DETNORSKE

Board of Directors' Annual Report And Financial Statements 2010

TABLE OF CONTENTS

BOARD OF DIRECTORS' REPORT

The most important event of the year was the confirmation of Draupne as a commercial discovery. The company delivered good operating results in 2010. Det norske is financially sound and well-positioned for long-term growth in oil production and shareholder value.

Oil production amounted to 763,494 barrels, an increase of 13.5 percent compared with 2009. The cash flow from production was boosted by high oil prices and increased by 87.1 percent from 2009 to NOK 207.2 million in 2010.

In 2010, the loss increased by 32.6 percent to NOK 690.4 million compared with 2009, mainly as a result of an extensive exploration programme. In 2010 total exploration expenses amounted to NOK 2,665.7 million, of which NOK 1,777.3 were expensed. This represents an increase of 47.7 percent on 2009, when total exploration expenses amounted to NOK 1,804.3 million and the expensed amount was NOK 1,186.1 million. Through appraisal drilling, Draupne was confirmed to be a highly interesting commercial discovery. In addition, two smaller discoveries were made in David and Storklakken.

ACTIVITIES

Det norske is a leading exploration company on the Norwegian continental shelf. The company's business consists of exploration, development and production of petroleum resources. It has licences in the North Sea, the Norwegian Sea and the Barents Sea. The company's registered address is in Trondheim. The head office function is divided between Oslo and Trondheim. The company also has offices in Harstad and Stavanger. The company's activities are organised in the parent company Det norske oljeselskap ASA. The activities of the subsidiary, Det norske oljeselskap AS, were transferred to the parent company in 2010.

IMPORTANT EVENTS IN 2010

In 2010, Det norske participated in the drilling of eleven exploration wells and two sidetracks. Oil and/or gas were proved in four of the wells: David in PL 102C, Storklakken in PL 460 and the appraisal wells on Draupne in PL 001B and on Grevling in PL 038D.

The positive outcome of the appraisal wells on Draupne, and the subsequent good results of the production tests, represents important milestones in 2010. These activities generated new knowledge about the basis of which estimated recoverable resources on Draupne were increased to 140 million barrels of oil equivalents. The Draupne discovery is currently the most important asset in Det norske's portfolio, together with Frøy and the exploration prospects also representing key assets in the portfolio.

In April, the company discovered oil on Storklakken in PL 460. Det norske owns 100 percent of this discovery, which is located northwest of Frøy. The field is being considered for development based on the use of a subsea template and tie-in with a future installation on Frøy.

In October, Total made a gas/condensate discovery on the David prospect in PL 102C. Det norske has a 10 percent ownership interest in the discovery, which is being considered for development using a subsea installation and tie-in with the Heimdal platform.

In connection with awards in pre-defined areas (APA) in 2010, the company was awarded eight new licences, including three as operator.

In September, Det norske extended the agreement for the semi-submersible drilling rig *Aker Barents* by two years. The company currently controls the rig until July 2014. In addition, the company has two one-year options. The market for rigs approved for operations in Norwegian waters and with capacity to drill in deep waters and in Arctic areas is tight. In the board's view, it is therefore more favourable to control a rig that can perform such operations and instead hire rigs for individual operations in shallow waters in the North Sea, where units are more easily available.

Analysis of the financial performance for 2010

The financial statements have been drawn up in accordance with the provisions of the Norwegian Accounting Act and the International Financial Reporting Standards (IFRS) adopted by the EU.

The Board of Directors is not aware of any factors that materially affect the assessment of the company's position as of 31 December 2010, or the profit/loss for 2010, other than those presented in the Directors' Report or that otherwise follow from the accounts.

RESULTS

The figures in parentheses are for 2009. Det norske oljeselskap ASA merged with Aker Exploration ASA on 22 December 2009, and the financial statements reflect the figures of the merged company from that date. Hence, the figures in parentheses (for 2009) are not directly comparable with the figures for 2010 in every case. For accounting purposes, the activities of the subsidiary Det norske oljeselskap AS were transferred to the parent company with effect from 1 October 2010.

The group and the parent company's total operating revenues amounted to NOK 366.0 (265.0) million. Oil production from the four producing fields Varg, Enoch, Glitne and Jotun was sold at an average price of USD 80.2 per barrel. This is an increase of 34.3 percent compared with the price of USD 59.7 that was obtained through 2009, and roughly in line with the average price for Dated Brent in 2010 of USD 79.5 (61.67).

Exploration expenses totalled NOK 1,777.3 (1,186.1) million for the group, and NOK 1,412.0 (1,185.7) million for the parent company. These expenses related to drilling, seismic surveys and general exploration. The increase in exploration expenses for 2010 compared with 2009 was due to more dry wells being drilled in 2010 and to owning a higher share in most of the wells that were drilled. This was partly a result of the merger between Aker Exploration and Det norske.

Production costs increased by 7.5 percent in 2010 to NOK 155.0 (144.4) million for the group and the parent company, which is a positive trend, considering that production increased by 13.5 percent in the same period, from 673,603 to 763,494 barrels.

Payroll expenses increased to NOK 14.8 (11.8) million in 2010 for the group and the parent company. The reason for the low payroll expenses in the company accounts is that salaries relating to exploration activities in the licences are charged to the licences and that the company's share is classified as exploration expenses. In 2010, gross payroll expenses in the group amounted to NOK 301.1 (212.5) million. The corresponding figure for the parent company was NOK 257.2 (212.5) million. The increase in payroll expenses from 2009 to 2010 was largely due to an increase in the number of employees as a result of the above-mentioned merger.

Depreciation increased to NOK 159.0 (53.5) million for the group and the parent company. The increase was mainly due to the basis for depreciation being increased in 2010 as a result of the reversal of previous write-downs from 31 December 2009.

Net write-downs of tangible fixed assets and intangible assets amounted to NOK 170.5 (213.3) million for the group and NOK 141.5 (213.3) million for the parent company. This was due to increased removal costs on the Glitne field, and to writing down the excess book value of some licences in which dry wells were drilled in 2010. The excess book values in these licences, which have arisen as a result of mergers in prior years, have been deemed to be no longer justifiable following the dry wells on these licences.

Other operating expenses totalled NOK 89.0 (91.4) million for the group and NOK 76.1 (91.4) million for the parent company. These figures include area charges of NOK 47.2 (22.6) million for the group and NOK 32.9 (22.6) million for the parent company.

The operating profit/loss for the year was NOK -1,999.6 (-1,435.5) million for the group and NOK -1,590.5 (-1,435.1) million for the parent company.

The profit/loss before tax totalled NOK -2,183.4 (-1,399.0) million for the group and NOK -1,735.9 (-1,388.7) million for the parent company. Tax income on the ordinary loss amounted to NOK 1,493.1 (879.2) million for the group and NOK 1,171.9 (875.8) million for the parent company. The tax rules and tax calculations are described in Notes 1 and 12 to the annual accounts.

The profit/loss for the year was NOK -690.4 (-520.7) million for the group and NOK -564.0 (512.9) million for the parent company.

FINANCIAL POSITION AND LIQUIDITY

At year-end 2010, the group's equity was NOK 3,160.2 (3,850.5) million, while the parent company's equity was NOK 3,057.5 (3,858.3) million. The equity ratio was 40.9 (49.9) percent in the group and 38.9 (55.3) percent in the parent company.

At 31 December 2010, cash and cash equivalents amounted to NOK 789.3 (1,574.3) million in the group and NOK 789.3 (1,198.1) million in the parent company. In January 2010, the company entered into a loan agreement with a group of banks for a total credit of up to NOK 4,500 million. At 31 December 2010, the drawn amount was NOK 1,151.6 million. At year-end 2010, the available amount in addition was NOK 946.2 million. The maximum drawdown is in effect a function of the book value of tax receivables.

At year end 2010, expected tax refunds as a result of exploration activities totalled NOK 2,344.8 (2,060.1) million for the group and NOK 2,276.4 (1,400.2) million for the parent company. Expected tax refunds recognised in the accounts at 31 December 2010 include an amount of NOK 68.3 million relating to a tax loss carryforward in Det norske oljeselskap AS, which is expected to be disbursed in December 2011 as a result of Det norske oljeselskap AS's activities on the Norwegian continental shelf having been discontinued in 2010.

The group's nominal interest-bearing debt was NOK 1,609.1 (1,608.3) million at year end 2010. The corresponding figure for the parent company was NOK 1,609.1 (1,057.5) million. Short-term liabilities amounted to NOK 2,077.6 (2,026.6) million for the group and NOK 4,805.5 (3,124.7) million for the parent company.

The group and the parent company have made a provision of NOK 268.2 (224.5) million for removal and decommissioning obligations relating to fields in production.

The balance-sheet value of the group's goodwill was NOK 596.5 (697.9) million at 31 December 2010. The corresponding figure for the parent company was NOK 530.1 (625.79) million. Goodwill is mainly linked to the acquisition of NOIL Energy ASA. Goodwill impairment is tested annually or more frequently if events or other changes in circumstances indicate that the value may be significantly impaired. Examples of such indicators include changes in the group's plans, changes in the price of oil, changes in reserves and/or resources, and changes in cost levels.

CASH FLOW

In 2010, the net cash flow from operating activities in the group was NOK 1,531.8 (568.5) million and operating activities in the parent company was NOK 1,025.5 (639.1) million. This included the period's tax refunds to the group and parent company of NOK 2,048.4 (199.7) million and NOK 1,420.9 (199.7) million, respectively.

The net cash flow from investment activities amounted to NOK -2,257.6 (-1,504.4) million in the group and NOK 2,130.5 (1,504.4) million in the parent company. The figures can mainly be ascribed to payments made on investments in intangible assets of NOK -2,162.7 (-1,442.5) million in the group and NOK -2,031.5 (-1,442.5) million in the parent company, plus investments in tangible fixed assets of NOK -102.9 (-62.3) million in the group and NOK -107.0 (-62.3) million in the parent company.

The net cash flow from financing activities amounted to NOK -38.6 (594.0) million for the group and NOK 696.2 (594.0) million for the parent company, and relates to increase and repayment of loans, respectively.

In total, the group had a cash position and tax refund claim in excess of NOK 3.1 billion at year end 2010. It is expected that liquid assets, income from the company's production and the unused credit facility will be sufficient to finance exploration activities and investment needs into 2012.

FINANCIAL RISK

The company's financial risk management is designed to ensure identification, analysis and systematic and cost-efficient handling of any significant risk to the company's objectives.

Substantial financial risks to which Det norske is exposed include risks relating to oil prices, the exchange rate between Norwegian kroner and US dollars plus interest rate levels. Risk exposure is monitored closely, and the need for financial instruments is continuously evaluated. The company's income is mainly derived from the sale of petroleum, and the company is therefore exposed to risks relating to changes in the oil price and exchange rate fluctuations. Exchange rate fluctuations involve both direct and indirect financial risk exposure. The company's petroleum revenues are in USD, whereas the expenses are mainly divided between NOK and USD.

The current oil production is limited in relation to the company's level of activity. The company has no external financing linked to production revenues, and the board has therefore chosen not to hedge (against market risk) relating to changes in the oil price. However, the board will continually consider the need to hedge part of the oil price exposure in connection with development projects in which the company will be dependent on debt financing.

As the company has a net exposure in USD, there is a need to buy USD in the market. Structured forward contracts have been entered into in USD to reduce the currency risk.

The company is exposed to interest-rate risk in connection with the taking up of loans and the placement of liquid assets. Pursuant to the company's guidelines, liquid assets shall be placed such that the duration of the interest rate risk is less than one year.

The credit risk associated with the placed assets is considered to be low. The risk of counterparties being financially incapable of fulfilling their obligations is regarded as minor. The Board of Directors has chosen a conservative profile in connection with the placement of liquid assets, both in terms of credit and liquidity risk. Low liquidity risk is given priority in the management of the company's liquid assets, which are mainly placed in bank deposits.

GOING CONCERN ASSUMPTION

In accordance with the Norwegian Accounting Act section 3-3a, it is confirmed that the requirements of the going concern assumption have been met and that the accounts have been prepared on that basis. The financial soundness and the liquidity of the company are considered to be good. The planned growth in the years to come may lead to significant investments in development projects, which will create future financing requirements. In the long term, the company will therefore consider alternative sources of financing for future growth.

In the Board of Directors' view, the annual accounts give a fair and accurate picture of the company's assets and liabilities, financial position and results.

EVENTS SUBSEQUENT TO THE YEAR-END CLOSING OF THE ACCOUNTS

Det norske was awarded eight licences in the 2010 APA round. Following the APA awards and the return and swapping of some licences around the turn of the year, Det norske has 73 licences as of 23 March 11, including 31 operatorships.

The drilling on Dovregubben (PL 468) has been concluded without discovering hydrocarbons.

In January 2011, the company issued an unsecured bond in the amount of NOK 600 million at a rate of 3-month NIBOR + 675 basis points and with five-year maturity. In January 2011, the company bought back NOK 136.9 million worth of the company's own convertible bonds ('AKX01'). After the buy-back, NOK 320.6 million worth of AKX01 bonds remain outstanding.

OUTLOOK

It's the board's view, that Det norske is well-positioned for further growth based on a strong balance sheet, with several discoveries that we believe can be profitably developed, a large number of licences, many operatorship's and extensive drilling activities. The company's soundness and strong liquidity, together with its strong industrial owners, provide the board and management with sufficient time and leeway to develop the company further.

The board has initiated measures which it anticipates will improve the company's exploration results in the long term. The exploration strategy has been changed, among other things to focus on fewer geographical and geological areas.

The Board of Directors has planned an ambitious exploration programme for 2011, with participation in ten exploration wells, including as operator for three of them. The exploration budget for 2011 amounts to NOK 1,800 million. The board expects to make a decision on the Draupne, Jetta and Frøy development projects in 2011. The board has approved an investment budget of NOK 300 million for 2011, approximately NOK 220 million of which will be invested in preparing plans for development and operation for the three projects Draupne, Jetta and Frøy. Average oil production from the Varg, Enoch, Jotun and Glitne fields is estimated to approximately 2,000 barrels of oil per day in 2011.

Det norske is continually optimising its portfolio in order to spread risk and generate as much value as possible.

The company's financial results may vary widely as a result of oil price fluctuations, production volumes, development costs and exploration activities. The results may also be affected by the availability of capital and our capacity to develop the discoveries that are made.

ALLOCATION OF PROFIT/LOSS FOR THE YEAR

The parent company's distributable equity at 31 December 2010 was NOK 1,231.2 million.

The Board of Directors proposes that the parent company's loss for the year be covered by transferring NOK 564.0 from other equity.

HISTORY

The company Petra ASA ('Petra') was formed by Petroleum Geo-Services ASA (PGS) on 2 January 2002. In January 2005, the company was sold to Talisman. Pertra's management formed a new oil company on 11 February 2005 when it also bought back the Pertra name from Talisman, including interests in five licences. The company has experienced considerable growth since then.

Det Norske Oljeselskap AS was formed in 1989 as a wholly-owned subsidiary of DNO ASA. Prior to the merger between Det Norske Oljeselskap ASA and Pertra, Det Norske Oljeselskap ASA changed its name to NOIL Energy ASA, while Pertra changed its name to Det norske oljeselskap ASA on 19 November 2007. In November 2007, the annual general meetings of Det norske oljeselskap ASA and NOIL Energy ASA adopted a joint merger plan with Det norske oljeselskap ASA as the acquiring company.

Det norske oljeselskap ASA was merged with Aker Exploration ASA on 22 December 2009. The merger created a company with 67 production licences, including 34 operatorships as of 31 December 2009.

HEALTH, SAFETY AND THE ENVIRONMENT

The safety of people, the environment and financial assets is an integrated part of Det norske's activities. The goal is for all activities to be conducted without harm to people or the environment.

In 2010, Det norske was operator for six exploration wells in the North Sea and the Norwegian Sea. In addition, Det norske drilled one well on behalf of ExxonMobil in the North Sea. Although it was a year of extensive activity, the company did not experience any serious incidents. Nor did it receive any official orders or notification of such orders from the Norwegian authorities.

In 2010, Det norske completed its first production test on Draupne and drilled its first high pressure high temperature well on the Stirby prospect. Both operations were carefully planned and carried out without any serious incidents.

Det norske does not operate any fields in production.

Emissions to the natural environment and the use of chemicals in drilling operations have been reported to the Norwegian Climate and Pollution Agency (the former SFT) in accordance with established guidelines. All planned emissions have been in accordance with the granted permits. The company has not had any unforeseen discharges to sea.

Emphasis has been placed on improving the quality of the emergency response system to handle both current and future activities in the company. Together with six other oil companies, Det norske founded the Norwegian Operators' Association for Emergency Preparedness (*Operatørenes forening for beredskap – OFFB*) in June 2009, and it became operative in early March 2010. OFFB is a collaboration whose aim it is to establish an improved and more professional emergency response organisation to deal with hazard and accident situations. OFFB's task is to manage and maintain a second-line emergency response system on behalf of the member companies in connection with their exploration for and production of oil and gas. The main task is to respond to incidents that affect or impact people, the environment or assets/materials. The operator companies, on behalf of the licensees, are responsible for ensuring that an effective emergency response system is in place at all times, and OFFB will be an integral part of Det norske's emergency response organisations in accordance with applicable statutory requirements.

Det norske is an active member of the Norwegian Clean Seas Association for Operating Companies (NOFO). Det norske participates with personnel in NOFO's resource pool and is represented on NOFO's board.

EMPLOYEES

Det norske increased the number of employees from 176 at the start of the year to 193 as of 31 December 2010. The organisation was expanded in order to strengthen the company and handle the high level of activity. Some of the growth is a result of the merger with Aker Exploration.

The working environment survey that was conducted in 2010 showed that people enjoy working in Det norske. Det norske has initiated a number of measures to adapt individual workplaces and improve the physical working environment for its employees. The 2010 survey was a follow-up of the working environment and organisational survey from 2008.

The low incidence of sickness absence is an indicator that the company's working environment efforts have been successful. Sickness absence in 2010 was 1.9 percent, compared with 1.5 percent in 2009. The total number of days of sickness absence was 823 in 2010 compared with 383 in 2009.

PRODUCTION

The company's total share of production from the Varg field amounted to 1,239.9 barrels per day. The share of the daily production from the Enoch, Glitne and Jotun fields was 80 barrels, 439.5 barrels and 332.4 barrels, respectively.

In 2010, the company had an average production of 2,092 barrels a day.

OIL RESOURCES AND RESERVES

At the end of 2010, the company had P50 reserves of 1.34 million barrels of oil equivalents. This represents a considerable reduction from 29.1 million barrels of oil equivalents in 2009. The reduction is mainly due to the fact that Frøy was moved from reserves to resource class 4 'Resources in the early planning phase' since no updated PDO was submitted in 2010.

For a complete overview, reference is made to the company's annual reserves report, plus Note 32.

In 2010, Det norske participated in eleven exploration wells and two sidetracks, and hydrocarbons of potential commercial value were proven in two of the exploration wells. The discoveries in PL 102C David and PL 460 Storklakken contributed to an increase in conditional reserves, in addition to a reassessment of existing discoveries.

RESEARCH AND DEVELOPMENT

The company's investment in research and development (R&D) shall underpin the company's activities and help to ensure that the company attains its goals. As a relatively young company, our business is characterised by exploration activities and the building of a sound resource base. This also affects our investments in the R&D area. Of the total of NOK 50 million allocated to research in 2010, more than NOK 30 million was spent on exploration technology and developing our geological understanding. The remaining funds were spent on rationalising various processes relating to well drilling and rig operations, field development and HSE issues.

In addition to cooperating with leading research communities in Norway in the above-mentioned areas, Det norske also collaborates actively with leading business enterprises by supporting the development of technology that will be crucial to their business. This work has led to the development of several patentable solutions and cost-saving methods.

EQUAL OPPORTUNITIES

The board and management work systematically to achieve a balanced working environment in which everyone will have the same opportunities, irrespective of gender, ethnicity or disability. In December 2009, women made up 25.1 (25.5) percent of the workforce, and 7 (7.5) percent of our employees were of foreign origin. The company did not have any employees with disabilities.

Det norske has a gender-neutral pay system, which ensures that men and women with corresponding positions and equal experience, who produce equally good results, will receive the same pay. Differences in the type of position and number of years worked, affect the general pay level of individual employees.

The company is making a targeted effort to recruit more women to male-dominated positions and disciplines. In 2011, the company will endeavour to establish more systematic reporting and monitoring of its efforts to provide everyone with the same opportunities irrespective of gender, ethnicity or disability.

OWNERSHIP

Aker Capital is the company's largest shareholder with 40.4 percent of the shares. At the turn of the year, Det norske had a total of 4,266 shareholders. The shares are owned by Norwegian and international investors, members of management and the Board of Directors, and employees.

The Board of Directors of Det norske oljeselskap ASA

Oppdal, 23 March 2011

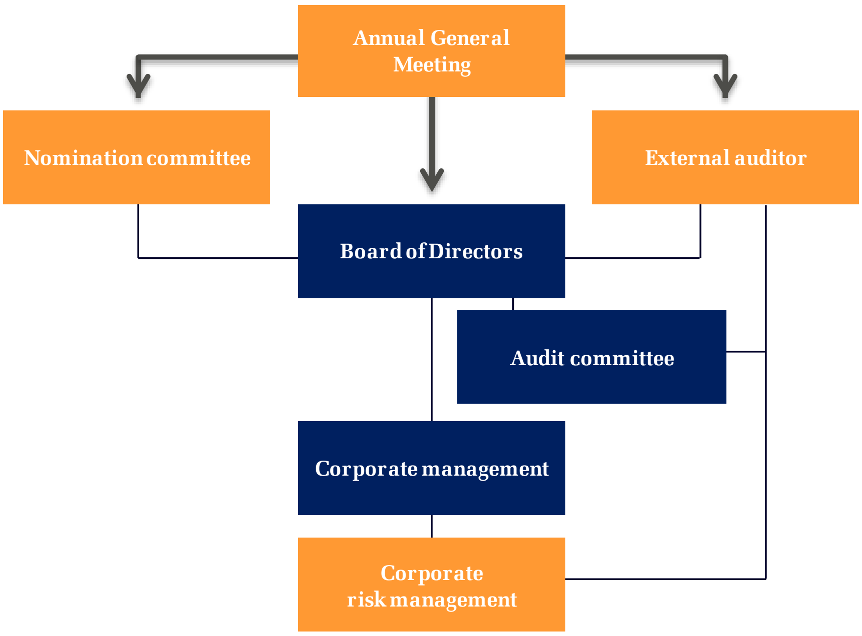
Kjell Inge Røkke, Chair	Kaare M Gisvold, Deputy Chair
Berge Gerdt Larsen, board member	Maria Moræus Hanssen, board member
Hege Sjo, board member	Bodil Alteren, board member
Gunnar H Eide, board member	Erik Haugane, Chief Executive Officer

THE BOARD OF DIRECTORS' REPORT ON CORPORATE GOVERNANCE

Det norske oljeselskap ASA ('Det norske') aims to ensure the greatest possible value creation to the shareholders over time. A good management and control model with a clear division of responsibility and roles between (owners), the Board of Directors and management is crucial if the company is to achieve this goal with as little risk as possible.

The corporate governance principles are stipulated by Det norske's Board of Directors and they are based on the Norwegian Code of Practice for Corporate Governance ('the Code of Practice').

In the board's view, the company has complied with the Code of Practice in 2010. Below, you will find a statement on what Det norske has done to achieve this. The statement follows the structure of the Code of Practice, and, as required, covers all fifteen points.



