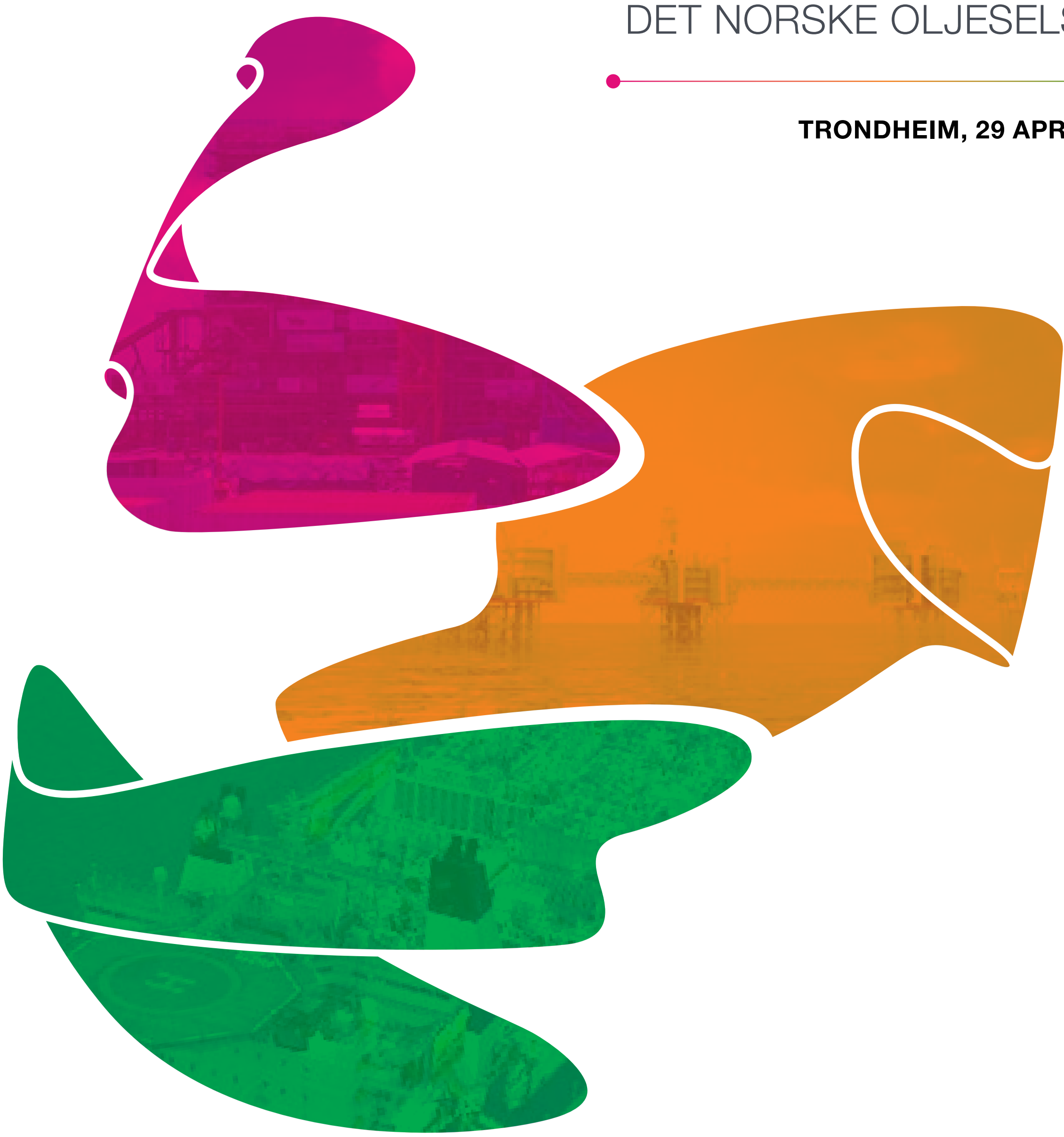
Q1 2016

QUARTERLY REPORT FOR
DET NORSKE OLJESELSKAP

TRONDHEIM, 29 APRIL 2016



KEY EVENTS IN Q1 2016

- ***18 January:*** Det norske announced a reduced CAPEX estimate for Johan Sverdrup phase 1 of NOK 14.5 billion from PDO
- ***18 January:*** Det norske announced year-end 2015 P50 reserves of 498 mmboe
- ***19 January:*** Det norske was offered ownership in ten new licenses, including six operatorships in the 2015 Awards in Pre-defined Areas
- ***2 March:*** Det norske announced the acquisition of Noreco's Norwegian licence portfolio, including a NOK 45 million cash balance
- ***11 March:*** The Corporate Assembly of Det norske elected Øyvind Eriksen as Chairman of Det norske's Board of Directors and Trond Brandsrud was elected as member of the Board

KEY EVENTS AFTER THE QUARTER

- ***18 April:*** Det norske announced that the company had entered into an agreement to acquire Centrica Resources Norge AS' shares in the Frigg Gamma Delta and Rind discoveries

SUMMARY OF FINANCIAL RESULTS

	Unit	Q1 2016	Q1 2015	2016 YTD	2015 YTD
Operating income	USDm	205	329	205	329
EBITDA	USDm	129	261	129	261
Net result	USDm	32	2	32	2
Earnings per share (EPS)	USD	0.16	0.01	0.16	0.01
Production cost per barrel	USD/boe	6	7	6	7
Depreciation per barrel	USD/boe	21	21	21	21
Cash flow from operations	USDm	189	281	189	281
Cash flow from investments	USDm	-232	-261	-232	-261
Total assets	USDm	5 387	5 480	5 387	5 480
Net interest-bearing debt	USDm	2 584	1 965	2 584	1 965
Cash and cash equivalents	USDm	155	412	155	412

SUMMARY OF PRODUCTION

	Unit	Q1 2016	Q1 2015	2016 YTD	2015 YTD
Production					
Alvheim (65%)	boepd	38 416	37 736	38 416	37 736
Atla (10%)	boepd	306	467	306	467
Bøyla (65%)	boepd	9 084	8 341	9 084	8 341
Enoch (2%)	boepd	-	-	-	-
Jette (70%)	boepd	622	794	622	794
Jotun (7%)	boepd	106	149	106	149
Varg (5%)	boepd	460	322	460	322
Vilje (46.9%)	boepd	5 177	6 429	5 177	6 429
Volund (65%)	boepd	6 445	10 703	6 445	10 703
SUM	boepd	60 615	64 941	60 615	64 941
Oil price	USD/bbl	37	58	37	58
Gas price	USD/scm	0.18	0.29	0.18	0.29

SUMMARY OF THE QUARTER

Det norske oljeselskap ASA ("the company" or "Det norske") reported revenues of USD 205 (329) million in the first quarter of 2016. Production in the period was 60.6 (64.9) thousand barrels of oil equivalent per day ("mboepd"), realising an average oil price of USD 37 (58) per barrel.

EBITDA amounted to USD 129 (261) million in the quarter and EBIT was USD -23 (86) million, following an impairment of USD 38 (53) million in the quarter. Net profit for the quarter was USD 32 (2) million, translating into an EPS of USD 0.16 (0.01). Net interest-bearing debt amounted to USD 2,584 (1,965) million per March 31, 2016.

Production from the Alvheim area in the first quarter achieved a production efficiency of 99.3 percent. Drilling of the tri-lateral BoaKamNorth well was completed in January and the Viper well was spudded in February.

The drilling program at Ivar Aasen continues to progress ahead of schedule, with five oil producer wells and one water injector well finalised. Construction of the topside is close to completion in Singapore and sail away is planned for first week of June. The project remains on schedule and budget towards the planned start-up in Q4 2016.

The Johan Sverdrup project is progressing according to plan. In February, the project passed a major milestone with the first steel cut for the drilling platform and drilling operations commenced in March.

The Uptonia exploration well in the Tampen area was completed as a dry well in March. Drilling operations commenced in the Krafla/Askja area in the quarter.

In March, Det norske announced an agreement to acquire Noreco's Norwegian license portfolio, including a NOK 45 million cash balance with effective date 1 January, 2016.

Forward-looking statements in this report reflect current views about future events and are, by their nature, subject to significant risks and uncertainties because they relate to events and depend on circumstances that will occur in the future.

All figures are presented in USD unless otherwise stated, and figures in brackets apply to the corresponding period in the previous year.

