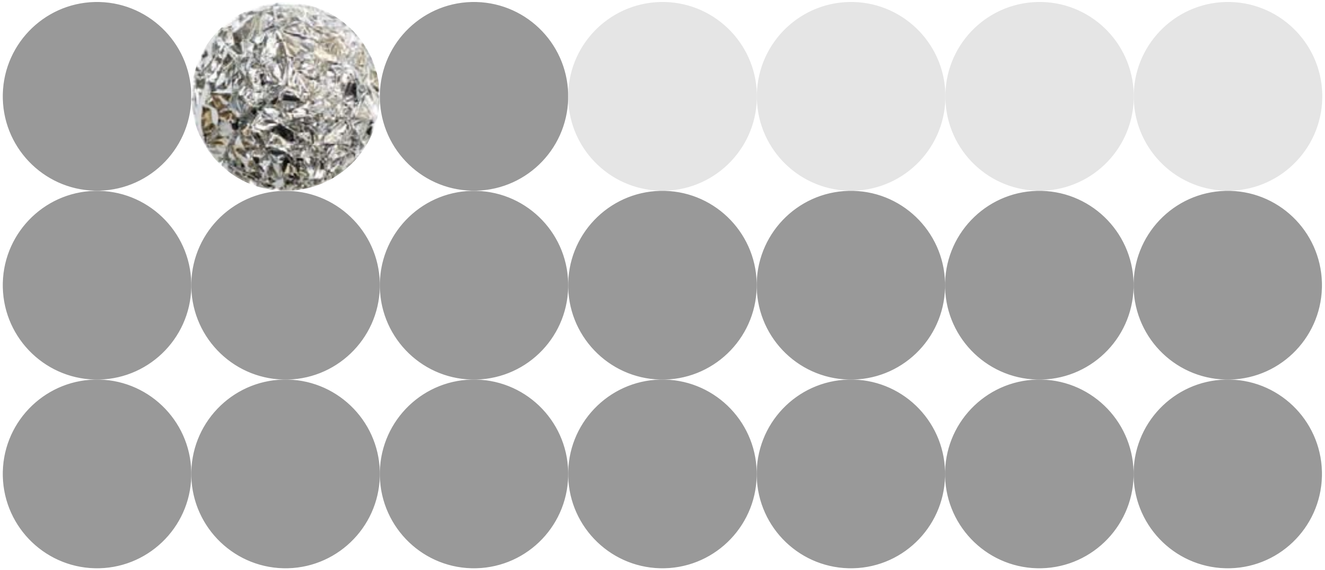
Hydro – a resourceful aluminium company



John Ove Ottestad, Executive Vice President and Chief Financial Officer

BMO Global Metals & Mining Conference – February 23, 2009

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, we are providing the following cautionary statement.

Certain statements included within this announcement contain (and oral communications made by us or on our behalf 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 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 we believe 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 our 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: our continued ability to reposition and restructure our upstream and downstream Aluminium business; changes in availability and cost of energy and raw materials; global supply and demand for aluminium and aluminium products; world economic growth, including rates of inflation and industrial production; changes in the relative value of currencies and the value of commodity contracts; trends in Hydro’s key markets and competition; and legislative, regulatory and political factors. For a detailed description of factors that could cause our results to differ materially from those expressed or implied by such statements, please refer to the risk factors specified under “Risk review – Risk factors” on page 134 of our Annual Report 2006 (including Form 20-F) 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 in the aluminium value chain

Primary aluminium production

Aluminium in products, recycling

Bauxite/ alumina	Energy	Primary aluminium	Metal products	Semi fabrication	Remelt
					
65% equity in alumina	Solid long-term coverage of power towards 2020 100% hydro-power in Norway Solar energy	1.75 mill. mt/year 10 metal plants in 5 countries on 3 continents 5 250 employees (2 900 in Norway)	2.9 mill. mt/year (primary+remelt +cold metal) Special alloys	1.6 mill. mt/year Operations in more than 30 countries 16 000 employees (1 800 in Norway)	502 000 ton remelt/year 11 remelters in 5 countries on 2 continents
•Equity	•Long-term power supply	•Cost position •Technology	• Expertise in materials •Technology	•Close to customers •Innovation	•Expertise in materials

