 000	11 908
Troll C	9.78	165 000	16 165	106 000	10 376
Vigdis	13.28	57 000	7 565	74 000	9 885
Hibernia	5.00	207 000	10 325	187 000	9 346
Fram	25.00	46 000	11 608	31 000	7 803
Sleipner Area	9.42	55 000	5 170	82 000	7 728
Norne	8.10	105 000	8 496	95 000	7 706
Kvitebjørn	15.00	0	0	49 000	7 414
Tordis	13.28	67 000	8 955	54 000	7 160
Njord	20.00	31 000	6 142	35 000	7 051
Brage	20.00	25 000	5 075	30 000	6 053
Kharyaga	40.00	16 000	6 237	15 000	5 994
Oseberg East	34.00	32 000	10 822	18 000	5 983
Other					21 309
Oil					398 883
Gas					141 795
Total production					540 678

HYDRO

New fields on stream 2005 - 2007

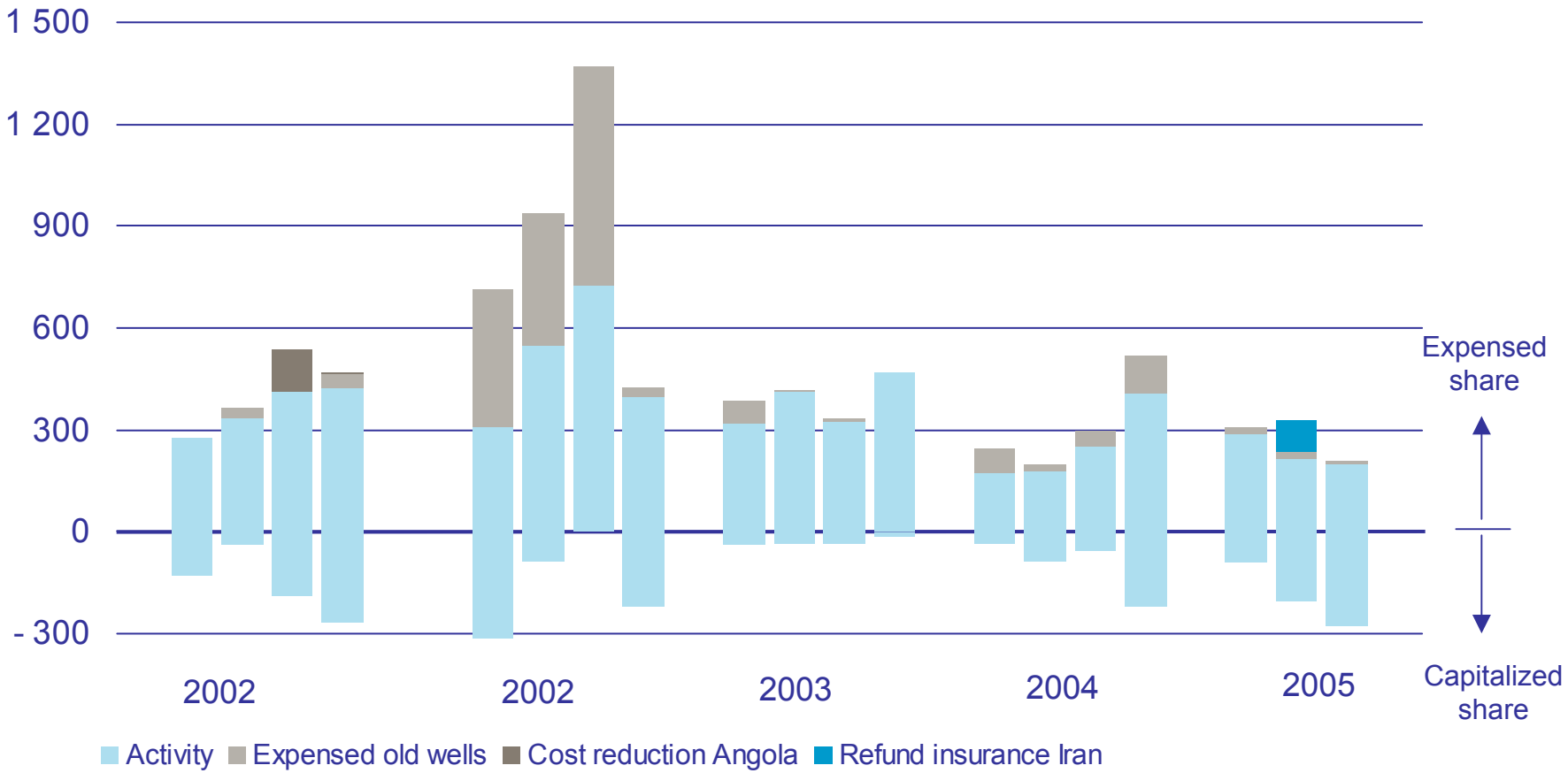
	Field	Hydro Plateau (boe/day)	Plateau Year
International	Lorien	10 000	2007
	Kharyaga	10 000	2007
	Dalia	24 000	2007
	Rosa	13 000	2008
Operator NCS	Oseberg South J	7 000	2006
	Oseberg Vestflanken	14 000	2007
	Oseberg East Drilling solution	6 500	2008
	Fram Øst	11 000	2007
	Vilje	9 000	2007
	Njord gas phase	7 500	2008
	Oseberg Delta	12 500	2009
	Ormen Lange	70 000	2009
Non-operator NCS	Visund gas phase	18 000	2015
	Urd (Norne satellites)	7 000	2006
	Kristin	31 500	2007
	Ringhorne East	2 500	2007
	Rimfaks/Skinfaks IOR	3 000	2011
	Volve	6 000	2008
	Tyrihans	11 000	2016