FINANCIAL REVIEW

Income statement

(USD million)	Q1 2016	Q1 2015
Operating income	205	329
EBITDA	129	261
EBIT	-23	86
Pre-tax profit/loss	-16	81
Net profit	32	2
EPS (USD)	0.16	0.01

Total operating revenues in the first quarter were USD 205 (329) million, lower than first quarter 2015 mainly due to lower oil prices. Petroleum revenues accounted for USD 201 (324) million, while other revenue was USD 4 (5) million, primarily relating to net realised and unrealised gains on commodity hedges.

Exploration expenses amounted to USD 36 (15) million in the quarter, reflecting dry hole costs, seismic costs, area fees and G&G activities. Production costs were USD 34 (39) million, equating to 6.2 USD/boe, including shipping and handling of 1.1 USD/boe. Other operating expenses amounted to USD 5 (14) million and depreciation was USD 114 (122) million, corresponding to 20.7 USD/boe.

Non-cash impairment losses were USD 38 (53) million, which is primarily related to impairment of technical goodwill that arose from the acquisition of Marathon Oil Norge AS. The impairment is primarily caused by decreasing oil futures prices compared to the previous quarter and is detailed in note 4.

The company recorded an operating loss of USD 23 (-86) million in the first quarter. The net profit for the period was USD 32 (2) million after net financial items of USD 8 (-4) million and a tax income of USD 48 (-79) million. Earnings per share were USD 0.16 (0.01).

Statement of financial position

(USD million)	Q1 2016	Q1 2015
Goodwill	739	1 134
PP&E	3 090	2 679
Cash & cash equivalents	155	412
Total assets	5 387	5 480
Equity	371	654
Interest-bearing debt	2 739	2 376

Total intangible assets amounted to USD 1,664 (2,074) million, of which goodwill was USD 739 (1,134) million.

Property, plant and equipment increased to USD 3,090 (2,679) million and are detailed in note 5. Current tax receivables amounted to USD 215 (0) million at the end of the quarter, and details can be found in note 7.

The company's cash and cash equivalents were USD 155 (412) million as of 31 March. Total assets were USD 5,387 (5,480) million at the end of the quarter.

Equity increased to USD 371 (654) million at the end of the quarter, reflecting the net profit in the period.

Deferred tax liabilities amounted to USD 1,384 (1,363) million and are detailed in note 7. The main part of this tax liability relates to differences between tax value and book value on fixed assets.

Interest-bearing debt increased to USD 2,739 (2,376) million, consisting of the DETNOR02 bond of USD 223 million, the DETNOR03 bond of USD 295 million and the Reserve Based Lending ("RBL") facility of USD 2,221 million.

Statement of cash flow

(USD million)	Q1 2016	Q1 2015
Cash flow from operations	189	281
Cash flow from investments	-232	-261
Cash flow from financing	100	100
Net change in cash & cash eq.	57	120
Cash and cash eq. EOQ	155	412

Net cash flow from operating activities was USD 189 (281) million.

Net cash flow from investment activities were USD -232 (-261) million. Investments in fixed assets amounted to USD 209 (239) million for the quarter, mainly reflecting CAPEX on Ivar Aasen, Alvheim and Johan Sverdrup. Investments in intangible assets including capitalised exploration were 21 (21) million in the quarter.

Net cash flow from financing activities totalled USD 100 (100) million, reflecting the amount drawn on the company's RBL facility in the quarter.

Funding

In April, the company obtained acceptance for a covenant amendment package from its bank consortium. The bank consortium in the company's USD 3.0 billion RBL and its USD 550 million revolving credit facility ("RCF") have agreed to ease covenant levels to the end of 2019. Following this, the company expects to continue to meet the covenant requirements in its RBL and RCF, even in a "lower for longer" oil price scenario. The new covenant thresholds are detailed in note 19.

In addition, the company is working to obtain an amicable solution with the DETNOR02 bondholders.

As part of the process, the company volunteered to conduct an interim redetermination of its borrowing base in the RBL facility. The borrowing base was set at USD 2.8 billion until July 2016 and to USD 2.9 billion from July to December 2016. Consequently, the next redetermination will be in December 2016.

At the end of the first quarter 2016, the company had cash and undrawn credit facilities of USD 1.23 billion.

Hedging

The company seeks to reduce the risk connected to both foreign exchange rates, interest rates and commodity prices through hedging instruments.

During the first quarter, the company benefitted from commodity hedges entered into during the first half of 2015. The company has put options in place with a strike price of USD 55/bbl for around 20 percent of the estimated 2016 oil production, corresponding to 67 percent of the undiscounted after-tax value.

The company actively manages its foreign currency exposure through a mix of forward contracts and options.

HEALTH, SAFETY AND THE ENVIRONMENT

HSE is always the number one priority in all Det norske's activities. The company ensures that all its operations and projects are carried out under the highest HSE standards. Det norske did not have any recordable injuries nor any serious or high potential incidents during the first quarter.

With the continued high activity level, special attention is paid to maintain a high HSE standard and preventing injuries and undesired events related to all activities.

There were no supervisory activities from the authorities during the first quarter.

OPERATIONAL REVIEW

Det norske produced 5.5 (5.8) million barrels of oil equivalents ("mmboe") in the first quarter of 2016, corresponding to 60.6 (64.9) mboepd. The average realized oil price was USD 37 (58) per barrel, while gas revenues were recognized at market value of USD 0.18 (0.29) per standard cubic metre (scm).

Alvheim fields
PL 203/088BS/036C/036D/150 (Operator)

The producing fields Alvheim (65 percent), Volund (65 percent), Bøyla (65 percent) and Vilje (46.9 percent) are all tied back to the production vessel Alvheim FPSO.

The production efficiency for the Alvheim FPSO in the first quarter was very high at 99.3 percent, significantly above the previous quarter (86.7), which was impacted by the failure of one of the gas export compressors.

The operator of the SAGE gas terminal is planning a 10-day planned shutdown in August 2016, which will cause Alvheim to shut down during this period.

The Transocean Winner drilling rig completed work on the tri-lateral BoaKamNorth well in January, ahead of schedule and budget. The BoaKamNorth project consists of one well and a new subsea manifold tied back to the Boa manifold. The well will be tied in to the existing Alvheim infrastructure in connection with the manifold tie-in campaign planned to commence in Q2 2016. Production start from BoaKamNorth is also expected in Q2 2016.

The Viper-Kobra development, which comprises two small separate discoveries in the Alvheim area is progressing according to plan, with first oil expected towards the end of 2016. Drilling of the Viper well commenced in February and the Kobra well was spudded in April. The partnership also approved to drill an exploratory pilot hole into the Kobra East prospect as part of the Kobra well.

Other producing assets

Production from Jette, Jotun, Varg and Atla was stable in the quarter with slightly higher volumes compared to the previous quarter. Atla stopped producing in late March and will be produced intermittently as reservoir pressure allows. Enoch has not been restarted since the shutdown on Brae in December.

Ivar Aasen
PL 001B/242/457 (34.78 percent, operator)

Key activities for the Ivar Aasen project are progressing according to plan and budget with first oil scheduled for Q4 2016. Ivar Aasen is being developed with a manned production platform. The topside will include living quarters and a processing facility for first stage separation.

The Maersk Interceptor jack-up rig has continued to perform very well and the drilling program is progressing ahead of schedule. To date, five producers and one water injector have been drilled. The pre-drilling program will continue through Q2 2016. In April, Maersk Interceptor drilled two geo-pilot wells in the West Cable area to explore potential upsides. Results are currently being evaluated.

Topside construction in Singapore is now 98 percent complete. Hand-over of sub systems from SMOE construction to commissioning continued through the quarter. Scheduled sail-away from Singapore has been pushed to early June 2016, which will allow for an extra week of onshore commissioning to minimise the offshore carry over work. This will not impact the installation of the topside in the North Sea which is planned to take place in July 2016.

The construction of the living quarters at Stord in Norway is 98 percent complete. Hand-over of sub systems from Apply Leirvik construction to commissioning has continued. Scheduled sail-away from Stord is July 2016.

Installation of the subsea power cable between Edvard Grieg and Ivar Aasen was carried out by EMAS in April.

Johan Sverdrup Unit
PL 265/501/502 (11.5733 percent, partner)

The project is progressing according to plan towards production start-up in the fourth quarter 2019. Contract awards continued through the first quarter. In February, Technip Norway A/S was awarded the contract for pipe laying. Ocean Installer was awarded the contract for marine construction and installation.

In February, the project passed a major milestone with the first steel cut for the drilling platform. In March, the drilling rig Deepsea Atlantic commenced drilling of the first production well for The Johan Sverdrup field development. In total 35 wells are planned to be drilled in the first phase of the development project. The construction of the utility and living quarter platform started up in March.

Debottlenecking measures have been decided with aim to increase the phase 1 production capacity above the PDO design capacity of 315 – 380 mboepd.

