Hydro at a glance – a Fortune 500 company

### Hydro 2005

<table>
<thead>
<tr>
<th>Category</th>
<th>Value (NOK)</th>
<th>Equivalent (£)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Turnover</td>
<td>174 billion</td>
<td>14.14 billion</td>
</tr>
<tr>
<td>Operating income</td>
<td>46 billion</td>
<td>3.7 billion</td>
</tr>
<tr>
<td>Investments</td>
<td>41 billion</td>
<td>3.3 billion</td>
</tr>
<tr>
<td>Employees</td>
<td>33,000</td>
<td></td>
</tr>
</tbody>
</table>

### Distribution of shares 2005

<table>
<thead>
<tr>
<th>Shareholder</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Norwegian State</td>
<td>43.8%</td>
</tr>
<tr>
<td>Norway privately owned</td>
<td>16.2%</td>
</tr>
<tr>
<td>USA</td>
<td>18.6%</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>8.9%</td>
</tr>
<tr>
<td>Others</td>
<td>12.5%</td>
</tr>
</tbody>
</table>
A century of progress – what next?
A century of progress – what next?
...continued progress!

- Hydro is a Fortune 500 energy and aluminium supplier with:
  - 33,000 employees worldwide
  - activities in 40 countries
  - 2005 turnover 174 billion NOK
- Our mission is to strengthen the viability of our customers and the communities we serve
What will happen when the world runs out of oil?
What will happen when the world runs out of oil?

... by then, hopefully no one will care

- Energy consumption is increasing year by year
- Climate challenges are mounting
- Hydro creates useful products from natural resources
- We have 100 years experience in renewable energy
- Hywind combines our offshore expertise with wind-power opportunities
A world leader in oil and energy

- An integrated oil and energy company
- Operates close to 1 million barrels a day
- Strong position on Norwegian Continental Shelf
- Increased international business – operations in more than six countries
From source to market

Explore  Design  Execute  Operate  Market
A large offshore operator

- Hydro operates 1 million boe a day
- 30% of Norwegian oil production
- 15 installations on Norwegian Shelf
  - 10 platforms, four subsea installations, one terminal
Our global aluminium business

- Present on every continent
- Primary metal production in Europe, Canada and Australia. Investing for repositioning and growth
- Major supplier of aluminium products for the automotive, packaging, printing and building industries, as well as general engineering
- Improving performance
Hydro Polymers, one of Europe’s largest PVC manufacturers

- Total turnover 5 356 MNOK
- 1,200 employees
- The only PVC producer in Norway and Sweden, one of two producers in the UK
- A world leader in polymer technology
- A commercial approach to environmentally and socially friendly solutions
- A strong focus on future needs
Ormen Lange and Langeled
Ormen Lange will increase the Norwegian gas export by 25%, to a level of approx. 100 BCM/year.

Ormen Lange makes Norway the 2nd largest gas exporter in the world after Russia.

Ormen Lange may cover close to 20% of the UK gas demand.

Ormen Lange/Langeled is building the largest submarine pipeline worldwide.

Ormen Lange/Langeled have met all milestones so far, and are on schedule to deliver gas from October 1st, 2007.
Ormen Lange:
Challenged by the conditions related to the cold and remote arctic areas:

- Extremely uneven seabed for subsea- and pipeline design and installation
- Main production area in an avalanche / slide area
- Extreme temperatures, minus 1.2°C at seabed
- Extreme waves and winds in the Norwegian Sea
- Strong currents
- 850 – 1100 metres water depth
- High subsea multi phase production
- Long tie back
- Longest subsea pipeline export distance
PDO/ PIO approved April 2 2004
Total field and pipeline investments: NOK 66 bn-03

30 months so far – 12 months to go
Ormen Lange / Langeled
Three sub-projects + drilling and operations

Offshore

Onshore

Langeled

July 2006 - 79 % complete
The Ormen Lange and Langeled shall be developed, operated and decommissioned while preserving the environment, personnel health and assets

The development shall be completed without injuries
Offshore project July 2006 – 78% complete

- 2x30" multiphase lines
- Templates A & B
- Control umbilicals and MEG lines
- Templates C & D
- Storegga slide edge
- -250m
- -850m

