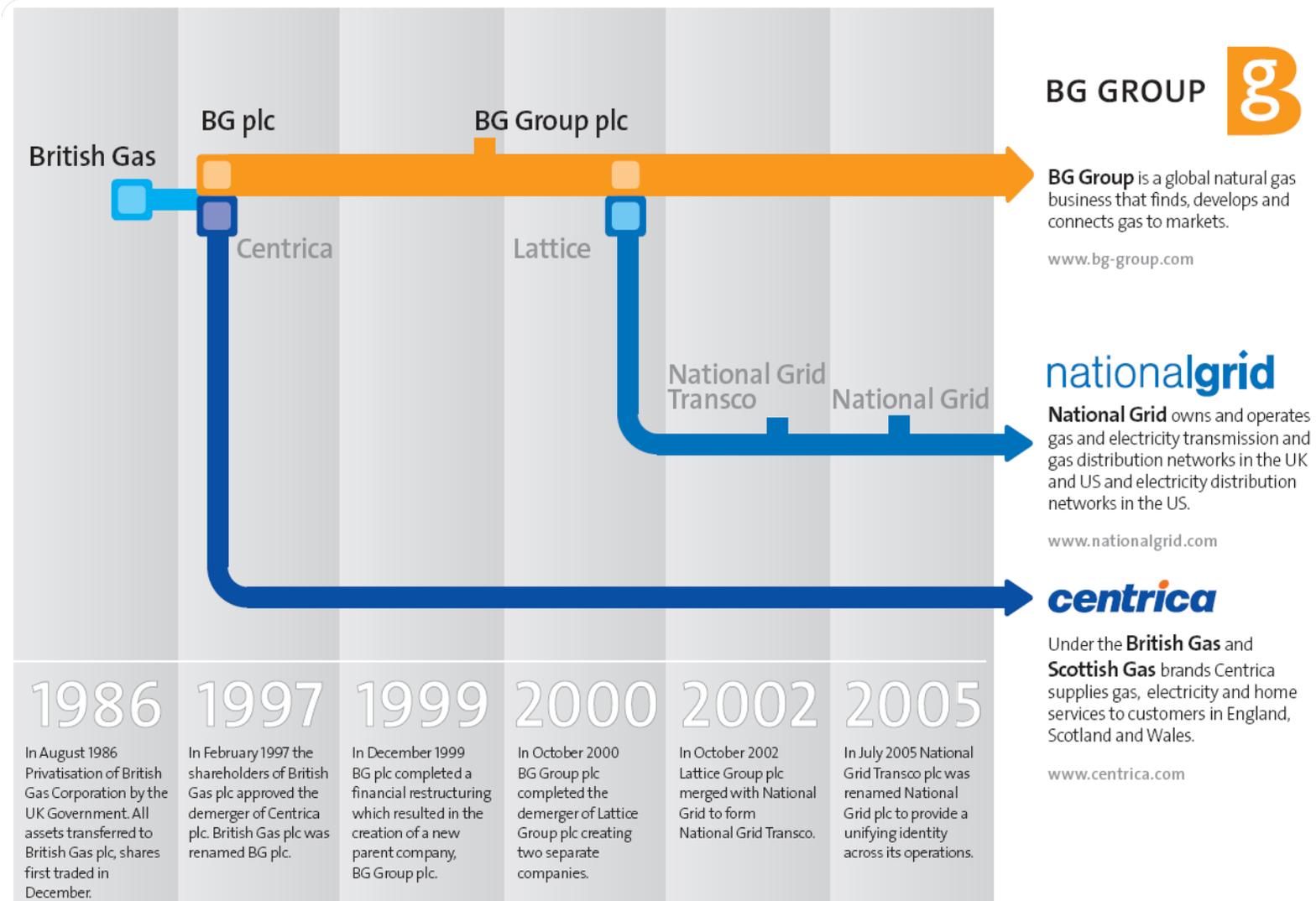


Centrica

Norsk forening for oljeregnskap og -skatt (ORS) - Kristiansand Symposiet 11.-12. juni 2012



Centrica – the history



The Centrica energy value chain: What we do

We source it



We store it



We generate it



We trade it



We process it



We supply it



CE's five-year growth strategy



Further investment for growth and value

Grow upstream production by 50% to 75 mmboe/a in the next 3-5 years

Grow offshore wind capacity by 300% to 560MW by 2016;
Options in biomass, new nuclear and CCGT

- Continue to deliver sustainable 50mmboe/a
- Add a further 25mmboe/a
- Acquire production, exploration and development opportunities to ensure a balanced, sustainable reserve base
- Geographic focus on Norway, North America and/or other Atlantic Basin, and achieve scale in at least one of these
- Attractive returns through disciplined asset selection and deployment of distinctive capabilities

Introduction to Centrica Norway

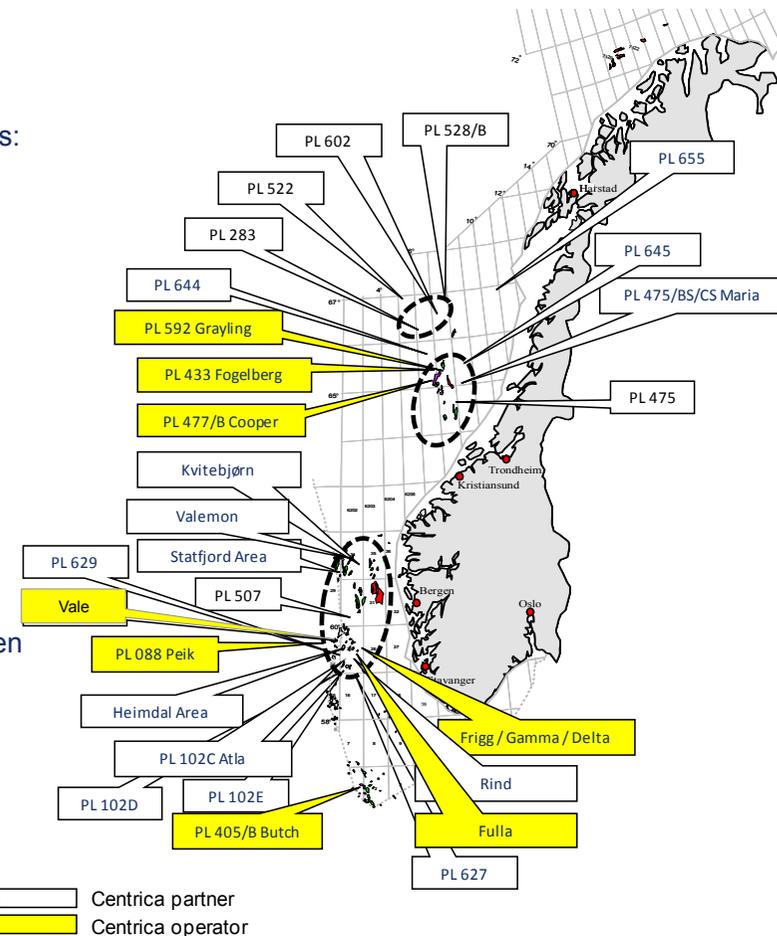
Centrica Energy's vision is to become a leading integrated energy company in our chosen markets around the world