The capital expenditures for phase 1 was in the PDO estimated at NOK 123 billion (nominal value). As a consequence of the macro environment and project improvements the operator announced in February that the estimate of capital expenditures has been reduced by 12 percent to NOK 108.5 billion (nominal value), based on the same FX-assumptions as in the PDO. The operator estimates that phase 1 for Johan Sverdrup now has a break-even price below 30 USD/bbl. For the full field development, capital expenditures are by the operator projected to be between NOK 160 and 190 billion (real 2015, reduced from NOK 170 to 220 billion in the PDO), based on the same FX-assumptions as in the PDO.

The PDO for all future phases is scheduled to be submitted late 2017, and start-up of production from phase 2 is expected in 2022.

Det norske is currently in the process of evaluating decision made by the King in Council regarding the distribution of the participating interests, and whether this decision should be contested in the court system.

Gina Krog
PL 029B/029C/048/303 (3.3 percent, partner)

The Gina Krog field is being developed with a fixed platform with living quarters and processing facilities. Oil from Gina Krog will be exported to the markets with shuttle tankers while gas will be exported via the Sleipner platform.

Pre-drilling of production wells is ongoing by use of the Maersk Integrator jack-up rig. The topside is scheduled to be installed during summer 2016, and start-up of production is planned for mid-2017.

EXPLORATION

During the quarter, the company's cash spending on exploration was USD 40 million. USD 36 million was recognized as exploration expenses in the period, relating to dry wells, seismic, area fees and G&G costs.

Drilling of the Uptonia well in PL554 at the Tampen area commenced in December 2015. The well was classified as dry.

In January 2016, The Ministry of Petroleum and Energy announced that Det norske was offered ownership in 10 new licenses, including six operatorship, in the 2015 Awards in Pre-defined Areas (APA).

Exploration drilling in the Krafla/Askja area in PL272/035 in the North Sea commenced in March with the aim to prove additional resource potential in the area. Gross proven resources in the two licenses were estimated to 140 – 220 mmboe prior to the drilling campaign.

The first well in the drilling campaign targeted the Madam Felle prospect in PL035. The well encountered a 25-metre oil column in the upper part of the Tarbert formation, of which 22 metres had moderate to good reservoir properties. A preliminary estimate of the discovery is 1 – 3 mmboe. A side track well was subsequently drilled in to Viti prospect, however this well was dry.

The results from Madam Felle and Viti does not affect future drilling of the exploration campaign in the area. In April, the exploration campaign continued with drilling of the Askja South East prospect.

OTHER EVENTS

Farm-in and farm-out agreements for exploration licenses

In January, Det norske acquired a 10 percent interest in PL722 and a 25 percent interest in PL507 from Explora Petroleum for a cash consideration. The agreement is subject to approval by the authorities.

Acquisition of Noreco's Norwegian portfolio

In March, Det norske announced an agreement to acquire Noreco's Norwegian license portfolio, including a NOK 45 million cash balance with effective date 1 January, 2016.

The license portfolio consists of seven licenses on the Norwegian Continental Shelf, including a 20 percent interest in the Gohta discovery (PL492) in the Barents Sea. Noreco's 4.36 percent interest in the Enoch field was not included in the transaction.

The bondholder meeting in the NOR06 approved the transaction on March 16, 2016. The transaction is subject to regulatory approvals.

Acquisition of licenses from Centrica

In April, Det norske announced that the company had entered into an agreement with Centrica Resources Norge AS to acquire the company's licenses in the Frigg Gamma Delta and Rind discoveries. As compensation Det norske will cover the expenses of the licenses with effective date of 1 January 2016.

The portfolio consists of 30 percent ownership in the licenses PL442, PL026B and PL026, including the operatorship in Frigg Gamma Delta. The transaction is subject to regulatory approvals.

OUTLOOK

To adapt to the current market conditions, the company continues its work to strengthen its long-term competitiveness through a large number of improvement projects. Improvement measures have been implemented to reduce expenditures across all disciplines to enable the company to sanction new stand-alone projects at break-even prices below 40 USD/boe. To achieve this, a new project delivery model has been developed and will be piloted on new subsea tie-ins on Alvheim. Projects have also been established to further increase drilling performance and operational excellence.

The Ivar Aasen project is progressing well and remains on track for first oil in Q4 2016. Sail-away for the topside from Singapore is scheduled for early June and offshore lifting operations in July. Det norske continues to develop the Alvheim area with drilling of the Kobra well during the second quarter. The Johan Sverdrup project is moving forward according to plan and the company sees potential for further cost reductions.

The exploration drilling campaign at Krafla/Askja will continue with drilling of the Beerenberg and Slemmestad prospects, while the Rovarkula prospect near Ivar Aasen is scheduled to be drilled in July.

The company has a robust and diversified capital structure and its debt facilities in place are sufficient to fund the current work program until first oil at Johan Sverdrup. Following the successful process with the bank consortium to ease covenant thresholds, discussions are progressing towards an amicable solution with the DETNOR02 bondholders.

No changes are made to the company's guidance for 2016. Production is expected to be between 55 and 60 mboepd, CAPEX is expected to be between USD 925 and 975 million and exploration expenditures is expected between USD 160 and 170 million. Production cost is expected to average in the range 8 to 9 USD per barrel of oil equivalent.

FINANCIAL STATEMENTS WITH NOTES

INCOME STATEMENT (Unaudited)

		Group			
		Q1		01.01.-31.03.	
(USD 1 000)	Note	2016	2015	2016	2015
Petroleum revenues		200 768	323 749	200 768	323 749
Other operating income		4 080	5 176	4 080	5 176
Total operating income	2	**204 848**	**328 924**	**204 848**	**328 924**
Exploration expenses	3	36 115	14 523	36 115	14 523
Production costs		34 374	39 349	34 374	39 349
Depreciation	5	114 318	122 224	114 318	122 224
Impairments	4	37 964	52 773	37 964	52 773
Other operating expenses		5 330	14 397	5 330	14 397
Total operating expenses		**228 101**	**243 266**	**228 101**	**243 266**
Operating profit/loss		**-23 253**	**85 658**	**-23 253**	**85 658**
Interest income		817	262	817	262
Other financial income		49 521	56 150	49 521	56 150
Interest expenses		20 701	20 068	20 701	20 068
Other financial expenses		22 018	40 836	22 018	40 836
Net financial items	6	**7 620**	**-4 492**	**7 620**	**-4 492**
Profit/loss before taxes		**-15 633**	**81 166**	**-15 633**	**81 166**
Taxes (+)/tax income (-)	7	-47 866	78 727	-47 866	78 727
Net profit/loss		**32 233**	**2 439**	**32 233**	**2 439**
Weighted average no. of shares outstanding and fully diluted		202 618 602	202 618 602	202 618 602	202 618 602
Earnings/(loss) after tax per share		0.16	0.01	0.16	0.01

STATEMENT OF COMPREHENSIVE INCOME (Unaudited)

		Group			
		Q1		01.01.-31.03.	
(USD 1 000)	Note	2016	2015	2016	2015
Profit/loss for the period		32 233	2 439	32 233	2 439
Items which will not be reclassified over profit and loss (net of taxes)					
Currency translation adjustment		-59	-	-59	-
Total comprehensive income in period		**32 174**	**2 439**	**32 174**	**2 439**

STATEMENT OF FINANCIAL POSITION (Unaudited)

		Group		
(USD 1 000)	Note	31.03.2016	31.03.2015	31.12.2015
ASSETS				
Intangible assets				
Goodwill	5	739 383	1 133 930	767 571
Capitalized exploration expenditures	5	294 161	309 219	289 980
Other intangible assets	5	630 105	631 222	648 030
Tangible fixed assets				
Property, plant and equipment	5	3 089 831	2 679 219	2 979 434
Financial assets				
Long-term receivables		2 935	8 074	3 782
Other non-current assets	8	12 142	4 289	12 628
Long-term derivatives (asset)	12	6 222	1 518	-
Total non-current assets		**4 774 778**	**4 767 471**	**4 701 425**
Inventories				
Inventories		31 018	24 874	31 533
Receivables				
Accounts receivable		44 795	102 466	85 546
Other short-term receivables	9	129 894	166 867	105 190
Other current financial assets		2 989	3 032	2 907
Tax receivables	7	215 141	-	126 391
Short-term derivatives (asset)	12	33 349	3 229	45 217
Cash and cash equivalents				
Cash and cash equivalents	10	154 618	411 691	90 599
Total current assets		**611 804**	**712 158**	**487 384**
TOTAL ASSETS		**5 386 582**	**5 479 630**	**5 188 809**