1. IMPLEMENTATION AND REPORTING ON CORPORATE GOVERNANCE

The Board of Directors establishes the company's goals and strategy, while it is the executive management's task to implement the strategy in order to achieve the goals. It is important to ensure that the company is not far too exposed to risk in its efforts to achieve its goals. A clear division of roles and adequate control are therefore important factors. The company is engaged in continuous and systematic efforts to optimise risk management, both at the company level and at the activity level. In 2010, the audit committee, consisting of three board members, carried out a review of the company's risk management systems and procedures. These systems and procedures are subject to continuous improvement efforts, and several areas have been identified on which the company will focus in 2011.

The board has adopted a Code of Ethics to ensure that employees act in a consistent manner in relation to ethics and good business practice. The company takes the view that corporate social responsibility is reflected in our conduct and how we act in relation to others, and it has therefore included corporate social responsibility in its Code of Ethics. We shall demonstrate corporate social responsibility through our actions, the quality of our work, our products and all our activities. The company's business activities will be combined with social, ethical and environmental goals and measures. As a minimum, we must comply with laws, regulations and conventions in the areas where Det norske operates, but the company's ethics extends beyond compliance. The company shall achieve its goals in accordance with the adopted Code of Ethics. (Section 1, Code of Practice.)

Code of Conduct is available on the website http://detnor.no/en/about-det-norske/code-of-conduct .

2. BUSINESS GOALS AND STRATEGY

According to Det norske's Articles of Associations, its object is 'to carry out exploration for and recovery of petroleum and activities related thereto, and, by subscribing for shares or by other means, to participate in corresponding businesses or other business, alone or in cooperation with other enterprises and interests.

The company's strategies are presented in the Board of Directors' Report. They are much less expansive than the object clause in the Articles of Association. Through annual strategy processes, the board establish the company's achievement goals. Together with the company's financial status, these goals are communicated to the market in connection with quarterly reports and separate market presentations.

Safe and efficient operations are the company's number one priority.

It is Det norske's goal to build up a substantial oil and gas production over time. In order to achieve this goal, the company will take part in exploration, development and production activities and be opportunistic in its approach to buying and selling interests in fields and discoveries.

Further information about the Articles of Associations is available at: http://www.detnor.no/en/investor-relations/articles-of-association .
Further information about licences and activities is available at http://www.detnor.no/en/our-assets/portfolio .

3. EQUITY AND DIVIDENDS

At year-end 2010, the company's book equity was NOK 3,179 million, which represents 41% of the balance sheet total of NOK 7,720 million. The board stresses that a solid equity ratio is important if Det norske is to achieve its strategic goals in the future.

The company's liquidity is also good, with a solid working capital. At 31 December 2010, the company's cash reserve was NOK 789 million. In addition, Det norske has a credit facility for exploration of NOK 4,500 million, of which NOK 1,151 million had been drawn at year end. The company wishes to maintain an appropriate capital structure that is consistent with the company's risk profile and ambitions. Det norske intends to carry out an extensive exploration programme during the next few years. Future developments will require substantial investments. Dividends to shareholders will therefore not be given priority in the short term. In the current period, the company rather wishes to create value for its shareholders by identifying the exploration portfolio's underlying values, and by maturing existing discoveries towards development and production. This should have a positive effect on the development of the share price over time.

In April 2010, the annual general meeting authorised the board to issue up to 10% new shares. The authorisation is valid until the next annual general meeting in April 2011. This opportunity has not been used. The company is not authorised to buy own shares.

4. EQUAL TREATMENT OF SHAREHOLDERS AND TRANSACTIONS WITH CLOSELY RELATED PARTIES

The company's basic principle is that all shareholders shall be treated equally. The company has one class of shares, and all shares carry the same rights.

Main shareholder

Aker Capital ASA, which is owned 100 percent by Aker ASA, is the biggest shareholder with an ownership interest of 40.45%. It is the board's view, favourable for Det norske that Aker ASA is actively involved in matters of great importance to the company and the shareholders. Aker ASA provides Det norske with expertise and capacity in relation to strategy, transactions and financing.

Aker ASA is not an associated company of Det norske within the meaning of the Public Limited Liability Companies Act. However, the board and management of Det norske is nonetheless aware of the fact that all relations to other Aker companies shall be based on commercial terms and on the arm's length principle. During 2010, the board considered a matter concerning the extension of the contract for the *Aker Barents* drilling rig, which is owned by Aker Drilling ASA, which in turn is wholly-owned by Aker ASA. The Chair of the Board declared a conflict of interest and recues himself from the process, due to his affiliation as Chair of the Board of the ultimate parent company Aker ASA.

The company's employees are prohibited from engaging in financial activities of a potentially competitive nature in relation to Det norske. The company's Code of Ethics provides clear guidelines as to how employees and representatives of the company's governing bodies should act in situations where there is a risk of conflicts of interest and partiality.

5. FREELY NEGOTIABLE SHARES

Det norske's shares are freely negotiable securities, and the company's Articles of Association do not impose any form of restriction on their negotiability.

6. GENERAL MEETING

The company encourages shareholders to participate in the annual general meeting. The annual general meeting is the company's highest authority. Det norske's Articles of Associations and the Public Limited Liability Companies Act regulate the role and mandate of the annual general meeting. The annual general meeting is held before the end of June each year, and normally before the end of April. Notice of the annual general meeting and the agenda for the meeting are sent to the shareholders, no later than 21 days before the annual general meeting. The Directors' Report is published on the company's website no later than one week before the meeting. Shareholders who are unable to attend the annual general meeting are encouraged to vote by proxy. The deadline for registration is set as close as possible to the date of the meeting, normally the day before. Minutes of the meeting are published on the company's website: www.detnor.no. As of 2010, the company will also appoint an independent person who can vote on behalf of the shareholders as their authorised representative, in line with the Code of Practice.

The Board of Directors can convene an extraordinary general meeting at any time. A shareholder or a group holding at least five per cent of the company's shares, can requests an extraordinary general meeting in order to make a proposal. Det norske's Board of Directors is then obliged to hold the meeting within one month of receiving the request. Det norske's general meetings are normally chaired by the Chair of the Board, or a person appointed by the Chair of the Board. The Board of Directors, the Nomination Committee and the auditor shall attend the annual general meeting.

The annual general meeting has previously decided that documents concerning matters to be considered by the annual general meeting, can be made available to the shareholders on the company's website. This also applies to documents that are required by law to be included in or enclosed with the notice of the annual general meeting.

7. NOMINATION COMMITTEE

The company's Articles of Association provide for a nomination committee consisting of three members elected by the annual general meeting. The Nominating Committee should be composed in a manner that takes account of the interests of the shareholders as a whole. The Nominating Committee's duties are to propose candidates for and remuneration of the Board of Directors. The Nominating Committee must state the grounds for its recommendations. Members of the Nomination Committee are elected for a term of two years at a time. Information about the work of the Nomination Committee is available on the company's website. At the end of 2010, the committee consisted of Finn Haugan (chair), Øyvind Eriksen and Helge Eide.

8. BOARD OF DIRECTORS: COMPOSITION AND INDEPENDENCE

The company's Board of Directors consists of seven members, including five shareholder-elected members and two representatives elected by and from among the employees. Of the five shareholder-elected members, three are affiliated to the company's two largest shareholders, while two are independent.

9. THE WORK OF THE BOARD OF DIRECTORS

The Board of Directors has authority over and is responsible for supervising the company's business operations and management. The Board of Directors' objectives are to create value for the company's shareholders in both the short and long term and to ensure that Det norske fulfils its obligations at all times. While the Chief Executive Officer is responsible for the day-to-day management of the company's business activities, the Board of Directors acknowledges its responsibility for the overall management of the company. The Board of Directors is actively involved in:

A. Drawing up strategic plans and supervising these through regular reporting and reviewing,

B. Identifying significant risks to Det norske's activities and establishing appropriate systems to monitor and manage such risks,

C. Ensuring that shareholders have access to timely and correct information about financial circumstances and important business-related events in accordance with relevant legislation, and

D. Ensuring the establishment and securing the integrity of the company's internal control and management systems.

The board members contribute extensive experience, knowledge and capabilities for the benefit of the company. Through regular meetings with the executive management, the board is kept up-to-date about the company's development and performance. The division of roles between the board and the company's management is clearly defined in the instructions for the board and the instructions for the CEO, which specific areas of responsibility and administrative procedures. No formal evaluation of the board was carried out in 2010. The annual general meeting elects the Chair of the Board. Det norske's board appoints its own Deputy Chair. The board members are independent of the company management and the company's business activities.

The board members are elected for a term of up to two years on the recommendation of the Nomination Committee. Considering the size of the company and the scope of its activities, the board finds it appropriate to keep all board members informed about all board matters.

Det norske's Board of Directors has established an audit committee consisting of three board members, of which two are independent of the biggest owner. The audit committee holds regular meetings and reviews all interim reports before they are published. The committee works extensively with the auditor and reviews the quality of all quarterly reports.

10. RISK MANAGEMENT AND INTERNAL CONTROL

Det norske's internal procedures provide a good basis for thorough monitoring and reporting of the company's business. Internal control and risk management contributes to transparent and quality reporting for the benefit of the company and the shareholders' long-term interests. The management system covers all the areas the company operates and is divided into four levels. At the highest level includes the company's vision, description of the management system management responsibilities. Governing documents are at level two, procedures are at level three, while level four are guidelines and support documents. Key policy documents for risk management, internal control and financial reporting is on level two and three in management. The company's risk management process covers all types of risks, opportunities and threats, and describes the monitoring of these. The Board undertakes an annual review of the company's main business areas and internal control. The company's management continuously monitors issues related to financial reporting. The board's audit committee evaluates the integrity of the company's financial statements and preparing cases for the Board related to the financial review, control and audit of financial statements

11. REMUNERATION OF THE BOARD OF DIRECTORS

The remuneration of the board members is not performance-based, and none of the shareholder-elected board members have pension schemes or termination payment agreements with the company. Information about all remuneration paid to individual board members is provided in Note 9 to the annual accounts.

The Nomination Committee proposes the remuneration of the board and ensures that it is proportionate to the responsibility of its members and the hours spent on board work. The board must approve any board member's consultancy work for the company and remuneration for such work.

12. REMUNERATION OF EXECUTIVE PERSONNEL

The board stipulates the Chief Executive Officer's remuneration and other terms and conditions of employment. Note 9 to the annual accounts contain details about the remuneration of the board and executive personnel, including payroll and pension expenses.

Previously, the company had a bonus scheme whereby bonuses could represent 40% of the annual salary. The ceiling for bonus payments has now been reduced to 20% of the annual salary in connection with the introduction of a share investment scheme. It is up to the board to decide whether to pay bonuses, based on the previous year's performance. No bonuses were paid for 2010. The company has no pension scheme for salaries exceeding 12 times the basic amount (G), but a share investment scheme has been introduced as part of the pay system. The employees receive an annual payment of 10% of the previous year's gross salary. If, within thirty days of this payment, employees wish to buy shares in the company, the company will pay a corresponding amount as tax compensation. For those who do not buy shares, a tax withholding will be deducted from the payment. The first payments under the share investment scheme were made in January 2011.

13. INFORMATION AND COMMUNICATION

Det norske emphasises the principle of equal treatment of shareholders. The goal is for investors in and outside Norway to receive timely and regular information about the company's development and performance. The company distributes financial and company-related information through Oslo Stock Exchange's notification system and the company's website (www.detnor.no). Open presentations are held for investors, analysts and the media in connection with quarterly reports. The presentations are webcast for the benefit of investors who are prevented from attending or do not wish to attend the presentations. The company's management gives high priority to communication with the investor market. Individual meetings are organised for major investors, investment managers and analysts. The company also attends investor conferences.

The long-term purpose of the IR function is to secure access to capital on competitive terms, and for the share price to reflect the underlying values in the company.

14. TAKEOVERS

The company's objective is to create value for its shareholders. Any invitations to participate in structural changes will be evaluated on the basis of this objective.

The board will do its utmost to ensure that sufficient information is made available in all situations affecting the interests of its shareholders. The board will not, except on special grounds, seek to prevent or obstruct bids for the company's shares or individual business areas. In the event of a takeover bid, the board will issue a statement evaluating the offer and making a recommendation as to whether or not the shareholders should accept the bid.

15. AUDITOR

The annual general meeting elects the auditor and approves the auditor's fee. At least once a year, the Board of Directors will meet with the auditor without representatives of the company management being present, to review internal control procedures and identify any weaknesses and proposals for improvement. The auditor participates in most meetings with the audit committee and in board meetings to discuss the annual accounts. The auditor's independence in relation to the company is evaluated annually. The auditor carries out certain consultancy services for the company, which is not in conflict of interest with ordinary audit.

STATEMENT OF INCOME

1 January - 31 December (NOK 1,000)	Note	Group 2010	Group 2009	Parent company 2010	Parent company 2009
Petroleum revenues		362 115	255 135	362 115	255 135
Other operating revenues		3 855	9 882	3 855	9 882
Total operating revenues		**365 971**	**265 017**	**365 971**	**265 017**
Exploration expenses	6	1 777 337	1 186 084	1 411 983	1 185 672
Production costs	8	154 960	144 399	154 960	144 399
Payroll expenses	9	14 763	11 827	14 763	11 827
Depreciations and amortisations	14	159 049	53 469	157 124	53 414
Net impairment losses	14,15	170 508	213 304	141 533	213 304
Other operating expenses	10	88 977	91 438	76 134	91 438
Total operating expenses		**2 365 593**	**1 700 520**	**1 956 496**	**1 700 053**
Operating profit/loss		**-1 999 623**	**-1 435 503**	**-1 590 525**	**-1 435 036**
Interest income		51 255	49 589	66 918	50 070
Other financial income		89 431	57 618	27 290	57 410
Interest expenses		218 647	26 104	204 498	22 544
Other financial expenses		105 844	45 454	35 045	38 616
Net financial expenses (+)/income (-)	11	**183 805**	**-35 648**	**145 334**	**-46 321**
Loss before taxes		**-2 183 427**	**-1 399 855**	**-1 735 859**	**-1 388 716**
Taxes (+)/tax income (-)	12	-1 493 075	-879 159	-1 171 891	-875 825
Net loss		**-690 352**	**-520 696**	**-563 969**	**-512 890**
Weighted average no. of shares outstanding		111 111 111	91 604 262	111 111 111	91 604 262
Weighted average no. of shares fully diluted		111 111 111	91 604 262	111 111 111	91 604 262
Earnings/(loss) after taxes per share (adjusted for split)	13	(6,21)	(5,68)	(5,08)	(5,60)
Earnings/(loss) after taxes per share (adjusted for split) fully diluted	13	(6,21)	(5,68)	(5,08)	(5,60)

The group was formed on 22 December 2009. Aker Exploration is included in the statement of income as of this date.

STATEMENT OF COMPREHENSIVE INCOME

1 January - 31 December (NOK 1,000)	Group 2010	Group 2009	Parent company 2010	Parent company 2009
Loss for the period	-690 352	-520 696	-563 969	-512 890
Total loss	**-690 352**	**-520 696**	**-563 969**	**-512 890**
Attributable to:				
Majority interests	-690 352	-520 696	-563 969	-512 890
Total	**-690 352**	**-520 696**	**-563 969**	**-512 890**
Loss transferred to retained earnings.			-563 969	-512 890

STATEMENT OF FINANCIAL POSITION

(All figures in NOK 1,000)	Note	Group 31.12.2010	Group 31.12.2009	Parent company 31.12.2010	Parent company 31.12.2009
ASSETS					
Non-current asset:					
Goodwill	14,15	596 506	697 938	530 135	625 713
Capitalised exploration expenditures	14,15	1 802 234	893 467	1 802 234	846 934
Other intangible assets	14,15	1 107 693	1 320 484	942 010	1 031 761
Tangible fixed assets	14,15	406 834	447 553	406 834	445 521
Shares in subsidiary	4			431 361	431 361
Other financial fixed assets	30	18 210	17 965	18 210	17 965
Prepayments	18	106 269	240 442	118 194	
Intercompany receivables	29				662 365
Total non-current assets		**4 037 746**	**3 617 849**	**4 248 978**	**4 061 620**
Current assets:					
Inventories	7	10 249	14 655	10 249	14 655
Receivables					
Trade receivables	16	60 719	30 414	60 719	30 414
Other short-term receivables	17	448 221	393 669	448 221	229 573
Financial investments	30	22 568	21 995	22 568	21 995
Tax receivables	12	2 344 753	2 060 124	2 276 417	1 400 161
Derivatives	23	6 033		6 033	
Intercompany receivables	29				26 525
Cash and cash equivalents	19	789 330	1 574 287	789 330	1 198 128
Total current assets		**3 681 872**	**4 095 144**	**3 613 537**	**2 921 451**
TOTAL ASSETS		**7 719 619**	**7 712 992**	**7 862 514**	**6 983 071**

STATEMENT OF FINANCIAL POSITION

(All figures in NOK 1,000)	Note	Group 31.12.2010	Group 31.12.2009	Parent company 31.12.2010	Parent company 31.12.2009
EQUITY AND LIABILITIES					
Paid-in capital					
Share capital	20	111 111	111 111	111 111	111 111
Premium reserve	20	1 167 312	1 167 312	1 167 312	1 167 312
Other paid-in capital	20	17 715	33 463	17 715	33 463
Total paid-in capital		**1 296 138**	**1 311 886**	**1 296 138**	**1 311 886**
Earned equity					
Retained earnings	20	1 864 035	2 538 638	1 761 372	2 546 442
Total Equity		**3 160 173**	**3 850 524**	**3 057 510**	**3 858 328**
Provision for liabilities					
Pension liabilities	21	32 070	19 914	32 070	19 914
Deferred taxes	12	1 757 481	1 173 477	1 594 608	1 172 186
Abandonment provision	22	268 227	224 472	268 227	224 472
Deferred income and other provisions for liabilities		2 429	5 588	2 429	5 588
Total provisions for liabilities		**2 060 207**	**1 423 451**	**1 897 334**	**1 422 160**
Non-current liabilities					
Derivatives	23		21 805		
Bonds	24		390 600		390 600
Total non-current liabilities			**412 405**		**390 600**
Current liabilities					
Bonds	24	421 668		421 668	
Short-term loan	26	1 110 652	1 090 258	1 110 652	600 000
Trade creditors	30	219 984	261 940	219 984	104 808
Accrued public charges and indirect taxes		20 013	22 618	20 013	14 100
Deferred income	25		53 001		53 001
Other current liabilities	27	726 921	598 795	726 921	511 155
Intercompany liabilities	29			408 431	28 918
Total current liabilities		**2 499 238**	**2 026 613**	**2 907 670**	**1 311 983**
Total liabilities and provision for liabilities		**4 559 445**	**3 862 468**	**4 805 003**	**3 124 743**
TOTAL EQUITY AND LIABILITIES		**7 719 619**	**7 712 992**	**7 862 514**	**6 983 071**

Kjell Inge Røkke, Chairman of the Board

Kaare Moursund Gisvold, Deputy Chairman

Maria Moræus Hanssen, Board Member

Berge Gerdt Larsen, Board Member

Bodil Alteren, Board Member

Hege Sjo, Board Member

Erik Haugane, Chief executive Officer

Gunnar Håkon Eide, Board Member

STATEMENT OF CHANGES IN EQUITY - GROUP

(All figures in NOK 1,000)	Share capital	Premium reserve	Other paid-in equity	Retained earnings	Total equity
Equity as of 31.12.2008	**12 985**	**3 519 597**		**158 637**	**3 691 219**
Reduction of premium reserve		-3 519 597		3 519 597	
Redemption of share capital	-12 985				-12 985
Equity capital / value of acquiring company	20 000	1 167 312	33 463	-618 901	601 874
Share issue 22.12.2009	91 111				91 111
Total loss for the period 01.01.2009 - 31.12.2009				-520 696	-520 696
Equity as of 31.12.2009	**111 111**	**1 167 312**	**33 463**	**2 538 638**	**3 850 524**
Total loss for the period 01.01.2010 - 31.12.2010			-15 748	-674 604	-690 352
Equity as of 31.12.2010	**111 111**	**1 167 312**	**17 715**	**1 864 035**	**3 160 173**

STATEMENT OF CHANGES IN EQUITY - PARENT COMPANY

(All figures in NOK 1,000)	Share capital	Premium reserve	Other paid-in equity	Retained earnings	Total equity
Equity as of 31.12.2008	**12 985**	**3 519 597**		**158 637**	**3 691 219**
Reduction of premium reserve		-3 519 597		3 519 597	
Redemption of share capital	-12 985				-12 985
Equity capital / value of acquiring company	20 000	1 167 312	33 463	-618 901	601 874
Share issue 22.12.2009	91 111				91 111
Total loss for the period 01.01.2009 - 31.12.2009				-512 890	-512 890
Equity as of 31.12.2009	**111 111**	**1 167 312**	**33 463**	**2 546 442**	**3 858 328**
Transfer of business from subsidiary				-236 850	-236 850
Total loss for the period 01.01.2010 - 31.12.2010			-15 748	-548 221	-563 969
Equity as of 31.12.2010	**111 111**	**1 167 312**	**17 715**	**1 761 372**	**3 057 510**

STATEMENT OF CASH FLOW

1 January - 31 December (NOK 1,000)	Note	Group 2010	Group 2009	Parent company 2010	Parent company 2009
Cash flow from operating activities					
Loss before tax		-2 183 427	-1 399 855	-1 735 859	-1 388 716
Tax paid during the period		-1 390		-1 390	
Tax refund during the period		2 048 448	199 710	1 420 898	199 710
Depreciations	14	159 049	53 469	157 124	53 414
Net impairment losses	14,15	160 488	213 304	141 533	213 304
Expensing of excess/shortfall value		101 575			
Pooling differential related to business combinations	2			-236 850	
Reversal of tax item related to shortfall value of purchase price allocation (PPA)	6	-79 259		-79 259	
Losses on the sale of licens		19 724		19 724	
Changes in derivatives	23	-27 838		3 915	
Amortisation of interest expenses		51 518		51 518	
Expensed capitalised dry wells (*)	6,14	1 239 257	784 027	1 011 354	784 027
Changes in abandonment liabilities		12 358	10 514	12 358	10 514
Changes in inventories, accounts payable and receivable		-51 264	125 178	97 703	-78
Change in net working capital and other accrual items		82 533	582 188	162 782	766 935
Net cash flow from operating activities		**1 531 771**	**568 534**	**1 025 549**	**639 109**
Cash flow from investment activities					
Payment for removal and decommissioning of oil fields		-765		-765	
Disbursements on investments in fixed assets	14	-102 915	-62 299	-106 995	-62 299
Disbursements on investments in intangible assets	14	-2 162 660	-1 442 455	-2 031 470	-1 442 455
Sale of tangible fixed assets			320		320
Sale of licences		8 700		8 700	
Net cash flow from investment activities		**-2 257 640**	**-1 504 434**	**-2 130 530**	**-1 504 434**
Cash flow from financing activities					
Purchase of shares			-6 000		-6 000
Arrangement fee		-61 350		-61 350	
Repayment of loan		-2 613 075		-1 420 898	
New short-term loan		2 615 338	600 000	2 178 431	600 000
Net cash flow from financing activities		**-59 087**	**594 000**	**696 183**	**594 000**
Net change in cash and cash equivalents		**-784 957**	**-341 900**	**-408 798**	**-271 324**
Cash and cash equivalents at start of period		1 574 287	1 468 287	1 198 128	1 468 287
Cash in the acquired business at the acquisition date			447 900		1 165
Cash and cash equivalents at end of period		**789 330**	**1 574 287**	**789 330**	**1 198 128**
Specification of cash and cash equivalents at					
Bank deposits		775 924	1 559 200	775 924	1 188 966
Restricted bank deposits		13 405	15 087	13 405	9 162
Total cash and cash equivalents at end of period	**19**	**789 330**	**1 574 287**	**789 330**	**1 198 128**

(*) Classification of "expensing of capitalized exploration wells this year" has changed in that it has moved from investment activities to operating activities.