Production figures are from 2008

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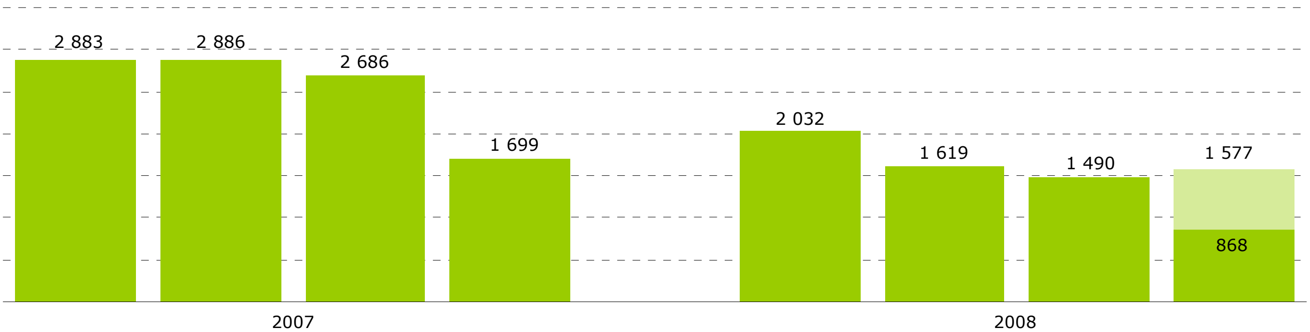
Highlights Q4 2008

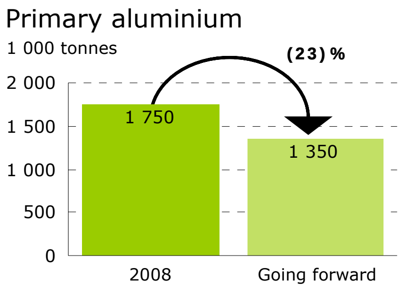
Underlying EBIT, NOK million

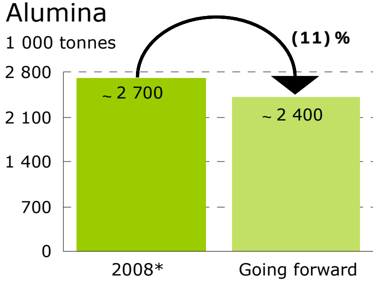


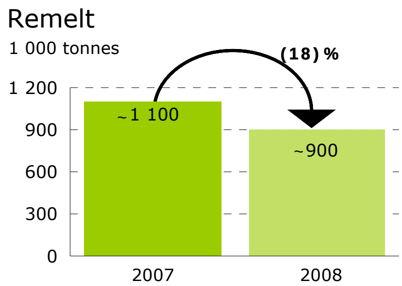
- Result in line with Q3
- Solid operational performance
- Higher realized aluminium prices, but continued input cost pressure
- Dramatic decline in aluminium market price and order intake
- Decisive corrective measures taken

Impairment of inventories charged to underlying EBIT in primary aluminium and remelt activities

Aluminium Metal – corrective measures







Reduced primary aluminium production

- Permanent closure of Karmøy Søderberg: 120 000 tonnes
- Production curtailments at Søral (50%), Slovalco (10%) and Neuss (100%): 280 000 tonnes
- Additional cuts under evaluation

Alumina production at Alpart cut by 50%

- Additional cuts under evaluation

*Production capacity at end-2008

Remelt significantly reduced

- ~500 000 tonnes of annual capacity out of production
- Future development depending on market

