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AGENDA

• Group highlights
• Group financials & segment overview
• Outlook
• Q & A
FACING HEADWINDS

OPERATING REVENUES
NOK Million

- 2011: 820
- 2012: 854
- 2013: 1,272
- 2014: 1,651
- LTM (30.06.15): 1,662

NO. 1 GLOBAL POSITION
HIGHLIGHTS Q2 2015

• Weak Mobile Pipeline™ sales

• Record volume in Heavy-Duty segment, but margins under pressure

• Continued losses in Light-Duty Vehicles

• Good capacity utilization in the Low-Pressure Cylinders segment, but slightly down from Q2 2014
FINANCIAL HIGHLIGHTS Q2 2015

• Overall profitability impacted by:
  - Weak volume in Mobile Pipeline™
  - Losses in Light-Duty Vehicles
  - Higher fixed cost related to future growth

• Strong underlying growth in CNG
  North America at lower margins

• Solid profitability in LPG business

• Extraordinary refinancing costs in Q2
  - NOK 21 million of Bond buy-back premium saving
    NOK 10.5 million per year
  - NOK 7 million in non-cash charges to the P&L

<table>
<thead>
<tr>
<th>Group key figures</th>
<th>NOK million</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Income</td>
<td>414</td>
</tr>
<tr>
<td>EBITDA</td>
<td>37</td>
</tr>
<tr>
<td>Net loss</td>
<td>-8</td>
</tr>
</tbody>
</table>
# Q2 AND HALF-YEAR 2015 GROUP INCOME STATEMENT

## NOK THOUSAND-

<table>
<thead>
<tr>
<th></th>
<th>THREE MONTHS ENDING*</th>
<th>SIX MONTHS ENDING*</th>
<th>TWELVE MONTHS ENDING*</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>30.06.15</td>
<td>30.06.14</td>
<td>Variance</td>
</tr>
<tr>
<td>Operating Income</td>
<td>413 892</td>
<td>394 167</td>
<td>19 725</td>
</tr>
<tr>
<td>Operating expenses</td>
<td>(376 518)</td>
<td>(313 715)</td>
<td>(62 803)</td>
</tr>
<tr>
<td>EBITDA</td>
<td>37 374</td>
<td>80 452</td>
<td>(43 078)</td>
</tr>
<tr>
<td>Depreciation and impairment</td>
<td>(14 195)</td>
<td>(17 627)</td>
<td>3 432</td>
</tr>
<tr>
<td>EBIT</td>
<td>23 179</td>
<td>62 825</td>
<td>(39 646)</td>
</tr>
<tr>
<td>Share of profit/(loss) from associates</td>
<td>(23)</td>
<td>(1 036)</td>
<td>1013</td>
</tr>
<tr>
<td>Other financial items (net)</td>
<td>(34 813)</td>
<td>(5 040)</td>
<td>(29 773)</td>
</tr>
<tr>
<td>Profit/(loss) before tax from cont. operations</td>
<td>(11 657)</td>
<td>56 749</td>
<td>(68 406)</td>
</tr>
<tr>
<td>Tax expense</td>
<td>3 473</td>
<td>(17 866)</td>
<td>21 339</td>
</tr>
<tr>
<td>Profit/(loss) after tax from cont. operations</td>
<td>(8 184)</td>
<td>38 883</td>
<td>(47 067)</td>
</tr>
<tr>
<td>Profit/(loss) from companies held for sale</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Profit/(loss) for the period</td>
<td>(8 184)</td>
<td>38 883</td>
<td>(47 067)</td>
</tr>
</tbody>
</table>

## EBITDA %

<table>
<thead>
<tr>
<th></th>
<th>9.0%</th>
<th>20.4%</th>
<th>11.0%</th>
<th>20.6%</th>
<th>19.9%</th>
</tr>
</thead>
</table>

