

NOTICE AND EXPLANATORY STATEMENT

THE ATTACHED MATERIALS WERE USED IN CONNECTION WITH CERTAIN MEETINGS OF THE MANAGEMENT OF NORSKE SKOGINDUSTRIER ASA (THE “PARENT”) WITH HOLDERS OF DEBT SECURITIES ON JANUARY 25, 2016 IN LONDON AND ARE BEING DISCLOSED SOLELY FOR THE INFORMATION OF INVESTORS IN SECURITIES OF THE PARENT.

INVESTORS ARE CAUTIONED THAT THE EXCHANGE OFFERS AND CONSENT SOLICITATIONS REFERRED TO IN THE ATTACHED MATERIALS ARE ONLY AVAILABLE TO HOLDERS OF RELEVANT DEBT SECURITIES THAT MEET THE QUALIFICATIONS OF “ELIGIBLE HOLDERS” UNDER APPLICABLE SECURITIES LAWS (AS DETERMINED BY THE PARENT). INVESTORS ARE ALSO REFERRED TO THE STATEMENTS ON THE SECOND PAGE OF THE ATTACHED MATERIALS.

QUESTIONS AND REQUESTS IN CONNECTION WITH THE FOREGOING SHOULD BE DIRECTED TO THE PARENT AT EXCHANGEOFFER@NORSKESKOG.COM.



Investor Meetings

London, January 25, 2016



Norske Skog

This presentation does not constitute or form part of, and should not be construed as, an offer or invitation or inducement to subscribe for, underwrite or otherwise acquire any securities of the Parent, nor should it or any part of it form the basis of, or be relied on in connection with, any contract to purchase or subscribe for any securities of the Parent, nor shall it or any part of it form the basis of or be relied on in connection with any contract or commitment whatsoever. Any offer of securities of the Parent, if and when made, will be made by means of an exchange offer and consent solicitation memorandum that will contain detailed information about the transaction, the Group and its management, as well as financial statements of the Group and risk factors. Any person considering the purchase of any securities of the Parent must inform himself independently based solely on such exchange offer and consent solicitation memorandum (including any supplement thereto). This presentation is being made available to you solely for your information and background and is not to be used as a basis for investment decision in securities of the Parent. The presentation does not constitute investment, legal, accounting, regulatory, taxation or other advice. No public offering of the securities is being made in the United States.

This presentation and other information provided to the Recipient may contain projections and forward-looking statements. These projections have been prepared, and forward-looking statements been made, in good faith and on the basis of recent available information and reasonable assumptions. Forward-looking statements include, but are not limited to, all statements other than statements of historical facts contained in this presentation, including, without limitation, those regarding the Group's future financial position and results of operations, strategy, plans, objectives, goals and targets and future developments in the markets in which the Group operates or is seeking to operate. The forward-looking statements in this presentation can be identified, in some instances, by the use of words such as "expects", "anticipates", "intends", "believes", and similar language or the negative thereof or by forward-looking nature of discussions of strategy, plans or intentions. However, there can be no assurance that the Group's expectations, beliefs or projections will ever be achieved. Numerous inherent risks and uncertainties, which are difficult to predict and are generally beyond our control, could cause the Group's actual results to differ, as the case may be materially, from those expressed in, or implied by, such projections and forward-looking statements. Forward-looking statements are also based on numerous assumptions regarding the Group's present and future business strategies and the environment in which it will operate in the future. All projections and forward-looking statements apply only as of the date hereof and we undertake no obligation to update or revise this information, whether as a result of new information, future events or otherwise. The information contained in this presentation is provided as at the date of this presentation and is subject to change without notice and will not be updated to reflect material developments that may occur after the date of this presentation. Statements contained in this presentation regarding past trends or events should not be taken as a representation that such trends or events will continue in the future.

No representation or warranty, express or implied, is or will be made as to and no reliance should be placed on, the fairness, accuracy, interpretation, application, use, completeness or correctness of any statement, claim, purported fact or financial amount, prediction, expectation or other the information or opinions contained in this presentation. The information set out herein may be subject to updating, completion, revision, verification and amendment and such information may change, including materially. Without prejudice to the foregoing, the information in this presentation is being provided on a non-reliance basis, and neither the Group nor any of its equity holders or any of its or their advisors or their respective affiliates owe or assume any duty, liability or responsibility (in negligence or otherwise) to the Recipient or any other person who has access to this presentation or the corresponding information (or any part of it) for any information or opinion contained in it (including inter alia projections and forward-looking statements), or any omission from it, nor do they accept any liability whatsoever for any loss howsoever arising, directly or indirectly, from any use of or reliance on this or its contents or otherwise arising in connection herewith. As a result, the Recipient should conduct and will be solely responsible for its own independent investigation and analysis of the Group after giving effect to the transaction.

