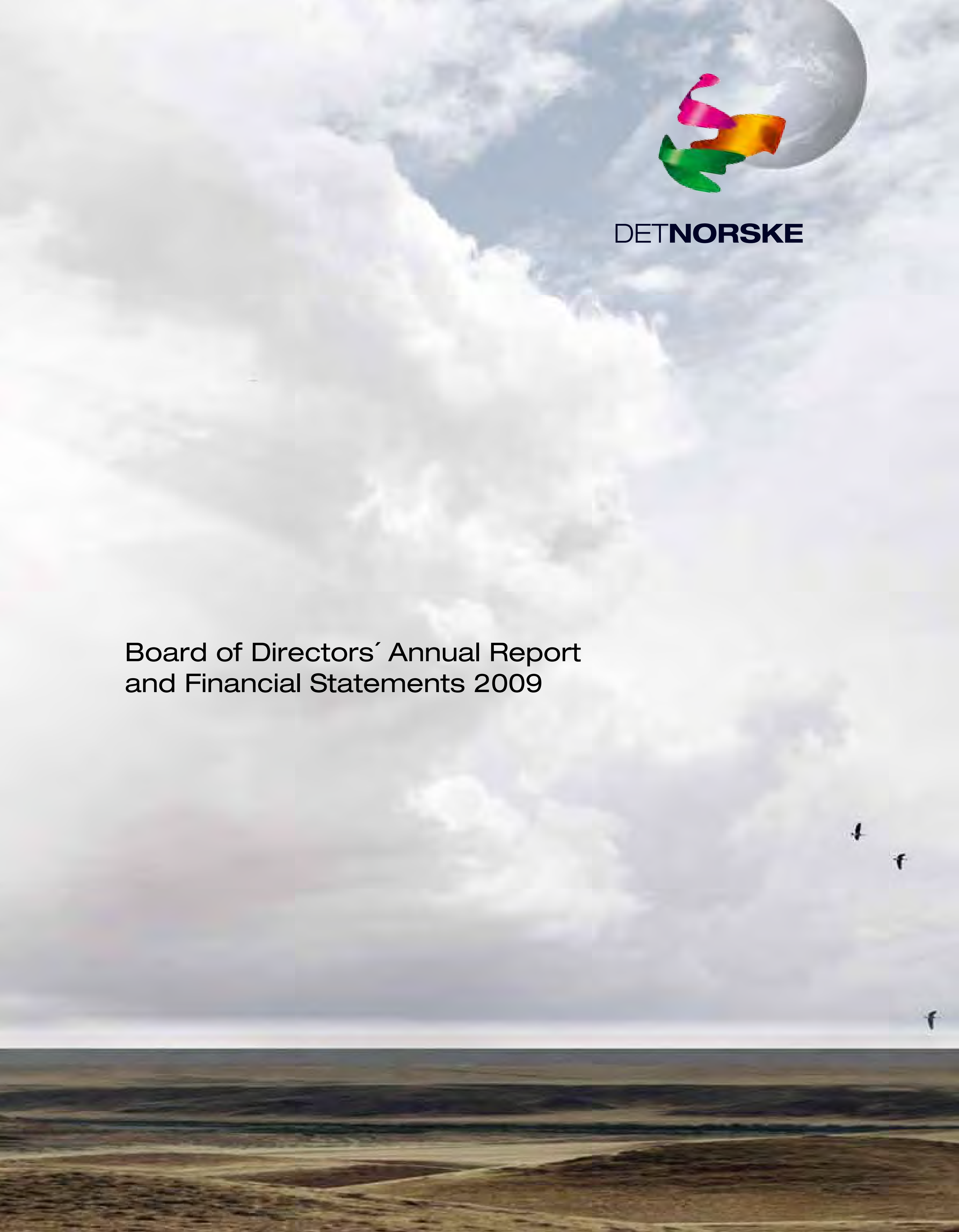

DETNORSKE

Board of Directors´ Annual Report and Financial Statements 2009

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THE BOARD OF DIRECTORS' REPORT 2009

Det norske is the second largest company on the Norwegian continental shelf in terms of operatorships. The Board of Directors has the clear objective of confirming the group's indisputable position as the 'number two' company in Norway. This means that the group also aims to be operator for field developments and production on the Norwegian continental shelf. The group seeks to achieve this through combining an ambitious drilling programme in prospects close to existing infrastructure, which will enable the realisation of rapid and cost-efficient production, with exploration in less mature areas with more extensive prospects but with a lower probability of discovery. The Board of Directors is planning to develop Det norske's position primarily through organic growth.

ACTIVITIES

The group's activities are organised in the parent company Det norske oljeselskap ASA and the subsidiary Det norske oljeselskap AS (together called "Det norske" or "the group"). Det norske is a leading exploration group on the Norwegian continental shelf. The group's business activities consist of exploration, development and production of petroleum resources. The group holds licences in the North Sea, the Norwegian Sea and the Barents Sea. The group's registered address is in Trondheim. The head office functions are divided between Oslo and Trondheim. The group also has offices in Harstad and Stavanger.

HISTORY

Pertra ASA ("Pertra") was established 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 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.

IMPORTANT EVENTS IN 2009

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 2009, the group was awarded ten 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.

As part of a strategy to optimise the group's portfolio and strategic positioning in selected areas, a number of licence swaps were made in 2009.

In 2009, Det norske participated in 13 exploration wells and three sidetracks, and hydrocarbons were proven in six exploration wells. These were Fulla in PL 362/035B, Freke in PL 029B, Grevling in PL 038D, East Frigg Delta in PL 442, Ragnarrock Graben in PL 265 and Jetta in PL 027D.

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

The work on maturing Draupne (PL 001B) and Hanz (PL 028B) has progressed well. An appraisal well is planned for Draupne in March 2010. The results of this well will be important to future work in the licence.

Four general meetings were held in 2009, of which three were extraordinary general meetings. At the third extraordinary general meeting on 19 October, it was decided to merge Det norske oljeselskap ASA with Aker Exploration ASA. The merger was effected on 22 December, with Aker Exploration ASA as the acquiring company. The conversion rate was 82/18, whereby the shareholders in Det norske received 1.403328 shares in Aker Exploration ASA for each share owned in Det norske oljeselskap ASA. The shares in the merged company were listed on the Oslo Stock Exchange on 23 December, and the name of the company remains Det norske oljeselskap ASA (DETNOR).

HEALTH, SAFETY AND THE ENVIRONMENT

One goal of Det norske is that all activities should be conducted with zero harm to people and the environment. The safety of people, the environment and financial assets is an integrated part of Det norske's activities.

The drilling of four own-operated exploration wells in the North Sea and the Norwegian Sea was completed in 2009. Det norske also drilled three wells on behalf of ExxonMobil in the North Sea, and one well for GDFSuez. In a year of record high activity, the group did not experience any serious incidents. Nor was there any actual or notified official orders issued to the group by the Norwegian authorities in 2009.

Currently, Det norske does not operate any fields in production.

Discharges to the natural environment and the use of chemicals in drilling operations have been reported to the Climate and Pollution Agency in accordance with established guidelines. All planned emissions were in accordance with the granted permits. The company had a few unforeseen discharges to sea. None of these discharges are considered to have any impact on the environment.

Emphasis has been placed on improving the quality of the emergency response system to handle both current and future activities in the group. 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 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 materials. The operating 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 its members' emergency response organisations in accordance with the statutory requirements applicable at all times.

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 at NOFO's Board.

EMPLOYEES

Det norske has seen growth in the number of employees during the period. The number of employees at the beginning of the year was 127, while the number of employees as of 31 December 2009 was 176, of which 141 were employed by the parent company. The organisation was expanded in order to strengthen the group and handle the high level of activity. Part of this growth is a result of the merger with Aker Exploration.

The working environment survey that was conducted in 2008 showed that people enjoy working in Det norske. Det norske has initiated a number of measures to facilitate the individual's workplace and improve the physical working environment for its employees. The company will conduct a new working environment and organisation survey in 2010.

The low sickness absence ratio is an indicator that the group's working environment efforts have been successful. In 2009, we had a sickness absence ratio of 1.5 percent, down from 2.06 percent in 2008.

PRODUCTION

The group's total share of production from the Varg field was 251,895 barrels (40,028 Sm3) of crude oil. The share of production from Enoch, Glitne and Jotun was 45,840 barrels (7,284 Sm3), 225,890 barrels (35,895 Sm3) and 149,979 barrels (23 833 Sm3), respectively.

In 2009, the average production for the group was 1,846 barrels per day.

OIL RESOURCES AND RESERVES

At the end of 2009, the group had P50 reserves of 29 million barrels of oil equivalents in fields in operation and in fields were development has been decided (for a complete overview, see the group's annual statement of reserves report). This is a slight reduction compared to 2008, approximately corresponding to our production of 0.67 million barrels in 2009.

In 2009, Det norske participated in 13 exploration wells and three sidetracks, and hydrocarbons of potential commercial value were proven in six exploration wells. The discoveries in Fulla in prospect PL 362/035B, Freke in PL 029B, Grevling in PL 038D, East Frigg Delta in PL 442, Ragnarrock Graben in PL 265 and Jetta in PL 027D contributed to the increase in conditional reserves.

In the 20th licence round for the Norwegian Sea and Barents Sea, Det norske was awarded five licences (including awards to Aker Exploration AS). Det norske submitted a comprehensive application in the APA 2009 round, and was rewarded with 11 ownership interests in 10 licences.

RESEARCH AND DEVELOPMENT

R&D and the application of new technology

R&D activities are intended to underpin Det norske's business operations and help it to achieve its long-term strategic objectives. The licence system on the Norwegian continental shelf stimulates research and development activities. Det norske primarily wishes to collaborate on R&D projects with national research milieus and professional expertise. It is one of the group's goals to establish R&D operations in the regions where it plans to recover natural resources. In 2009, 42 R&D projects were initiated with a total budget of NOK 50 million. Approximately 70 percent of this budget was allocated to challenges relating to exploration activities.

The remainder was allocated to challenges relating to HSE, drilling and well operations, and development and operation.

In the course of 2009, new technology was introduced to collect drill cuttings from the top-hole section. The purpose was to prevent the spread of concentrated drilling mud across the seabed and pollution of the benthic flora and fauna.

A study conducted by Det norske has verified that the technology is sound, and that significant savings can be made by deploying used subsea equipment. We will continue to monitor results in connection with specific development projects.

In 2009, Det norske was the first company in the world to cut off and remove a wellhead assembly situated 270 metres below sea level, from a vessel. The operation was successful and resulted in considerable costs savings compared to conventional methods using a drilling platform.

The anchoring of drilling platforms has previously been a costly and time-consuming operation. In 2009, Det norske tested the pre-laying of an anchor system prior to the arrival of the drilling platform, in combination with the use of fibre-rope anchor chains. The operation was successful and resulted in cost savings in the order of NOK 10-15 million.

EQUAL OPPORTUNITIES

The board and management work systematically towards achieving a balanced working environment. In December 2009, women constituted 25.5 percent of the workforce, and 7.5 percent of Det norske's workforce were of foreign origin.

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.

The group is focusing on targeted recruitment in order to increase the number of women in male-dominated positions and disciplines. In 2010, the group will endeavour to establish a more systematic reporting and monitoring of its efforts to provide everyone with the same opportunities irrespective of gender, ethnicity or disability.

OWNERSHIP

Aker (Aker ASA and Aker Capital AS) is a new shareholder in the company, and was the company's largest shareholder at the end of 2009, with 40.4 percent of the shares. At the turn of the year, there were a total of 4,094 shareholders in Det norske. The shares are owned by Norwegian and international investors, management and Board members, and employees.

COPORATE GOVERNANCE

Det norske oljeselskap ASA ('Det norske') is a public limited company organised in accordance with Norwegian law. The company's corporate governance structure is based on Norwegian company law. It is Det norske's objective to maintain good corporate governance standards, and the company complies with the Norwegian Code of Practice for Corporate Governance of October 2009. Deviation from the Code of Practice is described below.

Det norske is undergoing strong growth. A higher number of employees and increased activity emphasises the need for good systems. Ethical guidelines have been established, and the company is actively working on further developing its governing documents. Management must lead the way in matters of an ethical nature to ensure that it enjoys the trust of the organisation, the authorities and the public. Employees are encouraged to take part in open dialogues about ethical dilemmas, and there will be no discrimination against employees who report matters that could be in breach of the company's ethical guidelines.

Our activities
Det norske's business activities consist of exploration for, and development and production of petroleum resources. The company qualified as an operator on the Norwegian continental shelf in 2005. It participates actively in licence rounds to secure new areas for exploration. Development and operation will be carried out in close collaboration with contractors.

Det norske's business is defined in the company's Articles of Association. Further information about our Articles of Association, licences and business activities is available on the company's website www.detnor.no.

Equity and dividends
Det norske has a strong balance sheet. At the end of 2009, the company had an equity ratio of 49.9%, combined with substantial cash reserves and a low ratio of interest-bearing debt. Det norske intends to carry out an extensive exploration programme during the next few years. Future developments will also require substantial investments. Dividends to shareholders will therefore not be given priority. Rather, the company 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.

At the end of 2009, the company was not authorised to increase the company's share capital.

Equal treatment of shareholders and transactions with related parties
The company's clear principle is that all shareholders shall be treated equally. Management and the Board will exercise due care in connection with any transactions conducted with related parties.

The company has one class of shares, and all shares carry the same rights. The company's employees are prohibited from engaging in economic activity that could be in competition with Det norske. The company's ethical rules provide clear guidelines for how employees and representatives of the company's governing bodies should act in situations where there is a risk of conflict of interests and partiality.

Freely negotiable shares
Det norske's shares are freely negotiable, and the company's articles of association do not impose any form of restriction on their negotiability.

Annual General Meetings
The Annual General Meeting is the company's highest corporate body. Det norske's articles of association and the Norwegian Public Limited Liability Companies Act regulate the Annual General Meeting's role and mandate. The Annual General Meeting is held before the end of June each year, normally before the end of April. Notice of the Annual General Meeting and the agenda for the meeting are sent to shareholders registered in the Norwegian Central Securities Depository (VPS) and made available on the company's website no later than 21 days before the meeting. The annual Board of Directors' Report is published on the company's website no later than one week before the meeting. Det norske encourages it's shareholders to exercise their rights by submitting proposals and voting.

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.

The Board of Directors can convene an Extraordinary General Meeting at any time. If a shareholder holding at least five percent of the company's shares requests an Extraordinary General Meeting in order to make a proposal, Det norske's Board of Directors is obliged to hold the meeting within one month of receiving the request. The Chairman of the Board, the Chief Executive Officer, the auditor and a representative of the nomination committee shall participate in the general meeting. Det norske's general meetings are normally chaired by the Chairman of the Board. In 2009, three Extraordinary General Meetings were held: on 2 February, 24 June and 19 October.

Nomination committee
The company's articles of association provide for a nomination committee consisting of three members elected by the company's Annual General Meeting. The nomination committee should be composed in a manner that takes account of the interests of the shareholders as a whole. The nomination committee's duties are to propose candidates for and remuneration of the Board of Directors. The nomination 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 2009, the committee consisted of Finn Haugan (chairman), Øyvind Eriksen and Helge Eide. The latter two are affiliated to Aker ASA and DNO International ASA, respectively.

Board of Directors: composition and independence
The company's Board of Directors consists of seven members, including the Chairman of the Board and two employee representatives. Two of the board members are affiliated to the company's largest shareholder, Aker Capital/Aker ASA, and one is affiliated to the second-largest shareholder, DNO International ASA.

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 improve and preserve the shareholders' long-term assets and ensure that Det norske always fulfils its obligations. While the Chief Executive Officer is responsible for the day-to-day activity, the Board of Directors acknowledges its responsibility for the overall management of the company. Among other things, the Board's responsibility involves:

A. Deciding on strategic plans and following them up by means of regular reporting and inspection.
B. Indentifying significant risks to the Det norske's operations and ensuring that these risks are dealt with by establishing suitable systems to manage such risk.
C. Ensuring that shareholders have access to timely and correct information about financial matters and important business-related events in accordance with relevant legislation, and
D. Ensuring the establishment of internal control and management systems and compliance with these.

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 Board and management continually discuss strategy and the way forward. 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 specify areas of responsibility and administrative procedures. The Board intends to evaluate its performance annually.