NOTES TO THE ACCOUNTS

GENERAL INFORMATION

Det norske oljeselskap ASA ('the Company' or 'Det norske') is an oil company involved in exploration for and development and production of oil and gas fields on the Norwegian continental shelf.

The Company is a public limited liability company registered and domiciled in Norway. Det norske's shares are listed on Oslo Stock Exchange. The Company's registered business address is in Trondheim, Norway.

Det norske merged with Aker Exploration ASA on 22 Desember.2009. The merger was effective for accounting purposes as from 22 December 2009 and for tax purposes from 1 January 2009. The subsidiary Aker Exploration AS (now Det norske oljeselskap AS), effective from 22 December 2009, is reflected in the group accounts.

On 1 October 2010 the parent company Det norske oljeselskap ASA acquired the net assets from the subsidiary Det norske oljeselskap AS. For tax purposes the transaction date was 01.01.2010. There is no activity in the subsidiary and it is planned to be liquidated in 2011.

The financial statements were approved by the Board of Directors on 23 March 2011 and will be presented for approval in this year Annual General Meeting on 12 April 2011.

NOTE 1 – SUMMARY OF IFRS ACCOUNTING PRINCIPLES

1.1 BASIS FOR PREPARATION

The group's and the parent company's financial statements have been prepared in accordance with the Norwegian Accounting Act and International Financial Reporting Standards (IFRS) as adopted by the EU.

The financial statements have been prepared on a historical cost basis with the exception of the following accounting items:

Financial instruments at fair value through profit or loss, loans, receivables and other financial commitments which are recognised at amortised cost.

The financial statements have been prepared using uniform accounting principles for similar transactions and events taking place on otherwise similar terms.

1.2 GROUP ACCOUNTS AND CONSOLIDATION

The group's financial statements comprise Det norske oljeselskap ASA in addition to the subsidiary Det norske oljeselskap AS, in which Det norske oljeselskap ASA has a controlling interest over the financial and operational strategy.

A controlling interest is normally present when the group, directly or indirectly, controls more than half of another company's voting capital or otherwise achieves de facto control of the other company.

The group's financial statements have been prepared by consolidating the accounts of the parent company and those of the subsidiary, which were prepared using the same accounting principles. Where necessary, the subsidiary's principles for preparation of the accounts have been adjusted to ensure that they are in accordance with the group's accounting principles. For consolidation purposes, the group's revenues and expenses, share portfolio, outstanding balances, dividend, group contribution and unrealised transaction gains between consolidated companies have been eliminated.

1.3 FUNCTIONAL CURRENCY AND PRESENTATION CURRENCY

The group and parent company's functional currency and presentation currency is Norwegian kroner (NOK) and all amounts have been rounded off to the nearest thousand unless otherwise stated.

1.4 IMPORTANT ACCOUNTING VALUATIONS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in accordance with IFRS requires management to carry out valuations and estimates and make assumptions that have an effect on the application of accounting principles and on recognised amounts relating to assets and liabilities as well as to provide information relating to contingent assets and liabilities on the balance-sheet date, and to report revenues and expenses in the course of the accounting period.

Accounting estimates are used to determine reported amounts, including the possibility of realisation of certain assets, the expected useful life of tangible and intangible assets, tax expense etc. Even though the estimates are based on management's best judgement and appraisal of previous and current events and actions, the actual results may deviate from the estimates. The estimates and underlying assumptions are reviewed regularly. Changes to the estimates are recognised when new estimates can be determined with sufficient certainty. Changes to accounting estimates are recognised in the period when they occur. If the effect of a change concerns future reporting periods, the effect is distributed between current and future periods.

The main sources of uncertainty when using estimates for the group relate to the following:

Proven and probable oil and gas reserves. Oil and gas reserves are estimated by the group's experts in accordance with industry standards. The estimates are based on Det norske's own assessment of information received from the operators. Proven and probable oil and gas reserves consist of estimated quantities of crude oil, natural gas and condensates demonstrated by geological and technical data to be recoverable with reasonable certainty from known resources under existing economic and operational conditions, i.e. on the date that the estimates are prepared. Prices only take account of contractual price changes and not price fluctuations as a result of future conditions.

Proven and probable reserves are used to estimate production volumes as basis for depreciation. Reserve estimates are also used as basis for impairment testing of licence-related assets. Changes to reserve estimates can, for example, be the cause of price and cost changes, changes in production profiles or arise as a consequence of new information about the reservoir. Future changes to proven and probable oil and gas reserves can have a material effect on depreciation, time of removal, and on impairment of licence-related assets, which could have a material adverse effect on operating results as a consequence of increased depreciation or impairment.

At 31 December 2010, the book value of operating assets (both fixed and intangible) was NOK 3 913 million for the group and NOK 3 681 million for the parent company, see notes 14 and 15.

Acquisition costs - exploration. Det norske oljeselskap AS's accounting policy is to temporarily recognise expenses relating to the drilling of exploration wells in the balance sheet pending an evaluation of potential oil and gas discoveries (successful efforts method). If no reserves are discovered, or if recovery of the reserves is considered technically or commercially unviable, the costs of exploration wells are expensed. Decisions as to whether this expenditure should remain capitalised or expensed in the period may materially affect the operating result for the period.

Expenses relating to the acquisition of exploration licences are capitalised and assessed for impairment on each reporting date.

See items 1.9 and 1.10 for further details.

At 31 December 2010, the book value of capitalised exploration expenses was NOK 1 802 million both for the group and for the parent company, see Note 14.

Impairment/reversal of impairment. Det norske has significant investments in long-lived assets such as fixed tangible assets, and any changes in the expected future value of individual assets can result in the book value of some assets being impaired to estimated recoverable value. Impairment losses must be reversed if the conditions for the impairment are no longer present. Considerations regarding whether an asset is actually impaired or whether the impairment losses should be reversed can be complicated and are partly based on good judgement and assumptions. The complexity of the issue as an example related to the modelling of relevant future cash flows to determine the asset's value in use, decide on measurement units and establish the asset's net sales value.

The evaluation of impairment requires long-term assumptions concerning a number of often volatile economic factors, including future oil prices, oil production, currency exchange rates and discount rates, in order to estimate future cash flows. Such assumptions require the estimation of relevant factors such as forward price curves (oil), production estimates and, finally, residual asset values. Likewise, establishing an asset's net sales value requires careful assessment unless information about net sales value can be obtained from an actual observable market.

See Note 14 'Property, plant and equipment and intangible assets' and Note 15 'Impairment of goodwill and other assets'.

Decommissioning and removal obligations. The group has considerable obligations relating to decommissioning and removal of offshore installations at the end of the production period. Obligations associated with decommissioning and removal of long-term assets are recognised at fair value on the date they are incurred. At the initial recognition of an obligation, the expense is capitalised as production plant and depreciated over the useful life of the asset. It is difficult to estimate the expenses of decommissioning and removal, which are based on applicable laws and regulations, and dependent on technological developments. Many decommissioning and removal activities will take place in the distant future, and the technology and related expenses are constantly changing. The estimates include costs based on expected removal concepts and estimated expenses of maritime operations and of hiring heavy-lift barges. As a result, the initial recognition of the obligation in the accounts, the related expenses capitalised in the balance sheet for decommissioning and removal and subsequent adjustment of these items involve careful consideration.

At 31 December 2010, the book value of decommissioning and removal obligations amounted to NOK 268 million for both the group and the parent company, see Note 22.

At 31 December 2010, the pension commitment amounted to NOK 32 million, see Note 21.

Income tax. The group annually incurs significant amounts of income tax payable and/or earns a considerable tax receivable. The group also recognises considerable changes in deferred tax or deferred tax benefits. These figures are based on management's interpretation of applicable laws and regulations, and relevant court decisions. The quality of these estimates are largely dependent on management's ability to apply what is sometimes a very complex set of rules, identify changes to existing rules and, as far as deferred tax benefit is concerned, the ability to project future earnings from which a loss carryforward may be deducted for tax purposes.

As of 31 December 2010, the book value of deferred tax amounted to NOK 1 757 million for the group and NOK 1 595 million for the parent company, while estimated tax receivables amounted to NOK 2 345 million for the group and NOK 2 276 million for the parent company, see Note 12.

Rig contracts. The group has considerable obligations relating to rig contracts. Rig contracts are subject to impairment tests based on change in future rig rates and utilisation.

1.5 FOREIGN CURRENCY AND TRANSACTIONS

Transactions in foreign currency are translated using the exchange rate on the transaction date. Monetary items in foreign currency are translated using the exchange rate on the balance-sheet date. Foreign exchange gains and losses are recognised on an ongoing basis in the accounting period.

1.6 REVENUE RECOGNITION

Revenues from petroleum products are recognised on the basis of the group's ideal share of production during the period, regardless of actual sales (entitlement method).

Other revenues are recognised when the goods or services are delivered and material risk and control is transferred.

Dividends are recognised when the shareholders' dividend rights are approved by the Annual General Meeting.

1.7 INTERESTS IN JOINTLY CONTROLLED ASSETS

A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control. Det norske oljeselskap has interests in licences that do not constitute separate companies. All these interests are in licences on the Norwegian continental shelf that are defined as jointly controlled assets pursuant to IAS 31. The group recognises investments in jointly controlled assets (oil and gas licences) by proportionate consolidation, by reporting its share of related revenue, expenses, assets, liabilities and cash flows under the respective items in the group's financial statements.

1.8 BALANCE SHEET CLASSIFICATION

Current assets and current liabilities include items due less than a year from the balance sheet date and items relating to the goods cycle. Current year's instalments on long-term liabilities are classified as current liabilities. Financial investments in shares are classified as current assets, while strategic investments are classified as fixed assets. Other assets are classified as fixed assets.

1.9 BUSINESS COMBINATIONS AND GOODWILL

In order to consider an acquisition as a business combination, the acquired asset or group of assets must constitute a business (an integrated set of operations and assets conducted and managed for the purpose of providing a return to the investors). The combination consists of input factors, processes to which these input factors are subjected, and a production output that is or will be used to generate operating revenues.

Acquired businesses are included in the financial statements from the transaction date. The transaction date is defined as the date on which the group achieves control over the financial and operational assets. This date may differ from the actual date on which the assets are transferred. Sold businesses are included in the accounts until the time of the sale.

Comparative figures are not adjusted for acquired, sold or discontinued businesses.

For accounting purposes, the acquisition method is used in connection with the purchase of businesses. Acquisition cost equals the fair value of the assets used as consideration, including contingent consideration, equity instruments issued and liabilities assumed in connection with the transfer of control. Acquisition cost is measured against the fair value of the newly acquired assets and liabilities. Identifiable intangible assets are included in connection with acquisitions if they can be separated from other assets or meet the legal contractual criteria. When calculating fair value, the tax implications of any re-evaluations are taken into consideration. If the acquisition cost at the time of the acquisition exceeds the fair value of the acquired net assets (when the acquiring entity achieves control of the transferring entity), goodwill arises.
If the fair value of the net identifiable assets acquired exceeds the acquisition cost on the acquisition date, the excess amount is taken to income at the time of the takeover.

Goodwill is allocated to the cash flow-generating units or groups of cash flow-generating units that are expected to benefit from synergy effects of the merger. For internal management purposes, goodwill is assessed for each individual field/licence, and these are deemed to be individual cash flow-generating entities.

In step acquisitions, the acquisition cost is calculated as the sum of the fair value of previously acquired assets on the date of acquisition and the consideration for the most recent purchase. Changes in the value of previous assets are recognised in the income statement. Calculation of goodwill and non-controlling interests can be made based on two equally valid alternative methods:

1) Goodwill is only recognised for the majority's share, with further identification of goodwill in connection with subsequent purchasing of minority interest.

2) Goodwill is recognised for both the majority and the minority's interest, i.e. on a 100% basis. Any subsequent acquisition of remaining minority interests does not entail any adjustment of goodwill, but is treated as an equity transaction.

When using the second alternative, non-controlling interest must be valued at fair value. The choice between alternative 1 and 2 is not a choice between principles and is made in connection with each individual acquisition.

The allocation of excess value and goodwill may be adjusted up to 12 months after the takeover date if new information has emerged about facts and circumstances that existed at the time of the takeover, and which, had they been known, would have affected the calculation of the amounts that were included from that date.

Acquisition costs over and above capital issue and borrowing costs must be expensed as they are incurred.

The valuation at fair value of licences is based on cash flows after tax. This is because these licences are only sold in an after tax market based on decisions made by the Norwegian Ministry of Finance pursuant to the Petroleum Taxation Act section 10. The purchaser can therefore not request a deduction for the consideration with tax effect through depreciations. In accordance with IAS 12 sections 15 and 24, a provision is made for deferred tax corresponding to the difference between the acquisition cost and the transferred tax base depreciation. The offsetting entry to this deferred tax is goodwill. Hence, goodwill arises as a technical effect of deferred tax.

1.10 ACQUISITIONS, SALES AND LICENCE SWAPS

On acquisition of a licence that involves the right to explore for and produce petroleum resources, it is considered in each case whether the acquisition should be treated as a business combination (see item 1.9) or an asset purchase. As a rule, purchases of licences in a development or production phase will be regarded as a business combination. Other licence purchases will be regarded as asset purchases.

Oil and gas production licences
For oil and gas-producing assets and licences in a development phase, the acquisition cost is allocated between capitalised exploration expenses, licence rights, production plant, and deferred tax.

When entering into agreements regarding the purchase/swap of assets, the parties agree on an effective date for the takeover of the net cash flow (usually 1 January in the calendar year). In the period between the effective date and the completion date, the seller will include its purchased share of the licence in the financial statements. In accordance with the purchase agreement, there is a settlement with the seller of the net cash flow from the asset in the period from the effective date to the completion date (pro & contra settlement). The pro&contra settlement will be adjusted to the seller's losses/gains, and to the assets for the purchaser, in that the settlement (after a tax reduction) is deemed to be part of the consideration in the transaction. The purchaser's revenues and expenses are included from the transaction date.

For tax purposes, the purchaser will include the net cash flow (pro&contra) and any other income and costs as from the effective date.

When acquiring licenses that are defined as assets, no provision is made for deferred tax.

Farm-in agreements
Farm-in agreements are usually entered into in the exploration and development phase and are characterised by the seller waiving future financial benefits, in the form of reserves, in exchange for reduced future financing obligations. For example, a licence interest is taken over in return for a share of the seller's expenses relating to the drilling of a well. In the exploration phase, the Company normally accounts for farm-in agreements on a historical cost basis, as the fair value is often difficult to determine. In the development phase, however, farm-in agreements are recognised as acquisitions at fair value when the group is the purchaser, and as a disposal at fair value when the groups is the seller of interests in oil or gas assets. The fair value is arrived at based on the costs that the purchaser has agreed to bear.

Swaps
Swaps of assets are calculated at the fair value of the asset being surrendered, unless the transaction lacks commercial substance or neither the fair value of the asset received nor the fair value of the asset surrendered, can be effectively measured. In the exploration phase the group normally recognizes swaps based on historical cost, as the fair value often is difficult to measure.

1.11 TANGIBLE FIXED ASSETS AND INTANGIBLE ASSETS

General
Tangible fixed assets are recognised on a historical cost basis. Depreciation of assets other than oil and gas fields is calculated using the straight-line method over 3-5 years and adjusted for/any fall in value or residual value, if applicable.

The book value of tangible fixed assets consists of the acquisition cost after deduction of accumulated depreciations and impairment losses. Expenses relating to leased premises are capitalised and depreciated over the remaining lease period.

The expected useful lives of tangible fixed assets are reviewed annually, and in cases where these differ significantly from previous estimates, the depreciation period is changed accordingly. Changes to estimates are included prospectively in that the change is recognised in the period in which it occurs, and in future periods if the change affects both.

The residual value of an asset is the estimated amount that the group would obtain from disposal of the asset, after deduction of the estimated costs of disposal, if the asset was already of the age and in the condition expected at the end of its useful life.

Ordinary repair and maintenance costs relating to day-to-day operations are charged to income in the period in which they are incurred. The costs of major repairs and maintenance are included in the asset's book value.

Gains and losses relating to the sale of assets are determined by comparing the selling price with the book value, and are included in other operating expenses. Assets to be sold are reported at the lower of the book value and the fair value minus the sales costs.

Operating assets related to petroleum activities

Exploration and development costs relating to oil and gas fields
Capitalised exploration costs are classified as intangible assets and reclassified as tangible assets at the start of the development. For accounting purposes, the field is considered to enter the development phase when the licensees have decided that recovery of the field's resources is commercially viable, or when the field is matured to a corresponding level. All costs relating to the development of commercial oil and/or gas fields are recognised as tangible assets. Pre-operational costs are expensed as they incur.

The group employs the 'successful efforts' method to account for exploration and development costs.
All exploration costs (including seismic shooting, seismic studies and 'own time'), with the exception of acquisition costs of licences and drilling costs for exploration well, are charged to expenses as incurred.

Drilling cost for exploration wells are temporarily capitalised pending the evaluation of potential discoveries of oil and gas reserves. If no reserves are discovered, or if recovery of the reserves is considered technically or commercially unviable, expenses relating to the drilling of exploration wells are charged to income. Such costs can remain capitalised for more than one year. The main criteria are that there must be definite plans for future drilling in the licence or that a development decision is expected in the near future.

For acquired exploration licenses, an assessment as described above is performed; assessment if established plans for further activity exists or evaluation if development will be decided in near future. The measurement of recognized prospects/ exploration licenses are then based on a net sales value consideration, based on multiples per barrel. The value per license is calculated by multiplying risked resources with an estimated value per barrel based on an average of several analyst assessments.

Depreciation of oil and gas fields
Expenses relating to drilling and equipment for exploration wells where proved and probable reserves are discovered are capitalised and depreciated using the unit-of-production method based on proved and probable

reserves expected to be recovered from the well. Development costs relating to construction, installation and completion of infrastructure such as platforms, pipelines and the drilling of production wells are capitalised as producing oil and gas fields. They are depreciated using the unit-of-production method based on proven and probable developed reserves expected to be recovered from the area during the licence or contract period. Acquired assets used for the recovery and production of petroleum deposits, including licence rights, are depreciated using the unit-of-production method based on proven and probable reserves. The reserve basis used for depreciation purposes is updated at least once a year. Any changes in the reserves affecting unit-of-production calculations are reflected prospectively.

1.12 IMPAIRMENT

Tangible fixed assets and intangible assets
Tangible fixed assets and intangible assets (including licence rights, exclusive of goodwill) with a finite useful life will be assessed for potential loss in value when events or changes of circumstances indicate that the book value of assets is materially higher than the recoverable amount.

The valuation unit used for assessment of impairment will depend on the lowest level at which it is possible to identify cash flows that are independent of cash flows from other groups of fixed assets. For oil and gas assets, this is carried out at the field or licence level. The loss in value for capitalised exploration costs is assessed for each well. Impairment are recognised when the book value of an asset or a cash flow-generating unit exceeds the recoverable amount. The recoverable amount is the higher of the asset's net sales value and utility value. 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 before tax that reflects the current market valuation of the time value and the specific risk related to the asset.

For producing licenses and licenses in a development phase, the recoverable amount is calculated by discounting future cash flows after tax. Source for data input to the various fields is the operator's reporting to the Revised National Budget (RNB), as this is considered to be the best available estimate. Future cash flows are determined in the various licenses based on the production profile compared to estimated proved and probable remaining reserve. The reserves are cut at the time they no longer make a positive contribution to the cash flow, or the rental contract for the installation expires.

A previously recognised impairment can only be reversed if changes have occurred in the estimates used for the calculation of the recoverable amount. This may, however, not be higher than if the impairment had not been accounted for. Such reversals are recognised in the income statement. After a reversal, the depreciation amount is adjusted in future periods in order to distribute the asset's revised book value, minus any residual value, on a systematic basis, over the asset's expected useful life.

Goodwill
Goodwill is tested for impairment annually or more frequently if events or change of circumstances indicate that the value may be impaired.

Impairment of goodwill is valued by assessing the recoverable value of the cash-generating unit to which the goodwill is related. Det norske has chosen to assess goodwill for each field/licence. A impairment is carried out if the recoverable amount is less than the book value of the field/licence, including associated goodwill and deferred tax as described in sections 1.9. and 1.10. Losses relating to impairment of goodwill cannot be reversed in future periods. The group performs its annual impairment test of goodwill in the fourth quarter.

The sale of a license where the Company historically has recognized deferred tax and goodwill in a business combination, both goodwill and deferred taxes from the acquisition is included when calculation gain/loss. An impairment of these licenses as a result of impairment testing, applies the same assumptions such that the goodwill and deferred tax is assessed together with the related license.

1.13 FIXED ASSETS HELD FOR SALE

Fixed assets and groups of fixed assets and liabilities are classified as held for disposal if their capitalised value will be recovered in a sales transaction instead of via continued use. This is regarded as valid when a sale is highly likely and the fixed asset (or groups of fixed assets and liabilities) is available for immediate sale in its current condition. The management must have committed to a sale and the sale must be expected to be completed within a year of the classification date.

Fixed assets and groups of fixed assets and liabilities classified as held for disposal are estimated at the lower of the previous book value and the fair value minus sales costs.

1.14 FINANCIAL INSTRUMENTS

The group has the following financial assets and liabilities:

- financial assets measured at fair value and recognised in the income statement
- loans and receivables

- financial derivatives measured at fair value and recognised in the income statement
- financial liabilities measured at amortised cost

Financial assets with fixed or determinable cash flows that are not listed in an active market are classified as loans and receivables, with the exception of instruments that the group has deemed should be recognised at fair value with changes in value recognised in the income statement.

Loans and receivables and financial commitments measured at amortised cost are recognised at amortised cost, while financial assets are recognised at fair value and recognised in the income statement, and financial derivatives are recognised at fair value.

Changes in the fair value of financial instruments classified at fair value with changes in value recognised in the income statement are recognised and presented as financial income/ expenses.

1.15 DERIVATIVES

Financial derivatives are valued at fair value. Changes in fair value are recognised in the income statement as they arise.

1.16 IMPAIRMENT OF FINANCIAL ASSETS

Financial assets that are assessed at amortised cost are impaired when, based on objective evidence, it is likely that the instrument's cash flows have been negatively affected by one or more events that have occurred after the initial recognition of the instrument. The impairment value is recognised in the income statement. Should the reason for the impairment subsequently cease to exist, and this can be objectively linked to an event taking place after the impairment of the asset, the previous impairment shall be reversed. The reversal shall not cause the balance-sheet value of the financial asset to exceed the amount that the amortised cost would have been if the impairment had not been recognised at the time when the impairment was reversed. Reversals of previous impairments are presented as income.

1.17 CONVERTIBLE LOANS

Loans that can be converted into share capital pursuant to an option granted to the lender, and where the number of shares issued does not change in the event that the fair value changes are treated as hybrid financial instruments. Transaction costs relating to the issuing of a hybrid financial instrument are allocated between liabilities and equity in the same proportion as the proceeds. The equity component of convertible bonds is calculated as that part of the proceeds of the issue that exceeds the net present value of future interest and instalment payments, discounted by the market interest rate for similar commitments without conversion rights. The interest expenses to be included in the income statement are calculated using the effective interest rate method.

