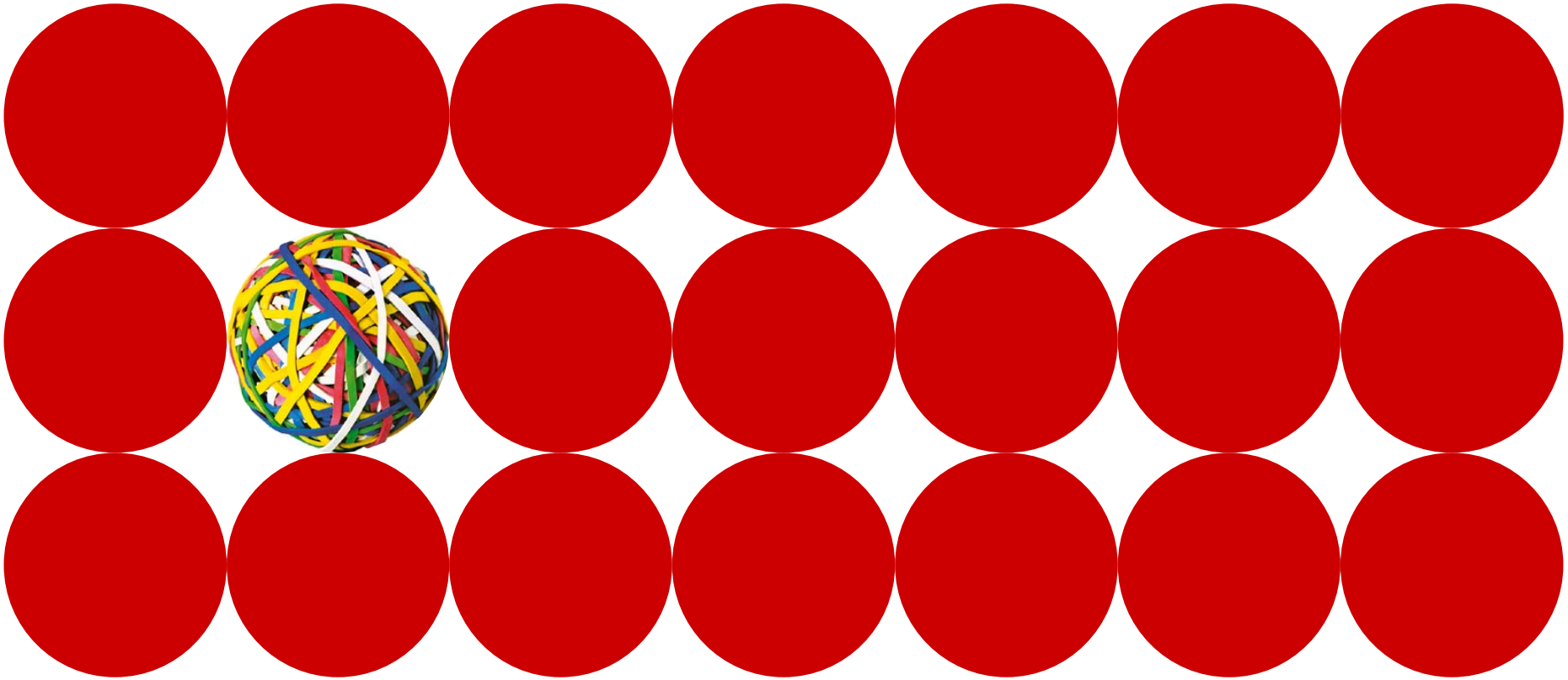
Hydro: resource rich and fully integrated



Svein Richard Brandtzæg, President & CEO
First Nordic Energy Summit – Oslo, April 6, 2011

HYDRO

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

2010: The turning point that initiates a new era

Emerging from the crisis as a stronger company

Qatalum gives Hydro presence in the best quartile of the world's primary aluminium production

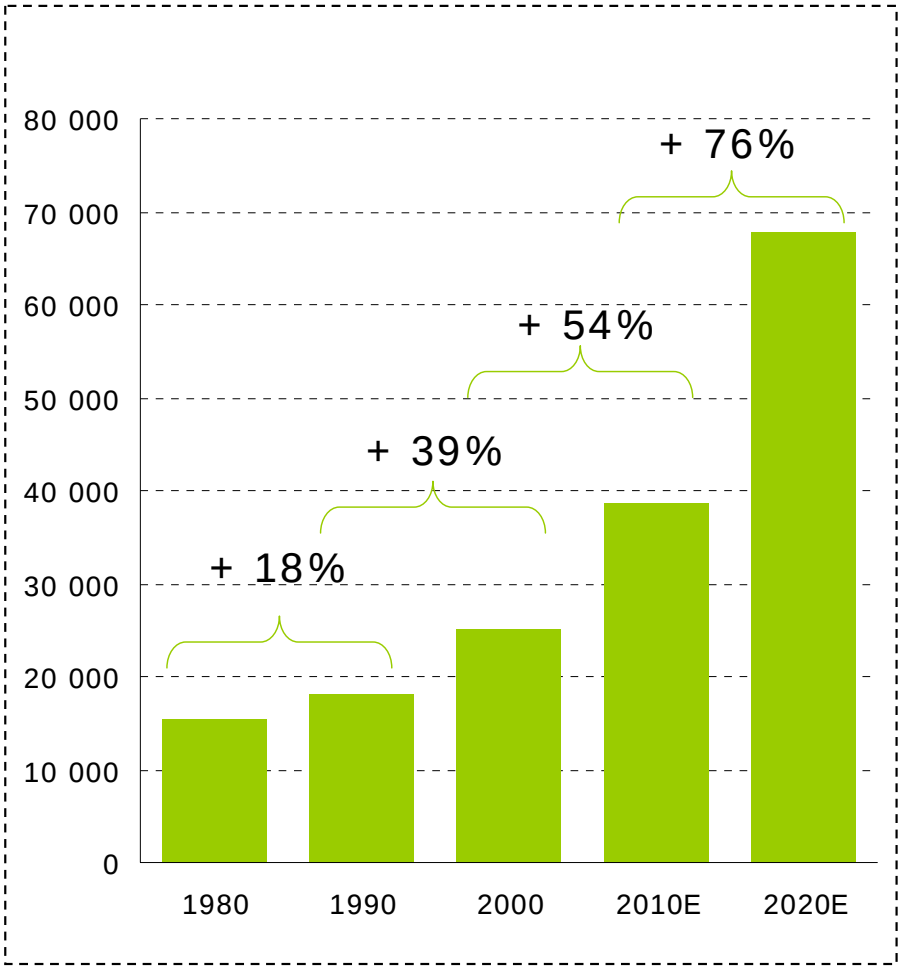
Acquisition of Vale's aluminium operations in Brazil initiates a new era in Hydro's history

After a decade of restructuring Hydro has expanded with determination to become a fully integrated aluminium company

HYDRO

Aluminium is the metal of the future...

