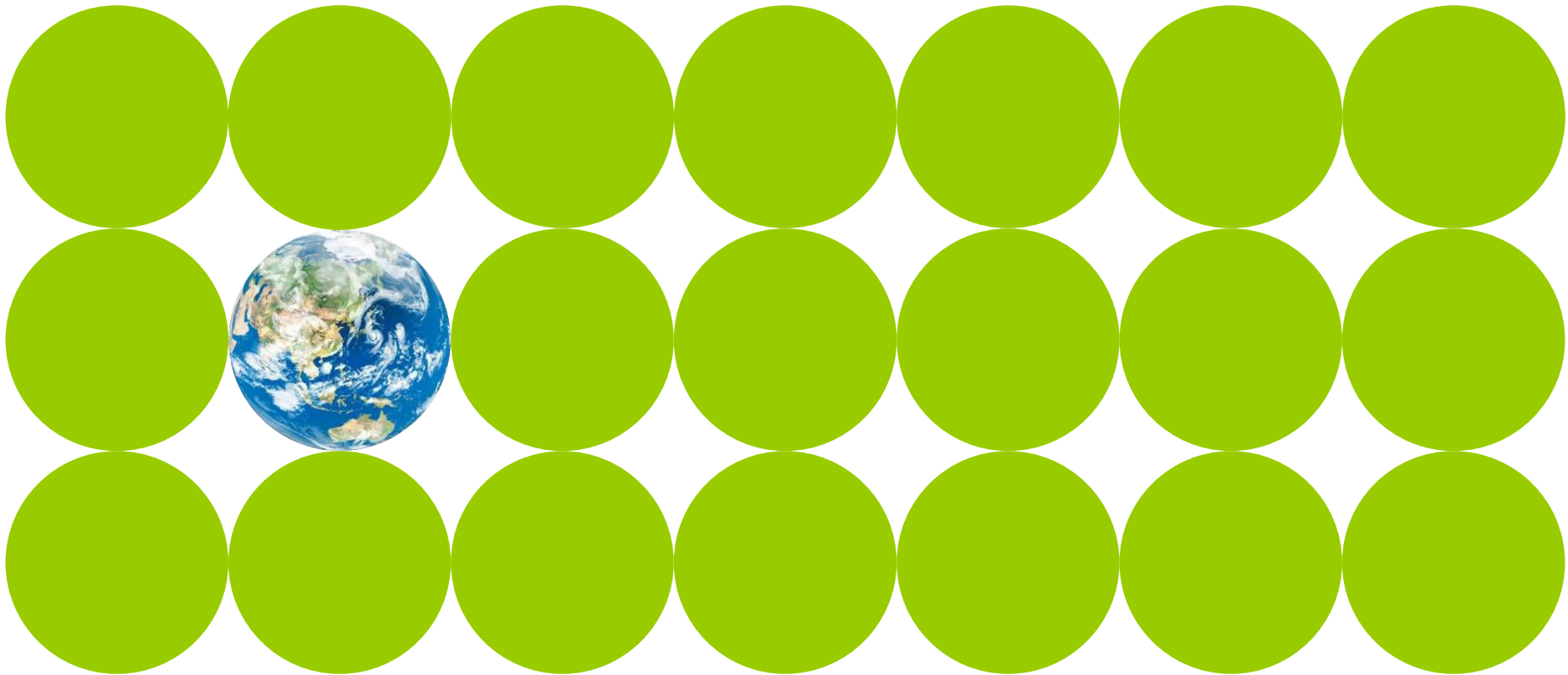


Hydro - a resource rich and fully integrated aluminium company



Jørgen C. Arentz Rostrup, Executive Vice President and CFO
The Dahlman Rose & Co First Annual Global Metals, Mining & Materials Conference
November 17, 2010

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.

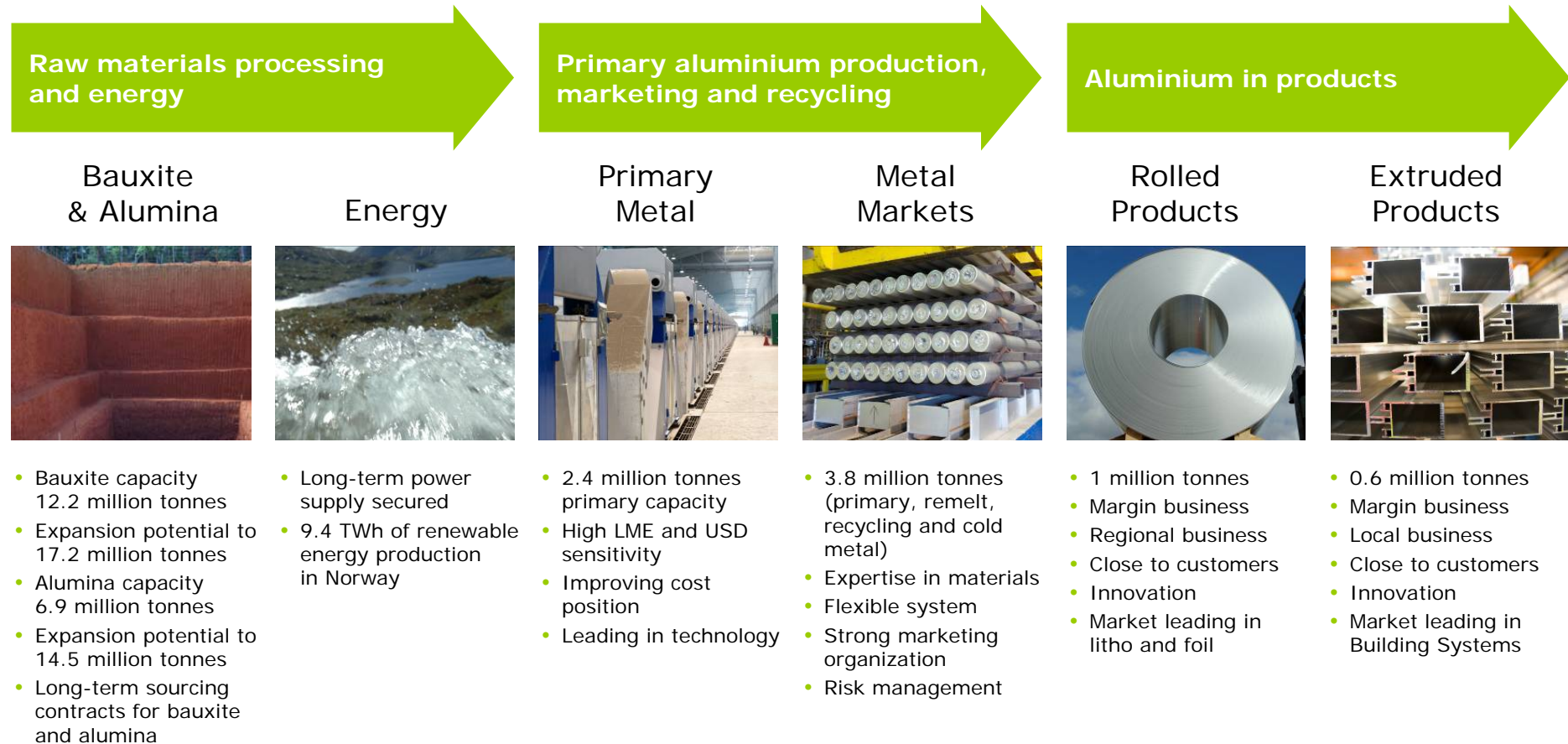
No assurance can be given that such expectations will prove to have been correct. Hydro disclaims any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Hydro's value proposition