STATEMENT OF FINANCIAL POSITION (Unaudited)

		Group		
(USD 1 000)	Note	31.03.2016	31.03.2015	31.12.2015
EQUITY AND LIABILITIES				
Equity				
Share capital	11	37 530	37 530	37 530
Share premium		1 029 617	1 029 617	1 029 617
Other equity		-695 947	-413 046	-728 121
Total equity		**371 200**	**654 101**	**339 026**
Non-current liabilities				
Deferred taxes	7	1 384 031	1 362 959	1 356 114
Long-term abandonment provision	16	425 853	489 617	412 805
Provisions for other liabilities		1 648	8 632	1 638
Long-term bonds	14	518 142	232 545	503 440
Other interest-bearing debt	15	2 220 836	2 143 703	2 118 935
Long-term derivatives (liability)	12	33 776	6 317	62 012
Current liabilities				
Trade creditors		135 295	120 245	51 078
Accrued public charges and indirect taxes		6 105	4 965	9 060
Tax payable	7	-	110 356	-
Short-term derivatives (liability)	12	205	17 107	13 506
Short-term abandonment provision	16	13 785	2 677	10 520
Other current liabilities	13	275 707	326 405	310 675
Total liabilities		**5 015 382**	**4 825 528**	**4 849 783**
TOTAL EQUITY AND LIABILITIES		**5 386 582**	**5 479 630**	**5 188 809**

STATEMENT OF CHANGES IN EQUITY - GROUP (Unaudited)

(USD 1 000)	Share capital	Share premium	Other equity					
				Other comprehensive income				
			Other paid-in capital	Actuarial gains/(losses)	Foreign currency translation reserves*	Retained earnings	**Total other equity**	**Total equity**
Equity as of 31.12.2014	**37 530**	**1 029 617**	573 083	-105	-115 491	-872 972	**-415 485**	**651 662**
Profit/loss for the period 01.01.2015 - 31.12.2015	-	-	-	17	-	-312 652	-312 636	-312 636
Equity as of 31.12.2015	**37 530**	**1 029 617**	573 083	-88	-115 491	-1 185 625	**-728 121**	**339 026**
Profit/loss for the period 01.01.2016 - 31.03.2016	-	-	-	-	-59	32 233	32 174	32 174
Equity as of 31.3.2016	**37 530**	**1 029 617**	573 083	-88	-115 550	-1 153 391	**-695 947**	**371 200**

* At 15 October 2014, the presentation currency was changed to USD retrospectively as if USD had always been the presentation currency. For each category of the opening equity as at 1 January 2013, the historical rates were used for translation to USD, and therefore an exchange reserve was established which represents the fact that the presentation currency is different from the functional currency in the periods presented prior to the change in functional currency to USD as at 15 October 2014. For each period presented prior to the change in functional currency, the ending balance of total equity is translated to USD using the end rate.

STATEMENT OF CASH FLOW (Unaudited)

		Group		
		Q1		Year
(USD 1 000)	Note	2016	2015	2015
CASH FLOW FROM OPERATING ACTIVITIES				
Profit/loss before taxes		-15 633	81 166	-113 607
Taxes paid during the period		-	-64 142	-320 618
Tax refund during the period		-	-	87 662
Depreciation	5	114 318	122 224	480 959
Net impairment losses	4	37 964	52 773	430 468
Accretion expenses	16	5 812	6 396	26 351
Interest expenses	6	37 635	25 066	127 620
Interest paid		-29 433	-25 463	-124 276
Changes in derivatives	2,6	-35 890	-11 784	-793
Amortized loan costs	6	3 109	6 602	17 480
Amortization of fair value of contracts assumed in the Marathon acquisition		-	-	-2 878
Expensed capitalized dry wells	3	16 451	-309	11 682
Changes in inventories, accounts payable and receivables		100 779	-174 986	-13 060
Changes in abandonment liabilities through income statement		-	-	-1 569
Changes in other current balance sheet items		-46 350	263 341	81 048
NET CASH FLOW FROM OPERATING ACTIVITIES		**188 762**	**280 884**	**686 467**
CASH FLOW FROM INVESTMENT ACTIVITIES				
Payment for removal and decommissioning of oil fields	16	-1 306	-1 134	-12 508
Disbursements on investments in fixed assets	5	-209 279	-238 902	-917 150
Acquisition of Premier Oil Norge AS (net of cash acquired)		-	-	-125 600
Disbursements on investments in capitalized exploration expenditures and other intangible assets	5	-21 228	-21 205	-113 051
NET CASH FLOW FROM INVESTMENT ACTIVITIES		**-231 812**	**-261 241**	**-1 168 310**
CASH FLOW FROM FINANCING ACTIVITIES				
Repayment of short-term debt		-	-	-70 938
Repayment of long-term debt		-	-	-330 000
Arrangement fee		-	-	-14 380
Proceeds from issuance of long-term debt		100 000	100 000	700 000
NET CASH FLOW FROM FINANCING ACTIVITIES		**100 000**	**100 000**	**284 683**
Net change in cash and cash equivalents		**56 950**	**119 642**	**-197 160**
Cash and cash equivalents at start of period		90 599	296 244	296 244
Effect of exchange rate fluctuation on cash held		7 069	-4 195	-8 485
CASH AND CASH EQUIVALENTS AT END OF PERIOD	10	**154 618**	**411 691**	**90 599**
SPECIFICATION OF CASH EQUIVALENTS AT END OF PERIOD				
Bank deposits and cash		149 812	407 704	86 201
Restricted bank deposits		4 806	3 987	4 398
CASH AND CASH EQUIVALENTS AT END OF PERIOD	10	**154 618**	**411 691**	**90 599**

NOTES

(All figures in USD 1 000)

These interim financial statements have been prepared in accordance with the International Financial Reporting Standards as adopted by the EU (IFRS) IAS 34 "Interim Financial Reporting", thus the interim financial statements do not include all information required by IFRS and should be read in conjunction with the company's annual financial statement as at 31 December 2015. These interim financial statements have not been subject to review or audit by independent auditors.

Note 1 Accounting principles

The accounting principles used for this interim report are in all material respect consistent with the principles used in the financial statements for 2015. There are no new standards effective from 1 January 2016.

The group has changed the presentation of accretion expenses in Q1 2016. It is now included in the line item other financial expenses, while it has been presented as interest expenses prior to 2016. In addition, following the change from defined benefit to defined contribution scheme, pension is no longer presented on a separate line in the Statement of financial position. Comparable figures have been restated accordingly.

Det norske group interim financial statements include Det norske Exploration AS (previously Svenska Petroleum Exploration AS) and Det norske oil AS (previously Premier Oil Norge AS). The activity in Det norske Exploration AS was transferred to Det norske oljeselskap ASA during Q4 2015, while the activity in Det norske oil AS was transferred during Q1 2016.

Note 2 Operating income

	Group			
	Q1		01.01.-31.03.	
Breakdown of petroleum revenues (USD 1 000)	**2016**	**2015**	**2016**	**2015**
Recognized income oil	180 388	287 877	180 388	287 877
Recognized income gas	18 103	35 140	18 103	35 140
Tariff income	2 277	732	2 277	732
Total petroleum revenues	**200 768**	**323 749**	**200 768**	**323 749**
Breakdown of produced volumes (barrels of oil equivalent)				
Oil	4 819 146	5 094 389	4 819 146	5 094 389
Gas	696 793	750 346	696 793	750 346
Total produced volumes	**5 515 939**	**5 844 735**	**5 515 939**	**5 844 735**
Other operating income (USD 1 000)				
Realized gain on oil derivatives	17 073	-	17 073	-
Unrealized gain on oil derivatives	-13 131	4 746	-13 131	4 746
Other income	138	430	138	430
Total other operating income	**4 080**	**5 176**	**4 080**	**5 176**

The group changed its presentation of commodity derivatives in Q4 2015. Gains and losses are now presented as other operating income, while it was included in financial items prior to Q4 2015. Comparable figures have been restated accordingly.

Note 3 Exploration expenses

	Group			
	Q1		01.01.-31.03.	
Breakdown of exploration expenses (USD 1 000)	**2016**	**2015**	**2016**	**2015**
Seismic	1 024	3 214	1 024	3 214
Area fee	2 262	2 144	2 262	2 144
Expensed capitalized wells this year	13 733	-300	13 733	-300
Expensed capitalized wells previous years	2 718	-9	2 718	-9
Other exploration expenses*	16 378	9 474	16 378	9 474
Total exploration expenses	**36 115**	**14 523**	**36 115**	**14 523**

* Other exploration expenses in Q1 2016 are mainly related to field evaluation.