1.18 RESEARCH AND DEVELOPMENT

Research is original, planned studies carried out with a view to achieving new scientific or technical knowledge or understanding. Development is the application of information gained through research or of other knowledge to a plan or design for the production of new or significantly improved materials, facilities, products, processes, systems or services before commercial production or use commences.
The licence system on the Norwegian continental shelf stimulates research and development activities. The group is only involved in research and development through projects financed by participants in the licence.
It is the group's own share of the licence-financed research and development that is assessed with a view to capitalisation. Development costs that are expected to generate future financial benefits will be capitalised when the following criteria are met:

- the group can demonstrate that the technical premises exist for the completion of the intangible asset with the aim of making it available for use or sale – the demo version
- the group intends to complete the intangible asset and then to use or sell it;
- the Company has the ability to use or sell the asset;
- the intangible asset will generate future financial benefits;
- the group has available adequate technical, financial and other resources to complete the development and to put to use or sell the intangible asset; and
- the group has the ability to measure the costs incurred in connection with the development of the intangible asset in a reliable manner.

All other research and development costs are expensed as incurred.

Costs that are capitalised include material costs, direct payroll expenses and a share of directly related joint expenses. Capitalised development costs are recognised in the balance sheet at acquisition cost minus accumulated depreciation.

Capitalised development costs are amortised over the asset's estimated useful life.

1.19 RECLASSIFICATION OF PAYROLL AND ADMINISTRATION COSTS

The Company carries out ongoing reclassification of payroll and operating costs for development, operational and exploration activities, respectively, based on allocation of registered hours worked. As a basis, the group uses gross payroll and operating expenses reduced by the amounts already invoiced to operator licences.

1.20 LEASE AGREEMENTS

The Company as lessee:

Financial lease agreements
Lease agreements in which the Company accepts the main risk and returns in connection with ownership of the asset are financial lease agreements. At the start of the lease period, financial lease agreements are calculated at an amount corresponding to the lowest of the fair value and the minimum present value of the lease, with a deduction for accumulated depreciation. When calculating the lease agreement's net present value, the implicit interest rate expense in the lease agreement is used provided that it can be calculated; otherwise, the group's incremental borrowing rate is used. Direct costs in connection with the establishment of the lease agreement are included in the asset's cost price.

Financial lease agreements are treated as tangible fixed assets in the balance sheet and have the same depreciation period as the Company's other depreciable assets. If it cannot be assumed with reasonable certainty that the Company will take over ownership of the asset after the expiry of the lease, the asset is depreciated over whichever is the shorter of contract period of the lease agreements and the asset's expected useful life.

Operational lease agreements
Lease agreements in which the main risk and returns associated with the ownership of the asset are not transferred, are classified as operational lease agreements. Rental payments are classified as operational expenses and are recognised on a straight-line basis over the contract period.

1.21 TRADE DEBTORS

Trade debtors are recognised in the balance sheet at nominal value after a deduction for the provision for bad debt. The provision for bad debt is calculated on the basis of an individual valuation of each trade debtor. Known losses on receivables are expensed as incurred.

1.22 BORROWING COSTS

Borrowing costs that can be directly ascribed to procurement, processing or production of a qualifying asset, shall be capitalised as part of the asset's acquisition cost. Borrowing costs are expenses in the period in which they are incurred.

A qualifying asset is an asset that requires an extensive period before it is ready for its intended use or sale.

1.23 INVENTORIES

Spare parts
Spare parts are assessed at the lowest of cost price and net sales value on the basis of the first-in/first-out (FIFO) principle. Costs include raw materials, freight and direct production costs in addition to some indirect costs. Net sales value is equal to the estimated sales price minus the estimated sales cost.

Petroleum stock
Produced petroleum that is not lifted constitutes petroleum stock. Petroleum stock is valued at the lowest of full production cost and net sales value.

1.24 OVERLIFT/ UNDERLIFT

Petroleum overlifts are presented as current liabilities; while petroleum underlifts are presented as short-term receivables. The value of overlift/underlift is set at the estimated sales value, minus estimated sales costs (the entitlement method).

1.25 CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash, bank deposits, other short-term highly liquid investments with an original due date of three months or less. Bank overdrafts are included in the balance sheet as short-term borrowings. Interest-rate income is taken to income based on the effective interest method as it is earned.

1.26 INTEREST-BEARING DEBT

All loans are initially recognised at the acquisition cost, which equals the fair value of the amount received minus issuing costs relating to the loan.

Subsequently, interest-bearing loans are valued at amortised cost using the effective interest method; the difference between the acquisition cost (after transaction costs) and the face value is recognised in the income statement during the period until the loan falls due. Amortised costs are calculated by considering all issue costs and any discount or premium on the settlement date.

1.27 TAX

General
Tax payable/tax refunds for the current and previous periods are based on the amounts receivable from or payable to the tax authorities.

Tax consists of tax payable and changes in deferred tax. Deferred tax/tax benefits are calculated on the differences between book value and tax basis values of assets and liabilities, with the exception of temporary differences relating to acquisition of licenses that is defined as asset purchase.

The book value of deferred tax benefits is assessed on an annual basis and reduced insofar as it is no longer likely that future earnings or current tax regulations will make it possible to utilise the benefit. Deferred tax benefits that are not capitalised will be re-evaluated on each balance-sheet date and capitalised insofar as it is likely that future earnings will make it possible to utilise he benefit.

Deferred tax and tax benefits are measured using the expected tax rate when the tax benefit is realised or the tax liability is met, based on tax rates and tax regulations in effect or that are expected to be in effect on the balance-sheet date.

Tax payable and deferred tax is recognised directly against the equity insofar as the tax items are directly related to equity transactions.

Deferred tax and tax benefits are shown at net value, where netting is legally permitted and the deferred tax benefit and liability are related to the same tax subject and are payable to the tax authorities.

Petroleum taxation
As a production company, Det norske is subject to the special provisions of the Petroleum Taxation Act. Revenues from activities on the Norwegian continental shelf are liable to ordinary company tax (28 %) and special tax (50 %).

Depreciation
Pipelines and production facilities can be depreciated by up to 16 2/3% annually, i.e. using the straight-line method over 6 years. Depreciation can be started when the expenses are incurred. When the field stops producing, the remaining cost price can be included as a deduction in the final year.

Uplift
Uplift is a special income deduction in the basis for calculation of special tax. The uplift is calculated on the basis of investments in pipelines and production facilities, and can be regarded as an extra depreciation deduction in the special tax basis. The uplift constitutes 7.5% over 4 years, totalling 30% of the investment. Uplift is recognised in the year in which it is applied as a deduction in the Company's tax return, and thus has an effect on tax for the period similar as a permanent difference.

Financial items
Interest on debt with associated currency losses/gains (net financial expenses on interest-bearing debt) is distributed between the offshore and onshore districts. The offshore deduction is calculated as the net financial costs of interest-bearing debt multiplied by 50% of the ratio between tax-related impaired value as of 31 December in the income year of the capital asset allocated to the offshore district and the average interest-bearing debt through the income year.

Remaining financial expenses, currency losses and all interest-rate income is allocated to the onshore district.

Uncovered losses in the onshore district resulting from the distribution of net financial items can be allocated to the offshore district and deducted from regular income (28%).

Only 50% of other losses in the onshore district are permitted to be reallocated to the offshore district as deductions in regular income.

Exploration expenses
Companies may claim a refund from the state for the tax value of exploration expenses incurred insofar as these do not exceed the year's tax-related loss allocated to the offshore activities. The refund is included in the line "calulated tax receivable" in the statement of financial position.

Tax loss
Companies subject to special tax may, without time limitations, carry forward losses with the addition of interest. A corresponding rule also applies to unused uplift. The tax position can be transferred on the realisation of the Company or merger. Alternatively, a request can be made to the state to refund the tax value.

1.28 EMPLOYEE BENEFITS

Defined-benefit pension schemes
Every employee in the parent company has a pension scheme that is administered and managed by a Norwegian life insurance company. The calculation of the estimated pension liability for defined-benefit pensions is based on external actuary methods, and is compared to the value of the pension assets.

When pension costs and pension liabilities are entered in the accounts, a straight-line earning profile is used as a basis. This is based on assumptions relating to discount rates, future salary, national insurance benefits, future returns on pension assets and actuarial assumptions relating to mortality and voluntary retirement etc. Pension assets are recognised at fair value. Pension commitments and pension assets are presented net in the balance sheet and classified as payroll expenses. The pension plans are charged to income at the time of the decision being taken. The part of the estimate variation that exceeds 10% of the pension liability or the pension assets is amortised over the assumed remaining earning period (corridor solution).

Gains and losses on curtailment or settlement of a defined-benefit pension scheme are included in the income statement when the curtailment or settlement occurs. A curtailment occurs when the group makes a considerable reduction in the number of employees encompassed by the scheme or changes the terms and conditions for a defined-benefit pension plan such that a considerable part of the current employees' future earning period will no longer qualify for benefits or only qualify for reduced benefits.

The introduction of a new benefit scheme or improvements to a current benefit scheme will lead to changes in the Company's pension liability. This is expensed on a straight-line basis until the effect of the change is earned. The introduction of new schemes or changes in existing schemes that are implemented with retroactive effect, so that the employees immediately earn a free policy (or a change in their free policy) are recognised in the income statement immediately. Gains or losses associated with restrictions or termination of pension schemes are recognised as they are incurred.

1.29 PROVISIONS

A provision is recognised in the accounts when the group incurs an actual commitment (legal or self-imposed) as a result of a previous event and it is probable that financial settlement will take place as a result of this commitment and the amount can be reliably calculated. Provisions are evaluated on each balance sheet date and are adjusted to reflect the best estimate.

If the time effect is considerable, the provisions are discounted using a discount rate before tax that reflects the market's pricing of the time value of the amount and the risk specifically associated with the commitment. On discounting, the book value of the provisions is increased in each period to reflect the change in time relative to the due date of the commitment. This increase is expensed as an interest expense.

Decommissioning and removal costs
In accordance with the licence terms and conditions for the licences in which the group participates, the Norwegian state, at the end of production or on the expiration of the licence period, can require licence owners to remove the installation in whole or in part.

In the initial recognition of the decommissioning and removal obligations, the group provides for the net present value of future expenses related to decommissioning and removal. A corresponding asset is capitalised as a tangible fixed asset, and depreciated using the unit of production method. Changes in the time value (net present value) of the obligation related to decommissioning and removal are charged to income as financial expenses, and increase the liabilities related to future decommissioning and removal expenses. Changes in estimate for expenses related to decommissioning and removal are adjusted to the liability and the tangible fixed asset. The discount rate used in the calculation of the fair value of the decommissioning and removal obligation is the risk-free rate with the addition of a credit risk element.

1.30 RELATED PARTIES

All transactions, agreements, and business activities with related parties are conducted on ordinary market terms (arm`s length principles).

1.31 SEGMENT

Since its formation, the group has conducted its entire business in one and the same segment, defined as exploration for and production of petroleum in Norway. The group conducts its activities on the Norwegian continental shelf, and management follows up the group at this level.

1.32 EARNINGS PER SHARE

Earnings per share are calculated by dividing the ordinary profit/loss by the weighted average number of the total outstanding shares. Shares issued during the year are weighted in relation to the period in which they have been outstanding. Diluted earnings per share is calculated as the annual result divided by the weighted average number of outstanding shares during the period, adjusted for the dilution effect of any share options. Profits due to shareholders and the weighted average of outstanding shares are adjusted for the dilution effect of any share options. All shares that can be redeemed in connection with share options and that are ”in the money” are included in the calculation. Any share options are expected to be converted on the date of transfer.

1.33 CONTINGENT LIABILITIES AND ASSETS

Contingent liabilities are accounted for in the annual accounts, if it is more than 50 percent likely that they will occur. Major contingent liabilities have been disclosed with the exception of contingent liabilities where the probability of the liability having to be settled is low.

Contingent assets are recognized if it is almost certain that the condition will occur, but disclosure is made if there is a certain probability that it will benefit the group.

1.34 EVENTS SUBSEQUENT TO THE BALANCE SHEET DATE

Events subsequent to the balance sheet date, both positive and negative, are defined as events taking place between the balance-sheet date and the date of approving the financial statements for publication.

Incidents that provide knowledge about matters that existed on the balance-sheet date will be presented.

Any material events related to circumstances occurring after the balance-sheet date will be mentioned in the notes to the financial statements.

1.35 CASH FLOW

The cash flow itemisation has been prepared using the indirect method, and the group’s bank balance is shown as a liquid asset.

1.36 COMPARATIVE FIGURES

When needed, comparative figures have been adjusted in order to correspond to the changes in this year’s presentation of the accounts.

1.37 **CHANGES TO ACCOUNTING STANDARDS AND INTERPRETATIONS:**

YET TO COME INTO EFFECT

Amendments to IFRS 7 *Financial Instruments - Disclosures*
The amendment relates to disclosure requirements for financial assets that are derecognized in their entirety, but where the entity has a continuing involvement. The amendments will assist users in understanding the implications of transfers of financial assets and the potential risks that may remain with the transferor. The amended IFRS 7 is effective for annual periods beginning on or after 1 July 2011, but the standard is not yet approved by the EU. The Group expects to implement the amended IFRS 7 as of 1 January 2012.

IFRS 9 Financial Instruments
IFRS 9 replaces the classification and measurement rules in IAS 39 Financial Instruments- Recognition and measurement for financial instruments. According to IFRS 9 financial assets with basic loan features shall be measured at amortised cost, unless one opts to measure these assets at fair value. All other financial assets shall be measured at fair value. The classification and measurement of financial liabilities under IFRS 9 is a continuation from IAS 39, with the exception of financial liabilities designated at fair value through profit or loss (Fair value option), where change in fair value relating to own credit risk shall be separated and shall be presented in other comprehensive income. IFRS 9 is effective for annual periods beginning on or after 1 January 2013, but the standard is not yet approved by the EU. The Group expects to apply IFRS 9 as of 1 January 2013.

IAS 24 (revised) Related Party Disclosures
The revised IAS 24 clarifies and simplifies the definition of a related party, compared to the current IAS 24. IAS 24 (R) is effective for annual periods beginning on or after 1 January 2011, but the revised standard is not yet approved by the EU. The Group expects to implement IAS 24 (R) as of 1 January 2011.

Amendments to IAS 32 Financial Instruments: Presentation – Classification of Rights Issues
The amendment to IAS 32 Financial Instruments - Presentation provides relief to entities that issue rights in a currency other than their functional currency, from treating the rights as derivatives with fair value changes recorded in profit or loss. Such rights will now be classified as equity instruments when certain conditions are met. Application of the amendment is retrospective and will result in the reversal of profits or losses previously recognized. The amendment is effective for annual periods beginning on or after 1 February 2010. The Group expects to implement the amendments as of 1 January 2011.

Amendments to IFRIC 14 IAS 19 The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction - Prepayments of a Minimum funding Requirement
The amendment to IFRIC 14 intends to correct an unintended consequence of IFRIC 14 IAS 19 The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction. This amendment will allow entities to recognise a prepayment of pension contributions as an asset rather than as an expense. The amendment is effective for annual periods beginning on or after 1 January 2011. The Group expects to implement the amendment as of 1 January 2011.

IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments
The interpretation clarifies the accounting treatment of financial liabilities that, as a result of a renegotiation of the terms of the financial liability, are fully, or partially, extinguished with equity instruments. The interpretation is effective for annual periods beginning on or after 1 July 2010. The Group expects to implement IFRIC 19 as of 1 January 2011.

Annual improvements project 2010
The IASB issued amendments to its standards and the related Basis for Conclusions in its annual “improvements to IFRSs”. The improvement project is an annual project that provides a mechanism for making necessary but non-urgent amendments. The improvements are effective for annual periods beginning on 1 July 2010 or later, but the improvements are not yet approved by the EU. The Group plans to implement the amendments from 1 January 2011.

IFRS 3 Business Combinations:
Clarifies that the amendments to IFRS 7, IAS 32 and IAS 39, that eliminate the exemption for contingent consideration, do not apply to contingent consideration that arose from business combinations whose acquisition dates precede the application of IFRS 3(R).
Introduces a limit on the scope of the measurement choices for components of non-controlling interests.
Clarification regarding the requirements of an entity (in a business combination) to account for the replacement of the acquiree’s share-based payment transaction. If the entity replaces the acquiree’s awards that expire as a consequence of the business combination, these are recognised as post-combination expenses.

IFRS 7 Financial Instruments – Disclosures:
Emphasizes the interaction between quantitative and qualitative disclosures and the nature and extent of risks associated with financial instruments. In addition changes are made to disclosure requirements relating to quantitative information and to credit risk.

IAS 1 Presentation of Financial Statements
Clarifies that an entity shall present an analysis of other comprehensive income for each component of equity, either in the statement of changes in equity or in the notes to the financial statements.

IAS 27 Consolidated and Separate Financial Statements:
Clarifies that the consequential amendments from IAS 27 made to IAS 21, IAS 28 and IAS 31, apply prospectively for annual periods beginning on or after 1 July 2009 or earlier when IAS 27 is applied early.

IAS 34 Interim Financial Reporting
Provide guidance to illustrate how to apply disclosure principles in IAS 34 and add disclosure requirements concerning circumstances likely to affect fair values of financial instruments and their classification, transfers of financial instruments between different levels of the fair value hierarchy, changes in classification of financial assets and changes in contingent liabilities and assets.

Note 2: Business combinations

Business combinations 2010 - from the subsidiary Det norske oljeselskap AS

On the 1.10.2010 the parent company Det norske oljeselskap ASA aquired the net assets from the subsidiary Det norske oljeselskap AS. Agreement date was 17.08.2010 and agreed consideration was set to NOK -246,2 million. Exploration activities related to the subsidiary's licences are maintained in the parent company. The acquisition has no impact on the group figures, but affects the figures for the parent company. The transaction is between parties under common control and fall outside the scope of IFRS 3. The transaction is therefore completed to pooling of interests. For tax purposes the transaction was effective from 01.01.2010.

	Book value as of 01.10.2010
Tangible fixed assets	1 081
Licences and capitalised exploration expenditures	373 753
Deferred tax	-142 628
Calculated tax receivables	608 578
Prepaid rig-mobilisation costs	131 470
Derivatives	9 948
Prepaid rig-mobilisation costs	159 425
Trade receivables	18 271
Intercompany current liabilities	-31 885
Cash and cash equivalents	104 389
Intercompany long-term liabilities	-792 606
Working capital in licence's	-18 606
Short-term loan	-830 000
Other current liabilities	-123 234
Total value	**-532 044**
Pooling differential	-285 814
Agreed consideration	**-246 230**

The transaction has been completed at historical costs basis under the pooling method, therefore the excess values are recognized to the pooling differential in the parent company's accounts. Pro & Contra settlement for the licences is reflected, and transferred deferred tax assets related to adjusted tax settlement. All this is recognized to the pooling differential. Pooling differential is part of retained earnings.

Specification of the pooling differential:	
Fair value at 01.10.2010	-246 230
-booked value at 01.10.2010	-532 044
Pro & contra in period 1.1 -30.09.2010	48 965
Continuity differential	**236 849**

Business acquisition 2009 - Aker Exploration ASA

Det norske merged with Aker Exploration ASA (in the following called "AkX") on 22 December 2009. AkX owned 100% of the subsidiary Aker Exploration AS. Aker Exploration was engaged in exploration for petroleum resources on the Norwegian continental shelf. For legal and financial reasons, AkX was legally the acquiring party in the merger. Det norske was clearly the biggest party to the merger and was, for accounting purposes, regarded as the acquiring party pursuant to IFRS 3R B13 - B19. For accounting purposes, the transaction date was set to the date on which the merger became legally effective, 22 December 2009. For tax purposes the transaction was effective from 1 January 2009.

In legal terms, the merger was effected by Det norske transferred all its assets, rights and commitments to AkX in return for which Det norske's shareholders received shares in AKX based on a conversion ratio of 82:18 between the companies in Det norske's favour. Det norske's shareholders who received consideration shares in AkX were registered in AkX's share register as shareholders from the effective date of the merger. From that date, the new shares conferred full rights, including dividend rights. A total of 91,111,111 new shares were issued in Aker Exploration ASA, each with a nominal value of NOK 1. The fair value of these shares was NOK 39.35416 per share, based on the listed price of AkX (Oslo Axess) on the transaction date. There were no shareholders with special rights etc. The merged company was continued under Det norske's name, logo and profile. The subsidiary Aker Exploration AS has changed its name to Det norske oljeselskap AS.

Net identifiable assets and liabilities was 680 000. This was also the size of the capital increase. There have been no changes in the preliminary purchase price allocation, so it is now considered as final.

Note 3: Major transactions and important events

Important events and transactions in 2010

The group consolidated its position as the second largest oil company on the Norwegian continental shelf in terms of operatorships. In the APA round in 2010, the group was awarded 8 new licences, including three operatorships. Six of these licences are in the North Sea, while two in the Norwegian Sea.

A number of licence swaps were made in 2010. For a complete list of licence interests, see Note 31.

In 2010, Det norske participated in the drilling of eleven exploration wells and two sidetracks. Oil and/or gas were proved in four of the wells: David in PL 102C, Storklakken in PL 460, and the delineation wells on Draupne in PL 001B and on Grevling in PL 038D.

In September 2010, Det norske extended the agreement for the semi-submersible drilling rig Aker Barents by two years. The group now controls the rig until July 2014.

Important events and transactions in 2009

In the APA round in 2009, the group was awarded 10 new licences, including six operatorships in the North Sea. Seven of these licences are in the North Sea, two are in the Norwegian Sea and one is in the Barents Sea.

Det norske's Plan for development and operation (PDO) for the Frøy (PL 364) project, will be processed when confirmation of financing and specification of the time schedule have been submitted to the authorities. In 2009, Det norske fulfilled its licence obligations and the licence period was extended by 10 years. Several projects using subcontractors, have been carried out which will serve as a basis for submitting a revised PDO in 2010. There are also plans for exploration drilling in PL 102C (the David prospect) and PL 460 (the Storklakken prospect) near Frøy in 2010.

A number of licence swaps were made in 2009. For a complete list of licence interests, see Note 31.

There were extensive exploration activities in 2009, and oil or gas was discovered in the Fulla, Freke, Draupne, Grevling, Ragnarrock Graben and East Frigg Delta prospects. Some of the wells were dry or non-commercial. This was the case in Eitri, Geitfjellet, Fongen, Struten, Skardkollen, Trolla and Frusalen.

Note 4: Overview of subsidiaries

The following subsidiaries are included in the consolidated financial statement:

Company:	Country of domicile	Registered	Owning interest	Voting interest
Det norske oljeselskap AS	Norway	Trondheim	100 %	100 %

The subsidiary's main business has been oil and gas activities, but the net asset/debt was transferred to the parent company with effect from 1.10.2010. After this date, there have not been any activities in the company, and it is planned to liquidate the company in 2011.

	Parent company	
	2010	2009
Shares in subsidiary	431 361	431 361
Equity in subsidiary	477 980	268 127
Profit/loss for the year	-6 604	-364 824

In the parent company, shares in the subsidiary are valued at the lowest of cost and fair value.

The subsidiary is consolidated from 22.12.2009 (Note 2). The equity and loss figures for the subsidiary have been taken from the financial statements of Det norske oljeselskap AS. In the case of the group, only the loss for the final 9 days of the year were included, while other effects on the result have been entered directly against equity. The reason for this is that the merger was not effective until 22 December 2009. Loss for 2010 is included, but the subsidiary's main business was bought from the parent company at 1. October 2010 (Note 2).