- Resource rich and fully integrated aluminium and energy company with global reach and attractive positions across the value chain
- Upstream cost position to be improved by the world-class Qatalum smelter
- Strong operational performance and cost focus
- Financial discipline
- Leading core technology and products
- Long-term prospects for aluminium remain encouraging

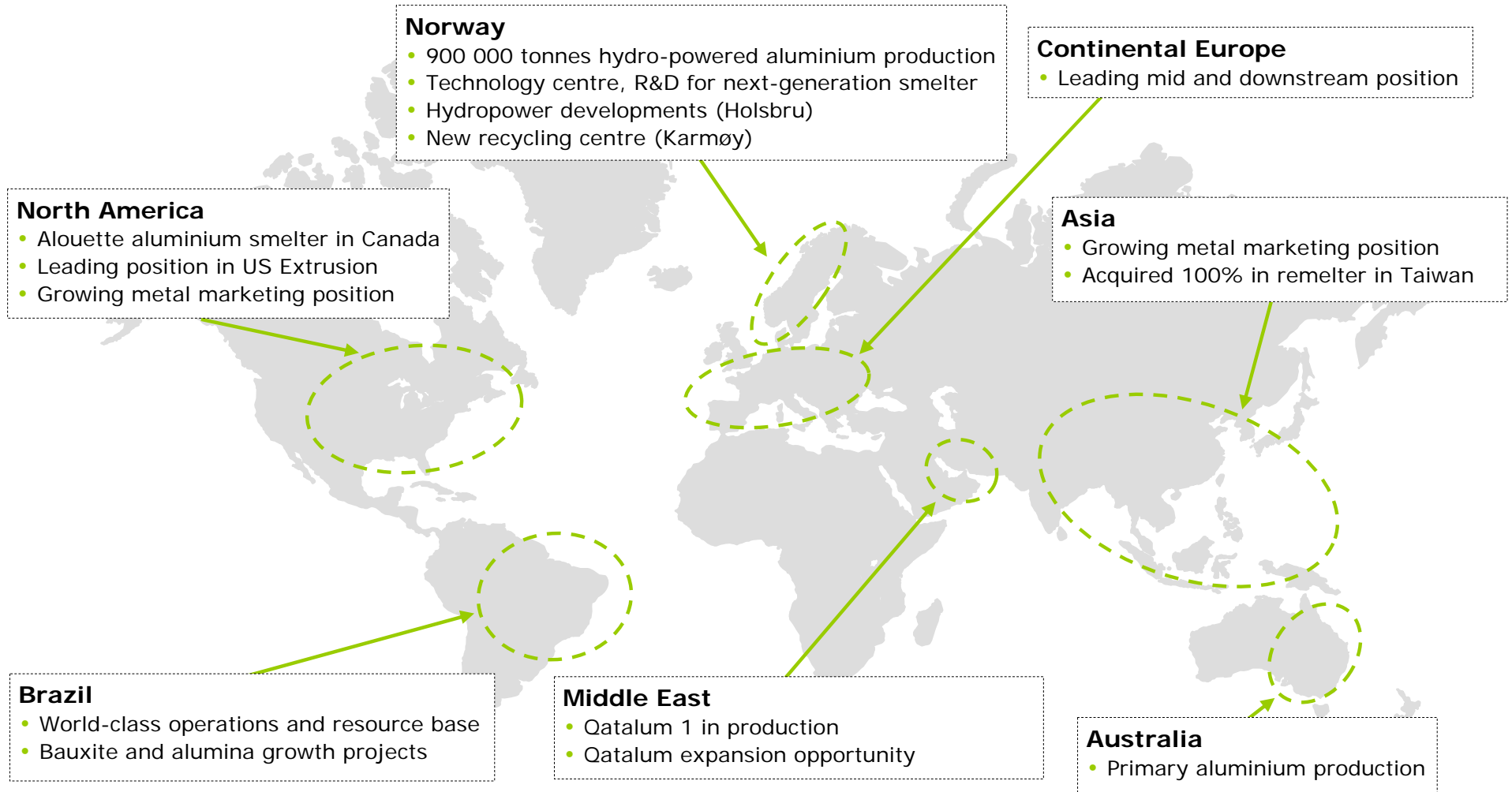


Strong positions across aluminium value chain



Pro forma capacity figures for end-2010. 100% of volumes for assets that are fully consolidated and pro rata share of volumes for other assets.