HYDRO

Exploration activity and costs

NOK million



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Exploration strategy paying off

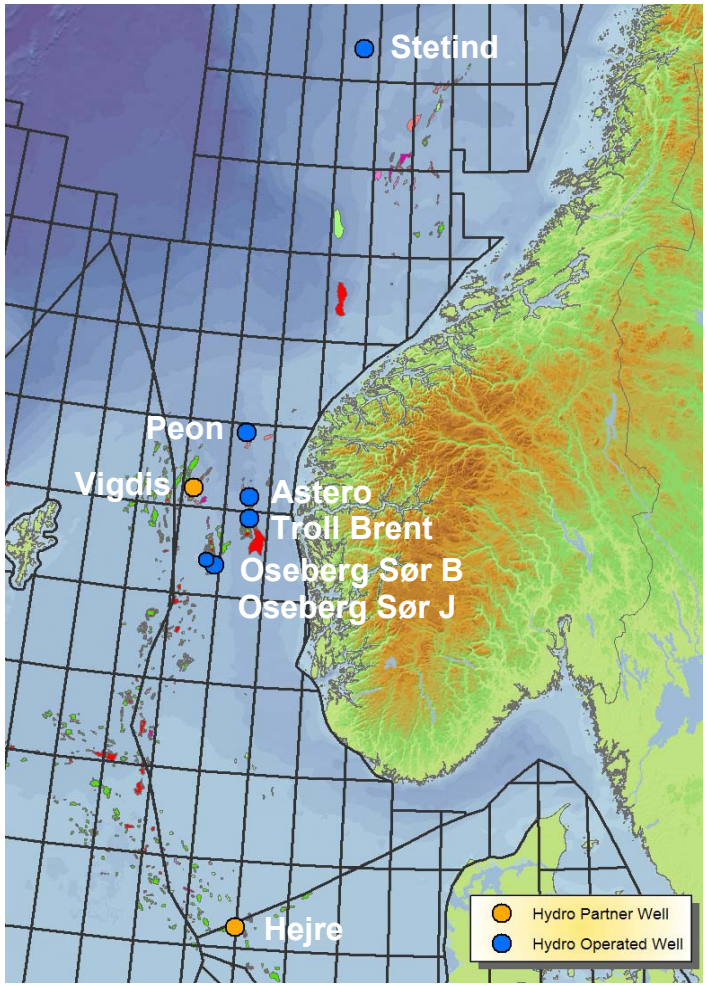
- **Discoveries Norway 2005**
  - Astero
  - Peon
  - Troll Brent

  - Oseberg South - B South
  - Oseberg South - J Central

  - Stetind

  - Vigdis M5
  - Hejre (Denmark)

