



A FANTASTIC YEAR

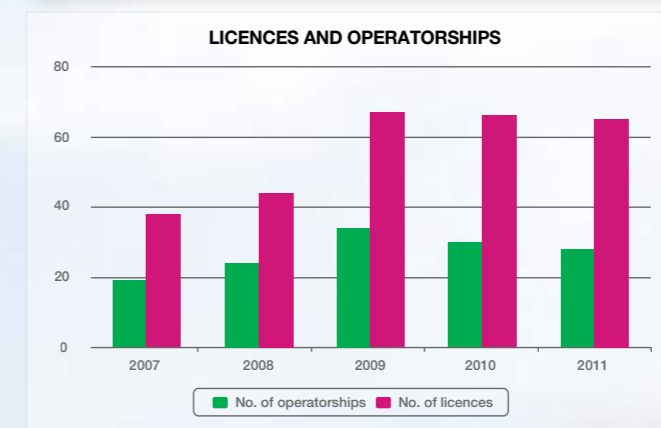
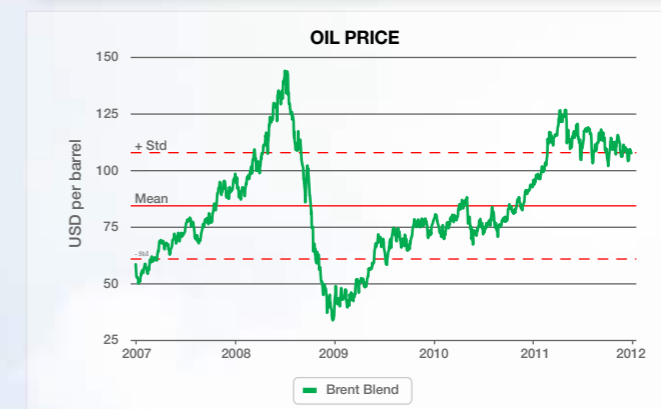
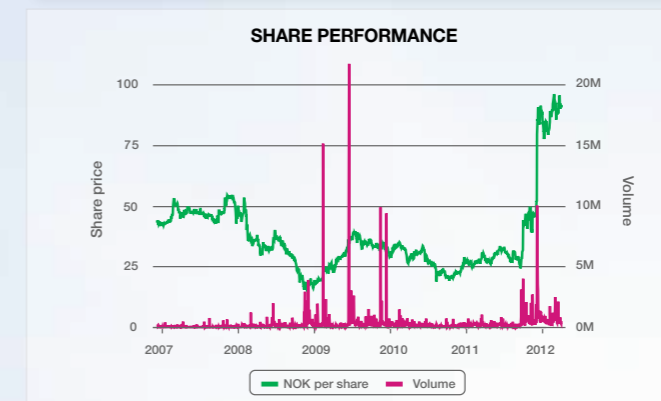
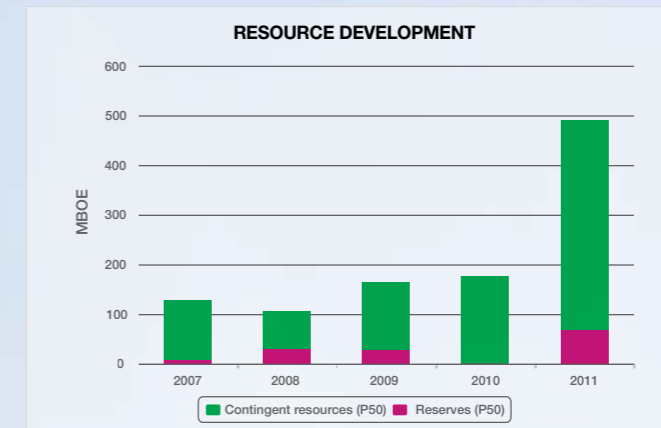
Annual Report 2011

KEY FIGURES 2011

	2011	2010	2009	2008	2007	2006
No. of licence interests as of 31 December	65	66	67	44	34	9
No. of operatorships	28	30	34	24	19	4
Production	547 561 bbl	763 494 bbl	673 603 bbl	661 732 bbl	300 651 bbl	272 762 bbl
Average production per day	1 501 bbl	2 092 bbl	1 845 bbl	1 808 bbl	747 bbl	1 158 bbl
Reserves (P50) as of 31 December	68 mill. bbl	1 mill. bbl	29 mill. bbl	30 mill. bbl	8 mill. bbl	7 mill. bbl
Reserves (P50) and contingent resources (P50) as of 31 December	492 mill. bbl	177 mill. bbl	165 mill. bbl	109 mill. bbl	129 mill. bbl	40 mill. bbl
Total operating revenues	372 MNOK	366 MNOK	265 MNOK	635 MNOK	131 MNOK	118 MNOK
Operating profit/(loss) before depreciation and amortization	-914 MNOK	-1 670 MNOK	-1 169 MNOK	-60 MNOK	-218 MNOK	-117 MNOK
Operating profit/(loss)	-1 191 MNOK	-2 000 MNOK	-1 436 MNOK	-572 MNOK	-252 MNOK	-137 MNOK
Income/(loss) before taxes	-1 391 MNOK	-2 183 MNOK	-1 400 MNOK	-416 MNOK	-247 MNOK	-136 MNOK
Net income/(loss)	-459 MNOK	-690 MNOK	-521 MNOK	225 MNOK	-42 MNOK	-30 MNOK
Exploration costs	1 012 MNOK	1 777 MNOK	1 209 MNOK	545 MNOK	283 MNOK	186 MNOK
Total exploration costs (expensed and capitalized)	1810 MNOK	2729 MNOK	2 102 MNOK	397 MNOK	404 MNOK	172 MNOK
Cash flow before financing activities	-266 MNOK	-726 MNOK	-936 MNOK	1 012 MNOK	-61 MNOK	-154 MNOK
Book value of equity	3 677 MNOK	3 160 MNOK	3 851 MNOK	3 758 MNOK	3 563 MNOK	807 MNOK
Market capitalization	11 257 MNOK	3 000 MNOK	3 080 MNOK	1 889 MNOK	5 194 MNOK	1 723 MNOK
No. of shares as of 31 December	127 915 786	111 111 111	111 111 111	64 925 020	64 925 020	26 510 650
Nominal value per share as of 31 December	1,00 NOK	1,00 NOK	1,00 NOK	0,20 NOK	0,20 NOK	0,20 NOK
Share price as of 31 December	88,0 NOK	27,0 NOK	33,8 NOK	19,4 NOK	53,3 NOK	43,3 NOK
Number of employees as of 31. December	172	193	176	127	78	29

* Additional information is available in the "Board of Directors' Annual Report and Financial Statements 2011."

FIVE YEARS WITH DET NORSKE





OUR VISION

DETNORSKE is an innovative, independent and challenging oil company. We are quick, efficient and smart.

DETNORSKE gets the most out of its oil resources. In this way we generate more value for society, our shareholders and our employees.

DETNORSKE will continue to be the most ambitious oil company on the Norwegian Continental Shelf.

HIGHLIGHTS IN 2011

The gigantic discovery on Johan Sverdrup was a turning point for Det norske. It is one of the biggest discoveries ever made on the Norwegian Continental Shelf. It has contributed to renewed faith in the Norwegian oil and gas adventure.

With its 20 percent interest in Sverdrup West (Aldous), Det norske has experienced a fantastic growth in both resources and market value.

Det norske was one of last year's winners on the stock exchange, with a growth of more than 200 percent.

In September, the **Plan for Development and Operation (PDO) for Jette** was submitted to the Minister of Petroleum and Energy, Mr Ola Borten Moe. Jette represents Det norske's first self-operated field development and signifies an important step on the way to becoming a fully fledged oil company. The plan was approved in February 2012. Jette will start producing early 2013.

Det norske is also about to embark on **the development of Draupne**. On behalf of the partnership in Draupne, a new three-year rig contract was signed with Maersk for

a value of NOK 413 million. The company's rig contract with Transocean Barents runs until 2014.

Det norske continues its **ambitious exploration strategy**. The company participated in the drilling of eleven wells in 2011. Two of these were appraisal wells on Sverdrup West. Discoveries were made in six of the nine exploration wells. One of the discoveries was Skaugumsåsen where Det norske is operator. The other discoveries were the above-mentioned Sverdrup, Krafla, Norvarg and Skalle.

Det norske **strengthened its financial position substantially** in 2011. Equity has been strengthened by NOK 489 million through a private placement and conversion of an unsecured bond issue in the amount of NOK 452 million. The company has also secured a credit facility of up to USD 500 million. In total, this provides a good basis for the developments that the company is about to embark on.

Operations in 2011 were carried out **without any serious HSE incidents**.



