

An aerial photograph of a large industrial facility, likely a gas processing plant, situated in a snowy, mountainous region. The facility consists of numerous buildings, pipes, and storage tanks, all covered in snow. In the background, there are large, snow-capped mountains and a body of water. The sky is clear and blue.

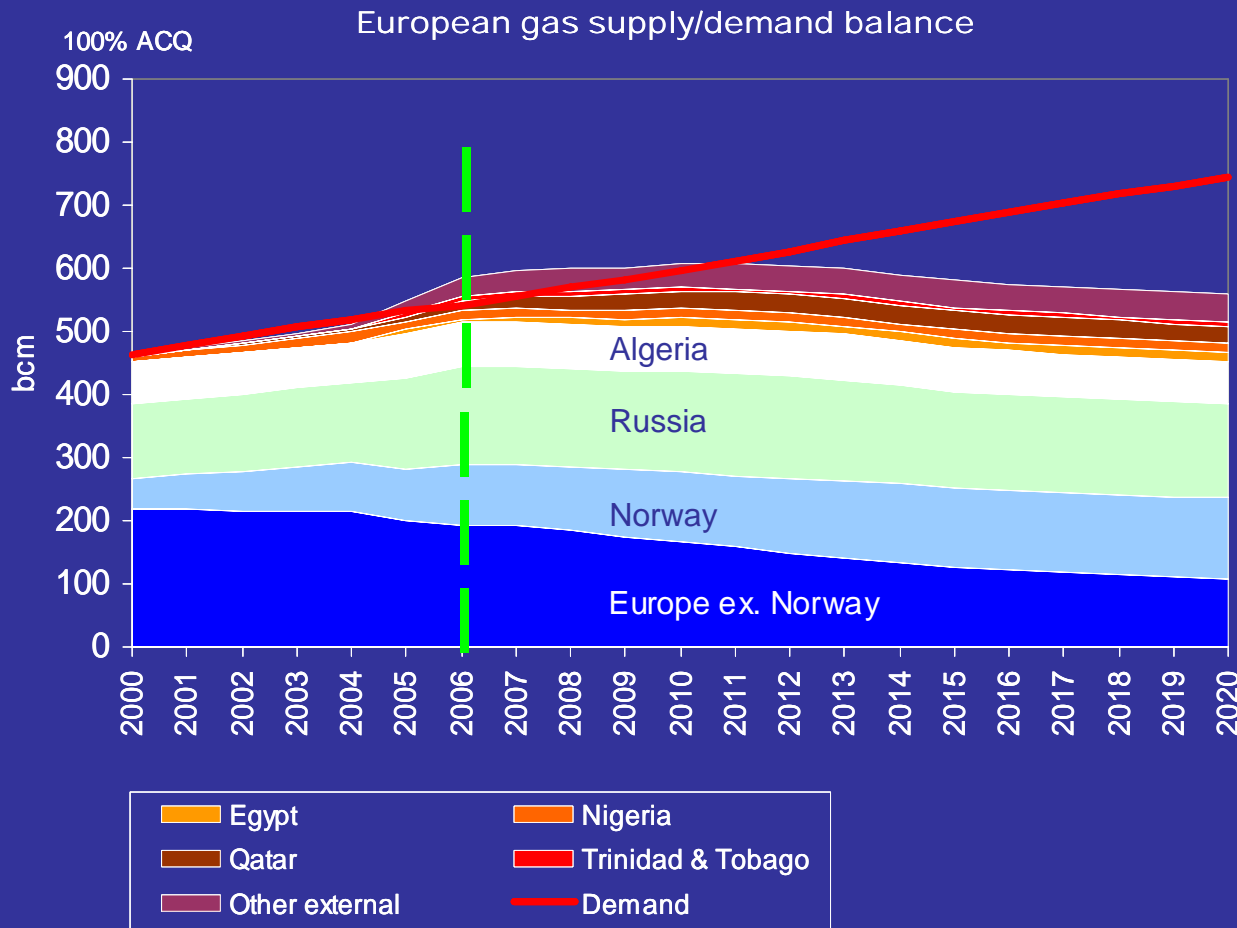
Securing reliable natural gas supplies in the UNECE region – a Norwegian perspective