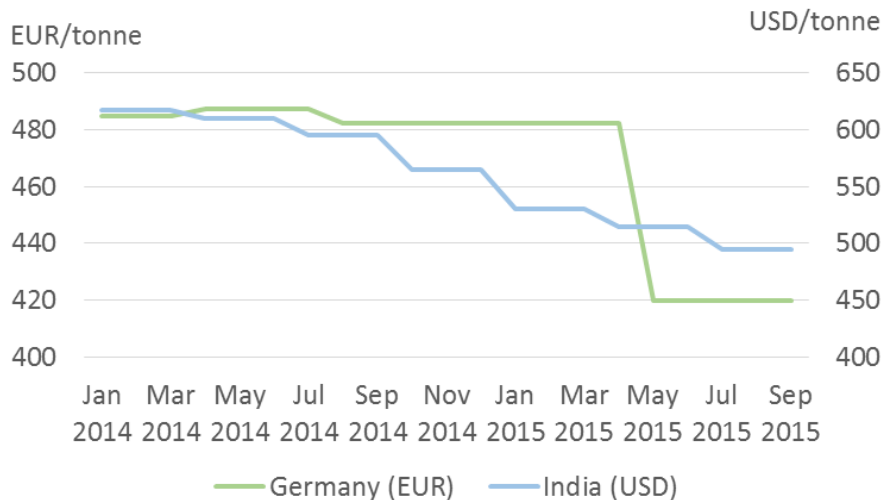
Certain financial data included in the presentation consists of "non-IFRS financial measures." These non-IFRS financial measures may not be comparable to similarly titled measures presented by other companies, nor should they be construed as an alternative to other financial measures determined in accordance with IFRS. You are cautioned not to place undue reliance on any non-IFRS financial measures and ratios included herein.



Exceedingly challenging operating environment in 2015

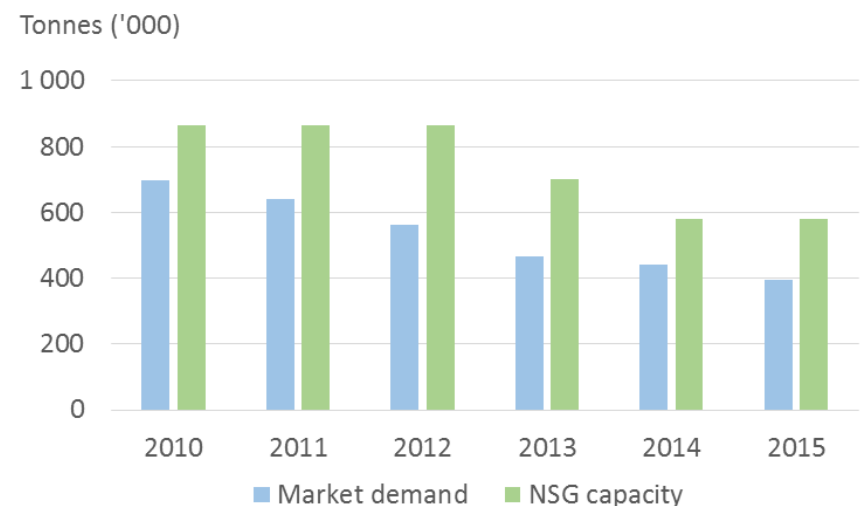
- Volume fight in Europe in 1H15
 - Newsprint prices dropped by close to 15% to reach cash cost level
 - Stable pricing throughout 4Q15
- Newsprint prices in Asia also at cash cost level
 - Growing challenge for Australasian business with less domestic demand

Newsprint prices in Germany and India



RISI

Newsprint demand to NSG capacity Australasia



PPPC / Company data

Improvement in 1H16 not making up for “lost” 2015

- Higher publication paper prices in Europe in 2016
 - Improved market balance following capacity closures
- Improvement also expected in Asian markets in 2016
 - Less exports out of better margin Europe and improved global market balances
- Enhanced cost position in 2016
 - Lower energy costs in Europe and efficiency measures to reduce variable costs per tonne by 2-3%
 - Fixed costs initiatives continue at all mills

=> “Lost” 2015 however not to be compensated in 1H16

- Challenging liquidity towards summer 2016



Leading to pressure on liquidity...