The Annual General Meeting elects the Chairman of the Board. Det norske's Board elects its own Deputy Chairman. The Board members are elected for a term of up to two years on the recommendation of the nomination committee. As recommended, Det norske established an audit committee in 2008. The current members are Hege Sjo (chair), Kaare Gisvold and Maria Moræus Hanssen. The committee held five meetings in 2009. In addition to the preparatory work relating to the quarterly reports and annual financial statements, the committee also addressed the matter of the company's reporting policy.

Risk management and internal control
Det norske conducts emergency response exercises prior to starting self-operated drilling operations. These exercises include all relevant parts of the company, including management.

In 2009, a new system to identify the risk of major accidents in connection with the company's operations has been developed. This is pioneering work, and the system will be further developed in the course of 2010.

Det norske has been a driving force in establishing a new joint emergency response centre for activities on the Norwegian continental shelf. The centre opened in Stavanger on 1 March 2010. For the smaller players on the Norwegian continental shelf, it is very demanding in terms of resources to develop and maintain their own emergency response organisation. The centre will ensure that knowledge and experience from a number of companies is compiled and used in collaborative efforts to further develop plans, the organisation and expertise.

Det norske's internal management procedures form a good basis for thorough control and reporting of the company's activities. Internal control and risk management contribute to transparent and quality-assured reporting for the benefit of the company and the long-term interests of the shareholders.

Remuneration of the Board of Directors
Members of the Board receive a fixed annual fee. Board members do not participate in the company's bonus programme. The Board must approve any Board member's consultancy work for the company and remuneration for such work. Det norske's financial statements contain details on Board members' shareholdings and remuneration (see Note 9 to the financial statements).

Remuneration of the CEO and leading employees
The company's remuneration policy is designed to ensure convergence of the interests of the management and employees and the company's shareholders. Wage levels in Det norske will be competitive and in line with the levels in other oil companies. The company participates in surveys to compare wage levels among small and medium-sized oil companies on the Norwegian continental shelf.

Det norske has established a share incentive scheme for all its employees. The scheme entails that employees can earn a bonus of up to 40 percent of their basic salary and must use the amount (after tax) to buy shares in the company. The bonus for 2009 has been set to 15 percent.

The Board stipulates the remuneration of and other employment conditions for the Chief Executive Officer in a meeting. The financial statements contain details about the remuneration of the Board and executive personnel, including payroll and pension expenses (see Note 9 to the financial statements).

Information and communication
Det norske emphasises the principle of equal treatment of players in the securities markets. This means that players shall receive correct and identical information of relevance to the share price at the same time. Det norske distributes financial and company-related information of importance to the share price via Oslo Stock Exchange's notification system and the company's website, www.detnor.no.

Det norske holds open presentations for investors, analysts and the media in connection with its quarterly reports. The quarterly presentations are webcast for the benefit of investors who are unable to or do not wish to attend the presentations.

The company's management gives high priority to communication with the investor market. It is the company's objective to ensure that the market has sufficient, relevant information at all times, so that the share price reflects the underlying values in the company. Individual meetings with the company's management are organised both for major investors and for analysts.

The company provides few estimates relating to future performance. In the past two years, however, it has provided estimates of expected exploration expenses for the following two years. Estimates have also been given relating to potential resources in discoveries for which the drilling of exploration wells have been planned.

The company has procedures that are intended to ensure that inside information is not disseminated. For example, the names of all company and contractor employees working for Det norske in well operations are placed on an 'inside information list' before commencing drilling in expected potential reservoir zones.

Company 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 the shareholders. The Board will not, except for special reasons, 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 make a recommendation as to whether or not the shareholders should accept the bid.

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 management representatives being present, to review internal control procedures and identify any weaknesses and discuss proposals for improvement. The auditor participates in most meetings with the audit committee and in board meetings to discuss the financial statements. The auditor's independence in relation to the company is evaluated annually. The company receives limited advisory services from the audit firm. More extensive consultancy services on tax issues are obtained from a different audit firm.

FINANCIAL STATEMENTS 2009

Figures in brackets denote 2008 figures. The comparative figures for 2008 are identical for the parent company and the group.

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 income statements for the parent company and the group include Aker Exploration ASA for the last nine days of the year, i.e. from the date of the merger until 31 December 2009.

To the knowledge of the Board of Directors, there are no significant factors affecting the assessment of the group's position as of 31 December 2009, or the results for 2009, other than those presented in the Board of Director's Report and in the financial statements.

RESULTS

The group and the parent company's total operating revenues were NOK 265.0 (635.1) million. Revenues for 2008 included gains from the sale of ownership interests in the Yme (PL 316) and Goliat (PL 229) licences.

Total revenues from the four producing fields Varg, Enoch, Glitne and Jotun gave an average price of USD 59.7 (80.2) USD per barrel. Petroleum revenues for the group and the parent company were NOK 255.1 (326.8) million. Exploration expenses totalled NOK 1,208.7 (544.5) million for the group, and NOK 1,208.3 million for the parent company. These expenses related to drilling, seismic surveys and general exploration. The results were negatively affected by the fact that tangible fixed assets and intangible assets were written down by NOK 213.3 million as a result of the fall in oil prices and the reappraisal of reserves and resources. The operating loss was NOK 1,435.5 million (compared with a loss of 572.0 million in 2008) for the group, and NOK 1,435.0 million for the parent company. The change is due to the high level of exploration activity and therefore higher exploration costs.

The ordinary loss before tax was NOK 1,399.9 million (compared with a loss of NOK 416.1 million in 2008) for the group and NOK 1,388.7 million for the parent company. The tax income on the ordinary loss amounted to NOK 879.2 (641.6) million for the group and NOK 875.8 million for the parent company. In addition to the general tax rate of 28 percent, a special tax of 50 percent is applied. The tax rules and tax calculations are described in Note 1.23, and Note 12 to the financial statements.

The loss for the year was NOK 520.7 million (compared with a profit of NOK 225.5 million in 2008) for the group, and NOK 512.9 million for the parent company.

FINANCIAL POSITION (BALANCE SHEET) AND LIQUIDITY

At the end of 2009, the group's equity was NOK 3,850.5 (3,691.2) million, while the parent company's equity was NOK 3,858.3. The equity ratio was 49.9 percent (70.7 percent) in the group, and 55.3 percent in the parent company.

As of 31 December 2009, cash and cash equivalents totalled NOK 1,574.3 (1,468.3) million in the group and NOK 1,198.1 million in the parent company. At the turn of the year, the group had overdraft facilities with a group of banks with limits of NOK 1,500 million and USD 300 million, respectively. The corresponding figure for the parent company was NOK 1,500 million. As of 31 December 2009, the group had drawn NOK 1,150.8 million, and the parent company NOK 600 million. At year end unused drawing rights amounted to NOK 740.9 (203.3) million for the group and NOK 683.6 million for the parent company. The overdraft limit is in effect a function of the book value of the group's tax receivables.

At the end of the year, expected tax refunds as a result of exploration activities totalled NOK 2,060.1 (206.8) million for the group, and NOK 1,400.2 million for the parent company. The company expects to receive this refund in December 2010.

Nominal interest-bearing debt in the group was NOK 1,608.3 (0) million at year end. The corresponding figure in the parent company was NOK 1,057.5. Short-term debt totalled NOK 2,026.6 (423.7) million in the group, and NOK 1,312.0 million in the parent company.

At year end, provisions of NOK 224.5 (134.6) million had been made for the group and parent company's decommissioning and removal obligations related to fields in production.

The balance-sheet value of goodwill in the group as of 31 December 2009 totalled NOK 697.9 (864.3) million. The corresponding figure for the parent company was NOK 625.7 million. Goodwill is mainly linked to the acquisition of NOIL Energy ASA. Goodwill impairment is tested for 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. See Note 16 to the financial statements for further information relating to writedown of goodwill for the year.

CASH FLOW

The net cash flow from operating activities for 2009 amounted to NOK -191.8 (228.9) million in the group, and NOK -121.2 million in the parent company, of which tax refunded to the parent company and the group during the period accounted for NOK 199.7 (610.9) million. The net cash flow from investment activities amounted to NOK –744.1 (782.9) million in the group and the parent company. This figure can mainly be ascribed to disbursements related to investments in intangible assets and tangible fixed assets of NOK – 682.1 (-144.3) million and NOK -62.3 (487.0) million, respectively, for the group and the parent company. The net cash flow from financing activities amounted to NOK 594.0 (-128.6) million for the group and the parent company, and relates to the taking up of and the repayment of loans, respectively.

In total, the group had a cash position and a tax refund claim in excess of NOK 2.1 billion at year end. It is expected that the liquid assets and the unused overdraft facility will be sufficient to finance the group's exploration activities for several years to come, based on current plans.

FINANCIAL RISK

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

Det norske is exposed to market risks related to oil prices, exchange rates and interest rates. Risk exposure is monitored closely, and the need to use financial instruments to hedge market risk is continuously evaluated. The group's income is mainly derived from the sale of petroleum, and the group is therefore exposed to risk related to changes in the oil price and exchange rates. Exchange rate fluctuations involve both direct and indirect financial risk exposure for the group. The group's petroleum revenues are in USD, whereas the expenses are mainly divided between NOK and USD.

Oil production is limited in relation to the group's level of activity. The group has no external financing linked to production revenues and has therefore chosen not to hedge against market risk related to the oil price. However, the group will continually consider the need to hedge a certain part of the oil price in connection with development projects where the company will be dependent on debt financing.

As the group has a net exposure in USD, there is a need to buy USD in the market. The group has entered into structured forward contracts in USD which it aims to terminate before the maturity date.

The group is exposed to interest-rate risk in connection with loans and the placement of liquid assets. The liquid assets are placed in a manner that ensures relatively limited interest-rate risk. In accordance with the group's guidelines, the average interest-rate sensitivity for the group's liquid assets shall not exceed one year.

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

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 group are considered to be good. However, the planned growth in the years to come, which may lead to significant investments in development projects, will create future financing requirements. In the long term the group will therefore consider alternative sources of financing for the future growth into the production phase.

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

EVENTS SUBSEQUENT TO THE YEAR-END

Det norske was awarded a total of 10 licence interests in the APA 2009 round. Following the APA awards and the return and swapping of some licences around the turn of the year, Det norske has 77 licences, including 37 operatorships, as of 23 March 2010.

The drilling at Frusalen (PL 476) has been concluded without discovering hydrocarbons. Det norske's owning interest is 40 percent.

The drilling of the exploration well in PL 460, in the Storklakken prospect, has started, but was suspended due to operational problems with Aker Barents. When mobilised, the rig went to Balder Trias in PL 028S. The plan is to return to Storklakken on completion of the well operation.

OUTLOOK

In the Board of Director's view, Det norske's position is strong due to a large number of licences, operatorship's and extensive drilling activity.

The group's soundness and strong liquidity gives the Board and the management sufficient time and working space to implement Det norske's strategy. It is a strategic goal to produce 50,000 barrels a day within ten years, and 15,000-20,000 barrels a day within five years. With the development of Frøy and later Draupe/Hanz, the group will be well on its way to attaining the first part of this goal. With a strong industrial owner, the merged company will be able to participate in the entire value chain while maintaining its focus on exploration and growth through development and production.

2010 will be an exciting and active year. The Board of Directors has planned an ambitious exploration programme with participation in approximately ten wells, six of them as operator. In addition, a significant number of exploration wells are planned in 2011. With more than 1,000 available rig days, the group is in a position to take advantage of opportunities and secure the necessary capacity to carry out its plans.

Average oil production from the Varg, Enoch, Jotun and Glitne field is estimated to approximately 2,200 barrels of oil per day in 2010.

Det norske is continually optimising its portfolio in the form of licence transactions in order to create the greatest possible value and spread risk for the group.

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

ALLOCATION OF PROFIT/LOSS FOR THE YEAR

The company's distributable equity as of 31 December 2009 is NOK 1,920.7 million.

The Board of Directors proposes that the parent company's loss for the year to be covered by transferring NOK 512.9 million from other equity.

The Board of Directors of Det norske oljeselskap ASA

Oslo, 23 March 2010

Kjell Inge Røkke

Berge Gerdt Larsen

Hege Sjo

Gunnar H. Eide

Kaare M. Gisvold

Maria Moræus Hanssen

Bodil Alteren

Erik Haugane

INCOME STATEMENT

1 January - 31 December (NOK 1,000)	Note	Group 2009	Parent company 2009	Parent company 2008
Petroleum revenues		255 135	255 135	326 756
Other operating revenues		9 882	9 882	308 314
Total operating revenues		**265 017**	**265 017**	**635 070**
Exploration expenses	6	1 208 728	1 208 316	544 529
Change in inventories	7	4 124	4 124	-3 037
Production costs	8	140 275	140 275	125 657
Payroll and payroll-related expenses	9	11 827	11 827	12 634
Depreciation	15	53 469	53 414	111 357
Write-downs	15,16	213 304	213 304	400 376
Other operating expenses	10	68 794	68 794	15 569
Operating expenses		**1 700 520**	**1 700 053**	**1 207 084**
Operating profit/loss		**-1 435 503**	**-1 435 036**	**-572 014**
Interest income		49 589	50 070	144 698
Other financial income		57 618	57 410	82 214
Interest expenses		22 544	22 544	44 935
Other financial expenses		49 014	38 616	26 109
Net financial items	**11**	**35 648**	**46 321**	**155 869**
Ordinary profit/loss before tax		**-1 399 855**	**-1 388 716**	**-416 145**
Tax (+)/ tax income (-) on ordinary profit/loss	12	-879 159	-875 825	-641 640
The year's profit/loss		**-520 696**	**-512 890**	**225 494**
Weighted average no. of shares outstanding		91 604 262	91 604 262	64 925 020
Weighted average no. of shares fully diluted		91 604 262	91 604 262	64 925 020
Profit/loss per share (adjusted for split) after tax	13	(5,68)	(5,60)	3,47
Profit/loss per share (adjusted for split) - fully diluted	13	(5,68)	(5,60)	3,47

The group was formed on 22 December 2009. Aker Exploration is included in the income statement as of this date. The comparative figures for the group for 2008 are identical with the comparative figures for the parent company.

STATEMENT OF FINANCIAL POSITION

(All figures in NOK 1000)	Note	Group 31.12.2009	Parent company 31.12.2009	Parent company 31.12.2008 *)
ASSETS				
Intangible assets				
Goodwill	15,16	697 938	625 713	864 339
Capitalised exploration expenses	15,16	893 467	846 934	251 544
Other intangible assets	15,16	1 320 484	1 031 761	1 264 624
Tangible fixed assets				
Tangible fixed assets	15,16	447 553	445 521	298 054
Financial fixed assets				
Shares in subsidiary	4		431 361	
Other financial fixed assets	30	17 965	17 965	48 447
Prepayments	14	240 442		
Intra-group receivables	29		662 365	
Total fixed assets		**3 617 849**	**4 061 620**	**2 727 010**
Current Assets				
Inventories	7	14 655	14 655	14 727
Receivables				
Trade debtors	17	30 414	30 414	583 463
Other short-term receivables	18	393 669	229 573	200 447
Market-based financial investments	30	21 995	21 995	17 400
Calculated tax receivable	12	2 060 124	1 400 161	206 774
Intra-group receivables	29		26 525	
Liquid assets				
Cash and cash equivalents	19	1 574 287	1 198 128	1 468 287
Total current assets		**4 095 144**	**2 921 451**	**2 491 098**
TOTAL ASSETS		**7 712 992**	**6 983 071**	**5 218 108**

*) Corrected in accordance with the financial statements as shown in Note 12.

The comparative figures for the group for 2008 are identical with the comparative figures for the parent company.

STATEMENT OF FINANCIAL POSITION

		Group	Parent company	
(All figures in NOK 1000)	Note	31.12.2009	31.12.2009	31.12.2008 *)
EQUITY AND LIABILITIES				
Paid-in equity				
Share capital	20	111 111	111 111	12 985
Premium reserve	20	1 167 312	1 167 312	3 519 597
Other paid-in equity	20	33 463	33 463	
Total paid-in equity	**20**	**1 311 886**	**1 311 886**	**3 532 582**
Earned equity				
Other equity		2 538 638	2 546 442	158 637
Total equity		**3 850 524**	**3 858 328**	**3 691 219**
Provision for liabilities				
Pension liabilities	21	19 914	19 914	16 164
Deferred tax	12	1 173 477	1 172 186	907 293
Provision for removal and decommissioning liabilities	22	224 472	224 472	134 612
Deferred income and other provisions for liabilities	25	5 588	5 588	45 132
Total provisions for liabilities		**1 423 451**	**1 422 160**	**1 103 201**
Long-term liabilities				
Derivatives	23	21 805		
Bond loan	24	390 600	390 600	
Total long-term liabilities		**412 405**	**390 600**	
Current liabilities				
Short-term loan	26	1 090 258	600 000	
Trade creditors	30	261 940	104 808	94 287
Accrued public charges and indirect taxes		22 618	14 100	12 160
Deferred income	25	53 001	53 001	
Other current liabilities	27	598 795	511 155	317 241
Intra-group trade creditors	29		28 918	
Total current liabilities		**2 026 613**	**1 311 983**	**423 688**
Total liabilities and provisions for liabilities		**3 862 468**	**3 124 743**	**1 526 889**
TOTAL EQUITY AND LIABILITIES		**7 712 992**	**6 983 070**	**5 218 108**

*) Corrected in accordance with the financial statements as shown in Note 12.