Attractively positioned, global reach

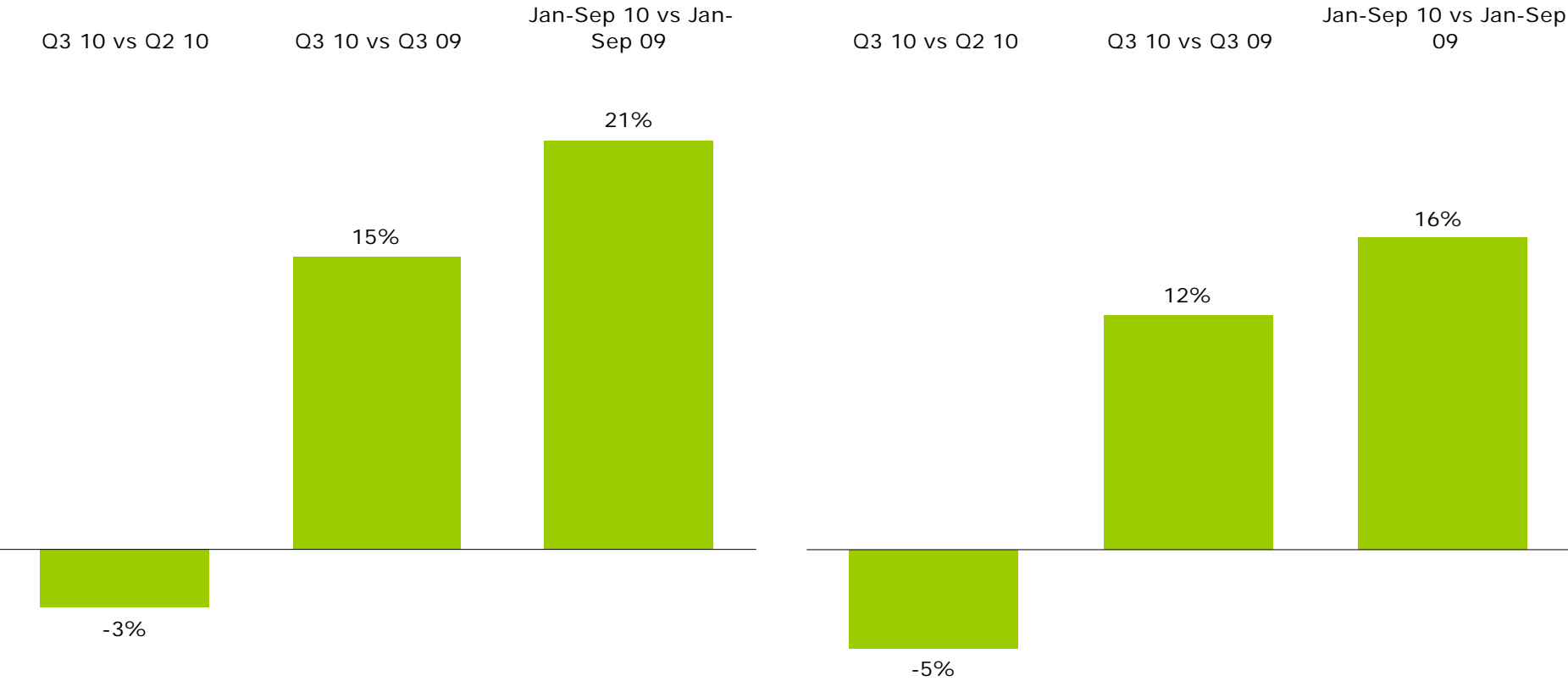


Sales volumes moving towards pre-crisis levels

Normal seasonal pattern in Q3

Total downstream sales*

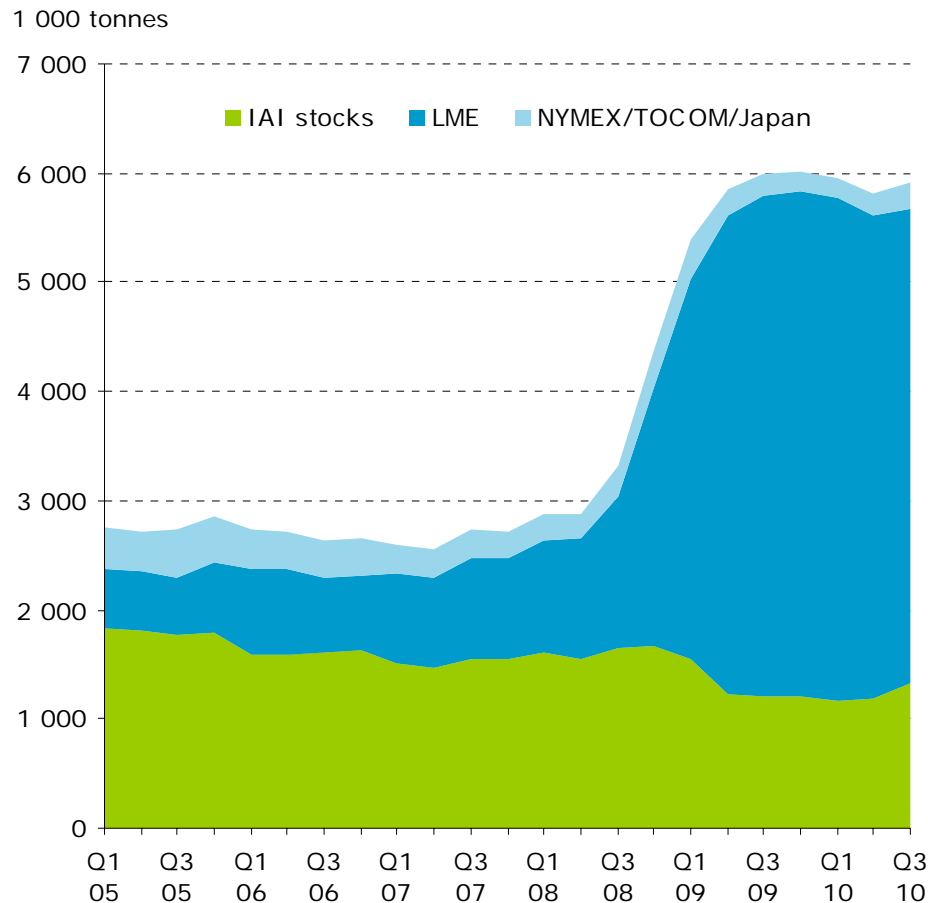
Total upstream sales



* Excluding Automotive Structures



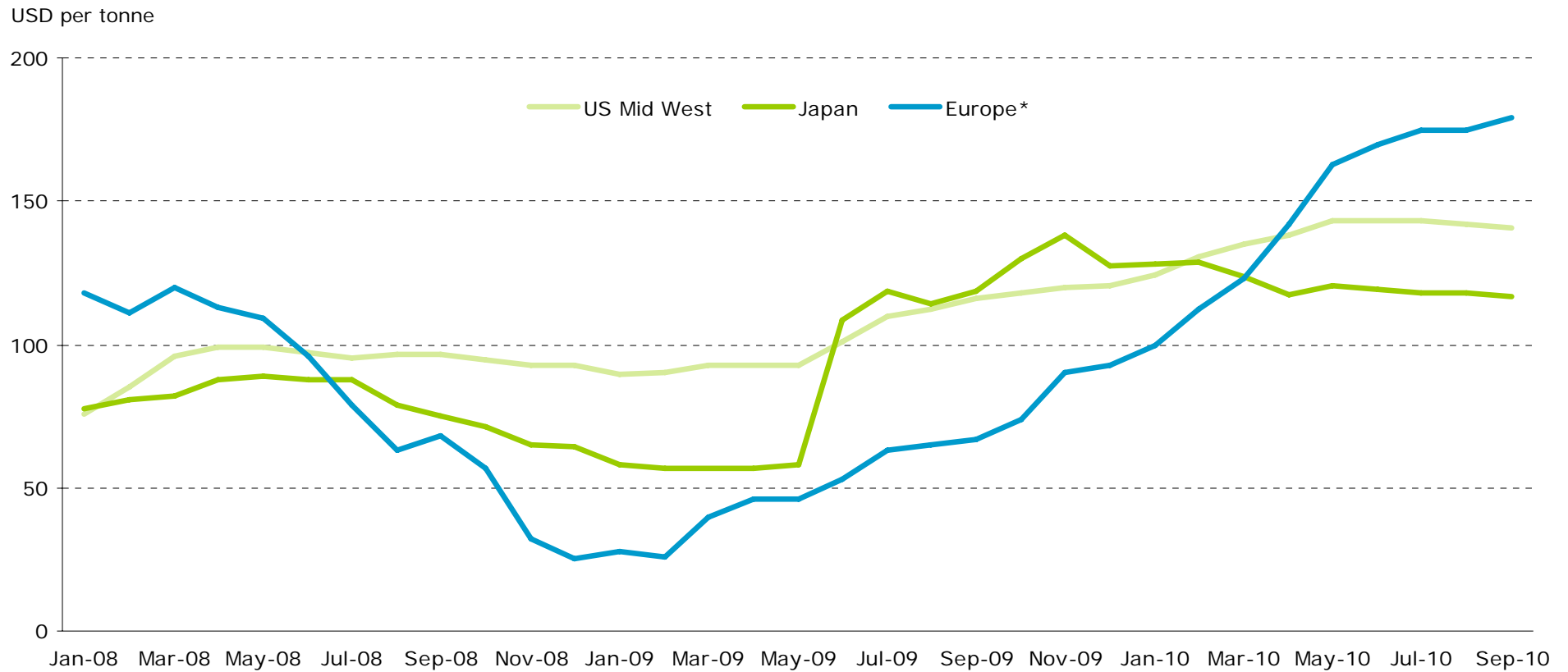
Inventories stabilized at high level



Source: CRU

- Reported inventories outside China: ~6 million tonnes
- Large portion of inventories held by financial investors
 - Time horizon depending on interest rates, warehousing costs and LME contango
 - Contracts believed to be shorter term than previously
- Industry analysts indicate increased unreported inventories during Q3