Procurement action on key inputs

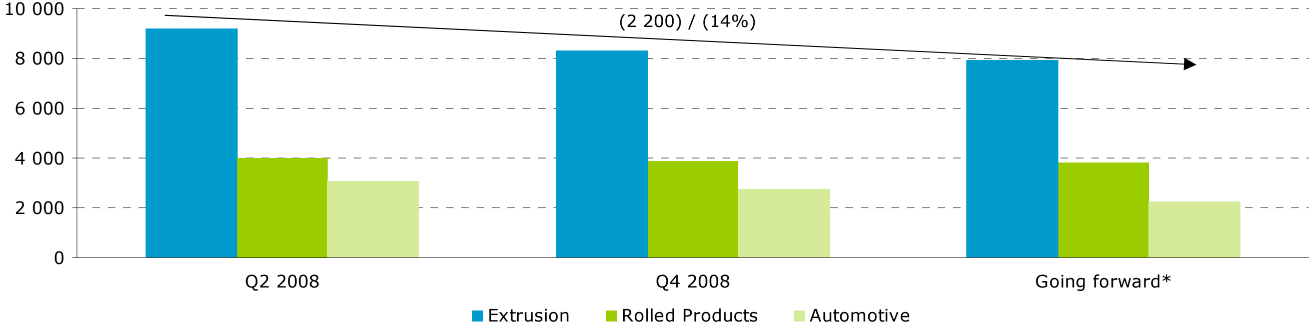
- Petroleum coke - highest impact
- Fuel oil, caustic soda, coal, freight and alloys

Cost-reduction programs

Significant capital expenditure cuts

Aluminium Products - corrective measures

Average full time employee equivalents



- Manning reductions
- Procurement initiatives
  - Capitalize on falling raw material prices
  - Transport contract renegotiations
  - Postpone expenditures that are not time critical
- Inventory reduction
- Capital expenditures reduced by 50% from 2008 to 2009

*Market dependent

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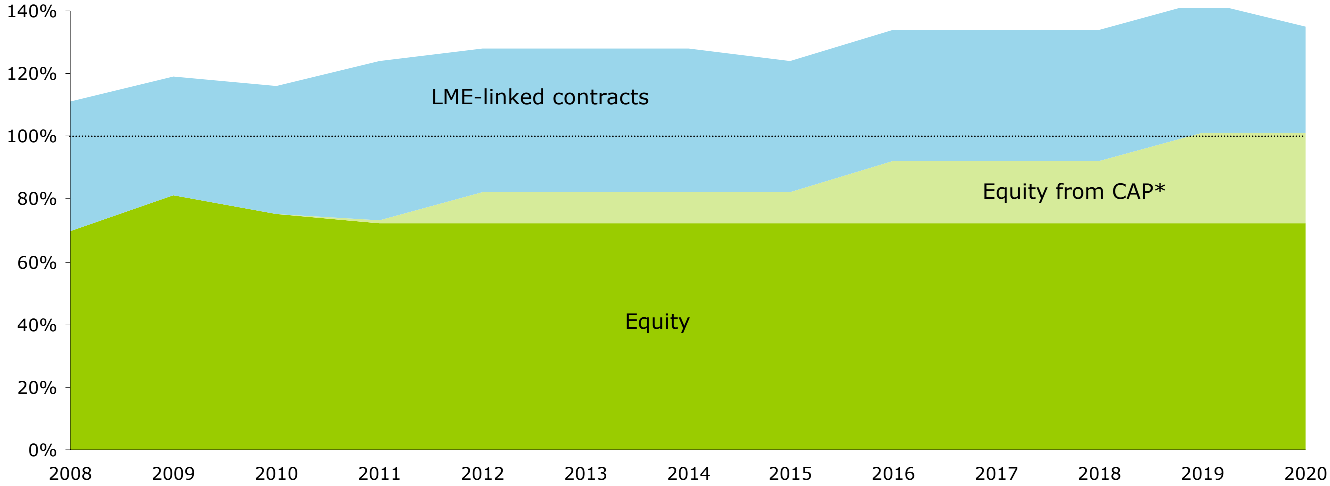
Well covered with alumina