The comparative figures for the group for 2008 are identical with the comparative figures for the parent company.

The Board of Directors of Det norske oljeselskap ASA
Oslo, 23 March, 2010

Kjell Inge Røkke
Kaare Moursund Gisvold
Berge Gerdt Larsen
Gunnar Eide
Maria Moræus Hansen
Hege Sjo
Bodil Alteren
Erik Haugane

STATEMENT OF CHANGES IN EQUITY - GROUP

(All figures in NOK 1000)

	Note	Share capital	Premium reserve	Other paid-in equity	Minority interest	Other equity	Total equity
Equity as of 31/12/2007		**12 985**	**3 519 597**		**30 725**		**3 563 307**
Enforced redemption of minority shareholders					-30 704		-30 704
Total profit/loss for the period					-21	225 516	225 494
Equity as of 31/12/08 (annual accounts)		**12 985**	**3 519 597**			**225 516**	**3 758 098**
Adjustment for previous years' errors	12					-66 879	-66 879
Corrected 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 profit/loss for the period						-520 696	-520 696
Equity as of 31/12/2009		**111 111**	**1 167 312**	**33 463**		**2 538 638**	**3 850 524**

STATEMENT OF CHANGES IN EQUITY - PARENT COMPANY

	Note	Share capital	Premium reserve		Minority interest	Other equity	Total equity
Equity as of 31/12/2007		**12 985**	**3 519 597**		**30 725**		**3 563 307**
Enforced redemption of minority shareholders					-30 704		-30 704
Total profit/loss for the period					-21	225 516	225 494
Equity as of 31/12/08 (annual accounts)		**12 985**	**3 519 597**			**225 516**	**3 758 098**
Adjustment of previous years' errors	12					-66 879	-66 879
Corrected equity as of 31/12/08		**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 profit/loss for the period						-512 890	-512 890
Equity as of 31/12/2009		**111 111**	**1 167 312**	**33 463**		**2 546 442**	**3 858 328**

STATEMENT OF COMPREHENSIVE INCOME

01 January - 31 December (NOK 1000)	Group 2009	Parent company 2009	Parent company 2008
Profit/loss for the period	-520 696	-512 890	225 494
Total profit/loss	**-520 696**	**-512 890**	**225 494**
Total profit/loss is allocated as follows:			
Majority interest	-520 696	-512 890	225 515
Minority interest			-21
Total	**-520 696**	**-512 890**	**225 494**

CASH FLOW STATEMENT

1 January - 31 December (NOK 1,000)	Group 2009	Parent company 2009	Parent company 2008
Cash flow from operating activities			
Income/loss before tax	-1 399 855	-1 388 716	-416 145
Tax paid during the period			-1 841
Tax refund during the period	199 710	199 710	610 858
Depreciation	53 469	53 414	111 357
Write-downs	213 304	213 304	400 376
Expensing of exploration wells capitalised in previous years	23 689	23 689	124 887
Changes in abandonment liabilities	10 514	10 514	7 665
Change in inventories, accounts payable and accounts receivable	688 820	563 564	-485 876
Change in net working capital and other accrual items	18 546	203 293	-122 371
Net cash flow from operating activities	**-191 804**	**-121 229**	**228 909**
Cash flow from investment activities			
Disbursements on investments in tangible fixed assets	-62 299	-62 299	-487 012
Disbursements relating to enforced redemption of minority interests			-75 810
Disbursements on investments in intangible assets	-682 117	-682 117	-144 302
Sale of tangible fixed assets	320	320	
Sale of licences			1 490 000
Net cash flow from investment activities	**-744 095**	**-744 095**	**782 875**
Cash flow from financing activities			
Purchase of shares	-6 000	-6 000	
Repayment of loan			-128 625
Short-term debt	600 000	600 000	
Net cash flow from financing activities	**594 000**	**594 000**	**-128 625**
Net change in cash and cash equivalents	-341 900	-271 324	883 160
Cash and cash equivalents at start of period	1 468 287	1 468 287	585 127
Cash and cash equivalents in acquired company at the time of acquisition	447 900	1 165	
Cash and cash equivalents at end of period	**1 574 287**	**1 198 128**	**1 468 287**
Specification of cash and cash equivalents at end of period:			
Bank deposits	1 559 200	1 188 966	1 460 176
Restricted bank deposits	15 087	9 162	8 110
Short-term placements			
Total cash and cash equivalents at end of period	**1 574 287**	**1 198 128**	**1 468 287**

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 November 2009. The merger was effective for accounting purposes as from 22 December 2009 and for tax purposes from 1 January 2009. Aker Exploration ASA has a subsidiary, Aker Exploration AS, which means that, as of 22 December 2009, the Company is a group, and this is reflected in the group accounts.

The financial statements were approved by the Board of Directors on 23 March 2010 and will be presented for approval in the Annual General Meeting on 20 April 2010.

NOTE 1 – SUMMARY OF IFRS ACCOUNTING PRINCIPLES

1.1 BASIS FOR PREPARATION

The group'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 equal transactions and events taking place on otherwise equal 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, profit, 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 their effect is limited to that period. If the effect of a change also 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 writedowns and 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 of decommissioning and removal obligations, and on writedowns of licence-related assets, which could have a material adverse effect on operating results as a consequence of increased depreciation or writedowns.

At 31 December 2009, the book value of operating assets (both fixed and intangible) was NOK 3,359,442 for the group and 2,949,929 for the parent company, see notes 15 and 16.

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 2009, the book value of capitalised exploration expenses was NOK 893,467 for the group and 846,934 for the parent company, see Note 15.

Writedowns/reversal of writedowns. 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 written down to estimated recoverable value. Writedowns must be reversed if the conditions for the writedowns are no longer present. Considerations regarding whether an asset is actually impaired or whether the writedown should be reversed can be complicated and are partly based on good judgement and assumptions. The complexity of the issue relates to the modelling of relevant future cash flows to determine the asset's utility value, 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 15 'Property, plant and equipment and intangible assets' and Note 16 'Writedown 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. When an obligation is first recognised, the cost is entered in the balance sheet as production plant and depreciated over the useful life of the asset. It is difficult to estimate the costs 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 costs of maritime operations and of hiring heavy-lift barges. As a result, the initial recognition of the obligation in the accounts, the related expenses entered in the balance sheet for decommissioning and removal and subsequent adjustment of these items involve careful consideration.

At 31 December 2009, the book value of decommissioning and removal obligations amounted to NOK 224,472 for both the group and the parent company, see Note 22.

Employee pension schemes. When estimating the net present value of defined contribution pension obligations, which represent a gross long-term commitment in the balance sheet and, indirectly, the period's net pension expense in the income statement, management makes a number of critical assumptions affecting these estimates. Most notably, the amounts presented are affected, directly or indirectly, by assumptions relating to the discount rate to be applied to future benefit payments, expected returns on pension plan assets and annual wage growth. Considerable changes in relation to the assumptions can have a material impact on the accounts.

At 31 December 2009, the pension commitment amounted to NOK 19,914, 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 2009, the book value of deferred tax amounted to NOK 1,173,477 for the group and NOK 1,172,186 for the parent company, while estimated tax receivables amounted to NOK 2,060,124 for the group and NOK 1,400,161 for the parent company, see Note 12.

Rig contracts. The group has considerable obligations relating to rig contracts. These obligations are recognised at fair value based on best estimates of future rig rates and expected employment.

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. This 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 consolidated 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 actual value of the assets used as consideration, including contingent compensation, equity instruments issued and liabilities assumed in connection with the transfer of control. Acquisition cost is measured against the actual 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 actual 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 entities or groups of cash flow-generating entities 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.

When acquiring minority interests (making successive 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 shares.

2) Goodwill is recognised for both the majority and the minority's share, 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 shares 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 issue and borrowing costs must be expensed as they are incurred.

The valuation at fair value of licences under development or licences in production is based on cash flows after tax. This is because these licences are only sold in the market after tax 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 19, a provision is made for deferred tax corresponding to the difference between the acquisition cost and the assumed tax-related 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 balance sheet. 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 for seller's losses/gains, and for the purchaser's assets, 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 completion 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.

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.

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 scrap value, if applicable.

The book value of tangible fixed assets consists of the acquisition cost after deduction of accumulated depreciations and writedowns. 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 scrap 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.

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 the anticipated recovery of proved and probable reserves 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 the anticipated recovery of proved and probable reserves from the area during the licence or contract period. Received 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.

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.

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 WRITEDOWNS

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 and when events or changes of circumstances indicate that the book value of assets is considerably 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. Writedowns are recognised when the capitalised value of an asset or a cash flow-generating entity 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 utility value, the expected future cash flow is discounted to the current 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.

A previously recognised writedown 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 writedown 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 entity to which the goodwill is related. Det norske has chosen to assess goodwill for each field/licence. A writedown 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.

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 present form. 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 THAT ARE NOT HEDGING INSTRUMENTS

Financial derivatives not recognised as hedging instruments in the accounts 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 written down 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 writedown value is recognised in the income statement. Should the reason for the writedown subsequently cease to exist, and this can be objectively linked to an event taking place after the impairment of the asset, the previous writedown 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 writedown 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 writedown 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 written down 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 stocks
Produced petroleum that is not lifted constitutes petroleum stocks. Petroleum stocks are 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 financial and tax-related values of assets and liabilities, with the exception of temporary differences relating to goodwill that is not deductible for tax purposes.

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 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 calculated in the year in which it is applied as a deduction in the company's tax return, and thus has a corresponding effect on tax for the period 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 written down 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.

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.

Defined-contribution pension schemes
Employees in the subsidiary have defined-contribution pensions schemes administered and managed by a Norwegian life insurance company. Payments are recognised in the profit and loss account as pension expenses 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 accounting 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 recognised in the accounts as a tangible fixed asset, and depreciated using the production unit 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 balance-sheet liabilities related to future decommissioning and removal expenses. Changes in the best estimate for expenses related to decommissioning and removal are recognised prospectively. 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 risk premium linked to the asset.

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 not accounted for in the annual accounts. 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 not accounted for in the annual accounts; however, 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 2 – Share-based payment
Amendment of IFRS 2 entails further guidelines on share-based payment in cash. The definition of share-based payment is also slightly modified. The guidelines in IFRIC 8 'Scope of IFRS 2' and IFRIC 11 'IFRS 2 – Treasury Share Transactions and Group Transactions' are implemented in the standard and IFRIC 8 and 11 are repealed. The date of entry into force is set to 1 January 2010 but it has still not been approved by the EU. The group plans to implement the amendment as of 1 January 2010.

IFRS 3 (revised) – Business combinations
Compared to the existing IFRS 3, the revised standard incorporates certain changes and clarifications related to the use of the purchase method. Among other things, the revised standard allows to choose whether to assign goodwill to minorities or not. In addition, goodwill in connection with stepwise acquisitions shall only be measured at the time a controlling interest is taken over. Conditional compensation shall be recognised at fair value, and acquisition costs over and above issue and borrowing costs shall be expensed as they are incurred. The date of entry into force of the revised IFRS 3 is set to 1 July 2009. The group has chosen early application of this standard and has used the new standard in connection with business acquisitions in 2009.

New IFRS 9 – Financial instruments
Replaces Classification and Measurement of IAS 39 'Financial Instruments – Recognition and measurement' for financial assets. In accordance with IFRS 9, financial assets that include ordinary loan terms are recognised at amortised cost, unless it is decided to recognise them at fair value, while financial assets are recognised at fair value. The date of entry into force of IFRS 9 is set to 1 January 2013 but it has still not been approved by the EU. The group plans to implement this standard as of 1 January 2013.

IAS 24 (revised) – Information about related parties
Compared to the existing IAS 24, the revised standard contains a clearer and simpler definition of related parties. The revised standard also grants certain reliefs in the requirements for additional information for public operations. The date of entry into force is set to 1 January 2011 but it has still not been approved by the EU. The group plans to implement the revised IAS 24 as of 1 January 2011.

IAS 27 (revised) - Consolidated and separate financial statements
Compared with the existing IAS 27, the revised standard extends the guidance for accounting of change of ownership interest in a subsidiary and the exit of a subsidiary. The implementation of the revised standard implies that the group measures the interest retained in a former subsidiary at fair value when control of the subsidiary is lost, and the corresponding gains or losses are recognised in the income statement. The allocation of losses between the majority and the minority interest is also changed, so that losses can be allocated to a minority interest even if the balance-sheet value of that minority interest becomes negative. The date of entry into force is 1 July 2009. The group has chosen early application of this standard, but the changes it entails will not have any bearing on this year's accounts, as the subsidiary is 100% owned by the group.

Amendments to IAS 32 – Financial instruments – Presentation
The amended IAS 32 requires that subscription rights issued in another currency than the company's functional currency may be classified as equity instruments. The date of entry into force is set to 1 February 2010. The group plans to implement the amendment as of 1 January 2011.

Amendment to IAS 39 Financial instruments – Recognition and measurement
The amended IAS 39 clarifies the principles for determining whether a hedged risk or portion of cash flows is eligible for designation for certain risks or components of the cash flow. The approved changes primarily provide additional guidelines for hedging a one-side risk (hedging with options) and hedging of inflation risk, but also clarifies that designated risks and cash flows must be identifiable and can be reliably measured. The date of entry into force is 1 July 2009. The group plans to implement the changes in IAS 39 from 1 January 2010.

IFRIC 12 – Service concession arrangements
IFRIC 12 deals with public services related to infrastructure provided for the private sector when public authorities regulate or control the services to be provided, to whom the services are to be provided and at what price. The interpretation describes how such arrangements are to be entered in the books.
The interpretation was effective 29 March 2009. However, this IFRIC is not applicable to the group.

Amendment to IFRIC 14 and IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and how these are inter-related.This amendment implies that companies having minimum funding requirements for their pension scheme may treat pre-payments of premium claims of a defined-benefits pension plan as an economic benefit. Following this amendment such pre-payments must be recognised in the balance sheet. The amendment to IFRIC 14 enters into force on 1 January 2011 but it has yet to be approved by the EU. The group plans to implement the amendment as of 1 January 2011.

IFRIC 15 – Agreements for the construction of real estate
The interpretation deals with the taking to income of real estate projects and provides guidance on how to decide whether a construction project falls within the scope of IAS 11 'Construction contracts' or IAS 18 'Revenues'. The amendment implies that a certain number of projects will no longer be considered as construction projects under IAS 11 'Construction contracts' and hence, that it will no longer be possible to apply the percentage-of-completion method to account for the projects. The interpretation has been approved by the EU and will enter into force 1 January 2010. The group will implement IFRIC 15 from 1 January 2010.

IFRIC 16 – Hedges of a net investment in a foreign operation
The interpretation deals with hedge accounting of foreign currency risk arising from a net investment in a foreign entity. The interpretation clarifies which types of hedges qualify for hedge accounting and the type of risks that can be hedged. The interpretation was effective on 1 July 2009. The group will implement IFRIC 16 from 1 January 2010.

IFRIC 17 - Distributions of Non-cash Assets to Owners
The interpretation addresses accounting for distribution to owners in assets other than cash. The interpretation was effective on 1 November 2009. The group will implement IFRIC 17 from 1 January 2010.

IFRIC 18 - Transfers of Assets from Customer
The interpretation deals with how the seller shall treat the transfers of tangible fixed assets from the customer to the seller as part of an agreement. The tangible fixed asset shall be recognised by the seller at fair value based on the substance underlying the transfer. The interpretation was effective on 1 November 2009. The group will implement IFRIC 18 from 1 January 2010.

IFRIC 19 - Extinguishing Financial Liabilities with Equity Instruments
The interpretation contains guidance for treating transactions when a company settles its financial liabilities wholly or in part by issuing equity instruments. This applies in the case of conversion of liabilities as a consequence of a loan agreement being renegotiated. The date of entry into force of the interpretation is 1 July 2010 but it has still not been approved by the EU. The group plans to implement IFRIC 19 as of 1 January 2011.