...and Hydro's future is in aluminium



Attractive properties drive demand

- Lightweight
- Recyclability
- Corrosion resistant
- Formability
- Excellent conductivity
- Alloying technology gives a wide range of physical properties

HYDRO

Aluminium is energy in solid state

Energy is not consumed, but stored in an infinitely recyclable material

Norwegian hydropower export through cables: 2 TWh/year

Norwegian hydropower export as aluminium: 15-20 TWh/year

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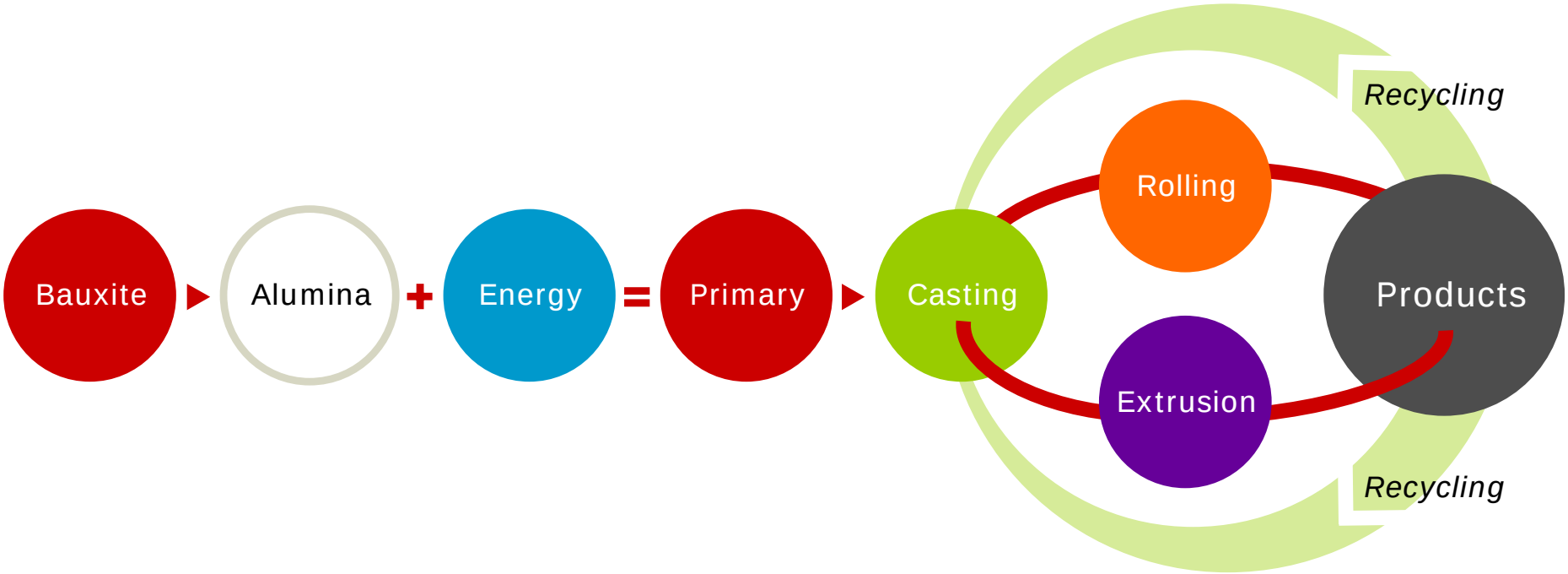
Now we master the entire value chain

The integration of Vale Aluminium is transforming Hydro



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A transforming transaction

Paragominas, bauxite mine

- Capacity: 10 million tonnes
- Ownership: 60%, 100% from 2015

Bauxite licenses

CAP alumina refinery project

MRN bauxite purchase agreement

Competence

Alunorte, alumina refinery

- Capacity: 6.3 million tonnes
- Ownership: 91%
- First quartile cash cost position including Paragominas bauxite

Albras, aluminium smelter

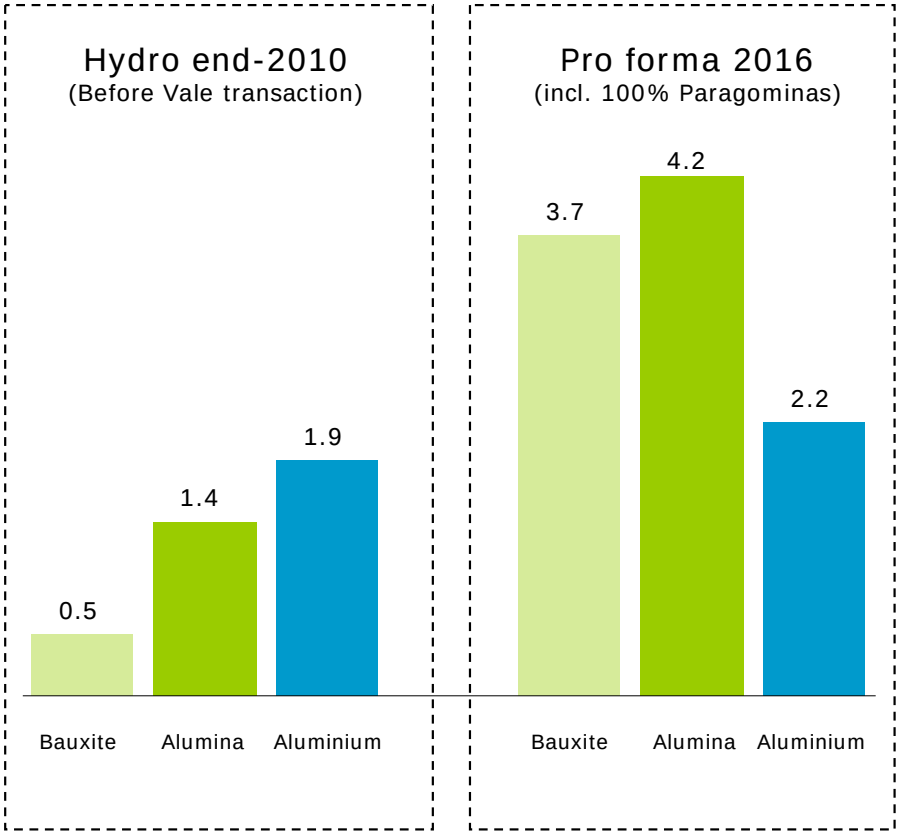
- Capacity: 460 000 tonnes
- Ownership: 51%
- Upper second quartile cash cost position