Torstein Indrebo
Vice President
Hydro Oil & Energy



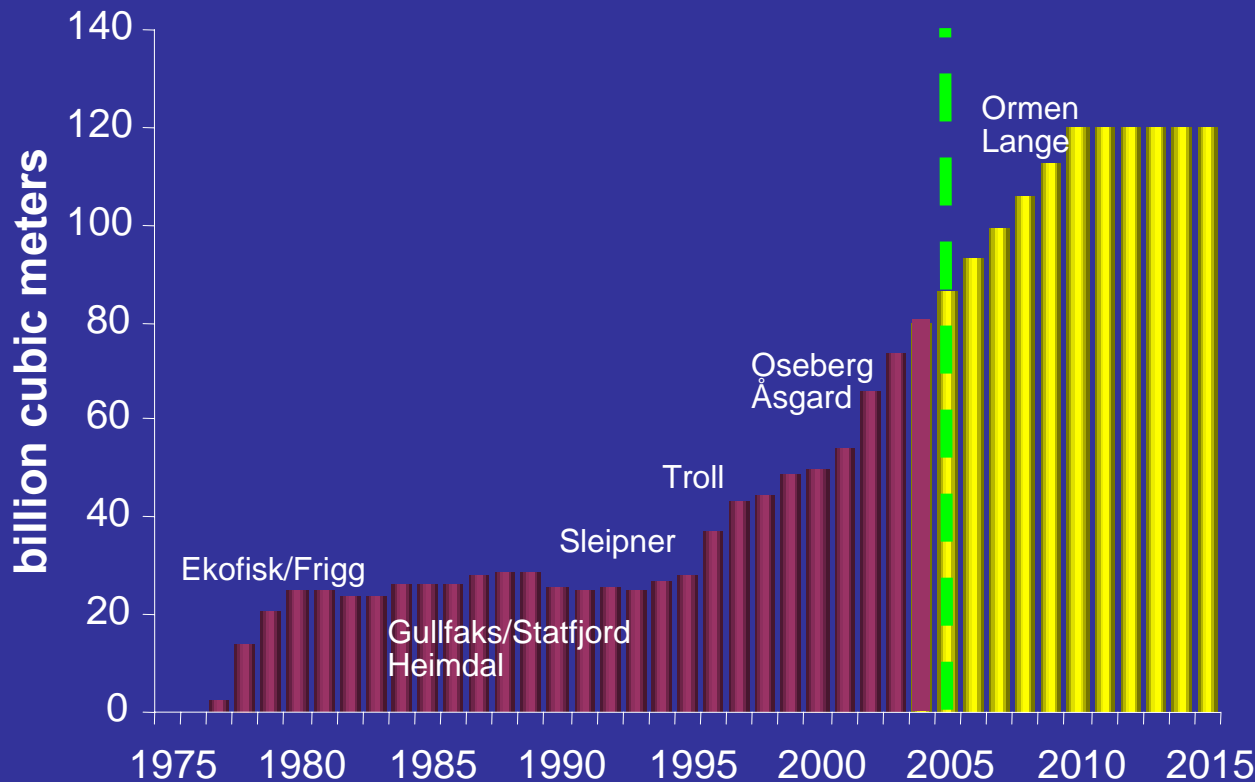
Working Party on Gas, UNECE
Geneva, 23 January 2007