Discoveries Norway and Denmark



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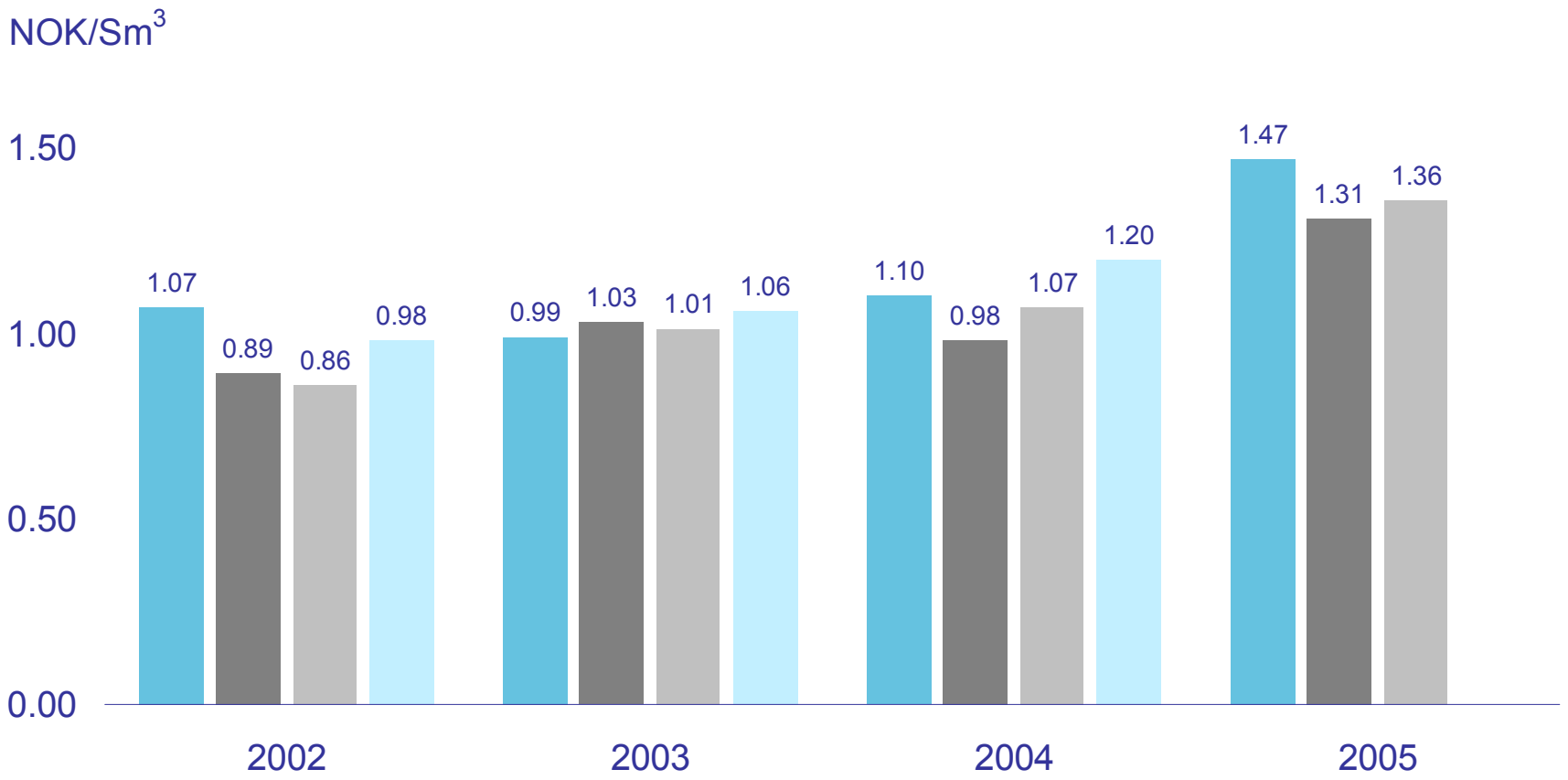
Average realized gas prices