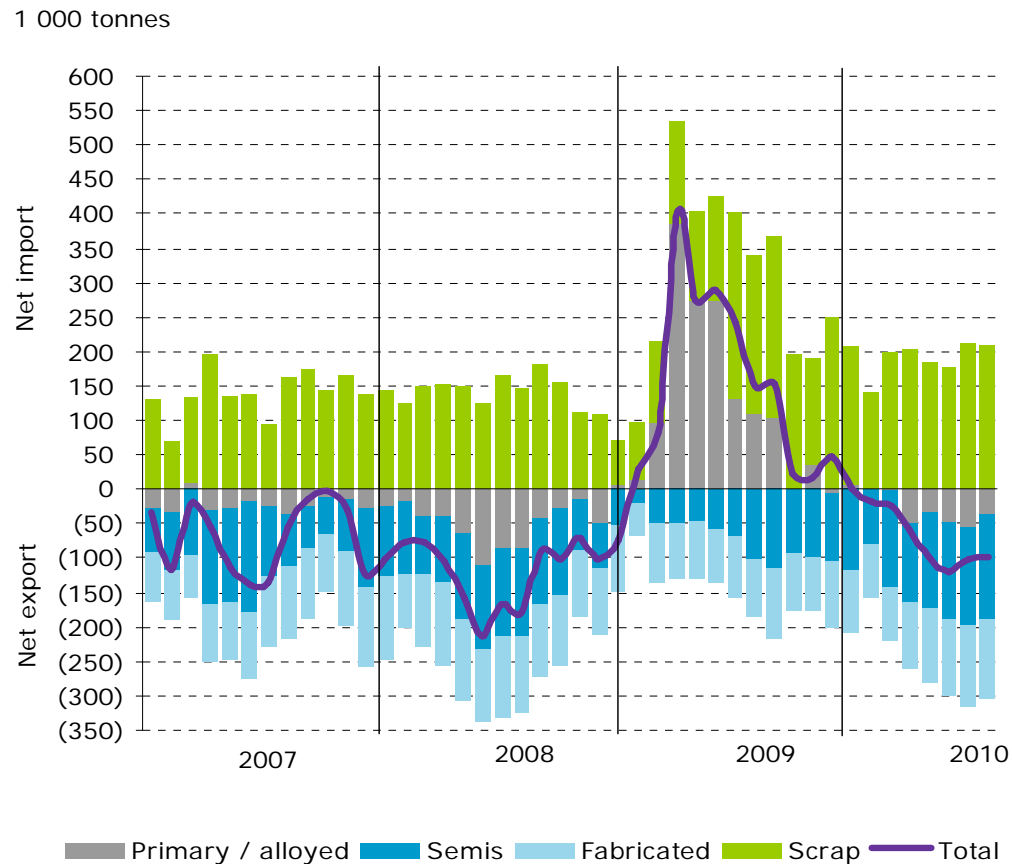
Increased ingot premiums



* Duty-paid

Source: Metal Bulletin, MW/MJP: Platts

China balanced in primary aluminium

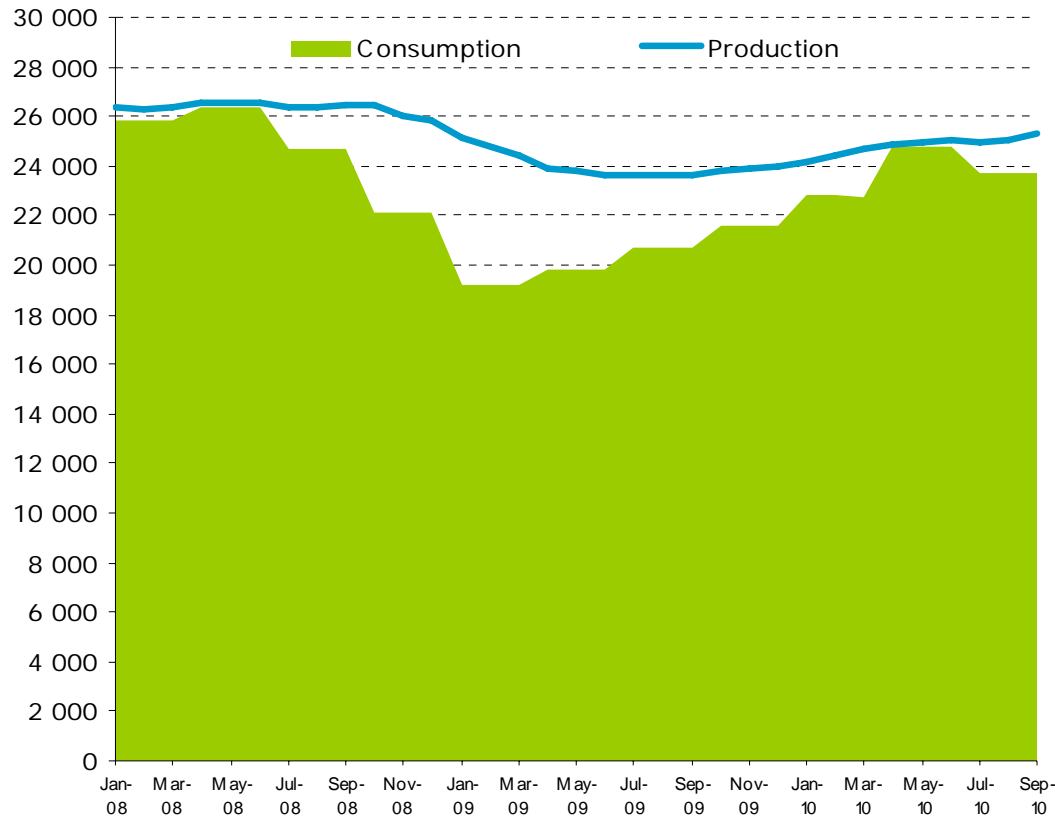


- Balanced supply and demand during Q3
- New announced production cuts due to energy reduction and environmental targets to be reached by end-2010
- Delays in new capacity

Source: Hydro / Antaike, October 2010

2010 market outlook

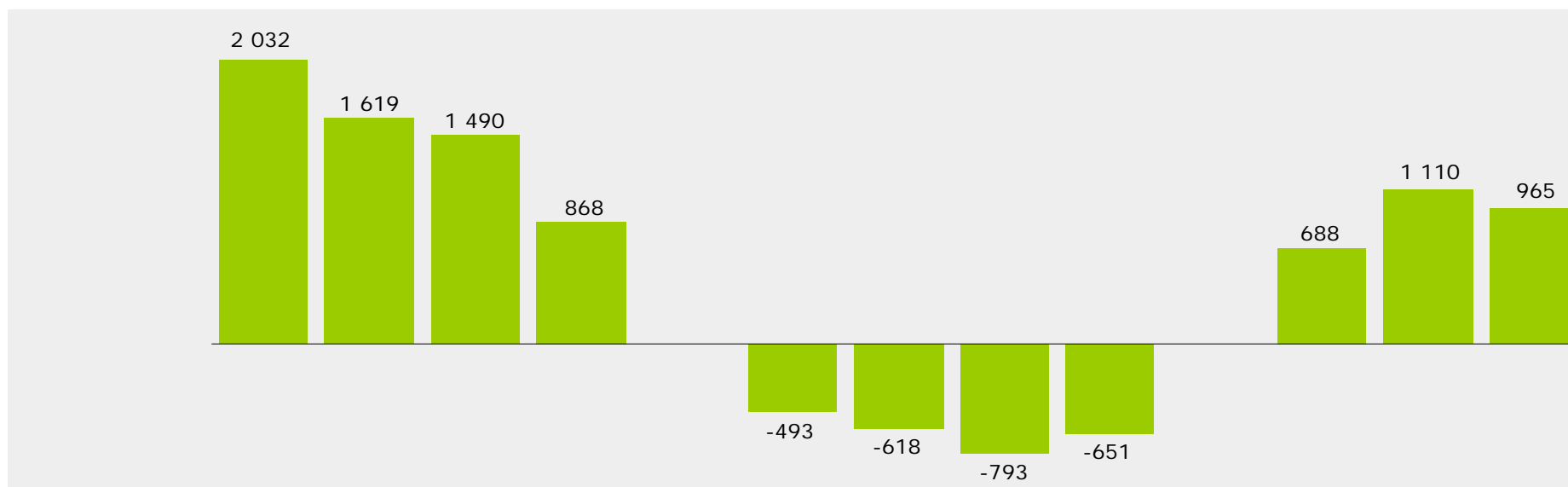
World outside China (annualized), 1 000 tonnes



