

Board of Directors' Statement on Remuneration to the Managing Director and Executive Officers

In accordance with §6-16a of the Norwegian Public Limited Liability Companies Act, the Board of Directors of Norwegian Energy Company ASA ("Noreco" or the "Company") has prepared a statement related to the determination of salary and other benefits for the Managing Director and other executive officers. The guidelines, set out below for the Managing Director's salary and other benefits, is for the coming fiscal year and will be presented to the shareholders for their advisory vote at the Annual General Meeting 28 June 2018.

The total compensation package for the Managing Director shall be competitive, reflect the responsibilities and effort required, reward success and not the opposite, and also ensure alignment of interest with shareholders.

The remuneration package for the Managing Director includes fixed and variable elements. The fixed element consists of a base salary and other benefits, such as free mobile phone and life, accident and sickness insurance in accordance with normal practice in the oil industry.

The Managing Director, as opposed to earlier practice, does not have an employment agreement under which he is entitled to receive a severance payment equal to 12 months' base salary in addition to salary in the termination period if the employment is terminated.

Variable elements of remuneration may be used, or other special supplementary payment may be awarded than those mentioned above if this is considered appropriate. At an extraordinary General Meeting held at 21 January 2016, the General Assembly authorized the Board of Directors to grant options to buy or subscribe up to a total of 200,000 shares in the Company, 100,000 of which were granted to the former CEO (Silje Augustson). The option scheme was extended until 8 March 2019 by an extraordinary General Meeting in 2017. The current Managing Director has been granted 10,000 options.

Remuneration to the Managing Director will be evaluated regularly by the Board of Directors to ensure that salaries and other benefits are kept, at all times, within the above guidelines and principles.