In Q1 2016 the group has done some changes in the subcategories within exploration expenses presented above. Comparable figures have been restated accordingly.

Note 4 Impairments

Impairment testing

Impairment tests of individual cash-generating units are performed when impairment triggers are identified. As of 31 March 2016 there has been a decrease in the forward prices compared to 31 December 2015, which is considered as an impairment trigger. Two categories of impairment tests have been performed:

- Impairment test of fixed assets and related intangible assets, other than goodwill
- Impairment test of goodwill

Impairment is recognized when the book value of an asset or a cash-generating unit, including associated goodwill, exceeds the recoverable amount. The recoverable amount is the higher of the asset's fair value less cost to sell and value in use. All impairment testing in Q1 2016 has been based on value in use. In the assessment of the value in use, the expected future cash flow is discounted to the net present value by applying a discount rate after tax that reflects the current market valuation of the time value of money, and the specific risk related to the asset. The discount rate is derived from the weighted average cost of capital (WACC) for a market participant. Cash flows are projected for the estimated lifetime of the fields, which may exceed periods greater than five years.

For producing licences and licences in the development phase, recoverable amount is estimated based on discounted future after tax cash flows. Below is an overview of the key assumptions applied for impairment testing purposes as of 31 March 2016.

Oil and gas prices

Future price level is a key assumption and has significant impact on the net present value. Forecasted oil and gas prices are based on management's best estimates and available market data. Information about market prices in the near future can be derived from the futures contract market. Information about future prices is less reliable on a long-term basis, as there are fewer observable market transactions going forward. In the impairment test, the oil price is therefore based on the forward curve for the remaining period of 2016 to the end of 2020. From 2021, the oil price is based on the company's long-term price assumptions.

The nominal oil price based on the forward curve applied in the impairment test is as follows:

Year	**USD/BOE**
2016	40.65
2017	45.28
2018	48.41
2019	50.81
2020	52.87
From 2021 (in real terms)	85.00

Oil and gas reserves

Future cash flows are calculated on the basis of expected production profiles and estimated proven and probable remaining reserves. The recoverable amount is sensitive to changes in reserves.

Discount rate

The discount rate is derived from the company's WACC. The capital structure considered in the WACC calculation is derived from the capital structures of an identified peer group and market participants with consideration given to optimal structures. The cost of equity is derived from the expected return on investment by the company's investors. The cost of debt is based on the interest-bearing borrowings on debt specific to the assets acquired. The beta factors are evaluated annually based on publicly available market data about the identified peer group.

Based on the above, the post tax nominal discount rate is set to 8.5 per cent, which is the same discount rate used in Q4 2015.

Currency rates

As Det norske's functional currency changed to USD during 2014, the company is now exposed to exchange rate fluctuations between USD and non-USD cash flows with regard to the financial statements. In line with the methodology for future oil price, it has been concluded to apply the forward curve for the currency rate from 2016 until the end of 2020, and the company's long term assumption from 2021 and onwards. This results in the following currency rates being applied in the impairment test for Q1 2016:

Year	NOK/USD
2016	8.27
2017	8.25
2018	8.21
2019	8.16
2020	8.10
From 2021	7.00

Inflation

The long-term inflation rate is assumed to be 2.5 per cent.

Impairment testing of assets other than goodwill

The impairment test of assets other than goodwill has been performed prior to the quarterly goodwill impairment test. If these assets are found to be impaired, its carrying value will be written down before the impairment test of goodwill. The carrying value of the assets is the sum of tangible assets and intangible assets as of the valuation date.

Below is an overview of the impairment charge and the carrying value per cash generating unit where impairment has been recognized or reversed in Q1 2016:

Cash generating unit (USD 1 000)	Impairment charged/reversal		Recoverable amount/
	Intangible	Tangible	carrying value
Gina Krog	-	9 227	70 419
Other CGU's	-	548	-
Total	**-**	**9 775**	**70 419**

Impairment testing of goodwill

For the purpose of impairment testing, goodwill acquired through business combinations have, before any impairment charges in Q1 2016, been allocated as follows:

Goodwill allocation (USD 1 000)	
Remaining technical goodwill from the acquisition of Marathon Oil Norge AS as of 1 January 2016	433 456
Residual goodwill	291 717
Remaining technical goodwill from other business combinations	42 399

Technical goodwill has been allocated to individual cash-generating units ("CGUs") for the purpose of impairment testing. All fields tied in to the Alvheim FPSO are assessed to be included in the same cash-generating unit ("Alvheim CGU"). The residual goodwill is allocated to group of CGUs including all fields acquired together with all existing Det norske fields, as this mainly relates to tax and workforce synergies. The technical goodwill from previous business combinations are mainly allocated to Johan Sverdrup (USD 23 million) and Ivar Aasen (USD 8 million). The remaining technical goodwill from prior year business combinations is not significant in comparison to the total carrying amount of goodwill.

Impairment testing of residual goodwill

As mentioned above, residual goodwill is allocated across all CGUs for impairment testing. The combined recoverable amount exceeds the carrying amount by a substantial margin. Based on this, no impairment of residual goodwill has been recognized.

Impairment testing of technical goodwill from the acquisition of Marathon Oil Norge AS

The carrying value of the Alvheim CGU consists of the carrying values of the oilfield assets plus associated technical goodwill. In the impairment test performed, carrying value is adjusted by the remaining part of deferred tax from which the technical goodwill arose, to avoid an immediate impairment of all technical goodwill.

The carrying value of the Alvheim CGU is, in accordance with the above, calculated as follows:

(USD 1 000)	
Carrying value of oilfield licences and fixed assets	1 855 009
+ Technical goodwill	433 456
- Deferred tax related to technical goodwill	-1 077 452
Net carrying value pre-impairment of goodwill	**1 211 012**

The impairment charge is the difference between the recoverable amount and the carrying value.

(USD 1 000)	
Net carrying value as specified above	1 211 012
Recoverable amount (including tax amortization benefit)	1 182 823
Impairment charge Q1	**28 189**

As depicted in the carry value table above, deferred tax (from the date of acquisition) reduces the net carrying value prior to the impairment charges. When deferred tax from the Marathon acquisition decreases, more goodwill is as such exposed for impairment. This may lead to future impairment charges even though other assumptions remain stable. In Q1 2016, the reduced deferred tax together with decreased forward prices are the main reasons for impairment.

Sensitivity analysis

The table below shows how the impairment of goodwill allocated to the Alvheim CGU would be affected by changes in the various assumptions, given that the remainders of the assumptions are constant.

		Change in goodwill impairment for Q1 2016 after	
Assumption (USD million)	**Change**	**increase in assumption**	**decrease in assumption**
Oil and gas price	+/- 20%	-28.2	227.3
Production profiles (reserves)	+/- 5%	-28.2	58.6
Discount rate	+/- 1% point	31.7	-28.2
Currency rate USD/NOK	+/- 1.0 NOK	17.7	-21.9
Inflation	+/- 1% point	-28.2	37.4

Impairment testing of technical goodwill from previous business combinations

No impairment charge of technical goodwill from other business combinations have been recognized in Q1 2016.

	Group			
	Q1		**01.01.-31.03.**	
(USD 1 000)	**2016**	**2015**	**2016**	**2015**
Impairment/reversal of tangible fixed assets	9 775	-	9 775	-
Impairment of goodwill	28 189	52 773	28 189	52 773
Total impairments	**37 964**	**52 773**	**37 964**	**52 773**

Note 5 Tangible assets and intangible assets

TANGIBLE FIXED ASSETS - GROUP

(USD 1 000)	Assets under development	Production facilities including wells	Fixtures and fittings, office machinery	Total
Book value 31.12.2014	**1 324 556**	**1 206 077**	**18 639**	**2 549 271**
Acquisition cost 31.12.2014	**1 324 556**	**1 856 371**	**35 684**	**3 216 612**
Additions	225 960	5 875	1 230	233 065
Reclassification	-397 990	398 000	-	9
Acquisition cost 31.3.2015	**1 152 526**	**2 260 246**	**36 914**	**3 449 686**
Accumulated depreciation and impairments 31.3.2015	-	752 409	18 058	770 467
Book value 31.3.2015	**1 152 526**	**1 507 836**	**18 857**	**2 679 219**
Acquisition cost 31.12.2015	**1 505 779**	**2 514 487**	**35 506**	**4 055 772**
Additions	203 066	11 946	1 049	216 061
Disposals	-	-	91	91
Reclassification	8 523	-8 514	-9	-
Acquisition cost 31.3.2016	**1 717 368**	**2 517 919**	**36 455**	**4 271 742**
Accumulated depreciation and impairments 31.3.2016	21 211	1 138 752	21 949	1 181 911
Book value 31.3.2016	**1 696 158**	**1 379 167**	**14 506**	**3 089 831**
Depreciation Q1 2016	-	94 597	1 201	95 798
Depreciation 01.01.2016 - 31.03.2016	-	94 597	1 201	95 798
Impairments Q1 2016	9 227	548	-	9 775
Impairments 01.01.2016 - 31.03.2016	9 227	548	-	9 775

Capitalized exploration expenditures are reclassified to "Fields under development" when the field enters into the development phase. If development plans are subsequently re-evaluated, the associated costs remain in assets under development and are not reclassified back to exploration assets. Fields under development are reclassified to "Production facilities" from the start of production. Production facilities, including wells, are depreciated in accordance with the Unit of Production Method. Office machinery, fixtures and fittings etc. are depreciated using the straight-line method over their useful life, i.e. 3-5 years. Removal and decommissioning costs are included as production facilities or fields under development.