CEU Strategy

NW Europe: Maximise value of production hubs through the execution of world class projects and targeted exploration
Create new hubs and corner stone assets

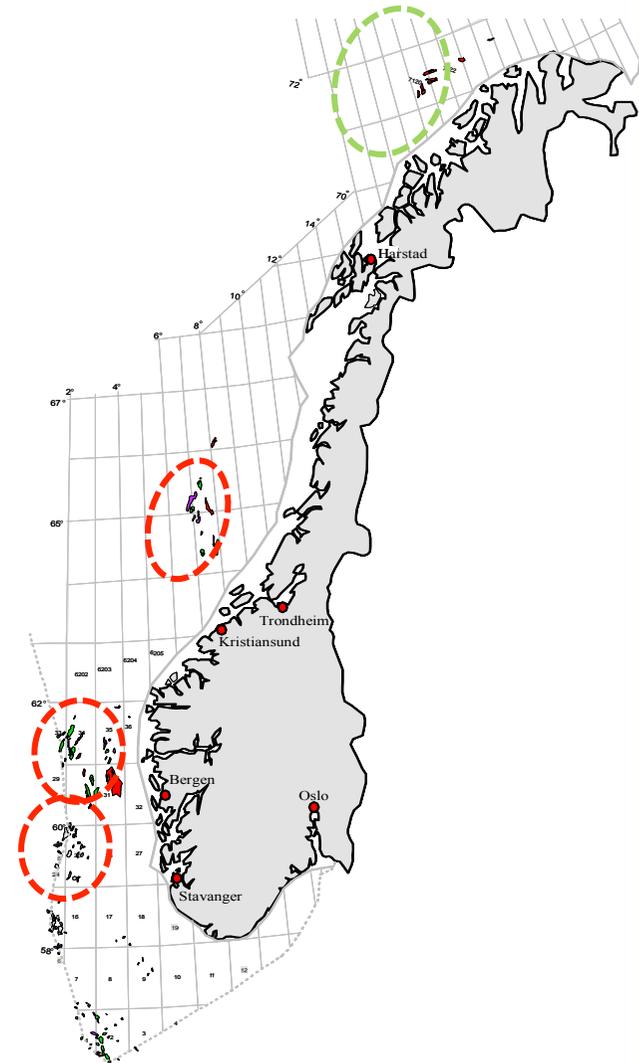
International: Grow portfolio by establishing new core areas and leverage value from E&P and LNG expertise

- First license acquired in 2007
- Nine producing fields:
 - Heimdal (non-operated)
 - Vale (operated)
 - Byggve (non-operated)
 - Skirne (non-operated)
 - Statfjord (non-operated)
 - Statfjord Nord (non-operated)
 - Statfjord Øst (non-operated)
 - Sygna (non-operated)
 - Kvitebjørn (non-operated)
- Nine discoveries/development assets:
 - Atla (non-operated)
 - Valemon (non-operated)
 - Peik (operated Norway & UK)
 - Fulla (operated)
 - Maria (non-operated)
 - Butch (operated)
 - Frigg GammaDelta (operated)
 - Rind (non-operated)
 - Fogelberg (operated)
- More than 25 licenses in all – about 30% are Centrica operated
- Approximately 50% of assets are in the North Sea and 50% are in Haltenbanken and the Norwegian Sea
- 4 hubs; 2 producing/development, 1 current exploration and 1 emerging exploration