HYDRO

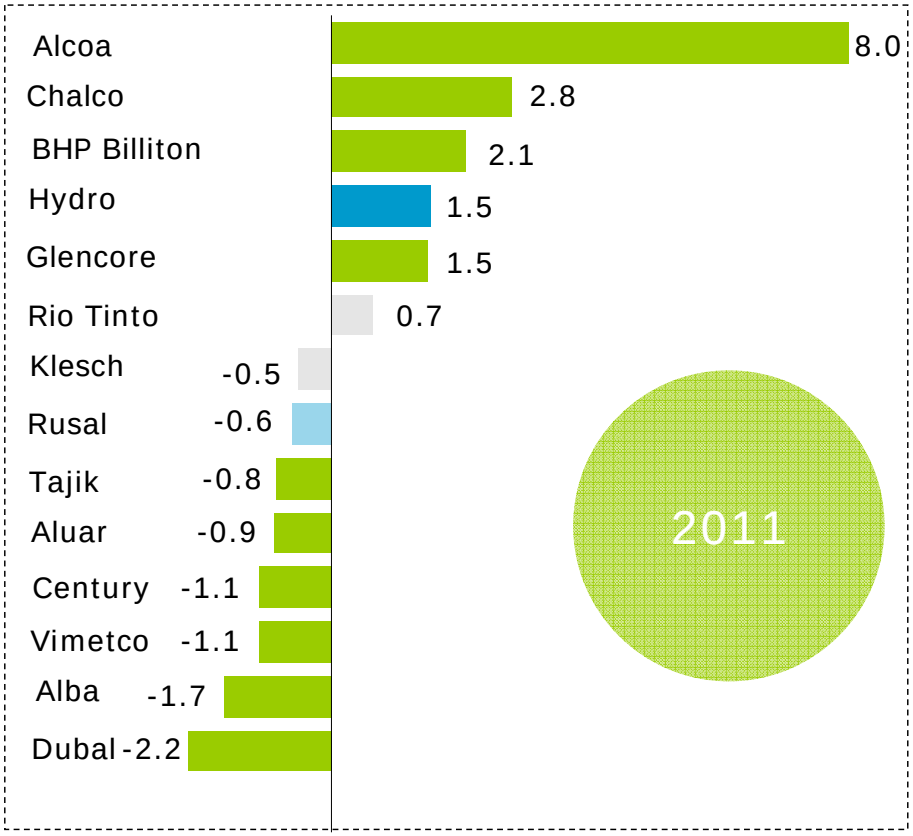
Hydro becomes long in bauxite and alumina

Enables primary aluminium expansion and exciting strategic options

Aluminium equivalent equity capacity, mill tonnes



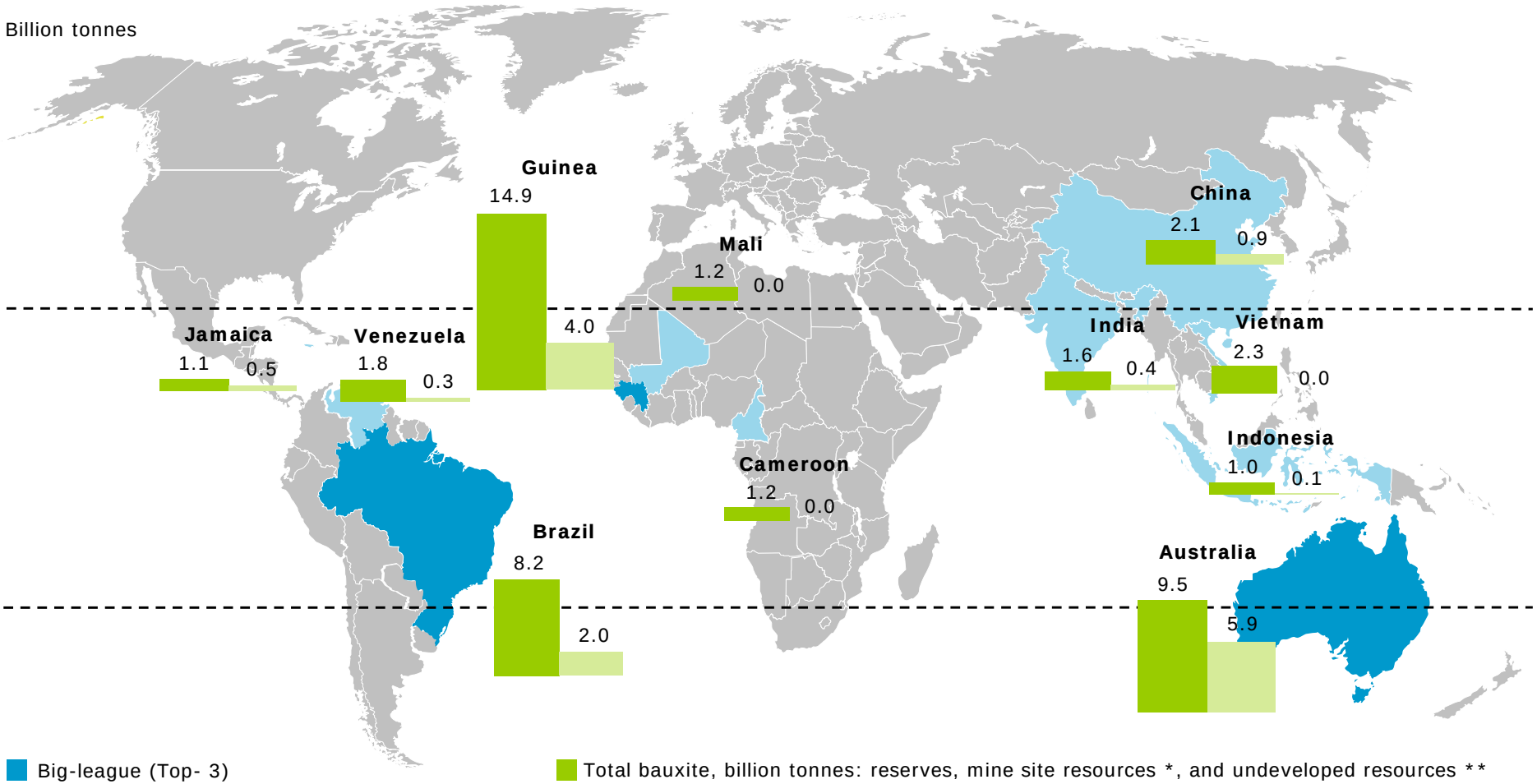
Alumina market is consolidating



Includes idled capacity. Assumed assets included on a pro rata basis.
2016 includes Paragominas at 15 million tonnes and CAP first phase.