Source: CRU, average consumption per quarter

- World outside China
 - Primary aluminium consumption expected close to 24 million tonnes, around 17% growth from 2009
 - Consumption first nine months stronger than anticipated
 - Supply/demand imbalance expected to continue at around 1 million tonnes
 - Main share of curtailed capacity unlikely to restart
 - Limited new capacity
- China
 - Broadly balanced in primary aluminium

Underlying EBIT

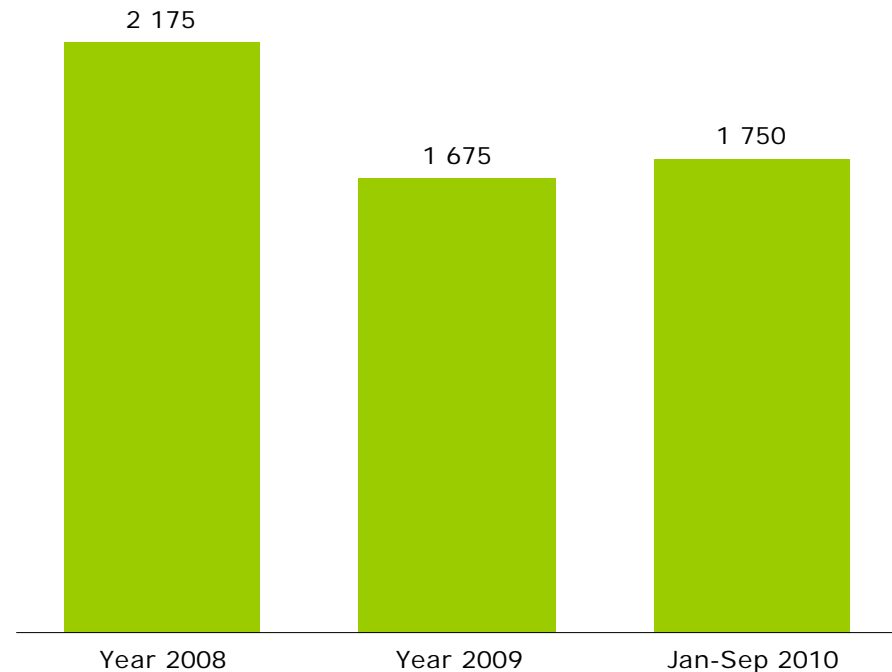


NOK million	Q1 2008	Q2 2008	Q3 2008	Q4 2008	Q1 2009	Q2 2009	Q3 2009	Q4 2009	Q1 2010	Q2 2010	Q3 2010
Primary Metal	938	795	906	93	(185)	(895)	(760)	(717)	(49)	657	399
Metal Markets	363	139	(41)	242	(245)	196	(15)	(20)	65	31	163
Rolled Products	147	240	170	93	(53)	(28)	51	57	223	309	227
Extruded Products	223	296	152	(332)	(204)	(26)	95	68	117	201	102
Energy	421	302	493	649	447	281	217	295	588	177	169
Other and eliminations	(60)	(153)	(191)	124	(253)	(146)	(381)	(334)	(255)	(265)	(95)
Total	2 032	1 619	1 490	868	(493)	(618)	(793)	(651)	688	1 110	965

Primary Metal repositioning continues

Estimated primary aluminium production cash costs

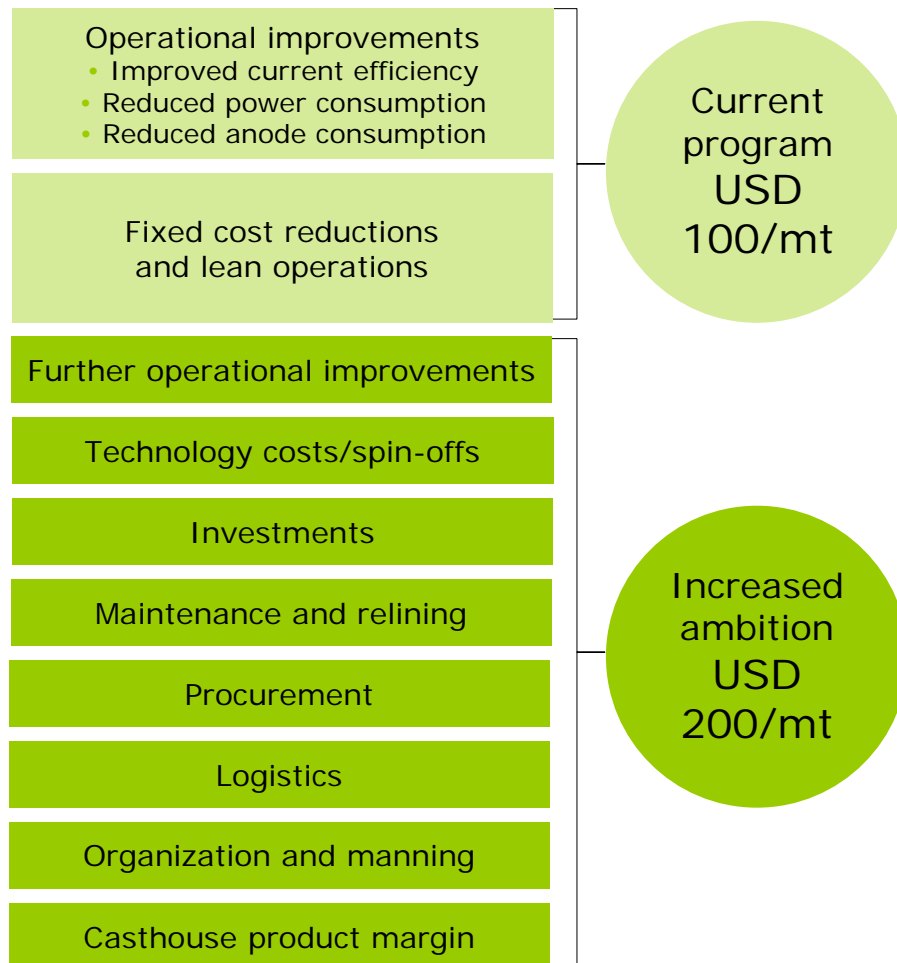
In USD/tonne*



* Realized aluminium price minus EBITDA margin per tonne primary aluminium. EBITDA margin excludes bauxite, alumina and Qatalum-related earnings, but includes net earnings from primary casthouses.

