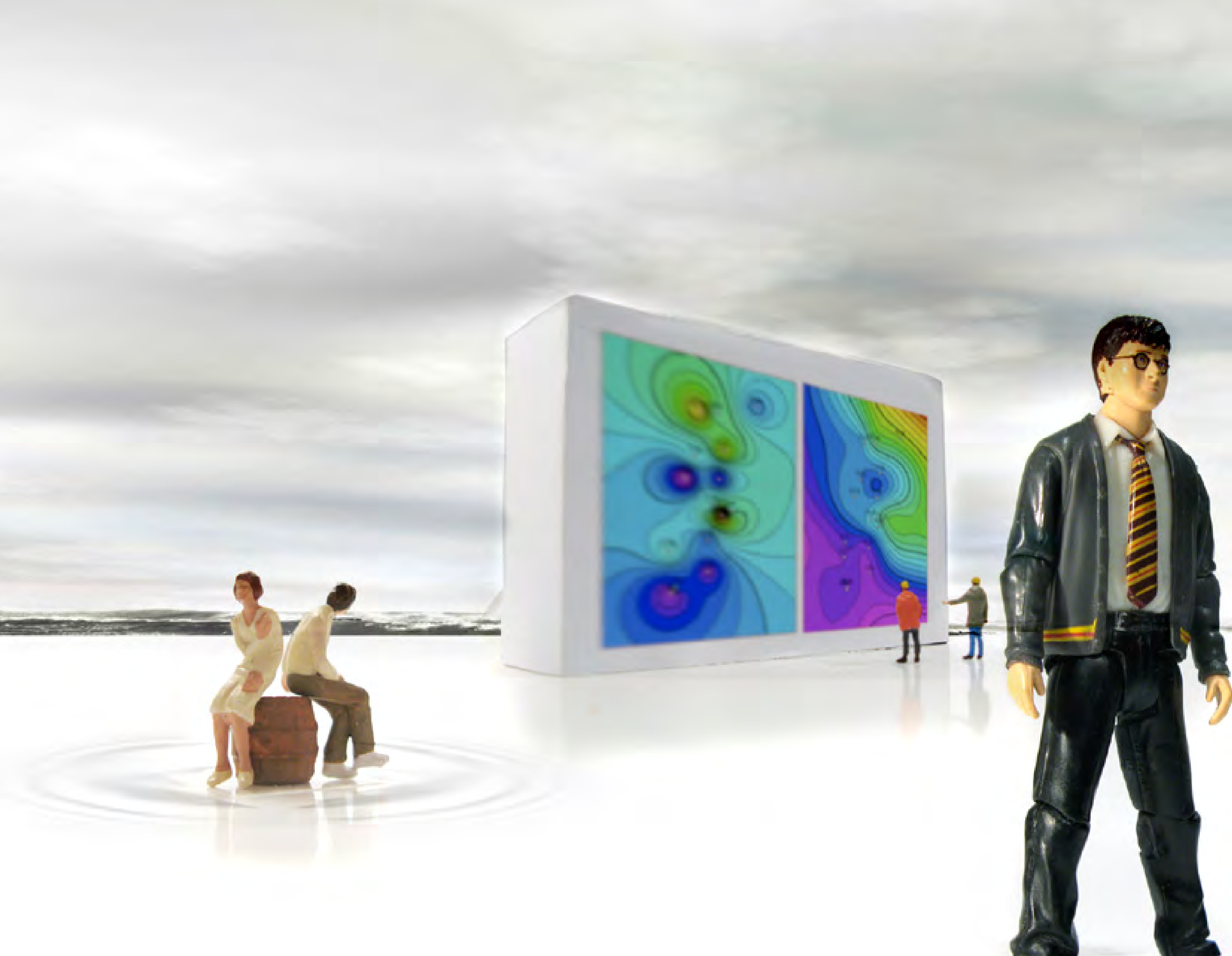
KEY FIGURES

GROUP	2007	2006
No. of license interests as of 31 December (excl. additional acreage *)	**34**	9
No. of operatorships	**17**	4
Production	**300,651 barrels***	272,762 barrels
Reserves (P50) as of 31 December	**8.0 mill. barrels**	7.0 mill. barrels
Reserves (P50) and risked contingent resources as of 31 December	**129 mill. barrels**	40 mill. barrels
Reserves and risked total resources as of 31 December	**579 mill. barrels**	234 mill. barrels
Total operating revenues	**131 MNOK**	118 MNOK
Operating profit/(loss) before depreciation and amortization	**(218) MNOK**	(117) MNOK
Operating profit/(loss)	**(252) MNOK**	(137) MNOK
Income/(loss) before taxes	**(247) MNOK**	(136) MNOK
Net income/(loss)	**(42) MNOK**	(30) MNOK
Exploration costs	**283 MNOK**	186 MNOK
Investments	**365 MNOK**	70 MNOK
Cash flow before financing activities	**(61) MNOK**	(154) MNOK
Booked equity	**3,542 MNOK**	807 MNOK
Market capitalization	**5,194 MNOK**	1,723 MNOK
No. of shares as of 31 December	**64,925,020**	26,510,650
Nominal value per share as of 31 December	**0.20 NOK**	0.20 NOK
Share price as of 31 December	**80 NOK**	65 NOK
Number of employees as of December 31	**78**	29
After APA 2007		
No. of license interests as of 29 February, 2008	45	

*Production from Enoch and Glitne has been included since the acquisition of NOIL in mid-November 2007

WHY STAND OUT FROM THE CROWD WHEN MOST PEOPLE PREFER ‘NORMAL’?



Being innovative does not come free-of-charge. It requires thinking that dares to explore new directions, courage to carry through ideas and the capacity to give your all to reach that sought-after target. Det norske is eager to show that we work differently from the competition, and that’s why we are innovative in all areas, also in the visual.

A company that works with gimmicky, quick-sell products, uses many, easily visible sites to sell its products. An oil company rarely uses the same methods. More likely, it gains mention in others' arenas and on their premises, for instance through TV and newspaper interviews. Even more important is attracting attention when the opportunity arises. But what gets seen, has to cut a striking figure if it is to be remembered.

That's exactly where the challenge in regard to popular taste turns up. People prefer what they have seen before. The safe, the familiar. When you front up in clothes that no one's ever seen before, your surroundings need a little time to adapt to the new identity. In return you have made an impression, you are remembered – and you are perceived as innovative.

CAMOUFLAGE, SCARE OR ENTICE

It's no coincidence how Mother Nature uses shapes and colours. Everything has a purpose, and the world around us reacts accordingly. We have to relate to much of the same in an urban jungle of signals, symbols and signs.

The key word/phrase for Det norske's visual expression is to be innovative. But what does 'innovative' look like? We know in any case quite a lot about what it isn't. Oil companies have often been powerful and influential companies. Previously it was the done thing to show off that you had power, and use of heraldry and coats-of-arms was commonplace. Nowadays, this line of thinking is regarded as old-fashioned.

Norway – and 31 other countries – resplendent in red, white and blue

Colours are the first element we comprehend of a symbol. We sense the colours in a fraction of a second, before we see the shape, and long before we read the letters. The colours send rapid signals; danger, environment, happiness, sale, safety – signals that we grasp intuitively.

Finn Bø wrote lyrics that have persuaded us to believe that Norway really is red, white and blue. What the song doesn't tell us though, is that 30 other countries also use these colours in their flags. So even if Det norske in red, white and blue can appear as an obvious visualisation, it is in practice impossible to play on "Norwegian" colours if the aim is to create a distinctive identity.

The colours that are chosen, shall set Det norske well and truly apart from the competition. At the same time, they shall not create a gap between it and the industry. Therefore inspiration for the logo has been gathered from fathoms below the sea's surface. Three-dimensional pictures from the depths of the sea are reproduced as colourful seismic charts where the colour indicates depth. On the basis of this scale three colours have been chosen to form the logo for Det norske.

The charts also contain attractive, dynamic forms. One section of the chart is isolated and revolves around an oil barrel. Thus a three-dimensional form emerges that is technically founded without being complicated or boring. Also, it is vibrant, full of energy and undoubtedly a totally new acquaintance for the oil industry.

IDENTITY EQUALS THE SUM OF EVERYTHING THAT CONTRIBUTES TO FORMING THE COMPANY’S PERSONALITY AND DISTINCTIVE STAMP/HALLMARK. IT’S ABOUT PEOPLE, CULTURE, VISUAL PROFILE AND OUR APPROACH TO THE JOB.

IF DEEP DOWN YOU ARE GOOD, YOU CAN WEATHER IT WHEN IT STORMS AT THE TOP

“Change your name!” proclaimed an associate professor at the Norwegian School of Economics and Business Administration in many of Norway’s newspapers. “Most people will have great difficulty discerning between the names Det norske oljeselskap and DNO International.” As a brand researcher Leif Hem has a convincing point, so why don’t we do as he says?

The answer is complex. The name is a part of our identity, but only a small part. Visual signals, the employees, the product we deliver, active participation in the industry, profiled personalities in the media – there is much that combined shapes Det norske. And, as Erik Haugane says, ”If people don’t know who we are, then we had better tell them, hadn’t we!”

Why don’t finance people like having fun?
The Norwegian word ‘artig’ means funny or pleasantly unusual. It originates from the German language; being of good nature, so originally it means something positive. Norwegians use this word to describe all sorts from an ‘amusing’ fellow to a ‘great’ party. Regardless of what significance the word has for people – we have a ‘great’ time at Det norske! ‘Artig’ has to do with simple, yet complicated things nonetheless. Like suddenly realising your workday was over several hours ago when you finally remember to look at the clock. Or the warm feeling inside when you achieve something you have strived for a long time to accomplish.