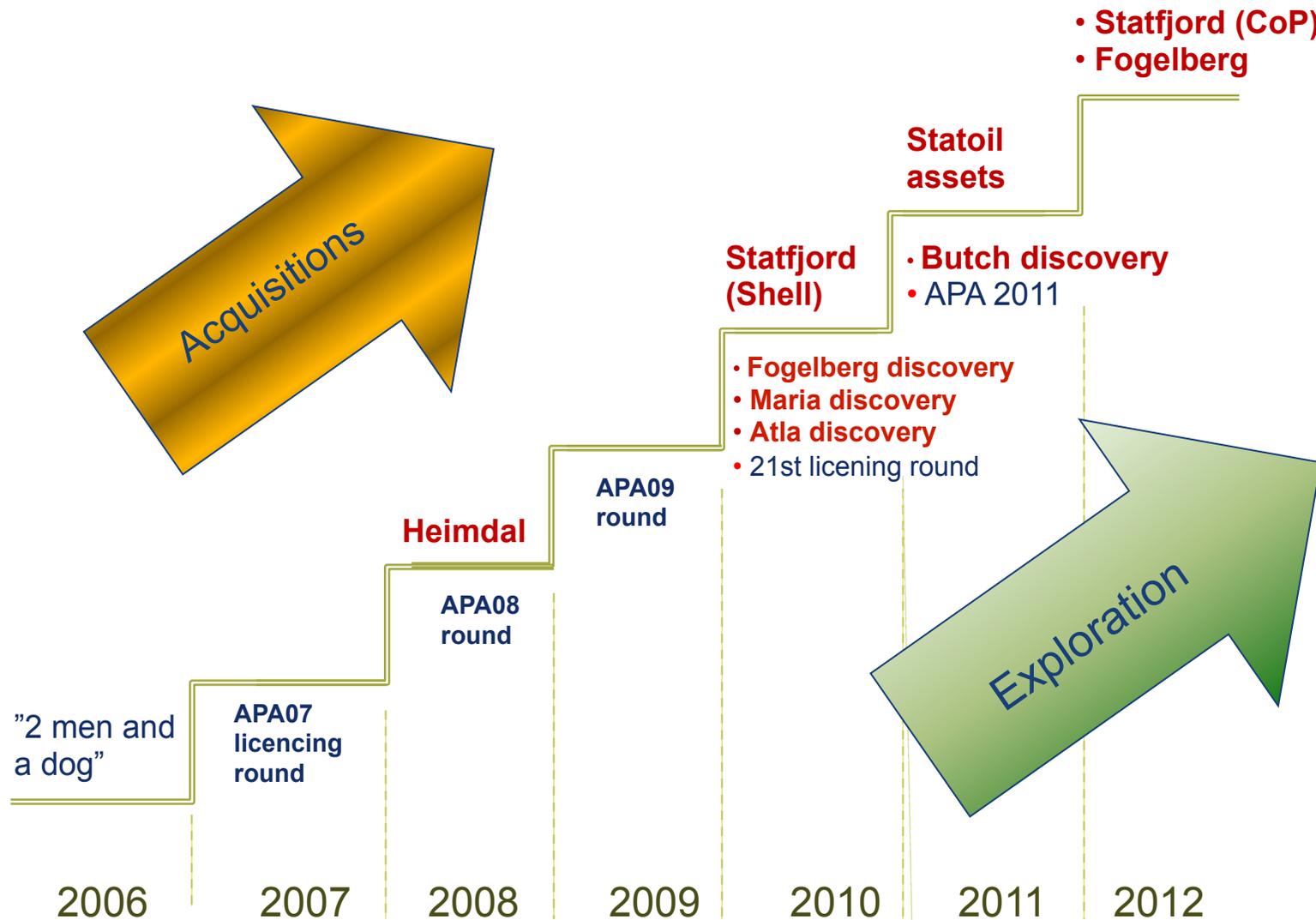


Strategic rational behind our growth

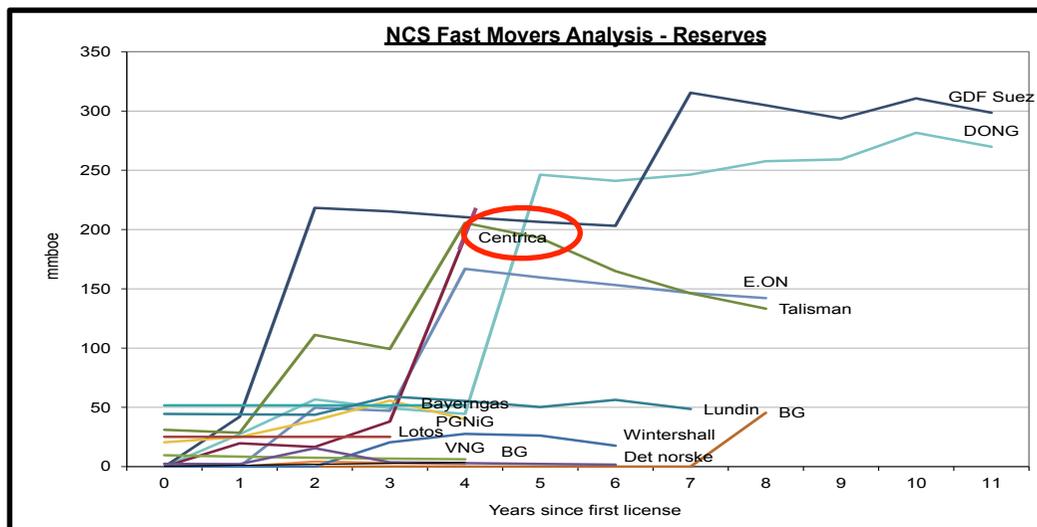
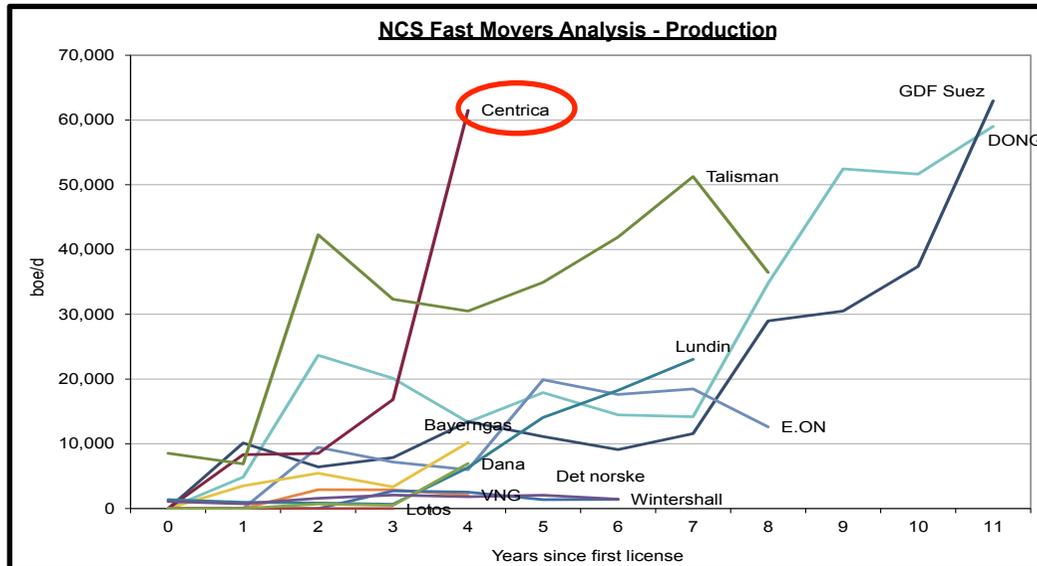
- Gas producing assets – uncontracted gas
- Gas sales contracts linked to NBP prices
- Ownership in gas infrastructure/hubs
- Operated assets
- Exploration opportunities
 - Growth through both organic and in-organic activities
- Complement to Norwegian portfolio
 - Strategic fit to current portfolio



Centrica has grown the Norway business from a standstill to 70.000 boe/d in 6 years



Despite the competition, CEU Norway has emerged as one of the fastest growing new entrants