INTANGIBLE ASSETS - GROUP

(USD 1 000)	Other intangible assets Licences etc.	Software	Total	Exploration wells	Goodwill
Book value 31.12.2014	**646 482**	**2 306**	**648 788**	**291 619**	**1 186 704**
Acquisition cost 31.12.2014	**712 237**	**9 064**	**721 301**	**291 619**	**1 556 468**
Additions	1 513	19	1 532	17 301	-
Disposals/expensed dry wells	-	-	-	-309	-
Reclassification	-	-	-	-9	-
Acquisition cost 31.3.2015	**713 750**	**9 083**	**722 833**	**309 219**	**1 556 468**
Accumulated depreciation and impairments 31.3.2015	84 718	6 893	91 611	-	422 538
Book value 31.3.2015	**629 032**	**2 190**	**631 222**	**309 219**	**1 133 930**
Acquisition cost 31.12.2015	**789 316**	**9 149**	**798 465**	**289 980**	**1 561 880**
Additions	595	-	595	20 633	-
Disposals/expensed dry wells	-	-	-	16 451	-
Reclassification	-	-	-	-	-
Acquisition cost 31.3.2016	**789 911**	**9 149**	**799 059**	**294 161**	**1 561 880**
Accumulated depreciation and impairments 31.3.2016	161 142	7 812	168 954	-	822 498
Book value 31.3.2016	**628 769**	**1 336**	**630 105**	**294 161**	**739 383**
Depreciation Q1 2016	18 312	207	18 519	-	-
Depreciation 01.01.2016 - 31.03.2016	18 312	207	18 519	-	-
Impairments Q1 2016	-	-	-	-	28 189
Impairments 01.01.2016 - 31.03.2016	-	-	-	-	28 189

See Note 4 for information regarding impairment charges.

	Group			
	Q1		01.01.-31.03.	
Depreciation in the Income statement (USD 1 000)	**2016**	**2015**	**2016**	**2015**
Depreciation of tangible fixed assets	95 798	103 126	95 798	103 126
Depreciation of intangible assets	18 519	19 098	18 519	19 098
Total depreciation in the Income statement	**114 318**	**122 224**	**114 318**	**122 224**

Note 6 Financial items

(USD 1 000)	Group Q1 2016	Q1 2015	01.01.-31.03. 2016	01.01.-31.03. 2015
Interest income	**817**	**262**	**817**	**262**
Realised gains on derivatives	500	-	500	-
Return on financial investments	-	9	-	9
Change in fair value of derivatives - income	49 021	19 304	49 021	19 304
Currency gains	-	36 837	-	36 837
Total other financial income	**49 521**	**56 150**	**49 521**	**56 150**
Interest expenses	37 635	25 066	37 635	25 066
Capitalized interest cost, development projects	-20 043	-11 600	-20 043	-11 600
Amortized loan costs	3 109	6 602	3 109	6 602
Total interest expenses	**20 701**	**20 068**	**20 701**	**20 068**
Currency losses	10 996	-	10 996	-
Realised loss on derivatives	3 790	22 174	3 790	22 174
Change in fair value of derivatives - expense	-	12 266	-	12 266
Accretion expenses	5 812	6 396	5 812	6 396
Other financial expenses	1 420	-	1 420	-
Total other financial expenses	**22 018**	**40 836**	**22 018**	**40 836**
Net financial items	**7 620**	**-4 492**	**7 620**	**-4 492**

The group changed its presentation of commodity derivatives in Q4 2015. Gains and losses are now presented as other operating income, while it was included in financial items prior to Q4 2015. Comparable figures have been restated accordingly.

The group has changed the presentation of accretion expenses in Q1 2016. It is now included in the line item other financial expenses, while it has been presented as interest expenses prior to 2016. Comparable figures have been restated accordingly.

Note 7 Taxes

Taxes for the period appear as follows (USD 1 000)	Group Q1 2016	Q1 2015	01.01.-31.03. 2016	01.01.-31.03. 2015
Calculated current year tax/exploration tax refund	-6 090	8 080	-6 090	8 080
Change in deferred taxes in the Income statement	-41 577	73 640	-41 577	73 640
Prior period adjustments	-200	-2 994	-200	-2 994
Tax expenses (+)/tax income (-)	**-47 866**	**78 727**	**-47 866**	**78 727**

Calculated tax receivable (+)/tax payable (-) (USD 1 000)	Group 31.03.2016	31.03.2015	31.12.2015
Tax receivable/payable at 1.1.	126 391	-189 098	-189 098
Current year tax (-)/tax receivable (+)	6 090	-8 080	-49 776
Tax receivable from liquidation of Premier Oil Norge AS	60 379	-	-
Tax receivable related to acquisition of Svenska Petroleum Exploration AS/Premier Oil Norge AS	-	-	108 047
Tax payment/tax refund	-	64 142	232 956
Prior period adjustments	8 817	10 123	11 580
Revaluation of tax receivable	13 465	12 557	12 682
Total tax receivable (+)/tax payable (-)	**215 141**	**-110 356**	**126 391**

Deferred taxes (-)/deferred tax asset (+) (USD 1 000)	**31.03.2016**	**Group** **31.03.2015**	**31.12.2015**
Deferred taxes/deferred tax asset 1.1.	-1 356 114	-1 286 357	-1 286 357
Change in deferred taxes in the Income statement	41 577	-73 640	-153 927
Reclassification of loss carried forward from Premier Oil Norge AS	-60 379	-	-
Deferred tax related to acquisition of Svenska Petroleum Exploration AS/Premier Oil Norge AS	-	-	91 151
Deferred tax related to impairment, disposal and licence transactions	-	1 758	-
Prior period adjustment	-9 115	-7 129	-6 921
Revaluation of losses carried forward	-	2 410	-
Deferred tax charged to OCI and equity	-	-	-59
Net deferred tax (-)/deferred tax asset (+)	**-1 384 031**	**-1 362 959**	**-1 356 114**

	Group			
	Q1		**01.01.-31.03.**	
Reconciliation of tax expense (USD 1 000)	**2016**	**2015**	**2016**	**2015**
25% company tax on profit before tax	-3 908	21 915	-3 908	21 915
53% special tax on profit before tax	-8 286	41 395	-8 286	41 395
Tax effect on uplift	-24 597	-24 402	-24 597	-24 402
Permanent difference on impairment	21 987	41 163	21 987	41 163
Foreign currency translation of NOK monetary items	8 674	-29 128	8 674	-29 128
Foreign currency translation of USD monetary items	125 619	-121 456	125 619	-121 456
Tax effect of financial and other 25% items	-85 869	69 890	-85 869	69 890
Revaluation of tax balances*	-79 945	80 319	-79 945	80 319
Other items (other permanent differences and previous period adjustment)	-1 543	-969	-1 543	-969
Total taxes (+)/tax income (-)	**-47 866**	**78 727**	**-47 866**	**78 727**

* Tax balances are in NOK and converted to USD using the period end currency rate. When NOK weakens against USD, the tax rate increases as there is less remaining tax depreciation measured in USD (vice versa).

In accordance with statutory requirements, the calculation of current tax is required to be based on NOK functional currency. This may impact the tax rate when the functional currency is different from NOK.

The revaluation of tax receivable and payable is presented as foreign exchange loss/gain in the Income statement, while the impact on deferred tax from revaluation of tax balances is presented as tax.