Enjoying yourself is a significant element of our identity, and those who work here, know the emphasis we place on precisely that. But it is difficult to measure the effect of this element ‘artig’. It’s hard to comprehend that it actually results in bigger figures on the bottom line, and not easy

to set two lines below the 'artig' contribution. Maybe that's where the finance whizzes encounter problems? But regardless – whether they like it or not – our economists also enjoy themselves on the job!

Being smart is one thing, working cleverly is something totally different

Maybe we are being a little presumptuous when we say we are smarter in our way of working. Or maybe that's exactly what we do. The fact is we have progressed further than any of our competitors would have given us credit for not so long ago, and that is due entirely to our smart method of working – which in turn is due to the cultural environment that allows us the freedom to work in this way.

You know, it's no holds barred for airing your ideas, and there are many who constantly see new solutions. Also, it's just a short way from idea to accomplishment of the same. Spice up this work culture with a good dose of fun, and the outcome is we work smarter.

DET**NORSKE** is an innovative, independent and aggressive oil company.
We are fast, effective and smart.

DET**NORSKE** gets more out of the oil resources.
That's how we add value for society, our shareholders and employees.

DET**NORSKE** is growing rapidly.
We will continue to be the most ambitious
oil company on the Norwegian Shelf.

SECOND-LARGEST ON THE NORWEGIAN SHELF

HIGHLIGHTS 2007

In combining Pertra and DNO's Norwegian operations we created Norway's second-largest operating company last year, and we have the second-highest number of licenses.

We have acquired drilling capacity to enable us to continue our expansion, and have also secured financing for the increased activity. We participated in exciting oil discoveries at Ragnarrock and Storskrymten.

We are the operator for Frøy and will make a decision on whether or not to develop this field in 2008. We also have an interest in the big Goliat Field.

From our shares in the Varg, Glitne and Enoch oil fields we produced 300,651 barrels of oil equivalents, of which Enoch and Glitne have been included from mid-November.

Last year our employee count rose from 29 to 78, and still more are joining us.

ABOUT WALKING ON WATER

Many people thought that becoming the second largest operating company on the Norwegian Continental Shelf in just a few years was like walking on water. We have now managed to do exactly that. On a fast track.

Our single-most important event last year was the combination between Pertra and DNO's Norwegian operations to become Det norske oljeselskap ASA – or more casually Det norske.

On the first pages of this Annual Report you can see how the combination has inspired us to present ourselves in a new garb. We have adopted a modern, exciting and dynamic symbol – precisely the qualities we embody as a company. The logo DETNORSKE shows that we are solid but also independent, aggressive and challenging. We are a true Norwegian supplement to the dominant actor StatoilHydro.

As I am writing this, we have 100 employees, and still more are being hired. We know that we are attractive to smart people able to take challenges in stride.

If you want to walk on water, you need to know where the rocks are under the surface. To become the most effective company on the Norwegian Shelf, you need to know where you can find the resources under the seabed. We have the knowledge and the skills to do so. Det norske believes that we need to increase our activities on the entire shelf. We will be focusing on all the regions operating out of our offices in Trondheim, Oslo, Stavanger and Harstad. After the most recent award of licenses and operatorships (APA 2007), we now have shares in 45 licenses. Out of these, we are the operator of 23 of them. That is an indication of the trust the authorities place in us. We are now at a level that makes it necessary for us to use our resources in a flexible and efficient manner.

We are pleased that we were also awarded licenses in the Barents Sea in this round. Increased activity in the north is important.

Oil production in Norway is on its way down. Through our intensive pursuit of new resources we want to contribute to securing significant production in some years. This is in line with the wishes of the authorities. We would like oil production in 2010 to exceed two million barrels a day. We are dedicated to creating value from the oil assets that are in Norway's

possession - for society, for our shareholders, and for our employees. The big investments we are making now have a long-term objective. It will not be until 2011 that Det norske will have significant oil production – at least that is the way it looks right now. Those who know us know that the accounts will show significant deficits for several years to come. That is as planned. We know that we are building value for the future every single day. It is similar to working your way up a steep mountain side knowing what is awaiting you at the top.

Det norske has interests in the production from the Varg, Glitne and Enoch fields corresponding to around 2000 barrels a day. We have a total of eight discoveries. Of these, we plan to submit PDO for two, Frøy and Goliat, in 2008. In addition to these discoveries, one field is under development – Yme. Over the course of 2008 we will make the important decision who will get the contract for Frøy.

Last year we participated in the two oil discoveries at Ragnarrock and Storskrymten. Our best estimate of our share of the resources in these is approximately 40 million barrels, but further assessment is required to verify this estimate. In total we have a share amounting to approximately 130 million barrels in our portfolio of producing fields and existing discoveries.

As I am writing this, we have started drilling on Draupne. Over the course of the year we will be operating three exploration wells. In total, Det norske is participating in 8-9 exploration wells in 2008. We have secured drilling capacity for several years into the future.

Det norske is a young company, but we have solid experience behind us. That is not least because we have secured experienced employees. We have staked out some big goals. We know we will reach those goals by being smart and aggressive.

This is something we have already shown. In a short time Det norske has become the second largest on the Norwegian Shelf. We have laid the foundation for further growth and value creation. We may not be able to walk on water, but deep down we are rock solid.

Erik Haugane
Chief Executive Officer

THE MOSQUITO AND THE AUTHORITIES

In its 2006 Annual Report Pertra presented itself from the mosquito's perspective of the Norwegian oil business. Over the course of 2007, Det norske has grown to such an extent that it needs a different perspective. And that is the perspective of a company that is now the second-largest on the Norwegian Shelf in terms of licenses and operatorships.

It is a result of combining Pertra and the Norwegian business of DNO, which was adopted in the fourth quarter. It is a solution that makes industrial sense and it is one that gives Det norske power, strength and flexibility.

Having been awarded new licenses and operatorships this year, we are at the level that we believe is required to be a full value E&P company. That means that we are a real supplement and alternative to the big player StatoilHydro.

Contrary to the state-dominated enterprise, we focus exclusively on the Norwegian Shelf. We are present in all three petroleum regions and have offices in Trondheim, Oslo, Stavanger and Harstad. Det norske believes that the Barents Sea will be very important to oil and gas activities in the future, assets that all of society need to benefit from well into the future. We are optimists with respect to the Norwegian Shelf, and we pursue a position as one of the most central players.

The authorities' annual licensing round in mature areas (APA) shows that they have faith in us. It is the authorities that establish the framework for Norwegian oil activities, and Det norske believes that that is correct – and

important. The community defrays many of the expenses for discovering and extracting the resources and the community is reimbursed those expenses through taxes. This is an interaction that is particular to Norwegian oil business. As a privately held company we believe that this is the best way to utilize the resources for the benefit of all.

Det norske is pleased that the authorities show a willingness to include new participants so that the merged StatoilHydro does not become too dominant on the Norwegian Shelf. We expect that the importance of the Norwegian Shelf will be lessened for StatoilHydro and hence will create both a need and a new opportunity for other players.

CREATING VALUE

Det norske is an exploration company targeting the entire Norwegian Shelf. The Company concentrates its activities in areas near existing discoveries and infrastructures, and is about to build up a balanced portfolio of prospects, resources and reserves. Areas will be acquired through licensing rounds, purchases and license swaps. Det norske can also, if it makes sense, sell discoveries before production is commenced.

We know that there are large amounts of hydrocarbons in the Norwegian Shelf underground. Since the beginning of exploration in 1965, the search has almost exclusively focused on large fields. This is in part because only large companies have been active. After 2000 many more, smaller, players have entered the Norwegian Shelf. We are convinced this will result in many new fields being discovered over the next years.

Det norske has put together a staff centered on geology, geophysics and field development. That puts us in a position to identify prospects with a significance likelihood of finding commercially recoverable hydrocarbons. Quite simply, our strategy therefore consists of identifying interesting prospects, acquire licensing rights and drill the best prospects.

As a result of our fast growth, Det norske has established a platform that provides further significant growth potential. We are therefore envisioning an increase in our exploration activities and that we will operate five to six exploration wells each year. Alone or together with another operator, we will enter into rig contracts securing us the required capacity.

Det norske has applied for many licenses, and we have been awarded many. We have applied for many operatorships, and have been awarded many. We have pursued the licenses we believe have the greatest potential and are the best match for our competencies.

The authorities' annual licensing round in mature areas (APA) means that the prospects need to be either drilled or relinquished within a certain timeframe. In case of discoveries, a Plan for Development and Operation (PDO) must be presented, normally within four years. For Det norske this means that we need to be thorough in our application process so that the licenses Det norske is applying for have a realistic likelihood of being implemented in relation to the schedule. For the licenses Det norske was awarded through APA 2005, which it has not already decided to drill, it is required that a decision to drill is made in 2008 or 2009. For the APA 2006 licenses, the deadlines for deciding on drilling are 2009 or 2010. If discoveries are made, the license period for the areas comprised by the oil or gas field will be extended from 10 to 15 years.

The licensing terms that were in effect up until the 17th Licensing Round (2002) gave the licensees the right to keep half of the awarded area for 30 years in addition to the defined exploration term, with no further obligations. The consequence of this is that there are currently large areas that, under the new licensing terms, will be relinquished. There are also discoveries that were made in the 1970's and '80's for which the licensees failed to draw up plans for development and operation. We believe there are a number of prospects that are interesting but decisions to drill are not made. Such unused areas may contain significant assets, which, with a different composition of licensees, may create value for society.

It is on that basis that the Government has cultivated the area fee as a tool to release such areas. It is too early to tell if the changes have had the desired effect. The relinquished licenses we have seen have to a large extent been dominated by expiring license terms.