IASB Annual Improvements Process project
Through its Annual Improvements Process project the IASB has adopted amendments to a number of standards. These amendments enter into force with effect as from the accounting year 2010. The amendments have still not been approved by the EU.

- IFRS 2 – Share-based payment: Contributions in the form of an operation in connection with the establishment of jointly controlled entities and business combinations fall outside the scope of IFRS 2.

- IFRS 5 Fixed assets held for sale and discontinued business: It is clarified that only the information requirements of IFRS 5 apply to fixed assets held for sale and discontinued business. Information requirements contained in other standards do not apply unless it is specified that they also apply to assets and businesses within the scope of IFRS 5.

- IFRS 8 Operating segments: It is clarified that only segment assets and liabilities reported specifically for internal decision purposes need to be disclosed in the segment information.

- IAS 1 Presentation of financial accounts: It is clarified that even if the lender has the right to convert a convertible loan into equity at any time, this does not effect how the loan is classified.

- IAS 7 Cash flow statement: It is clarified that only expenses that are capitalised shall be included in the cash flow from investment activities.

- IAS 17 Leases:
The criteria for classification of land leases as financial leases are removed.

- IAS 18 Revenues: More guidance is provided to determine whether an entity is acting as an agent or as a principal for own account and risk.

- IAS 36 Impairment of assets: It is clarified that the operational segment is the highest level goodwill can be allocated to in connection with a business combination.

- IAS 38 Intangible assets: It is clarified that as long as an intangible asset is identifiable only when it is separable from another intangible asset, the two may be treated as one asset provided their useful life is approximately equal.

- IAS 39 Financial instruments – Recognition and measurement:

It is clarified that a pre-payment option is considered as being closely related to the basic contract where the price for exercising the option substantially represents the current value of unpaid amounts of interest on the basic contract. It is clarified that the exception for agreements between transferee and transferor in business combinations relating to future transfers of assets in the target entity, only applies to forward contracts.
It is also clarified that gains and losses on instruments used in cash flow hedges where the expected future cash flow will imply recognition in the balance sheet, will be charged to income only when the hedged future cash flows have an impact on the results.

- IFRIC 9 Reassessment of Embedded Derivatives: It is clarified that IFRIC 9 does not apply to the reassessment of embedded derivatives in business combinations between entities under joint control nor to the establishment of jointly controlled entities.

- IFRIC 16 Hedges of a net investment in a foreign operation: It is clarified that net investments in foreign entities may be hedged by hedging instruments in any company within the group. Hence, it is not a requirement that the parent company itself acquires the hedging instrument.

Note 2: Business acquisitions

Business acquisition - Aker Exploration ASA

Det norske oljeselskap ASA (in the following called "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 is clearly the biggest party to the merger and must, for accounting purposes, be regarded as the acquiring party pursuant to IFRS 3R B13 - B19. For accounting purposes, the transaction date is set to the date on which the merger became legally effective, i.e. 22 December 2009. For tax purposes the transaction date was 1 January 2009.

In legal terms, the merger was effected by Det norske transferring 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 are no shareholders with special rights etc. The merged company will operate under Det norske's name, logo and profile. The subsidiary Aker Exploration AS has changed its name to Det norske oljeselskap AS.

The total effect of the acquisition on the accounts is as follows:

(All figures in NOK 1000)		Balance-sheet value 22.12.2009	Excess/ shortfall value	Acquisition value
Seismic contracts			31 000	31 000
Exploration licences		70 674	233 581	304 255
Tangible fixed assets		2 032		2 032
Prepaid mobilisation expenses rigs/ rig intake		533 713	-201 054	332 659
Other receivables		1 523		1 523
Deferred tax asset		52 997		52 997
Trade debtors		45 953		45 953
Tax receivable, refund for exploration expenses		659 617		659 617
Cash		447 900		447 900
Convertible bond loans		-411 023	20 423	-390 600
Long-term loans		-550 813	60 555	-490 258
Financial instruments		-15 550		-15 550
Trade creditors		-300 459		-300 459
Interest payable		-1 068		-1 068
Net identifiable assets and liabilities		**535 495**	**144 505**	**680 000**
Calculation of goodwill:				
Purchase price of shares				680 000
Book value of equity			535 496	
Total value adjustments			144 504	
	Basis			
Deferred tax 28%	80 978			22 674
Deferred tax 78%	63 527			49 551
Total deferred tax				*72 225*
Goodwill			72 225	
Total			**752 226**	**752 226**
Capital increase:				680 000

This allocation is provisional, cf. IFRS 3-45.

Goodwill is the result of the transaction being treated in accordance with IFRS 3 'Business Combinations'.
The provision for deferred tax is the result of the difference between the fair value and tax value of assets on the acquisition date. The valuation at fair value of licences under development or licences in production is based on cash flows after tax. This is because these licences are only sold in a market after tax based on decisions made by the Ministry of Finance pursuant to the Petroleum Taxation Act section 10. In accordance with IAS 12 sections 15 and 19, a provision is made for deferred tax corresponding to the difference between the acquisition cost and the assumed tax-related depreciation. The offsetting entry to this deferred tax is goodwill. Hence, goodwill arises as a technical effect of deferred tax.

The acquired company contributed NOK 0 to the group's sales and a loss of NOK 11.6 million to the group's result before tax between the date of acquisition (22 December 2009) and the balance-sheet date.

If the acquisition had been effected on 1 January 2009, the group's total sales for the period would have been NOK 265.0 million and the corresponding loss would have been NOK 2,521.6 million.

Business acquisition - Jotun

On 14 March 2008, Det norske signed an agreement to acquire a 70% interest in PL 103B. This represents 7% of the producing Jotun field. The purchase price, including tax balances, amounted to NOK 72.0 million. The effective date for tax purposes was 1 January 2008, but the acquisition was finalised on 1 August 2008. The net cash flow after tax in the period 1 January to 31 July 2008 was entered in the balance sheet (pro & contra settlement). The acquisition of the interest in the Jotun field is regarded as a business combination and was accounted for using the purchase method of accounting.

Det norske has allocated the net purchase amount to licence rights. Det norske is also liable for 7% of the decommissioning and removal expenses. The net present value of this liability is estimated at NOK 28.7 million on the date of the transaction.

	2008
Purchase price before Pro & Contra	72 000
Pro & Contra settlement	-30 988
Net purchase price	41 012
Tax payable on Pro & Contra settlement	19 575
Deferred tax benefit (related to "uplift")	-2 424
Booked investments license rights	58 163
Capitalization of abandonment costs	28 700
Provision for abandonment costs	-28 700
Tax-related value of acquired assets	24 696
Temporary difference as a basis for deferred tax	33 467
Deferred tax (78 %)	26 104
Goodwill	26 104

Goodwill in the amount of NOK 26.1 million is attributed to deferred tax resulting from differences in accounting and tax values of licence rights/ fixed assets.

The acquired licence under production contributed NOK 34.7 million to the company's turnover and a loss of NOK 43 million to the company's result before tax during the period between the date of acquisition (1 August 2008) and the balance-sheet date. The reason for the negative result is a writedown of licence rights and related deferred tax and goodwill in the amount of NOK 50.6 million because of low oil prices. The result for Jotun before the writedown was NOK 7.5 million.

If the acquisition had taken place on 1 January 2008, the company's revenues and result before tax would have increased by NOK 58.2 million and NOK 23.5 million, respectively. The result before tax is after a deduction for calculated depreciation of purchased depreciable intangible assets and tangible fixed assets, and estimated financial costs of the acquisition had it taken place on 1 January 2008.

Note 3: Major transactions and important events

Important events and transactions in 2009

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 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 full 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.

Important events and transactions in 2008

Sale of the Goliat and Yme licences

In 2008, the company sold a 10% share in Yme (PL 316, and 316B, 316CS and 316D) and a 15 % share in Goliat (PL 229, and PL 229B and PL 229C). The effective date of these transactions was 1 January 2008. The implementation date was 30 December 2008. The buyer covered all expenses from the effective date through a pro & contra settlement. The transactions were recognised in the accounts on the implementation date and had the following effects on the company's balance sheet and income statement:

Description	Accounting items	Goliat	Yme
Balance-sheet items:			
Consideration including interest and pro & contra settlement	Liquid assets	1 255 742	
Consideration including interest, tax balances and	Trade debtors		545 901
Goodwill allocated to the licence	Goodwill	-613 215	
Deferred tax as a result of the acquisitions	Deferred tax	672 421	
Deferred tax - ordinary	Deferred tax	159 593	30 540
Capitalised exploration expenses	Capitalised expl. exp.	-207 783	
Other intangible assets	Other intangible assets	-867 712	
Tangible fixed assets - plant under development	Tangible fixed assets	-80 216	-363 126
Share of working capital in licence	Trade creditors, other	14 139	41 088
Total net effect on balance-sheet items		**332 970**	**254 404**
Income statement items:			
Reimbursement of expensed costs in the licence in 2008	Other operating revenues	22 885	2 763
Gain before the effect of deferred tax	Other operating revenues	77 453	194 499
Interest on consideration and pro & contra settlement	Interest income	73 039	26 602
Change in deferred tax through profit or loss	Tax	159 593	30 540
Total net effect on profit/loss after tax, including interest		**332 970**	**254 404**

*) In accordance with the agreement that had been signed with the buyer, consideration, including interest, tax balances and pro & contra settlement, was paid on 20 January 2009. The title deed was transferred to the buyer on the implementation date. Det norske held a mortgage bond in the licence until the date of payment on 20 anuary 2009.

Note 4: Overview of subsidiaries

The following subsidiaries are included in the group accounts:

Company:	Country of domicile	Registered address	Main business	Owning interest	Voting interest
Det norske oljeselskap AS	Norway	Stavanger	Oil	100 %	100 %

Consolidated as from 22 December 2009 (se note 2).

	Parent company	
	2009	2008
Shares in subsidiary	431 361	
Equity in subsidiary	268 127	
Profit/loss for the year	-364 824	

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

The equity and profit/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 profit/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.

Intra-group balances are shown in Note 29 'Transactions with closely related parties'.

NOTE 5: Segment information

Since its formation, the company has conducted its business in one and the same segment, defined as exploration for and production of petroleum in Norway.

NOTE 6: Exploration expenses

Specification of exploration expenses:	Group 2009	Parent company 2009	Parent company 2008
Seismic shooting, well data, field studies and other exploration expenses	79 892	80 592	82 419
Share of exploration expenses as a result of participation in licences, including seismic shooting	262 522	260 896	236 019
Expensing of exploration wells capitalised in previous years	23 689	23 689	124 887
Expensing of dry exploration wells this year	760 338	760 338	16 912
Share of payroll and operating expenses, reclassified as exploration expenses	56 458	56 973	75 527
Share of R&D costs relating to exploration activities	25 828	25 828	8 766
Total exploration expenses	**1 208 728**	**1 208 316**	**544 529**

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, NOK 3,165 were expensed as 'Other operating expenses' in 2009. The corresponding figure for 2008 was 0.

NOTE 7: Change in inventories

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

	Group 2009	Parent company 2009	Parent company 2008
Inventory of oil - produced, but not delivered as of 31.12.2009	605	605	4 729
Share of spare parts inventory as of 31.12.2009	14 050	14 050	9 998
Inventories as of 31.12.2009	**14 655**	**14 655**	**14 727**
Change in inventory of oil (exclusive of spare parts inventories)	**4 124**	**4 124**	**-3 037**

The spare parts inventory mainly consists of equipment for the drilling of exploration wells.

NOTE 8: Production costs

	Group 2009	Parent company 2009	Parent company 2008
Production costs	140 275	140 275	125 657

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 and payroll-related expenses:	Group 2009	Parent company 2009	Parent company 2008
Payroll expenses	154 855	155 146	115 657
Pension costs including employer's National Insurance contributions (Note 21)	16 862	16 831	16 105
Employer's NI contributions	22 218	22 215	16 135
Other pension costs	18 582	18 314	10 596
Payroll expenses reinvoiced to licences or reclassified as exploration and production costs	-200 689	-200 678	-145 860
Total payroll expenses	**11 828**	**11 828**	**12 634**

Number of man-years	2009	2009	2008
Number of man-years employed during the year	135,8	134,8	101,3

The number of employees was 127 at the start of the year. As of 31.12.2009 there where 176 employees, and 141 persons were employed by the parent company.

Remuneration of senior employees in 2008	Started	Fee	Salary	Bonus	Other benefits [1]	Remune-ration in kind	Accrued pension costs	Total remunera tion
Erik Haugane (Chief Executive Officer)			2 242	616		23	136	**3 018**
Sigmund Hanslien, (VP Geology)			1 920	533		24	112	**2 588**
Tom Bugge (VP Exploration)			1 549	426		22	98	**2 095**
Stein Fines (VP Technology and Development)			1 544	413		19	141	**2 117**
Anton Tronstad (VP Drilling and Well Operations)			1 500	410		19	134	**2 063**
Paul Hjelm-Hansen (Chief Financial Officer)	Resigned 01/06/08	555	1 910	390		14	73	**2 942**
Vidar Larsen (VP Business Development)			1 364	104		20	144	**1 632**
Anita Utseth (VP HSE)	01/04/08		764			16	160	**941**
Torgeir Anda (Head of Corporate Communication)	01/07/08	534	652			12	85	**1 283**
Øyvind Bratsberg (Deputy Chief Executive)	01/06/08		1 269		1 000	13	100	**2 383**
Finn Øistein Nordam (Chief Financial Officer)	01/07/08		1 153		1 000	15	86	**2 254**
Odd Ragnar Heum (VP Field and Area Development)	01/03/08		1 273		2 000	17	146	**3 435**
Tore Lilloe-Olsen (hired General Manager NOIL Energy ASA)		541						**541**
Total remuneration of senior employees in 2008		**1 630**	**17 139**	**2 892**	**4 000**	**214**	**1 415**	**27 290**

[1] The amount relates to remuneration granted to recruit personnel to key positions, including to compensate for bonuses earned in previous employment. The whole amount after tax was used to purchase shares in the company.

Some members of the company's management have ownership interests in the company. In addition to the amount of remuneration, the list below shows the number of shares and owning interests in Det norske oljeselskap ASA held directly or indirectly through related parties. Indirect ownership through other companies is included as a whole where the owning interest is 50% or more.

Remuneration of senior employees in 2009	Started	Salary	Bonus	Remune-ration in kind	Accrued pension costs	Total remuner-ation	Total number of shares	Owning interest
Erik Haugane (Chief Executive Officer)		2 868	541	28	173	**3 610**	1 077 018	**1,66 %**
Sigmund Hanslien, (VP Geology)		2 067	471	37	139	**2 714**	58 792	**0,09 %**
Tom Bugge (Head of Exploration, North Sea)		1 774	381	28	131	**2 314**	976 975	**1,50 %**
Stein Fines (VP Technology and Development)		1 867	382	31	169	**2 449**	942 487	**1,45 %**
Anton Tronstad (VP Drilling and Well Operations)		1 631	368	29	155	**2 183**	975 482	**1,50 %**
Vidar Larsen (VP Business Development)		1 631	371	28	150	**2 180**	29 159	**0,04 %**
Anita Utseth (VP HSE)		1 385	213	20	223	**1 841**	33 546	**0,05 %**
Torgeir Anda (31.12.2009 VP Corporate Communication)		1 353	182	22	176	**1 733**	18 279	**0,03 %**
Øyvind Bratsberg (Deputy Chief Executive)		2 632	355	28	183	**3 198**	17 357	**0,03 %**
Finn Øistein Nordam (Chief Financial Officer)		2 369	322	67	179	**2 937**		**0,00 %**
Odd Ragnar Heum (VP Field and Area Development)		1 699	346	30	175	**2 250**	33 524	**0,05 %**
Knut Evensen (VP Investor Relations)		1 524	205	21	171	**1 921**	14 353	**0,02 %**
Stig Vassmyr (Head of Exploration, Barent Sea)		1 685	391	36	174	**2 286**		0,00 %
Total remuneration of parent company's senior employees in 2009		**24 485**	**4 528**	**405**	**2 198**	**31 616**	**4 176 972**	**6,43 %**
Kari Lokna (Head of Exploration, Frontier and the Norwegian Sea)	22/12/09	33				**33**	1 000	**0,00 %**
Lars Thorrud (VP Business Development)	22/12/09	34			1	**35**	65 000	**0,10 %**
Total remuneration of subsidiary's senior employees in 2009		**67**			**1**	**68**	**66 000**	**0,10 %**
2009		**24 552**	**4 528**	**405**	**2 199**	**31 684**	**4 242 972**	**6,64 %**

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 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.