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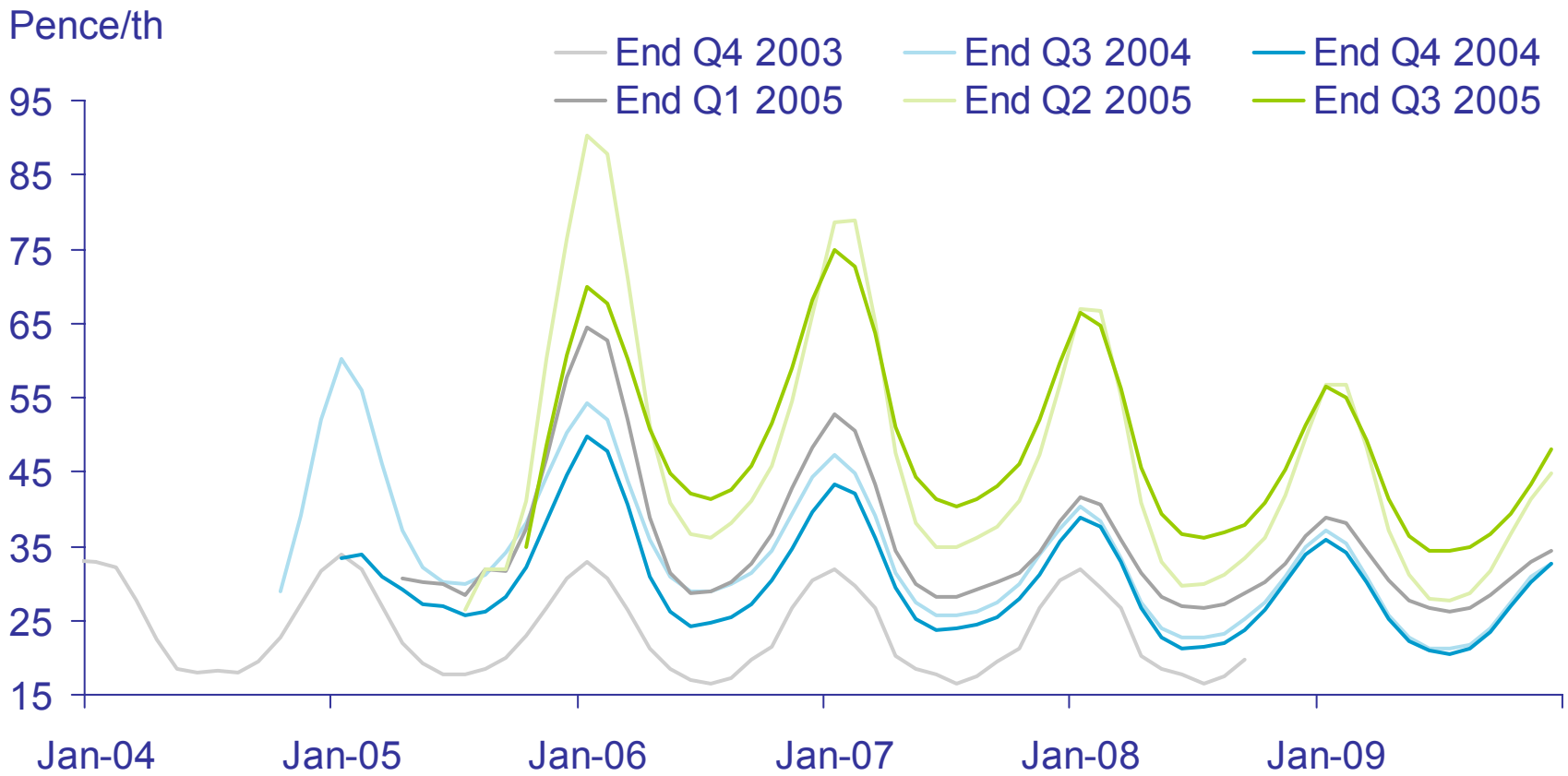
UK gas prices – NBP forward curves



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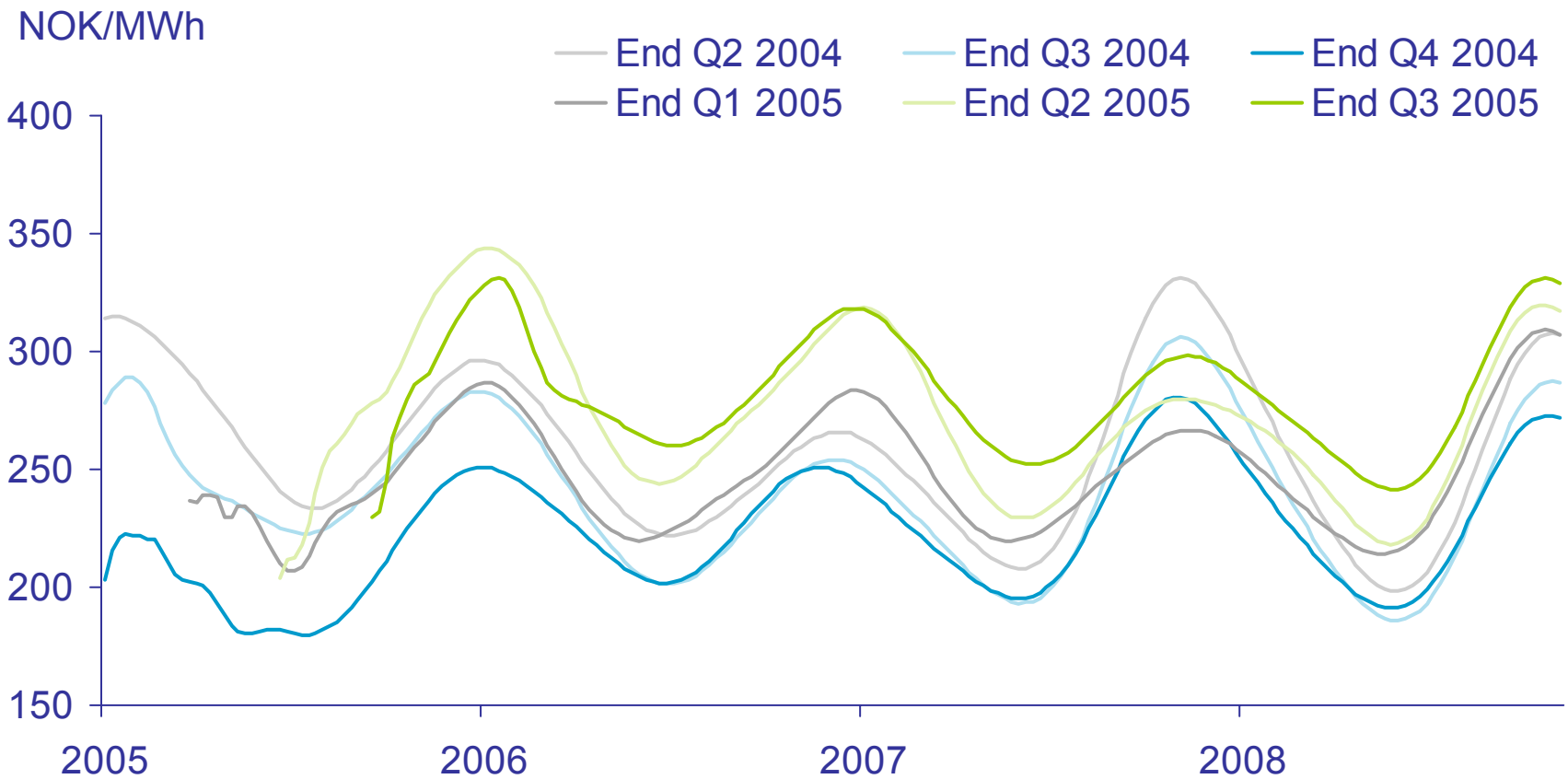
Nordic power market – forward curves