CAP positions Hydro for further growth in metal

Alumina coverage

Percent

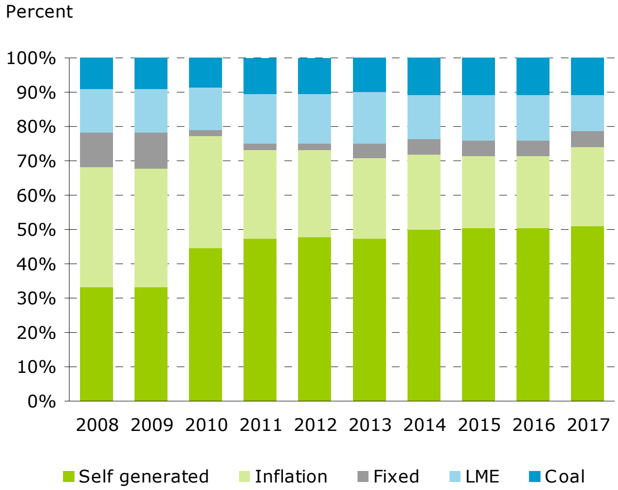


*CAP is illustrated with the first stage plus two expansions. Only the first stage has been decided.

Graph includes full production at Alpart and excludes Karmøy Søderberg

Long-term power sourcing at competitive prices

Indexation of power supplies



- Power consumption ~26 TWh in Metal in 2008
- Self-generation and long-term contracts ensures predictability
- Limited commodity exposure
  - Indexation to LME and coal with time-lag
- NOK and USD the dominant currency exposure

Qatalum – on target

Largest greenfield capacity built in one step

- 50/50 JV between Hydro and Qatar Petroleum
- Investment USD 5.6 billion (100%)
- 60% complete by end-2008
- On target for scheduled start-up 2009/2010
- First decile position on cash cost curve

- First-stage capacity
  - Smelter: 585 000 tonnes per year
  - Hydro technology
  - Anode plant and cast houses
  - 1 250 MW power plant
  - Possible expansion to 1 200 000 tonnes

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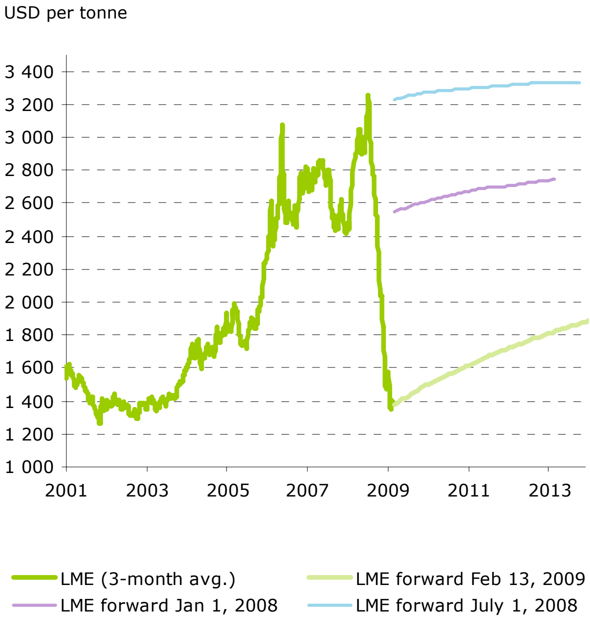
Unprecedented fall in aluminium price



Primary aluminium LME	USD / tonne	NOK / tonne
Q4 2008 average **Q4 2008 end**	1 873 **1 497**	12 755 **10 397**
Q3 2008 average **Q3 2008 end**	2 845 **2 425**	15 202 **14 210**
Average 2008	2 621	14 791
Average 2007	2 661	15 638
Average 2006	2 594	16 616