HYDRO

66% of bauxite availability concentrated in 3 countries



*) Mine site resources are known bauxite resources that do not currently qualify as reserves for various reasons
**) Undeveloped resources might or might not became feasible for new mines (quality, size, access, etc)
***) Potential reserves = current reserves (economically extractible) + 70% of mine site resources. Undeveloped resources are excluded.
Source: Roskill and Hydro analysis

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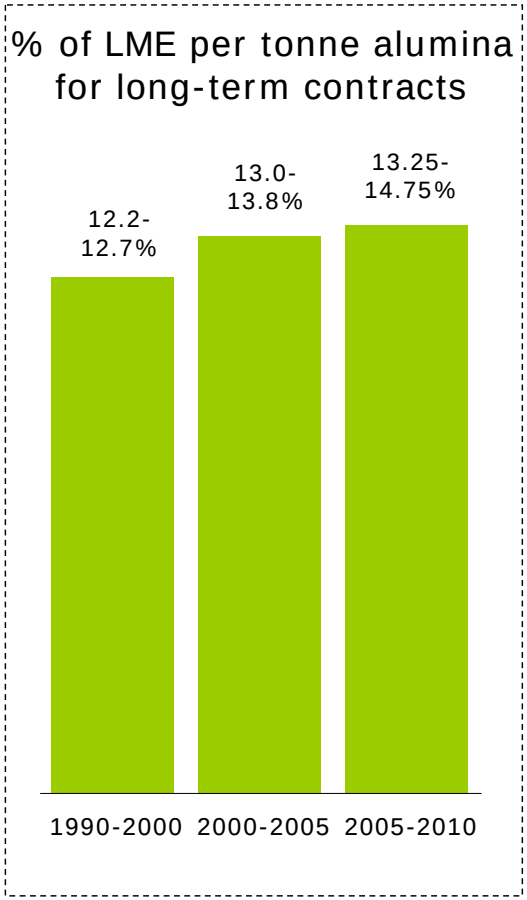
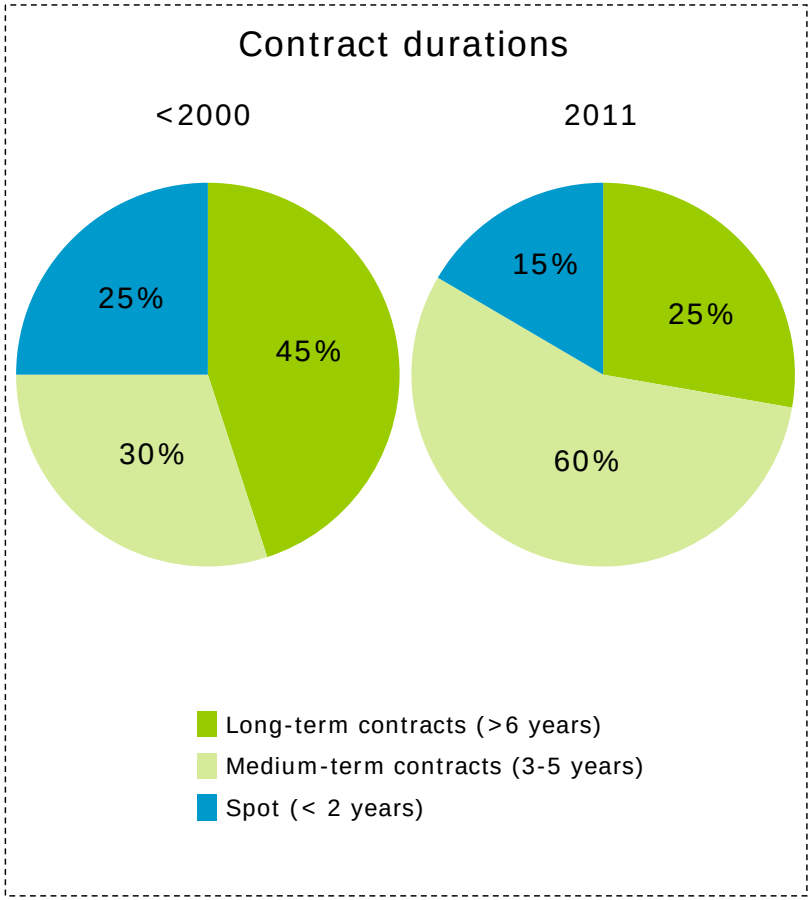
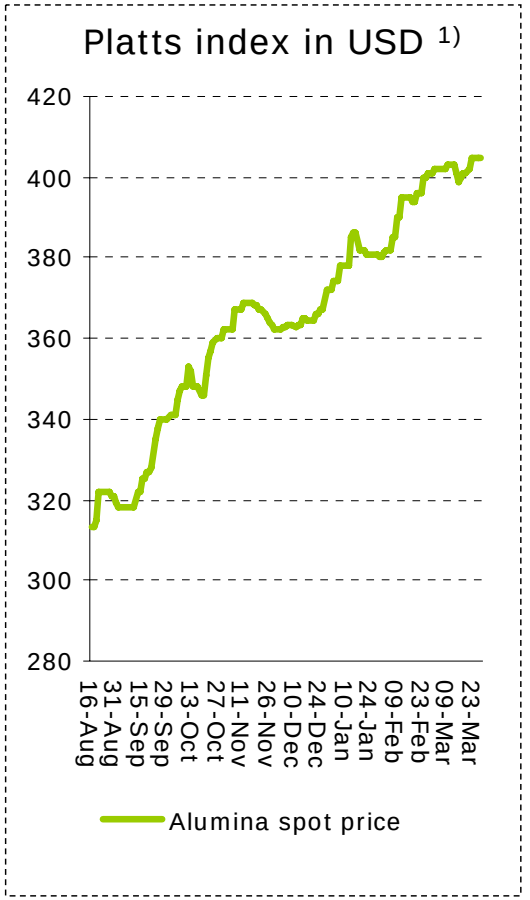
Shift towards shorter contract durations