Petroleum is associated with a significant economic rent, which means that the value of the resources is not reasonably proportional to the costs of extracting them. A high tax, which in Norway is 78%, ensures that the owner will receive his reasonable share of the oil and gas. In Det norske's opinion, the Norwegian tax system is balanced. The tax system provides incentives for efficient and sound operations without destroying commercially profitable projects. The way the petroleum taxation system is organized, the State is in reality financial partner with a 78% stake in us. The tax system means that Det norske and other smaller oil companies can assume significant interests in exploration licenses without having to carry a corresponding financial risk. The opportunity to mortgage payments of tax losses due to exploration costs has improved newcomers' framework for exploring on the Norwegian Shelf. Tax credits for financial expenses were, however, reduced so that the need for financial robustness has been increased.

MERGED AND STRENGTHENED

In its 2006 Annual Report Pertra signaled that it was necessary to become a larger player through collaboration, mergers and consolidations.

This was the strategy we pursued in 2007. The result was that we could announce in November that Pertra had acquired DNO's Norwegian operations. The outcome was Det norske oljeselskap ASA, which we usually just call Det norske. Trondheim was the location that was chosen to host the principal office of this new company. Simultaneously, DNO International became the majority shareholder in the company, an ownership share that DNO International will reduce to no more than 25 percent over the course of the year.

In November 2007, the Annual General Meetings of Pertra and DNO adopted the plans to combine Pertra and DNO's Norwegian operations. The acquisition was implemented by issuing shares in the new enterprise, which after the combination, on 19 November, 2007, was named

Det norske oljeselskap ASA. The transaction was approved by the authorities.

Det norske is currently undergoing rapid growth. Even if we can outsource many services, we still need to increase our staff significantly. We will therefore continue to recruit skillful professionals as well as increase the scope of collaboration with consultants and oil service companies. We now have so many licenses and operatorships that staffing will reach at least 200 in a few years.

By the end of 2007 we decided to locate our new principal office on Torvet in Trondheim. Over the course of the first six months of 2010 we hope to move into the Residence building. That will be a symbolic construction for us as a company – and for the city as well. We will have a principal office that can unite traditions with what is most modern. Some headquarter operations are placed in Oslo. We will also continue to expand our business in Stavanger and Harstad. We need to be present all over the country. The most important issue is not where our skillful employees are based but what they are doing.

RIGGED FOR GROWTH

In the international market there are significant challenges with respect to rig capacity, at least in the short term. Costs have been going up rapidly. Exploration rigs have been in short supply on the Norwegian Shelf. In this period of high oil prices, an unusually large portion of the rig capacity on the Norwegian Shelf has been used for production drilling.

At the same time as the capacity is limited, the competitive situation has resulted in the rig owners' entering into long-term contracts. Det norske has secured significant rig capacity for the years ahead by signing a partnership agreement for the rig "Bredford Dolphin". That is important in the expansive phase we are currently undergoing. In addition to that, Det norske and Revus entered a three-year contract in 2007 for leasing the rig "Deepsea Delta" from Odfjell for drilling between 2009 and 2012. Under that agreement, Det norske will have 730 rig days, a provision that ensures that the Company has significant capacity to drill prospects on licenses operated by Det norske.

Det norske is primary looking for fields that might have 50-100 million barrels of recoverable reserves. With an oil price of over 60 dollars per barrel, one would assume that significantly smaller fields would be profitable.

The increase in income that results from high oil prices is nevertheless balanced out by increased supplier costs and the cost level on drilling rigs, storage vessels and subsea equipment. Minor independent development projects in the fields of up to 50 million barrels assume a high oil price to be profitable.

Det norske's value creation mainly occurs by making new commercial discoveries. Profitable development projects and operation will—in addition to income to the Norwegian State, Det norske and our partners—provide the supplier industry with significant engagements. Through its business, the supplier industry in Norway creates added value of NOK 10 billion annually. If we are going to maintain the significant activities over the upcoming decades, Det norske and other small and mid-sized operating companies must assume responsibility for an increased share of the projects.

As the only national oil company apart from StatoilHydro, we intend to do ours so that the supplier industry countrywide can develop its capacity and competencies in collaboration with Det norske as operator.

The Norwegian authorities' part in creating opportunities for companies that focus on the Norwegian Shelf will be decisive. We see it as a challenge that the authorities, at the same time that they desire intensive competition and activity, are themselves owners of a number of licenses where renewed activity should be initiated. The state-owned shares in licenses without production can generate significantly larger assets for the Norwegian society if they were made available to the new expansive operating companies. When Det norske makes discoveries that are large enough to be commercially interesting, we investigate a number of alternative recovery methods, in order to ensure that the greatest possible amount of the assets can be realized. Therefore, a high recovery rate is very important for Det norske. Similar to all other operators on the Norwegian Shelf, we will execute our projects in a safe and environmentally-friendly manner.

In the past, as operator of Varg, Det norske has demonstrated that we can create value with simple organizational models where larger companies give up. The way in which Det norske organized the work in production, modification efforts and production drilling will be carried on and developed further in future projects. Close collaboration on equal terms with the supplier industry is completely decisive for Det norske's success.

The authorities' policy toward small and mid-sized Norwegian oil companies is decisive for our access to licenses and operatorships. We will therefore always maintain good contact with the authorities by being an active and engaged player. Det norske must be perceived by the authorities as reliable, and as a company that contributes positively to the development of the Norwegian petroleum business. Our objective is to be a benchmark company, which the authorities refer to positively.

Oil and gas will, together with coal, be the world's most important energy carriers for many years to come. Used sensibly and sparingly, oil and gas can contribute to increased life quality and a better quality of life for people all over the world. By discovering hydrocarbons in the underground which would perhaps have remained undiscovered without our effort, we contribute to large revenues to the community.

EXPLORATION AND RISK ASSESSMENT

Det norske is a company that is focused on exploration. In order to spread the exploration risk, we aim at diversifying our exploration portfolio with respect to prospect size and discovery probability (exploration risk).

This means that the exploration portfolio includes some prospects where the probability for oil or gas discovery is relatively high, typically more than 30%, and some prospects where the discovery probability is lower. Because exploration has been conducted for more than 40 years on the Norwegian Shelf, the former prospects are usually small or mid-sized and fall into the category ”low risk - low reward”. The large prospects are often associated with big risks, i.e., there is a lower discovery probability and they are categorized as ”high risk - high reward”. Such prospects should also be part of the exploration portfolio.

Up to now, most of our exploration activities have taken place in the North Sea, somewhat less in the Norwegian Sea and the least amount in the Barents Sea. Statistically, this means that the lowest probability is for the discovery of large prospects in the North Sea, while it should be easier in the Norwegian Sea and the Barents Sea. Because fewer wells have been drilled and knowledge of the area therefore is more limited, the risk will, however, be greater.

Up to now, most oil and gas discoveries have been made in the so-called structural traps. We are now in a phase with greater concentration on what is called stratigraphic traps. In this phase it is not sufficient to find a “pile” or fault block that might contain hydrocarbons. But we need to know if a sand deposit is suddenly or gradually transitioning into clay stone and how it may be retaining the oil or gas. This places much higher demands on geologic understanding and the methods that are applied. At the same time, it is also an exciting challenge that sharpens the skills of our exploration geologists. The demands for having skillful people on staff are obvious.

In choosing an exploration strategy, a choice needs to be made with respect to areas and which types of prospects (exploration models) that should be pursued. The risk was whether or not there were traps with reservoir properties and if the oil and gas had found their way into the traps. We have gradually moved into areas

where there is more uncertainty about the existence of enough oil and gas to fill up the traps.

There are some areas we have chosen to avoid. An example of this is the deep-water areas west of the Norwegian Sea, where the distance is more than 10 km (6.2 miles) down to the most usual source rock, the shales in the Upper Jurassic. It is buried so deep that it is "burned out" and no longer relevant as a source of oil. There is therefore a dependency on younger source rock, and such rock has not yet been demonstrated in wells. It is true that some oil was discovered in a few exploration wells. But the origin of such oil was so uncertain that we even now have chosen to focus on other areas.

The opposite is the case closer to the coast where there are sediment bases where the Upper Jurassic source rock is so shallow that it is not fully formed in parts. In some instances, it has generally better properties and oil can be formed at lower temperatures than in other places. We have conducted many studies and supported research projects that indicated that oil was formed in several of these basins. That is the reason why we have decided to apply for licenses, and the authorities have awarded us licenses to explore for oil and gas in these areas. Some examples of the licenses we have been awarded are in the Helgeland Basin west of the Sandnes area in the most recent licensing round (Production License 383S), the Yme License (Production License 316) in the Egersund Basin and the license we were awarded two years ago in the Søgne Basin in Skagerrak (Production License 356). We were also awarded an exciting license in the most recent round as partner, west of the Egersund Basin. There are multiple exploration models to be investigated and potentially tested through drilling.

After a strategy discussion in early 2007, Pertra decided to get involved in the Barents Sea. The preliminary result is the award of two partnerships and one operatorship in the most recent licensing round. We have simultaneously established a branch office in Harstad with an experienced exploration staff. So, we are well equipped to continue our exploration in the Barents Sea, not least aiming at the 20th Licensing Round being announced in the summer of 2008 and where the awards will probably be announced in the early summer next year.

RESERVES AND RESOURCES

An Annual Statement of Reserves is presented separately in the 2007 Annual Report in accordance with the guidelines established by the Oslo Stock Exchange. The overview below is based on that statement, but also includes estimated resources and prospects.

Reserve and Resource Categories 1 through 7 are discoveries that have been proved by drilling. Resource Category 8 comprises prospects that have been mapped so as to enable volume estimates. These potentially recoverable reserves have then been multiplied by a discovery probability computed in accordance with industry standards.