## EBIT %

<table>
<thead>
<tr>
<th></th>
<th>5.6%</th>
<th>15.9%</th>
<th>7.6%</th>
<th>16.2%</th>
<th>15.6%</th>
</tr>
</thead>
</table>

## NET PROFIT%

<table>
<thead>
<tr>
<th></th>
<th>(2.0)%</th>
<th>9.9%</th>
<th>3.6%</th>
<th>10.2%</th>
<th>10.0%</th>
</tr>
</thead>
</table>
Q2 ’15 V ’14 INCOME STATEMENT HIGHLIGHTS

Operating income
NOK million

- 5% Growth
NOK +20 million

Q2 2014: 394
Q2 2015: 414

EBITDA
NOK million

-53% Growth
NOK -43 million

Q2 2014: 80
Q2 2015: 37

EBIT
NOK million

-63% Growth
NOK -40 million

Q2 2014: 63
Q2 2015: 23

Net profit
NOK million

-121% Growth
NOK -47 million

Q2 2014: 39
Q2 2015: -8

- High-Pressure growth NOK 22 million (8%)
- Includes positive USD FX impacts of c. NOK 67 million
- Low-Pressure decline NOK 2 million (-2%)

- High-Pressure at 3.6% margin
- Low-Pressure at 20.3% margin

- Prior years’ asset base well depreciated in Low Pressure whilst asset base increases in High Pressure
  - Low Pressure effect NOK +6 million
  - High Pressure effect NOK -3 million

- Financial items effect of NOK -30 million (Bond buy-back and refinancing -28; FX -4; Interest +2)
- Effect from Rugasco JV NOK +1 million
- Tax effect of NOK +22 million

Profitability impacted negatively by lower Mobile Pipeline™ and Light-Duty Vehicle volumes together with higher cost base
• High-Pressure growth NOK 55 million (10%) - Includes positive USD FX impacts of c. NOK 133 million
• Low-Pressure decline NOK 44 million (-16%)

• High-Pressure at 7.6% margin
• Low-Pressure at 20.0% margin

• Prior years’ asset base well depreciated in Low pressure whilst asset base increases in High-Pressure
  - Low-Pressure effect NOK +14 million
  - High-Pressure effect NOK -6 million

• Financial items effect of NOK -7 million
• Effect from Rugasco JV NOK +2 million
• Tax effect of NOK +24 million
• Divestments in 2014 NOK -5 million

Headwinds from effects of lower oil and diesel prices impacting markets in the Americas
GROUP EBITDA Q2 ‘15 V Q2 ’14

Impacts to Group profitability mainly contained in High-Pressure Cylinders segment
Q2 2015 v Q1 2015 EBITDA impacted negatively primarily by Lower Mobile Pipeline™ volumes
SEGMENT SHARES Q2 2015

BEFORE GROUP ELIMINATIONS*

SHARE OF OPERATING INCOME

Q2 2014

- High-Pressure: CNG Automotive (Global) 133
- High-Pressure: Mobile Pipeline™ 160
- Low-Pressure: LPG (Propane) 103

NOK 396*

million

Q2 2015

- High-Pressure: CNG Automotive (Global) 130
- High-Pressure: Mobile Pipeline™ 72
- Low-Pressure: LPG (Propane) 213

NOK 415*

million
SEGMENT SHARES Q2 2015
BEFORE GROUP ELIMINATIONS*

SHARE OF EBIT

Q2 2014
- High-Pressure: CNG Automotive and Mobile Pipeline™
- Low-Pressure: LPG (Propane)

NOK 70* million

Q2 2015
- High-Pressure: CNG Automotive and Mobile Pipeline™
- Low-Pressure: LPG (Propane)

NOK 23* million

BEFORE GROUP ELIMINATIONS*
Q2: HIGH-PRESSURE CYLINDERS

• Weak sales of Mobile Pipeline™ solutions

• Continued strong heavy-duty demand in North America but with lower margins; strong global transit bus market