Source: Platts and Hydro estimates 1) Platts, started spot notifications in August 2010

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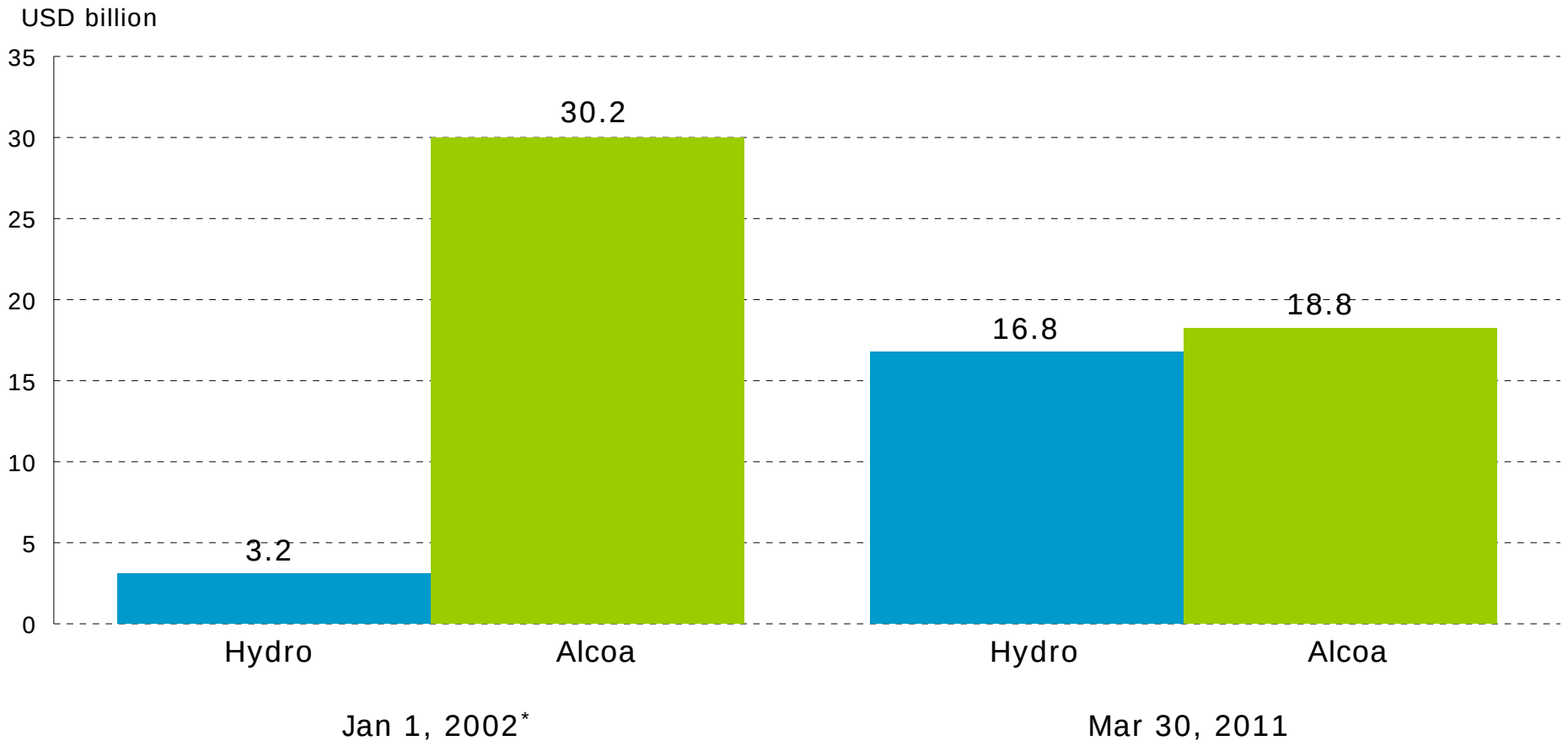
Hydro transformed to first tier aluminium company



* Hydro's share price 1.1.2002 adjusted for Yara and Oil & Gas using Oslo Stock Exchange's principles.

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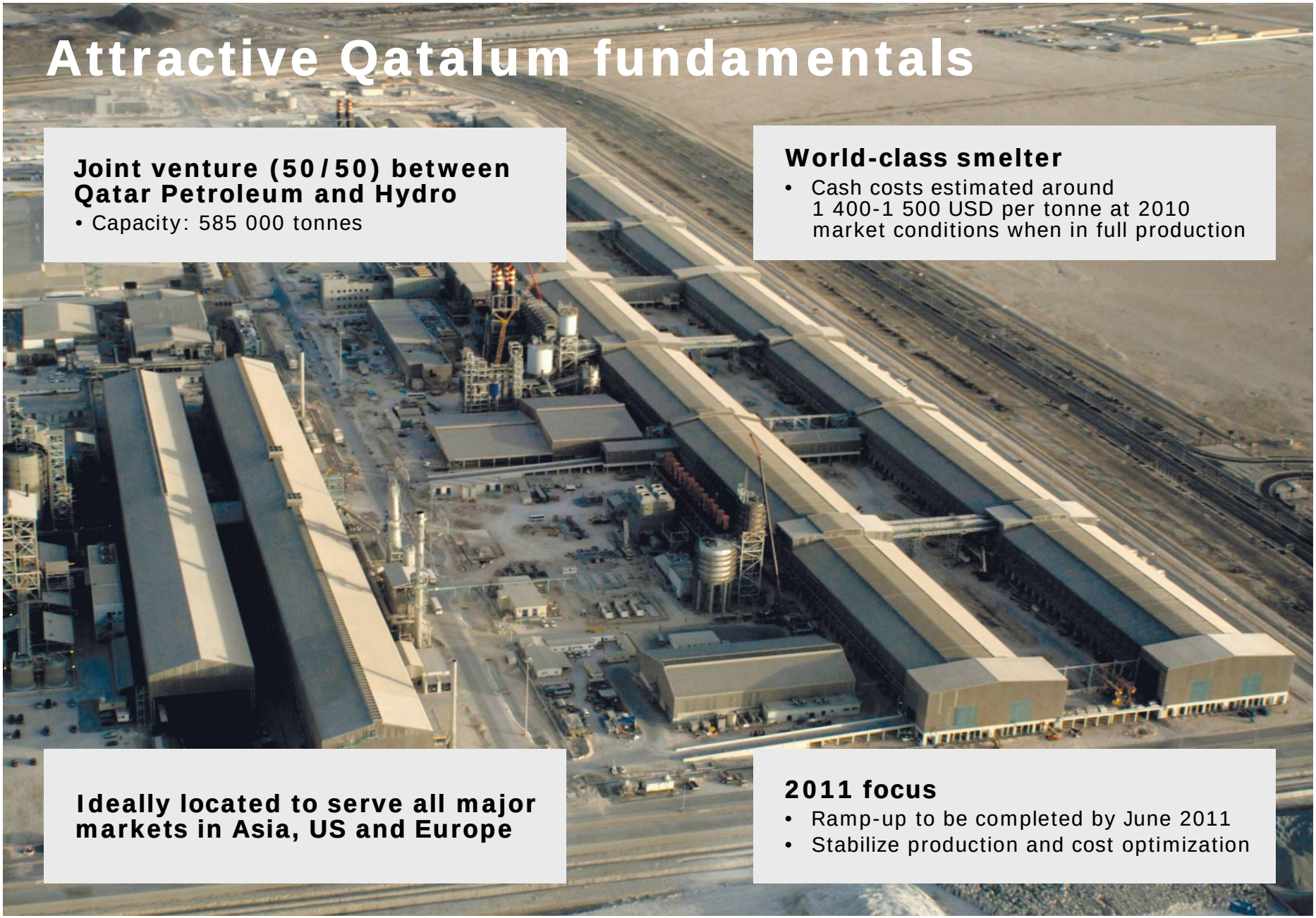
Attractive Qatalum fundamentals