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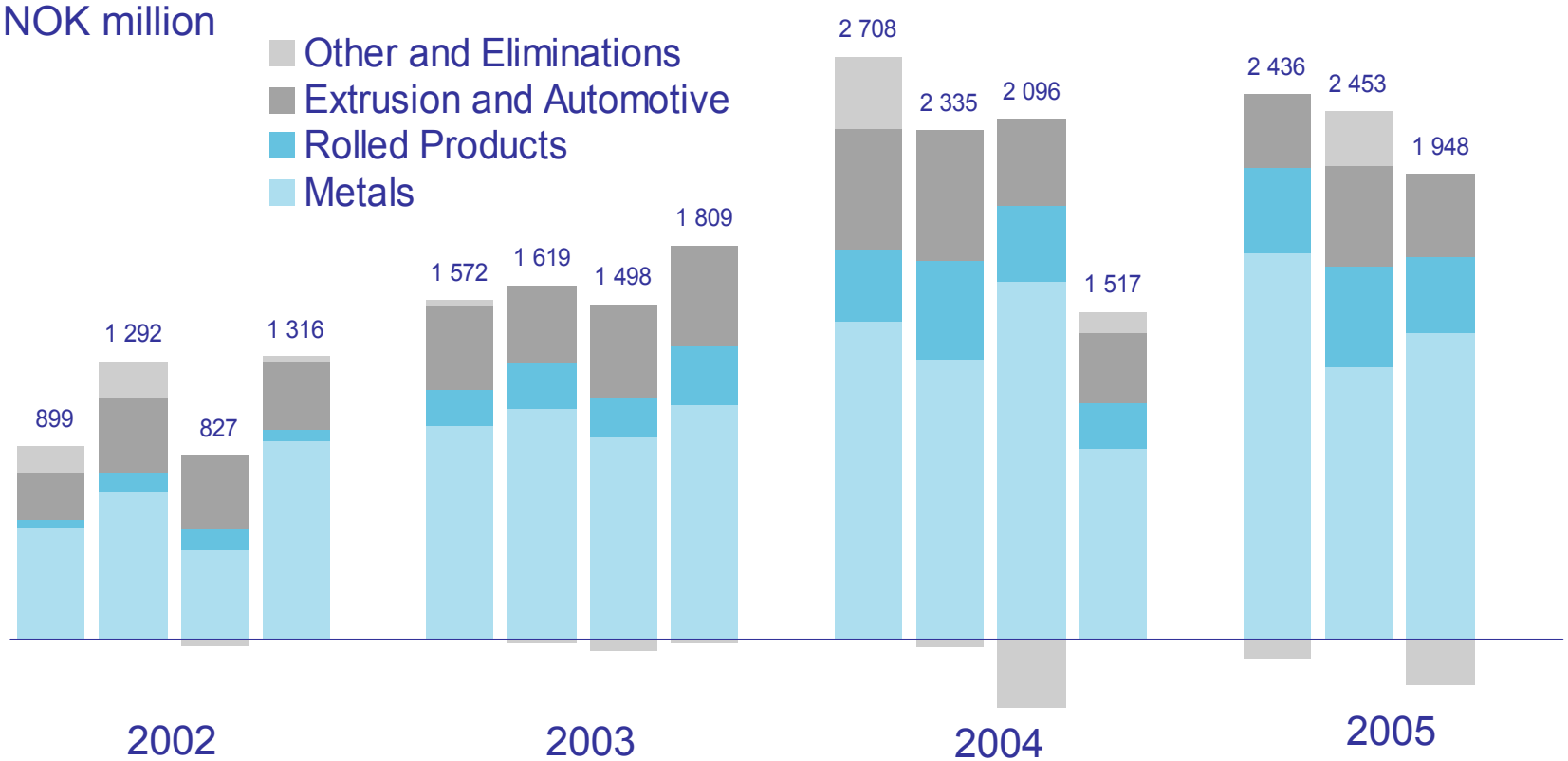
Aluminium