Inter-company balances are shown in Note 29 "Transactions with related parties".

Note 5: Segment information

The Group's business is entirely related to the exploration and production of petroleum in Norway. The Group's activities are considered to have a homogeneous risk and return profile before tax and the business is located in the geographical area Norway. Thus, the group operates within a single operating segment. This matches the internal reporting to the groups decision maker, defined as the groups top management. All revenues derives from sales to large external customers.

Note 6: Exploration expenses

Specification of exploration expenses:	Group 2010	Group 2009	Parent company 2010	Parent company 2009
Seismic shooting, well data, field studies and other exploration expenses	229 483	79 892	174 989	80 592
Share of exploration expenses as a result of participation in licences, including seismic shooting	318 350	239 880	246 254	238 254
Expensing of exploration wells capitalised in previous years	20 355	23 689	20 355	23 689
Expensing of dry exploration wells this year	1 218 902	760 338	990 999	760 338
Share of payroll and operating expenses, reclassified as exploration expenses	108 561	56 458	97 701	56 973
Share of R&D costs relating to exploration activities	22 341	25 828	22 341	25 828
Rig contract warranty recognised in the statement of income.	-61 397		-61 397	
Reversal of tax item related to shortfall value of purchase price allocation (PPA)	-79 259		-79 259	
Total exploration expenses	**1 777 337**	**1 186 084**	**1 411 983**	**1 185 672**

Those parts of payroll and operating expenses that can be ascribed to production and exploration activities have been reclassified and are shown as production and exploration expenses, respectively.

In addition to research and development costs included above, 5 246 were expensed as 'Other operating expenses' in 2010. The corresponding figures for 2009 was 3 165.

Note 7: Inventories

Inventories consist of petroleum that has been produced but not lifted, plus inventories of spare parts.

	Group 2010	Group 2009	Parent company 2010	Parent company 2009
Inventory of oil - produced, but not delivered as of 31.12	1 409	605	1 409	605
Share of spare parts inventory as of 31.12	8 840	14 050	8 840	14 050
Inventories as of 31.12	**10 249**	**14 655**	**10 249**	**14 655**
Change in inventory of oil (exclusive of spare parts inventories)	**-804**	**4 124**	**-804**	**4 124**

The spare parts inventory mainly consists of equipment for the drilling of exploration wells. For 2009 was "Change in inventories" shown on a separate line in the statement of income. For 2010 it is included in "Production costs". Comparative figures are restated.

Note 8: Production costs and cash flow from production

	Group 2010	Group 2009	Parent company 2010	Parent company 2009
Petroleum revenues	362 115	255 135	362 115	255 135
Production costs	154 960	144 399	154 960	144 399
Cash flow from production	**207 155**	**110 736**	**207 155**	**110 736**

Production costs include costs associated with leasing, operation and maintenance of production vessels, platforms and well intervention and workover activities, CO_2 tax etc. The share of payroll and administration expenses that can be ascribed to operations is reclassified and shown as a production cost. The costs relate to the production licences Jotun, Varg, Enoch and Glitne.

Note 9: Remuneration and guidelines for remuneration of management and the board of directors

Specification of payroll expenses:	Group 2010	Group 2009	Parent company 2010	Parent company 2009
Payroll expenses	224 057	154 855	188 084	155 146
Pension costs including employer's National Insurance contributions	29 855	16 862	28 216	16 831
Employer's NI contributions	32 843	22 218	27 659	22 215
Other personel costs	14 373	18 582	13 230	18 314
Payroll expenses reinvoiced to licences or reclassified as exploration and production costs	-286 365	-200 689	-242 426	-200 678
Total personel expenses	14 763	11 827	14 763	11 827

Number of man-years	2010	2009	2010	2009
Number of man-years employed during the year	176,2	135,8	156,7	134,8

At the start of the year the number of employees was 176 , and 141 persons were employed by the parent company. As of 31.12.2010 there where 193 employees for the group and the parent company

Remuneration of senior executives in 2010	Salary	Bonus	Other benefits	Accrued pension costs	Other	Total remuneration	Total number of shares	Owning interest
Erik Haugane (Chief Executive Officer)	2 979	425	29	159		3 592	1 083 686	1,0 %
Vidar Larsen (VP Business Development)	1 849	244	29	132		2 254	33 364	0,0 %
Torgeir Anda (Head of Corp. Communication)	1 576	214	25	158		1 973	21 963	0,0 %
Øyvind Bratsberg (Deputy Chief Executive)	2 894	417	33	159		3 503	36 058	0,0 %
Finn Ø. Nordam (Chief Financial Officer) [1]	1 985	375	64	160	1 900	4 484	-	0,0 %
Knut Evensen (VP Investor Relation) [2]	1 870	241	24	149		2 284	18 502	0,0 %
Teitur Poulsen (Chief Financial Officer) [3]	450		4	-	1 600	2 054	32 160	0,0 %
Odd Ragnar Heum (VP Field and Area Development)	1 854	260	24	153		2 291	37 992	0,0 %
Lars Thorrud (VP Business Development) [4]	1 642	2 773	12	129		4 556	65 000	0,1 %
Total remuneration of senior executives in 2010	17 099	4 949	244	1 199	3 500	26 991	1 328 725	1,2 %

1) Resigned 31.7.2010. Amounts in the column "Other" relates to severance pay.
2) Acting Chief Financial Officer from 1.8-31.10.2010
3) Started 1.11.10. Amount in the column "Other" relates to recruitment compensation, partly to compensate for bonus earned in previous employment. The amount after tax is entirely used to buy shares in the company.
4) Salary for 9 months in subsidiary and 3 months in parent company.

After the age of 60 years, the Chief Executive Officer (CEO) is obliged to resign his position if requested to do so by the B oard. As compensation for resigning before the age of 67 years, the CEO is entitled to a compensation corresponding to 70% of salary until the age of 67. A guarantee account has been established for this purpose. Allocations are made on an ongoing basis in the accounts, and the costs are calculated using the same actuarial assumptions as for the company's other pension liabilities.

Remuneration of senior executives in 2009	Salary	Bonus	Other benefits	Accrued pension costs	Total remuneration	Total number of shares	Owning interest
Erik Haugane (Chief Executive Officer)	2 868	541	28	173	3 610	1 077 018	1,0 %
Sigmund Hanslien (VP Geology)	2 067	471	37	139	2 714	58 792	0,1 %
Tom Bugge (VP Exploration)	1 774	381	28	131	2 314	976 975	0,9 %
Stein Fines (VP Technology and Development)	1 867	382	31	169	2 449	942 487	0,8 %
Anton Tronstad (VP Drilling and Well Operations)	1 631	368	29	155	2 183	975 482	0,9 %
Vidar Larsen (VP Business Development)	1 631	371	28	150	2 180	29 159	0,0 %
Anita Utseth (VP HSE)	1 385	213	20	223	1 841	33 546	0,0 %
Torgeir Anda (Head of Corporate Communication)	1 353	182	22	176	1 733	18 279	0,0 %
Øyvind Bratsberg (Deputy Chief Executive)	2 632	355	28	183	3 198	17 357	0,0 %
Finn Øistein Nordam (Chief Financial Officer)	2 369	322	67	179	2 937		0,0 %
Odd Ragnar Heum (VP Field and Area Development)	1 699	346	30	175	2 250	33 524	0,0 %
Knut Evensen (VP Investor Relation)	1 524	205	21	171	1 921	14 353	0,0 %
Stig Vassmyr (Head of Exploration, Barent Sea)	1 685	391	36	174	2 286		0,0 %
Remuneration of senior executives in 2009	24 485	4 528	405	2 198	31 616	4 176 972	3,8 %
Kari Lokna (Head of Exploration, Frontier and the Norwegian Sea) [1]	33					1 000	0,0 %
Lars Thorrud (VP Business Development) [1]	34			1	35	65 000	0,1 %
Total remuneration of subsidiary's senior executives in 2009	67			1	35	66 000	0,1 %
Total remuneration of senior executives in 2009	24 552	4 528	405	2 199	31 651	4 242 972	3,9 %

[1] Comes from the merger with Aker Exploration which was conducted 22.12.2009

Fee chart below includes regular directors' fees and fees for participation in the Board's subcommittee. Some Board members have owning interest in the company. In addition to the Board of Director's fees, the list below shows the number of shares and owning interest in Det norske oljeselskap ASA held directly or indirectly throught related parties. Indirect ownership through other companies is included as a whole where the owning interest is 50% or more.

Board of Directors' fees and shares owned by Board members:	Comments	Director's fee 2010	Director's fee 2009	Total numbers of shares	Owning interest
Kjell Inge Røkke	Chair of the Board of Directors	470			0,0 %
Kaare Moursund Gisvold	Deputy Chaire from 22.12.09. Periodically Board member in 2009. Member of the audit commitee.	415	163	319 446	0,3 %
Svein Sivertsen	Chair of the Board from 25.6.09 Stepped down 22.12.09	50	258		0,0 %
Ivar Brandvold	Deputy Chair. Stepped down 31.8.09	80	173		0,0 %
Jan Gunnar Opsal	Employee rep. Started 16.08.08 Stepped down 22.12.09	80	240		0,0 %
Kristin Aubert	Employee rep.. Deputy Board member since 22.12.09	124	240		0,0 %
Kristoffer Engenes	Employee rep.. Deputy Board member. Started	39		4 286	0,0 %
Gunnar Eide	Employee rep.. Started 22.12.09	102		14 606	0,0 %
Bodil Alteren	Employee rep.. Started 22.12.09	97		18 620	0,0 %
Berge Gerdt Larsen	Board member. Started 22.12.09	194		450 961	0,4 %
Maria Moræus Hanssen	Board member. Startet 22.12.09. Member of audit commitee.	200			0,0 %
Tore Lilloe-Olsen	Board member. Deputy Board member since 22.12.09. Member of the audit commitee 2009.	217	280		0,0 %
Bjarne Kristoffersen	Employee rep.. Stepped down 22.12.2009	40	133		0,0 %
Marianne E. Johnsen	Deputy Board memb. 22.12.09. Stepped down 31.05.10	73	228		0,0 %
Marianne Lie	Board member. Started 3.2 Stepped down 24.6.09	30	73		0,0 %
Hege Sjo	Board memb. Chair of the audit commitee from 3.2.09	374	268		0,0 %
Jan Rune Steinsland	Board member. Started 3.2.09. Stepped down 24.6.09	50	73		0,0 %
Lone Fønns Schrøder	Deputy Board member from 22.12.09	77	75		0,0 %
Total Director's fee parent company		2 712	2 202	807 919	0,7 %
Kjell Inge Røkke	Chair of the Board of Directors	67			
Maria Moræus Hanssen	Board member	45			
May-Britt Myhr	Board member	145			
Nina Udnes Tronstad	Board member	145			
Svein Sivertsen	Board member	53			
Kari Lokna	Employee representative	88			
Total Director's fee subsidiaries		543			

Directors' fees in the subsidiary paid in 2010, applies to work perfomed before the merger with Aker Exploration as of 22.12.2009.

Policy statement concerning salaries and other remuneration of senior employees
The Board will submit a policy statement concerning salaries and other remuneration to senior employees to the Annual General Meeting

Guidelines and adherence to the guidelines in 2010
In 2010, the company's remuneration policy has been in accordance with the guidelines described in the Directors' Report for 2009 and submitted to the Annual General Meeting for an advisory vote in April 2010, with the exception of the following:

* it is paid severance to former Chief Financial Officer with NOK 1,9 million

* The company's bonus program is changed, and it's introduced a share purchase plan. This is described below along with the guidelines for 2011.

Guidelines for 2011 and until the Annual General Meeting in 2012
The Board has established guidelines for 2011 and until the Annual General Meeting in 2012, for salaries and other remuneration to CEO and other senior employees. The guidelines will be reviewed at the company's Annual General Meeting in 2011.

Senior employees receive a basic salary, adjusted annually. The company's senior employees participate in the general arrangements applicable to all the company's employees as regards share bonus programmes, defined benefit pension plans and other payments in kind such as free newspaper, free internet connection at home and subsidised fitness centre fees. In special cases, the company may offer other benefits in order to recruit personnel, including to compensate for bonus rights earned in previous employment.

Adjustment of the Chief Executive Officer's base salary is decided by the Board. Adjustment of the base salaries for other senior employees is decided by the Chief Executive Officer within the wage settlement framework adopted by the Board. After the age of 60 years, the Chief Executive Officer (CEO) is obliged to resign his position if requested to do so by the Board. As compensation for resigning before the age of 67 years, the Chief Executive Officer is entitled to a compensation corresponding to 70% of salary until the age of 67.

Previously, the company had a bonus scheme whereby bonuses could represent 40% of the annual salary. The ceiling for bonus payments has now been reduced to 20% of the annual salary in connection with the introduction of a share investment scheme. It is up to the board to decide whether to pay bonuses, based on the previous year’s performance. No bonuses were paid for 2010. The company has no pension scheme for salaries exceeding 12 times the basic amount (G), but a share investment scheme has been introduced as part of the pay system. The employees receive an annual payment of 10% of the previous year’s gross salary. If, within thirty days of this payment, employees wish to buy shares in the company, the company will pay a corresponding amount as tax compensation. For those who do not buy shares, a 10% tax withholding will be deducted from the payment. The first payments under the share investment scheme were made in January 2011.

In order to recruit new employees to the company match corresponding schemes offered by competing companies, a borrowing facility has been established for the company's employees, whereby all permanent employees can borrow up to 30% of their gross annual salary at an interest rate corresponding to the taxable norm interest rate. The lender is a selected bank, and the company guarantees for the employees' loans. Guarantees furnished by the company for employee loans in 2010, amounted to 14 285. The Corresponding figures for 2009 was 11 764. The company covers the difference between the market interest rate and the norm interest rate for tax purposes at any time. As security for such loans, the company signs additional contracts with the employees, entitling it to make deductions for defaulting payment from holiday pay and pay during notice periods. The bank manages the facility, collects interest payments/instalments and follows up any default. The company pays a small annual fee for this work.

The effect for the company of implementing the abovementioned guidelines, is that the company's result is affected by the related costs.

Note 10: Other operating expenses

	Group		Parent company	
	2010	2009	2010	2009
Losses on the sale of assets and licens	19 804		19 804	
Office and IT costs	91 757	66 223	80 761	66 223
Consultants' and auditor's fees (auditor's fees are specified below)	57 892	40 367	43 486	40 367
Other operating expenses, including travel expenses	53 344	81 525	52 472	81 525
Operating expenses charged to licences/ reclassified as exploration and production costs	-181 020	-119 321	-153 315	-119 321
Area fee	47 199	22 644	32 925	22 644
Other operating expenses	**88 977**	**91 438**	**76 134**	**91 438**

The subsidiary, Det norske oljeselskap AS, classified all operating expenses except of area fee as exploration costs. (Note 6), when it was a pure exploration company. This is the reason for the marginal difference between the parent company and the group.

The group's auditor's fees are included under other operating expenses and are allocated as follows:

	Group		Parent company	
Auditor's fees (all figures are exclusive of VAT)	2010	2009	2010	2009
Fees for statutory audit services - Deloitte AS	760	1 035	460	1 035
Fees for statutory audit services - Ernst & Young AS	350		350	
Other attestation services - Deloitte AS	65	64	48	64
Other attestation services Ernst & Young AS	32		32	
Tax advice - Ernst & Young AS	105		105	
Services other than audit services - Deloitte AS	333	688	260	688
Services other than audit services - Ernst & Young AS	170		170	
Total auditor's fees	**1 815**	**1 786**	**1 424**	**1 786**

The group changed auditor from Deloitte AS to Ernst & Young AS of fiscal year 2010.

Note 11: Financial items

	Group		Parent company	
	2010	2009	2010	2009
Interest income	51 255	49 589	31 476	49 196
Intra-group interest income			35 442	874
Total interest income	**51 255**	**49 589**	**66 918**	**50 070**
Return on financial investments	1 093	12 220	1 093	12 220
Change in value of derivatives	36 944	112		
Currency gains	51 395	45 285	26 198	45 190
Total other financial income	**89 431**	**57 618**	**27 290**	**57 410**
Intra-group interest expenses			874	
Interest expenses	167 129	21 278	152 106	17 718
Amortisation of borrowing costs	51 518	4 826	51 518	4 826
Total interest expenses	**218 647**	**26 104**	**204 498**	**22 544**
Expensed excess value, identified in connection with acquisition [1]	60 555			
Currensy losses	40 854	39 200	30 610	38 616
Loss on decline in value of derivatives with change of fair value through profit or loss	3 915	6 254	3 915	
Decline in value of financial investments	520		520	
Total other financial expenses	**105 844**	**45 454**	**35 045**	**38 616**
Net financial expenses (+)/income (-)	**183 805**	**-35 648**	**145 334**	**-46 321**

The currency loss can mainly be ascribed to the fall in the exchange rate for USD relating to the company's bank accounts and trade receivables. The currency gains can mainly be ascribed to realised and unrealised exchange rate fluctuations relating to the company's trade creditors in foreign currency (mainly USD).

[1)] Expenses related to excess value on a joint revolving credit facility related to the business aquisition in 2009, cf. Note 2. Excess value was expensed in 2010 by entering into a new joint revolving credit facility, cf. Note 26.

Note 12: Tax

	Group		Parent company	
Tax base:	**2010**	**2009**	**2010**	**2009**
Loss before tax	-2 183 427	-1 399 855	-1 735 859	-1 388 716
Reversal of tax element on shortfall value related to business combination	-79 259		-79 259	
Permanent differences (taxfree transactions, section 10 etc.)	-16 818	-21 588	-16 911	-21 612
Change in temporary differences	-858 161	-409 447	-411 444	-409 447
The year's tax basis for general income tax (28 %)	**-3 137 666**	-1 830 890	**-2 243 473**	**-1 819 775**
Effect of 'uplift' on the year's taxable result	-23 950	-20 551	-23 950	-20 551
Financial items not liable to 50 % special tax	200 257	-40 225	131 647	-50 897
Taxable result liable to 50 % special tax	**-2 961 358**	-1 891 666	**-2 135 775**	**-1 891 223**
The year's uplift to be carried forward	23 950	20 551	23 950	20 551
The year's tax basis relevant for 50% special tax	**-2 937 409**	-1 871 115	**-2 111 826**	**-1 870 672**

Breakdown of the year's tax income/ tax expense (-):	**Tax rate:**				
Tax payable on net financial items	28 %		-4 543		-4 543
Tax receivable relating to exploration expenses	78 %	2 276 417	1 405 050	1 667 839	1 404 704
Calculated tax receivables related to end of offshore business		68 336			
Adjustment of previous years' tax payable and deferred tax		-9 625	574	-9 135	
Change in deferred tax		-803 929	-521 922	-407 553	-524 910
Reversal of tax element on shortfall value related to business combination		-79 259		-79 259	
Tax of expensed excess/shortfall value from business combination		41 135			
Total tax income/ tax expense		**1 493 075**	**879 159**	**1 171 891**	**875 250**
Effective tax rate in %		**-68 %**	**-63 %**	**-68 %**	**-63 %**

Reconciliation of tax income/ tax expense (-)	**Tax rate:**				
28% company tax on result before tax	28 %	611 360	391 959	486 041	388 840
50% special tax on result before tax	50 %	1 091 714	699 928	867 930	694 358
78 % tax on shorfall value related to business aqusition	78 %	61 822		61 822	
Interest on deficit carryforward		3 273	2 607	2 082	2 607
Adjustment of previous years' tax receivable and payable		-5 357	-12 726	-5 983	-12 726
Adjustment of previous years' change in deferred tax		-23 923	13 301	-23 923	13 301
Tax effect of uplift	50 %	11 975	10 276	11 975	10 276
Tax effect of financial items not liable to special tax	50 %	-5 819	18 641	4 747	23 977
Deferred tax on the year's impairment losses entered directly in the balance sheet		-108 724	-261 665	-100 908	-261 665
Finance allocated land, §3 d (2)-(6) deducted shelf 28% basis for 3 d (7)		-74 580		-65 823	
Effect of permanent differences	78 %	13 118	16 839	13 190	16 858
Expensed item § 10, without tax		-2 525			
Reversal of tax element on shortfall value related to business combination	100 %	-79 259		-79 259	
Total tax income/ tax expense for the year		**1 493 076**	**879 159**	**1 171 891**	**875 825**

Breakdown of tax effect of temporary differences and deficit carryforward:	Tax rate:	Group 2010	Group 2009	Parent company 2010	Parent company 2009
Capitalised exploration expenses	78 %	1 405 743	696 904	1 405 743	660 609
Other intangible assets	78 %	903 768	771 114	736 343	756 384
Other intangible assets	28 %	20		20	
Tangible fixed assets	78 %	20 338	186 821	20 338	187 305
Inventories	78 %	654	322	654	322
Other receivables	78 %	-757	-48 133	-757	-48 559
Pension liabilities	78 %	-25 015	-15 533	-25 015	-15 533
Provisions in accordance with GAAP	78 %	-386 354	-267 785	-386 354	-224 729
RM amortisation of equity part of bond loans	28 %	10 033	13 014	10 033	13 014
Provisions in accordance with GAAP	28 %	7 449	-824	10 788	-824
Financial instruments	28 %	1 689	-6 105	1 689	
Deferred tax on excess value on business acquisition (Note 2)			72 225		5 718
Deficit carryforward, onshore activity	28 %	-1 213	-4 693		-3 783
Deficit carryforward, continental shelf	28 %	-40 120	-46 913	-40 120	-19 887
Deficit carryforward, continental shelf	50 %	-138 754	-176 938	-138 754	-137 850
Total deferred tax		**1 757 481**	**1 173 477**	**1 594 608**	**1 172 186**

Reconciliation of change in deferred tax:	Group 2010	Group 2009	Parent company 2010	Parent company 2009
Deferred tax as of 01.01	1 172 186	907 293	1 172 186	907 293
Deferred tax linked to business acquisitions including excess value	182 193	19 228		14 948
Change in deferred tax through profit or loss	403 001	521 922	407 553	524 910
Classification adjustment for previous years	4 593	-13 301	4 593	-13 301
Writedowns with effect on deferred tax (Note 15)	-115 676	-261 665	-100 908	-261 665
Deferred tax from business acquisitions 01.10.10	111 184		111 184	
Deferred tax in the balance sheet as of 31.12	**1 757 481**	**1 173 477**	**1 594 608**	**1 172 186**

Reconciliation of tax receivable		Group 2010	Group 2009	Parent company 2010	Parent company 2009
Tax payable on net financial items	28 %	68 336	-4 543		-4 543
Tax receivable relating to exploration expenses	78 %	2 276 417	2 064 667	2 276 417	1 404 704
Tax receivable in the balance sheet as of 31.12		**2 344 753**	**2 060 124**	**2 276 417**	**1 400 161**

Note 13: Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the year's profit/loss due to shareholders, which was NOK - 690.4 million (NOK 520.7 million in 2009), by the year's weighted average number of outstanding ordinary shares, which was 111,1 million (91,6 million in 2009).

	Group		Parent company	
	2010	2009	2010	2009
Profit/loss for the year due to holders of ordinary shares	-690 352	-520 696	-563 969	-512 890
The year's average number of ordinary shares (in thousands)	111 111	91 604	111 111	91 604
Earnings per share	**-6,21**	**-5,68**	**-5,08**	**-5,60**

Diluted earnings per share

The group has one convertible bond, which matures on 16 December 2011. Througout this period, the bond can be converted to shares (5,769,231 shares) at a price of NOK 79.20 per share, see Note 24 for further details. Diluted earnings per share was calculated by dividing the profit/loss that can be ascribed to each share, adjusted for interest saved (after tax) on conversion of the convertible bond, by the weighted average number of outstanding diluted shares. The calculations were based on conversion of the existing convertible bond on the first day of the accounting period.