A FANTASTIC YEAR

2011 was the year in which all doubts were swept away: Det norske is well on its way to becoming a significant oil company on the Norwegian Continental Shelf, and the petroleum industry will be dominant in Norway for many decades to come. The perception of an industry in decline has been replaced by concern about whether we have enough manpower to get the job done. Most people have great faith in the industry and believe that it will generate much income to the Norwegian society for the foreseeable future. We know that the world needs all the energy we can deliver from the resources on the continental shelf. As an independent Norwegian company, we will play an important role in achieving this. The Norwegian oil adventure continues.

The Johan Sverdrup field is the most important reason why 2011 was a turning point, both for Det norske and for the industry. Sverdrup is the third biggest discovery ever on the Norwegian Continental Shelf, and one of the world's biggest discoveries in recent years. In our case, it contributed to trebling our resource basis, something that we could previously only dream of. At the same time, it opened the eyes of politicians, the media and the general public to the vast volumes that remain to be discovered on the Norwegian Continental Shelf. Very few believed in the possibility of making such a discovery in a mature area like the North Sea.

New Optimism

Our hopes for the Barents Sea were also boosted in 2011. We took part in the exciting discovery on Norvarg. Significant discoveries were made on Skrugard and Havis, in an area where we participate in neighbouring licences. In the most recent licensing round, we were trusted with the operatorship of an abandoned discovery called Caurus. Det norske has long been a driving force

for increased activity in the far north, and we have now been assigned tasks that form the basis for continued growth in Northern Norway.

The discoveries we participated in last year made it possible to secure sound financing for the company in the years ahead. An agreement with three banks enables us to draw on credit facilities of more than NOK three billion, in addition to a loan to cover exploration costs in the same amount. We also strengthened equity last year through a private placement and by converting a previous loan into shares.

Ready for Development

Det norske is well equipped for the upcoming developments. In February this year, the Plan for Development and Operation (PDO) for Jette was approved by the authorities. Jette is our first development as operator, a milestone for the company. Jette is a relatively small development, but it is profitable because it will be developed as a tie-in to the installations on Jotun. This is in line with the authorities' wishes to develop small

resources as tie-ins to existing infrastructure. Although Jette is small, it may prove to be very profitable. We also believe that it is right to carry out our first development on a small project before we move on to bigger developments. When Jette starts producing in early 2013, it can give us a production of 10,000 barrels per day, which is more than five times the amount we have today.

Draupne is now next in line. The authorities want a coordinated solution with the neighbouring field Luno. That will also be our chosen solution when we submit the PDO during the course of the year. There will be an independent platform on Draupne operated by us, but the final processing before export will take place on the Luno platform.

The development of Draupne will represent a big step forward in establishing Det norske as a fully fledged oil company engaged in exploration, development and production.

Successful Discoveries

We will not reduce our exploration activities as a result of successful discoveries in 2011. We will continue to be one of the most ambitious oil companies on the Norwegian Continental Shelf. We will continue to explore, both in mature areas of the North Sea and in less explored areas in the far north. We will seek out the many small fields we know exist out there, and also hunt for the big ones. We will discover more.

We have secured the rig capacity to do so, not least through the long-term contract for the Transocean Barents rig. We have also secured a rig for the drilling on Draupne. This is reassuring in a market where there is a shortage of rigs. It is also good to be able to look back on yet another year without any serious HSE incidents. That is always a primary concern. Our performance can be ascribed to

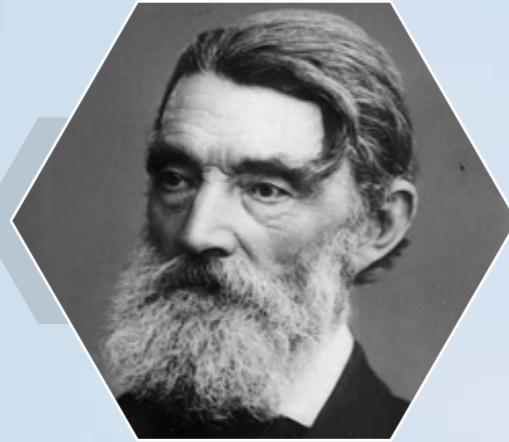
competent and committed employees who want to take part in building a major company.

A few years ago, our goal was to produce 20,000 barrels a day by 2020. We eventually set ourselves an optimistic goal of 50,000 barrels. Today, we are looking at the prospect of producing close to 100,000 barrels a day. During the course of last year, our market value grew from around NOK three billion to more than NOK 11 billion. We are pleased about the growth in value for our shareholders. We are also proud of contributing to creating value for the society.

The Norwegian oil adventure continues.



Erik Haugane
CEO



GIGANTIC SVERDRUP

The exploration year 2011 will go down in history. Det norske participated in the discovery that has been named Johan Sverdrup, the third biggest discovery ever to be made on the Norwegian Continental Shelf, gigantic also by global standards. Det norske's resources were trebled. An adventure for the company, a turning point for the oil industry: a great year of discoveries.

On 20 August, Det norske reported a 'Considerable discovery on Aldous' in production licence 265. We had long been looking forward to drilling the well on the field, which was then called Aldous Major South. Between 200 and 400 million barrels: with a 20 percent share in production, Det norske would get between 40 and 80 million barrels. 'We have been dreaming of this since we started in 2005,' said CEO Erik Haugane. On Friday 21 October, a new report came in: 'The Norwegian oil adventure – Aldous doubled'. And the figures were more than doubled, to between 900 and 1,500 million barrels.

A sizeable discovery had already been made in the neighbouring licence in 2010. The Ministry of Petroleum and Energy wanted to see the two licences as one and chose to call the field Johan Sverdrup. 'The success story of the Norwegian oil industry belongs to the Norwegian people as a whole. It is therefore important that names of big, independent developments have a signal effect that reaches beyond the continental shelf. The choice of name should reflect the importance of the project and the activity,' said the Minister of Petroleum and Energy, Mr Ola Borten Moe.

Johan Sverdrup was a unifying figure for the political left when democratic Norway was born through political struggle at the end of the 19th century. As leader of the political movement that established parliamentarism in Norway, Sverdrup became one of the biggest heroes of Norwegian political history.

All Power to this Assembly

We know the battle cry from the history books: 'All power to this assembly'. As prime minister, he headed a government that extended the right to vote, strengthened women's rights and introduced several liberal reforms.

The man who became Norway's first professional politician was 'a small, slightly built, provincial lawyer with an exotic appearance, a passionate gaze, resolute, quick-witted and resourceful – a true workhorse and completely in his element in the halls of the Storting', according to Karsten Alnæs in 'Historien om Norge' (The History of Norway). As we know, he did not have access to a petroleum fund. Sverdrup lacked funds, both in the treasury and privately. He never managed to repay



his debt. While important political battles were being fought in the Storting, Sverdrup was under threat of foreclosure. Not even after a fund-raising campaign among his followers did he manage to repay his debt. Sverdrup's financial worries, both privately and as prime minister, are far removed from the wealthy Oil Norway of today.

Trebling of Resources

The tax revenues from the Sverdrup field will probably equal today's government budget. Det norske's share represents a trebling of our resource basis.

'This gives us a rock-solid platform for further growth. The gigantic discovery was made in shallow waters in the North Sea. This means that the value of this field will be particularly high both for us and for our partners, and not least for the Norwegian society,' says CEO Erik Haugane. Det norske's share of the expected 1.2 billion barrels of oil will be close to a quarter billion barrels. Given an oil price of more than USD 100 a barrel, the sales value of Det norske's share of this oil can amount to as much as NOK 150 billion.

New Discovery in the Far North

The year 2011 was also a turning point for us and the industry following interesting discoveries in the Barents Sea. One of many good news was the discovery on Norvarg in production licence 535, where Det norske has a 20 percent interest. The operator Total reported a gas discovery. The resources have yet to be determined, but the amount of recoverable gas is estimated to be between 10 and 50 billion Sm³. An appraisal well will be drilled in 2013. The infrastructure needed to export gas from the area is lacking, which represents a challenge. Gassco and the owners on Snøhvit are considering extending the plant on Melkøya island, but they are also looking into the possibility of a new gas pipeline leading south to the network of gas pipelines in the Norwegian Sea and the North Sea. Along with the discoveries on Skrugard and Havis, Norvarg has generated new optimism for oil and gas activities in the far north.