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Seabed profile pipeline route
Rock installation is ongoing during 2004 – 2005 - 2006 along the import pipelines routes from outside the coast of Aukra

A total of approx. 2,5 Million tonnes
Pipelay in Bjørnsundet on rock supports
The ultimate challenge for pipelaying and marine operations

- Pipelines and installations in slide area
- 850 – 1100 metres water depth
- Sub zero temperatures at sea bottom
Seabed Intervention: We are digging down the Storegga escarpment to make way for the import pipelines:
5 m wide and up to 4 m deep trench in 30 deg slope
Excavation successfully completed March 7, 2006
Template A installation August 2005
Positioning by subsea lines
Ormen Lange
Template Touch Down
on 850 m depth:

Yellow: Actual position
White: Planned position

0.44 m west

0.27 m north

Heading 0.35 deg

Inclination 0.44 deg
Installation of Umbilicals, 2006 / 2007 (Subsea 7)

- Umbilical A was installed in May 2005
- Umbilical B to be installed spring 2007
- Installed infill umbilicals between templates
- Tied-in both umbilicals to the templates
33 km from Nyhamna

550 m water depth
Meeting of the giants at on August 4, 2006
## OL Offshore – Vessels engaged in 2006

| S 7000       | Solitaire   | Seaway Falcon | Geosund  
|--------------|-------------|---------------|----------
| Normand Cutter | Skandi Neptune | Nordnes | Geofjord  
| West Navigator | Island Frontier | Tertnes | Geobay  
| Geobay       | Edda Freya  | Far Saga     |
Challenge – Marine Schedule 2006

Ormen Lange Vessels
Subsea pipeline tie-ins

Ca. 3 km
Connection tool 30"

30” Clamp Connector
Future Subsea compression
Connection to existing facilities
Smedvig’s West Navigator started drilling 31-10-2005

- Total investment of 2,800 MNOK for the initial 8 big bore gas wells capable of producing 20 percent of the British gas market.
The Ormen Lange Onshore Processing Plant
July 2006 – 77 % complete

Annual export 22 billion scm of gas
50 000 BPD condensate
Nyhamna – EPC contracts

Aker Kværner  Main EPC NOK 7.8 Bn
Vetco Aibel    Condensate export and MEG NOK 1.1 Bn
Successful engineering and procurement
Site hotel with 3000 rooms

July 24, 2006
Langeled  July 2006 – 90% complete
Langeled – 1200 km pipeline from Nyhamna via Sleipner to Easington UK

- 100 000 pipe joints
- 1 million tonnes of steel
- Transport of gas in Langeled South planned to start October 2006
Langeled will become a part of the Norwegian gas transportation system.

Nyhamna Terminal
- 42” dia
- 250 / 215 barg
- 626km
- Capacity 80 MSm³/D

Existing gas from Kollsnes (Troll)

SSVS & SLR Tie-in
- 44” dia
- 156.8 barg
- 540km
- Capacity 74 MSm³/D

Existing export to continent

UK Terminal

NORWAY
- Rich gas
- Dry gas
- Oil/condensate

Map showing LNG facilities and export routes to Europe.
Bredero in Farsund - 100 000 pipes coated

Coated pipes shipped to intermediate storage at Hartlepool, Ågotnes, Måløy and Vestbase
Ormen Lange / Langeled
Intermediate storage – Måløy
20 145 pipe joints, 354.000 tonnes
"Acery Piper” laying the 42” Langeled Export Pipeline between Norway and UK:

Started pipelaying from Sleipner in April 2005….and per mid September 2006 only about 20 km of the total 1200 km are remaining......
Langeled north -
Acery Piper at kp 33 March 19 2006
Receiving Facilities in the UK – October 2005
Start-up October 2006

Centrica

Langeled
- We are on schedule and within budget!
  - Well defined concept at time of decision
  - Successful contract strategy and selection of contractors
  - Active stakeholder management
Gas pipelines

Source: Norwegian Petroleum Directorate
Historic and expected Norwegian gas exports

Source: Norwegian Petroleum Directorate
Norwegian natural gas exports 2005
Total 82.5 bill.scm

Source: Norwegian Petroleum Directorate
Waiting for the Ormen Lange gas...
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