Joint venture (50/50) between Qatar Petroleum and Hydro

- Capacity: 585 000 tonnes

World-class smelter

- Cash costs estimated around 1 400-1 500 USD per tonne at 2010 market conditions when in full production

Ideally located to serve all major markets in Asia, US and Europe

2011 focus

- Ramp-up to be completed by June 2011
- Stabilize production and cost optimization

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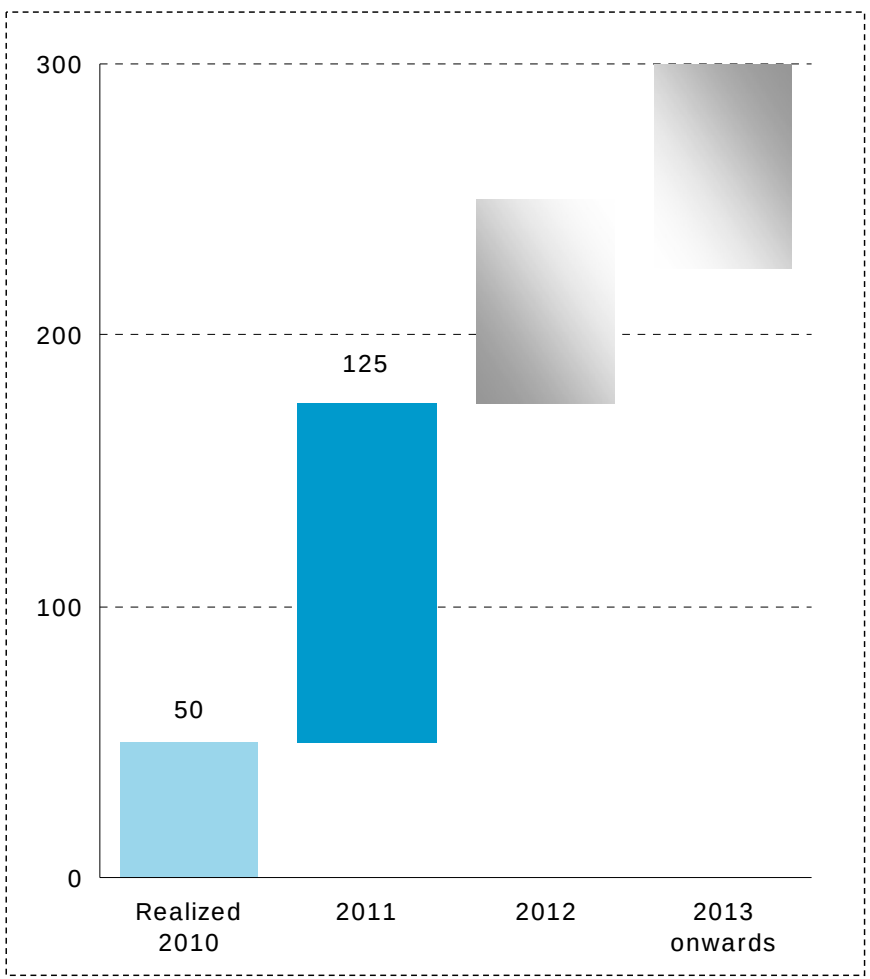
Improvement program on track

Cost reduction target from 2009 level for ~1 000 000 tonnes annual capacity

- Operational improvements
  - Improved current efficiency
  - Reduced power consumption
  - Reduced anode consumption
- Fixed cost reductions and lean operations
- Further operational improvements
- Technology costs/spin-offs
- Investments
- Maintenance and relining
- Procurement
- Logistics
- Organization and manning
- Casthouse product margin



USD 300/tonne

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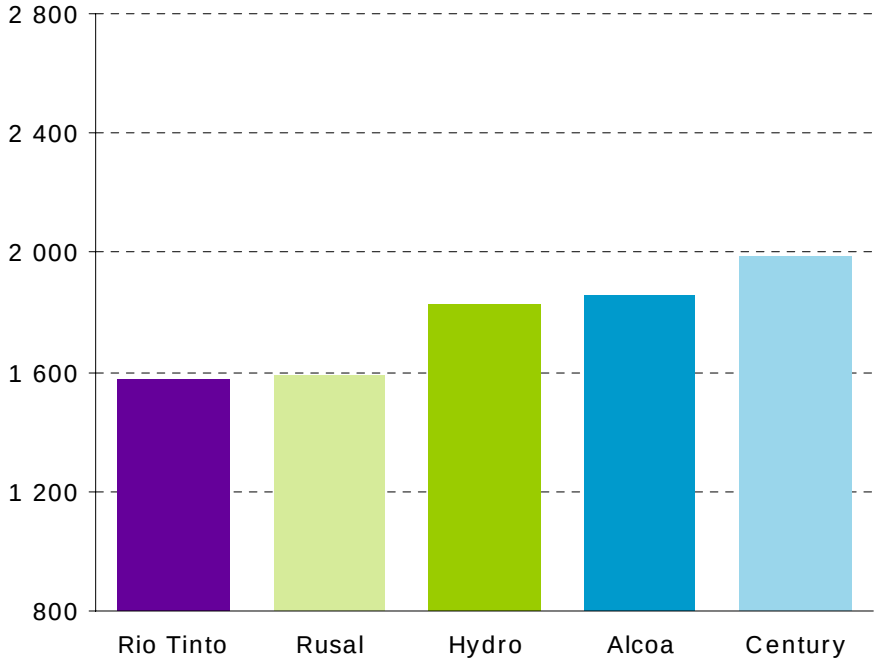
Strong focus to further improve cost position