Det norske also participated in a small discovery on Skalle in production licence 438. The estimated resources are between 2.5 and 8 billion Sm³. Appraisal drilling is being considered in collaboration with the operator Lundin. Det norske has a 10 percent interest in the licence. Det norske has been a driving force for increased activity in the far north for many years. The company was awarded the operatorship of Caurus, in production licence 659, at the start of 2012. Det norske has drawn on its experience from Norvarg and recognises the possibility of a considerable gas field on Caurus. This will be clarified through the drilling of an appraisal well, probably in 2014. 'A vote of confidence, and a strengthening of our office in Harstad,' said Exploration Manager Bjørn Martinsen following the award.

The Year of Discoveries

The year 2011 resulted in several interesting discoveries for Det norske. Firstly, oil was discovered on Krafla

in the North Sea in production licences 035 and 272. This was followed by the discovery of gas, condensate and oil on Krafla West. Krafla contains between 36 and 84 million barrels of recoverable oil equivalents. Det norske has a 25 percent interest. The discovery is located close to infrastructure, around 25 kilometres from Oseberg South, which means that it may prove to be very profitable. Krafla is scheduled for production start-up in 2015 or 2016 and may give Det norske a considerable growth in production. Together with the operator Statoil, Det norske is working actively to find the best development solution. As operator, Det norske made a small discovery in production licence 482 in the Skaugumsåsen prospect.

Licences and Operatorships

At year end, Det norske participated in 65 licences. The company is the operator of 28 of these. Following the most recent awards, the company participates in 74 licences, and is the operator of 31 of these.

A complete overview of exploration results in 2011 and of our portfolio is available on our website. Here, you can also see our updated licence map.

www.detnor.no/en/our-assets/portfolio

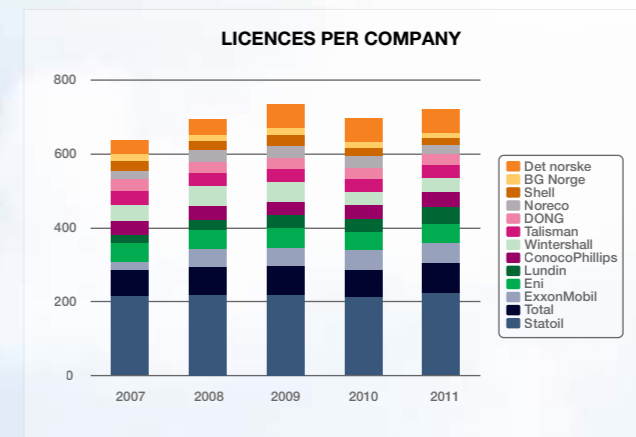
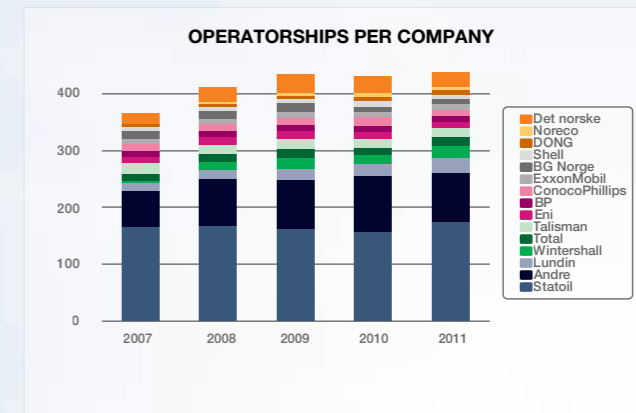
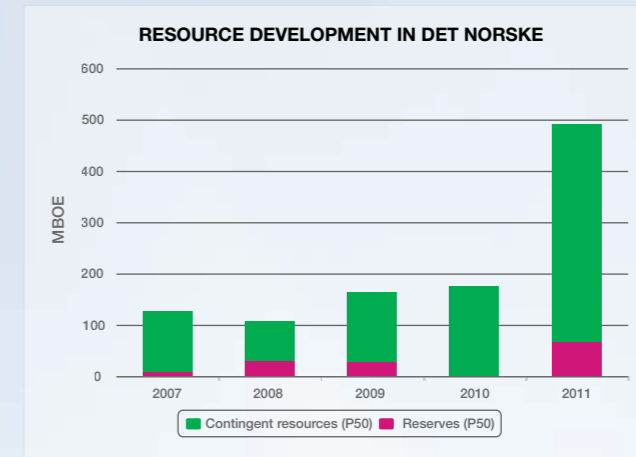
WE SEARCH TO DISCOVER

Det norske shall continue to be one of the most ambitious oil companies on the Norwegian Continental Shelf. Our ambitious strategy has led to the discovery of between 400 and 550 million barrels of oil equivalents. The total discovery cost per barrel is less than one dollar.

In the next few years, we will participate in the drilling of ten to twelve wells every year, of which three to four are operated by us. Our main focus will continue to be on exploration in mature areas in the proximity of existing infrastructure, especially in the North Sea. We will participate in the drilling of selected exploration wells in less mature areas as well, so-called frontier areas. Det norske will continue to be a driving force for increased activity in the far north.



Core sample Sverdrup West.





A SMALL 'TROLL' OF AN OIL FIELD

Det norske is ready for the company's first development, as operator of Jette. Throughout 2011, much work was put into achieving a rapid development. On Friday 17 February 2012, King Harald signed the development plan. This represented a real milestone for the company.

Jette is one of the smallest oil fields in the North Sea. It got its name, which means troll or giant, from one of the most remarkable natural phenomena in Norway: big, smooth potholes in solid rock. Throughout history, these potholes, which are often located far from the sea, have captured people's imagination.

Even St. Olaf has been credited with creating potholes. Today, we know that potholes are a geological phenomenon, created by glacial streams causing a vortex of stone and gravel underneath the ice towards the end of the previous ice age. We have chosen a pothole as the logo for our development. Although Jette's

resources are small, they nonetheless represent value for the company and for the Norwegian society. Det norske believes that the oil companies should also take on the task of developing such minor resources. Jette contains about 14 million barrels of oil equivalents, based on a recovery factor of 30 percent. The daily production from Jette will be about 14,000 barrels of oil equivalents the first year, of which approximately 10,000 barrels a day will go to Det norske. The development is estimated to cost about NOK 2.5 billion.


Profitable

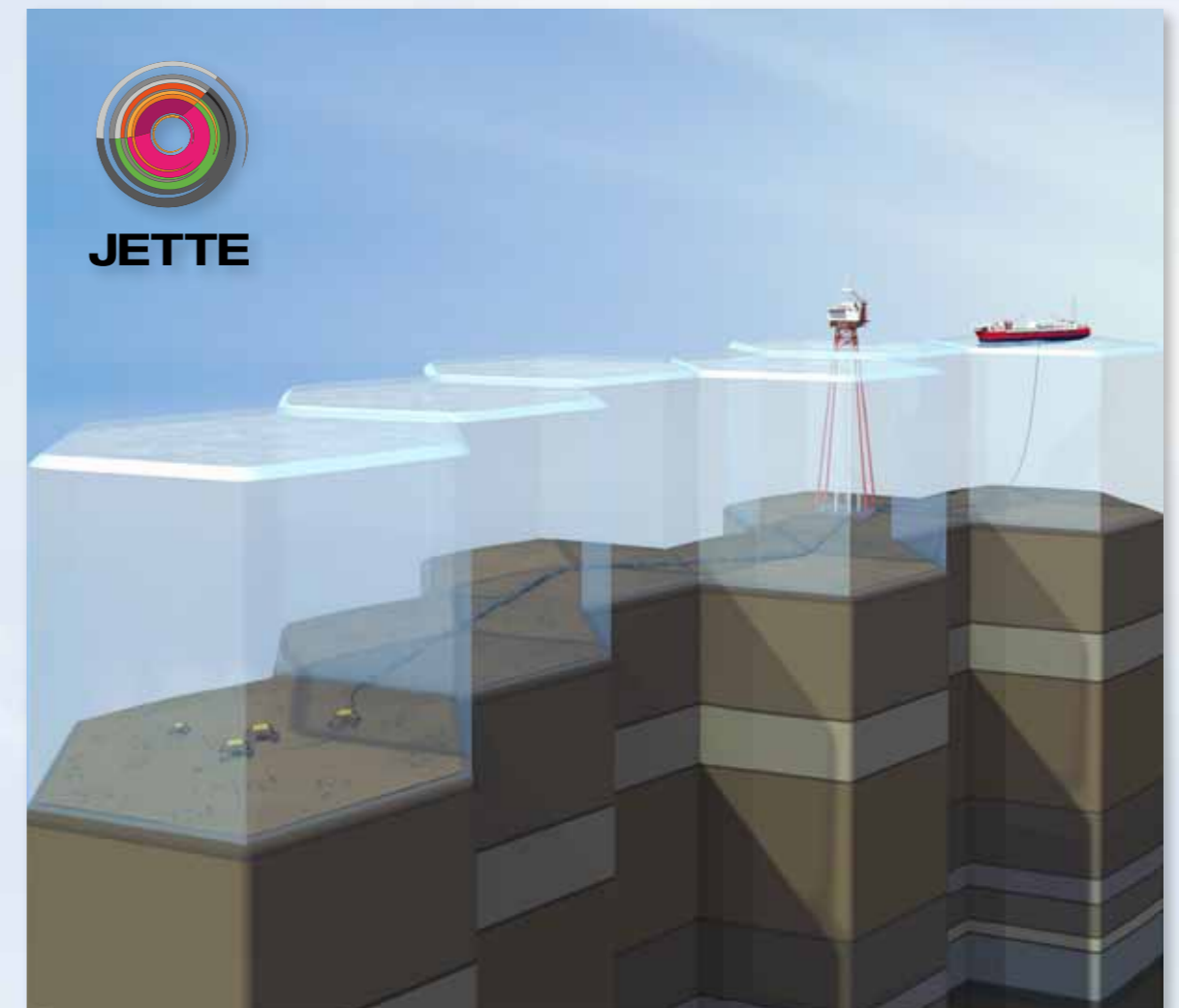
Based on today's oil prices, the Jette field can generate a gross income of NOK 8 billion. The operating costs are low compared to independent field developments, which is why it is profitable to develop. The goal is to start production during the first quarter 2013. The Jette field will produce through two horizontal wells connected to a floating production, storage offloading unit (FPSO) on Jotun. Jette is a good example of what the authorities describe as