Note 8 Other non-current assets

(USD 1 000)	**31.03.2016**	**Group** **31.03.2015**	**31.12.2015**
Shares in Alvheim AS	10	10	10
Shares in Det norske oljeselskap AS	1 021	835	1 021
Shares in Sandvika Fjellstue AS	1 814	1 814	1 814
Investment in subsidiaries	**2 845**	**2 659**	**2 845**
Tenancy deposit	1 610	1 630	1 512
Other non-current assets	7 687	-	8 272
Total other non-current assets	**12 142**	**4 289**	**12 628**

Alvheim AS, Det norske oljeselskap AS (previously Marathon Oil Norge AS) and Sandvika Fjellstue has been deemed immaterial for consolidation purposes.

Det norske oil AS and Det norske Exploration AS have been consolidated in this report and are therefore not included as investments in subsidiaries.

Note 9 Other short-term receivables

(USD 1 000)	31.03.2016	Group 31.03.2015	31.12.2015
Receivables related to deferred volume at Atla	4 371	5 383	5 673
Pre-payments, including rigs	33 594	31 776	21 634
VAT receivable	10 004	10 086	6 121
Underlift of petroleum	15 091	31 969	3 696
Accrued income from sale of petroleum products	-614	-	1 866
Other receivables, including operated licences	67 448	87 653	66 200
Total other short-term receivables	**129 894**	**166 867**	**105 190**

Note 10 Cash and cash equivalents

The item 'Cash and cash equivalents' consists of bank accounts and short-term investments that constitute parts of the company's transaction liquidity.

Breakdown of cash and cash equivalents (USD 1 000)	31.03.2016	Group 31.03.2015	31.12.2015
Bank deposits	149 812	407 704	86 201
Restricted funds (tax withholdings)	4 806	3 987	4 398
Cash and cash equivalents	**154 618**	**411 691**	**90 599**
Unused revolving credit facility (see Note 15)	550 000	-	550 000
Unused reserve-based lending facility (see Note 15)	528 000	493 000	731 370

Note 11 Share capital

(USD 1 000)	31.03.2016	Group 31.03.2015	31.12.2015
Share capital	37 530	37 530	37 530
Total number of shares (in 1 000)	202 619	202 619	202 619
Nominal value per share in NOK	1.00	1.00	1.00

Note 12 Derivatives

(USD 1 000)	31.03.2016	Group 31.03.2015	31.12.2015
Unrealized gain on commodity derivatives - LTA	-	1 518	-
Unrealized gain currency contracts - LTA	6 222	-	-
Long-term derivatives included in assets	**6 222**	**1 518**	**-**
Unrealized gain on commodity derivatives - STA	32 086	3 229	45 217
Unrealized gain currency contracts - STA	1 263	-	-
Short-term derivatives included in assets	**33 349**	**3 229**	**45 217**
Total derivatives included in assets	**39 571**	**4 747**	**45 217**
Unrealized losses currency contracts - LTL	-	4 988	7 840
Unrealized losses interest rate swaps - LTL	33 776	1 328	54 172
Long-term derivatives included in liabilities	**33 776**	**6 317**	**62 012**
Unrealized losses currency contracts - STL	205	15 911	13 506
Unrealized losses interest rate swaps - STL	-	1 196	-
Short-term derivatives included in liabilities	**205**	**17 107**	**13 506**
Total derivatives included in liabilities	**33 981**	**23 424**	**75 518**

The company has different types of hedging instruments. The commodity derivatives are used to hedge the risk of oil price reduction. The company manages its interest rate exposure using interest rate derivatives, including a cross currency interest rate swap. Foreign currency exchange contracts are used to swap USD into foreign currencies, mainly NOK, EUR, GBP and SGD, in order to reduce currency risk related to expenditures. Currently all these derivatives are marked to market with changes in market value recognized in the Income statement.

Note 13 Other current liabilities

Breakdown of other current liabilities (USD 1 000)	31.03.2016	Group 31.03.2015	31.12.2015
Current liabilities related to overcall in licences	25 880	67 124	33 444
Share of other current liabilities in licences	183 250	158 430	184 010
Overlift of petroleum	909	5 816	17 088
Fair value of contracts assumed in acquisition of Marathon Oil Norge AS*	8 470	22 600	12 009
Other current liabilities**	57 198	72 435	64 125
Total other current liabilities	**275 707**	**326 405**	**310 675**

* The negative contract value is related to a rig contract entered into by Marathon Oil Norge AS, which was different from current market terms at the time of acquisition at 15 October 2014. The fair value was based on the difference between market price and contract price. The balance was initially split between current and non-current liabilities based on the cash flows in the contract, and amortized over the lifetime of the contract, which expires later in 2016.

** Other current liabilities includes unpaid wages and vacation pay, accrued interest and other provisions.

Note 14 Long-term bonds

(USD 1 000)	Group 31.03.2016	31.03.2015	31.12.2015
Principal, bond Nordic Trustee [1]	223 135	232 545	208 744
Principal, bond Nordic Trustee [2]	295 007	-	294 696
Total bond	**518 142**	**232 545**	**503 440**

[1] The loan is denominated in NOK and runs from July 2013 to July 2020 and carries an interest rate of 3 month NIBOR + 6.5 per cent. The principal falls due on July 2020 and interest is paid on a quarterly basis. The loan is unsecured. See Note 19 for information regarding financial covenants.

[2] In May 2015, the company completed a new issue of USD 300 million subordinated seven year PIK Toggle bonds with a fixed rate coupon of 10.25 per cent. The bonds are callable from year four and includes an option to defer interest payments.

Note 15 Other interest-bearing debt

(USD 1 000)	Group 31.03.2016	31.03.2015	31.12.2015
Reserve-based lending facility	2 220 836	2 143 703	2 118 935
Total other interest-bearing debt	**2 220 836**	**2 143 703**	**2 118 935**

The RBL Facility was established in October 2014 and is a senior secured seven-year USD 3.0 billion facility and includes an additional uncommitted accordion option of USD 1.0 billion. The interest rate is from 1 - 6 months LIBOR plus a margin of 2.75 per cent, with a utilization fee of 0.5 per cent on outstanding loan. In addition a commitment fee of 1.1 per cent is paid on unused credit.

In March 2016, the company completed an interim redetermination process with its bank consortium in connection with the process to amend the levels on certain of its covenants. The borrowing base availability in the first half of 2016 has been reset to USD 2.8 billion, which is USD 0.1 billion below the availability resulting from the redetermination in December 2015. Furthermore, the borrowing base availability in the second half of 2016 has been set to USD 2.9 billion, in line with the redetermination process completed in December 2015. As a result of this exercise, there will be no redetermination in June 2016. The next scheduled redetermination process for the company will therefore be in December 2016.

A revolving credit facility ("RCF") of USD 550 million was also completed with a consortium of banks at June 2015. The loan has a tenor of four years with extension options of one plus one year at the lenders discretion. The loan carries a margin of 4 per cent, stepping up by 0.5 per cent annually after 3, 4 and 5 years, plus a utilization fee of 1.5 per cent. In addition a commitment fee of 2.2 per cent is paid on unused credit. This facility is undrawn as of 31 March 2016.

See Note 19 for information regarding changes in financial covenants in April 2016.

Note 16 Provision for abandonment liabilities

	Group		
(USD 1 000)	31.03.2016	31.03.2015	31.12.2015
Provisions as of 1 January	423 325	489 051	489 051
Incurred cost removal	-1 306	-1 134	-12 508
Accretion expense - present value calculation	5 812	6 396	26 351
Change in estimates and incurred liabilities on new fields*	11 807	-2 019	-79 569
Total provision for abandonment liabilities	**439 638**	**492 294**	**423 325**
Break down of the provision to short-term and long-term liabilities			
Short-term	13 785	2 677	10 520
Long-term	425 853	489 617	412 805
Total provision for abandonment liabilities	**439 638**	**492 294**	**423 325**

* The change in estimates are mainly related to the completion of new wells on fields under development.

The company's removal and decommissioning liabilities relates mainly to the producing fields.

The estimate is based on executing a concept for abandonment in accordance with the Petroleum Activities Act and international regulations and guidelines. The calculations assume an inflation rate of 2.5 per cent and a nominal discount rate before tax of between 3.91 per cent and 5.93 per cent.

Note 17 Contingent liabilities

During the normal course of its business, the company will be involved in disputes, including tax disputes. The company has made accruals for probable liabilities related to litigation and claims based on management's best judgment and in line with IAS 37 and IAS 12. Management is of the opinion that none of the disputes will lead to significant commitments for the company.

In 2012, the company announced that it had received a notice of reassessment from the Norwegian Oil Taxation Office (OTO) in respect of 2009 and 2010. Subsequently the notice was extended to include 2011 and 2012. The company responded to the notice of reassessment in 2012 by submitting detailed comments, and has subsequently had further correspondence with OTO regarding the notice.