• Weak demand in Light-Duty Vehicles; loss making

• Higher operating leverage from increased fixed cost including NOK 5 million higher corporate allocations

<table>
<thead>
<tr>
<th>NOK THOUSAND</th>
<th>SUMMARY FINANCIALS</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Q2 2015</td>
</tr>
<tr>
<td>Operating Income</td>
<td>284 981</td>
</tr>
<tr>
<td>Operating expenses</td>
<td>(274 697)</td>
</tr>
<tr>
<td><strong>EBITDA</strong></td>
<td>10 284</td>
</tr>
<tr>
<td>Depreciation and impairment</td>
<td>(11 188)</td>
</tr>
<tr>
<td><strong>EBIT</strong></td>
<td>(904)</td>
</tr>
</tbody>
</table>
Q2: LOW-PRESSURE CYLINDERS

- Good sales volume mainly in Europe
- Solid production capacity utilization, only slightly lower than Q2 2014
- Satisfactory profitability despite increased fixed cost including NOK 2 million higher corporate allocations

<table>
<thead>
<tr>
<th>NOK THOUSAND</th>
<th>SUMMARY FINANCIALS</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Q2 2015</td>
</tr>
<tr>
<td>Operating Income</td>
<td>130 443</td>
</tr>
<tr>
<td>Operating expenses</td>
<td>(103 959)</td>
</tr>
<tr>
<td><strong>EBITDA</strong></td>
<td>26 484</td>
</tr>
<tr>
<td>Depreciation and impairment</td>
<td>(2 713)</td>
</tr>
<tr>
<td><strong>EBIT</strong></td>
<td>23 771</td>
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## FINANCIAL POSITION VS PREVIOUS QUARTER

<table>
<thead>
<tr>
<th>NOK THOUSAND</th>
<th>30.6.2015</th>
<th>31.3.2015</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intangible assets</td>
<td>102 350</td>
<td>104 864</td>
<td>(2 514)</td>
</tr>
<tr>
<td>Tangible fixed assets</td>
<td>333 336</td>
<td>325 644</td>
<td>7 692</td>
</tr>
<tr>
<td>Other non-current assets</td>
<td>9 471</td>
<td>9 372</td>
<td>99</td>
</tr>
<tr>
<td><strong>Total Non-current Assets</strong></td>
<td>445 157</td>
<td>439 880</td>
<td>5 277</td>
</tr>
<tr>
<td>Inventories</td>
<td>347 556</td>
<td>384 598</td>
<td>(37 042)</td>
</tr>
<tr>
<td>Receivables</td>
<td>289 442</td>
<td>285 985</td>
<td>3 457</td>
</tr>
<tr>
<td>Bank deposits, cash and similar</td>
<td>100 013</td>
<td>122 894</td>
<td>(22 881)</td>
</tr>
<tr>
<td><strong>Total Current Assets</strong></td>
<td>737 011</td>
<td>793 477</td>
<td>(56 466)</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>1 182 168</td>
<td>1 233 357</td>
<td>(51 189)</td>
</tr>
<tr>
<td>Total Equity</td>
<td>451 959</td>
<td>547 611</td>
<td>(95 652)</td>
</tr>
<tr>
<td>Provisions</td>
<td>36 013</td>
<td>36 984</td>
<td>(971)</td>
</tr>
<tr>
<td>Long-term interest-bearing debt</td>
<td>382 320</td>
<td>297 428</td>
<td>84 892</td>
</tr>
<tr>
<td><strong>Total Non-current Liabilities</strong></td>
<td>418 333</td>
<td>334 412</td>
<td>83 921</td>
</tr>
<tr>
<td>Short-term interest-bearing debt</td>
<td>8 711</td>
<td></td>
<td>8 711</td>
</tr>
<tr>
<td>Other current liabilities</td>
<td>303 165</td>
<td>351 334</td>
<td>(48 169)</td>
</tr>
<tr>
<td><strong>Total Current Liabilities</strong></td>
<td>311 876</td>
<td>351 334</td>
<td>(39 458)</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td>730 209</td>
<td>685 746</td>
<td>44 463</td>
</tr>
<tr>
<td><strong>Total Equity and Liabilities</strong></td>
<td>1 182 168</td>
<td>1 233 357</td>
<td>(51 189)</td>
</tr>
</tbody>
</table>