Adjusted EBITDA

NOK million



Accumulated			
4 334	**6 498**	**8 656**	**6 837**

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Aluminium – business comments

- **Metals**
  - Record output 461 000 tonnes primary aluminium
  - Realized aluminium price in NOK down 2% vs 3Q 2004
  - Higher raw material and energy cost negatively impacted margins
  - Sourcing and Trading reported an operating income of NOK 188 million
  - Alouette expansion completed and producing at full capacity 550 000 tonnes – 20% equity

- **Rolled Products**
  - Slight increase in sales volumes
  - Litho and Foil – increased sales of higher margin products
  - Standard products – continued margin pressure
  - Metal effect – negative impact of NOK 26 million

- **Extrusion & Automotive**
  - Challenging European market for general extrusion
  - Building Systems – sales volume and margins maintained
  - Weak results for Automotive and challenging markets
  - Divestment of Marine Aluminium and Puckett

HYDRO

Variance analysis Aluminium

NOK million	Year to date	3rd quarter
2005 2004	6 837 7 139	1 948 2 096
Variance adjusted EBITDA	(302)	(148)
- Margin - Volume - Fixed costs - Depreciation - Infrequent items - Trading and hedging [1)] - Unrealized LME effects - Other	(985) (215) 965 175 10 (110) (105) 30	(455) (165) 370 95 90 (40) 55 35
Variance operating income	(236)	(16)
- Non-consolidated investees - Interest income and other - Depreciation and amortization	105 20 (191)	(51) 23 (104)
Variance adjusted EBITDA	(302)	(148)

1) Includes realized effects from the Sunndal hedge program

HYDRO

Variance analysis Metals

NOK million	Year to date	3rd quarter
2005 2004	4 509 4 469	1 428 1 659
Variance adjusted EBITDA	40	(231)
- Margin - Volume - Fixed costs - Depreciation - Infrequent items - Trading & price hedging [1)] - Other	(545) 445 95 60 15 (110) -	(260) 95 (40) 25 20 (40) 10
Variance operating income	(43)	(193)
- Non-consolidated investees - Interest income and other - Depreciation and amortization	144 10 (71)	(29) 21 (30)
Variance adjusted EBITDA	40	(231)

1) Includes realized effects from the Sunndal hedge program

HYDRO

Variance analysis Rolled Products

NOK million	Year to date	3rd quarter
2005 2004	1 202 1 144	343 353
Variance adjusted EBITDA	58	(10)
- Margin - Volume - Fixed costs - Depreciation - Infrequent items - Other	(295) 90 215 60 55 -	(85) 55 20 20 5 -
Variance operating income	127	15
- Non-consolidated investees - Interest income and other - Depreciation and amortization	(12) 5 (62)	(4) - (21)
Variance adjusted EBITDA	58	(10)

HYDRO

Variance analysis Extrusion and Automotive

NOK million	Year to date	3rd quarter
2005 2004	1 172 1 542	387 401
Variance adjusted EBITDA	(370)	(14)
- Margin - Volume - Fixed costs - Depreciation - Infrequent items - Other	(220) (750) 655 55 (60) 30	(160) (315) 390 50 65 25
Variance operating income	(289)	55
- Non-consolidated investees - Interest income and other - Depreciation and amortization	(27) 5 (59)	(17) 2 (54)
Variance adjusted EBITDA	(370)	(14)