time-critical resources. The field will be developed and operated by Det norske in Trondheim, while day-to-day follow-up of operations will be carried out by ExxonMobil. Petoro is our partner on Jette.

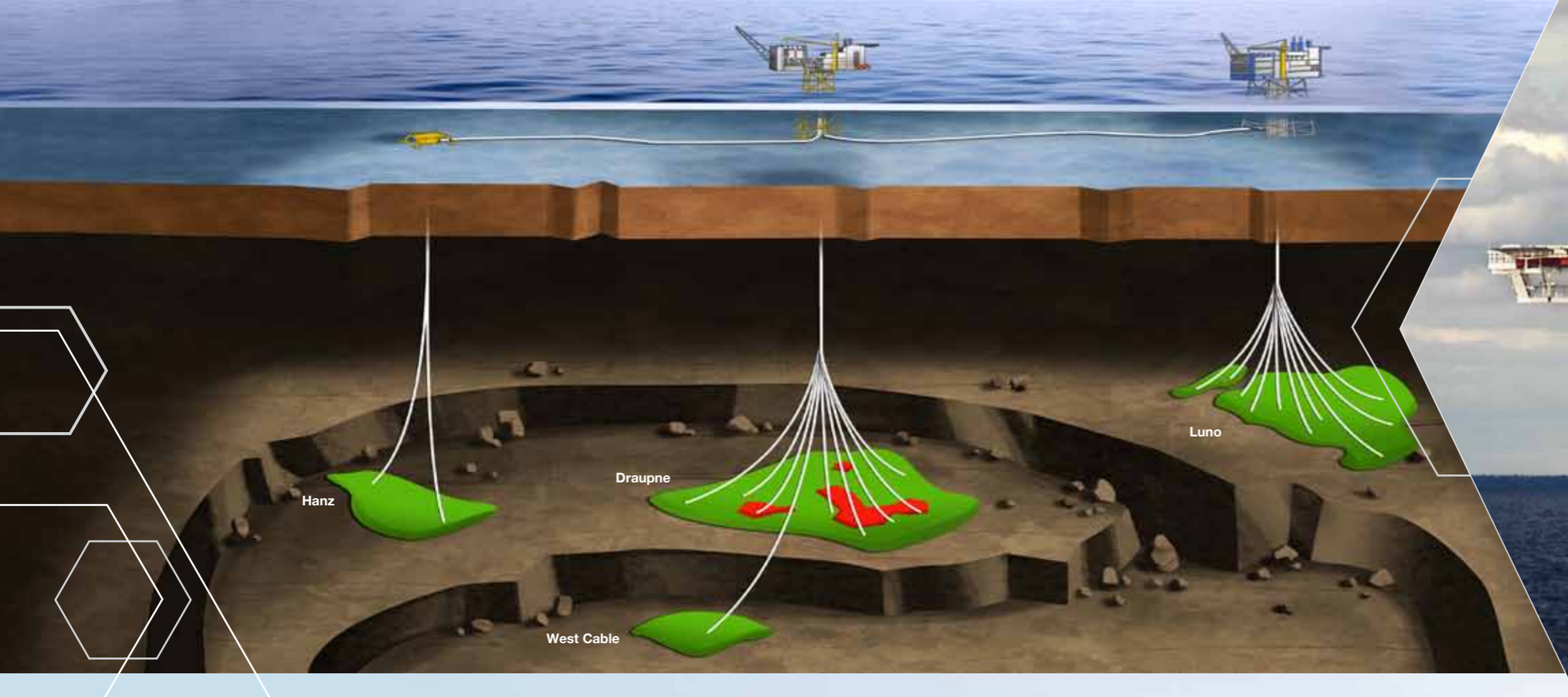
Det norske believes that it is important to start with a small development before we take on bigger projects. This was our first Plan for Development and Operation (PDO). More will follow. Det norske is well positioned to become a major development operator in Norway in a few years' time. Each project represents an important step on our way to becoming a fully fledged oil company engaged in exploration, development and production.

Read more about the development of Jette on our website:

 www.detnor.no/en/our-assets/development/jette



Jette will be produced with two horizontal wells tied back to the Jotun B platform. The well streams of Jotun and Jette will then be mixed and sent to Jotun A (FPSO) for final processing and export.



The Varg field loading buoy

MORE THAN DROPLETS IN DRAUPNE

Draupne is our next development project as operator. There are more than just droplets in Draupne; it contains about 143 million barrels. Our goal is to submit a PDO in the course of 2012. To achieve this, 2011 has been characterised by extensive efforts to find the right development solution. The authorities have issued clear instructions for a coordinated development of Draupne and the neighbouring field Luno. This may lead to a more profitable development overall.

What we do know is that the field will no longer be called Draupne. Draupne (or Draupnir) was the name of a magical ring belonging to the Norse god Odin. It was said that gold dripped from the ring and that it was a source of eternal wealth. But 'draupne' is also a source rock of the Upper Jurassic. In any case, considerable value will be generated for society once Draupne is developed – regardless of the name that is finally chosen.

Det norske has a 35 percent interest in the Draupne licences, which also cover the smaller fields Hanz and West Cable. The partnership in Draupne has negotiated an agreement with Luno concerning a coordinated development in the area. Draupne will be developed using a new jacket platform with first-stage separation. The wellstream from Draupne will be transported to the platform on Luno for final processing and export to the markets. A coordinated development can lower the capital investments, while

the operating costs will increase as a result of tariffs on processing. Draupne will have access to processing capacity on the Luno platform from the first quarter 2016. Draupne can give Det norske a production of about 23,000 barrels a day when it starts producing. The partnership in Draupne has signed a charter agreement with Maersk for a new jack-up rig to drill Draupne's production and injection wells.

Potent Frøy

In 2011, Det norske decided to postpone the scheduled development of Frøy. But Frøy, the fertility god, is still potent. As operator and with a 50 percent ownership interest, Det norske is working untiringly to find the optimum development solution. This also includes our discovery on the nearby Stor-klakken (100 percent). Several area solutions are being considered, not least a solution involving Frigg Gamma Delta, where Det norske has a 20 percent share. Total resources in the area amount to approximately 200 million barrels of oil equivalents, mostly oil. It has been decided to drill an appraisal well in production licence 460 in 2013, which may further strengthen the resource basis in the Frøy area.

Several Small Contributions

As partner, Det norske helped to ensure the progress of smaller developments. A PDO for Atla was approved in November (production

licence 102C). Our interest in Atla is 10 percent. Det norske's investment will be in the region of NOK 140 million. The first production is expected already towards the end of the year. This may give us an additional 1,000 barrels per day.

On Dagny in production licence 035, it has been decided to develop the field with a fixed platform and prepare a PDO. It is estimated that Dagny contains about 230 million barrels of recoverable oil and gas. The field extends into production licence 029B, in which Det norske has a 20 percent interest. Det norske's net interest in the field will be decided during negotiations about unitisation. The plan is to submit the PDO in December 2012. Expected production start-up is towards the end of 2016.

A FULLY FLEDGED OIL COMPANY

Det norske shall be a fully fledged oil company engaged in exploration, development and production. The company is now ready for its first self-operated development on Jette.