Some Board members have owning interests in the company. In addition to the Board of Directors' fees, the list below shows the number of shares and owning interests in Det norske oljeselskap ASA held directly or indirectly through 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		Director's Fee		Total number of	Owning interest
	Comments	2009	2008	shares	
Kjell Inge Røkke	Chair of the Board of Directors. Started 22/12/09				0,00 %
Diderik Schnitler	Chair of the Board of Directors. Started 3/2/09. Stepped down 24/6/09	198			0,00 %
Kaare Moursund Gisvold	Chair of the Board of Directors. Stepped down 2.2.2009 Stepped into position of Deputy Chair of the Board 25.6.2009. Board member since 22/12/09.	163	574	319 446	0,49 %
Svein Sivertsen	Board member. Member of the audit commitee. Stepped down 2/2/09 Stepped into position as Chair of the Board 25/6/09. Stepped down 22/12/09	258	277	21 049	0,03 %
Ivar Brandvold	Deputy Chair. Stepped down 31/8/09	173	330		0,00 %
Øistein Høimyr	Employee representative. Stepped down 16/8/08		140		0,00 %
Jan Gunnar Opsal	Employee representative. Started 16/8/08. Stepped down 22/12/09	128	38	7 823	0,01 %
Kristin Aubert	Employee representative. Deputy Board member since 22/12/09	128	270		0,00 %
Bjarne Kristoffersen	Employee representative. Started 28/3/09. Stepped down 22/12/09	58			0,00 %
Kristoffer Engenes	Employee representative. Deputy Board member. Started 22/12/09			2 000	0,00 %
Gunnar Eide	Employee representative. Started 22/12/09			10 665	0,02 %
Bodil Alteren	Employee representative. Started 22/12/09			15 478	0,02 %
Berge Gerdt Larsen	Board member. Started 22/12/09				0,00 %
Maria Moræus Hanssen	Board member. Started 22/12/09				0,00 %
Tore Lilloe-Olsen	Board member. Member of the audit commitee. Deputy Board member since 22/12/09	280	271		0,00 %
Eva Helene Skøelv	Board member. Member of the audit commitee. Stepped down 2/2/09	13	277		0,00 %
Barbro Lill Hætta-Jacobsen	Board member. Stepped down 2/2/09	13	231		0,00 %
Guri Helene Ingebrigtsen	Board member. Member of the audit commitee. Stepped down 2/2/09	13	277		0,00 %
Marianne Elisabeth Johnsen	Board member. Started 3.2.2009 Deputy Board member since 22/12/09	228			0,00 %
Marianne Lie	Board member. Started 3.2.2009. Stepped down 24/6/09	73			0,00 %
Hege Sjo	Board member. Member of the audit commitee. Started 3/2/09	268			0,00 %
Jan Rune Steinsland	Board member. Member of the audit commitee. Started 3/2/09. Stepped down 24/6/09	73			0,00 %
Lone Fønns Schrøder	Board member. Started 25/6/09 Deputy Board member since 22/12/09	75			0,00 %
Total		**1 942**	**2 686**	**376 461**	**0,58 %**

No remuneration has been paid to Board members in the subsidiary after the merger.

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 2009

In 2009, the company's remuneration policy has been in accordance with the guidelines described in the Directors' Report for 2008 and submitted to the Annual General Meeting for an advisory vote in April 2009.

Guidelines for 2010 and until the Annual General Meeting in 2011

The Board has established guidelines for 2010 and until the Annual General Meeting in 2011, for salaries and other remuneration to CEO and other senior employees. The guidelines will be reviewed at the company's Annual General Meeting in 2010.

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.

A bonus scheme has been established for all employees in permanent positions (more than 50% employment). The bonus is decided by the Board every year after year end of the accounting year, based on a discretionary assessment of the company's overall activities and performance in the previous year. On that basis, the Board will decide whether the company's employees should receive a bonus. The size of the bonus will be stipulated as a percentage of the base salary.The maximum bonus payment for one year is 40% of each employee's base salary. The employees must subscribe to or buy shares in Det norske oljeselskap ASA for the full bonus amount after tax, based on a tax rate of 50%. A bonus is not paid to employees who have been dismissed, handed in their notice or otherwise left the company on the date when bonuses are awarded. The share bonus programme shall be carried out through the employee buying shares, through a broker buying shares on behalf of all employees or through the use of treasury shares. The shares shall be purchased from the seller at market price.

In February, the Board decided that the company shall pay a bonus of 15% of the base salary for 2009. No other remuneration in the form of shares, subscription rights, options or other share-based items is paid to the Chief Executive Officer or senior employees. None of the company's salary agreements are linked to the price or

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 2009, amounted to NOK 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	
	2009	2009	2008
Office and IT costs	66 223	66 223	45 002
Consultants' and auditor's fees (auditor's fees are specified below)	40 367	40 367	35 517
Other operating expenses, including travel expenses	81 525	81 525	32 521
Operating expenses charged to licences/ reclassified as exploration and production costs	-119 321	-119 321	-97 471
Other operating expenses	**68 794**	**68 794**	**15 569**

The increase in other operating expenses from 2008 to 2009 was mainly due to a considerable increase in the number of employees during the year, and to expenses incurred in connection with the merger with Aker Exploration ASA.

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)	2009	2009	2008
Fees for statutory audit services - Deloitte AS	1 035	1 035	585
Other attestation services	64	64	89
Tax advice			
Services other than audit services	688	688	320
Total auditor's fees	**1 786**	**1 786**	**994**

Until the merger, the subsidiary Det norske oljeselskap AS (formerly Aker Exploration AS) used KPMG as its auditor. No auditing costs have been incurred by the subsidiary after the date of the merger.

Note 11: Financial items

	Group	Parent company	
	2009	2009	2008
Interest income	49 701	49 196	144 698
Intra-group interest income		874	
Return on financial investments	12 220	12 220	
Currency gains	45 285	45 190	82 214
Total interest income and other financial income	**107 206**	**107 480**	**226 912**
Interest expenses	21 278	17 718	43 795
Amortisation of loan costs	4 826	4 826	1 140
Currency losses	39 200	38 616	19 929
Loss on decline in value of derivatives with change of fair value through profit or loss	6 254		
Decline in value of financial investments			6 180
Total interest expenses and other financial expenses	**71 558**	**61 160**	**71 043**
Net financial items	**35 648**	**46 321**	**155 869**

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).

Note 12: Tax

Tax base:	Group 2009	Parent company 2009	Parent company 2008
Ordinary profit/loss before tax	-1 399 855	-1 388 716	-416 145
Permanent differences (taxfree transactions, section 10 etc.)	-21 588	-21 612	-1 346 562
Change in temporary differences	-409 447	-409 447	1 670 096
The year's tax basis for general income tax (28 %)	-1 830 890	-1 819 775	**-92 611**
Effect of 'uplift' on the year's taxable result	-20 551	-20 551	-22 746
Financial items not liable to 50 % special tax	-40 225	-50 897	-172 484
Taxable result liable to 50 % special tax	-1 891 666	-1 891 223	**-287 841**
The year's uplift to be carried forward	20 551	20 551	22 746
The year's tax basis relevant for 50% special tax	-1 871 115	-1 870 672	**-265 095**

Breakdown of the year's tax income/ tax expense (-):	Tax rate:	Group 2009	Parent company 2009	Parent company 2008
Tax payable on net financial items	28 %	-4 543	-4 543	
Tax receivable relating to exploration expenses	78 %	1 405 050	1 404 704	206 774
Adjustment of previous years' tax payable and deferred tax		574	574	12 678
Tax payable related to acquisition of Jotun (note 2)				19 575
Change in deferred tax		-521 922	-524 910	335 734
Total tax income/ tax expense		**879 159**	**875 825**	**574 761**
Effective tax rate in %		**-63 %**	**-63 %**	**-138 %**
Adjustment of error from previous years booked against equity				66 879
Total tax income/ tax expense				**641 640**

Reconciliation of tax income/ tax expense (-)	Tax rate:	Group 2009	Parent company 2009	Parent company 2008
28% company tax on result before tax	28 %	391 959	388 840	116 521
50% special tax on result before tax	50 %	699 928	694 358	208 073
Interest on deficit carryforward		2 607	2 607	3 589
Adjustment of previous years' tax payable		-12 726	-12 726	-8 819
Adjustment of previous years' change in deferred tax		13 301	13 301	12 678
Tax effect of uplift	50 %	10 276	10 276	12 003
Tax effect of financial items not liable to special tax	50 %	18 641	23 977	86 242
Deferred tax on the year's writedowns entered directly in the balance sheet		-261 665	-261 665	-252 998
Deferred tax on sale of Goliat, recognised directly in the balance sheet (note 3)				-672 421
Tax payable related to acquisition of Jotun (note 2)				19 575
Effect of permanent differences	78 %	16 839	16 858	1 050 318
Total tax income/ tax expense for the year		**879 159**	**875 825**	**574 761**

Breakdown of tax effect of temporary differences and deficit carryforward:	Tax rate:	Group 2009	Parent company 2009	Parent company 2008
Capitalised exploration expenses	78 %	696 904	660 609	196 204
Other intangible assets	78 %	771 114	756 384	976 795
Tangible fixed assets	78 %	186 821	187 305	23 950
Inventories	78 %	322	322	2 345
Other receivables	78 %	-48 133	-48 559	-1 050
Pension liabilities	78 %	-15 533	-15 533	-12 608
Provisions in accordance with GAAP	78 %	-267 785	-224 729	-175 223
RM amortisation of equity part of bond loans	28 %	13 014	13 014	
Provisions in accordance with GAAP	28 %	-824	-824	
Financial instruments		-6 105		
Deferred tax on excess value on business acquisition		72 225	5 718	
Deficit carryforward, onshore activity	28 %	-4 693	-3 783	
Deficit carryforward, continental shelf	28 %	-46 913	-19 887	-10 212
Deficit carryforward, continental shelf	50 %	-176 938	-137 850	-92 909
Total deferred tax		**1 173 477**	**1 172 186**	**907 293**

Reconciliation of change in deferred tax:	Group 2009	Parent company 2009	Parent company 2008
Deferred tax as of 1/1/2009	907 293	907 293	2 166 469
Deferred tax linked to business acquisitions including excess value	19 228	5 718	23 680
Change in deferred tax through profit or loss	521 922	534 140	-359 414
Classification adjustment for previous years	-13 301	-13 301	1 976
Writedowns with effect on deferred tax (Note 14)	-261 665	-261 665	-252 998
Sales with effect on deferred tax (Note 3)			-672 421
Deferred tax in the balance sheet as of 31/12/09	**1 173 477**	**1 172 186**	**907 293**

Reconciliation of calculated tax receivable		Group 2009	Parent company 2009	Parent company 2008
Tax payable on net financial items	28 %	-4 543	-4 543	
Tax payable on business acquisition (Note 2)				-19 575
Tax receivable relating to exploration expenses	78 %	2 064 667	1 404 704	226 349
Tax receivable based on previous years' tax assessments				
Calculated tax receivable in the balance sheet as of 31/12/09		**2 060 124**	**1 400 161**	**206 774**

Errors were identified in the tax calculation for 2008. Adjustments for these errors have been made directly against the opening balance with the following amounts:

	Closing balance as of 31/12/08 in the year's financial statements	Adjustment	Adjusted balance as of 31/12/08
Calculated tax receivable	213 982	-7 208	206 774
Total adjustment of assets		**-7 208**	
Deferred tax	847 622	59 671	907 293
Other equity	225 516	-66 879	158 637
Total adjustment of equity and liabilities		**-7 208**	

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 - 520.7 million 225.5 in 2008), by the year's weighted average number of outstanding ordinary shares, which was 91.6 million (64.9 million in 2008).

	Group	Parent company	
	2009	2009	2008
Profit/loss for the year due to holders of ordinary shares	-520 696	-512 890	225 494
The year's average number of ordinary shares (in thousands)	91 604	91 604	64 925
Earnings per share	(5,68)	(5,60)	3,47

Diluted earnings per share
The group has one convertible bond loan, which matures on 16 December 2011. Througout this period, the loan 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 loan, by the weighted average number of outstanding diluted shares. The calculations were based on conversion of the existing convertible loan on the first day of the accounting period.

	Group	Parent company	
	2009	2009	2008
Earnings that can be ascribed to each ordinary share	-520 696	-512 890	225 494
Effect after tax of interest saved on the convertible loan	33 822	33 822	
The year's earnings that can be ascribed to each share - diluted	**-486 873**	**-479 068**	**225 494**
Weighted average number of outstanding ordinary shares	91 604	91 604	64 925
Effect of conversion of the convertible loan	5 769	5 769	
Weighted average number of outstanding ordinary shares - diluted	**97 373**	**97 373**	**64 925**
Diluted earnings per share	(5,00)	(4,92)	3,47

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.

Error in the accounts for 2008
Errors were identified in the tax assessment for 2008. The errors were corrected in the Q1 accounts 2009. Note 12 shows which items were adjusted. The effect on the result was entered against equity. The table below shows the adjusted result for 2008.

	Konsern	Morselskap	
	2009	2009	2008
The year's result allocated to share capital	-520 696	-512 890	225 494
Effect of tax error for 2008			-66 879
The year's result after adjustment for the error - ordinary shares	**-520 696**	**-512 890**	**158 615**
The year's average number of ordinary shares (in thousands)	**91 604**	**91 604**	**64 925**
Per share	(5,68)	(5,60)	**2,44**

The company had no options or convertible bonds in 2008, so that the effect of the fault, leads to the same earnings and diluted earnings per share.

Early adoption of IFRS 3(R)
The group has chosen early implemention of IFRS 3(R) in the financial statements for 2009. According to IFRS 3, acquisition costs shall be included on acquisition. According to IFRS 3(R), acquisition costs shall be charged to income. Early use of the standard has resulted in increased costs in the income statement of NOK 26.8 million in the parent company and the group.

Note 14: Pre-payments and chartering of drilling rig - long term

	Group	Parent company	
	2009	2009	2008
Pre-payments relating to upgrades, rig intake and mobilisation	379 608		
Shortfall value of rig charterparties in connection with acquisition	-140 689		
Total pre-payments, Aker Barents	*238 919*		
Other pre-payments	1 523		
Total pre-payments and chartering of drilling rigs	**240 442**		

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. The charterparty is classified as an operational lease.

Pre-paid 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 18.

Note 15: Tangible fixed assets and intangible assets

TANGIBLE FIXED ASSETS:

2008 - Group and parent company	Fields under development	Production plant, including wells	Fixtures and fittings, office machinery etc.	Total
Acquisition cost 31/12/07	**197 289**	**194 932**	**12 584**	**404 804**
Additions/reclassification	430 403	81 168	14 982	526 553
Disposals/reclassification	437 262	-		437 262
Acquisition cost 31/12/08	190 430	276 099	27 566	494 096
Accumulated depreciation and writedowns 31/12/08		187 640	8 401	196 042
Balance-sheet value 31/12/08	**190 430**	**88 459**	**19 164**	**298 054**
Depreciation for the year		89 507	6 199	95 706
Writedowns for the year		50 225		50 225

2009 - Parent company	Fields under development	Production plant, including wells	Fixtures and fittings, office machinery etc.	Total
Acquisition cost 31/12/08	**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 31/12/09	**198 631**	**391 080**	**45 711**	**635 421**
Accumulated depreciation and net writedowns 31.12.2009		169 864	20 036	189 900
Balance-sheet value 31/12/09	**198 631**	**221 216**	**25 675**	**445 521**
Depreciation for the year		32 449	11 632	44 081
Writedowns for the year/ reversal of previous years' writedowns (-)		-50 225		-50 225

2009 - Group	Fields under development	Production plant, including wells	Fixtures and fittings, office machinery etc.	Total
Acquisition cost 31/12/08	**190 430**	**276 099**	**27 566**	**494 095**
Additions on business acquisition (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 31/12/09	**198 631**	**391 080**	**47 797**	**637 508**
Accumulated depreciation and net writedowns 31/12/09		169 864	20 091	189 955
Balance-sheet value 31/12/09	**198 631**	**221 216**	**27 706**	**447 553**
Depreciation for the year		32 449	11 687	44 136
Writedowns for the year/ reversal of previous years' writedowns (-)		-50 225		-50 225

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 above table.