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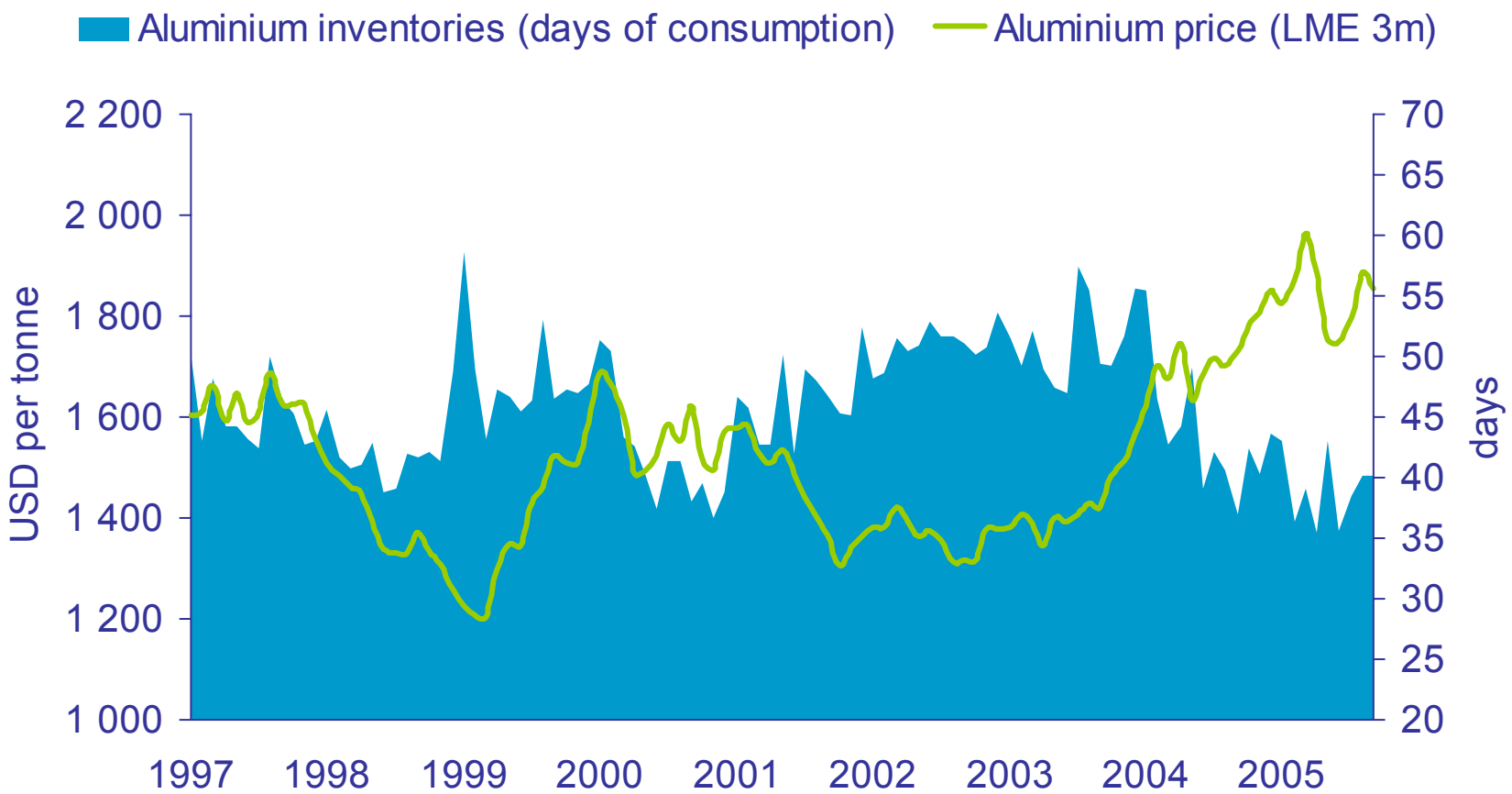
Primary aluminium market