Det norske will break new ground to make the developments as efficient as possible. The most important thing is to do it in a safe manner, at the right time and for the right price.

A DROP IN THE OCEAN

Production

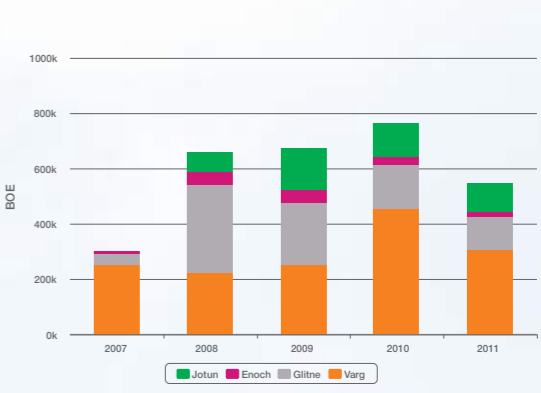
Det norske holds ownership interests in four producing fields, but production is still small. This will change when Jette starts producing.

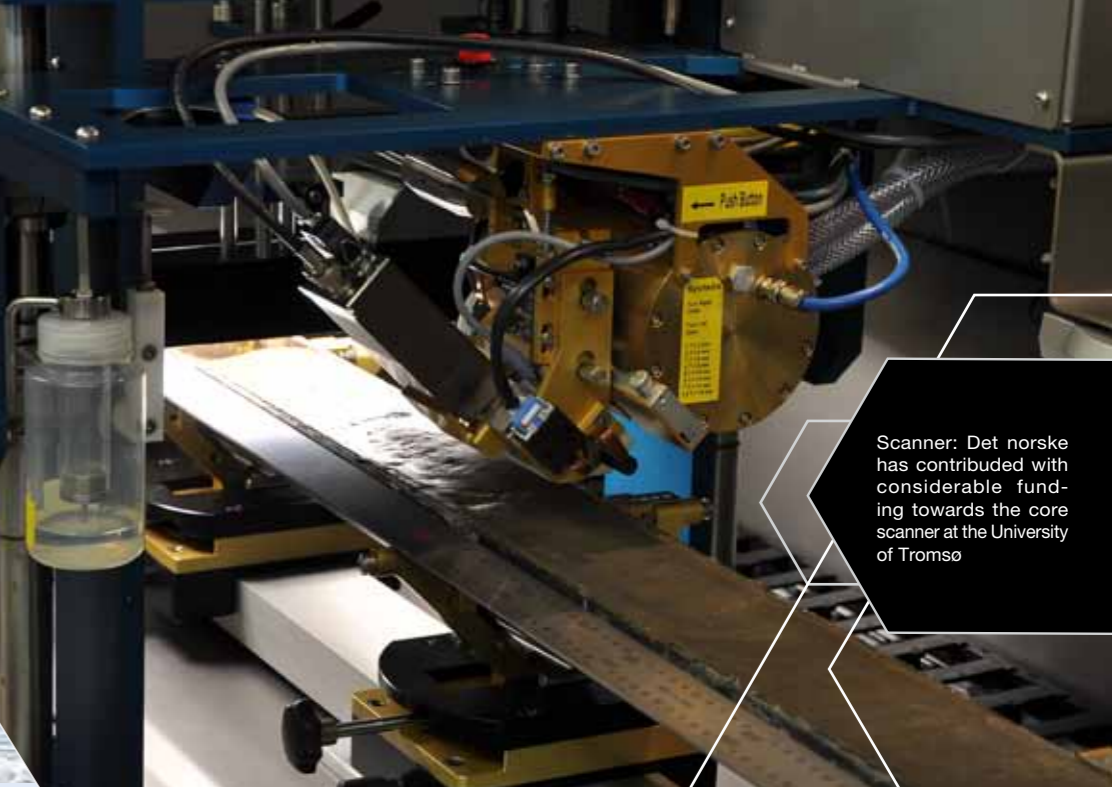
In 2011, the overall production of oil and gas totalled about 548,000 barrels. This gave an average production of 1,501 barrels a day, a decrease from the year before, when production amounted to 2,092 barrels a day.

We achieved a price of USD 112 per barrel, compared with USD 80 the year before.

Det norske has a five percent share in Varg, 10 percent in Glitne, two percent in Enoch and seven percent in Jotun Unit.

PRODUCING FIELDS





Scanner: Det norske has contributed with considerable funding towards the core scanner at the University of Tromsø

Drilling

RIGGED TO DRILL

Det norske operated two exploration wells in 2011. The company also participated in nine wells as partner. We have secured rig capacity for drilling several self-operated wells in the time ahead.

Det norske had contracts with three drilling rigs in 2011. Det norske has extended the contract for Aker Barents until July 2014. The rig was owned and operated by Aker Drilling, but was sold to Transocean in 2011, and changed its name to Transocean Barents. Det norske looks forward to continue its close, good cooperation with the rig contractor.

During the course of the third quarter 2011, Aker Barents was moved to the Barents Sea and has now drilled a total of four wells for other operators in that area. The rig is specially designed for operations in Arctic areas and has so far lived up to all our expectations. It has proved to be highly efficient and safe, and has coped with the challenges of the Arctic in a very satisfactory manner.

The Songa Delta was operated together with Wintershall in a consortium. The rig has so far drilled five wells for Det norske. The agreement with Songa Delta runs until May 2012.

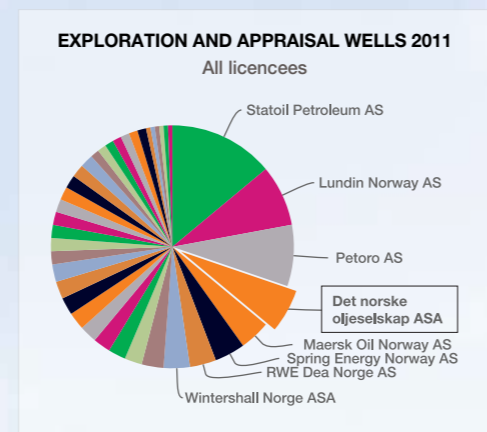
Towards the end of 2010, Det norske signed an agreement with Maersk Drilling for use of the jack-up drilling rig Maersk Guardian. In 2011, Det norske started planning the drilling of three exploration wells in the southern part of the North Sea, where water depths vary between 50 and 85 metres. Because of an extended work programme last autumn, the start-up of our well was postponed to after the turn of the year. This means that all our wells using Maersk Guardian will be drilled during

2012. During 2011, Det norske commenced planning for the production wells on Jette and Draupne. The wells on Jette will be drilled and completed using the Transocean Barents during summer and autumn 2012.

In autumn 2011, we signed a Letter of Intent with Maersk for a drilling rig for Draupne. The rig is now under construction in Singapore and will be delivered in autumn 2014. It will be used to drill all the production wells on the field. This work will continue until 2018.

To see where we will be drilling in the time ahead, and how we drill, go to:

www.detnor.no/en/our-assets/drilling-activities



R&D

RESEARCH, DEVELOP, CONQUER

2011 was the third consecutive year during which Det norske made considerable efforts in research and development. Most important is the research that can contribute to the discovery of more oil.

A total of NOK 43.3 million was allocated to R&D related to the sub-surface disciplines, HSE, drilling and wells, and development and production. It is still the sub-surface disciplines that dominate our list, with 33 projects.

This reflects the needs that Det norske has identified to gain a better understanding of the geology, to make better use of different exploration methods and thereby discover additional resources.

There are still many unsolved questions relating to the understanding of geology and geological processes, the development of reservoir sands and petroleum systems in the various provinces on the Norwegian Continental Shelf.

In the years ahead, the main focus of Det norske's R&D efforts will therefore be the sub-surface disciplines. As a development company in the start-up phase, Det norske also has considerable needs for safe, quick and inexpensive development solutions.

The development of such solutions is still very demanding in terms of resources. Det norske focuses on the use of existing solutions with a minimum of customisation, and on achieving as much standardisation as possible. Much of our R&D efforts in development and production are therefore related to competence-raising and finding new solutions in the area of floating production.

Det norske has been a driving force in the devel-

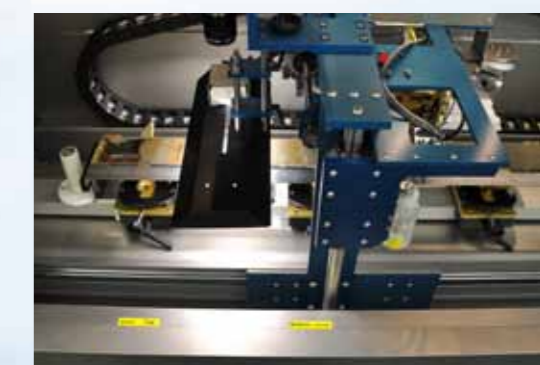
opment of consortiums for various operational purposes. Det norske has conducted a study showing that our solutions are second to none in terms of both safety and cost-efficiency.