	Group		Parent company	
	2010	2009	2010	2009
Earnings that can be ascribed to each ordinary share	-690 352	-520 696	-563 969	-512 890
Effect after tax of interest saved on the convertible loan	35 513	33 822	35 513	33 822
The year's earnings that can be ascribed to each share - diluted	**-654 839**	**-486 873**	**-528 456**	**-479 068**
Weighted average number of outstanding ordinary shares	111 111	91 604	111 111	91 604
Effect of conversion of the convertible loan	5 769	5 769	5 769	5 769
Weighted average number of outstanding ordinary shares - diluted	**116 880**	**97 373**	**116 880**	**97 373**
Diluted earnings per share	**-5,60**	**-5,00**	**-4,52**	**-4,92**

In accordance with IAS 33 section 41, the dilution effect is not shown in the result since conversion to ordinary shares would have reduced the loss and improved the result per share.

Note 14: Tangible fixed assets and intangible assets

TANGIBLE FIXED ASSETS:

2009 - Group	Fields under development	Production plant, including wells	Fixtures and fittings, office machinery etc.	Total
Acquisition cost 31.12.2008	**190 430**	**276 099**	**27 566**	**494 095**
Additions on business combination (Note 2)			2 087	2 087
Additions/reclassification	8 201	116 539	25 604	150 344
Disposals/reclassification		1 559	7 459	9 018
Acquisition cost 31.12.2009	**198 631**	**391 080**	**47 798**	**637 508**
Accumulated depreciations and net impairment losses 31.12.2009		169 864	20 091	189 955
Book value 31.12.2009	**198 631**	**221 216**	**27 706**	**447 553**
Depreciation for the year		32 449	11 687	44 136
Reversal of previous years' impairments (-)		-50 225		-50 225

2010 - Group	Fields under development	Production plant, including wells	Fixtures and fittings, office machinery etc.	Total
Acquisition cost 31.12.2009	**198 631**	**391 080**	**47 798**	**637 508**
Additions/reclassification	51 574	48 010	46 220	145 804
Reclassification		-7 000	-3 727	-10 727
Acquisition cost 31.12.2010	**250 205**	**432 090**	**90 291**	**772 586**
Accumulated depreciations and net impairment losses 31.12.2010		333 573	32 178	365 751
Book value 31.12.2010	**250 205**	**98 517**	**58 113**	**406 834**
Depreciation for the year		125 761	12 086	137 847
Impairment losses for the year		37 949		37 949

2009 - Parent company	Fields under development	Production plant, including wells	Fixtures and fittings, office machinery etc.	Total
Acquisition cost 31.12.2008	**190 430**	**276 099**	**27 566**	**494 095**
Additions/reclassification	8 201	116 539	25 604	150 344
Disposals/reclassification		1 559	7 459	9 018
Acquisition cost 31.12.2009	**198 631**	**391 080**	**45 711**	**635 421**
Accumulated depreciations and net impairment losses 31.12.2009		169 864	20 036	189 900
Book value 31.12.2009	**198 631**	**221 216**	**25 675**	**445 521**
Depreciation for the year		32 449	11 632	44 081
Reversal of previous years' impairments (-)		-50 225		-50 225

2010 - Parent company	Fields under development	Production plant, including wells	Fixtures and fittings, office machinery etc.	Total
Acquisition cost 31.12.2009	**198 631**	**391 080**	**45 711**	**635 421**
Additions related to business combinations 1.10			1 326	1 326
Additions	51 574	48 010	45 246	144 830
Reclassification		-7 000		-7 000
Acquisition cost 31.12.2010	**250 205**	**432 090**	**92 282**	**774 578**
Accumulated depreciations and net impairment losses 31.12.2010		333 573	34 170	367 743
Book value 31.12.2010	**250 205**	**98 517**	**58 112**	**406 834**
Depreciation for the year		125 761	14 133	139 894
Impairment losses for the year		37 949		37 949

Fields under development, 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 decommisioning cost price of production facilities is included in the table on previous page.

INTANGIBLE ASSETS

2009 - Group	Other intangible assets Licences	Software	Total	Goodwill	Exploration expenses
Acquisition cost 31.12.2008	**1 613 468**	**28 768**	**1 642 236**	**1 129 556**	**251 544**
Additions related to business acquisitions	288 723		288 723	72 225	46 533
Additions/reclassification	58 864	4 174	63 038		1 220 015
Disposals/reclassification	98 500		98 500	70 065	624 625
Acquisition cost 31.12.2009	**1 862 555**	**32 942**	**1 895 497**	**1 131 716**	**893 467**
Accum. depreciations and net impairment losses 31.12.09	551 594	23 419	575 013	433 778	
Book value 31.12.2009	**1 310 961**	**9 523**	**1 320 485**	**697 938**	**893 467**
Depreciations for the year	1 695	7 638	9 333		
Impairment losses for the year	335 468		335 468	238 626	
Reversal of previous years' impairments (-)	-48 900		-48 900		

2010 - Group	Other intangible assets Licences	Software	Total	Goodwill	Exploration expenses
Acquisition cost 31.12.2009	**1 862 555**	**32 942**	**1 895 497**	**1 131 716**	**893 467**
Additions	2 002	4 041	6 043		2 154 002
Reclassification		3 727	3 727		7 000
Disposals	299 117		299 117	125 369	1 252 234
Acquisition cost 31.12.2010	**1 565 439**	**40 710**	**1 606 150**	**1 006 347**	**1 802 234**
Accum. depreciations and net impairment losses 31.12.10	465 286	33 171	498 457	409 842	
Book value 31.12.2010	**1 100 153**	**7 540**	**1 107 693**	**596 506**	**1 802 234**
Depreciations for the year	11 449	9 752	21 201		
Impairment losses for the year	134 967		134 967	76 523	4 866

2009 - Parent company	Other intangible assets Licences	Software	Total	Goodwill	Exploration expenses
Acquisition cost 31.12.2008	**1 613 468**	**28 768**	**1 642 236**	**1 129 556**	**251 544**
Additions	58 864	4 174	63 038		1 220 015
Disposals	98 500		98 500	70 065	624 625
Acquisition cost 31.12.2009	**1 573 832**	**32 942**	**1 606 774**	**1 059 491**	**846 934**
Accum. depreciation and net impairment losses 31.12.09	551 594	23 419	575 013	433 778	
Book value 31.12.2009	**1 022 238**	**9 523**	**1 031 761**	**625 713**	**846 934**
Depreciations for the year	1 695	7 638	9 333		
Impairment losses for the year	335 468		335 468	238 626	
Reversal of previous years' impairments (-)	-48 900		-48 900		

2010 - Parent company	Other intangible assets Licences	Software	Total	Goodwill	Exploration expenses
Acquisition cost 31.12.2009	**1 573 832**	**32 942**	**1 606 774**	**1 059 491**	**846 934**
Additions related to business combinations	82 773		82 773		360 337
Additions	-6 226	4 041	-2 185		1 612 295
Reclassification					7 000
Disposals	250 622		250 622	119 515	1 024 331
Acquisition cost 31.12.2010	**1 399 756**	**36 983**	**1 436 740**	**939 976**	**1 802 234**
Accum. depreciations and net impairment losses 31.12.10	465 286	29 444	494 730	409 842	
Book value 31.12.2010	**934 470**	**7 539**	**942 010**	**530 133**	**1 802 234**
Depreciation for the year	11 449	5 780	17 229		
Impairments for the year	101 952		101 952	73 869	4 866

Reconciliation of depreciations in the statement of income:	Group 2010	2009	Parent company 2010	2009
Depreciations of tangible fixed assets	137 847	44 136	139 894	44 081
Depreciations of intangible assets	21 201	9 333	17 229	9 333
Total depreciations for the year	**159 049**	**53 469**	**157 124**	**53 414**

Reconciliation of impairments in the statement of income:	Group 2010	2009	Parent company 2010	2009
Impairments/reversal (-) of fixed tangible assets	37 949	-50 225	37 949	-50 225
Impairments/reversal (-) of intangible assets	216 356	525 194	180 687	525 194
Reversal of deferred tax related to impairments of goodwill	-83 798	-261 665	-77 103	-261 665
Total impairments for the year	**170 508**	**213 304**	**141 533**	**213 304**

Software is depreciated over its useful life (3 years) using the straight-line method. Other intangible assets are not depreciated but, when events or changed circumstances indicate that their book value significantly exceeds the recoverable amount, they are assessed for potential impairment.

All licences have been pledged as security in connection with the group's revolving credit facilities, see Note 26.

Note 15: Impairment of goodwill and other assets

An impairment test of goodwill and pertaining licences was carried out in the fourth quarter in accordance with the company's accounting principles. The test is performed as of 31.12.2010. Goodwill is recognised in the balance sheet as a consequence of the requirement in IFRS 3 to make provisions for deferred tax in connection with the acquisition of enterprises, even if the transactions are made on an 'after-tax' basis as a result of a section 10 decision in line with applicable petroleum taxation rules. The offsetting entry to deferred tax is goodwill.

Goodwill is allocated per licence and each licence is regarded as a cash-generating unit with respect to goodwill.

In accordance with IAS 36 section 134, each company shall state any significant book value of goodwill allocated to each cash-generating unit. We have elected to not prepare such an overview, since the group's goodwill is divided between many licences, so that goodwill per licence is negligible in relation to the total amount of goodwill.

The calculations are based on the following expectations regarding oil prices:

Year	Average price in USD
2011	95,0
2012	97,4
2013	99,8
2014	102,3
2015	104,9
2016	107,5
2017	110,2
2018	112,9
2019	115,7

The above prices are based on the forward prices. Source: ICE Brent Crude 31.12.2010.

A nominal discount rate of 10.7% after tax is used. The company uses an inflation rate of 2.5% and a long-term NOK/USD exchange rate of 6.00, based on long-term expectations.

As of 31.12.2010 it has been impairment one of the company's producing fields. The main reason for this year's impairment is increased estimate for the abandonment provision.

Based on the assessments carried out, the following impairment made as of 31.12.2010:

	Group		Parent company	
	2010	2009	2010	2009
Reversal of impairment of tangible fixed assets (-)	37 949	-50 225	37 949	-50 225
Reversal of impairment of intangible assets/ licence rights (-)		-48 900		-48 900
Impairment of other intangible assets/ licence rights (-)	134 967	335 468	101 952	335 468
Impairment of exploration expenses	4 866		4 866	
Impairment of goodwill	76 523	238 626	73 869	238 626
Reversal of deffered tax related to impairment of goodwill	-83 798	-261 665	-77 103	-261 665
	170 508	**213 304**	**141 533**	**213 304**

Note 16: Accounts receivable

The company's customers are large, financially sound oil companies. Trade debtors consist mainly of receivables related to the sale of oil and gas, sale and swap of licences and sublease of offices, and also reinvoicing of expenses pertaining to other licence partners.

	Group		Parent company	
	2010	2009	2010	2009
Receivables related to the sale of oil and gas	41 626	28 786	41 626	28 786
Other trade debtors	19 876	1 628	19 876	1 628
Unrealized exchange rate losses	-784		-784	
Total trade debtors	**60 719**	**30 414**	**60 719**	**30 414**

Credit risk and currency risk related to trade debtors are discussed in more detail in Note 30 Financial instruments.
No provisions for bad debt were made for 2010 or 2009.

As of 31.12.2010, the following trade receivables were due but remained unpaid, without any provisions for bad debt being made:

Year	Total [1)]	Not due	<30 d	30-60d	60-90d	>90d
2010 - Group and parent company	61 503	7 786	52 105	6	1 271	123
2009 - Group and parent company	30 414	29 986	361	18		51

1) The deviation between the age-distributed current ledger and total trade receivables was due to unrealised exchange rate gains/losses

Note 17: Other short-term receivables

	Group		Parent company	
	2010	2009	2010	2009
Pre-payments, including for rigs	47 446	29 488	47 446	25 313
VAT receivable	15 113	17 809	15 113	11 505
Underlift (earned income)	19 839	5 205	19 839	5 205
Deposit account - deferred income		49 959		49 959
Guarantee account, unsecured pension scheme	6 356	5 015	6 356	5 015
Other receivables, including in operator licences	202 942	192 454	202 942	132 576
Pre-payments relating to upgrades, rig intake and mobilisation	240 878	154 105	240 878	
Shortfall value of rig charterparties	-84 353	-60 365	-84 353	
Total pre-payments, rig charterparties	*156 525*	*93 740*	*156 525*	
Total other short-term receivables	**448 221**	**393 669**	**448 221**	**229 573**

For further details on prepayments in connection with upgrades, rig intake and mobilisation of Aker Barents, see Note 18.

Note 18: Prepaid rig mobilisation - long term

	Group		Parent company	
	2010	2009	2010	2009
Pre-payments relating to upgrades, rig intake and mobilisation	157 112	379 608	169 037	
Shortfall value of rig charterparties	-50 843	-140 689	-50 843	
Total pre-payments, rig charterparties	*106 269*	*238 919*	*118 194*	
Other pre-payments		1 523		
Total pre-payments and chartering of drilling rigs	**106 269**	**240 442**	**118 194**	

Det norske oljeselskap AS has signed a charterparty for a sixth generation drilling rig (Aker Barents) for a fixed period of three years with an option to extend the charter period by up to two years. The charter period started to run in July 2009. In the third quarter the company signed a lease agreement for two years, with an additional period of two years. The charterparty is classified as an operational lease. The agreement is in 2010 transferred from Det norske oljeselskap AS to Det norske oljeselskap ASA.

Prepaid mobilisation expenses and investments in the rig will be amortised over the three-year charter period. The agreed rig rate per day is USD 520,000, including operating expenses of NOK 900,000, which will be adjusted for inflation during the charter period. Rig costs are charged to income on a running basis and reversed when invoicing the licences that use the rig.The group has split these costs into a long-term and a short-term component, according to when the licences will be invoiced. The long-term component is described in this Note, while the short-term component is described in Note 17.

Note 19: 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.

	Group		Parent company	
	2010	2009	2010	2009
Cash	21	20	21	
Bank deposits	775 903	1 559 156	775 903	1 188 942
Restricted funds (tax withholdings)	13 405	15 087	13 405	9 162
Short-term placements		24		24
Total cash and cash equivalents	**789 330**	**1 574 287**	**789 330**	**1 198 128**

The company has an unused revolving credit facility described in more detail in Note 26.

Note 20: Share capital and shareholders

	31.12.2010	31.12.2009
Share capital	111 111	111 111
No. of shares	111 111	111 111
The nominal value per share is NOK (rounded off to whole Norwegian kroner)	1,00	1,00

All shares in the company carry the same voting rights.

Det norske oljeselskap ASA was merged with Aker Exploration ASA on 22 December 2009. Aker Exploration ASA was legally the acquiring company. In legal terms, the merger was effected by Det norske transferring all its assets, rights and commitments to Aker Exploration ASA in return for which Det norske's shareholders received shares in Aker Exploration ASA based on a conversion ratio of 82:18 between the companies in Det norske's favour. A total of 91,111,111 new shares were issued in Aker Exploration ASA, each with a nominal value of NOK 1.

Paid-in share capital, premium reserve and other paid-in capital:	No. of shares	Share capital	Premium reserve	Other paid-in capital	Total restricted equity
Merger of 22.12.09 with Aker Ex. as legally acquiring company	20 000	20 000	1 167 312	33 463	**1 220 775**
Share issue 22.12.09	91 111	91 111			**91 111**
Total issued and paid in as of 31.12.09	**111 111**	**111 111**	**1 167 312**	**33 463**	**1 311 886**

What was formerly 'Det norske oljeselskap ASA' was dissolved in connection with the merger, leaving Aker Exploration ASA as the legally acquiring company. Aker Exploration ASA changed its name to Det norske oljeselskap ASA in connection with the merger.

Paid-in share capital, premium reserve and other paid-in capital:	No. of shares	Share capital	Premium reserve	Other paid-in capital	Total restricted equity
Issued and fully paid in capital	111 111	111 111	1 167 312	17 715	**1 296 138**
Total issued and paid in as of 31.12.10	**111 111**	**111 111**	**1 167 312**	**17 715**	**1 296 138**

Changes as a result of allocation of profit/loss, are included under 'Changes in equity'
Earnings per share are shown in Note 13.

Overview of the 20 largest shareholders registered in VPS as of 31.12.10

	shares (in 1000)	**Owning interest**
AKER CAPITAL AS	44 944	40,4 %
DNO INTERNATIONAL AS	12 954	11,7 %
ODIN NORGE	2 925	2,6 %
DNB NOR SMB	2 072	1,9 %
ODIN NORDEN	1 833	1,6 %
HOLBERG NORGE	1 428	1,3 %
SPAREBANKEN MIDT-NORGE INVEST AS	1 361	1,2 %
DNB NOR NORGE SELEKT	1 253	1,1 %
KØRVEN AS	1 084	1,0 %
KOMMUNAL LANDSPENSJON	1 069	1,0 %
DEUTSCHE BANK AG LONDON	1 028	0,9 %
KOTENG HOLDING AS	950	0,9 %
VINN INVEST AS	922	0,8 %
KLP LK AKSJER NORGE	905	0,8 %
ODIN OFFSHORE	905	0,8 %
KLP LK AKSJER NORDEN	806	0,7 %
VILJE 2M AS	758	0,7 %
VPF NORDEA KAPITAL	730	0,7 %
SJÆKERHATTEN AS	724	0,7 %
ARCTIC SECURITIES ASA	595	0,5 %
Other	31 865	28,7 %
Total	**111 111**	**100,0 %**

Note 21: Pensions and other long-term employee benefits

The group is required to have a occupational pension scheme pursuant to the Act relating to compulsory occupational pensions. The group's pension plan satisfy the requirements of the Act.

Pension scheme in the subsidiary Det norske oljeselskap AS
The subsidiary Det norske oljeselskap AS have until 01.05.2010 had a defined contribution pension plane. Contributions to the pension plane are charged to income in the period when the expense is incurred. On the date that the contribution is paid, no further obligations exist. From 01.05.2010 following the employees defined benefit plan to the parent company.

Pension scheme in the parent company
The parent company has a defined benefit plan which covers 193 persons. The plan applies to salaries of up to 12 times the basic amount (G) and entitle to defined future benefits of maximum 66% of a person's pay on retirement. The benefit mainly depends on the number of earning years, pay level on reaching the pensionable age and National Insurance amounts. The pension liabilities are covered by an insurance company. Expected premium payments in 2011 amount to NOK 15,1 million

In addition to the secured pension plan, the Chief Executive Officer has an unsecured early retirement plane. A guarantee account has been established into which funds are deposited on a running basis. These funds are not netted against the liability, but included in the balance sheet for 2010 under Other receivables in an amount of 6 356. The liability is calculated using the same actuarial assumptions as for the company's other pension liabilities. Both the liability and the costs related to this plane are included in the figures below.

For accounting purposes, it is assumed that pension rights are earned on a straight-line basis. Those parts of accumulated unrealised gains and losses that follow from changes in actuarial assumptions and exceed a defined corridor, are taken/charged to income over the expected remaining average earning period. The corridor is defined as 10% of the gross liability or gross funds, whichever is the greater.

The pension liability was calculated, based on assumptions as of 31.12.2010, by an independent actuary.

	Unsecured scheme		Secured scheme		Total	
Pension costs are calculated as follows:	**2010**	**2009**	**2010**	**2009**	**2010**	**2009**
Present value of the year's earned benefits	1 720	1 373	22 621	13 141	24 340	14 514
Interest expenses on accrued pension liabilities	339	184	1 268	606	1 607	791
Expected returns on pension funds			-1 451	-777	-1 451	-777
Actuarial loss/(gain) charged/(taken) to income		13				
Administrative expenses			234	223	234	223
Total pension costs excl. social security tax	**2 058**	**1 570**	**22 671**	**13 194**	**24 730**	**14 751**
Social security tax	290	220	3 197	1 860	3 487	2 080
Total pension costs incl. social security	**2 348**	**1 790**	**25 868**	**15 054**	**28 216**	**16 831**
Cost of defined contribution pension scheme incl. social security tax					1 639	31
Total costs of defined benefit and defined contribution schemes, incl. social security tax					**29 856**	**16 862**

The year's change in gross pension liability:						
Gross pension liability (PBO) as of 01.01.	7 694	4 853	28 825	15 957	36 519	20 810
Present value of the year's earned benefits	1 720	1 373	22 621	13 141	24 340	14 514
Interest expenses on accrued pension liabilities	339	184	1 268	606	1 607	791
The year's actuarial loss/(gain)	-485	1 284	4 066	-880	3 581	404
Gross pension liability (PBO) as of 31.12.	**9 267**	**7 694**	**56 780**	**28 825**	**66 047**	**36 519**

	Unsecured scheme		Secured scheme		Total	
	2010	2009	2010	2009	2010	2009
The year's change in gross pension funds:						
Gross pension funds as of 1.1.			18 764	7 997	18 764	7 997
Expected returns on pension funds			1 451	777	1 451	777
Actuarial loss/gain			-4 310	-800	-4 310	-800
Administrative expenses			-234	-223	-234	-223
Effect of plan changes						
Reclassification of funds in unsecured scheme						
Premium payments			14 541	11 013	14 541	11 013
Fair value of pension funds as of 31.12.			**30 213**	**18 764**	**30 213**	**18 764**
Net pension funds/liability (-) as of 31.12.	-9 267	-7 694	-26 568	-10 060	-35 835	-17 755
Estimate variations not taken/charged to income	784	1 735	6 943	-1 433	7 727	302
Plan changes not taken/charged to income						
Social security tax	-1 196	-840	-2 767	-1 621	-3 963	-2 461
Net capitalised pension funds/liability (-) as of 31.12.	**-9 679**	**-6 799**	**-22 391**	**-13 114**	**-32 070**	**-19 914**
Change in funds:						
Net capitalised pension funds/liability (-) as of 1.1.	-6 799	-5 539	-13 114	-10 627	-19 914	-16 165
The year's pension cost	-2 348	-1 790	-25 868	-15 054	-28 216	-16 844
Payments charged to operations						
Reclassification of funds in unsecured scheme	-531	530			-531	530
Payments received			16 591	12 566	16 591	12 566
Net capitalised pension funds/liability (-) as of 31.12.	**-9 679**	**-6 799**	**-22 391**	**-13 114**	**-32 070**	**-19 914**

	2010	2009	2008	2007	2006	2005
Historical information						
Net present value of defined benefit pension liabilities	66 047	36 519	20 810	9 807	6 573	2 110
Fair value of pension funds	30 213	18 764	7 997	3 797	4 834	1 012
Deficit in the scheme	**35 835**	**17 755**	**12 813**	**6 010**	**1 739**	**1 098**
Experience-based adjustment of liabilities	3 581	404	-1 804	-206	-659	-224
Experience-based adjustment of pension funds	-4 310	-800	-1 961	-304	394	

The calculation of pension costs and net pension liabilities is based on a number of assumptions. The discount interest rate is determined on the basis of observed government bond interest in Norway with a supplement for the maturity period. The pension liability's average maturity period is calculated as being 17 years, which corresponds to the difference between the pensionable age and the average age of the company's employees. Wage growth, pension adjustment and regulation of the National Insurance basic amount (G) are based on historical observations for the company and on an expected long-term inflation rate of 2.5 %. For 2010, the company has applied the Norwegian Accounting Standards Board's (NASB) assumptions as of August 2010, but with some minor adjustments due to changes in interest rates on 10 year government bonds.