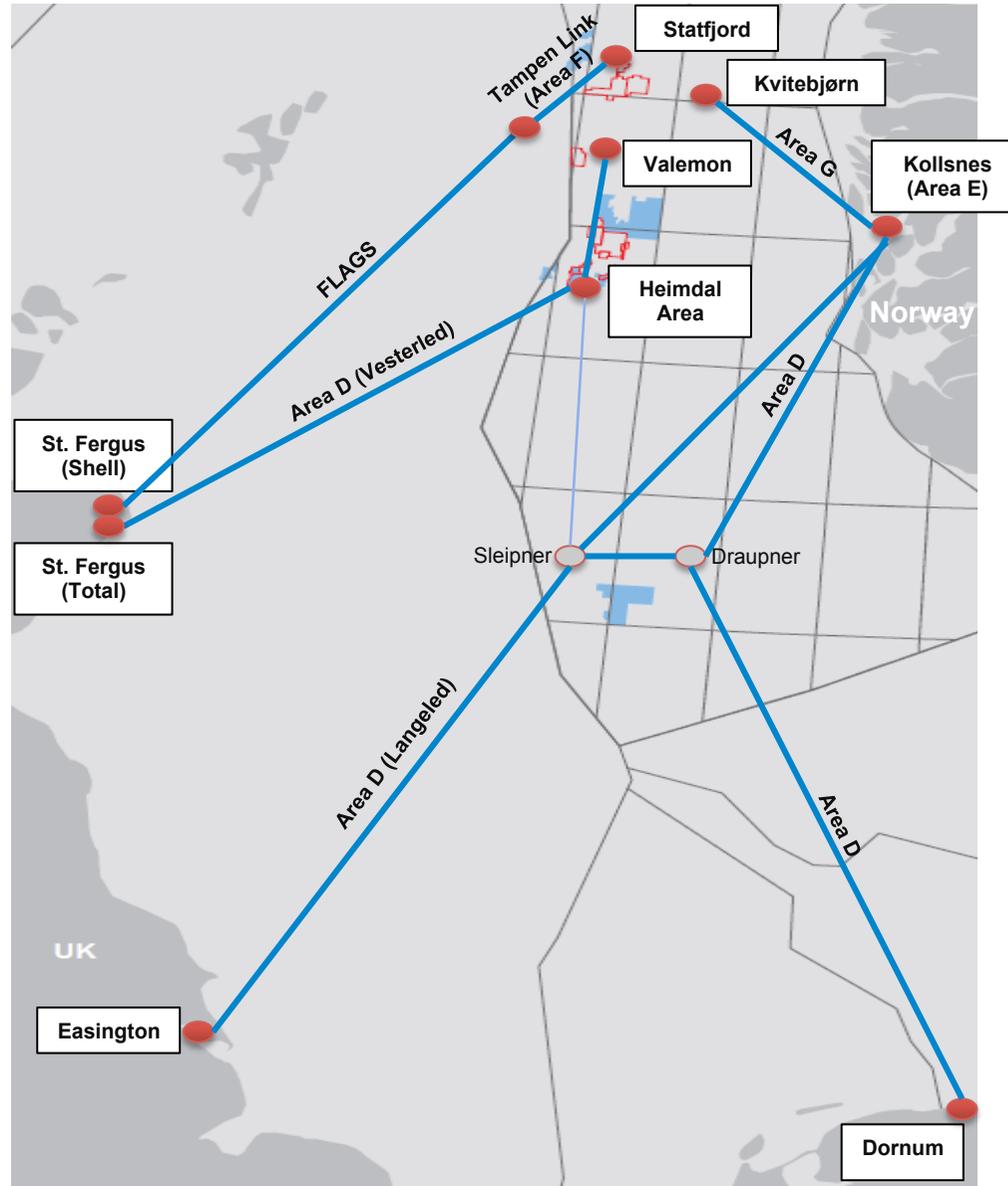
- Compared to other companies on the NCS (~50) who have entered in the last ~10 years