Det norske has also carried out eight projects in the drilling and well area. We participate actively in the Centre for Drilling and Wells for Improved Recovery, which is one of the biggest R&D projects in Norway in the field.

In 2011, Det norske continued to contribute to raising and maintaining Norwegian petroleum competence, by allocating 85 percent of its R&D budget directly to the R&D efforts of external parties.

Read more about the XRF core scanner here:

<http://naturweb.uit.no/ig/xrf/>





HSE

NO SERIOUS HARM TO PEOPLE OR THE ENVIRONMENT

Det norske experienced no serious personal injuries or serious environmentally harmful incidents in 2011.

The company carried out one self-operated drilling operation, and completed a drilling operation that commenced in 2010. Both operations were carried out using the same rig, with good HSE results. During the year, Det norske also planned and prepared drilling operations with an additional two drilling rigs for which the company has signed contracts.

The company had extensive maritime activities in 2011. 13 shallow boreholes were drilled in preparation for the placement of platforms and subsea equipment on Draupne. In addition, other geological surveys, drilling site surveys, sediment surveys and sandeel dredge surveys have been carried out, in addition to operations relating to the towing and anchoring of rigs. To strengthen the foundations for a jack-up rig, Det norske had to dump large volumes of

gravel on the seabed in the relevant location. All operations were carried out without incidents. Several partners have supervised the company's activities in 2011. Likewise, Det norske has followed up partner-operated activities in exploration, production and development. Such supervisory activities are mutually beneficial: Det norske contributes constructively to improvements in partner-operated activities while gaining experience from other players.

Major Accidents

Det norske is relentlessly seeking to prevent serious incidents and has a systematic approach to planning, risk analysis and other risk-reducing measures. The company monitors the development in the risk of major accidents in exploration drilling by means of indicators that enable us to register any changes in the

risk. The use of indicators has given the company better insight into a number of conditions. Among other things, this understanding has led to a reduction in outstanding maintenance on the drilling rigs. Det norske also works systematically on preventing major accidents in the company's development projects.

Discharges and Emissions

Discharges to the natural environment and the use of chemicals in drilling operations in 2011 have been reported to the Norwegian Climate and Pollution Agency (Klif) in accordance with guidelines. Planned discharges were in accordance with the granted permits. Det norske works to reduce the amount of chemicals used and to replace potentially environmentally harmful chemicals. Det norske also works to reduce the amount of waste.

Emissions to air in this context are linked to the use of diesel on the drilling rigs. Det norske is a member of the business sector's NOx fund. Through contributions to the NOx fund, the company also helps to make funds available for measures aimed at reducing emissions across industries, and in shipping and fisheries.

Det norske makes a real contribution to the industry's efforts to gain more knowledge and establishing better work methods to avoid harm to the environment. This involvement requires considerable efforts on the part of the company's personnel and is very important to developments in the industry and discipline.

Ulvetanna

In connection with preparations for a drilling operation on the Ulvetanna prospect in the North Sea, Det norske has carried out substantial mapping of the seabed. This has included mapping of sediments and dredge surveys to identify the population of fish (sandeel) in the area. The Norwegian Institute of Marine Research has taken part in this work. The mapping activities will be continued in connection with the completion of the relevant drilling operation, scheduled for 2012.

Emergency Response

Det norske puts considerable effort into developing the emergency response system for handling undesirable incidents further. The company played a key role in the establishment of a joint emergency response centre in Sandnes, through the Norwegian Operators' Association for Emergency Preparedness (OFFB). OFFB's task is to manage and maintain a second-line emergency response system on behalf of the member companies. On behalf of the licensees in the licences, the operator companies are responsible for ensuring that an effective emergency response system is in place at all times. OFFB forms an integral part of the members' emergency response organisation.

The centre had nine fully associated members as of 31 December 2011. In addition to handling second-line emergency response for the companies, the centre contributes to the companies' training and emergency response planning. The Chair of the Board of OFFB comes from Det norske. Det norske is also

involved in the development of the industry's overall emergency response systems. Det norske has one representative in the Norwegian Oil Industry Association's (OLF) 'Unified Command' working group. The group's task is to follow up emergency-response experience from the Deepwater Horizon accident in the Gulf of Mexico in April 2010. The oil industry and Norwegian authorities are cooperating to develop an as efficient management as possible in an emergency situation, should an event of national dimensions occur in Norway.

Improved Oil Spill Response

Det norske is a member of the Norwegian Clean Seas Association for Operating Companies (NOFO). Det norske participates with personnel in NOFO's duty resource pool. Det norske has been a key contributor to the identification of 'example areas' for the oil spill response, and in developing the acute strategic oil spill response (ASO).

The acute strategic oil spill response consists of action plans based on local knowledge obtained from mapping available resources in the event of an oil spill response.

AVOID ALL HARM

Det norske's HSE goals are to prevent harm to personnel, the environment and financial assets, and to avoid work-related illness, secure the technical integrity of the facilities and avoid orders from Norwegian authorities. The company shall integrate HSE considerations in all its activities. HSE and reducing the risk of major accidents are overriding considerations in relation to other business considerations.

All undesirable incidents can be avoided. Promoting healthy attitudes and developing a good HSE culture are important for achieving our goals. Our willingness to cooperate, share knowledge and make continuous improvements are important factors in the way we work and think.



The OFFB emergency response centre in Sandnes



WE ENJOY WORKING TOGETHER

People like working in Det norske and enjoy each others' company. Det norske has an active staff, and there is little sickness absence. We wish to make a positive contribution to the rest of the community through sponsorships and support.

Det norske wishes to be an interesting and fun place to work. We have a flat and open organisation that is characterised by mutual trust. Work should be fun. Sickness absence in 2011 was 3.4 percent, compared with 2.2 percent in 2010, which is still low.

The company sports club is an important social factor that motivates employees to choose a healthier lifestyle. The sports club has active groups at all our office locations and offers a wide range of activities at various levels. The company is also a member of Aker Aktiv, through which employees gain access to much useful information about diet, exercising and motivation. This information can contribute to give employees more energy in their day-to-day life.

Taking Care of Each Other

Det norske has seen a reduction in the number of employees during the period. This was the

result of a restructuring of the organisation, whereby the office in Stavanger was closed down. During the year, the number of employees decreased from 193 to 172. Nine new employees were recruited during the period. The company has set up a health and safety service at all its offices. The company has its own Working Environment Committee (WEC), consisting of four employee representatives and four representatives of corporate management. The health and safety service has participated actively in the company's internal improvement processes. In 2011, management and the organisation have focused on maintaining the good working environment that was documented in the "Working environment and organisational survey" in 2010.

Equal Opportunities

Det norske aims to provide equal opportunities for everyone and does not tolerate any form of discrimination or harassment in the work-

place. In December 2011, 26 percent of the employees were women. Fifty percent of the board members are women, while the proportion of women in management was 23 percent. More attention must be paid to recruiting women to relevant study programmes and jobs in order to increase the number of women in male-dominated positions and disciplines. Det norske has a gender-neutral pay system, which ensures that men and women with corresponding positions and equal experience who perform equally well will receive the same pay.

Good Support Functions

To ensure that the employees have access to effective support functions, an HR department has been established. The department also focuses on facilitating internal career paths and recruitment of new employees. In autumn 2011, the company entered into an industry agreement with the Norwegian Confederation of Trade Unions (LO), which contributed to the introduction of an early-retirement scheme (AFP) and the establishment of local trade unions.

Recruitment

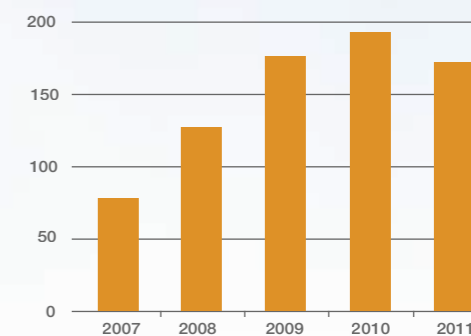
In the time ahead, it will be challenging for the industry to recruit enough labour with qualifications in the most important technological disciplines. Det norske has a long-standing collaboration with schools, university colleges, universities and business and industry – especially in Northern Norway. This involves supporting apprentices, lectures, tuition and, not least, certification of companies in collaboration with the Verftsringen trade association in Northern Norway. Last year, we extended this scope to include geology classes at upper

secondary school level, and more targeted information to the students' associations at the Norwegian Institute of Science and Technology (NTNU).