INTANGIBLE ASSETS

2008 - Group and parent company	Other intangible assets Licences	Software	Exploration	Goodwill	Total
Acquisition cost 31/12/07	**2 427 636**	**19 839**	**517 867**	**1 671 556**	**4 636 898**
Additions on business acquisition (Note 2)	58 163			71 322	129 485
Additions/reclassification	7 148	8 929	118 912		134 989
Disposals/reclassification	879 479		385 235	613 215	1 877 929
Acquisition cost 31/12/08	**1 613 468**	**28 768**	**251 544**	**1 129 663**	**3 023 443**
Accumulated depreciation and writedowns 31/12/08	361 831	15 781		265 324	642 935
Balance-sheet value 31/12/08	**1 251 637**	**12 987**	**251 544**	**864 339**	**2 380 507**
Depreciation for the year	9 103	6 549			15 652
Writedowns for the year	337 825			265 324	603 149

2009 - Parent company	Other intangible assets Licences	Software	Exploration	Goodwill	Total
Acquisition cost 31/12/08	**1 613 468**	**28 768**	**251 544**	**1 129 663**	**3 023 443**
Additions/reclassification	58 864	4 174	1 220 015		1 283 053
Disposals/reclassification	98 500		624 625	70 065	793 190
Acquisition cost 31/12/09	**1 573 832**	**32 942**	**846 934**	**1 059 598**	**3 513 306**
Accumulated depreciation and writedowns 31/12/09	551 594	23 419		433 884	1 008 897
Balance-sheet value 31/12/09	**1 022 238**	**9 523**	**846 934**	**625 713**	**2 504 409**
Depreciation for the year	1 695	7 638			9 333
Writedowns for the year	335 468			238 626	574 094
This year's reversal of previous years' writedowns	-48 900				-48 900

2009 - Group	Other intangible assets Licences	Software	Exploration	Goodwill	Total
Acquisition cost 31/12/08	**1 613 468**	**28 768**	**251 544**	**1 129 663**	**3 023 443**
Additions on business acquisition	288 723		46 533	72 225	407 480
Additions/reclassification	58 864	4 174	1 220 015		1 283 053
Disposals/reclassification	98 500		624 625	70 065	793 190
Acquisition cost 31/12/09	**1 862 555**	**32 942**	**893 467**	**1 131 823**	**3 920 786**
Accumulated depreciation and writedowns 31/12/09	551 594	23 419		433 885	1 008 898
Balance-sheet value 31/12/09	**1 310 961**	**9 523**	**893 467**	**697 938**	**2 911 889**
Depreciation for the year	1 695	7 638			9 333
Writedowns for the year	335 468			238 626	574 094
This year's reversal of previous years' writedowns	-48 900				-48 900

	Group	**Parent company**	
Reconciliation of depreciation in the income statement:	**2009**	**2009**	**2008**
Depreciation of tangible fixed assets	44 136	44 081	95 706
Depreciation of intangible assets	9 333	9 333	15 651
Total depreciation for the year	**53 469**	**53 414**	**111 357**

Reconciliation of writedowns in the income statement:	Group 2009	Parent company 2009	Parent company 2008
(-) Reversal/writedown of fixed tangible assets	-50 225	-50 225	50 225
(-) Reversal/writedown of intangible assets	525 194	525 194	603 149
Writedown of deferred tax related to writedown of goodwill	-261 665	-261 665	-252 998
Total writedowns for the year	**213 304**	**213 304**	**400 376**

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.

Fields under development include an amount of EUR 13.5 million relating to Frøy. There is a dispute in the licence about whether the expenses should be carried by Det norske alone or split between the licence partners. For more information, see Note 28.

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

Note 16: Writedown 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. 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.

As from 2008, 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 balance-sheet 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.

Licences that are still in an exploration phase are valued based on sales value considerations. The value per licence is arrived at by multiplying risked resources by the estimated value per barrel. As of 31/12/2009 the company has updated all its risked net volumes. In order to arrive at a value per barrel, the company uses the average of several analysts' valuations as a basis. The estimated values used are slightly lower than the analysts' average.

For producing licences and licences in a development phase, the recoverable amount is calculated by discounting future cash flows after tax. Data for the various fields are obtained from the operators' reports to the Revised National Budget 2010 (RNB). The input data is considered best available estimates. Future cash flows relating to the various production licences are calculated on the basis of production profiles and proven and probable remaining resources. The reserves are dropped when they no longer represent a positive cash flow contribution or on the expiry of the charterparty for the installation. A nominal discount rate of 10.7% after tax is used, which corresponds to a discount rate of 48.6% before tax. 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.

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

Year	Average price in USD
2010	80,9
2011	85,8
2012	88,0
2013	89,5
2014	91,3
2015	93,4
2016	96,3
2017	99,0

The above prices are based on the forward prices. Source: ICE Brent Crude 31/12/2009.

As of 31/12/2009, reversals have been carried out of previous years' writedowns for producing fields. The year's reversals are primarily due to increased oil prices and new reserve and resource estimates. The reasons for writing down licences in an exploration phase are primarily new estimates for risked resources and value per barrel.

On selling a licence to which the company has allocated deferred tax and goodwill in connection with a previous business transaction, both goodwill and deferred tax from the business transaction will be included in the calculation of gains/losses.

	Group	Parent company	
	2009	2009	2008
Reversal of writedowns of tangible fixed assets (-)	-50 225	-50 225	50 225
Reversal of writedowns of intangible assets/ licence rights (-)	-48 900	-48 900	48 900
Writedown of other intangible assets/ licence rights (-)	335 468	335 468	288 925
Writedown of goodwill	238 626	238 626	265 324
Writedown of deferred tax related to goodwill	-261 665	-261 665	-252 998
	213 304	**213 304**	**400 376**

On selling a licence to which the company has previously allocated deferred tax and goodwill in connection with a business transfer, both goodwill and deferred tax from the business transfer will be included in the calculation of gains/losses. When such licences are written down as a result of impairment tests, similar assumptions are made in that goodwill and deferred tax are valued together with the licence.

Note 17: 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 reinvoicing of expenses pertaining to other licence partners.

	Group	Parent company	
	2009	2009	2008
Receivables related to the sale of oil and gas	28 786	28 786	20 013
Receivable related to the sale of Yme			545 901
Other trade debtors	1 628	1 628	17 549
Total trade debtors	**30 414**	**30 414**	**583 463**

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 2009 or 2008.

As of 31/12/2009, the following trade receivables had fallen due but remained unpaid, without any provisions for bad debt being made:

Year	**Total** [1)]	**Not due**	**<30 d**	**30-60d**	**60-90d**	**>90d**
2009 - Group and parent company	30 414	29 986	361	18		51
2008 - Group and parent company	583 463	550 713	31 158		7	1 572

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

The category 'Not due' for 2008 included a receivable of NOK 545.9 million related to the sale of the company's share in the Yme licence. On 20 January 2009, the company signed an agreement concerning payment with the purchaser, in return for a mortgage bond in the licence, which was valid until the date of payment. The debt was paid on the agreed date. Receivables with a term of payment of less than 30 days have been paid only a few days after the due date. The category 90 days includes some receivables from foreign trade debtors. The customers have confirmed the balance and the company expects payment to be effected.

Note 18: Other short-term receivables

	Group 2009	Parent company 2009	Parent company 2008
Pre-payments, including for rigs	29 488	25 313	86 079
VAT receivable	17 809	11 505	7 839
Underlift (earned income)	5 205	5 205	4 242
Deposit account - deferred income	49 959	49 959	
Guarantee account, unsecured pension scheme	5 015	5 015	3 653
Other receivables, including in operator licences	192 454	132 576	98 634
Pre-payments relating to upgrades, rig intake and mobilisation	154 105		
Shortfall value of rig charterparties in connection with acquisition	-60 365		
Total pre-payments, Aker Barents	*93 740*		
Total other short-term receivables	**393 669**	**229 573**	**200 447**

For further details on prepayments in connection with upgrades, rig intake and mobilisation of Aker Barents, see Note 14.

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 2009	Parent company 2009	Parent company 2008
Cash	20		
Bank deposits	1 559 156	1 188 942	1 460 176
Restricted funds (tax withholdings)	15 087	9 162	8 110
Short-term placements	24	24	
Total cash and cash equivalents	**1 574 287**	**1 198 128**	**1 468 287**

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

Note 20: Share capital and shareholders

	31.12.2009	31.12.2008
Share capital	111 111	12 985
No. of shares	111 111 111	64 925
The nominal value per share is NOK (rounded off to whole Norwegian kroner)	1,00	0,20

All shares in the company carry the same voting rights.

Paid-in share capital, premium reserve and other paid-in equity:	**No. of shares**	**Share capital**	**Premium reserve**	**Other paid-in equity**	**Total**
Issued and fully paid in capital	64 925	12 985			**12 985**
Total issued and paid in as of 31/12/08	**64 925**	**12 985**			**12 985**

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 equity:	**No. of shares**	**Share capital**	**Premium reserve**	**Other paid-in equity**	**Total restricted equity**
Merger of 22/12/09 with Aker Ex. as legally acquiring company	20 000 000	20 000	1 167 312	33 463	**1 220 775**
Share issue 22/12/09	91 111 111	91 111			**182 222**
	111 111 111	**111 111**	**1 167 312**	**33 463**	**1 311 887**

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.

Changes as a result of allocation of profit/loss, are included under 'Change in equity'

Earnings per share are shown in Note 13.

Overview of the 20 largest shareholders registered in VPS as of 31/12/09 (thousend)

	No. of shares	**Owning interest**
AKER ASA	29 719	26,7 %
AKER CAPITAL AS	15 225	13,7 %
DNO INTERNATIONAL ASA	12 954	11,7 %
ODIN NORGE	2 802	2,5 %
DNB NOR SMB	1 614	1,5 %
HOLBERG NORGE	1 567	1,4 %
ODIN NORDEN	1 381	1,2 %
SPAREBANKEN MIDT-NORGE INVEST AS	1 361	1,2 %
DEUTSCHE BANK AG LONDON	1 240	1,1 %
KØRVEN AS	1 076	1,0 %
RBC DEXIA INVESTOR SERVICES BANK	1 019	0,9 %
OLEUM AS	967	0,9 %
SJÆKERHATTEN AS	963	0,9 %
VILJE 2M AS	961	0,9 %
KOTENG HOLDING AS	950	0,9 %
VINN INVEST AS	922	0,8 %
ODIN OFFSHORE	905	0,8 %
KLP LK AKSJER	761	0,7 %
JP MORGAN CHASE BANK	721	0,6 %
VPF NORDEA KAPITAL	678	0,6 %
Others	33 325	30,0 %
Total	**111 111 111**	**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 has 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.

Pension scheme in the parent company
The parent company has a defined benefit plan which covers 137 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 2010 amount to NOK 11.6 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 2009 under Other receivables in an amount of 5,015. 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 31/12/2009, by an independent actuary.

	Unsecured scheme		Secured scheme		Total	
Pension costs are calculated as follows:	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**
Present value of the year's earned benefits	1 373	1 255	13 141	11 091	14 514	12 346
Interest expenses on accrued pension liabilities	184	150	606	311	791	461
Expected returns on pension funds			-777	-384	-777	-384
Amortisation of estimate deviations				-42		-42
Actuarial loss/(gain) charged/(taken) to income	13					
Effect of plan changes						
Administrative expenses			223	97	223	97
Total pension costs excl. social security tax	**1 571**	**1 405**	**13 194**	**11 072**	**14 751**	**12 478**
Social security tax	220	198	1 860	1 567	2 080	1 765
Total pension costs incl. social security	**1 790**	**1 604**	**15 054**	**12 639**	**16 831**	**14 243**
Cost of defined contribution pension scheme incl. social security tax					31	1 862
Total costs of defined benefit and defined contribution schemes, incl. social security tax					**16 862**	**16 105**
<u>**The year's change in gross pension liability:**</u>						
Gross pension liability (PBO) as of 1/1/09	4 853	3 197	15 957	6 610	20 810	9 807
Present value of the year's earned benefits	1 373	1 255	13 141	11 091	14 514	12 346
Interest expenses on accrued pension liabilities	184	150	606	311	791	461
The year's actuarial loss/(gain)	1 284	251	-880	-2 055	404	-1 804
Effect of plan changes						
Gross pension liability (PBO) as of 31/12/09	**7 694**	**4 853**	**28 825**	**15 957**	**36 519**	**20 810**

	Unsecured scheme		Secured scheme		Total	
	2009	2008	2009	2008	2009	2008
The year's change in gross pension funds:						
Gross pension funds as of 1/1/09			7 997	3 797	7 997	3 797
Expected returns on pension funds			777	384	777	384
Actuarial loss/gain			-800	-1 961	-800	-1 961
Administrative expenses			-223	-97	-223	-97
Effect of plan changes						
Reclassification of funds in unsecured scheme						
Premium payments			11 013	5 874	11 013	5 874
Fair value of pension funds as of 31/12/09			**18 764**	**7 997**	**18 764**	**7 997**
Net pension funds/liability (-) as of 31/12/09	-7 694	-4 853	-10 060	-7 960	-17 755	-12 813
Estimate variations not taken/charged to income	1 735		-1 433	-1 354	302	-1 354
Plan changes not taken/charged to income						
Social security tax	-840	-685	-1 621	-1 313	-2 461	-1 999
Net capitalised pension funds/liability (-) as of 31/12/09	**-6 799**	**-5 539**	**-13 114**	**-10 627**	**-19 914**	**-16 165**
Change in funds:						
Net capitalised pension funds/liability (-) as of 31/12/09	-5 539	-3 436	-10 627	-4 689	-16 165	-8 125
The year's pension cost	-1 790	-1 604	-15 054	-12 639	-16 844	-14 243
Payments charged to operations						
Reclassification of funds in unsecured scheme	530	-499			530	-499
Payments received			12 566	6 702	12 566	6 702
Net capitalised pension funds/liability (-) as of 31/12/09	**-6 799**	**-5 539**	**-13 114**	**-10 627**	**-19 914**	**-16 165**

	2009	2008	2007	2006	2005
Historical information					
Net present value of defined benefit pension liabilities	36 519	20 810	9 807	6 573	2 110
Fair value of pension funds	18 764	7 997	3 797	4 834	1 012
Deficit in the scheme	**17 755**	**12 813**	**6 010**	**1 739**	**1 098**
Experience-based adjustment of liabilities	404	-1 804	-206	-659	-224
Experience-based adjustment of pension funds	-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 2009, the company has applied the Norwegian Accounting Standards Board's (NASB) assumptions as of August 2009.

Financial assumptions	**2009**	**2008**
Discount rate	4,40 %	3,80 %
Return on pension funds	5,60 %	5,80 %
Wage and salaries increase	4,25 %	4,00 %
Pension adjustment	4,00 %	3,75 %
Average turnover	1,30 %	1,50 %

Actuarial assumptions	2009	2008
Mortality table used	K2005	K2005
Disability tariff used	IR02	IR02
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	2009	2008
Shares	3,8 %	6,0 %
Bonds	29,9 %	32,4 %
Money market	14,0 %	11,5 %
Capital bonds	28,8 %	28,7 %
Property	16,8 %	17,1 %
Other	6,7 %	4,3 %
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 2009, the actual value-adjusted return on pension assets was 5.4%, compared with an estimated rate of 5.75%.

Note 22: Provision for removal and decommissioning liabilities

	Group	Parent company	
	2009	2009	2008
Provisions as of 1 January	134 612	134 612	81 133
Additions			28 700
Imputed interest present value calculation	10 514	10 514	7 665
Change in estimate	79 347	79 347	17 115
Minority interest as of 31 December	**224 472**	**224 472**	**134 612**

The company's removal and decommissioning liabilities relate to the fields Varg, Enoch, Glitne and Jotun.

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 5.45% before

Note 23: Derivatives

Det norske oljeselskap AS has signed forward contracts to reduce its currency exposure in USD.
As of 31 December 2009, the company had the following financial instruments:

	Group	Parent company	
	2009	2009	2008
Structured forward contracts	21 805		
Estimated fair value	**21 805**		
Change in forward contracts from the date of the merger until year end	6 254		

Description of structured forward contracts:
As of 31.12.2009, Det norske oljeselskap AS has seven 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 2010. 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.

