

Board of Directors' Statement on Remuneration to the Managing Director and the Executive Officers for 2020

In accordance with section 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 key executive officers.

I General on executive remuneration

The total compensation for the managing director and the executive management shall be competitive, reflect the responsibilities and effort required, reward success and not the opposite, and ensure alignment of interest with shareholders. The remuneration for the Managing Director and executive management include 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. Variable elements of remuneration may be used, or other special supplementary payments may be awarded than those mentioned above if this is considered appropriate.

II Binding principles related to share price developments

At the extraordinary general meeting held on 8 November 2018, the general meeting replaced the Company's existing option scheme. The Board of Directors was authorized to grant options up to a total of 1 510 000 shares in the Company as part of a new incentive program. The options may be granted to the members of the Board and key personnel of the Company. After award, the options must be exercised within 5 years after which they expire. On 7 August 2019 the share option programme was amended to include all the Group's employees, at the Board's discretion.

Options were to be divided into (i) options to buy or subscribe for 715 000 shares at a strike price of NOK 240 per share, (ii) options to buy or subscribe for 170 000 shares at a strike price based on the volume weighted average price (VWAP) 30 days after completion of the acquisition of the DUC assets, and (iii) options to buy or subscribe for 625 000 shares at a strike price determined at the Board of Director's discretion with reference to the share price at the time of granting the options. The options (ii) and (iii) shall have a vesting period of 3 years from the time of award, with 1/3 vesting for each of the three years. The option (i) shall not have any vesting period. In addition to the programme above the Board is authorised to issue one option for each share purchased by any Board Member (except of Executive Chairman Riulf Rustad and Board Member Lars Purlund) up to a total of 10 000 shares for each Board Member.

The Board of Directors may also award other options, other terms for options and other kind of remuneration related to the share price of the Company.

III Remuneration policy for 2019

Remuneration to the Managing Director and executive management shall be evaluated and may be amended regularly by the Board of Directors to ensure that salaries and other benefits are based on the above guidelines and principles and in accordance with the purpose of the total compensation package for the Managing Director mentioned above. Remuneration to the managing directors and the executive management for 2019 has been in line with the board of directors' statement on remuneration to the managing director and other key executive officers as approved by the annual general meeting held in 2019.