- Net Interest-bearing debt increased by NOK 116 million (Q1 2015: 175 v Q2 2015: 291)
  - Weak Mobile Pipeline™ sales drives lower operational net cash generation
  - Dividend payment of NOK 82 million
  - Capital expenditures of NOK 25 million
CAPITAL STRUCTURE

ASSETS
NOK Million

LIABILITIES AND EQUITY
NOK Million

ASSETS

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>NOK Million</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td></td>
</tr>
<tr>
<td>Receivables</td>
<td></td>
</tr>
<tr>
<td>Inventories</td>
<td></td>
</tr>
<tr>
<td>Fixed assets</td>
<td></td>
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</tbody>
</table>

LIABILITIES AND EQUITY

<table>
<thead>
<tr>
<th>LIABILITIES AND EQUITY</th>
<th>NOK Million</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current liabilities</td>
<td></td>
</tr>
<tr>
<td>Long term liabilities</td>
<td></td>
</tr>
<tr>
<td>Equity</td>
<td></td>
</tr>
</tbody>
</table>

31.03.2015
30.06.2015

Strong Balance Sheet
GROUP CASH MOVEMENTS Q2 2015

Balancing our cash buffer in light of dividend and refinancing outflows
2ND QUARTER 2015 OUTLOOK
HEAVY-DUTY VEHICLES

• Strong competition between North American fuel systems builders
  – Hexagon Composites committed to support Agility Fuel Systems
  – The introduction of the 27” tank has enabled significantly reduced systems cost
  – Reduced systems costs will entail lower CAPEX hurdle

• Transit bus market continues to grow
  – Market largely unaffected by oil price
MOBILE PIPELINE™ VERY CHALLENGING SHORT TERM

- Low oil prices create high uncertainty
  - Thin order book
- Q3 will be very weak
- Converting to natural gas continues to make sense for several customers
  - Prospect list continues to grow
- Q4 appears as a “return to normal”
  - Current volatility requires caution

Conventional pipelines come at a high price, financially and environmentally
LPG FALLS SHORT OF 2014

• We have not succeeded in securing one-off orders for the seasonally weak Q3

• Break-through in Italy; a major LPG market for cooking and heating

• Innovation investments in new designs and functionality will support medium and long term growth
ADAPTING TO NEW CONDITIONS

• High-Pressure expansion programs adjusted to short term market demand

• Reduced usage of contract labor and some adjustment of permanent Manning levels

• Comprehensive restructuring of Hexagon Raufoss (light-duty vehicles) under preparation

• Programs to strengthen technology platform and business development will continue
OUR LONGER TERM OUTLOOK MAINTAINED - GAS WILL INCREASE SHARE

• High growth in natural gas usage
• Natural gas fastest growing fossil fuel (+1.9% p.a.)
• Natural gas set to overtake coal by 2035
• Renewables the fastest growing energy source
  – Biofuels and hydrogen produced from clean primary sources

*Source: BP February 2015 Energy Outlook*
OUTLOOK SUMMARY

• Q3 very challenging and the Group likely to generate an operational loss

• Recovery expected already in Q4

• High short term uncertainty due to low oil prices

• 2016 looks promising
   – Growing prospect lists in all segments

• Long term business potential appears very solid
   – Natural gas and renewables expected to make up a significantly increased share of a growing global energy consumption
QUESTIONS PLEASE

Jon Erik Engeset, CEO
David Bandele, CFO