- Unsatisfactory cost position
 - Estimated first nine months 2010 cash cost USD 1 750/NOK 10 600
- Norwegian smelter system challenging in current high-cost environment
- Program for USD 100 reduction in conversion cost by end-2011 on target
- Qatalum contributing with lower costs with full effect during 2011
- Restart of Hydro's curtailed capacity unlikely in current market

Lifted improvement ambition in Primary Metal



- Current USD 100/mt improvement program extended to USD 300/mt
- Scope of ambition is Hydro's wholly-owned smelters: ~900 000 mt in 2009 production basis for follow-up
- Improve competitiveness and restore profitability to a sustainable level
- Detailed plans per plant and for support functions under development
- Program expected to be completed by end-2014
- Improvements expected to be somewhat offset by higher energy costs and may be influenced by fluctuations in raw material prices and currencies

Qatalum – a world class smelter

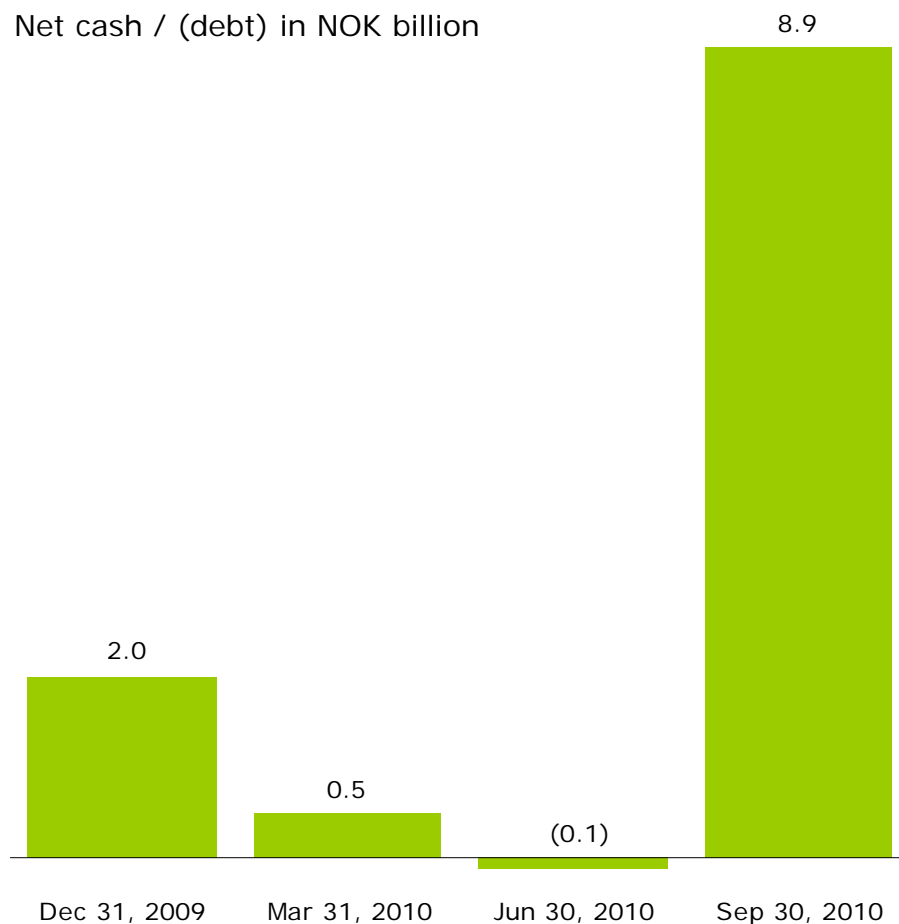


- 50/50 joint venture with Qatar Petroleum
- Capacity of 585 000 tonnes per year
- Very competitive cash cost position when in full production
- Investment (100%) ~USD 5.7 billion

- Power outage August 9
 - Affecting 444 out of 704 cells
- Ramp-up resumed September 15
- Robust insurance coverage
- Full production expected end-Q1 2011

Financial position

Net cash / (debt) in NOK billion



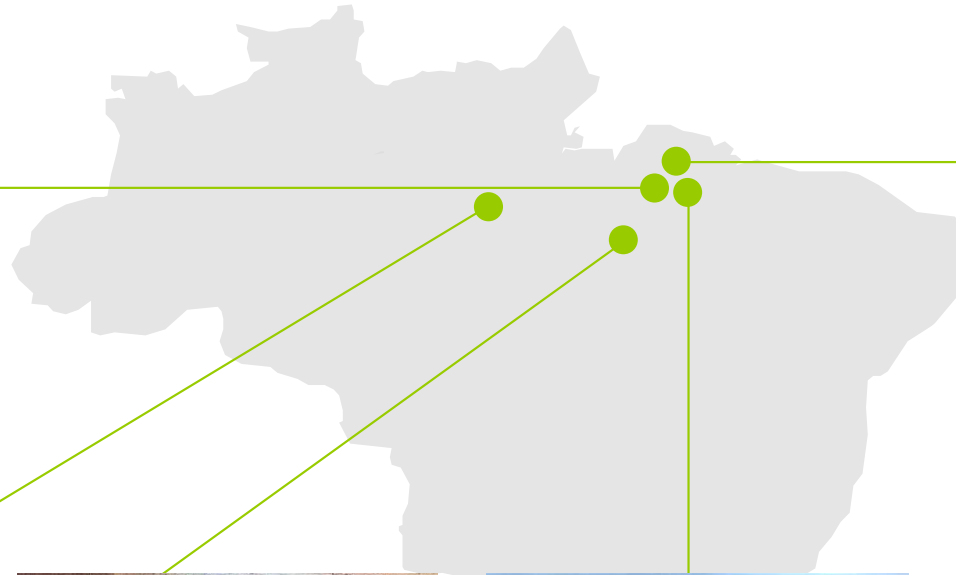
NOK billion	Dec 31, 2009	Mar 31, 2010	Jun 30, 2010	Sep 30, 2010
Cash and cash equivalents	2.5	2.5	2.2	8.7
Short-term investments	1.5	1.6	1.3	1.3
Short-term debt	(1.9)	(1.0)	(1.5)	(1.0)
Long-term debt	(0.1)	(2.6)	(2.1)	(0.1)
Net cash/(debt)	2.0	0.5	(0.1)	8.9
Net int.-bearing debt in equity accounted invest.	(8.0)	(8.1)	(9.1)	(8.1)
Net pension liability at fair value, net of expected tax benefit	(5.6)	(5.3)	(5.2)	(5.2)
Other adjustments*	(3.9)	(4.0)	(3.8)	(3.9)
Adjusted net debt	(15.6)	(16.9)	(18.2)	(8.3)

* Operating lease commitments and other

World-class assets in resource-rich Brazil



CAP alumina refinery project
Increasing stake from 20% to 81%



Alunorte alumina refinery
Increasing stake from 34% to 91%



MRN bauxite mine
Current stake 5%
Signed volume off-take agreement for Vale's 40% stake in mine