Resource Category	Norwegian Petroleum Directorate's Classification	Reserves (P90)	Reserves (P50)	Resources (P50)	Risked potential resources (P50)
1	In production	0.5	1.2		
	Enoch Unit	0.1	0.3		
	PL 048 B Glitne	0.1	0.6		
	PL 038 Varg	0.3	0.4		
2	Under development	5.4	6.8		
	PL 038 Varg		0.1		
	PL 316 Yme	5.4	6.7		
3	Development decided				
4	In the planning phase			54.1	
	PL 364 Frøy			23.5	
	PL 229 Goliat			30.6	
5	Development likely			23.0	
	PL 265 Ragnarrock			12.6	
	PL332			10.4	
7	Under evaluation			44.0	
	PL 001B/028B West Cable and Hanz			6.8	
	PL 265 Ragnarrock			20.2	
	PL 337 Storskrymten			11.3	
	PL 442 Frigg Gamma Delta			5.7	
8	Prospects				450
Total		5.9	8.0	121.1	450

Reserves and resources as of 31 December, 2007 (mill. barrels).

Production Licenses

The Group's 2007 production was 300,651 barrels of oil equivalents (47,775 Sm^3), of which Enoch and Glitne have been included from mid-November in connection with the acquisition of NOIL.
Oil inventory – produced but not delivered as of 31 December, 2007 amounted to 7,109 barrels (1,130 Sm^3). There have been no serious events or acute discharges during the period on any of the production licenses.

PL 038 Varg
Production in 2007 totaled 253,453 barrels, which corresponds to an average of 694 barrels per day, for Det norske's share of 5%. Production in 2006 amounted to 747 barrels per day.
Over the course of the year a seven-day audit shutdown was held at Petrojarl Varg and Varg A. Additionally, several well operations were executed on Varg A to maintain production. The license period term for Varg has been extended to 2021. Negotiations with Teekay are in progress to extend the contract for Petrojarl Varg. The contract can basically expire in mid-2010. The operator is still working on evaluating prospects in the license.Two new infill wells are planned with Mærsk Giant with drilling start-up in May 2008. Drilling is also planned for the Grevling prospect with Mærsk Guardian in December 2008 — January 2009.

PL 048 B Glitne
Total production for 2007 was 294,791 barrels for Det norske's share of 10%. That corresponds to an average production of 808 barrels per day. Production well A-7H was put into production on 30 November , 2007. The well produces approximately 4,400 barrels, an amount corresponding to about 40% of the field's total production. The assumed lifetime of Glitne is mid-2009. Assessments are being made whether to drill an additional production well, which could extend its lifetime. A decision on additional drilling is anticipated toward the end of 2008.

PL 048D Enoch
The field commenced production in May 2007. The field will be developed by tying a subsea well back to the Brae A platform located on the British sector.
Enoch is a border field divided between the British and Norwegian Shelf. Det norske's ownership interest is 10% in the acreage located on the Norwegian Shelf and 2% in the total field.
Production from start-up in May to the end of 2007 is 33,947 barrels for Det norske's share. This corresponds to an average of 166 barrels per day. Gas production for the same period was 0.755 MSm^3. This amounts to an average production for Det norske of 23 barrels of oil equivalents per day.

Licenses with Discoveries under Evaluation/ Development

Operator Licenses

PL 337

In the fall of 2007, exploration well 15/12-18S and sidetrack 15/12-18A were drilled with the rig Mærsk Giant. The well showed oil discoveries in the reservoir section Storskrymten. Additionally, sandstone was encountered in the Grytkollen prospect, but these were water-bearing. The sidetrack was drilled in order to delimit the oil discovery in Storskrymten. The well demonstrated a new discovery of oil-bearing sandstone in the slightly younger Heimdal formation.

PL 364 Frøy

The license has chosen a development solution for Frøy consisting of a jack-up platform with drilling, production, storage and offloading installations. There are no similar platform solutions available in the market, which means that the platform must be custom made for Frøy. Evaluations of tenders are in progress. Production start-up is scheduled for Q3 2012. Det norske's plan is to send PDO to the authorities for consideration during Q1 2008. The norske oljeselskap has, as operator, prepared an environmental impact assessment as part of the Plan for Development and Operation. The environmental impact assessment has been submitted for public hearing to the relevant authorities.

PL 001B/028B/242

The Hanz discovery (PL 028B) and the West Cable discovery (PL 001B/242) evaluations are in progress, and may become an exploration well in 2009. A drill site survey has been implemented for PL 001B Draupne, and preparations for drilling in February 2008 have been carried out.

Partner-operated Licenses

PL 229 Goliat

Field development studies have been ongoing. The license is planning on submitting PDO in December 2008 with potential production start-up in 2011/2012. It is anticipated that the Goliat Nord prospect will be drilled with Polar Pioneer in 2008.

PL 265 Ragnarrock

The appraisal wells 16/2-3 and 16/2-4 at Ragnarrock were drilled with the jack-up rig West Epsilon in Q3 and Q4 2007. The key objective with the wells was to confirm the oil column demonstrated in the initial discovery well, as well as to test the production properties for this relatively close chalk reservoir. The Ragnarrock discovery will be evaluated in greater detail.

PL 316 Yme

The operator Talisman delivered a Plan for Development and Operation (PDO) for the Yme Field in January 2007. The development includes a production platform with storage as well as an underwater installation with accompanying pipelines. The PDO was adopted by the Government on 11 May. The supplier of the platform is SBM. The anticipated start-up of oil production is June 2009. PL 316 was split into three licenses, of which two are exploration licenses (CS and DS). Additionally, PL 316 B was awarded in January 2007 (APA 2006) as additional acreage to PL 316.It is anticipated that Mærsk Giant will arrive on location at Yme in August 2008 to commence production drilling.

PL 332

3D seismic has been acquired, which was delivered completely processed in Q2 2007. The license has decided to drill and thus not to relinquish the license. The main prospect is called Optimus and is from the Upper Jurassic age. The actual drilling date will be in early 2009. PA Resources covers 50% of the Group's costs for this well.

PL 442

3D reprocessing has been ongoing and is anticipated completed in March 2008. Further evaluation of the prospects Øst Frigg, Gamma, Delta and Nanna are ongoing. The license has a permanent well obligation with probable drilling in 2009.

Exploration Licenses

Operator Licenses

PL 305/305B

An application for a one-year extension of the license was submitted to the authorities. Det norske has received a response to be able to continue the license with delayed effect until a final decision is made by the Ministry.

PL 321

The license decided in Q2 to enter Phase 2 of the work program and drill two exploration wells. Drill site surveys were carried out in August this year. The supplemental area PL 321B was formally awarded effective 7 December, 2007 with the same owner composition as PL 321. Both the Geitfjellet and Gråkallen prospects are thus within the license area.

PL 341
Exploration well 24/12-5S was drilled with Bredford Dolphin on the Thorkildsen prospect. The well was dry. The well was drilled without serious events or discharges and below budget. PA Resources Norway AS covered Det norske's costs for this well. Remaining prospectivity in the license is under evaluation.

PL 356
Processing of acquired 3D seismic was completed in February 2007, and extensive interpretation has been carried out to determine the prospectivity in the license. A drill/drop decision must be made in 2008.

PL 380
In January 2007 the license decided to drill the Fongen prospect. Detailed well planning has been in progress and a drill site survey was conducted in August/September. It is scheduled to drill the well from the beginning of January 2009. The license wishes to utilize a slot in the Bredford Dolphin consortium for this purpose. A decision to continue must be made before 6 January, 2009. Alternatively, an application must be submitted for extending the license term or a decision must be made whether or not to relinquish the license.

PL 383
The key activity of the license has been the interpretation of 3D seismic focusing on maturing prospects for a drilling decision in Q4 2007. In November, the license decided to drill the Struten prospect. Struten was budgeted for drilling in Q4 2008 with Bredford Dolphin.

PL 408
The key activity of the license has consisted of purchasing existing 3D seismic data and reprocessing data. These will be delivered by the end of March 2008.

PL 414
The license was awarded 15 June 2007. The activity in the license has consisted of acquisition of EM data aimed at providing an overall assessment of the prospectivity. It was resolved to relinquish the license on 29 February 2008.

PL 432
In Q2 Det norske completed the acquisition of seismic data for the Nebba prospect. A total of 400 km^2 3D seismic data has been acquired for the area. The processing of data from the seismic data acquisition is ongoing. They are expected to be completed in March 2008. Det norske is aiming at having one or several partners in the license before a drilling decision is made.

PL 440S
3D seismic reprocessing is ongoing. The data is expected to be complete in March 2008. Noreco has taken over 12% from Lundin in this license.

PL 441
Drill/drop decision must be made in May 2008.

PL 447
The license was awarded in June 2007 and a purchase of 3D seismic data on the license has subsequently been negotiated. Interpretation of 3D seismic is ongoing.

Partner-operated Licenses

PL 029B
It has been decided to drill the Freke prospect in 2008 with the drilling rig West Epsilon.

PL 035/272/362
An application for relinquishment of 50% of the area is under consideration by the partnership. A unanimous decision to drill on the Fulla prospect in PL 362 was taken. Drilling will probably take place in 2009.

PL 334
Original drill/drop was in December 2007 but a 3-month postponement from MPE was granted in order to assess a new prospect opportunity.

PL 369
Drilling location for well on the Trow prospect has been adopted. Drilling is scheduled for the summer of 2008.