Future European demand will be met primarily by pipeline gas



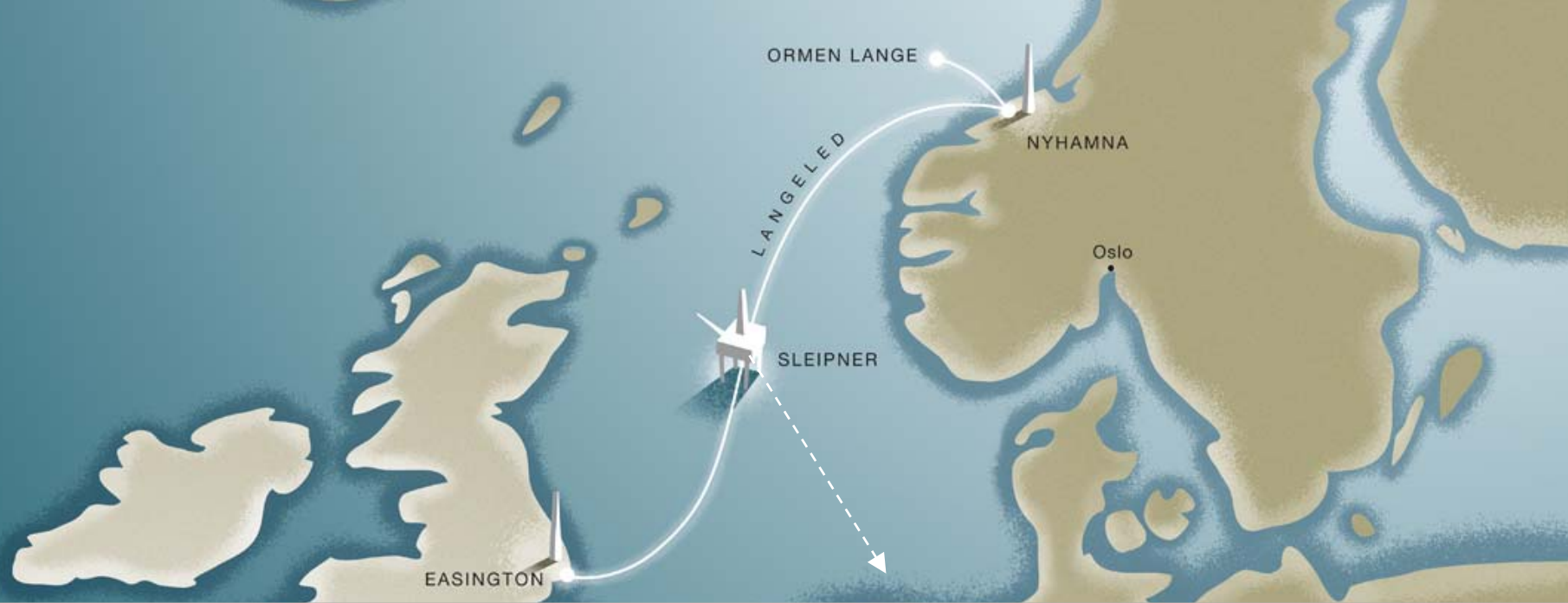
- Major new supplies needed in long-run
- LNG of growing importance

Historic and expected gas exports from the Norwegian Continental Shelf (NCS)



- Reliable supplies for decades
- Gas production growing steadily
- 82 bcm exported in 2005