Note 24: Bond loan

	Group	Parent company	
	2009	2009	2008
Principal, convertible loan Norsk Tillitsmann	457 500	457 500	
Equity part of convertible loan on initial inclusion	-98 991	-98 991	
Accumulated amortisation of equity part of convertible loan	52 514	52 514	
Excess value on acquisition	-20 423	-20 423	
	390 600	**390 600**	

The loan 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 has reserved the Bredford Dolphin drilling rig for a period of three years (1,095 days). All together, the rig consortium is committed to using the rig for 945 days. Together with one other company, Det norske has guaranteed for the liability relating to the remaining 150 days. As consideration for this liability, Det norske receives USD 10,000 per day for the first 945 days. As of 31.12.2009 this consideration amounted to NOK 53,001, while the corresponding figure for 2008 was NOK 38,669. The payment term is 30 days and the amount is paid into an escrow account, which serves as security for the liability. This account was classified as a long-term financial asset in 2008, but was reclassified as a short term asset in 2009. At 31.12.2009 the balance was NOK 49,959 and, at 31.12.2008, it was NOK 36,734. The amount will be taken to income when it is sufficiently probable that the liability will not have to be settled. The liability item was reclassified from long-term to current liabilities in the third quarter of 2009.

	Group 2009	Parent company 2009	2008
Deferred income - long term			38 669
Deferred income - short term	53 001	53 001	
Other provisions for liabilities			6 463
	53 001	**53 001**	**45 132**

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

	Group 2009	Parent company 2009	2008
Exploration facility in DnB NOR	1 150 813	600 000	
Accrued loan costs			
Excess value of overdraft facility identified in connection with acquisition (see Note 2)	-60 555		
	1 090 258	**600 000**	

The parent company has an overdraft facility of NOK 1,500,000,000 in DnB NOR BANK ASA. The maximum amount to be drawn is limited to 95% of the tax refund related to exploration costs. The company can draw on the facility until 31.12.2010, with a final date for repayment in December 2011.

The subsidiary has an overdraft facility of USD 300,000,000 (NOK 1,733,010,000) in DnB NOR BANK ASA. The maximum amount to be drawn is limited to 95% of the tax refund related to exploration costs. The company can draw on the facility until 31.12.2012 and the final date for repayment is 31/12/2013.

Available for withdrawal as of 31.12.2009:	Group 2009	Parent company 2009	2008
Calculated tax receivable' in the balance sheet	2 060 124	1 400 161	206 774
Available for withdrawal	1 891 753	1 283 598	196 435
Drawn amount	1 150 813	600 000	
Unused amount available for withdrawal	**740 940**	**683 598**	**196 435**

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 the following licences are pledged as security for the bank:

Production licences: Parent company	Share in production	Production licences: Subsidiaries	Share in production
PL 265	20 %	PL 256	55 %
PL 321	25 %	PL 259	30 %
PL 341	30 %	PL 283	12,5 %
PL 364	50 %	PL 304	30 %
PL 369	60 %	PL 321	35 %
PL 380	70 %	PL 321B	35 %
PL 408	100 %	PL 343	35 %
PL 432	100 %	PL 416	15 %
		PL 460	47,5 %
		PL 462S	30 %
		PL 463S	30 %
		PL 468	100 %
		PL 474	30 %
		PL 490	20 %
		PL 491	30 %
		PL 508S	40 %

Note 27: Other current liabilities

	Group 2009	Parent company 2009	Parent company 2008
Current liabilities related to overcall in licences	45 127	69 655	32 910
Share of other current liabilities in licences	364 642	272 786	154 750
Other current liabilities	189 026	168 715	129 582
	598 795	**511 155**	**317 241**

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 has 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. A contract has also been signed with Odfjell Management for drilling management over the same three-year period.

Det norske oljeselskap AS 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. See note 14 for more information.

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 show 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 2009	Parent company 2009	Parent company 2008
Within 1 year	1 689 317	786 050	952 578
1 to 5 years	3 050 125	812 091	1 877 280
After 5 years			
Total	**4 739 441**	**1 598 141**	**2 829 858**

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 2009	Parent company 2009	Parent company 2008
Within 1 year	83 662	83 662	54 656
1 to 5 years	163 820	163 820	164 351
After 5 years			
Total	**247 483**	**247 483**	**219 007**

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	
	2009	2009	2008
Within 1 year	81 113	73 574	21 042
1 to 5 years	144 502	134 638	122 402
After 5 years	117 532	117 532	155 868
Total	**343 148**	**325 745**	**299 312**

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. 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 subsidiary Det norske oljeselskap AS has a revolving credit facility for NOK 1,820 with a bank consortium. The credit facility is secured by the Norwegian authorities' tax refund related to exploration expenses, and guaranteed by Det norske oljeselskap ASA with an upper limit of NOK 2.7 billion. Det norske oljeselskap ASA has furnished the Ministry of Petroleum and Energy with a parent company guarantee on behalf of Det norske oljeselskap AS.

Det norske oljeselskap ASA has furnished Gaz de France with a guarantee for the provision of rig and related services in connection with the sale of interests in PL 469 to Det norske oljeselskap AS. Shell has been furnished with a parent company guarantee related to a sub-lease for the Aker Barents drilling rig.

The group has provided a guarantee related to the contract for Bredford Dolphin , which is described in more detail in Note 25.

Det norske oljeselskap ASA has provided the landlord with a guarantee in the amount of NOK 1.9 million to cover the rent for the company's premises at Aker Brygge.

Uncertain liabilities

In order to secure progress in the Frøy Project (PL 364), Det norske undertook commitments in relation to the engineering services from contractor and other commitments relating to the contractor’s subcontractors during the period before 1 October 2008. There is a dispute in the licence concerning whether this expense should be covered by Det norske in its entirety or divided between the licensees, Premier Oil Norge AS and Det norske. The disputed amount totals EUR 13.5 million. The amount is included under 'Tangible fixed assets - fields under development.

In addition to the above-mentioned EUR 13.5 million, there is a dispute between Det norske and the contractor about coverage of contract overruns totalling EUR 3.2 million. The company has not made any provision for this possible liability.

Det norske oljeselskap ASA is involved in an ongoing dispute with rig contractors relating to the application of rates. Det norske’s share of the disputed amount is NOK 20 million. The accounts include a provision of NOK 6 million to cover this.

Note 29: Transactions with related parties

Owners with controlling interests
At year end 2009, Aker (Aker ASA og 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, since the same person is Chairman of the Board of Directors in both companies and has considerable influence. 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.

The parent company has extended a subordinated loan to the subsidiary in the amount of NOK 662.3 million. The interest rate corresponds to 12 months NIBOR + 0.55%.

Aker Drilling (fully owned subsidiary of Aker ASA) is a party to the contract for Aker Barents described in Note 14.

			Parent company	
Related party	**Receivables (+)/liabilities (-) at 31.12.2009:**	**2009**	**2009**	**2008**
Det norske	Intra-group loan/receivable	-662 365	662 365	
Det norske	Intra-group trade creditors/debtors	28 918	-28 918	
Det norske	Intra-group trade creditors/debtors	26 525	-26 525	
DNO International ASA	Trade creditors			-19
DNO International group	Trade debtors		-5	1 136
Aker Kværner Business partner	Trade debtors	84		
Aker Geo AS	Trade creditors	-1 194	-279	
Aker Ghana Ltd	Trade debtors	264		
Aker Drilling Operations AS	Trade debtors	902		

			Parent company	
Related party	**Revenues (-)/ expenses (+):**	**Subsidiary 2009**	**2009**	**2008**
Det norske	Interest rate income/ expenses	874	-874	
DNO International ASA	Purchase of services/ re-invoicing of expenses			-13 051
DNO International group	Hire of personnel			236

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

<u>Categories of financial assets and liabilities</u>
The group has the following financial assets and obligations: financial assets and liabilities 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.

<u>Financial risk</u>
The group uses financial instruments such as bank loans, convertible bonds and investments in bonds. The purpose of these financial instruments is to procure capital for investments that are necessary to the group's activities. 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 group's risk management, including financial risk management, is designed to ensure identification, analysis 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.

The most important financial risks to which the group is exposed relate to oil prices, exchange rates, interest rates, capital requirements and, to a certain extent, borrowing terms.

<u>(i) Oil price and currency risks</u>
Income is mainly derived from the sale of petroleum. Hence, the group is exposed to risks related to changes in the oil price. Exchange rate fluctuations involve both direct and indirect risk exposure for the group. The group's petroleum revenues are in US dollars (USD), while the greater part of the costs were in Norwegian kroner (NOK) in both 2009 and 2008. 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 hedge currency risk.

In 2009, the group signed a forward contract to reduce its currency risk and hence the market risk relating to operations. See Note 23 for an overview of signed contracts and 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	**2009**	**2009**	**2008**
Effect on pre-tax result	+ 10 %	12 956	9 111	15 025
	- 10 %	-12 956	-9 111	-15 025
Effect on equity		0	0	0
		0	0	0

The group's net exposure in USD as of 31.12.2009 was USD 22,428 (NOK/USD 5.7767). This consisted of exposure related to receivables, bank and licence over/undercalls in the amount of USD 38,522, and deferred income (Bredford Dolphin), trade creditors, licence 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 31.12.2009 was USD 15,773 (NOK/USD 5.7767), compared with USD 21,468 (NOK/USD 6.9989) as of 31.12.2008. This consisted of exposure relating to receivables and bank in the amount of USD 31,751 (corresponding figure for 2008 was USD 27,329), and deferred income (Bredford Dolphin), trade creditors, over/undercall from licences, over/underlift of oil and other short-term liabilities of USD 15,978 (USD 5.861 in 2008).

<u>(ii) Interest-rate risk</u>
The group is exposed to interest-rate risk in connection with the need for future loans. As of 31.12.2009, the group's total loan liabilities amounted to approximately NOK 1.5 billion, distributed between one long-term bond loan and two revolver credit facilities for the purpose of financing exploration activity (Notes 24 and 26).

The bond loan has a fixed interest rate of 6%. The interest rates on the overdraft facilities/revolving credit agreements are 3 months' NIBOR + 0.55% and 3 months NIBOR + 0.70%, respectively.

The interest-rate risk related to liquid assets is relatively limited. In accordance with the group's guidelines, the average interest-rate sensitivity, including exposure from 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:

	Change in intereste rate level in basic points	Group 2009	Parent company 2009	Parent company 2008
Effect on pre-tax result	+100	-11 508	-6 000	
	-100	11 508	6 000	
Effect on equity	+100	0	0	
	-100	0	0	

Based on the loan balance as of 31 December 2009, an interest-rate increase of 1% will reduce the company's result before tax by NOK 11.508 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 provisions 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 in the balance sheet.
The group regards its maximum risk exposure to correspond to the balance-sheet value of trade debtors and other short-term receivables and investments, see Notes 17, 18 and 19.

(iv) Liquidity risk

The group's liquidity risk is the risk that it wil not be able to meet its financial obligations as they fall due.

The company has considerable cash reserves as of 31.12.09. However, the combination of limited production revenues and an active exploration and development programme, puts demands on managing liquidity risk. The group will handle any increased future capital requirements through the sale of assets, borrowing, use of supplier-financed development, business contracts, strategic alliances and any combination of these, and by adjusting the group's level of activity, if required. At the start of 2010 the company entered into a new loan agreement for exploration purposes, for a total amount of NOK 4.5 billion (Note 33). Together with the group's liquid assets, this will be sufficient to finance its activities in 2010.

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

Group 31.12.2009	Balance-sheet value	Contract-related cash flows	Less than 1 year	1-2 years
Non-derivative financial liabilities				
Bond loan	390 600	512 600	27 550	485 050
Revolving credit facility	1 090 258	1 293 028	1 293 028	
Trade creditors and other liabilities	936 355	936 355	936 355	
Derivative financial liabilities				
Structured forward contracts	21 805	21 805	14 536	7 268
Total as of 31.12.2009	**2 439 017**	**2 763 787**	**2 271 469**	**492 318**

Parent company 31.12.2009	Balance-sheet value	Contract-related cash flows	Less than 1 year	1-2 years
Non-derivative financial liabilities				
Bond loan	390 600	512 600	27 550	485 050
Revolving credit facility	600 000	1 293 028	1 293 028	
Trade creditors and other liabilities	711 983	711 983	711 983	
Total as of 31.12.2009	**1 702 583**	**2 517 611**	**2 032 561**	**485 050**

Parent company	Balance-sheet value	Contract-related cash flows	Less than 1 year	1-2 years
Non-derivative financial liabilities				
Trade creditors and other liabilities	423 688	423 688	423 688	
Total as of 31.12.2009	**423 688**	**423 688**	**423 688**	

Stipulation of fair value
'Market-based financial investments' consist of purchased bonds. The fair value of these bonds is stipulated by using the price for tax purposes as defined by the Norwegian Securities Dealers' Association. In the course of 2009, the value of this asset increased by NOK 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: Cash and cash equivalents, trade debtors, other short-term receivables, short-term loans and long-term receivables and debt.

The balance-sheet value of cash and cash equivalents, and loans is 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 current liabilities is virtually the same as their fair value as they are entered into on 'ordinary' terms and conditions. Other financial fixed assets consist mainly 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. See Note 2.

Deferred income is an income received by Det norske oljeselskap ASA on fulfilling its commitments related to the use of the Bredford Dolphin rig as described in Note 25.

The bond loan is a long-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 loan is therefore regarded as a hybrid financial instrument. See the note on accounting principles and Note 24 for more details relating to the bond loan. The bond loan is listed on the stock exchange, and the fair value is determined using the listed value. As of 31 December 2009, the bond loan is carried at fair value in the balance sheet, since it 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 31/12/2009, the fair value was equal to the book value, as the shares had been valued at fair value in connection with the merger.

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 balance-sheet value and fair value of the group's financial instruments:

	Group		Parent company			
	31.12.2009		31.12.2009		31.12.2008	
Fair value of financial instruments:	**Balance-sheet value**	**Fair value**	**Balance-sheet value**	**Fair value**	**Balance-sheet value**	**Fair value**
Financial assets at fair value through profit or loss						
Market-based financial investments	21 995	21 995	21 995	21 995	17 400	17 400
Loans and receivables						
Trade debtors	30 414	30 414	30 414	30 414	583 463	583 463
Other short-term receivables	393 669	393 669	229 573	229 573	200 447	200 447
Calculated tax receivable	2 060 124	2 060 124	1 400 161	1 400 161	213 982	213 982
Intra-group receivables			26 525	26 525		
Other financial fixed assets	17 965	17 965	17 965	17 965		
Pre-payments	240 442	240 442				
Intra-group receivables - loans			662 365	662 365		
Shares in subsidiary			431 361	431 361		
Cash and cash equivalents						
Cash and cash equivalents	1 574 287	1 574 287	1 198 128	1 198 128	1 468 287	1 468 287
Total financial assets	**4 338 896**	**4 338 896**	**4 018 487**	**4 018 487**	**2 483 579**	**2 483 579**

	Group		Parent company			
	31.12.2009		31.12.2009		31.12.2008	
Fair value of financial instruments:	Balance-sheet value	Fair value	Balance-sheet value	Fair value	Balance-sheet value	Fair value
Financial liabilities at fair value through profit or loss						
Derivatives	21 805	21 805				
Financial liabilities measured at amortised cost						
Trade creditors	261 940	261 940	104 808	104 808	94 287	94 287
Other current liabilities	621 413	621 413	525 256	525 256		
Intra-group trade creditors			28 918	28 918		
Deferred income	53 001	53 001	53 001	53 001		
Bond loan	390 600	390 600	390 600	390 600		
Short-term loan	1 090 258	1 090 258	600 000	600 000		
Total financial liabilities	**2 439 017**	**2 439 017**	**1 702 583**	**1 702 583**	**94 287**	**94 287**

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, either directly (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).

	Group	Parent company			
Assets included at fair value	31.12.2009		Level 1	Level 2	Level 3
Financial assets at fair value through profit or loss					
Short-term investments - 'Market-based bonds'	21 995	21 995		21 995	
Financial liabilities at fair value with changes in value through profit or loss					
Forward exchange contracts - not related to hedging 'derivatives'	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 Level 1 and Level 2, and there were no transfers to or from level 3.

<u>Furnishing of security</u>
Together with another oil company, Det norske has guaranteed for a commitment relating to the lease of the Bredford Dolphin drilling rig, for a period exceeding the consotium's reservation of the rig (150 days). As consideration for this commitment the company receives USD 10,000 per day for the drilling days for which the rig is reserved by the consortium. The amount will be paid into an escrow account and pledged as security for the commitment. The account was previously classified as a long-term financial asset, but has now been reclassified to current liabilities. See Note 25 for more information.

<u>Capital structure and equity</u>
The group's objective for investment and management of capital is to maintain a low risk profile.

The group shall invest and manage its liquid assets so that it has sufficient liquidity at all times to cover its current obligations. As a minimum, there shall be sufficient liquid funds in regular bank accounts at all times to cover expected cash flows from operational activities and investment activities for two months ahead.