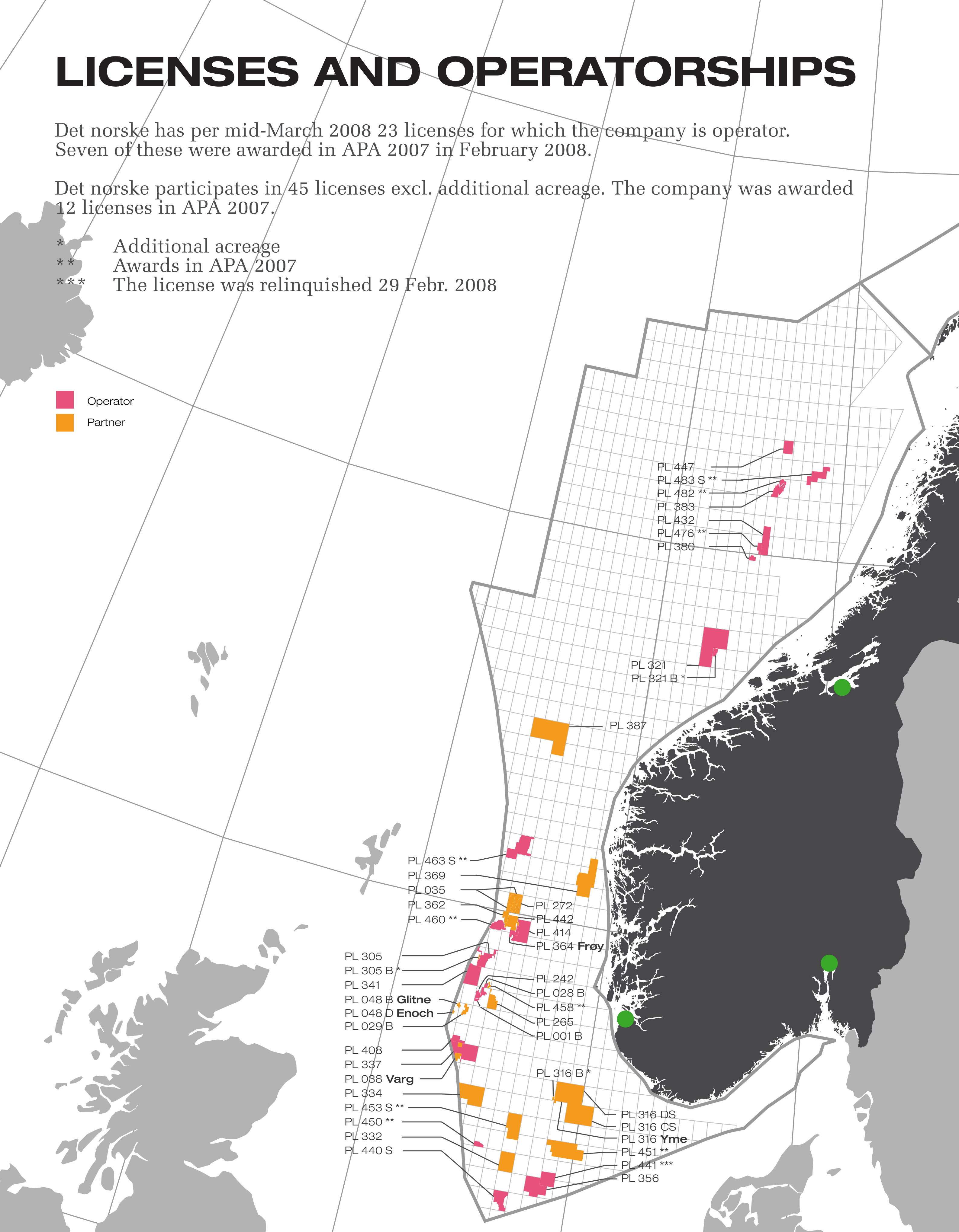
PL 387
Processing of 3D seismic is ongoing and is expected to be complete in April 2008.

LICENSES AND OPERATORSHIPS

Det norske has per mid-March 2008 23 licenses for which the company is operator. Seven of these were awarded in APA 2007 in February 2008.

Det norske participates in 45 licenses excl. additional acreage. The company was awarded 12 licenses in APA 2007.

* Additional acreage
** Awards in APA 2007
*** The license was relinquished 29 Febr. 2008



PL 492 **
PL 491 **
PL 490 **
PL 229 **Goliat**
PL 229 B *
PL 229 C */**
0
75
150
300
km

LICENSE PORTFOLIO AS OF 31 DECEMBER 2007

By the end of 2007 the Company had ownership interests in 17 own operated and 17 partner-operated licenses. The interests vary from 5% to 100%.

Production Licenses where Det norske is operator as of 31 December, 2007:

Production License (Field/discovery/important prospects)	Location	Company	Interest	Awarded	Expiration of license term
PL 001B/PL 242 (West Cable, Draupne)	North Sea	Det norske (op)	35%	15 Dec. 1999/4. June 1999	1 Sept. 2011/4 June 2035
		StatoilHydro	50%		
		PA Resources	15%		
PL 028B (Hanz)	North Sea	Det norske (op)	35%	15 Dec., 1999	23 May, 2015
		StatoilHydro	50%		
		PA Resources	15%		
PL 305 (Lie)	North Sea	Det norske (op)	30%	12 Dec. 2003/	12 Dec. 2008 1)
		Revus	30%		
		Talisman	30%		
		PA Resources	10%		
PL 321 (Geitfjellet, Flakkheia, Hoåsen)	Norwegian Sea	Det norske (op)	25%	18 June 2004	18 June 2010
		Aker Expl.	35%		
		StatoilHydro	20%		
		Talisman	20%		
PL337 (Storskrymten, Grytkollen, Storkollen)	North Sea	Det norske (op)	45%	17 Dec. 2004	17 Dec. 2009
		Bridge Energy	10%		
		Revus	20%		
		Dana Petroleum	25%		
PL 341 (Thorkildsen)	North Sea	Det norske (op)	30%	17 Dec. 2004	17 Dec. 2009 1)
		Revus	30%		
		Talisman	30%		
		PA Resources	10%		
PL 356 (Stabben)	North Sea	Det norske (op)	100%	6 Jan. 2006	6 Jan. 2012
PL 364 (Frøy)	North Sea	Det norske (op)	50%	6 Jan. 2006	6 Jan. 2012
		Premier	50%		
PL 380 (Fongen)	Norwegian Sea	Det norske (op)	100%	6 Jan. 2006	6 Jan. 2012
PL 383 (Struten)	Norwegian Sea	Det norske (op)	100%	6 Jan. 2006	6 Jan. 2012
PL 408 (Storkinn)	North Sea	Det norske (op)	70%	16 Feb. 2007	16 Feb. 2012
		Altinex (Noreco)	30%		
PL 414 (Kalvklumpen)	North Sea	Det norske (op)	40%	16 Feb. 2007	16 Feb. 2012
		PA Resources	20%		
		Faraoe	20%		
		Noreco	20%		
PL 432 (Nebba)	Norwegian Sea	Det norske (op)	100%	16 Feb. 2007	16 Feb. 2012
PL 440S (Helena)	North Sea	Det norske (op)	30%	15 June 2007	15 June 2013
		Lundin	6%		
		Faraoe	20%		
		Dana	20%		
		Noreco	24%		
PL 441	North Sea	Det norske (op)	60%	15 June 2007	15 June 2013 2)
		Rocksource	40%		
PL 447 (Litj-ormen)	Norwegian Sea	Det norske (op)	50%	15 June 2007	15 June 2013
		Noreco	20%		
		Petro-Canada	30%		

1) Extension applications have been submitted because of the deadlines in the obliged work program.

2) It was decided to relinquish the license on 29 February 2008.

Production Licenses where Det norske is partner as of 31 December, 2007:

Production License (Field/discovery/important prospects)	Location	Company	Interest	Awarded	Expiration of license term
PL 029B (Freke/Gere)	North Sea	ExxonMobil (op)	30%	11 May 2001	23 May 2015
		Det norske	20%		
		StatoilHydro	50%		
PL 035/PL 272/ PL 362 (Fulla)	North Sea	StatoilHydro (op)	50%	14 Nov. 1969/	14 Nov. 2015
		Det norske	25%	15 Mar. 2002/	14 Nov. 2015
		Svenska Petroleum	25%	6 Jan. 2006	6 Jan. 2011
PL 038 (Varg)	North Sea	Talisman (op)	65%	1 Apr. 1975	1 Apr. 2021
		Petoro	30%		
		Det norske	5%		
PL 048B (Glitne)	North Sea	StatoilHydro (op)	58.9%	10 Jan. 2001	18 Feb. 2013
		Det norske	10 %		
		DONG	9,3%		
		Total	21,8%		
PL 048D (Enoch)	North Sea	StatoilHydro (op)	58.9%	10 Oct. 2005	18 Feb. 2013
		Det norske	10 %		
		DONG	9,3%		
		Altinex (Noreco)	21.8%		
PL 229 (Goliat)	Barents Sea	Eni (op)	65%	30 May 1997	15 May 2042
		Det norske	15%		
		StatoilHydro	20%		
PL 265 (Ragnarrock)	Norwegian Sea	StatoilHydro (op)	30%	27 Apr. 2001 [1)]	27 Jan. 2008
		Det norske	30%		
		Petoro	30%		
		Talisman	10%		
PL 316 (Yme)	North Sea	Talisman (op)	70%	18 June 2004	18 June 2010
		Det norske	10%		
		Revus	20%		
PL 316 CS	North Sea	Talisman (op)	35%	23 Aug. 2007	18 June 2010
		Det norske	10%		
		Revus	20%		
		Noreco	35%		
PL 316 DS	North Sea	Talisman (op)	50%	23 Aug. 2007	18 June 2010
		Det norske	10%		
		Revus	20%		
		Bridge	20%		
PL 332 (Optimus)	North Sea	Talisman (op)	50%	17 Dec. 2004	17 Dec. 2010
		Det norske	40%		
		PA Resources	10%		
PL 334	North Sea	Talisman (op)	60%	17 Dec. 2004	17 Dec. 2010
		Det norske	30%		
		PA Resources	10%		
PL 369 (Trow)	North Sea	Talisman (op)	40%	6 Jan. 2006	6 Jan. 2012
		Det norske	20%		
		Revus	20%		
		Petro-Canada	20%		
PL 387	North Sea	Talisman (op)	40%	28 Apr. 2006	28 Apr. 2012
		Det norske	30%		
		RWE Dea	30%		
PL 442 (Gamma Delta)	North Sea	StatoilHydro (op)	40%	15 June 2007	15 June 2011
		Det norske	20%		
		Svenska Petroleum	20%		
		Altinex (Noreco)	20%		

Det norske has entered into an agreement for entrance into the PL 027D (carve-out from PL 027B) with ExxonMobil. A 25% ownership share is earned when drilling of the exploration well on the Eitro prospect is executed. Det norske will operate this exploration well.