- Centrica is ranked 1st in production

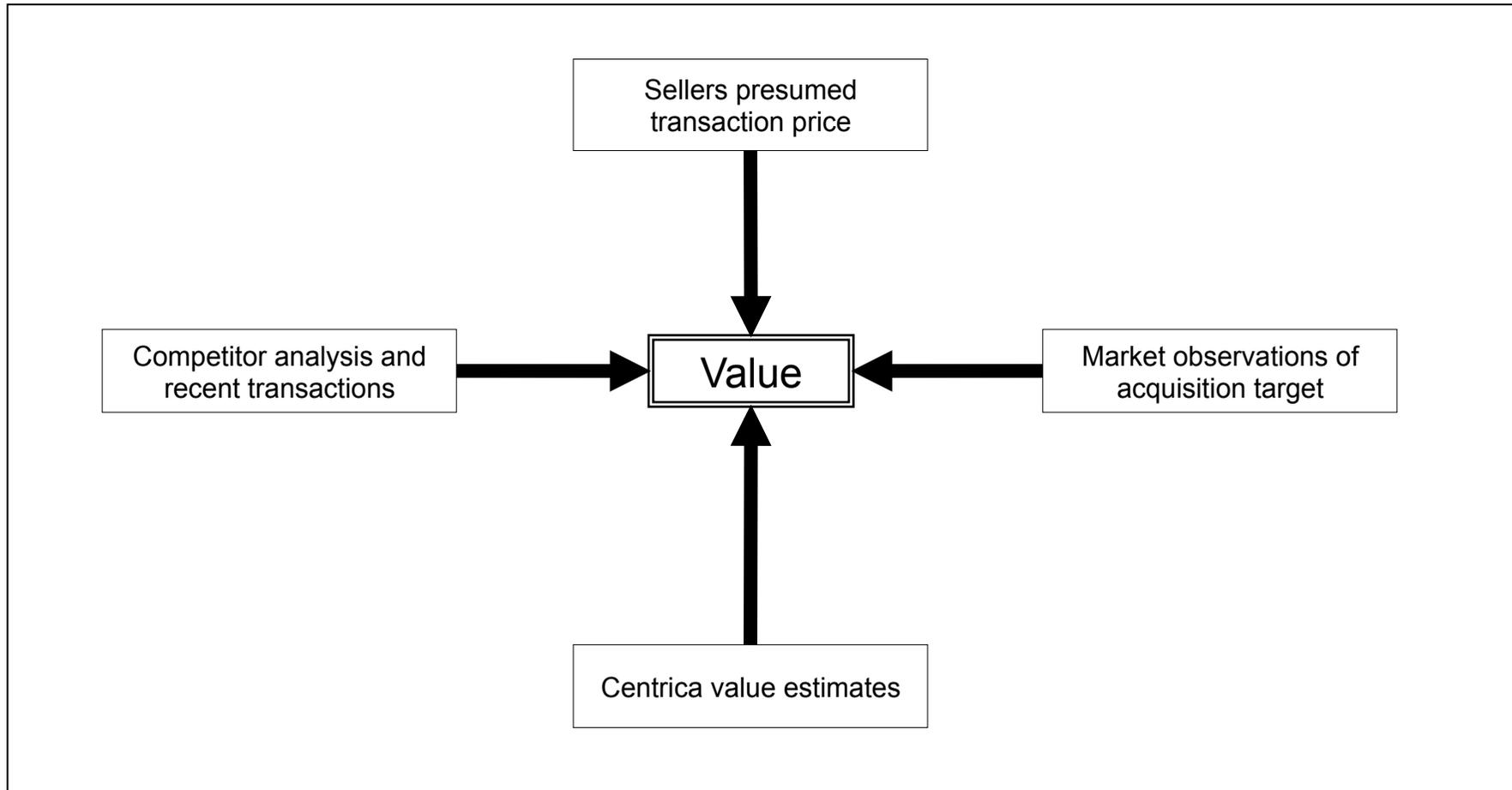
- Centrica ranks 1st in reserves

- Centrica Energi Norway is one of the fastest growing businesses on the NCS

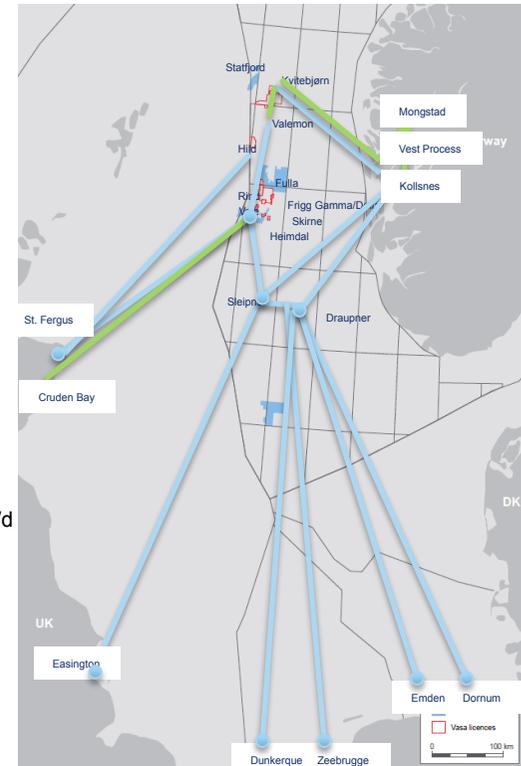
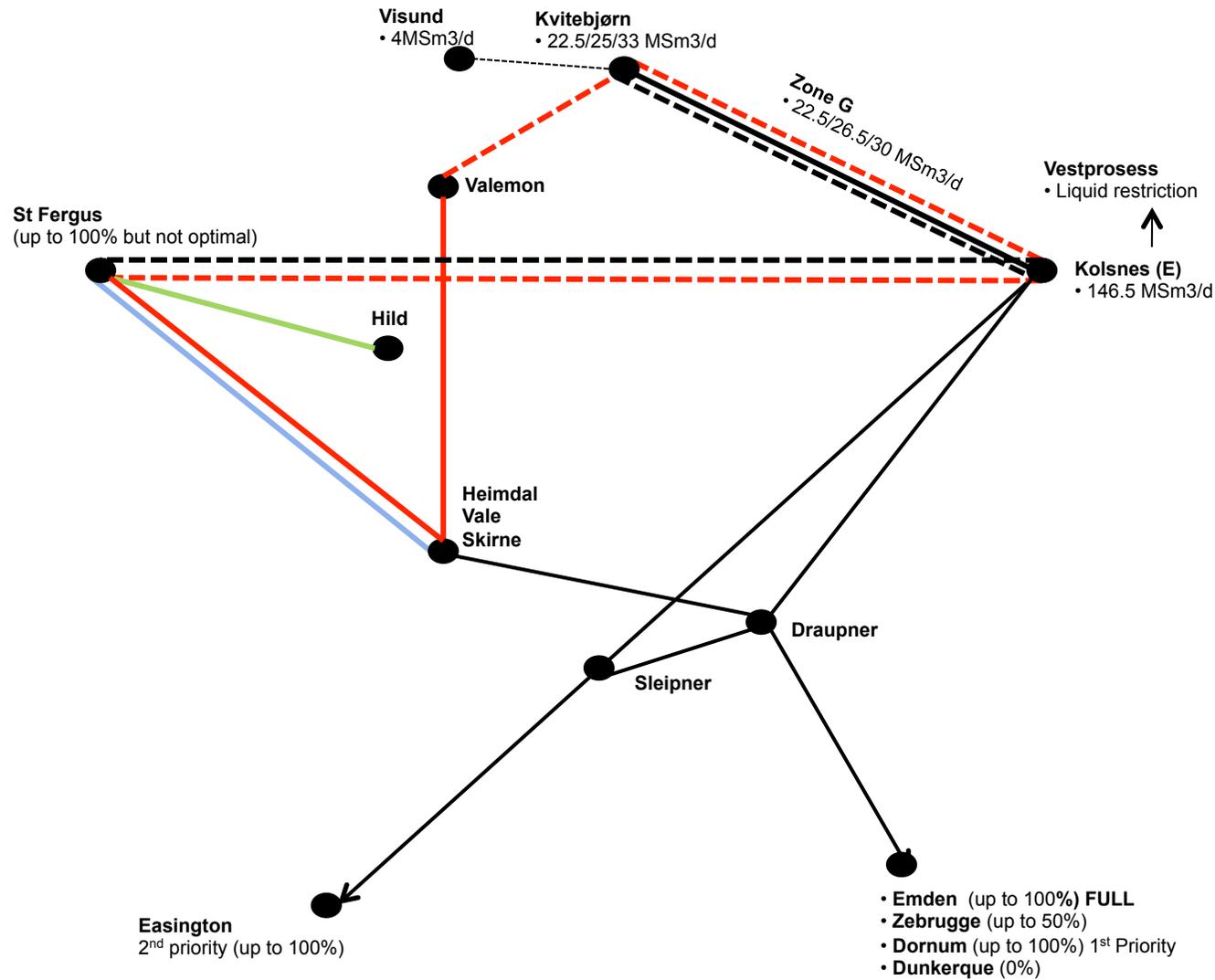
Centrica Norway gas transportation