Source: Norwegian Petroleum Directorate (historic data); MPE Fact Sheet 2006



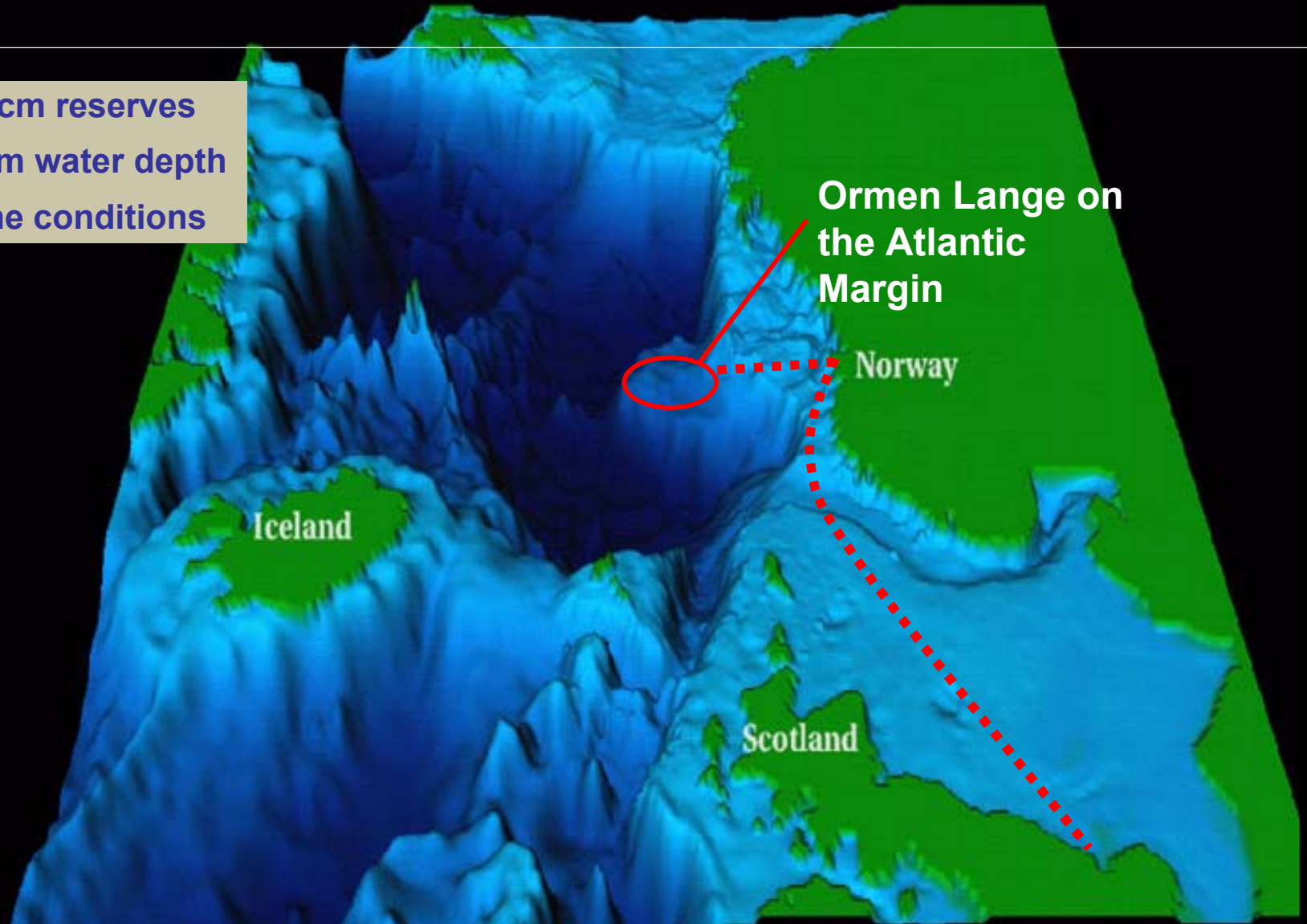
Ormen Lange to supply Europe's largest gas market

- Ormen Lange will secure 20% of UK's gas demand
- Production to start October 2007
- Langeled is world's longest subsea pipeline
- Hydro is the operator for the development phase