Source: Reuters Ecowin / Bloomberg February 13, 2009

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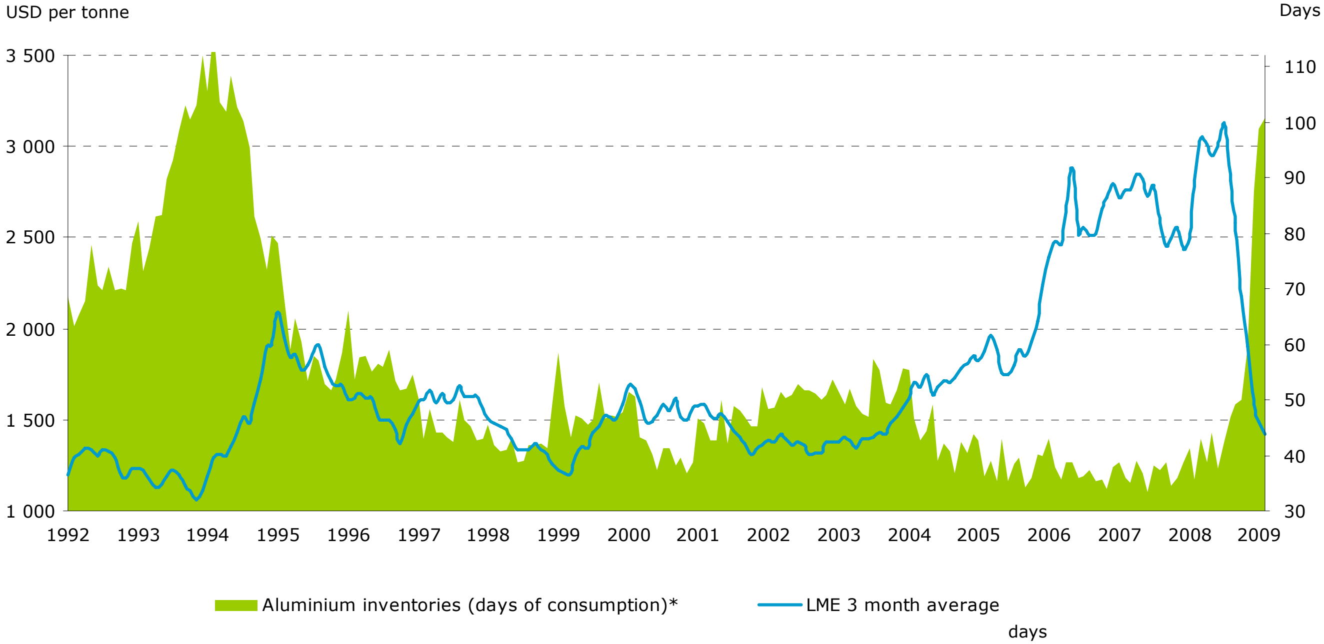
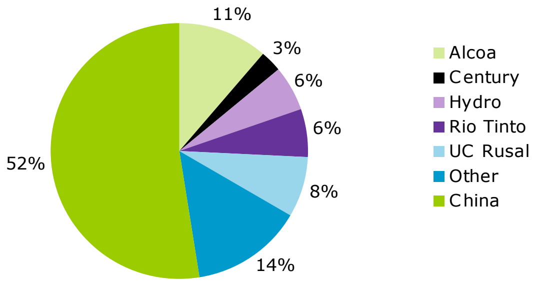
Rapidly increasing inventories