Paragominas bauxite mine
Taking over 60%, increasing to 100% by 2015

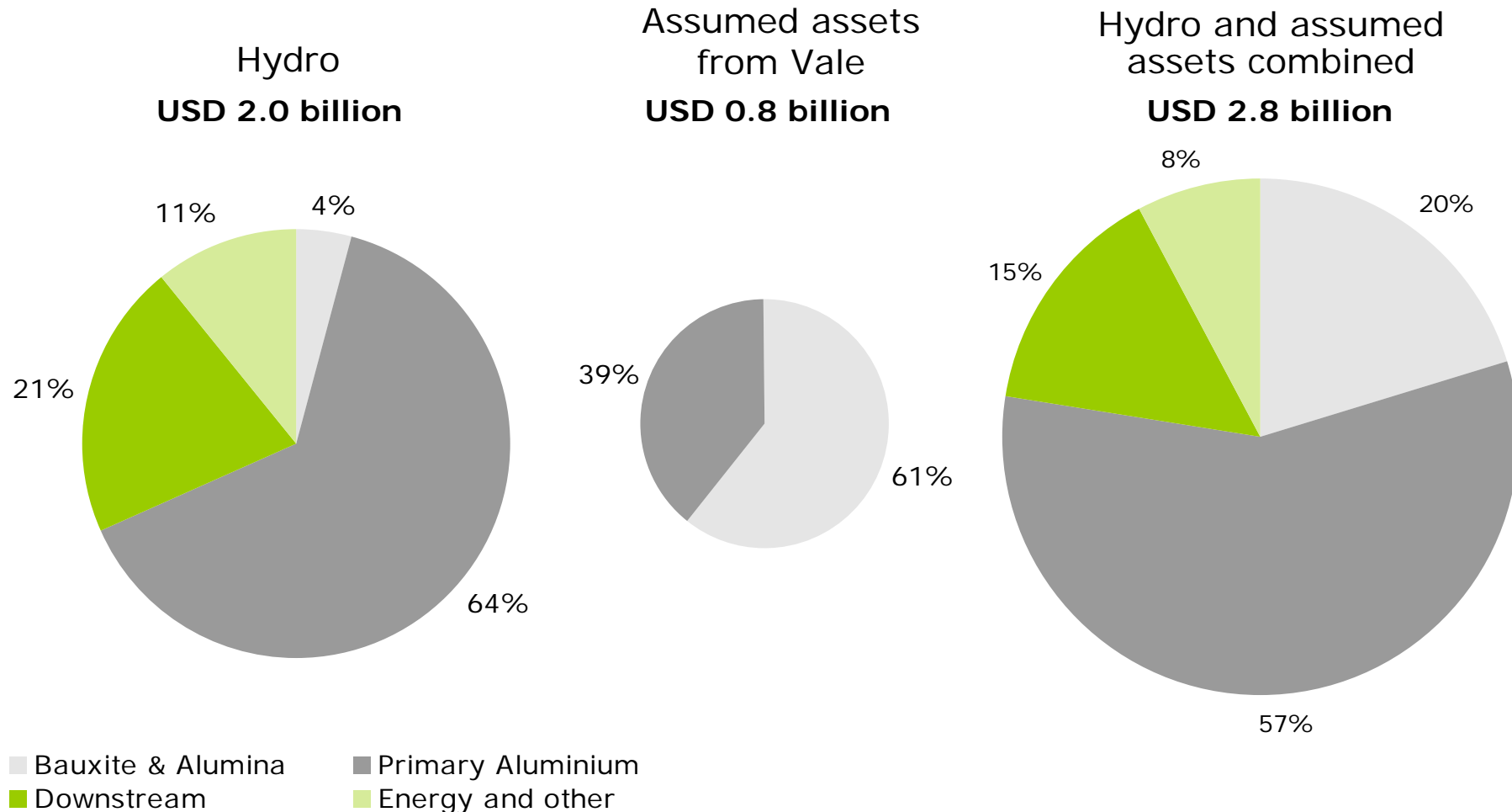


Albras aluminium smelter
Taking over 51%

- Bauxite licenses
- Sales contract portfolio
- Competence

Upstream earnings become more robust

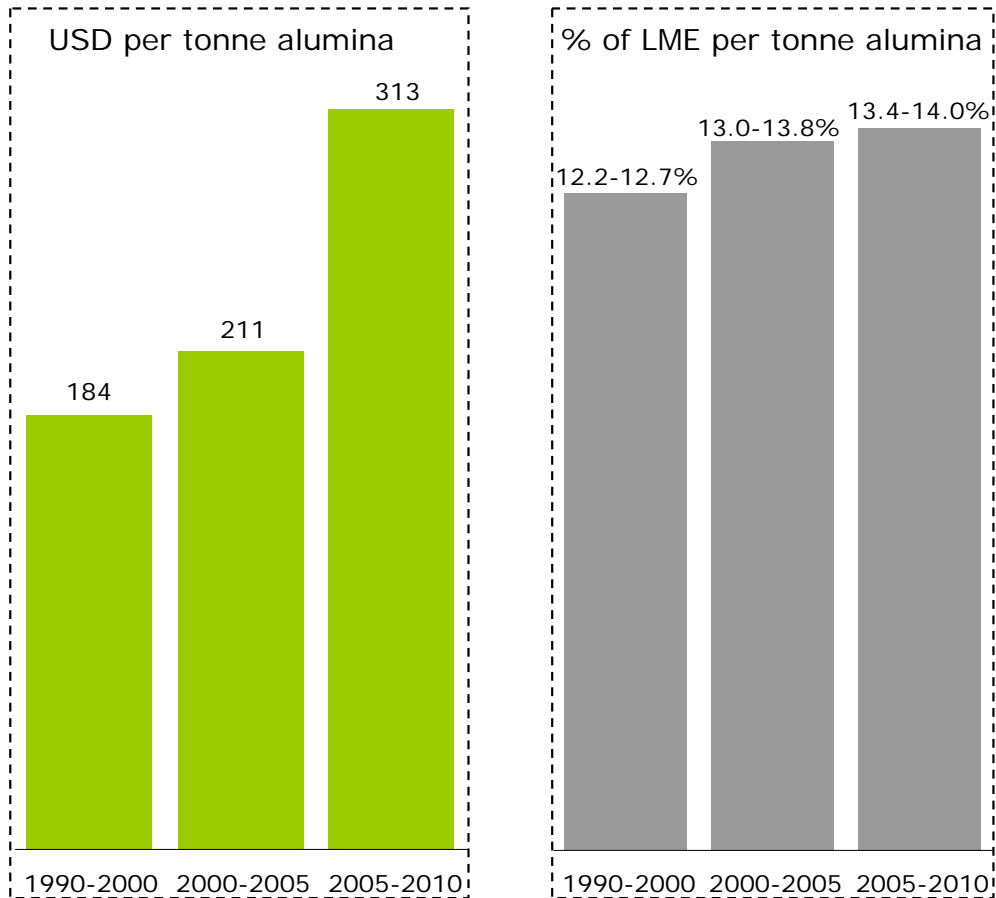
Average 2007-2008 EBITDA



Hydro Underlying EBITDA based on IFRS. Assumed assets EBITDA based on US GAAP and full consolidation. No proforma adjustments have been made.

Alumina prices on upwards trend

Hydro estimates of average contract prices



- 3 to 10 years contract prices have moved upwards
- Bauxite and alumina prices strongly affected by Chinese growth
- China bauxite imports expected to further increase
- Increasing spot prices and current contract prices closer to 15%