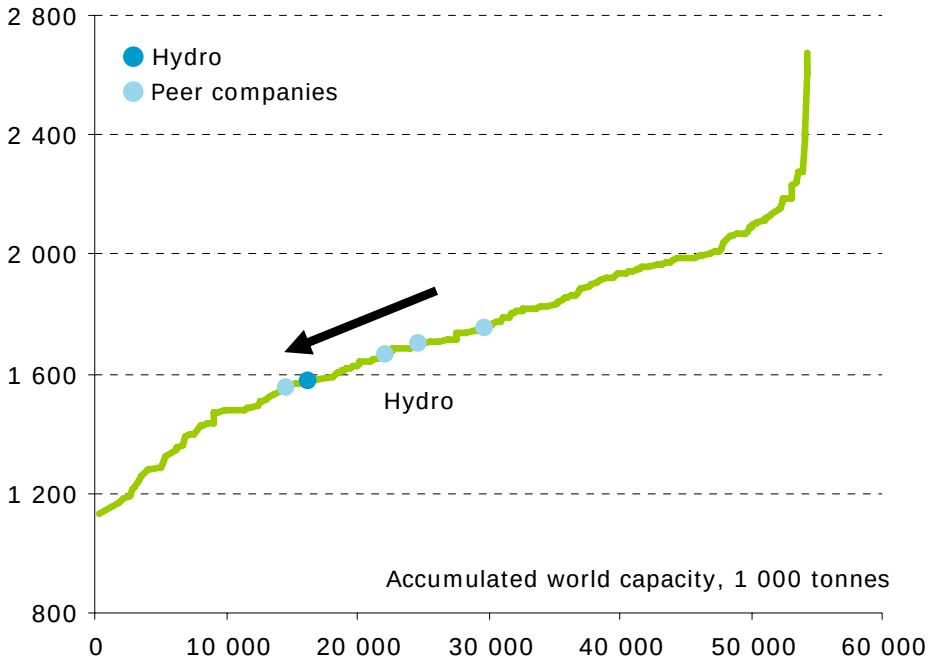
Estimated primary aluminium production cash costs

First half 2010, USD/tonne



Estimated business operating cost 2014 by CRU

USD/tonne



Estimated primary aluminium production cash costs including casthouse margin based on company reports. Assumptions: Hydro cash costs increased by USD 50/tonne for relining cost in order to compare with Alcoa. Pricing: Century 1 month LME cash lag, Hydro 3 months and 20 days LME forward lag, Alcoa, Rio Tinto and Rusal 15 days LME cash lag.

Source: CRU, BOC
2014: LME 2 145 USD/tonne (real 2010)

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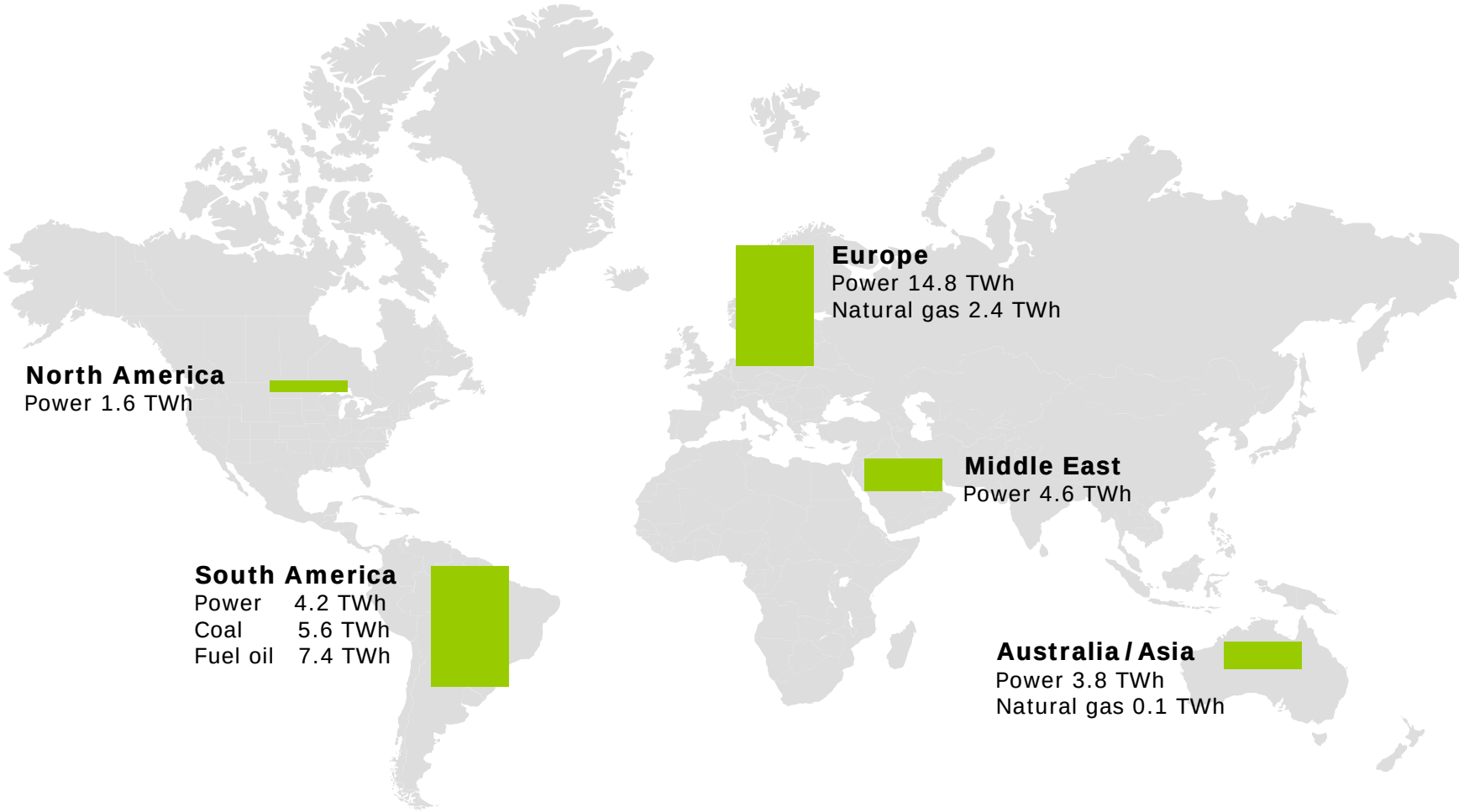
Hydro is a global energy player

Energy consumption in smelters, rolling mills and alumina refineries



2011 estimate for Hydro's equity production including Vale assets acquisition. Sunndal 3 line and Alpart curtailed, Neuss and Søral at current production level.