Professional Development

The company organises regular gatherings in the various discipline areas and an annual gathering for the whole company. For several years, Det norske has offered students summer jobs and an opportunity to receive help and follow-up in connection with project assignments and master's theses. Det norske owns Sandvika Fjellstue AS, a mountain lodge used by the whole company for courses, gatherings, management meetings, board meetings and conferences. In addition, employees can stay at the cabin and the 'barn' in their spare time.

NUMBER OF EMPLOYEES LAST FIVE YEARS



SPONSORSHIPS AND SUPPORT

Det norske contributes with sponsorships and support for various activities. The most important is building schools in Rwanda, one of the countries in the world that has the lowest energy consumption per inhabitant. Det norske has helped to fund the building of a school for 800 pupils and has started on the next school project. This is a collaboration with UNICEF and the band Kaizers Orchestra (photo).

The company wishes to be involved in this work in the long term. Det norske is one of the main sponsors of Det Norske Teatret in Oslo. We are main sponsors of the Kosmorama film festival and the Jazzfest festival in Trondheim. We also provide direct support to a number of activities, particularly cultural activities. Employees can apply for grants to local activities. In 2011, we supported about 40 such projects, mostly related to sports for children and young people.



FINANCING SECURED

Det norske experienced a fantastic growth in value in 2011. At the turn of the year, the company was valued at more than NOK 11 billion on the Oslo Stock Exchange. Backed by discoveries like Sverdrup, the company was able to secure financing for the developments that will come in the next few years.

In December 2011, Det norske entered into a credit facility agreement with DNB, Nordea and SEB for USD 500 million. The facility can be extended to provide the company with an additional USD 100 million. This will also make it possible for Det norske to issue a convertible bond of up to USD 200 million.

In the third quarter, Det norske carried out a successful share issue of NOK 489 million targeting Norwegian and international investors. The price was set at NOK 44 per share. A total of 11,111,111 new shares were issued, bringing the total number of outstanding shares to 122,222,222. In December, the company issued 5,693,564 new shares, increasing the total

number of outstanding shares to 127,915,786. The new shares account for 4.45 percent of the total share capital.

The new shares were issued when investors in the convertible AKX01 bond chose to convert more than 98 percent of the outstanding bonds into shares at a price of NOK 79.30 per share. The nominal value of the converted bonds totalled NOK 451.5 million.

The company's total credit facility for exploration has been reduced from NOK 4.5 billion to NOK 3.5 billion, of which NOK 400 million had been drawn at the end of 2011.

CORPORATE GOVERNANCE

Det norske oljeselskap ASA complies with the guidelines in the Norwegian Code of Practice for Corporate Governance. In line with the Code of Practice, ethical guidelines have been adopted for the company, its officers and employees. Det norske puts great emphasis on observing existing laws and ethical guidelines. We

shall demonstrate corporate social responsibility through our actions, the quality of our work, our products and all our activities. As a minimum, we must comply with laws, regulations and conventions in those areas where Det norske operates, but the company's ethics extend beyond compliance.

THE SHARE

Det norske oljeselskap ASA is listed on the Oslo Stock Exchange under the ticker DETNOR. The company's market value increased from NOK 3 billion to NOK 11.2 billion in 2011. Det norske's share was a winner on the Oslo Stock Exchange. By year end, the share price had increased from NOK 27 to NOK 88 per share. Det norske aims to ensure that the share is attractive and easily tradable. Each share carries one vote at the general meeting and equal rights to dividend.

A total of 100.3 million shares in the company were traded in 2011. This corresponds to a turnover rate of 100 percent during the year.

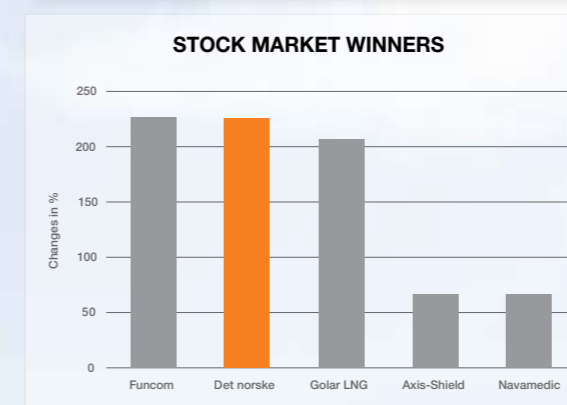
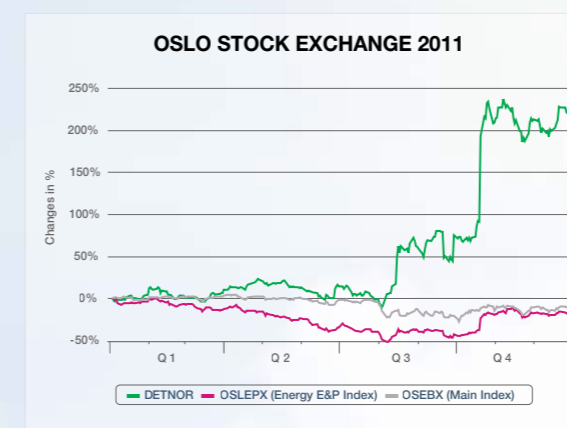
Det norske's shares are divided between 4,779 share accounts, but ownership is nevertheless relatively concentrated. At the end of 2011, the 30 biggest accounts controlled 71.38 percent of the share capital. Det norske has one strong industrial owner, Aker Capital AS, which now holds 49.9 percent of the shares in the company.

The proportion of foreign owners has been relatively stable throughout 2011. At year end, 83.2 percent of the share capital was controlled by Norwegian citizens and companies registered in Norway, while about 6.6 percent was controlled via UK-registered accounts.

Det norske aims to promote public transparency. Nominee accounts hide the real owners of the shares, which the company deems to be unfortunate. As of 31 December 2011, 12.98 percent of the share capital was registered to nominee accounts.

More detailed descriptions of the share and corporate governance can be found in the Board of Directors' Report and the 2011 Annual Accounts.

www.detnor.no/en/investor-relations/detnorske-finacial-reports



MAJOR SHAREHOLDERS

AKER CAPITAL AS	64 992 467	50,8 %
ODIN NORGE	2 535 779	2,0 %
FOLKETRYGDFONDET	2 087 368	1,6 %
ODIN NORDEN	1 841 048	1,4 %
VERDIPAPIRFONDET DNB NORGE SELEKTI	1 446 689	1,1 %
SHB STOCKHOLM CLIENTS ACCOUNT	1 353 806	1,1 %
VARMA MUTUAL PENSION INSURANCE	1 315 000	1,0 %
JP MORGAN CLEARING CORP.	1 222 335	1,0 %
SPAREBANKEN MIDT-NORGE INVEST AS	1 061 762	0,8 %
VPF NORDEA KAPITAL	952 398	0,7 %
KLP AKSJE NORGE VPF	922 857	0,7 %
EUROCLEAR BANK S.A./N.V. ('BA')	910 539	0,7 %
KØRVEN AS	821 132	0,6 %
SKANDINAVISKA ENSKILDA BANKEN	790 162	0,6 %
CREDIT SUISSE SECURITIES	767 854	0,6 %
THE NORTHERN TRUST CO.	733 807	0,6 %
KOMMUNAL LANDSPENSJONSKASSE	729 180	0,6 %
BANK OF NEW YORK MELLON SA/NV	644 254	0,5 %
VPF NORDEA AVKASTNING	618 860	0,5 %
RBC DEXIA INVESTOR SERVICES TRUST	617 990	0,5 %

*As of 31.12.2011

Effective as of the date of the General Meeting held on 12 April 2011, the Board consists of six members, in addition to two employee representatives. Svein Aaser took over as Chair of the Board after Kjell Inge Røkke.



SVEIN AASER
Chair of the Board

Svein Aaser (born 1946) has a degree in business economics (siviløkonom) from the Norwegian School of Economics (NHH), from which he graduated in 1970. He has also studied management in Lausanne. Mr Aaser was CEO of Den norske Bank and DnB NOR from 1998 to 2006, when he retired. He has also been CEO of Nycomed, Storebrand Skade, NORA Mat-produkter and Stabburet/Norge. In the period 1992-1994, he was president of the Confederation of Norwegian Enterprises (NHO). Mr Aaser holds several directorships, including as Chair of the Board of the National Museum, Statkraft and a number of other companies.



KAARE M. GISVOLD
Board Member

Kaare Moursund Gisvold (born 1943) is an independent investor and adviser who lives in Trondheim. For a period of 20 years, he was responsible for the development, building and operation of FPSOs through Golar-Nor Offshore, later PGS Production, today Teekay Petrojarl. Mr. Gisvold has previously held directorships in a number of listed companies, and currently serves as chair of the board of the media group Polaris Media and several start-up companies, as well as being a board member of Meraker Brug and Midvestfondene, among others. He holds an MSc and a PhD in Engineering from the Norwegian Institute of Technology (NTNU) from 1967/71.