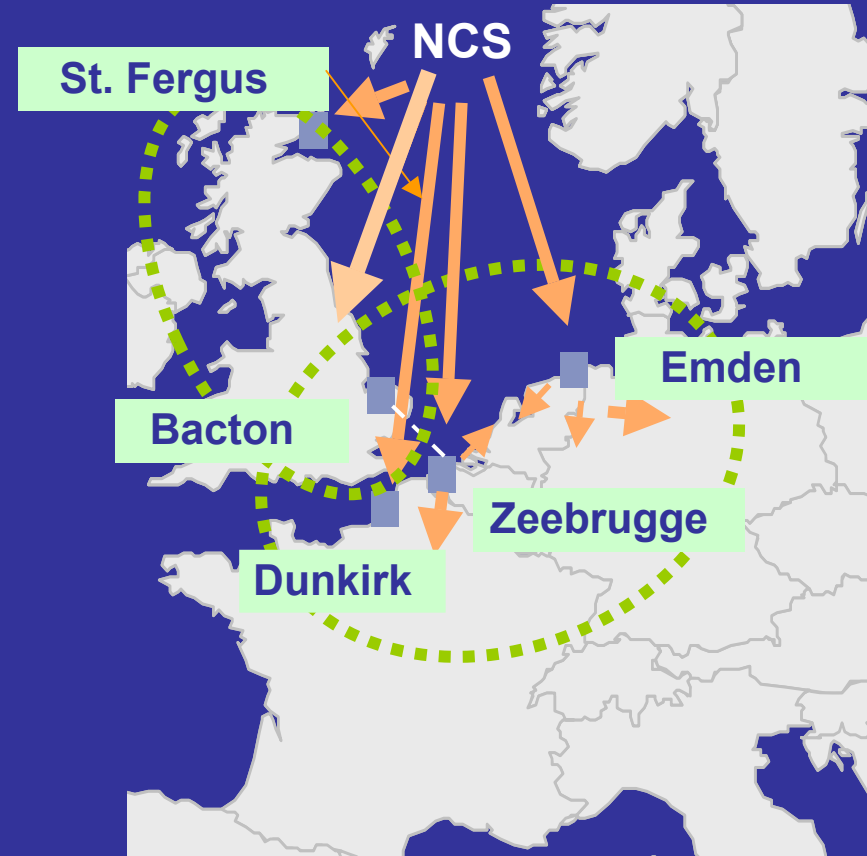
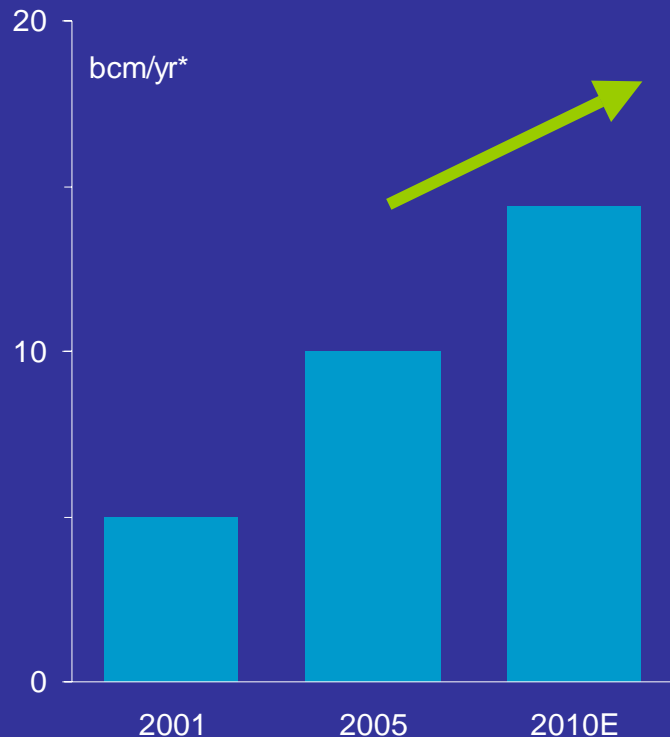
Ormen Lange – the new gas giant for Europe

- ~400 bcm reserves
- ~1000 m water depth
- Extreme conditions



Hydro – an asset based gas business focused on North West Europe

- Strong upstream position
- Uncommitted gas
- Diverse transportation portfolio



Source: Hydro Capital Markets Day, Dec.2006; *gas production excl. US GOM



Proposed merger with Statoil: 4Q2007 implementation

Hydro

- Global integrated aluminum co.
- Hydro power production



NewCo (Hydro/Statoil)

- Oil & gas activities
- Gas-fired power (Naturkraft)



Shtokman

- the key to open the Barents Sea reserves

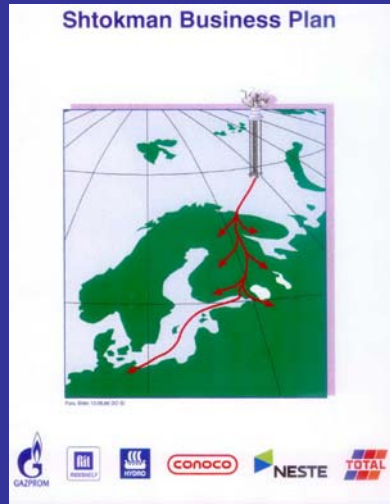


- A new energy province
- USA and EU - security of supply
- Norway- Russia: Energy dialogue
- 25% of the worlds remaining reserves
- Environmental challenges