Acquisition process and valuation method



Transport rights and booking



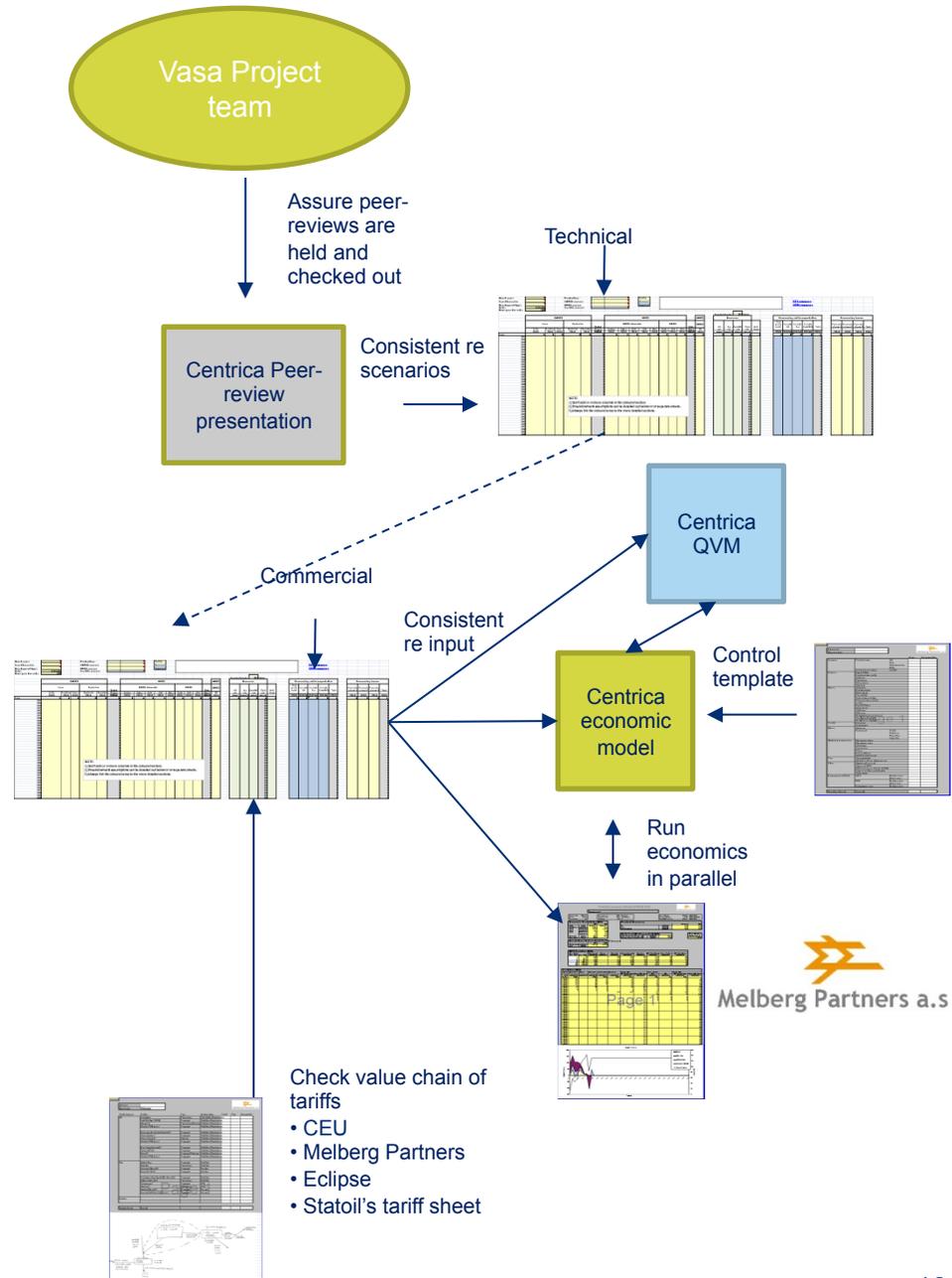
- Base case Kvitebjørn
- Upside Kvitebjørn
- Base case Valemon
- Upside Valemon
- Hild base case + up side
- Heimdal, Vale & Skirne