BERGE G. LARSEN
Board Member

Berge Gerdt Larsen (born 1952) has served as Chair of DNO's Board of Directors since 2002 and as CEO from 1996 to 2002. Mr Larsen has more than 30 years' experience from the oil and offshore industry. From 1989 to 1995, Mr Larsen served as Managing Director of Odjell Drilling & Consulting Company AS. Mr Larsen holds a BSc in chemical engineering from the University of Newcastle and an MBA from the University of Texas in Austin.



BODIL ALTEREN
Board Member

Bodil Alteren (born 1963) has been Det norske's HSE Manager since 2006. She holds an MSc and a PhD in Engineering from the Norwegian University of Science and Technology (NTNU). Between 1993 and 2006, Ms Alteren was employed by SINTEF. Prior to this, she worked in the Norwegian mining industry, including among others as General Manager and Mining Operations Manager.



MARIA M. HANSSEN
Board Member

Maria Moræus Hanssen (born 1965) works in Aker ASA. Ms Moræus Hanssen is a reservoir engineer from the Norwegian University of Science and Technology (NTNU) and a petroleum economist from the French Petroleum Institute IFP (1991). She worked for Norsk Hydro from 1992, where her areas of responsibility included exploration activities in the North Sea and new field developments on the Norwegian Continental Shelf. She was OIM on Troll B, worked on the integration of Hydro and Statoil and was Senior Vice President for gas supplies and infrastructure in StatoilHydro.



GUNNAR H. EIDE
Board Member

Gunnar Håkon Eide (born 1947) is the head of early-phase development in Det norske. Mr Eide holds an MSc in Engineering from the Norwegian University of Science and Technology (NTNU). His experience in the oil industry includes work for Veritas, Saga Petroleum, Norsk Hydro and Petoro. He has extensive experience within field planning, development projects and business development, and his main task in Det norske is Draupne.



CAROL BELL
Board Member

Carol Bell (born 1958) is a British citizen who lives in London. She completed her PhD in Engineering at University College London (Institute of Archaeology) in 2005, and has also studied geology. Since 2008, she has been a senior adviser in the field of oil and gas in the advisory firm Europa Partners. Prior to this, she was Managing Director of the Chase Manhattan Bank and worked as a senior investment banker for oil and gas companies in Europe. Ms Bell holds several directorships, including in Petroleum Geo-Services ASA, Salamander Energy plc, and Hardy Oil & Gas plc.



HEGE SJO
Board Member

Hege Sjo (born 1968) is a senior adviser to the UK's largest pension fund manager, Hermes Fund Management Ltd. in London. Ms. Sjo is a board member in Polarcus Ltd., Marine Harvest Group ASA and Wilh. Wilhelmsen ASA. From 1995 to 2003, she worked at the Oslo Stock Exchange, first as project manager for strategy development, later as chief financial officer and marketing director. She has worked as an adviser to companies in the process of being listed and has written an investor relations handbook. Ms Sjo holds a Bachelor of Commerce from Stirling University in Scotland, in addition to a degree in finance from the Norwegian School of Economics (NIH).



ERIK HAUGANE
Chief Executive Officer

Erik Haugane founded Det norske (formerly Pertra) in 2001. He holds a Cand.Real. degree in exogene geology from the University of Tromsø. Mr Haugane has more than 25 years' experience from the oil industry, including as an exploration geologist in Esso, researcher at SINTEF and an adviser to the County Governor of Sor-Trøndelag. Prior to founding Pertra in 2001, he held the position of special adviser in PGS.



TEITUR POULSEN
Chief Financial Officer

Teitur Poulsen started working for Det norske autumn 2010. He came from the position as Group Economics and Corporate Planning Manager in Lundin Petroleum AB in Switzerland. Mr. Poulsen is originally from the Faeroe Islands and holds an MA in Economy from the University of Aberdeen in Scotland. He has previously held several executive positions in the area of economics for Lundin in Switzerland, Faroe Petroleum and Dana (UK).



ØYVIND BRATSBERG
Chief Operating Officer

Øyvind Bratsberg started working in Det norske in 2008. He holds an MSc in engineering from the Norwegian Institute of Science and Technology (NTNU). Mr Bratsberg has 25 years' experience from several companies, mainly Statoil, in the areas of marketing, business development and operations. His core competencies are in the areas of commercial negotiations and management, and he also has experience from operating offshore installations and project development. Before he started working for Det norske, he was responsible for early-phase field development on the Norwegian Continental Shelf in StatoilHydro.



BJØRN MARTINSEN
VP Exploration

Bjørn Martinsen has studied at the University of Oslo (Geological Institute). He wrote his thesis in applied geophysics and graduated in 1983. Mr. Martinsen started working for Superior Oil in Stavanger in 1982, and later worked for Norsk Hydro and then Amerada Hess in Oslo. In Amerada Hess, later called Hess, he worked in the UK for three periods and one period in Malaysia. Mr. Martinsen has experience from the entire Norwegian Continental Shelf, the UK, Denmark, Arctic areas, Russia, North Africa, West Africa and South-East Asia.



ANITA UTSETH
Chief of Staff

Anita Utseth has a master's degree in mechanical engineering from the Norwegian Institute of Science and Technology (NTNU) and a master's degree in energy economics and environmental management from Scuola Superiore Enrico Mattei in Milan. Ms. Utseth's areas of responsibility include support functions for business operations, such as follow-up of health, safety and the environment, personnel and administration, ICT, quality and the company's R&D work. Ms. Utseth has previously worked as State Secretary in the Ministry of Petroleum and Energy, had several positions in Pertra, the Directorate for Nature Management and the Norwegian Petroleum Directorate.



BÅRD ATLE HOVD
Senior VP Projects

Bård Atle Hovd started working for Det norske in August 2011. He holds an MSc in Engineering from the Norwegian Institute of Science and Technology (NTNU) and an MBA from the Norwegian School of Economics (NHH). Mr. Hovd has 25 years' experience in production, project development and project implementation from ConocoPhillips, where he worked from 1987 to 2011. Before he started working for Det norske, he was responsible for project development and the PDO for Eldfisk II in ConocoPhillips.



ODD RAGNAR HEUM
Senior VP Asset Strategy

Odd Ragnar Heum started working for Det norske spring 2008. He holds an MSc in petroleum geosciences from the Norwegian University of Science and Technology (NTNU). He has more than 30 years' experience from the Norwegian and international oil industry (Statoil, Saga, Hydro and StatoilHydro), mainly in exploration and business development.

The Nomination Committee

In 2011, Det norske's nomination committee consisted of Finn Haugan (Chair), Helge Eide and Øyvind Eriksen.

1 barrel of oil

One tierce corresponding to 1 barrel = 42 gallons ~ 159 litres.

1 Sm³

One standard cubic metre = 6,293 barrels of oil.

1 Sm³ of oil corresponds to 1,000 Sm³ of gas (one oil equivalent: o.e.)

2D seismic

Powerful acoustic measuring technology based on sound reflected from the subsurface along straight lines.

3D seismic

Like 2D seismic, but here the sound is captured by a network of receivers, enabling the construction of a three-dimensional image of the underground can be constructed. Smaller oil fields can usually only be mapped using 3D seismic. Det norske oljeselskap's prospects were all mapped using 3D seismic.

EM

Electromagnetic surveys (also referred to as seabed logging). An electromagnetic field is set up on the seabed or in the sea to measure electrical resistance in the subsurface. Under good conditions, such surveys enable us to determine whether hydrocarbons are present at various depths. The method is used as one of several elements in the probability assessments performed before drilling.

G&G

Geology and geophysics

HSE

Health, safety and environment

NPD

The Norwegian Petroleum Directorate

MPE

The Ministry of Petroleum and Energy

P10, P50, P90

A probability of 10, 50 and 90 percent, respectively.

Prospect

A defined volume that has been mapped where it is probable that hydrocarbons are present.

PSA

The Petroleum Safety Authority Norway

PDO

Plan for Development and Operation, submitted to the authorities for approval.

Reserves

Proven petroleum that with certainty will be produced, according to the Society of Petroleum Engineers (SPE) standard.

Resources

Proven petroleum that may not with certainty be produced as well as estimated volumes of petroleum in mapped prospects that have yet to be drilled. Resources are classified in accordance with the NPD's definitions.

APA

Awards in Predefined Areas, an annual licensing round in mature areas of the Norwegian Continental Shelf.

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