Financial assumptions	**2010**	**2009**
Discount rate	3,60 %	4,40 %
Return on pension funds	5,00 %	5,60 %
Wage and salaries increase	4,00 %	4,25 %
Pension adjustment	3,75 %	4,00 %
Average turnover	0,90 %	1,30 %

Actuarial assumptions	**2010**	**2009**
Mortality table used	K2005	K2005
Disability tariff used	IR-02	IR-02
Voluntary retirement before 40 years	8,00 %	8,00 %
Voluntary retirement after 40 years	0,00 %	0,00 %

Percentage distribution of pension funds by investment category	**2010**	**2009**
Shares	15,1 %	13,5 %
Bonds	15,4 %	23,3 %
Money market	17,4 %	8,5 %
Capital bonds	33,7 %	35,7 %
Property	16,8 %	16,6 %
Other	1,5 %	2,3 %
Total	**100 %**	**100 %**

The pension scheme is placed in Vital, which has a long-term perspective on the management of the capital. Vital seeks to achieve the highest possible rate of return by composing an investment portfolio that produces the maximum risk-adjusted return. In 2010, the actual value-adjusted return on pension assets was 6,8%, compared with an estimated rate of 5.6 %.

Note 22: Provision for removal and decommissioning liabilities

	Group		Parent company	
	2010	2009	2010	2009
Provisions as of 1 January	224 472	134 612	224 472	134 612
Incurred cost removal	-765		-765	
Imputed interest present value calculation	12 358	10 514	12 358	10 514
Change in estimate	32 162	79 347	32 162	79 347
Total abandonment provision as of 31.12	**268 227**	**224 472**	**268 227**	**224 472**

The company's removal and decommissioning liabilities relate to the fields Varg, Enoch, Glitne and Jotun. Time of removal is expected to come in 2014 for Glitne and Varg, 2017 for jotun and 2018 for Enoch.

This is based on an implementation concept in accordance with the Petroleum Activities Act and international regulations and guidelines. The calculations assume an inflation rate of 2.5 % before tax and a nominal discount rate of 6,27 % before tax in 2010 and corresponding rate for 2009 of 5.45 %.

Note 23: Derivatives

Det norske oljeselskap ASA has signed forward contracts to reduce its currency exposure in USD.
Until 1.10.10 these agreements belonged Det norske Oljeselskap AS

As of 31 December 2010, the company had the following financial instruments:

	Group		Parent company	
	2010	2009	2010	2009
Structured forward contracts	6 033	-21 805	6 033	
Estimated fair value	**6 033**	**-21 805**	**6 033**	
Change in forw. contracts	-27 838	6 254	3 915	

Description of structured forward contracts:
As of 31.12.2010, Det norske oljeselskap ASA has three structured forward contracts, each for an amount of USD 12 million, which fall due every three months. The first forward contract matures on 1 march 2011. These forward exchange contracts are structured so that if the NOK/USD spot exchange rate falls below 5.65 in the course of the last three months preceding the maturity date, the company is obliged to buy USD at a rate of NOK 6.145. If the USD exchange rate is between NOK 5.65 and NOK 6.145, the company pays the normal spot price, and if the exchange rate exceeds NOK 6.145, the rate paid by the company is NOK 6.145.

The forward contracts were signed in 2007 in order to ensure that the former Aker Exploration AS' NOK financing was sufficient to complete the company's activity programme should the strength of the USD increase relative to NOK.

In 2010 the company entered into forward contracts for the sale of USD, each for an amount of 6 million. These fall due at the same time as the above-mentioned outright purchase contracts. The average agreed NOK/USD rate is 6.71.
.

Note 24: Bonds

	Group		Parent company	
	2010	2009	2010	2009
Principal, convertible loan Norsk Tillitsmann	457 500	457 500	457 500	457 500
Equity part of convertible loan on initial inclusion	-98 991	-98 991	-98 991	-98 991
Accumulated amortisation of equity part of convertible loan	74 388	52 514	74 388	52 514
Excess value on acquisition	-11 228	-20 423	-11 228	-20 423
	421 668	**390 600**	**421 668**	**390 600**

The bond runs from 18 December 2006 to 16 December 2011 at a fixed rate of interest of 6%. The principal falls due on 16 December 2011 and interest is paid on an annual basis (16 December). Throughout this period, the loan can be converted to shares (5,769,231 shares) at a price of NOK 79.30 per share. No security has been furnished for this loan. Det norske ASA has fulfilled all the loan conditions.

Note 25: Deferred income and other provisions for liabilities

Through its participation in a rig consortium together with five other oil companies, Det norske had reserved the Bredford Dolphin drilling rig for a period of three years (1,095 days). All together, the rig consortium was committed to use the rig for 945 days. Together with one other company, Det norske guaranteed for the liability relating to the remaining 150 days. As consideration for this liability, Det norske receive USD 10,000 per day for the first 945 days. As of 31.12.2009 this consideration amounted to NOK 53,001. The payment term was 30 days and the amount was paid into an escrow account, which served as security for the liability. This account was classified as a short term asset. At 31.12.2009 the balance was NOK 49,959. The amount will be taken to income when it is sufficiently probable that the liability will not have to be settled. It is in the second quarter 2010 recognized income of NOK 61 397, as the rig consortium is completed and it is certain that the liability is not going to settle.

	Group		Parent company	
	2010	2009	2010	2009
Deferred income - short term		53 001		53 001

Note 26: Interest-bearing loans and assets pledged as security

	Group		Parent company	
	2010	2009	2010	2009
Exploration facility in DnB NOR	1 151 552	1 150 813	1 151 552	600 000
Accrued loan costs	-40 900		-40 900	
Excess value of overdraft facility identified in connection with acquisition (Note 2)		-60 555		
Short-term loan	**1 110 652**	**1 090 258**	**1 110 652**	**600 000**

The parent company has an overdraft facility of NOK 4,500,000,000 in DnB NOR BANK ASA. The maximum amount to be drawn including interest is limited to 95% of the tax refund related to exploration expenses. The company can draw on the facility until 31.12.2012, with a final date for repayment in December 2013. The interest rate on the revolving credit is months' NIBOR + 2.5 %, and the establishment fee for the facility was NOK 61,3 million. A commision of 1.35 % is also paid on unused credit.

	Group		Parent company	
Available for withdrawal as of 31.12.	2010	2009	2010	2009
'Calculated tax receivable' in the balance sheet	2 276 417	2 060 124	2 276 417	1 400 161
Available for withdrawal	2 097 718	1 891 753	2 097 718	1 283 598
Drawn amount	1 151 552	1 150 813	1 151 552	600 000
Unused amount available for withdrawal	**946 166**	**740 940**	**946 166**	**683 598**

Maximum amount to be drawn including (future) interest is limited to 95% of 'Calculated tax receivable'.

As primary security, the bank has a mortgage in an escrow account into which the tax refund will be deposited.

In addition all licences are pledged as security for the bank. For licence overview, see Note 31.

Note 27: Other current liabilities

	Group		Parent company	
	2010	2009	2010	2009
Current liabilities related to overcall in licences	203 588	45 127	203 588	69 655
Share of other current liabilities in licences	265 004	364 642	265 004	272 786
Other current liabilities	258 329	189 026	258 329	168 715
	726 921	**598 795**	**726 921**	**511 155**

Note 28: Liabilities, lease agreements and guarantees

Future minimum lease obligations in accordance with non-terminable operational lease agreements

Rig contracts:

Through its participation in a rig consortium together with five other oil companies, Det norske oljeselskap ASA had reserved the Bredford Dolphin rig until the summer of 2010. In addition, the company has signed a contract with Deep Sea Rig AS for the lease of the rig Songa Delta, together with another oil company. The agreement secures the company 24 months' rig capacity over a period of three years. The contract runs until summer 2012. A contract has also been signed with Odfjell Management for drilling management over the same three-year period.

Det norske oljeselskap ASA has signed a lease for Aker Barents for a period of three years with an option to extend the charter period by up to two years. The charter period started to run in July 2009. In September 2010, Det norske extended the agreement for the semi-submersible drilling rig Aker Barents by two years, with an option to extend the charter period by two years. See Note 14 for more information.

Det norske oljeselskap, together with Centrica and Faroe Petroleum Norge AS has entered into an agreement with Maersk Guardian Norge AS for the lease of the rig Maersk Guardian in a period of 320 days to drill 5 wells.

The above rig contracts will be used for exploration drilling in the company's licences in current and future licence portfolios. The minimum lease obligation cannot be determined with certainty, since it will depend on Det norske's owning interest in the respective licences that actually will use the rig. The table below shows the company's total lease obligations in connection with these agreements. The total obligation will be reduced by the contribution paid by the various partners in the respective licences.

Total future lease obligations in connection with rig contracts are assumed to fall due as follows:

	Group		Parent company	
	2010	2009	2010	2009
Within 1 year	1 891 012	1 689 317	1 891 012	786 050
1 to 5 years	3 392 057	3 050 125	3 392 057	812 091
After 5 years				
Total	**5 283 069**	**4 739 441**	**5 283 069**	**1 598 141**

Lease obligation pertaining to owning interests in licences:
The group's share of operational lease liabilities and other long-term liabilities pertaining to its owning interests in oil and gas fields are shown in the table below. Liabilities related to the above-mentioned rig contracts are not included.

	Group		Parent company	
	2010	2009	2010	2009
Within 1 year	89 091	83 662	89 091	83 662
1 to 5 years	168 920	163 820	168 920	163 820
After 5 years	55 188		55 188	
Total	**313 199**	**247 483**	**313 199**	**247 483**

Lease liabilities - office premises and IT services
The group's liabilities in connection with non-terminable agreements for lease of office premises and hire of IT services:

	Group		Parent company	
	2010	2009	2010	2009
Within 1 year	51 369	81 113	51 369	73 574
1 to 5 years	121 774	144 502	121 774	134 638
After 5 years	104 886	117 532	104 886	117 532
Total	**278 030**	**343 148**	**278 030**	**325 745**

The parent company has two rental agreements for office premises in Oslo, of which the longest expires in 2018. The company has sublet some parts of these premises. The parent company has in 2010 signed a new lease for office space in Trondheim, which extends to 2020. In 2009, the parent company signed a new contract for IT services. The hire period is three years, and the contract cannot be terminated during this period.

Liability for damages/ insurance
Just like other licencees on the Norwegian continental shelf, the group has unlimited liability for damage, including pollution damage. The group has insured its pro rata liability on the Norwegian continental shelf on a par with other oil companies. Installations and liability are covered by an operational liability insurance policy.

Guarantees
The parent company has established a loan scheme whereby permanent employees can borrow up to 30% of their gross annual salary at the prescribed interest rate for tax purposes. The company covers the difference between the market interest rate and the prescribed interest rate for tax purposes at any time. The lender is a savings bank, and the company guarantees for the employees' loans. Guarantees furnished by the company for employees totalled NOK 14.3 million at 31 December 2010. The corresponding amount for 2009 was NOK 11.8 million.

Det norske oljeselskap ASA has provided the landlord with a guarantee in the amount of NOK 12 million to cover the rent for the company's premises at Aker Brygge.

Uncertain liabilities
There is a disagreement between the partners in one of the company's operating licenses, related to the cost of drilling an exploration well. Det norske disagrees with the claim, and has not made provision in the accounts of this controversy.

During the normal course of its business Det norske oljeselskap will be involved in disputes, and there are currently some unresolved claims. The Group has provided accruals in its financial statements for probable liabilities related to litigation and claims based on the Group's best judgement. Det norske does not expect that the financial position, results of operations or cash flows will be materially affected by the resolution of these disputes.

Note 29: Transactions with related parties

Owners with controlling interests
At year end 2010, Aker (Aker Capital AS) was the largest shareholder in Det norske oljeselskap ASA, with an total owning interest of 40.4 %. An overview of the 20 largest shareholders is provided in Note 20.

Duty of disclosure related to the executive managemement
For more details about remuneration of key executive personnel, see Note 9 'Payroll expenses'.

Transactions with related parties
The entire Aker group must be regarded as a related party, cf. IAS 24, because of shareholder affiliation and joint chairman with the top of the group. In 2009, the group has rented premises in Oslo from Aker ASA and to a limited extent bought administrative services from other Aker companies at market-based prices.

In connection with the business acquisition, cf. Note 2, a loan of 246 million was granted from the parent company to the subsidiary. With payout of the tax receivable 22.12.10 this loan is reversed so that the subsidiary has a receivable from the parent company for NOK 408 million as of 31.12. The interest rate is 9,3% p.a

Aker Drilling (fully owned subsidiary of Aker ASA) is a party to the contract for Aker Barents described in Note 18.

		Subsidiary		Parent company	
Related party	**Receivables (+)/liabilities (-) at 31.12.2010:**	**2010**	**2009**	**2010**	**2009**
Det norske oljeselskap AS	Intra-group loan/receivable	408 431	-662 365	-408 431	662 365
Det norske oljeselskap AS	Intra-group trade creditors/debtors		28 918		-28 918
Det norske oljeselskap AS	Intra-group trade creditors/debtors		-26 525		26 525
Aker ASA	Trade creditors			-131	
Aker Ghana Ltd	Trade debtors		264		
Aker Drilling Operations AS	Trade creditors		902	-12 381	

		Subsidiary		Parent company	
Related party	**Revenues (-)/ expenses (+):**	**2010**	**2009**	**2010**	**2009**
Det norske oljeselskap AS	Interest rate income/ expenses	-874	874	874	-874
Det norske oljeselskap AS	Interest rate income/ expenses	35 442		-35 442	
Det norske oljeselskap AS	Business aqusition with subsidiary	-246 230		246 230	
Aker Drilling Operations AS	Hire of Aker Barents	-91 906		-414 941	

Transactions with related parties in the Aker group relate to the final 9 days of 2009 only, as the merger was effected from 22 December 2009.

Note 30: Financial instruments

__Categories of financial assets and liabilities__
The group has the following financial assets and liabilities: financial assets and liabilities recognised at fair value through profit or loss, loans and receivables, and other liabilities. The latter are recognised in the accounts at amortised cost, while the first item is recognised at fair value.

__Financial risk__
The group has financed its activities by a floating interest-rate credit facility with a bank syndicate and a fixed-interest rate convertible bond. The financing is in Norwegian kroner, and part of the company's costs is in US dollars. In addition, the group has financial instruments such as trade debtors, trade creditors etc., directly related to its day-to-day operations. The group has some financial derivatives used for hedging purposes.

The group does not trade in financial instruments, including derivatives.
The most important financial risks to which the group is exposed relate to oil prices, exchange rates, interest rates and capital requirements.

The group's risk management, including financial risk management, is designed to ensure identification, analyses and systematic and cost-efficient handling of risk. Established management procedures provide a good basis for reporting and monitoring of the company's risk exposure.

__(i) Oil price and currency risks__
The income from the sale of petroleum and gas is in US dollars. Exchange rate fluctuations and oil prices involve both direct and indirect financial risk exposure for the group. Some of the expenses are in US dollars, which reduces some of this risk. Liquid assets consist of both USD and NOK. All bank deposits shall be placed in accounts with interest rates and prices denominated in NOK, EUR or USD. All investments in funds shall be denominated in Norwegian kroner. Currency derivatives can be used for USD/NOK or EUR/NOK. Foreign currency positions are only used to reduce the currency risk relating to the group's ordinary operations.

The group has signed several forward contracts to reduce its currency risk in US dollars and hence the market risk relating to operations. See Note 23 for an overview of signed contracts and their estimated fair value.

The table below shows the group's sensitivity to potential changes in the USD/NOK exchange rate.

		Group		Parent company	
	Change in exchange rate	**2010**	**2009**	**2010**	**2009**
Effect on pre-tax result	+ 10%	10 814	12 956	10 814	9 111
	- 10%	-10 814	-12 956	-10 814	-9 111
Effect on equity					

The group's net exposure in USD as of 31 December 2010 was USD 18,466 (NOK/USD 5.8564), while the corresponding figure for 2009 was USD 22,428 (NOK/USD 5.7767). This consists of exposure relating to receivables, bank deposits and licence over/undercalls in the amount of USD 8,222 (38,522), and deferred income (Bredford Dolphin), trade creditors, license over/undercalls, over/underlift of oil and other short-term liabilities in the amount of USD 16,094.

The parent company's net exposure in USD as of 31 December 2010 was USD 15,773 (NOK/USD 5.7767) and USD 21,468 (NOK/USD 6.9989) as of 31 December 2009. This consists of exposure relating to receivables and bank deposits in the amount of USD 31,751 (the corresponding figure for 2009 was USD 27,329), and deferred income (Bredford Dolphin), trade creditors, license over/undercalls, over/underlift of oil and other short-term liabilities of USD 10,244 (USD 15,978).

__(ii) Interest-rate risk__
The group is exposed to interest-rate risk in connection with the need for future loans. As of 31 December 2010, the group's total loan liabilities amounted to approximately NOK 1.5 billion, distributed between one long-term bond issue and one short-term overdraft facility, where the purpose of the latter is to finance exploration activities (Notes 24 and 26).

The bond issue has a fixed interest rate of 6%. The interest rate on the credit facility/ revolving credit arrangement is NIBOR + 2.5%. In addition, a commission of 1.35% accrues on the unused part of the credit facility. See Note 26.

The interest-rate risk relating to liquid assets is relatively limited. In accordance with the group's guidelines, the average interest-rate sensitivity, including exposure relating to financial derivatives, shall not exceed one year for the investment portfolio as a whole.

The following table shows the group's sensitivity to potential changes in interest rates:

		Group		Parent company	
	Change in interest rate level in basic point	**2010**	**2009**	**2010**	**2009**
Effect on pre-tax result	+ 100	-11 516	-11 508	-11 516	-6 000
	- 100	11 516	11 508	11 516	6 000
Effect on equity	+ 100				
	- 100				

Based on the loan balance as of 31 December 2010, an interest-rate increase of 1% will reduce/increase the group's pre-tax profit/loss by NOK 11,516 million.

(iii) Credit risk
The risk of counterparties being financially incapable of fulfilling their obligations is regarded as minor as, historically, there have not been any losses on accounts receivable. The group's customers are large and creditworthy oil companies and it has therefore not been necessary to make any provision for bad debt.

Low credit risk is given priority in the management of the group's liquid assets. Liquid assets are placed in bank deposits, bonds and funds that represent a low credit risk.

The maximum credit risk exposure corresponds to the balance-sheet value of financial assets. The group deems its maximum risk exposure to correspond with the balance-sheet value of trade debtors and other short-term receivables and investments; see Notes 17, 18 and 19.

(iv) Liquidity risk/liquidity management
The company's liquidity risk is the risk that it will not be able to meet its financial obligations as they fall due.

There shall be sufficient liquidity in our regular bank accounts at all times to cover expected payments relating to operational activities and investment activities for two months ahead.

In addition, short-term (12 months) and long-term (5 years) forecasts are prepared on a regular basis to plan the group's liquidity requirements. These plans are updated regularly for various scenarios and form part of the day-to-day decision basis for the group's board of directors.

Excess liquidity is defined as a portfolio consisting of liquid assets other than the funds deposited in regular operational bank accounts and unused overdraft facilities. This means that excess liquidity includes high-interest accounts and financial investments in banks, money-market instruments and bonds.

For excess liquidity, the requirement for low liquidity risk (i.e. the risk of realisation on short notice) is generally more important than maximising the return.

Some reporting requirements are associated with the agreement with the bank syndicate that furnished the credit facility, including quarterly updates of a revolving liquidity budget for the next 12 months. The group met this requirement both in 2010 and in 2009.

The group's objective for the placement and management of excess capital is to maintain a low risk profile and good liquidity.

As of 31 December 2010, the group's excess liquid assets are mainly deposited in bank accounts.

As of 31 December 2010, the company has considerable cash reserves: NOK 789,330 (1,574,287). However, the combination of limited production revenues and active exploration and development programs sets requirements for managing liquidity risk. The group will handle any increased future capital requirements through selling assets, taking up loans, using supplier-financed developments, carry agreements, strategic alliances and any combination of these, and by adjusting the group's level of activity, if required. At the start of 2010, the group entered into a loan agreement for exploration purposes, for a total of NOK 4.5 billion (Note 33). The group has also made a new NOK 600 million bond issue at the start of 2011. Together with the group's liquid assets, this is sufficient to finance the group's operations through 2011.

The table below shows the payment structure for the group's financial commitments, based on undiscounted contractual payments:

Group and parent company 31 Dec. 2010	Book value	Contract-related cash flows	Less than 1 year	1-2 years
Non-derivative financial liabilities:				
Bond issue	421 668	484 950	484 950	
Overdraft facility	1 110 652	1 275 297	1 275 297	
Trade creditors and other liabilities	966 918	966 918	966 918	
Total as of 31 December 2010	**2 499 238**	**2 727 165**	**2 727 165**	

Group 31 Dec. 2009	Book value	Contract-related cash flows	Less than 1 year	1-2 years
Non-derivative financial liabilities:				
Bond issue	390 600	512 600	27 550	485 050
Overdraft facility	1 090 258	1 293 028	1 293 028	
Trade creditors and other liabilities	936 354	936 354	936 354	
Derivative financial liabilities:				
Structured forward contracts – bond issue	21 805	21 805		
Total as of 31 December 2009	**2 439 016**	**2 763 786**	**2 256 931**	**485 050**

Parent company 31 Dec. 2009	Book value	Contract-related cash flows	Less than 1 year	1-2 years
Non-derivative financial liabilities:				
Bond issue	390 600	512 600	27 550	485 050
Overdraft facility	600 000	1 293 028	1 293 028	
Trade creditors and other liabilities	711 983	711 983	711 983	
Total as of 31 December 2009	**1 702 583**	**2 517 611**	**2 032 561**	**485 050**

Determination of fair value

'Market-based financial investments' consists of purchased bonds. The fair value of these bonds is determined using the price for tax purposes as defined by the Norwegian Securities Dealers' Association. In the course of the year, the value of these assets increased by NOK 572 (4,595), which was taken to income under Other financial income.

The fair value of derivatives is defined by DnB markets, based on market considerations; see Note 23.

The following of the company's financial instruments have not been valued at fair value: liquid assets, trade debtors, other short-term receivables, other long-term receivables, short-term loans and other short-term liabilities.

The balance-sheet value of liquid assets and loans are virtually the same as their fair value, as these instruments have a short term to maturity. Correspondingly, the balance-sheet value of trade debtors, other receivables, trade creditors and other short-term liabilities are virtually the same as their fair value as they are entered into on 'ordinary' terms and conditions. Other financial fixed assets mainly consist of deposits, and hence their value is virtually equal to their fair value.

Pre-payments largely relate to the Aker Barents rig. The receivable is stated at fair value, since this value was determined in connection with the merger on 22 December 2009, and once again in connection with the transfer of business on 1 October 2010. Reference is made to Note 2.

The bond issue is a short-term loan that can be converted into share capital at any time. The number of shares issued will not change if the fair value changes, and the bond issue is therefore regarded as a hybrid financial instrument. See the note on accounting principles and Note 24 for more details relating to the bond issue. The bond issue is listed on the stock exchange, and the fair value is determined using the listed value. As of 31 December 2010, the bond issue is recognised at fair value in the balance sheet, since the bond was last traded at the time of the merger.

Shares in the subsidiary are valued at the lower of cost price and fair value. As of 31 December 2010, the fair value was practically equal to the book value, as the shares had been valued at fair value in connection with the merger in November 2009.