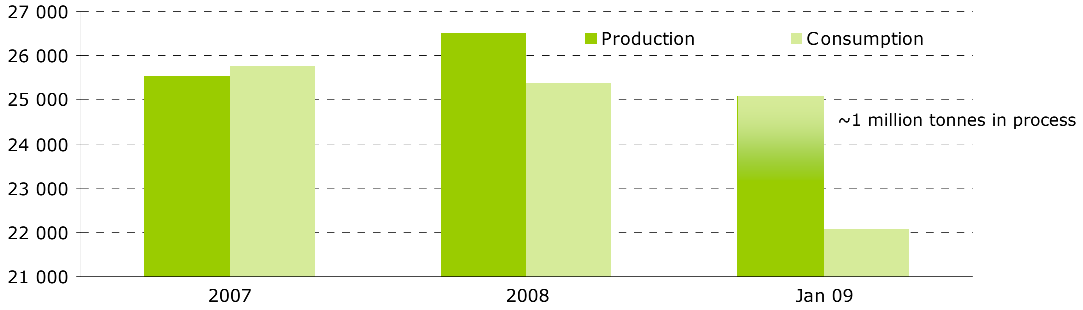
*IAI and LME reported stocks, annualized Western World consumption. CIS and China not included.

Announced capacity curtailments



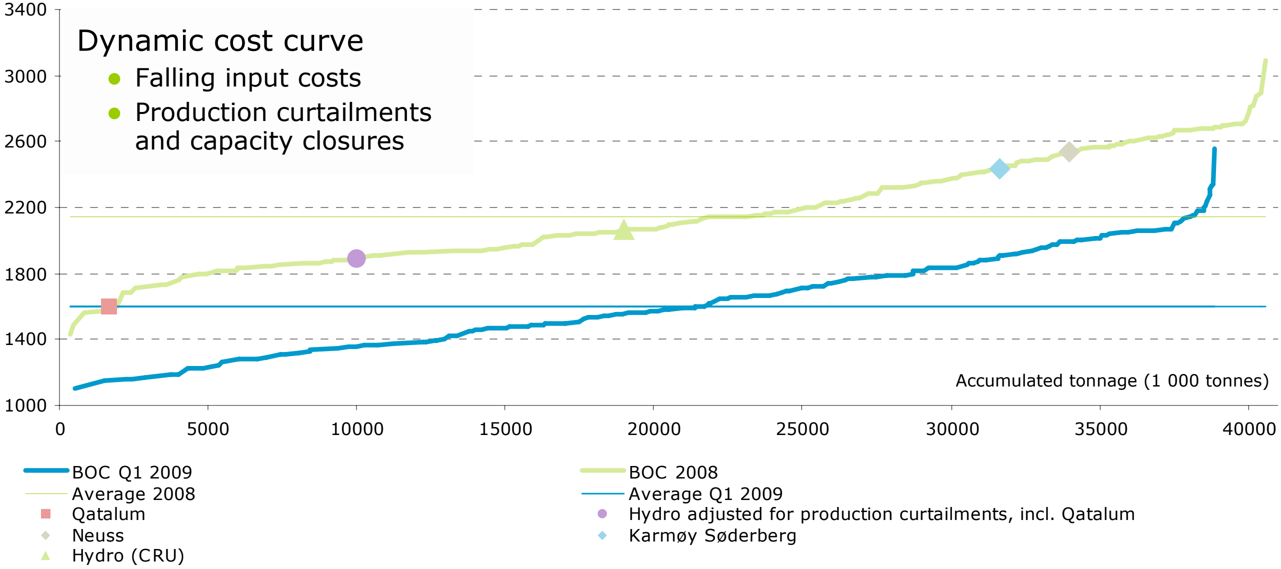
China	~3.2 million tonnes
Rest of world	~3.5 million tonnes
Total	~6.7 million tonnes

World production and consumption (excl. China), annualized



Hydro improves cost position through closures and Qatalum

Business operating cash cost USD/tonne



**Source: CRU, Business Operating Cost, LME assumption 2008: 2 833 USD/tonne, Q1 2009: 1 600 USD/tonne, Qatalum estimated by Hydro*

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2009 outlook

- Limited forward visibility
- Demand expected to remain depressed in 2009
- Further curtailments expected
- Input costs will come further down

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Healthy long term demand for aluminium