The Norwegian Ministry of Petroleum and Energy (MPE) announced the APA 2007 awards first on 8 February, 2008. After the award (APA 2007), Det norske became the operator for seven new licenses and partner in an additional five licenses. Det norske is currently participating in a total of 45 licenses and is an operator for 23 of those. Licenses awarded as additional acreage area to existing licenses (PL 229B, PL 229C, PL 305B, PL 316B and PL 321B) have not been included in these figures.

ANNUAL STATEMENT OF RESERVES

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/regelverk/r2002/Ressursklassifisering_n.htm) and are consistent with Oslo Stock Exchange's guidelines for the disclosure of hydrocarbon reserves and contingent resources, see figure below.

	POTENTIAL RESOURCES		CONTIGENT 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 hydrocarbons	Discoveries under evaluation	Discoveries where development is unlikely	Discoveries where development is likely	Discoveries where development is beeing planned	Fields where PDO has been concluded by Licensees	Fields under development, PDO approved	Fields in production

Fig: NPD's classification system used by Det norske oljeselskap.

Reserves, Developed and Undeveloped

Det norske oljeselskap ASA has interests in three fields in production (Category 1) and one field (Yme) under development (Category 2):

- Varg – operated by Talisman, Det norske 5%
- Glitne – operated by StatoilHydro, Det norske 10%
- Enoch – operated by Talisman, Det norske 2%
- Yme – operated by Talisman, Det norske 10%

Our assessments of the remaining reserves in these fields are based on the operator's evaluation.

The Varg Field (PL 038) is located south of Sleipner Øst. The field is developed with the production vessel "Petrojarl Varg" with integrated oil storage, and a connected wellhead platform. Oil is exported using shuttle tankers. Proved reserves (1P/P90) include 90 % of the expected volume from existing wells, assuming no new wells are being drilled and abandonment of the field on 1 July 2010. This is the earliest possible date on which the "Petrojarl Varg" owner has the right to remove the production vessel from the field. Remaining proved plus probable reserves (2P/P50) are based on the same cut-off date, but contain the total volumes from the base case production profile provided by the operator. Total remaining proved and probable reserves are 8.6 million barrels, hereof developed 7 million barrels. The owner plans to drill two new production wells in 2008, which may increase the reserve base.

The Glitne Field (PL 048B) 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. Current estimated life time ends July 2009. Total reserves are determined by the operator based on decline analysis combined with reservoir simulation. The main uncertainty in future production is the water cut development in individual wells. Remaining reserves are assessed probabilistically considering uncertainties related to water production, the liquid potential and the regularity of individual wells and the regularity of the total system. No new production wells are assumed. All proved and probable reserves are classified as "developed reserves".

The Enoch Field (PL 048B) straddles the Norwegian/UK boarder 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 Brae. Enoch started production in May 2007. The field has been unitized with the license owners in the British sector and Det norske's overall share is 2% (10% of the Norwegian license PL 048D). Total initial proved plus probable reserves (Enoch Unit) are estimated by the operator at 15 million barrels of oil equivalents of which 12.8 million barrels remains. Total proven remaining reserves amounts to 3.8 million barrels or 29% of 2P volumes. Volumes in Table 1 include only the Norwegian part of the field and are classified as "developed reserves".

The Yme Field (PL 316) is located in the Egersund basin and was produced by Statoil as the operator from 1996 to 2001. The PDO for the reactivation of the Yme Field was submitted in January 2007, and was approved by the authorities in May 2007. The reserves are consequently classified as "under development". The reserve estimates are consistent with the RNB 2007 report submitted by the operator, and are based on extensive geological and geophysical studies, dynamic reservoir simulation, and history matching. A range of sensitivities has been addressed reflecting uncertainties in various parameters and form the basis for the estimate of proven reserves (1P/P90) and probable reserves (2P/P50).

Det norske's share of production from the Varg, Glitne and Enoch fields during 2007 amounts to 0.30 million barrels of oil equivalents. Enoch and Glitne have been included since the acquisition of NOIL in mid-November. The inclusion of NOIL's share of the reserves at Glitne and Enoch fields by year-end 2007, amounts to 0.8 million barrels of oil equivalents.

DEVELOPED ASSETS (CATEGORY 1)

As of 31.12.2007	1P / P90 (low estimate)					2P / P50 (best estimate)				
	Liquids (million barrels)	Gas (bcm)	Million barrel of oil equivalents	Interest %	Net million barrel of oil equivalents	Liquids (million barrels)	Gas (bcm)	Million barrel of oil equivalents	Interest %	Net million barrel of oil equivalents
PL 038 - Varg	5.20	0.0	5.20	5%	0.26	6.96	0.0	6.96	5%	0.35
PL 048B - Glitne	1.45	0.0	1.45	10%	0.15	5.55	0.0	5.55	10%	0.56
Enoch Unit (Norway)	0.56	0.0	0.56	10 %	0.06	1.66	0.0	2.56	10 %	0.26
Total					0.47					1.17

UNDER DEVELOPMENT (CATEGORY 2)

As of 31.12.2007	1P / P90 (low estimate)					2P / P50 (best estimate)				
	Liquids (million barrels)	Gas (bcm)	Million barrel of oil equivalents	Interest %	Net million barrel of oil equivalents	Liquids (million barrels)	Gas (bcm)	Million barrel of oil equivalents	Interest %	Net million barrel of oil equivalents
PL 038 - Varg						1.64	0.0	1.64	5%	0.1
PL 316 - Yme	54.0	0.0	54.0	10%	5.4	67.0	0.0	67.0	10%	6.7
Total					5.4					6.8

DEVELOPMENT DECIDED (CATEGORY 3)

As of 31.12.2007	1P / P90 (low estimate)					2P / P50 (best estimate)				
	Liquids (million barrels)	Gas (bcm)	Million barrel of oil equivalents	Interest %	Net million barrel of oil equivalents	Liquids (million barrels)	Gas (bcm)	Million barrel of oil equivalents	Interest %	Net million barrel of oil equivalents
	0.0	0.0	0.0	0%	0	0.0	0.0	0.0	0%	0
Total					0					0

Table 1: Reserves per field

Contingent Resources

Det norske oljeselskap has interests in eight discoveries classified as contingent resources. Frøy and Goliat are classified as "development being planned" (Category 4), part of Ragnarrock and Desmond are classified as "development is likely" (Category 5) and the four others are classified as "under evaluation" (Category 7):

- Frøy – operated by Det norske 50%
- 7122/7-1 Goliat – operated by ENI, Det norske 15%
- 16/2-3 Ragnarrock – operated by StatoilHydro, Det norske 30%
- 25/2-10 S Frigg Gamma Delta – operated by Statoil, Det norske 20%
- 25/10-8 Hanz – operated by Det norske 35%
- 16/1-7 West Cable – operated by Det norske 35%
- 15/12-18S Storskrymten – operated by Det norske 45%
- 2/2-2 Desmond – operated by Talisman, Det norske 40%

The Frøy Field (PL 364) is operated by Det norske (50%) with Premier as a partner. A Decision of Continuation (DoC) was made in January 2008, and a submission of PDO for reactivation of the field is planned by Q1 2008. 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 minimum 40 %, increasing recovered volumes by 47 million barrels. These volumes are classified as contingent resources "development being planned".

The Goliat Field (PL 229, 229B) is located some 80 km west of Hammerfest and some 40 km south east of the Snøhvit Field and is anticipated to be the first Barents Sea oil development.
Goliat was discovered in 2001 by well 7122/7-1. Parts of the oil field have an overlying gas cap. The licensees have performed extensive field development studies and several development options are being considered. A final selection is anticipated by Q1 2008 and a concept definition phase will take place from Q2 2008. Total recoverable reserves are estimated at 204 million barrel of oil equivalents, and these are classified as contingent resources "development being planned".

The Desmond (PL 332) and part of Ragnarrock (PL 265) discoveries have been classified as contingent resources "development likely" (Category 5). The Desmond gas discovery with gross recoverable resources estimated at 26 million barrels of oil equivalents is a candidate for tie-in to the Gyda Field to provide injection gas. The Ragnarrock discovery is believed to have more than 1 billion barrels in-place. Currently, recoverable resources are estimated to 42 million barrels by the operator StatoilHydro, assuming a low recovery due to the poor reservoir properties in the chalk reservoir.

Part of Ragnarrock (PL 265), Hanz (PL 028B), West Cable (PL 001/242), and Storskrymten (PL 337) discoveries have been classified as contingent resources "under evaluation" (Category 7). The lower part of the Ragnarrock discovery, which has poorer production properties than the upper part, is estimated to contain 67 million barrels of recoverable oil equivalents. Further appraisal drilling and testing is planned prior to any development decision. For the Hanz and West Cable oil discoveries total gross recoverable resources are estimated at 16 and 4 million barrels oil equivalents respectively. Recent discoveries in the adjacent area increase the likelihood of development. Recoverable resources for the recent Storskrymten discovery are assessed from 10 to 40 million barrels but significant uncertainties are attached to the estimates. Frigg Gamma Delta (PL 442) just north of Frøy, is estimated to 26 million barrels of oil equivalents. An appraisal well is planned for 2009.