Long alumina and bauxite position

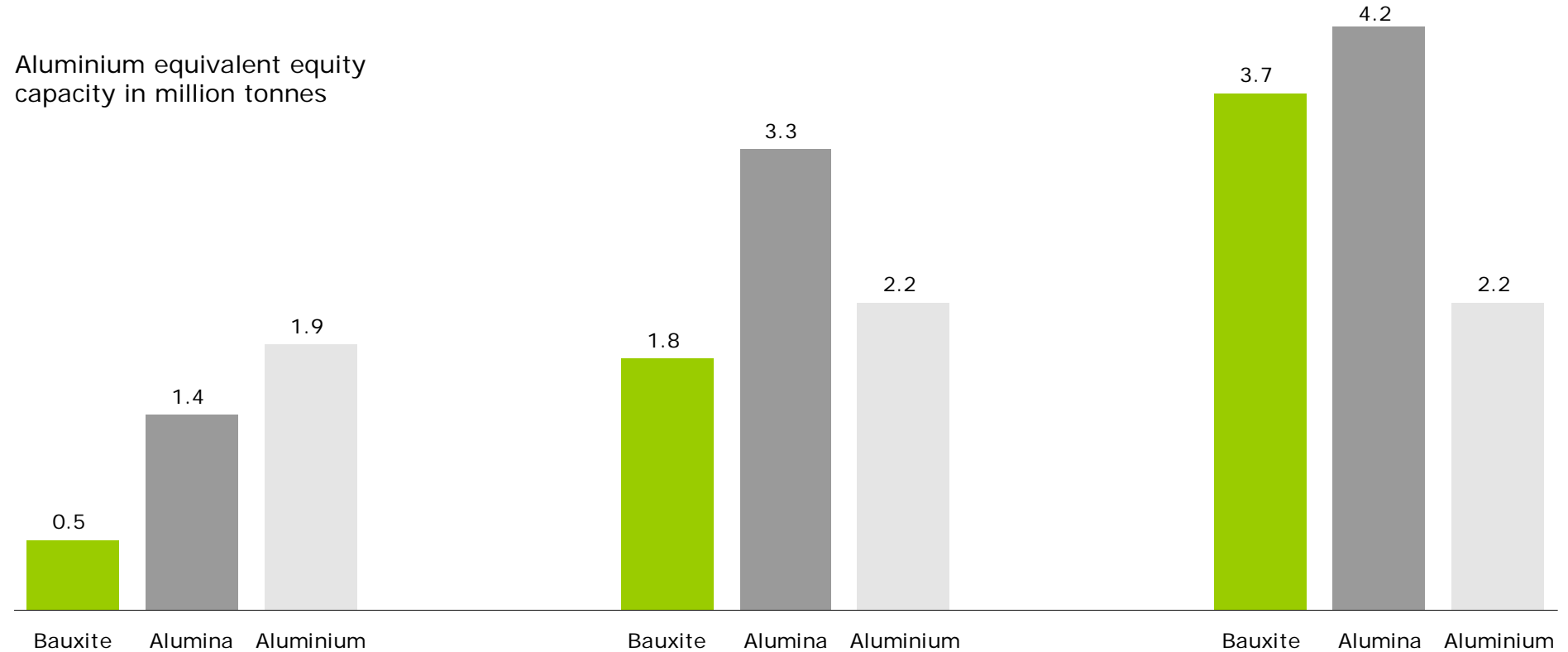
Upstream position transformed

Hydro end-2010

Pro forma end-2010
(60% Paragominas)

Pro forma 2016
(100% Paragominas)

Aluminium equivalent equity capacity in million tonnes



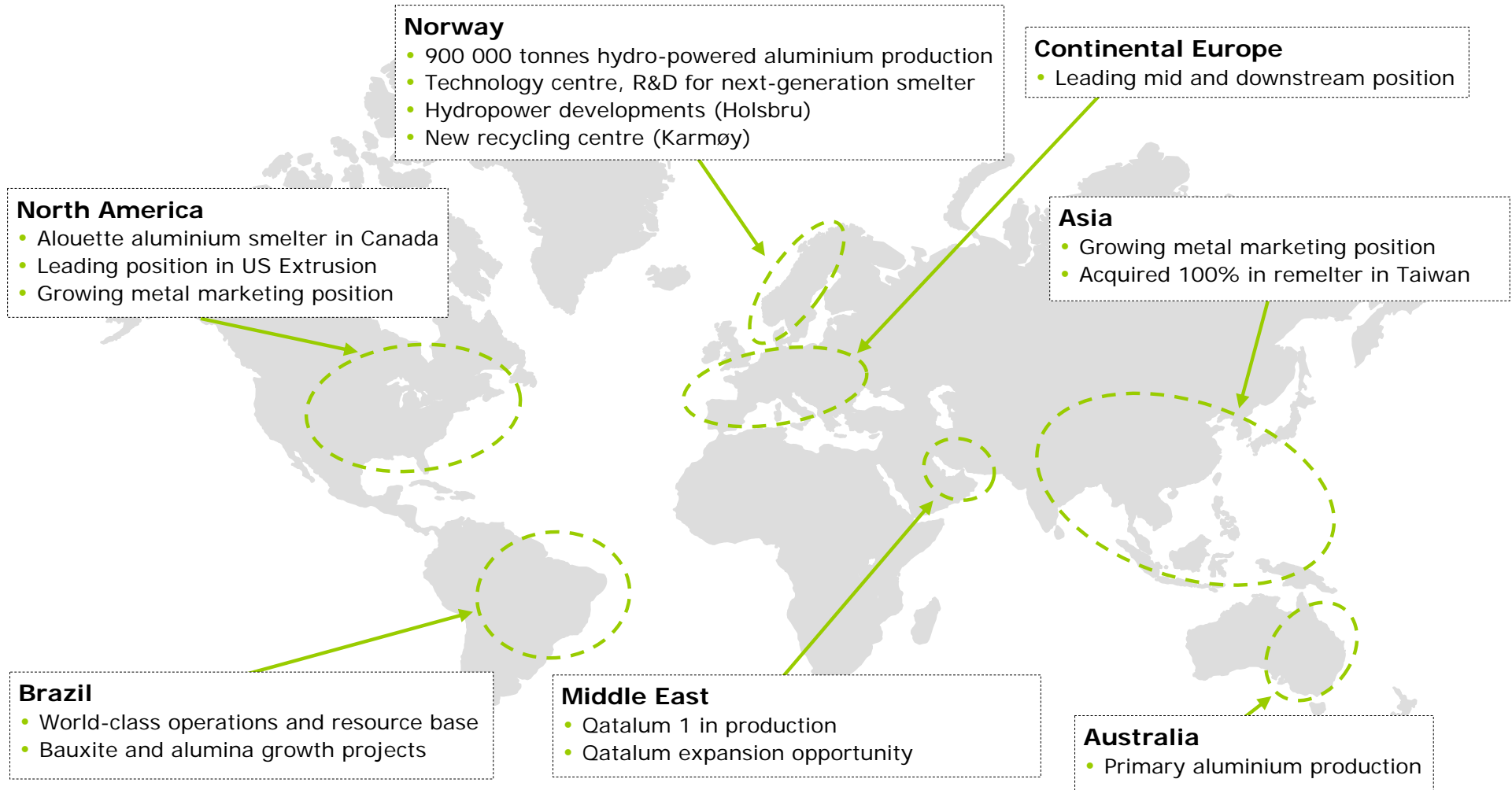
Includes idled capacity. Assumed assets included on a pro rata basis. Expansions include Paragominas to 15 million tonnes and CAP first phase.

Takeover of Vale's aluminium business on track

- Hydro's integration planning well underway
- Senior management in new Bauxite & Alumina business area appointed
- Vale granted hydropower concession according to Norwegian industrial concession law to take over 22% of Hydro
- Transaction remains subject to customary approvals and transfer of mining licenses in Brazil, and is expected to close during Q4 2010
- 448 million shares to be issued to Vale at closing representing a 22% stake in Hydro








Attractively positioned, global reach



World-class upstream growth pipeline

Strong track-record in project execution

Qatalum aluminium plant Qatar	Hydropower developments Norway	Paragominas bauxite mine Brazil	CAP alumina refinery Brazil	Aluminium and power plant Angola
				
<ul style="list-style-type: none">• Potential for expanding Qatalum from 0.6 to 1.2-1.5 million tonnes• Scale benefits• Utilize next-generation technology, HAL4e	<ul style="list-style-type: none">• Development potential 0.5-1.0 TWh• Utilizing existing concession areas and infrastructure• First planned project: Holsbru (84 GWh)	<ul style="list-style-type: none">• Brownfield expansion from 9.9 to 15 million tonnes• Supply to CAP	<ul style="list-style-type: none">• First-phase capacity: 1.86 million tonnes• Expansion potential to 7.44 million tonnes• 81% owned by Hydro post transaction (20% pre-transaction)	<ul style="list-style-type: none">• Integrated hydropower smelter• Capacity: 450 000 tonnes• Long-term prospect
<p>Contributed by Vale</p>				

Priorities

- Capture market opportunities
- Upstream repositioning
- Vale assets integration
- Qatalum ramp-up
- Firm cost control
- Solid operations

www.hydro.com