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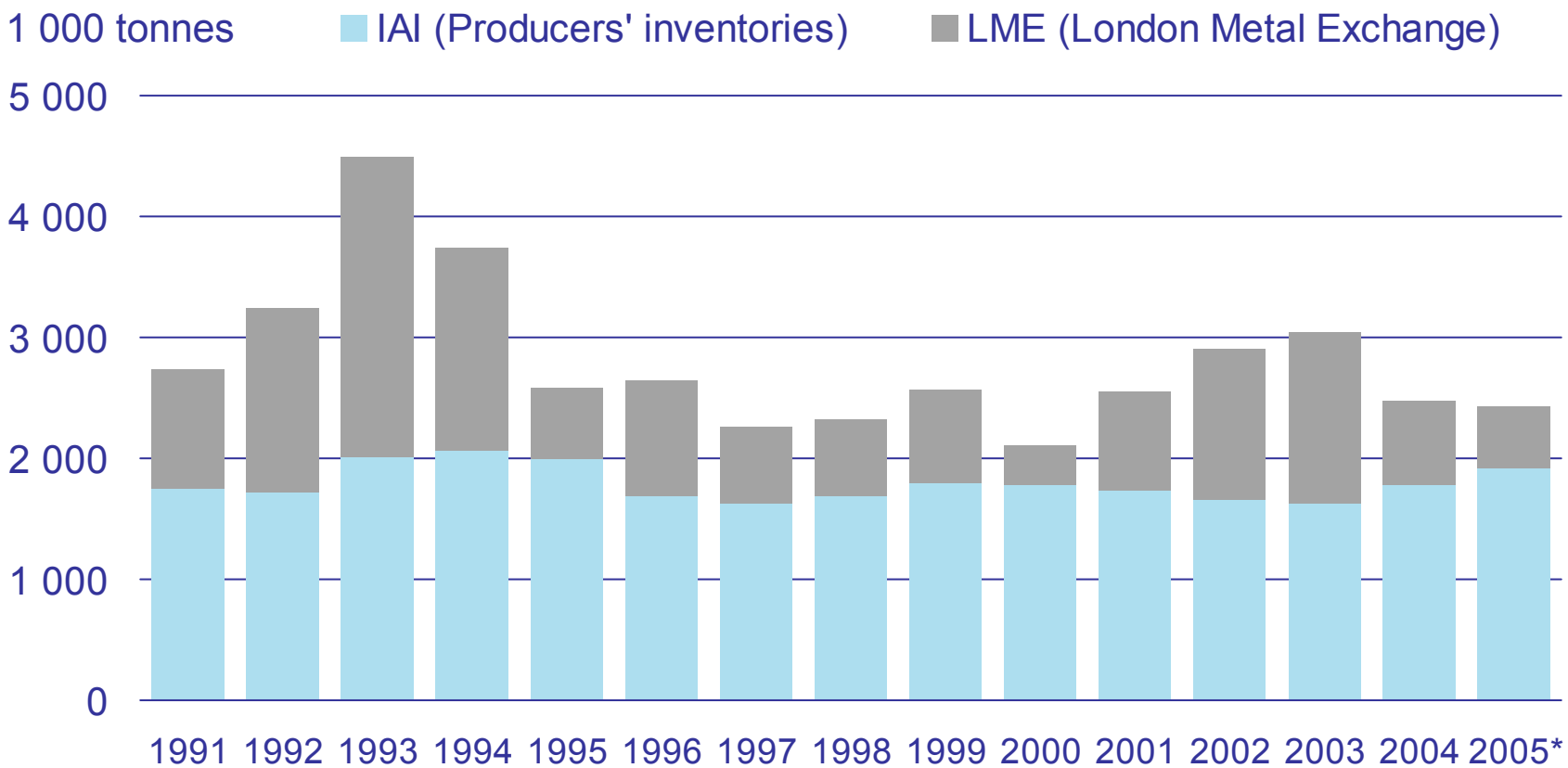
Inventories – primary aluminium



Sources: IAI and LME, 2005 as of end-August*

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Aluminium – operational data

Volumes and prices	Q3 2005	Q2 2005	Q1 2005	Q4 2004	Q3 2004	Q2 2004	Q1 2004
Primary production (1 000 tonnes) *	461	457	444	446	441	418	415
Total metal products sales excluding trading (1 000 tonnes)	741	835	802	735	752	776	786
LME realized (USD/tonne) including hedges	1 770	1 842	1 783	1 678	1 667	1 647	1 525
USD/NOK realized including hedges **	6.53	6.49	6.58	6.65	7.04	7.10	7.13
LME realized (USD/tonne) excluding hedges	1 796	1 886	1 812	1 707	1 691	1 669	1 530
USD/NOK realized excluding hedges **	6.44	6.27	6.35	6.61	6.87	6.89	6.90
Rolled Products external shipment (1 000 tonnes)	244	243	239	231	234	235	240
Extrusion and Automotive external revenues (NOK million)	6 146	6 909	6 511	6 580	6 572	6 476	7 459
Extrusion order intake (indexed, 1996=100)	194	223	210	184	205	232	223

* Full consolidation of Slovalco from 2004

** 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)

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Variance analysis Polymers

NOK million	Year to date	3rd quarter
2005 2004	563 542	91 244
Variance adjusted EBITDA	21	(153)
- Margin - Volume - Fixed costs - Depreciation - Other	90 (105) 40 (15) (15)	(100) (30) - (10) (15)
Variance operating income	(3)	(153)
- Non-consolidated investees - Interest income and other - Depreciation and amortization	14 (2) 12)	(8) (1) 9
Variance adjusted EBITDA	21	(153)

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Forward-looking statements/ use of non-GAAP financial measures

In order to utilize the "safe harbor" 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).

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Hydro is a Fortune 500 energy and aluminium supplier founded in 1905, with 36,000 employees in nearly 40 countries. We are a leading offshore producer of oil and gas, the world's third-largest integrated aluminium supplier and a pioneer in renewable energy and energy-efficient solutions. As we look forward to our next 100 years, we celebrate a century of 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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