Reserves development

Net attributed million barrels of oil equivalents. Calendar years, reporting as of year end.	DEVELOPED ASSETS		UNDER DEVELOPMENT		DEVELOPMENT DECIDED	
	1P / P90	2P / P50	1P / P90	2P / P50	1P / P90	2P / P50
Balance as of 31.12.2006	0.5	1.0	0.0	0.0	4.5	6.0
Production	0.3	0.3				
Acquisitions/disposals	0.2	0.8				
Extensions and discoveries						
New developments			4.5	6.0		
Revisions of previous estimates	0.1	-0.3	0.9	0.8	-4.5	-6.0
Balance as of 31.12. 07	**0.5**	**1.2**	**5.4**	**6.8**	**0.0**	**0.0**

Table 2 – Aggregate reserves, production, developments and adjustments

Management's Discussion and Analysis

The assessment of reserves and resources is performed by experienced professionals in the Det norske based on input from the operators and partners in addition to our own interpretation. The calculations are, however, associated with significant uncertainties. The 2P/P50 represents our best estimate of reserves/resources while 1P/P90 reflects our high confidence volumes. The methods used for subsurface mapping do not expose all essential parameters for either the actual hydrocarbons in place or the producibility of the hydrocarbons. Therefore there is a certain chance that actual results may be lower than the 1P/P90. A significant change in oil prices may also impact the reserves. Low oil prices may even force the licensees to close down producing fields and cancel ongoing developments.

Det norske's reserves and resources are limited to the Norwegian Continental Shelf. License interests and license terms are listed on the NPD website. The operator will annually, in cooperation with the partners, report reserves to NPD. Four fields in our portfolio have been classified as reserves; three operated by Talisman and one by StatoilHydro. The reserves reported are consistent with the figures agreed to by the partners in the actual licenses and submitted to the authorities. No third-party assessment has been undertaken.

The Varg Field is being produced by the FPSO "Petrojarl Varg", which is leased from Teekay Petrojarl ASA. Within the tieback distance from Varg several exploration projects have been undertaken, including Det norske's operated PL 337, where the Storskrymten discovery was made in 2007. Further exploration drilling is planned in the area. A potential tie-in of additional reserves to Varg will extend the lifetime and increase the reserves from that field. The PL 038 license expires in June 2021. The Glitne operator is currently evaluating the possibility of drilling an additional oil producer which may increase the recovery and extend the life of the field. There are no plans for further development of the Enoch Field.
The Yme PDO was approved by the Norwegian Government in May 2007. The Yme Field is expected to be on stream in 2009. The field will be produced by a leased facility delivered by SBM and operated by Talisman.

Contingent resources listed in this report include eight discoveries. Goliat and Frøy are both in an advanced stage of evaluation, and we expect that submission of PDO for both will be completed in 2008. Additional information is required about the chalk reservoir properties for the significant Ragnarrock discovery, but considering the large in-place volumes we are optimistic that exploitation of these will be economical. The remaining discoveries are small but they are all located in areas of existing or likely future infrastructure, thus we have good hope that these resources will have commercial value.

Erik Haugane
Chief Executive Officer

HEALTH, SAFETY, AND ENVIRONMENT

Det norske will conduct its business activities in such a manner that it avoids permanently damaging human health and safety and the environment. The Company's health, safety and environment work will always remain the focus of its activities: From exploration to production and also when winding down production. HSE is also an important internal matter in that it ensures a beneficial and health-promoting working environment for the Company's employees.

Det norske has built up a management system that forms the central basis for the Company's activities. The management system is constantly being refined so as to deal with regulatory changes, the Company's activities and experiences as well as industry developments.

Det norske participates in several qualifying HSE networks in the oil industry. The Norwegian Clean Seas Association for Operating Companies (NOFO) is one such network. NOFO is important for managing oil-spill preparedness responsibilities in executing drilling and for future production. Through its NOFO membership, the Company is simultaneously and continuously updating its own competencies within oil-spill preparedness. In 2007 Det norske attended oil-spill preparedness courses and seminars. Det norske participates actively in oil-spill preparedness by making available staff for NOFO's organizational initiatives.

In 2007 the Company has completed preparedness training and preparedness exercises with the involvement and participation of all actors, including the Company's top management. The Company has also completed courses for all employees in HSE regulations for petroleum activities on the Norwegian shelf. Through these and other activities Det norske has gained significant relevant knowledge and experience.

As the operating company responsible for Production License 364 Frøy, Det norske drew up an impact assessment report and submitted it for public comment to relevant parties. Through the request for tenders for Frøy, HSE was stressed as an important element in the assessment of suppliers / contractors for Frøy. The contractors' efforts and systems within the area of HSE are part of the assessments of incoming tenders. As the operating company for Production License 337 Storskrymten, the Company has, among other things, contributed to changing over to more

environmentally friendly chemicals through dialogues with and follow-up on drilling contractors. The Company has had a good dialogue with government agencies through its operational activities.

Det norske's internal HSE efforts are carried out in accordance with established best practice for internal controls. Through its continuous improvement efforts, the Company seeks to reach the general HSE objectives, also internally. In 2007 the Company mapped out, among other things, the physical / chemical indoor climate and psycho-social work environment. All employees have been provided with office ergonomic training individually. Initiatives have been implemented with respect to observations made for such internal activities. Employee interviews are also used as tools to ensure personal development and a good working environment for all employees.

The need for HSE staff to follow up on Det norske's activities is continuously assessed on the basis of the tasks managed by the Company at all times. Det norske has associated itself with external capacities for HSE tasks where needed to ensure the best expertise and experience within the area.

CORPORATE GOVERNANCE

Det norske oljeselskap ASA ("Det norske") is a public limited company organized under Norwegian law. The Company's governance structure is based on Norwegian corporate law. Det norske is dedicated to maintaining good corporate governance standards. This document describes our key principles, in line with the Norwegian recommendations of December 2007. Departures from those recommendations are described in greater detail below.

Our Business

Det norske's business activities are exploration, development and production of petroleum resources. The Company has been qualified as an operator since 2005, and is now the second-largest operating company on the Norwegian Continental Shelf. Det norske's business activities are defined in its Articles of Association, and more detailed information about our assets can be obtained on the Company's website (www.detnor.no).

Our vision is for Det norske to be a successful and effective company with respect to exploring, developing and producing petroleum resources on the Norwegian Continental Shelf. We will seek to grow by having new exploration acreage transferred in licensing rounds and by acquiring exploration acreage. Development and operations will be managed in close cooperation with vendors of relevant services.

Equity and Dividends

Det norske will seek to maintain a suitable capital structure that takes into consideration the Company's risk profile and ambitions. Over the next three to four years Det norske's assessment of petroleum prospects and exploration and development programs will require significant investments. Payment of dividends to shareholders will therefore not be prioritized in the short term. In that time frame, the Company will instead be seeking to create value for its shareholders by building underlying value, with corresponding positive effect on the share price.

Equal Treatment of Shareholders

The Company has only one class of shares, all of which have the same rights. Det norske and DNO International ASA ("DNO") have entered into an integration agreement for the combination with DNO's Norwegian business activities. Among other things, the agreement directs DNO to reduce its ownership share in Det norske to a maximum 25% before 31 December, 2008. This may be done through the sale, distribution, dividends or dilutions through capital increases, etc. For a more detailed description of the contents of the agreement, please see Det norske's information document, dated 19 November, 2007.

Det norske has free float in its shares, and its shares are freely negotiable.

The Company's employees are prohibited from engaging in economic activities that may compete with Det norske.

General Meeting

The Annual General Meeting is the Company's highest authority. The General Meeting's role and mandate are governed by Det norske's Articles of Association and the Norwegian Public Limited Liabilities Companies Act.

The Annual General Meeting is held before the end of June each year, and usually before the end of April. The Annual General Meeting notice with agenda is distributed to Company shareholders registered with the Norwegian Central Securities Depository (VPS) and is made available on the Company's website no later than two weeks before the meeting. The Annual Report is distributed to Company shareholders and is made available on the Company's website no later than one week before the meeting. Det norske encourages its shareholders to exercise their rights to submit proposals and to vote. Shareholders unable to attend the meeting are encouraged to vote by proxy. The registration deadline is scheduled as close to the day of the meeting as possible, and normally for the day before. The minutes will be posted on the Company's website (www.detnor.no).

The Board of Directors may call an Extraordinary General Meeting at any time. If an auditor or shareholder with at least five percent of the Company's common shares requests that an Extraordinary General Meeting be held to consider a matter, Det norske's Board of Directors shall hold a meeting no later than one month from receiving the request.

The Board Chairman, the Chief Executive Officer, the Auditor and a Nomination Committee representative will attend the Annual General Meeting. Det norske's Annual General Meetings are generally chaired by the Chairman of the Board.

Nomination Committee

The Company has a Nomination Committee. Committee members are elected by the Annual General Meeting and the majority of its members are independent of the Board and day-to-day management. The Nomination Committee is responsible for proposing Board candidates and compensation. Information about the Nomination Committee's work is available on the Company's website.

Det norske's Board of Directors

The Company's Board of Directors presently consists of nine members, including the Chairman of the Board and two employee representatives.
The Board of Directors has full plenary powers and the statutory responsibility to supervise Det norske's business conduct and management. The Board of Directors' objectives are to enhance and preserve the Company's shareholders' long-term value and ensure that Det norske meets its ongoing obligations.

The Chief Executive Officer is responsible for the Company's day-to-day management while the Board of Directors is responsible for the administration of the Company. The Board of Directors' responsibilities entail, among other things:

(a) Drawing up strategic plans and monitoring such plans through regular reporting and reviewing,
(b) Mapping out significant risks to Det norske's business and ensuring that appropriate systems are put in place to manage such risks,
(c) Ensuring that shareholders gain timely access to correct information relating to financial matters and significant business events and in accordance with applicable law, and
(d) Ensuring the establishment and integrity of the Company's internal controls and management systems.