The maximum credit risk exposure corresponds to the balance-sheet value of financial assets in the balance sheet.

The following is a comparison between the book value and fair value of the group's financial instruments:

Group	2010		2009	
Fair value of financial instruments:	**Book value**	**Fair value**	**Book value**	**Fair value**
Financial assets valued at fair value through profit or loss				
Market-based financial investments	22 568	22 568	21 995	21 995
Derivatives	6 033	6 033		
Loans and receivables:				
Trade debtors	60 719	60 719	30 414	30 414
Other short-term receivables	448 221	448 221	393 669	393 669
Calculated tax receivable	2 344 753	2 344 753	2 060 124	2 060 124
Other financial fixed assets	18 210	18 210	17 965	17 965
Pre-payments	106 269	106 269	240 442	240 442
Liquid assets:				
Liquid assets	789 330	789 330	1 574 287	1 574 287
Total financial assets	**3 796 103**	**3 796 103**	**4 338 896**	**4 338 896**

Parent company	2010		2009	
Fair value of financial instruments:	**Book value**	**Fair value**	**Book value**	**Fair value**
Financial assets valued at fair value through profit or loss				
Market-based financial investments	22 568	22 568	21 995	21 995
Derivatives	6 033	6 033		
Loans and receivables:				
Trade debtors	60 719	60 719	30 414	30 414
Other short-term receivables	448 221	448 221	229 573	229 573
Calculated tax receivable	2 276 417	2 276 417	1 400 161	1 400 161
Intra-group receivables			26 525	26 525
Other financial fixed assets	18 210	18 210	17 965	17 965
Pre-payments	118 194	118 194		
Intra-group receivables - loans			662 365	662 365
Shares in subsidiary	431 361	431 361	431 361	431 361
Liquid assets:				
Liquid assets	789 330	789 330	1 198 128	1 198 128
Total financial assets	**4 171 053**	**4 171 053**	**4 018 487**	**4 018 487**

Group	2010		2009	
Fair value of financial	**Book value**	**Fair value**	**Book value**	**Fair value**
Financial liabilities recognised at fair value through profit or loss				
Derivatives			21 805	21 805
Financial liabilities measured at amortised cost:				
Trade creditors	219 984	219 984	261 940	261 940
Other short-term liabilities	746 934	746 934	621 413	621 413
Deferred income			53 001	53 001
Bond issue	421 668	421 668	390 600	390 600
Short-term loan	1 110 652	1 110 652	1 090 258	1 090 258
Total financial liabilities	**2 499 238**	**2 499 238**	**2 439 017**	**2 439 017**

Parent company	2010		2009	
	Book value	Fair value	Book value	Fair value
Financial liabilities measured at amortised cost:				
Trade creditors	219 984	219 984	104 808	104 808
Other current liabilities	746 934	746 934	525 256	525 256
Intra-group trade creditors	408 431	408 431	28 918	28 918
Deferred income			53 001	53 001
Bond issue	421 668	421 668	390 600	390 600
Short-term loan	1 110 652	1 110 652	600 000	600 000
Total financial liabilities	**2 907 670**	**2 907 669**	**1 702 583**	**1 702 583**

Fair value hierarchy:

The group classifies fair value measurements by using a value hierarchy that reflects the significance of the input used in preparing the measurements. The fair value hierarchy consists of the following levels:

Level 1 - input in the form of listed (unadjusted) prices in active markets for identical assets or liabilities.
Level 2 - input other than listed prices of assets and liabilities included in Level 1 that is observable for assets or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
Level 3 - input for assets or liabilities for which there is no observable market data (non-observable input).

The group has no assets in Level 1

Assets recognised at fair value	Group	company	Level 2	Level 3
	31.12.2010			
Financial assets measured at fair value with changes in value recognised through profit				
Short-term investments - 'Market-based bonds'	22 568	22 568	22 568	
Forward exchange contracts - not part of hedging contracts 'derivatives'	6 033	6 033		6 033

Assets included at fair value	Group	Parent company	Level 2	Level 3
	31.12.2009			
Financial assets measured at fair value with changes in value recognised through profit or loss				
Short-term investments - 'Market-based bonds'	21 995	21 995	21 995	
Financial liabilities measured at fair value with changes in value recognised through profit or loss				
Forward exchange contracts - not part of hedging contracts	21 805			21 805

In the course of the reporting period, there were no changes in the fair value measurements that involved any transfers between levels.

Furnishing of security

The parent company has established a loan scheme whereby permanent employees can borrow up to 30% of their gross annual salary at the prescribed interest rate for tax purposes. The company covers the difference between the market interest rate and the prescribed interest rate for tax purposes at any time. The lender is a savings bank, and the company guarantees for the employees' loans. Guarantees furnished by the company for employees totalled NOK 14.3 million at 31 December 2010. The corresponding amount for 2009 was NOK 11.8 million.

Det norske oljeselskap ASA has provided the landlord KLP with a guarantee in the amount of NOK 12 million to cover the rent for the company's premises in Oslo.

A guarantees has also been furnished in connection with the taking up of loans; see Note 26.

Capital structure and equity

The group's capital management objective is to optimise the return to the shareholders and other stakeholders, and to maintain a capital structure that results in the lowest possible capital costs.

The group manages the capital structure in relation to the risk. Management of the capital structure entails active monitoring and adjustment of the capital composition in relation to changes in economic conditions and the risk associated with underlying assets. To maintain the desired capital structure, the group can refinance debt, purchase or issue new shares or debt instruments, sell assets or pay back capital to the owners.

The group met all its capital structure objectives in 2010 and 2009.

Note 31: Investments in jointly controlled assets

Investments in jointly controlled assets is included using the 'gross method'(proportionate consolidation), based on the owning interests.

The group's investments in licences on the Norwegian continental shelf as of 31.12.:

Production licences in which Det norske is operator:			Production licences in which Det norske is partn		
Licence	31.12.2010	31.12.2009	Licence	31.12.2010	31.12.2009
PL 001B	35 %	35 %	PL 028S	40 %	0 %
PL 027D	60 %	35 %	PL 029B	20 %	20 %
PL 028B	35 %	35 %	PL 035	25 %	25 %
PL 103B	70 %	70 %	PL 035B	15 %	15 %
PL 169C	70 %	57 %	PL 038	5 %	5 %
PL 242	35 %	35 %	PL 038D	30 %	30 %
PL 256	0 %	55 %	PL 048B	10 %	10 %
PL 321	0 %	60 %	PL 048D	10 %	10 %
PL 321B	0 %	60 %	PL 102C	10 %	10 %
PL 337	45 %	45 %	PL 265	20 %	20 %
PL 341	30 %	30 %	PL 272	25 %	25 %
PL 356	60 %	100 %	PL 283	25 %	25 %
PL 364	50 %	50 %	PL 304	0 %	30 %
PL 369	60 %	60 %	PL 332	40 %	40 %
PL 380	0 %	70 %	PL 362	15 %	15 %
PL 383	0 %	55 %	PL 416	15 %	15 %
PL 408	0 %	100 %	PL 440S*	10 %	0 %
PL 414	40 %	40 %	PL 442	20 %	20 %
PL 432	0 %	100 %	PL 451	40 %	40 %
PL 432B	0 %	100 %	PL 453S	25 %	25 %
PL 440S*	0 %	30 %	PL 458	0 %	30 %
PL 447	80 %	30 %	PL 462S	30 %	30 %
PL 450	75 %	75 %	PL 469	25 %	25 %
PL 460	100 %	100 %	PL 474	0 %	30 %
PL 463S	100 %	100 %	PL 485	15 %	15 %
PL 468	95 %	100 %	PL 490	30 %	30 %
PL 476	40 %	40 %	PL 492	30 %	30 %
PL 482	65 %	65 %	PL 494	30 %	30 %
PL 483S	0 %	40 %	PL 502	22 %	22 %
PL 491	50 %	50 %	PL 508S	30 %	30 %
PL 497	35 %	35 %	PL 522	20 %	20 %
PL 497B	35 %	0 %	PL 523	20 %	20 %
PL 500	35 %	35 %	PL 533	20 %	20 %
PL 504	59 %	58,5 %	PL 535	20 %	20 %
PL 504BS	59 %	0 %	PL 538	30 %	30 %
PL 512	30 %	30 %	PL 554	40 %	0 %
PL 542	60 %	0 %	PL 558	20 %	0 %
PL 548S	40 %	0 %	PL 561	20 %	0 %
PL 549S	35 %	0 %	PL 563	30 %	0 %
PL 553	40 %	0 %			
No.	**30**	**34**	**No.**	**36**	**33**

* Det norske has, compared with the status as of 31.12.2009 left the operatorship to Faeroe Petroleum

In the round of awards in pre-define areas in 2010, Det norske was awarded operatorships in PL573S (35%), PL468B (95%) and PL593 (60%). As partner, Det norske was awarded interest in PL494B (30%), PL567 (40%), PL568 (20%), PL571 (40%) and PL554B (40%). The formal awards took place in January 2011.

Note 32 Annual Statements of Reserves 31.12.2010 (Unaudited)

Classification of Reserves and Contingent Resources

The reserve and contingent resource volumes have been classified in accordance with the NPD classification system http://www.npd.no/global/norsk/5%20-%20regelverk/tematiske%20veiledninger/ressursklassifisering_n.pdf and are consistent with Oslo Stock Exchange's requirements for the disclosure of hydrocarbon reserves and contingent resources, see figure below.

	POTENTIAL RESOURCES		CONTINGENT RESOURCES				RESERVES		
NPD category	9	8	7	6	5	4	3	2	1
Beskrivelse	Leads Conceptual ideas of possible prospects.	Prospects. A mapped rock volume believed to contain hydro-carbons	Discoveries under evaluation.	Discoveries where development is unlikely.	Discoveries where development is likely	Discoveries where development is likely	Fields where PDO has been concluded by the Licensees	Field under development PDO approved	Fields in production.

Reserves, Developed and Non-developed

Det norske oljeselskap ASA has interests in four fields containing reserves, all in production (Category 1):

- Varg - operated by Talisman, Det norske 5 %
- Glitne -operated by Statoil, Det norske 10 %
- Enoch - operated by Talisman, Det norske 2 %
- Jotun - operated by ExxonMobil, Det norske 7 %

The net reserves for the four fields are presented in Table 1 and amounts to a total of 1.34 million barrels oil equivalents (2P/P50 or best estimate).

The changes in reserves during 2010 are presented in Table 2. On the 2P/P50 basis, the reserves are reduced from 29.13 mboe to 1.34 mboe. The main reason for the negative change is related to the Frøy development. As a modified PDO was not submitted in 2010, a volume of 27.36 mboe has been moved out of the reserves from Category 3 (Development decided) to Category 4 (Contingent resources – Development being planned). Further reduction due to production from the four fields is partly replaced by positive revisions for Glitne, Varg, and Jotun, mainly due to extended field life.

IN PRODUCTION (CATEGORI 1)										
Pr. 31.12.2010	1P / P90 (low estimate)					2P / P50 (best estimate)				
	Olje (mill. bbl)	Gas (mrd. m^3)	mill. bbl o.e.	Share	Net mill. bbl o.e.	Olje (mill. bbl)	Gas (mrd. m^3)	mill. bbl o.e.	Share	Net mill. bbl o.e.
PL 038 - Varg	2,51	0,0	2,51	5 %	0,13	10,49	0,0	10,49	5 %	0,52
PL 048 B - Glitne	0,44	0,0	0,44	10 %	0,04	0,94	0,0	0,94	10 %	0,09
Enoch-Unit (Norway)	0,75	0,0	0,78	10 %	0,08	1,20	0,01	1,23	10 %	0,12
Jotun-Unit	6,19	0,07	6,63	7 %	0,46	7,92	0,09	8,49	7 %	0,59
Total					**0,71**					**1,34**

Explanation: 1 x 109 Sm3 gas = 1 x 106 Sm3 oil equivalent = 6,29 million barrels oil equivalent

The **Varg-field** (PL 038) is located to the south of Sleipner Øst. The field is developed with the production vessel "Petrojarl Varg" with integrated oil storage, and connected to a wellhead platform. Oil is exported using shuttle tankers. One producer and one injector were completed in 2010, proving up new reserves and increasing the total production to around 26,000 bopd by year-end. Total ultimate recoverable reserves are estimated at 95 million barrels of oil, while total remaining proved and probable reserves are 10.5 million barrels. All of these are classified as developed (Category 1) and contain the volumes from the base case production profile assuming no further infill drilling and an economic production cut-off at the end of 2013. Two new infill production wells are scheduled for 2011, and these are estimated to extend the life of the field until the end of 2014. Associated volumes of 6.3 million barrels are not included in the reserve estimate, but classified as resources in Category 4. Gas blow-down volumes of 10 million barrels oil equivalents, including oil production until the end of 2015 are classified as Category 5. Further infill targets and potential near infrastructure exploration are expected to further extend life of the field.

The license periode expires in 2021.

The **Glitne Field** (PL 048 B) is located 40 kilometers northeast of the Sleipner area. The field is produced by sub-sea wells tied to the production vessel "Petrojarl 1", and oil is exported using shuttle tankers. Total reserves are determined by the operator, based on a production cut-off in August 2011. Remaining reserves are assessed probabilistically considering relevant uncertainties related to the production. Total initial recoverable reserves are estimated at 55 million barrels of oil, while remaining reserves are estimated at 0.9 million barrels of oil. The main uncertainty in future production is the water cut development for individual wells. A new infill production well will likely be drilled in 2011 and could potentially extend the life of the field by 2-3 years. Associated volumes of 3.4 million barrels are not included as reserves but classified as resources in Category 4.

The license periode expires in 2013.

The **Enoch Field** (PL 048 D) straddles the Norwegian/UK border and is located in the UK block 16/13a and in the Norwegian block 15/5 southwest of the Glitne Field. The field is developed by a single, horizontal sub-sea well and tied back to the UK Brae A platform where the oil is processed and exported via the Forties pipeline network. The gas is sold to the Brae Field. Production started in May 2007 and field shut down is expected in 2017. Depending on reservoir performance, one additional producer may be drilled using the extra well slot which is available. The field has been unitized with the license owners in British sector, and Det norske's overall share is 2% (10% of the Norwegian license PL 048 D). Total initial proved plus probable reserves (Enoch Unit) are estimated by the operator at 14 million barrels of oil equivalents of which 6.2 million barrels remain. Volumes in Table 1 include only the Norwegian part of the field and are included under "Developed assets".

The license periode expires in 2018.

The **Jotun Field** (PL 027 B, PL 103) is developed with an integrated well head platform (Jotun B) of 24 well slots and an FPSO (Jotun A). Oil is shuttled to the Slagen refinery and gas is exported into Statpipe. Proved plus probable reserves (2P/P50) include expected volume from existing wells, assuming no new wells being drilled and abandonment of the field at the end of 2016. Remaining reserves are determined by the operator based on decline analysis. The main uncertainty in future production is the water cut development in individual wells. Total ultimate recoverable reserves are estimated at 152 million barrels of oil equivalents, while remaining reserves are estimated at 8.5 million barrels and classified as developed (Category 1). The operator is assessing the economic viability of carrying out work-overs in wells currently not producing.

The license periode expires in 2015.

Det norske's share of production from the Varg, Glitne, Enoch, and Jotun fields during 2010 amounts to 0.74 million barrels of oil equivalents.

Note 33: Events after the balance sheet date

In January, Det norske issued MNOK 600 in new bonds. The bonds have five-year maturity and are unsecured. The coupon rate is 3 months' NIBOR plus a margin of 6,75%. In connection with the new bond issue, the company bought back MNOK 136,9 worth of the outstanding convertible bonds (AKX01), which mature in December 2011.

Det norske started in late December 2010 drilling at Dovregubben (PL 468) with the rig Aker Barents. Drilling was completed in late February 2011, but the well was dry. Costs of NOK 86 million related to 2010 have been expensed.

Note 34: Changes in relation to the Q4 report and provisional financial statements

On 15 February 2011, the Board of Directors adopted the report for the fourth quarter 2010 and provisional financial statements for 2010. Two corrections were made on finalising the final financial statements for 2010.

An error was discovered in the calculation of the average number of shares.

The drilling on Dovregubben was completed in late February 2011. The well was dry. Capitalised expenditures as of 31.12.2010 on NOK 86 million is expensed in the 2010-accounts. This means that the profit after tax is NOK 19 million lower than reported in the fourth quarter.

These corrections has resulted in the following deviations from the previously reported:

STATEMENT OF INCOME

	Q4			01.01.2010 - 31.12.2010		
	Previously reported	Adjusted amount	Difference	Previously reported	Adjusted amount	Difference
Petroleum revenues	98 699	98 699		362 115	362 115	
Other operating revenues	819	819		3 855	3 855	
Total operating revenues	**99 518**	**99 518**		**365 971**	**365 971**	
Exploration expenses	570 571	656 841	86 270	1 691 067	1 777 337	**86 271**
Production costs	40 109	40 109		154 960	154 960	
Payroll expenses	4 723	4 723		14 763	14 763	
Depreciations and amortisations	22 408	22 408		159 049	159 049	
Net impairment losses	97 323	97 323		170 508	170 508	
Other operating expenses	40 628	40 628		88 977	88 977	
Total operating expenses	**775 761**	**862 031**	**86 270**	**2 279 323**	**2 365 593**	**86 271**
Operating loss	**-676 243**	**-762 513**	**-86 270**	**-1 913 352**	**-1 999 623**	**-86 271**
Interest income	9 890	9 890		-51 255	-51 255	
Other financial income	5 007	5 007		-89 431	-89 431	
Interest expenses	68 615	68 615		218 647	218 647	
Other financial expenses	11 586	11 586		105 844	105 844	
Net financial items	**-65 304**	**-65 304**		**-183 805**	**-183 805**	
Loss before taxes	**-741 547**	**-827 818**	**-86 270**	**-2 097 156**	**-2 183 427**	**-86 271**
Taxes (+)/tax income (-)	-429 432	-496 723	-67 291	-1 425 784	-1 493 075	**-67 291**
Net loss	**-312 115**	**-331 095**	**-18 980**	**-671 372**	**-690 352**	**-18 980**
Weighted average no. of shares outstanding	66 063 855	111 111 111	45 047 256	66 063 855	111 111 111	45 047 256
Weighted average no. of shares fully diluted	66 063 855	111 111 111	45 047 256	66 063 855	111 111 111	45 047 256
Earnings/(loss) after taxes per share (adjusted for split)	-4,72	-2,98	1,74	-10,16	-6,21	3,95
Earnings/(loss) after taxes per share (adjusted for split) fully diluted	-4,72	-2,98	1,74	-10,16	-6,21	3,95

STATEMENT OF FINANCIAL POSITION

	Group 31.12.2010		
ASSETS	Previously reported	Adjusted amount	Difference
Non-current asset			
Goodwill	596 506	596 506	
Capitalised exploration expenditures	1 888 505	1 802 234	-86 271
Other intangible assets	1 107 693	1 107 693	
Tangible fixed assets	406 834	406 834	
Other financial fixed assets	18 210	18 210	
Prepayments	106 269	106 269	
Total non-current assets	**4 124 016**	**4 037 746**	**-86 271**
Current assets			
Inventories	10 249	10 249	
Receivables			
Trade receivables	60 719	60 719	
Other short-term receivables	448 221	448 221	
Financial investments	22 568	22 568	
Derivatives	6 033	6 033	
Tax receivables	2 344 753	2 344 753	
Cash and cash equivalents	789 330	789 330	
Total current assets	**3 681 872**	**3 681 872**	
TOTAL ASSETS	**7 805 889**	**7 719 619**	**-86 271**
EQUITY AND LIABILITIES			
Paid-in capital			
Share capital	111 111	111 111	
Premium reserve	1 167 312	1 167 312	
Other paid-in capital	17 715	17 715	
Earned equity			
Retained earnings	1 883 013	1 864 035	-18 978
Total Equity	**3 179 152**	**3 160 173**	**-18 979**
Provision for liabilities			
Pension liabilities	32 070	32 070	
Deferred taxes	1 824 772	1 757 481	-67 291
Abandonment provision	268 227	268 227	
Deferred income and other provisions for liabilities	2 429	2 429	
Total provisions for liabilities	**2 127 498**	**2 060 207**	**-67 291**
Current liabilities			
Bonds	421 668	421 668	
Short-term loan	1 110 652	1 110 652	
Trade creditors	219 984	219 984	
Accrued public charges and indirect taxes	20 013	20 013	
Other current liabilities	726 921	726 921	
Total current liabilities	**2 499 238**	**2 499 238**	
TOTAL EQUITY AND LIABILITIES	**7 805 889**	**7 719 619**	**-86 271**

Statement from Board of Directors and Chief Executive Officer

Pursuant to the Norwegian Securities Trading Act section 5-5 with pertaining regulations, we hereby confirm that, to the best of our knowledge, the group's financial statements for 2010 have been prepared in accordance with IFRS, as provided for by the EU, and in accordance with the requirements for additional informatin provided for by the Norwegian Accounting Act. The information presented in the financial statements give a true and fair picture of the group's liabilities, financial position and results viewed in their entirety.

To the best of our knowledge, the Board of Directors' Report gives a true and fair picture of the development, performance and financial position of the group, and includes a description of the principal risk and uncertainty factors facing the group.

The Board of Directors of Det norske oljeselskap ASA
Oppdal, 23 March 2011

Kjell Inge Røkke, Chairman of the Board

Kaare Moursund Gisvold, Deputy Chairman

Maria Moræus Hanssen, Board Member

Berge Gerdt Larsen, Board Member

Bodil Alteren, Board Member

Hege Sjo, Board Member

Erik Haugane, Chief Executive Officer

Gunnar Håkon Eide, Board Member

Ernst & Young

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Medlemmer av Den norske Revisorforening

To the Annual Shareholders' Meeting of Det norske oljeselskap ASA

AUDITOR'S REPORT

Report on the financial statements

We have audited the accompanying financial statements of Det norske oljeselskap ASA, comprising the financial statements for the Parent Company and the Group. The financial statements for the Parent Company and the Group comprise the statement of financial position as at 31 December 2010, the statements of income and comprehensive income, cash flows and changes in equity for the year then ended as well as a summary of significant accounting policies and other explanatory information.

The Board of Directors' and Chief Executive Officer's responsibility for the financial statements

The Board of Directors and Chief Executive Officer are responsible for the preparation and fair presentation of these financial statements in accordance with the International Financial Reporting Standards as adopted by the EU, and for such internal control as the Board of Directors and Chief Executive Officer determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements for the Parent Company and the Group.

Opinion

In our opinion, the financial statements of Det norske oljeselskap ASA have been prepared in accordance with laws and regulations and present fairly, in all material respects, the financial position of the Parent Company and the Group as of 31 December 2010 and their financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards as adopted by the EU.

Report on other legal and regulatory requirements

Opinion on the Board of Directors' report

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Directors' report concerning the financial statements, the going concern assumption and the proposal for the allocation of the result is consistent with the financial statements and complies with the law and regulations.

Opinion on registration and documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the international standard on assurance engagements (ISAE) 3000, «Assurance Engagements Other than Audits or Reviews of Historical Financial Information», it is our opinion that the Board of Directors and Chief Executive Officer have fulfilled their duty to properly record and document the Company's accounting information as required by law and generally accepted bookkeeping practice in Norway.

Stavanger, 23 March 2011
ERNST & YOUNG AS

Tor Inge Skjellevik
State Authorised Public Accountant (Norway)

(This translation from Norwegian has been made for information purposes only.)


DET NORSKE UTVIKLER NORD