Hydro has a long history on Shtokman



1991



1996



2003



2001



2005

Hydro's contributions

UPSTREAM



LIQUEFACTION



SHIPPING



REGASIFICATION



MARKETING



- ✓ Technology
- ✓ Performance
- ✓ Society



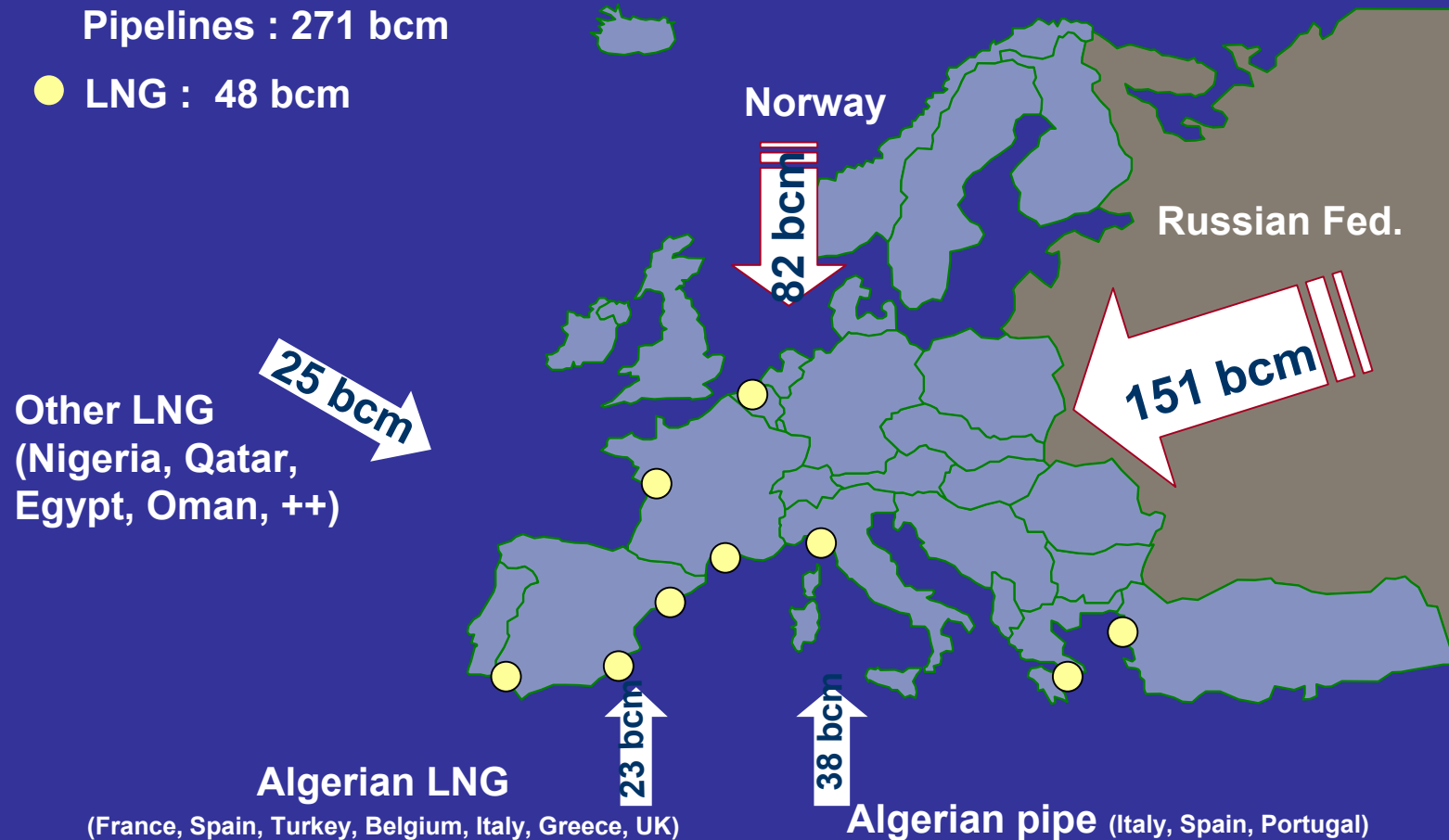
Nord Stream (formerly North European Gas Pipeline)



- New export channel
- Several possible supply sources
- Total pipeline capacity: 55 bcm/yr.
- Possible Shtokman link to Europe
- Shtokman – a basin opener