Technical input assurance

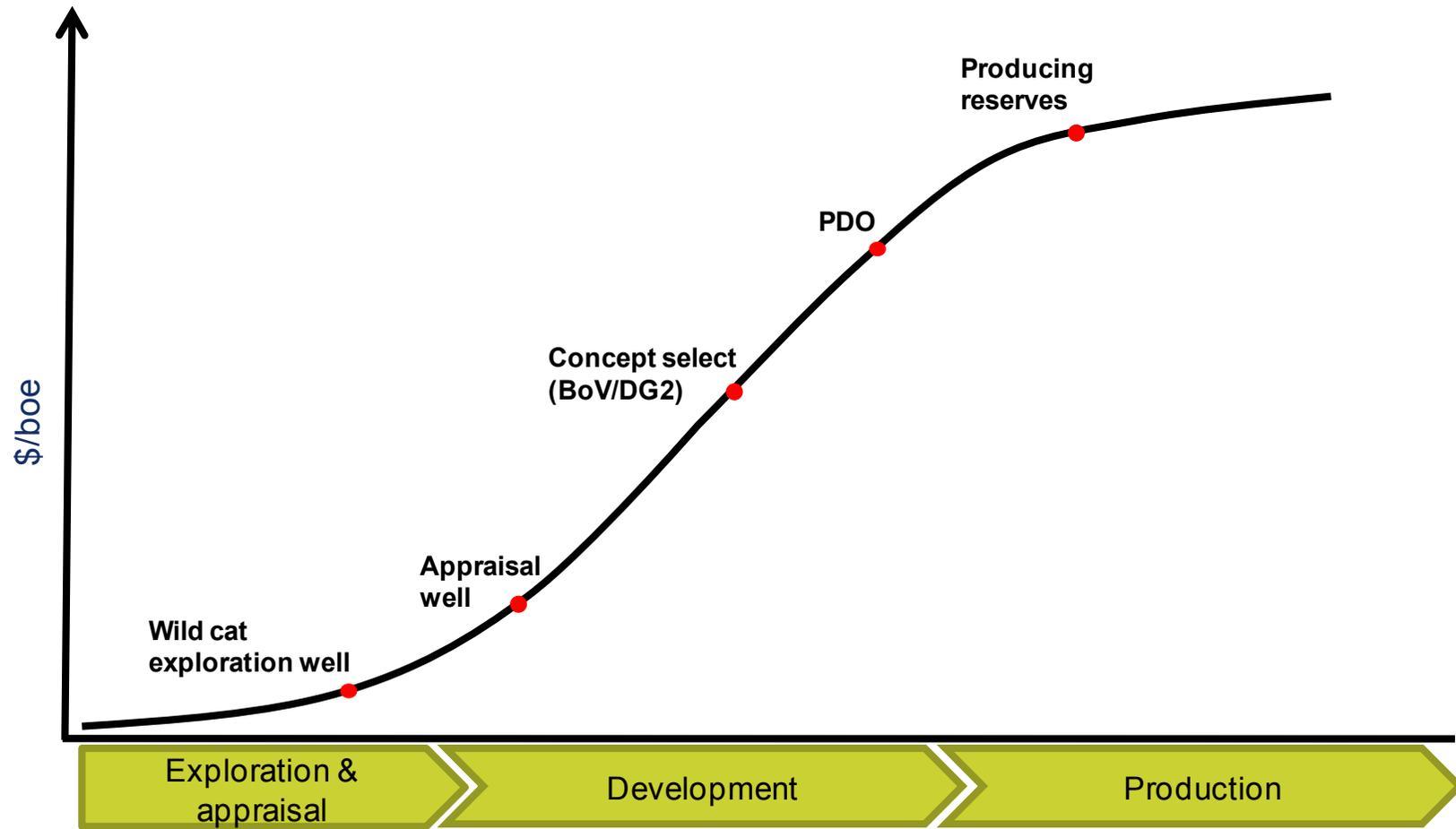
	SubSurface	Project/ Facilities/ Cost	Wells	Economics/ Commercial/ Transport Cap	Finance	Legal/HR	HSEQ
Date of Peer review	04.05.11	05.05.11	05.05.11	10.05.11	10.05.11/ 12.05.11	12.05.11	12.05.11
Peer Review Team	Iain Bartholomew Andy Alexander Gerry Coglán – all Subsurface Lead in ABZ	Tim Coxe Marshall Allerton + team	Combined with Project and Facility Peer Review Team	Doug Fleming (Commercial)	Andrew Le Poidevin (KFI) Lesley Rathgeber (Model)	Tony Hawkins	Boyd Wright
	Done	Done	Done				
Assurance Team:							
Melberg Partners							

Commercial assurance

- Attended all peer-reviews to assure that appropriate scenarios are assessed by all disciplines
- Assure that the peer-review presentation is consistent with the input sheet scenarios.
- Assure that the peer reviews are consistent in the scenario assumptions
- Check that Centrica's QVM and New Economy model are consistent with Melberg's economic model. Also to check correct use of fiscal regime and global parameters.
- Check entire value chain of tariffs – both with Centrica, Statoil, Eclipse and Melberg.