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Substantial values in long-term assets in Norway

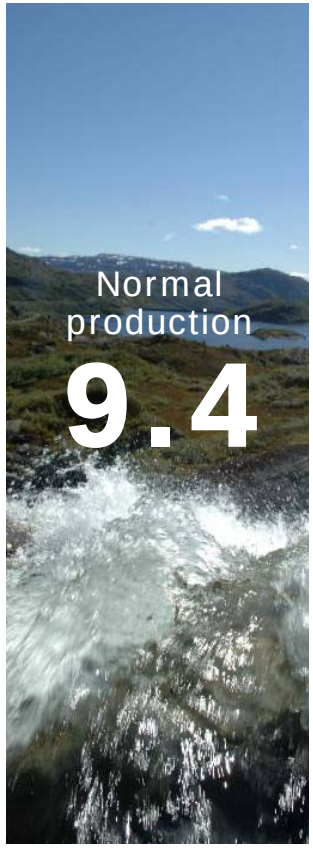
- Stable and solid cash generation
  - Indicative annual EBITDA NOK 1.6 – 1.8 billion
- Hydro's power balance, normal year

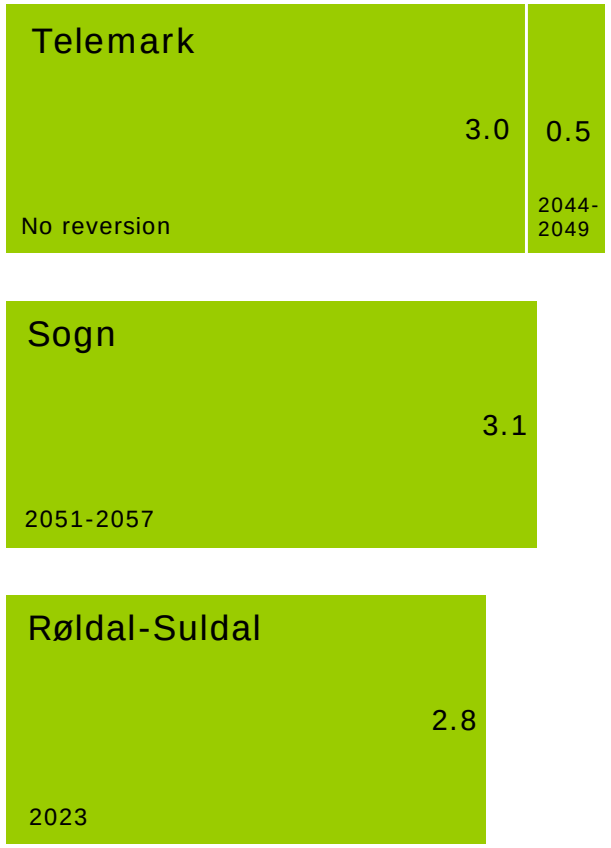
Normal production	~9.4 TW
Sourcing on long-term contracts	~7.0 TWh
Consumption in Primary Metal*	~12.5 TWh
Contract sales and concession power	~1.0 TWh
Spot sales	~3.0 TWh

- Value enhancement potential
  - Growth opportunities in Norway
    - Holsbru project to add 84 GWh from 2012
    - Vasstøl project to add 26 GWh from 2012
    - Rjukan system and Herva upgrades
    - Represents NOK 1.2 billion in investments during 2011-2015
  - Optimization of power value in market, and in cooperation with smelters

* Including Sunndal 3 line currently curtailed

Power production capacity (TWh) per region and reversion year





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Aluminium – part of the solution

We reduce energy consumption and emissions in our own processes

We develop products and solutions that help our customers reduce energy consumption and emissions

We recycle aluminium using only 5% of the initial energy consumption

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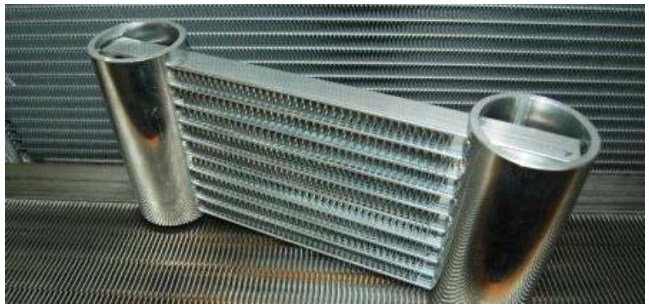
Innovation drives aluminium demand

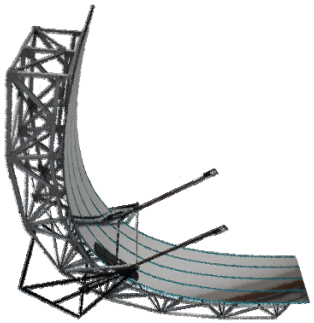
The new trend: ”Aluminium cars”

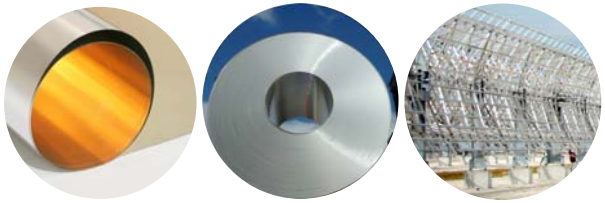
New Audi A6 contains a large amount of aluminium and aluminium solutions – making it lighter, safer and more environmentally sustainable

EU: Stricter emissions limits Aluminium: Part of the solution

Hydro has developed new multilayer sheet materials which enable car makers to greatly reduce nitrogen oxide emissions from vehicles







“The most effective mirror in the world”

Light, highly reflective, cost efficient.
Solid, simple to maintain and recyclable.

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