Primarily pipeline gas to Europe, but LNG imports increasing

2005 imports

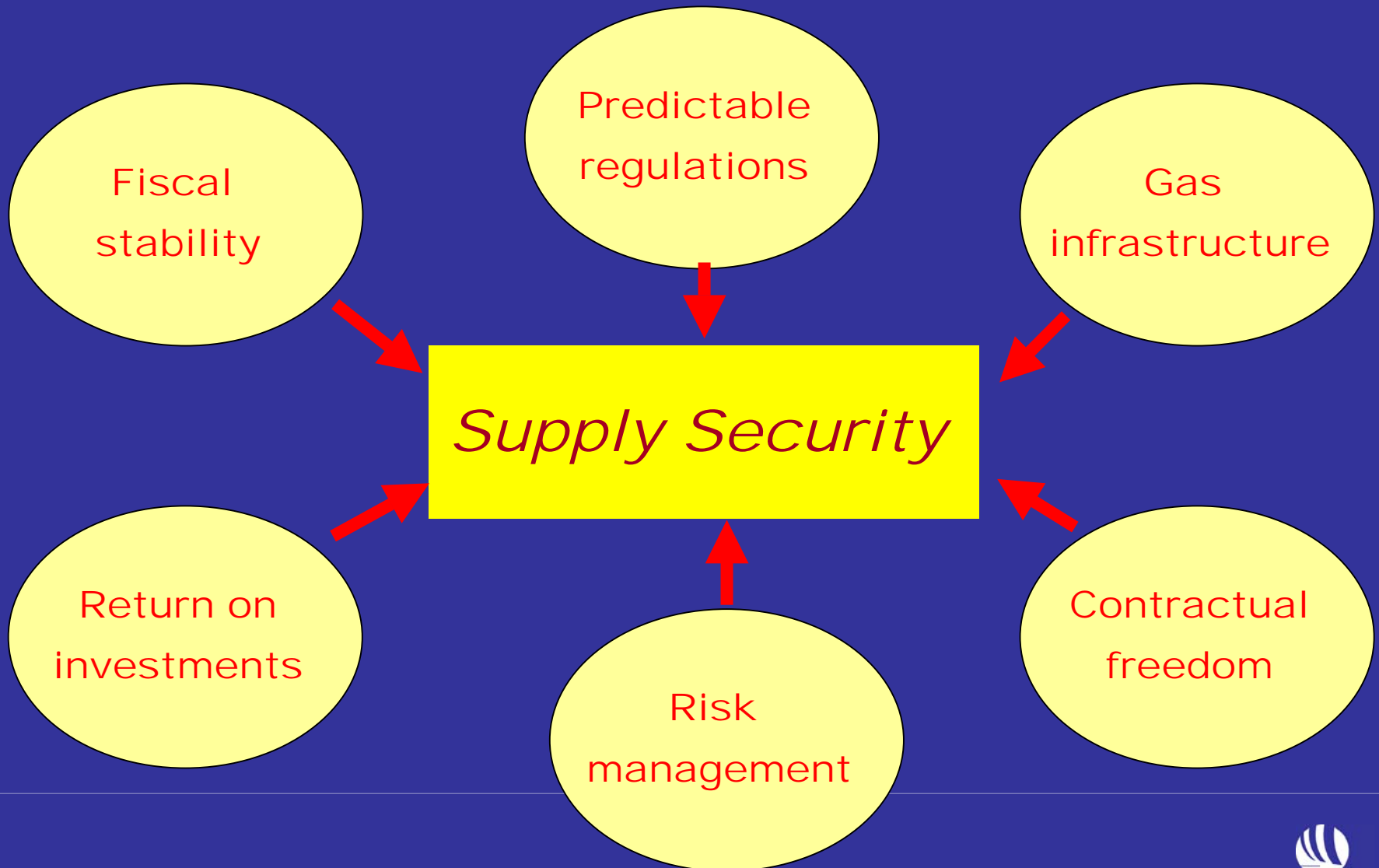


Source: BP Statistical Rev. of World Energy 2006; excl. Norwegian data from MPE/(OED) 2006

*Trade flows on contractual basis; excl. trade within FSU and Norwegian vols.

European Supply Security

- A Positive Investment Climate is the Key





Reliable, long-term gas available for Europe

- **Russia and Norway will be the main pipeline gas exporters**
- **LNG will play an increasingly important role**
- **Long term agreements provide security of supply for consumers and security of demand for producers**
- **Well-functioning hubs provides for balancing and short term sales**

Gas buyer



Gas seller

Thank you for your attention !

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.

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.

www.hydro.com



HYDRO

Progress of a different nature