The group shall invest and manage its liquid assets so as to secure a maximum return on excess liquidity. Account must be taken of any expected or actual risk of major disbursements during the upcoming 12-month period. More stringent requirements for low risk and availability shall at all times apply to excess liquidity in an amount corresponding to expected total disbursements during the next 12-month period.

The 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, bonds and securities.

For excess liquidity, the low-risk requirement (i.e. the risk that managed assets cannot be transformed into pure and available liquid assets within a defined time frame) is generally more important than the wish for a higher returns.

The group is subject to the external capital requirement that it must submit a liquidity budget in the course of the upcoming 12 month-period (1/1 - 31/12) to the lenders behind the group's loan facility. The group met this requirements both in 2009 and in 2008.

The group's excess liquid assets are mainly deposited in bank accounts as of 31/12 2009.

The group has achieved its objective for capital structure in 2009 and 2008.

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 January:

Production licences in which Det norske is operator:			Production licences in which Det norske is partner:		
Licence	31.12.2009	31.12.2008	**Licence**	31.12.2009	31.12.2008
PL 001B	35 %	35 %	PL 029B	20 %	20 %
PL 027D*	35 %	10 %	PL 035	25 %	25 %
PL 028B	35 %	35 %	PL 035B	15 %	15 %
PL 103B	70 %	70 %	PL 038	5 %	5 %
PL 169C	57 %	0 %	PL 038D	30 %	0 %
PL 242	35 %	35 %	PL 048B	10 %	10 %
PL 256	55 %	0 %	PL 048D	10 %	10 %
PL 321	60 %	25 %	PL 102C	10 %	0 %
PL 321B	60 %	25 %	PL 265	20 %	30 %
PL 337	45 %	45 %	PL 272	25 %	25 %
PL 341	30 %	30 %	PL 283	25 %	0 %
PL 356	100 %	100 %	PL 304	30 %	0 %
PL 364	50 %	50 %	PL 332	40 %	40 %
PL 369**	60 %	20 %	PL 362	15 %	15 %
PL 380	70 %	70 %	PL 387	0 %	30 %
PL 383	55 %	55 %	PL 416	15 %	0 %
PL 408	100 %	70 %	PL 442	20 %	20 %
PL 414	40 %	40 %	PL 451	40 %	40 %
PL 432	100 %	100 %	PL 453S	25 %	25 %
PL 432B	100 %	0 %	PL 458	30 %	30 %
PL 440S	30 %	30 %	PL 462S	30 %	0 %
PL 447	30 %	30 %	PL 469	25 %	0 %
PL 450	75 %	75 %	PL 474	30 %	0 %
PL 460	100 %	53 %	PL 485	15 %	15 %
PL 463S	100 %	70 %	PL 490	30 %	20 %
PL 468	100 %	0 %	PL 492	30 %	30 %
PL 476	40 %	40 %	PL 494	30 %	0 %
PL 482	65 %	65 %	PL 502	22,2 %	0 %
PL 483S	40 %	40 %	PL 508S	30 %	0 %
PL 491	50 %	40 %	PL 522	20 %	0 %
PL 497	35 %	0 %	PL 523	20 %	0 %
PL 500	35 %	0 %	PL 533	20 %	0 %
PL 504	58,5 %	0 %	PL 535	20 %	0 %
PL 512	30 %	0 %	PL 538	30 %	0 %
No.	**34**		**No.**	**33**	

* Since 31/12/2008, Det norske has taken over the operatorship from ExxonMobil.

** Det norske has acquired Talisman's interest and operatorship.

In the round of awards in pre-define areas in 2009, Det norske was awarded operatorships in PL 497B (35%), PL 504BS (58.5%), PL 542 (60%), PL 548S (40%), PL 549S (35%) and PL 553 (40%). As partner, Det norske was awarded interest in PL 554 (40%), PL 558 (20%), PL 561 (20%) and PL 563 (30%). The formal awards took place in January 2010.

Note 32 Annual Statements of Reserves 31.12.2009 (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
Description	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.

Figure 1: NPD's classification system used by Det norske oljeselskap

Reserves, Developed and Non-developed

Det norske oljeselskap ASA has interests in five fields containing reserves, of which four are in production (Category 1) and one is non-developed (Category 3):

- 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%
- Frøy – operated by Det norske 50%, non-developed.

The net reserves for the five fields are presented in Table 1 and amounts to a total of 29.13 million barrels oil equivalents (2P/P50 or best estimate) for the three different categories. Of these volumes 1.56 million barrels are classified as "developed", 0.21 million barrels as" under development", and 27.36 million barrels as "non-developed". The non-developed volumes are all assigned to Frøy.

Economical assumptions:

For producing licenses and licenses in a development phase is 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 2010 (RNB). The data input is considered to be the best available estimate. Future cash flows are determined in the different licenses on the basis of the production profile in relation to estimated proved and probable remaining reserves. The reserves are cut at the time they no longer make a positive contribution to cash flow, or rental contract for the installation expires. The discount rate used is 10.7 per cent nominal after-tax, equivalent to a pre-tax rate of 48.6 percent. The company has used a long term inflation expectations at 2.5 percent, and long-term expectation of the exchange rate of NOK / USD 6.00.

The following expectations about oil prices are assumed::

Year	2010	2011	2012	2013	2014	2015	2016	2017
Average in USD	80.9	85.8	88.0	89.5	91.3	93.4	96.3	99.0

Prices are based on the forward curve, the source: ICE Brent Crude 31.12.2009.

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. Two new wells were completed in 2009, proving up new reserves and increasing the total production to around 26,800 bopd by year-end. Total ultimate recoverable reserves are estimated to 95 million barrels of oil, while total remaining proved and probable reserves are 17.1 million barrels. Of these 12.9 million barrels are classified as developed (Category 1)and contain the volumes from the base case production profile assuming no further infill drilling and a production cut-off mid 2013, when the current FPSO lease expires. Reserves "under development" (Category 2) of 4.2 million barrels are associated with planned wells in 2010 and onward.

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 February 2011. The main uncertainty in future production is the water cut development for individual wells. Remaining reserves are assessed probabilistically considering relevant uncertainties related to the production. Total initial recoverable reserves are estimated at 52 million barrels of oil, while remaining reserves are estimated at 1.6 million barrels of oil. A new infill production well will likely be drilled in 2010 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 5.

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 2016. 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 to 15 million barrels of oil equivalents of which 7.8 million barrels remain. Volumes in Table 1 include only the Norwegian part of the field and are included under "Developed assets".

The **Jotun Field** (PL 027 B, PL 103) is developed with an integrated well head platform (Jotun B) of 24 well slots and a 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 in 2015. 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 initial recoverable reserves are estimated at 148 million barrels of oil. Total remaining proved and probable reserves are estimated at 8,6 million barrels oil and classified as "Developed assets". The operator is assessing the economic viability of carrying out work-overs in wells currently not producing.

Det norske's share of production from the Varg, Glitne, Enoch, and Jotun fields during 2009 amounts to 0.67 million barrels of oil equivalents.

A PDO for the reactivation of the **Frøy Field** (PL 364) was submitted to the authorities in September 2008 and acceded to by both Det norske (50% and operator) and Premier Norge AS (50%). Historically, the field was in production from 1995 to 2001 and produced 35 million barrels with Elf as operator. Based on a comprehensive evaluation of the reservoir and production history, the best estimate is that the recovery factor can be increased from the original 18 % to at least 40 %, increasing the recovered volumes by 55 million barrels. Of these volumes 34 million barrels are considered proved. This number corresponds to the P90 reserve estimate obtained in uncertainty studies performed prior to the PDO submission in 2008. Subsequent to the submission, MPE granted an extension of the license for 10 years until 2019. Due to the severe downturn in the financial markets, the Frøy redevelopment was put on hold. New efforts have been performed in 2009 to decrease the development costs and to reduce the resource uncertainty range. Pre-FEED studies have been initiated early 2010 with several potential contractors in order to firm up the development concept and to verify the cost estimates. Det norske and Premier plan to submit a modified PDO to the authorities in 2010 targeting a production start-up mid 2013.

Tabell 2: Reserves pr. field

DEVELOPED ASSETS (CATEGORY 1)										
As off 31.12.2009	1P / P90 (low estimate)					2P / P50 (best estimate)				
	Oil (mill. bbl)	Gas (bn m^3)	Mill. bbl o.e.	Share	Net mill. bbl o.e.	Olje (mill. bbl)	Gas (bn m^3)	Mill. bbl o.e.	Share	Net mill. bbl o.e.
PL 038 - Varg	7.06	0.0	7.06	5%	0.35	12.90	0.0	12.90	5%	0.65
PL 048B - Glitne	0.64	0.0	0.64	10%	0.06	1.62	0.0	1.62	10%	0.16
Enoch-Unit (Norway)	1.28	0.0	1.31	10%	0.13	1.48	0.01	1.52	10%	0.15
Jotun-Unit	7.64	0.0	7.64	7%	0.53	8.43	0.04	8.66	7%	0.60
Total					1.08					1.56

UNDER DEVEOPMENT (CATEGORY 2)										
As off 31.12.2009	1P / P90 (low estimate)					2P / P50 (best estimate)				
	Oil (mill. bbl)	Gas (bn m^3)	Mill. bbl o.e.	Andel	Net mill. bbl o.e.	Oil (mill. bbl)	Gas (bn m^3)	Mill. bbl o.e	Share	Net mill. bbl o.e.
PL 038 - Varg	1.99	0.0	1.99	5%	0.10	4.16	0.0	4.16	5%	0.21
Total					0.10					0.21

NON DEVELOPMED ASSETS (CATEGORY 3)										
As off 31.12.2009	1P / P90 (low estimate)					2P / P50 (best estimate)				
	Oil (mill. bbl)	Gas (bn m^3)	Mill. bbl o.e.	Share	Net mill. bbl o.e.	Oil (mill. bbl)	Gas (bn m^3)	Mill. bbl o.e	Share	Net mill. bbl o.e.
PL 364 - Frøy	33.97	0.0	33.97	50%	16.98	54.72	0.0	54.72	50%	27.36
Total					16.98					27.36

Explanation: 1×10^9 Sm^3 gas = 1×10^6 Sm^3 oil equivalent = 6,29 million barrels oil equivalent

Note 33: Events after the balance sheet date

Parent company and subsidiary has established a joint revolving credit facility amounted to NOK 4 500 000 000 in a bank syndicate led by DnB NOR BANK ASA.

Maximum utilization including interest is limited to 95 percent of tax refunds related to the exploration costs. The companies might utilize on the loan until 31/12/2012 and the final repayment will take place in December 2013. Bank syndicate led by DnB NOR has a pledge on all exploration licenses for the parent company, from 5/3/2010.

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

On 18 February 2010, the Board of Directors adopted the report for the fourth quarter 2009 and provisional financial statements for 2009. Three corrections were made on finalising the final financial statements for 2009.

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

An error in the amount of NOK 33,631 concerning removal and decommissioning liabilities related to Glitne was corrected in the balance sheet.

Errors were found in the treatment of equity elements related to the merger. In the quarterly accounts the group had included the old company's premium reserve instead of the legally acquiring company's premium reserve. The distribution between the premium reserve and other equity was changed in the annual report and accounts.

INCOME STATEMENT		**Q4 2009**			**01.01.2009 - 31.12.2009**	
	Previously reported	**Adjusted amount**	**Difference**	**Previously reported**	**Adjusted amount**	**Difference**
The year's profit/loss	**-379 304**	**-379 304**		**-520 696**	**-520 696**	
Weighted average no of shares outstanding	69 443 225	93 067 633	23 624 408	66 063 855	91 604 262	25 540 407
Weighted average no of shares fully diluted	69 443 225	93 067 633	23 624 408	66 063 855	91 604 262	25 540 407
Profit/loss per share (adjusted for split) after tax	(5,46)	(4,08)	1,39	(7,88)	(5,68)	2,20
Profit/loss per share (adjusted for split) - fully diluted	(5,46)	(4,08)	1,39	(7,88)	(5,68)	2,20

FINANCIAL POSITION

ASSETS	Intangible fixed assets as of 31/12/09		
	Previously reported	Adjusted amount	Difference
Intangible assets			
Goodwill	697 938	697 938	
Capitalised exploration expenses	893 467	893 467	
Other intangible assets	1 320 484	1 320 484	
Tangible fixed assets			
Tangible fixed assets	413 922	447 553	33 631
Financial fixed assets			
Other financial fixed assets	17 965	17 965	
Pre-payments	240 442	240 442	
Total fixed assets	**3 584 218**	**3 617 849**	**33 631**
Current assets			
Inventories	14 655	14 655	
Receivables			
Trade debtors	30 414	30 414	
Other short-term receivables	393 669	393 669	
Market-based financial investments	21 995	21 995	
Calculated tax receivable	2 060 124	2 060 124	
Liquid assets			
Cash and cash equivalents	1 574 287	1 574 287	
Total current assets	**4 095 144**	**4 095 144**	
TOTAL ASSETS	**7 679 362**	**7 712 992**	**33 631**
EQUITY AND LIABILITIES			
Paid-in equity			
Share capital	111 111	111 111	
Premium reserve		1 167 312	1 167 312
Other paid-in equity		33 463	33 463
Earned equity			
Other equity	3 739 413	2 479 186	-1 260 227
Total equity	**3 850 524**	**3 791 072**	**-59 452**
Provision for liabilities			
Pension liabilities	19 914	19 914	
Deferred tax	1 173 477	1 173 477	
Provision for removal and decommissioning liabilities	190 841	224 472	33 631
Deferred income and other provisions for liabilities	5 588	5 588	
Total provisions for liabilities	**1 389 820**	**1 423 451**	**33 631**
Long-term liabilities			
Derivatives	21 805	21 805	
Bond loan	390 600	390 600	
Current liabilities			
Short-term loan	1 090 258	1 090 258	
Trade creditors	261 940	261 940	
Public charges and indirect taxes	22 618	22 618	
Deferred income	53 001	53 001	
Other current liabilities	598 795	598 795	
Total liabilities	**2 439 017**	**2 439 017**	
TOTAL EQUITY AND LIABILITIES	**7 679 361**	**7 653 541**	**-25 821**

Statement by the 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 2009 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
Oslo, 23 March, 2010

Kjell Inge Røkke

Kaare Moursund Gisvold

Berge Gerdt Larsen

Maria Moræus Hansen

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Translation from the original Norwegian version

To the Annual Shareholders' Meeting of Det norske oljeselskap ASA

AUDITOR'S REPORT FOR 2009

We have audited the annual financial statements of Det norske oljeselskap ASA as of 31 December 2009, showing a loss of NOK 512.890.000 for the parent company and a loss of NOK 520.696.000 for the group. We have also audited the information in the Board of Directors' report concerning the financial statements, the going concern assumption, and the proposal for the coverage of the loss. The annual financial statements comprise the parent company's financial statements and the group accounts. The annual financial statements comprise the statement of financial position, the statement of income, the statement of changes in equity, the statement of cash flows and the accompanying notes. The group accounts comprise the statement of financial position, the statement of income, the statement of changes in equity, the statement of cash flows and the accompanying notes. International Financial Reporting Standards as adopted by the EU have been applied to prepare the financial statements. These financial statements are the responsibility of the Company's Board of Directors and Managing Director. Our responsibility is to express an opinion on these financial statements and on other information according to the requirements of the Norwegian Act on Auditing and Auditors.

We have conducted our audit in accordance with the Norwegian Act on Auditing and Auditors and generally accepted auditing practice in Norway, including standards on auditing adopted by Den norske Revisorforening. These auditing standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. To the extent required by law and generally accepted auditing practice, an audit also comprises a review of the management of the Company's financial affairs and its accounting and internal control systems. We believe that our audit provides a reasonable basis for our opinion.

In our opinion,

- the financial statements are prepared in accordance with law and regulations and give a true and fair view of the financial position of the Group as of 31 December 2009, and the results of its operations and its cash flows and the changes in equity for the year then ended, in accordance with International Financial Reporting Standards as adopted by the EU
- the Company's management has fulfilled its duty to see to proper and well arranged recording and documentation of accounting information in accordance with law and generally accepted bookkeeping practice in Norway
- the information in the Board of Directors' report concerning the financial statements, the going concern assumption and the proposal for the coverage of the loss, is consistent with the financial statements and complies with law and regulations.

Trondheim, 23 March 2010
Deloitte AS

Karl O. Sanderød
State Authorised Public Accountant (Norway)

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