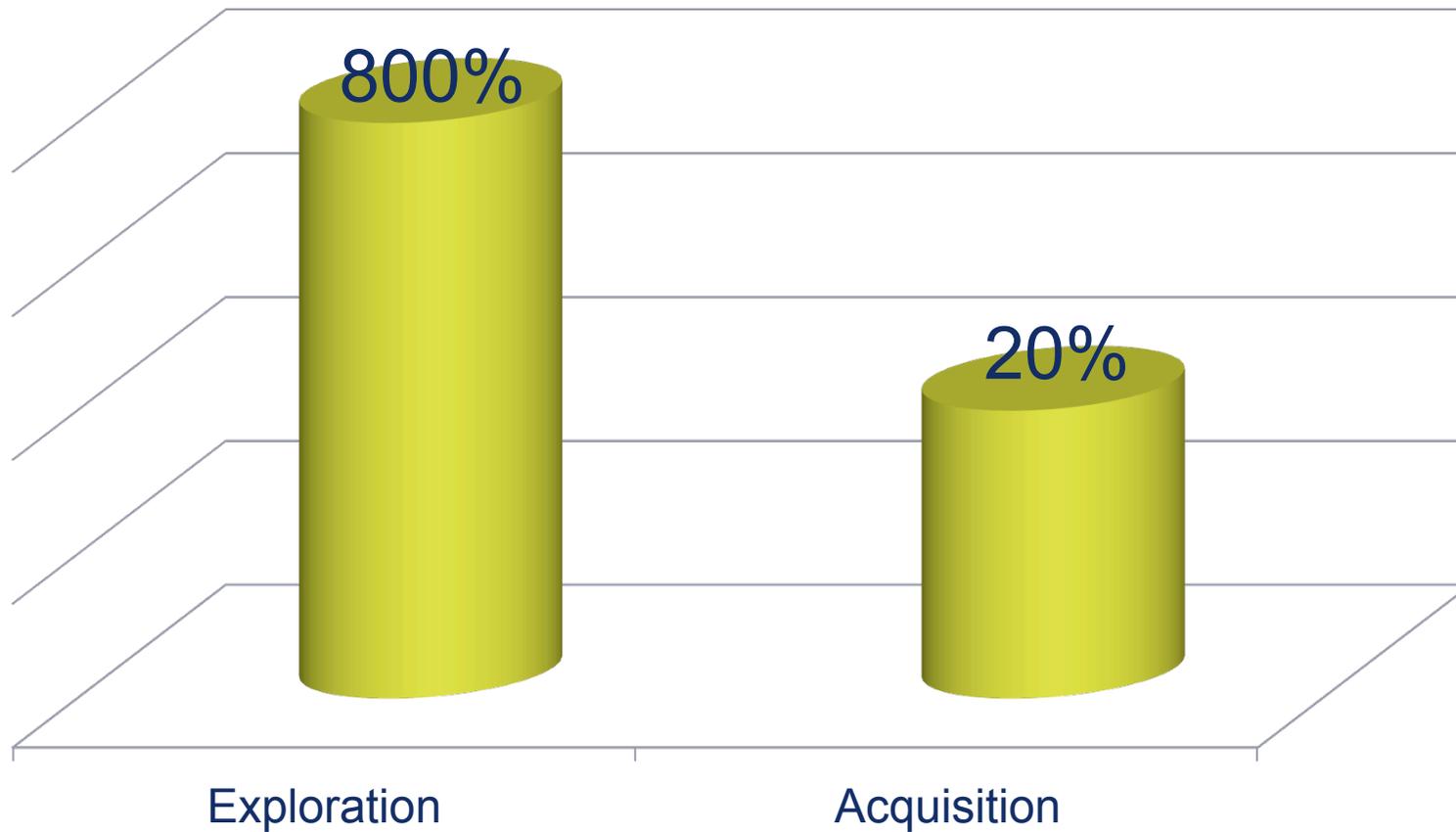


Value creation from E&P assets

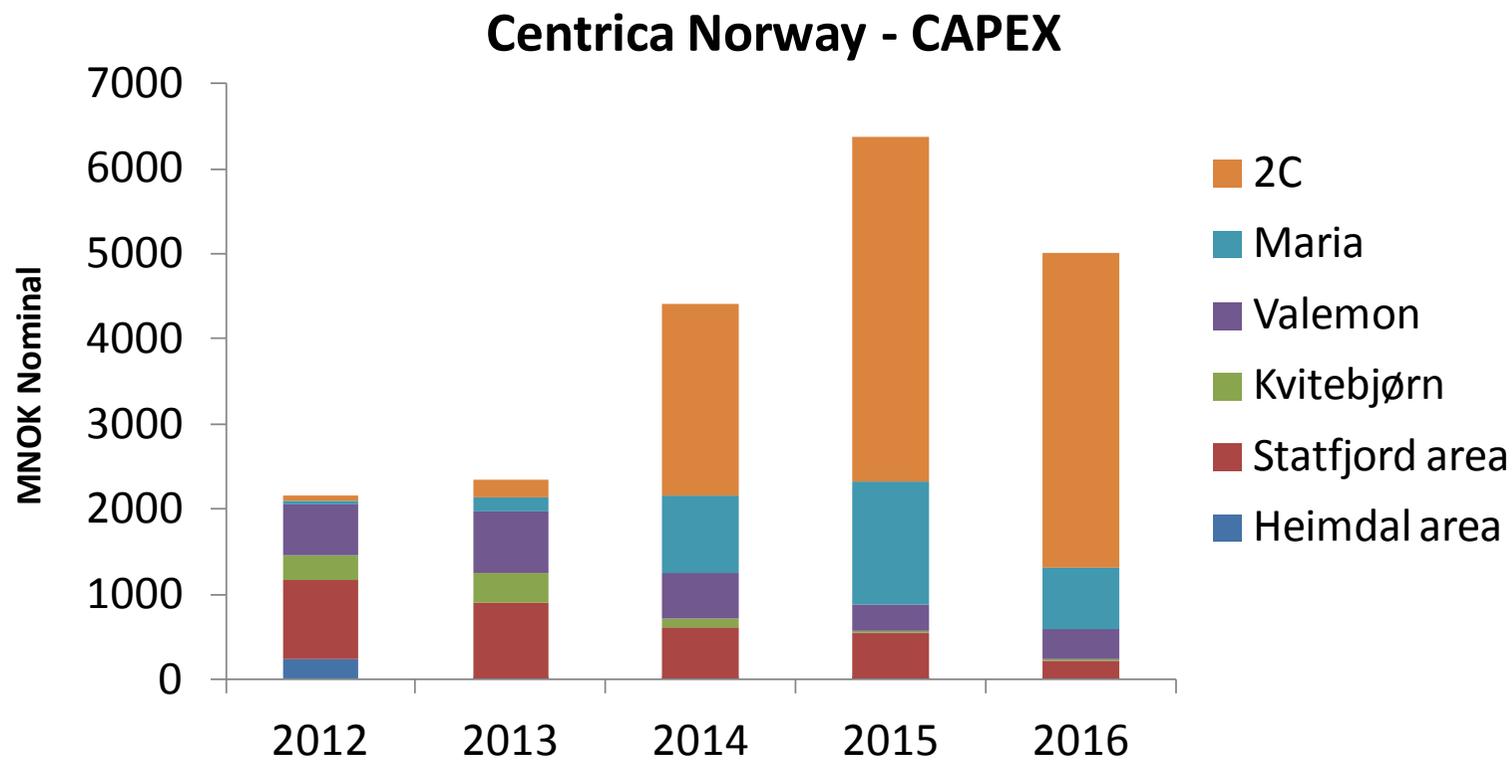


Value creation higher from exploration than acquisitions

Return On Investment (ROI)



Centrica Norway Capex estimates going forward



Acquisition in Centrica - business combination or asset acquisition ?

1. Heimdal area from Marathon - Business Combination

- Heimdal 23,4% Vale 46,9% and Byggve/Skirne 20%
- Contract signing date 8th of July 2008
- Effective date 1st of January 2008
- Completion date 31st of October 2008

2. Statfjord Shell/Enterprise - Asset acquisition

- Statfjord Unit 9,4%, Statfjord Nord 11,04%, Statfjord East 5,5%, Sygna 6,1%
- Contract signing date 10th of September 2010
- Effective date 1st of January 2010
- Completion date 8th of December 2010

Acquisition in Centrica - business combination or asset acquisition ?

3. Vasa acquisition from Statoil - Asset acquisition

- Kvitebjørn 19%, Valemon 13%, Rind 37%, Skirne 10% and Heimdal 10%
- Vale 28%, Frigg/Gamma/Delta 40% og Fulla 50%
- Contract signing date 21st of November 2011
- Effective date 1st of January 2012
- Completion date 1st of May 2012

4. Statfjord ConocoPhillips - Asset acquisition

- Statfjord Unit 12,08%, Statfjord Nord 10,32%, Statfjord East 6,041%, Sygna 6,64%
- Statfjord Unit, Licence P104 and Licence P293(UK side)
- Contract signing date 27th of January 2012
- Effective date 1st of January 2012
- Completion date 1st of May 2012

Takk for oppmerksomheten!