Note 18 Relocation of the Oslo office

During March 2016 the company's Oslo office was relocated from Aker Brygge to Fornebu. In January, Det norske entered into the lease contract with Fornebuporten Næring AS for lease of premises at Fornebuporten. The transaction meets the IAS 24 definition of a related party transaction, though is not a transaction between closely related parties according to the Public Limited Liabilities Act section 3-8. A fairness opinion regarding the rental payment was obtained confirming that the rental payments are according to market prices.

Note 19 Subsequent events

In April 2016, the company obtained acceptance for a covenant amendment package from its bank consortium, and as a result the covenant levels in the RBL and RCF have been updated as follows; Leverage Ratio shall be maximum 6 in the quarters starting from 30 June 2016 and ending 31 December 2017, thereafter maximum 5.5 between 31 March 2018 up to and including 31 December 2018, further maximum 6 between 31 March 2019 up to and including 31 December 2019, and thereafter maximum 3.5. The Interest Cover Ratio shall be minimum 2 in the quarters starting from 30 June 2016 and ending 30 September 2017, thereafter minimum 2.3 from 31 December 2017 up to and including 30 September 2018, further minimum 2 from 31 December 2018 up to and including 31 December 2019, and thereafter minimum 3.5. The company is working to obtain a similar agreement with the DETNOR02 bondholders.

Note 20 Investments in joint operations

The company's investments in licences on the Norwegian Continental Shelf as of:

Fields operated:	31.03.2016	31.12.2015
Alvheim	65.000 %	65.000 %
Bøyla	65.000 %	65.000 %
Ivar Aasen Unit	34.786 %	34.786 %
Jette Unit	70.000 %	70.000 %
Vilje	46.904 %	46.904 %
Volund	65.000 %	65.000 %

Fields non-operated:	31.03.2016	31.12.2015
Atla	10.000 %	10.000 %
Enoch	2.000 %	2.000 %
Gina Krog	3.300 %	3.300 %
Johan Sverdrup ****	11.573 %	11.573 %
Jotun	7.000 %	7.000 %
Varg	5.000 %	5.000 %

Production licences in which Det norske is the operator:

Licence:	31.03.2016	31.12.2015
PL 001B	35.000 %	35.000 %
PL 026B	62.130 %	62.130 %
PL 027D	100.000 %	100.000 %
PL 028B	35.000 %	35.000 %
PL 036C	65.000 %	65.000 %
PL 036D	46.904 %	46.904 %
PL 088BS	65.000 %	65.000 %
PL 103B	70.000 %	70.000 %
PL 150	65.000 %	65.000 %
PL 150B	65.000 %	65.000 %
PL 169C	50.000 %	50.000 %
PL 203	65.000 %	65.000 %
PL 203B	65.000 %	65.000 %
PL 242	35.000 %	35.000 %
PL 340	65.000 %	65.000 %
PL 340BS	65.000 %	65.000 %
PL 364	100.000 %	50.000 %
PL406	50.000 %	0.000 %
PL407	50.000 %	0.000 %
PL 460	100.000 %	100.000 %
PL 494	30.000 %	30.000 %
PL 494B	30.000 %	30.000 %
PL 494C	30.000 %	30.000 %
PL 504	47.593 %	47.593 %
PL539	40.000 %	0.000 %
PL 626	50.000 %	50.000 %
PL 659	20.000 %	20.000 %
PL 663	30.000 %	30.000 %
PL 677	60.000 %	60.000 %
PL 709	40.000 %	40.000 %
PL 715	40.000 %	40.000 %
PL 724	40.000 %	40.000 %
PL 724B	40.000 %	40.000 %
PL 736S	65.000 %	65.000 %
PL 748***	30.000 %	40.000 %
PL 777	40.000 %	40.000 %
PL777B**	40.000 %	0.000 %
PL 790 ***	30.000 %	50.000 %
PL814**	40.000 %	0.000 %
PL818**	40.000 %	0.000 %
PL821**	60.000 %	0.000 %
PL822S**	60.000 %	0.000 %
PL843**	40.000 %	0.000 %
Number	**43**	**34**

Production licences in which Det norske is a partner:

Licence:	31.03.2016	31.12.2015
PL 019C	30.000 %	30.000 %
PL 019D*	0.000 %	30.000 %
PL 029B	20.000 %	20.000 %
PL 035	50.000 %	50.000 %
PL 035B*	0.000 %	40.000 %
PL 035C	50.000 %	50.000 %
PL 038	5.000 %	5.000 %
PL 038D	30.000 %	30.000 %
PL 038E*	0.000 %	5.000 %
PL 048B*	0.000 %	10.000 %
PL 048D	10.000 %	10.000 %
PL 102C	10.000 %	10.000 %
PL 102D	10.000 %	10.000 %
PL 102F	10.000 %	10.000 %
PL 102G	10.000 %	10.000 %
PL 265	20.000 %	20.000 %
PL 272	50.000 %	25.000 %
PL 362*	0.000 %	40.000 %
PL 438*	0.000 %	10.000 %
PL 442	60.000 %	60.000 %
PL 457	40.000 %	40.000 %
PL 457BS	40.000 %	40.000 %
PL 492	40.000 %	40.000 %
PL 502	22.222 %	22.222 %
PL521*	0.000 %	25.000 %
PL 533 ***	35.000 %	35.000 %
PL 550	10.000 %	10.000 %
PL 551*	0.000 %	20.000 %
PL 554	30.000 %	30.000 %
PL 554B	30.000 %	30.000 %
PL 554C	30.000 %	30.000 %
PL 567*	0.000 %	40.000 %
PL 574	10.000 %	10.000 %
PL583	45.000 %	45.000 %
PL 613	20.000 %	20.000 %
PL617	35.000 %	0.000 %
PL 627	20.000 %	20.000 %
PL 627B	20.000 %	20.000 %
PL 653	30.000 %	30.000 %
PL 672	25.000 %	25.000 %
PL 678S***	0.000 %	25.000 %
PL 681*	0.000 %	16.000 %
PL689	20.000 %	20.000 %
PL689B**	20.000 %	0.000 %
PL690	30.000 %	30.000 %
PL 694	20.000 %	20.000 %
PL722***	10.000 %	10.000 %
PL 730	30.000 %	30.000 %
PL 730B	30.000 %	30.000 %
PL 778	20.000 %	20.000 %
PL797	25.000 %	25.000 %
PL 804**	30.000 %	30.000 %
PL813**	3.300 %	0.000 %
PL842**	30.000 %	0.000 %
PL844**	20.000 %	0.000 %
Number	**44**	**50**

* Relinquished licences or Det norske has withdrawn from the licence.

** Interest awarded in the APA Licensing round (Application in Predefined Areas) in 2015. The awards were announced in 2016.

*** Acquired/changed through licence transactions or licence splits.

**** According to a ruling by Ministry of Oil and Energy.

Note 21 Results from previous interim reports

(USD 1 000)	2016 Q1	2015 Q4	2015 Q3	2015 Q2	2015 Q1	2014 Q4	2014 Q3	2014 Q2
Total operating income	**204 848**	**254 634**	**316 393**	**321 850**	**328 924**	**345 670**	**18 334**	**74 304**
Exploration expenses	36 115	18 867	18 066	24 949	14 523	51 491	71 778	21 027
Production costs	34 374	24 077	26 888	50 686	39 349	44 400	7 906	7 417
Depreciation	114 318	111 590	129 790	117 354	122 224	104 183	28 080	13 443
Impairments	37 964	191 939	185 756	-	52 773	319 018	-	-
Other operating expenses	5 330	3 228	11 433	22 550	14 397	10 679	993	12 896
Total operating expenses	**228 101**	**349 701**	**371 932**	**215 539**	**243 266**	**529 772**	**108 757**	**54 782**
Operating profit/loss	**-23 253**	**-95 067**	**-55 539**	**106 311**	**85 658**	**-184 102**	**-90 423**	**19 522**
Net financial items	7 620	-56 138	-51 205	-43 137	-4 492	-12 788	-30 143	-23 865
Profit/loss before taxes	**-15 633**	**-151 205**	**-106 744**	**63 174**	**81 166**	**-196 889**	**-120 567**	**-4 343**
Taxes (+)/tax income (-)	-47 866	4 980	59 441	55 897	78 727	89 997	-103 615	-31 627
Net profit/loss	**32 233**	**-156 184**	**-166 185**	**7 277**	**2 439**	**-286 887**	**-16 952**	**27 284**

Financial figures from quarters prior to the change in functional currency have been converted to USD nine months average for the three first quarters in 2014.

NOTES

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