- Properties lead to increased market share
  - Aluminium intensive urbanisation and infrastructure
  - Climate challenge – aluminium as part of the solution
  - Recyclability more important with high energy price
- Beyond current downturn
  - Return to trend growth of 4-5% annually

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Financial position

No interest-bearing debt at end of 2008

Credit facilities

- ~NOK 12 billion (USD 1.7 billion) in a multi-currency revolving facility maturing in 2014
- ~NOK 1.3 billion short-term
- Currently fully undrawn

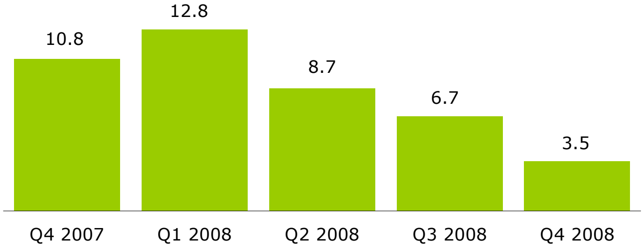
Qatalum financing, USD 5.6 billion (100%)

- USD 2.6 billion project financed
  - ~USD 1.2 billion outstanding end-2008
- USD 3.0 billion in equity from owners
  - ~USD 1.6 billion remaining end-2008

Additional funding to be raised in 2009

- NOK 1 billion in commercial paper issued in February

Net cash/(debt) in NOK billion



NOK billion	Q4 2007	Q1 2008	Q2 2008	Q3 2008	Q4 2008
Net cash/(debt)	10.8	12.8	8.7	6.7	3.5
Net int.-bearing debt in equity accounted invest.	(3.2)	(2.3)	(3.0)	(3.3)	(4.9)
Other adjustments*	(8.4)	(9.2)	(7.8)	(8.9)	(14.0)
Adj. net interest-bearing debt	**(0.8)**	**1.3**	**(2.1)**	**(5.5)**	**(15.4)**

* Net pension liability, operating lease commitments and other

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Preserve financial flexibility

Reduce capital expenditures

- 2008-2009: ex-Qatalum spending reduced 40%
- 2009-2010: ex-Qatalum spending reduced 15%

Decisive measures implemented – cash focus

- Cost-cutting
- Production curtailment
- Procurement initiatives

Reduce operating capital

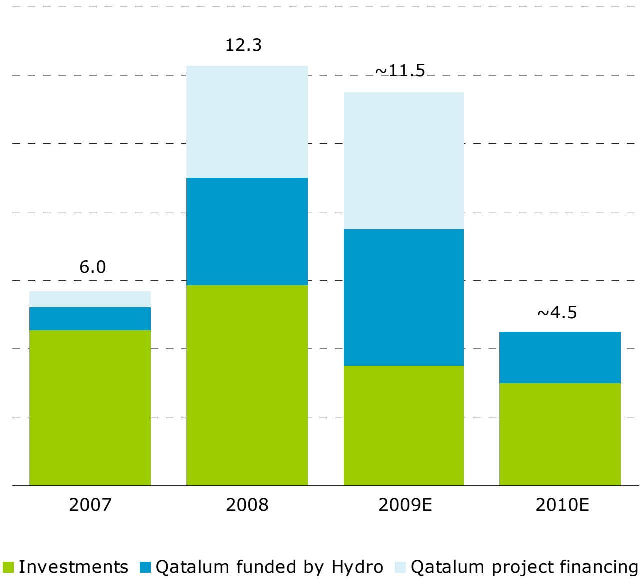
- Proactive follow-up of counterparty risk

Maintain investment grade rating

- BBB (S&P), Baa1 (Moody's) (under review)

Board proposes no dividend for 2008

Capital expenditures, NOK billion



Priorities in 2009

- Proactive corrective measures
  - Production curtailments
  - Cost reductions and margin management
  - Working capital and counter party risk
- Cash focus – maintain financial flexibility
- Operational excellence
- Qatalum execution