- Cash and cash equivalents NOK 699 million end 3Q15
 - Seasonal release of working capital in 4Q15 largely offset by interest payments
 - Capex in 4Q15 somewhat higher than in 3Q15
 - Redemption of remaining USD bond in October 2015

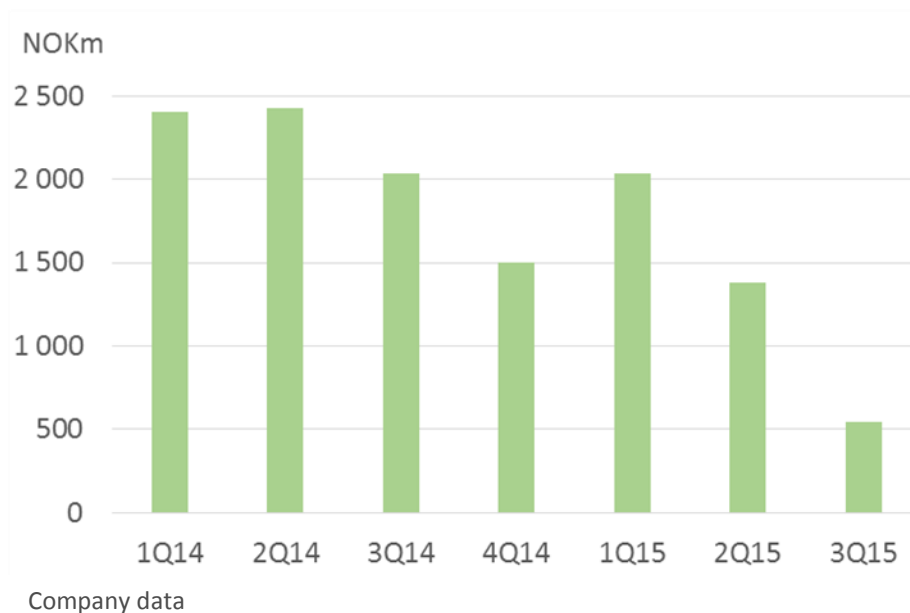
=> Cash and cash equivalents lower end 4Q15 compared to end 3Q15
- Large cash outflows in 1H16
 - June 2016 maturity about NOK 1 000 million
 - Cash interest payments about NOK 500 million
 - WC and minimum cash requirements



... and pressure on book equity

- Total equity NOK 547 million end 3Q15
 - Foreign denominated debt appreciated somewhat in 4Q15 with NOK depreciation
 - PPE appreciated to a lesser degree
 - 4Q15 GOE less than interest and depreciation charges through P&L of close to NOK 450 million

=> Total equity lower end 4Q15 compared to end 3Q15



The new exchange offer reflects company needs

- A successful completion of the new exchange offer delivers
 - A reduction in net debt in the range of NOK 1 billion
 - Enhancing book equity
 - A reduction in annual cash interest payments by around NOK 150 million
 - Improving group cash generation
 - Extends bond maturities to June 2019 and beyond
 - The current bond maturity profile is for
 - NOK 1 billion in June this year...
 - ... and another NOK 2 billion in June next year



The new exchange offer considerations

- Participating 2016 holders to receive
 - 54% of nominal value in QSF notes
 - 44% of nominal value in June 2019 notes
 - 10% of nominal value in the form of perpetual notes=> Implied nominal recovery 108%
- Participating 2017 holders to receive
 - 20.4% of nominal value in QSF notes
 - 26.4% of nominal value in December 2026 notes
 - 36.2% of nominal value in the form of perpetual notes=> Implied nominal recovery 83%
- Participating 2016 and 2017 holders in addition given equity subscription rights for cash*
 - On a pro rata basis for an aggregate amount of EUR 15 million at price NOK 2.24 a share
 - The subscription rights are not transferable
- Non-participating 2017 holders to receive
 - 10% of nominal value in December 2026 notes => Implied nominal recovery 10%

* In order to address dilution effects, a repair offering to existing shareholders at price NOK 2.24 will be offered upon completion



Description of exchange notes

- QSF notes
 - Qualified Securitization Financing
 - An extension of the current AR facilities to include inventories as collateral
 - Maturity date December 2026
 - Interest rate 6% cash and 6% PIK*
- June 2019 notes
 - Maturity date June 2019
 - Interest 5.875% cash and 5.875% PIK
- December 2026 notes
 - Maturity date December 2026
 - Interest 3.5% cash and 3.5% PIK
- Perpetual notes
 - Maturity date December 2115
 - Interest 2%
 - Treated as equity for accounting purposes

* Payment In Kind – The interest is added to the issue amount and redeemed at maturity



Timeline and requirements

- Exchange offer launched on January 5th 2016
- Exchange offer to close on February 3rd 2016
- Required participation and conditions
 - 90% participation for remaining 2016 notes
 - To bridge liquidity challenge
 - 75% participation for remaining 2017 notes
 - To sufficiently enhance book equity
 - Minimum EUR 10 million of equity subscription
 - From 2016 and 2017 holders



In conclusion

- A successful completion of the new exchange protects value for all stakeholders
 - Clears runway for cyclical uptick and possible industry consolidation
 - Unsecured bondholders retain position
- An unsuccessful exchange raises the prospect of a comprehensive balance sheet restructuring
 - Leaving secured bondholders in charge
 - Potential significant loss in value for all stakeholders
 - Likely close to total loss in value for 2016 and 2017 notes