Det norske's Board of Directors meets frequently and its members contribute with significant experience, expertise and capacity for the benefit of the Company. By meeting regularly with management the Board of Directors remains well informed of the Company's development and results. The division of roles between the Board of Directors and management is clearly defined through instructions for the Board of Directors and for the Chief Executive Officer that specify the various areas of responsibility and administrative procedures. The Board of Directors evaluates its work annually.

The Annual General Meeting elects the Chairman of the Board of Directors. Det norske's Board of Directors elects its own Deputy Chairman.
Considering the size of the Company and its business, the Board of Directors considers it expedient for Board Members to be briefed on all relevant matters coming before the Board. So far the Board of Directors has not delegated work to board committees. In keeping with the regulatory requirements, Det norske will establish audit and compensation committees over the course of 2008.

Risk Management and Internal Controls

Det norske's internal management procedures provide a sound basis for conducting thorough controls and reporting of the Company's activities. Internal controls and risk management contribute to transparent and quality-assured reporting for the benefit of the Company and its shareholders' long-term interests.

Remuneration of Board of Directors and Management

Board Directors are encouraged to purchase shares in the Company, but no Board Members participate in the Company's bonus program. The Board of Directors shall approve both Board Members' consultancy engagement for the Company, if any, and remuneration for such engagements. Det norske's Annual Report describes the Board Members' ownership shares and remuneration in greater detail.

The Board of Directors meets to determine the Chief Executive Officer's remuneration and other employment terms and conditions. The Annual Report lists the remuneration for the Board of Directors and the management, including salaries and pension costs.

Det norske has established a share incentive program for all its employees. The Annual Report contains details about the program.

Information and Communication

It is Det norske's intention to ensure that investors in Norway and abroad be provided with regular and timely information about corporate development and financial results. Det norske distributes financial and corporate information of importance to its share price through Oslo Stock Exchange's messaging system and its own website (www.detnor.no). The Company also publishes its financial calendar and hosts presentations for investors, analysts and the media in connection with its quarterly reports. Other meetings with Det norske's management can be arranged by contacting the Company directly.

The Company's objective is to ensure that the market has sufficient and relevant information at all times so that its share price reflects the underlying value of the Company. The Company's Investor Relations policy is described in the Annual Report.

Corporate Takeovers

The Board of Directors does its utmost to ensure that complete information is made available in any and all situations that affect the shareholders' interests. The Board of Directors will not, without special reason, seek to prevent anyone from presenting offers for the Company's shares or individual business areas. In the event of a bid, the Board of Directors will present its recommendation to the Company's shareholders.

Auditor

The shareholders at the Annual General Meeting will elect the Auditor and approve auditor compensation. The Board of Directors will meet with the Auditor at least once annually without Det norske's Chief Executive Officer's being present to review procedures for internal controls, and possible weaknesses, if any, and proposals for improvements. The Auditor will also attend board meetings that deal with the annual financial statements.

INVESTOR RELATIONS POLICY

It is our goal to ensure that all material information required by investors and analysts be disclosed to the market, thus ensuring that the market's evaluation of the Company reflects the Company's inherent values. Subsequently, Det norske is committed to disclosing all relevant information pertaining to the Company and its financial performance to investors and analysts in a correct and timely manner. Quarterly reports, the financial calendar, and other information comprised by disclosure requirements are distributed to the market through the stock exchange's notification system and the Company's website. Det norske is committed to disclosure principles stating that information to analysts, investors, and shareholders be distributed equally in terms of content and timing. The Company does not comment on rumors.

Det norske holds open presentations in connection with the release of quarterly reports to investors, analysts, and media. The actual presentations will always be held in Oslo, and if appropriate also in Trondheim. Information about scheduled presentations will be disclosed through the stock exchange's notification system and the Company's website. In addition, individual analyst and investor meetings may be arranged upon request, usually in connection with quarterly presentations.

20 largest shareholders registered with VPS as of 31.12.2007

Investor	No. of shares	% of total
DNO INTERNATIONAL ASA	23 800 000	36.7 %
JPMORGAN CHASE BANK*	2 500 000	3.9 %
BANK OF NEW YORK, BRUSSELS BRANCH	2 008 070	3.1 %
BANK OF NEW YORK, BRUSSELS BRANCH*	1 686 713	2.6 %
DRESDNER BANK AG LONDON BRANCH*	1 459 783	2.2 %
VERDIPAPIRFONDET KLP AKSJENORGE	1 441 433	2.2 %
KØRVEN AS	1 387 181	2.1 %
BEAR STEARNS SECURITIES CORP.*	1 181 475	1.8 %
H.L.MANAGEMENT AND CONSULTANT (1986) LTD.	1 133 667	1.7 %
VERDIPAPIRFOND ODIN NORGE	1 077 367	1.7 %
GOLDMAN SACHS INT. - EQUITY -*	1 030 463	1.6 %
UBS AG, LONDON BRANCH*	930 953	1.4 %
SPAREBANKEN MIDT-NORGE INVEST AS	900 668	1.4 %
CREDIT SUISSE SECURITIES*	862 170	1.3 %
SJÆKERHATTEN AS	786 040	1.2 %
VILJE 2M AS	754 830	1.2 %
OLEUM AS	753 000	1.2 %
VINN INVEST AS	687 215	1.1 %
BANK OF NEW YORK, BRUSSELS BRANCH*	662 994	1.0 %
CREDIT AGRICOLE INVESTOR SERVICES*	619 717	1.0 %
Other shareholders	19 261 281	29.7 %
Total	64 925 020	100.0 %

* Registered as nominee shareholder with VPS

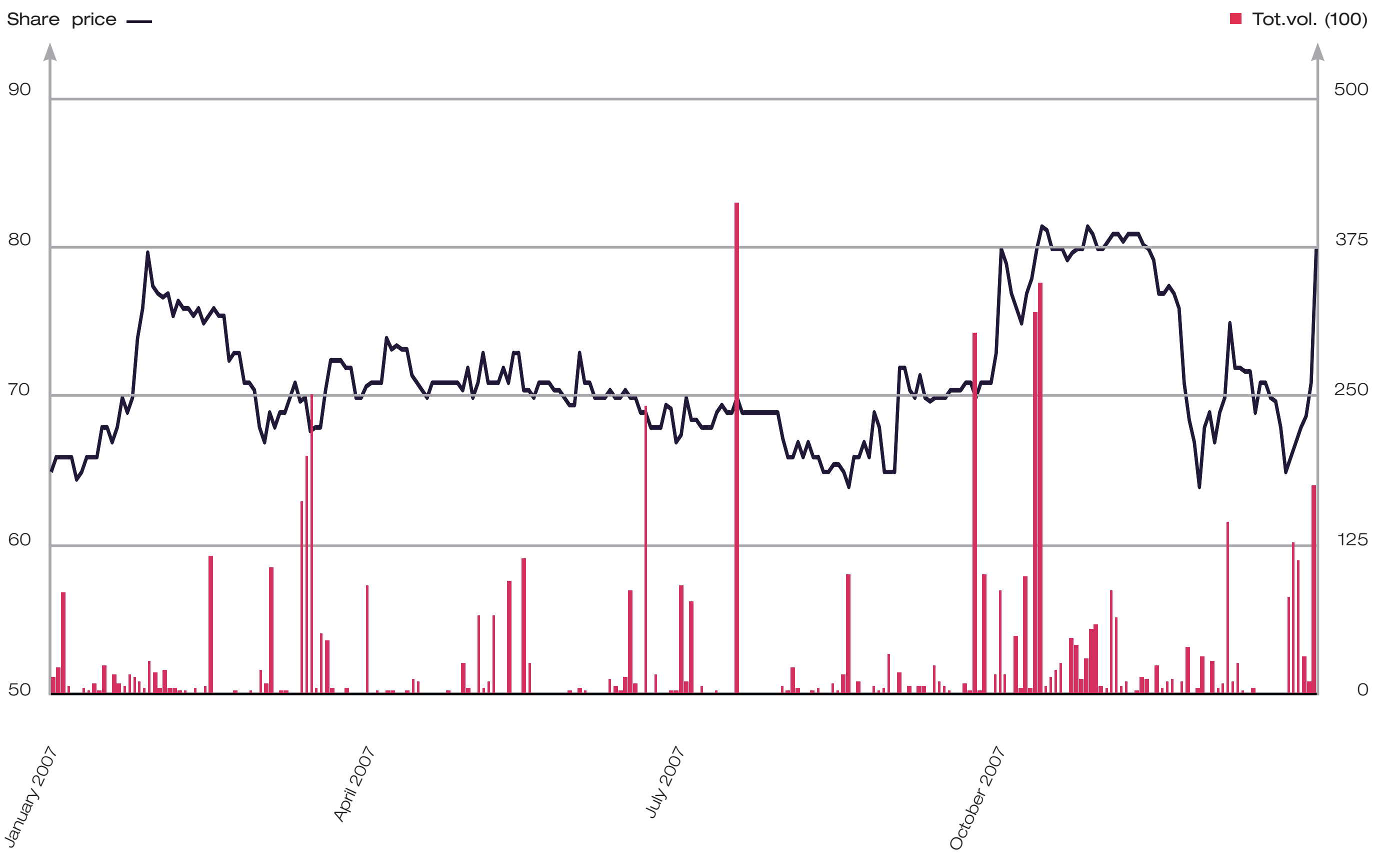
LIQUIDITY

Det norske's goal is to ensure that the share is attractive and easily marketable. In the General Meeting, each share carries one vote and equal rights to share dividends. The Company aims to attain an appropriately dispersed composition of owners.

Initiatives that the management of Det norske seeks to prioritize to ensure liquidity in the share:

- Arrange open presentations in connection with quarterly reports
- Attend relevant conferences and contribute with lectures to enhance the visibility of the Company's performance
- Ensure that the market remains continuously updated with regard to the Company's status and development through the distribution of newsletters, etc.
- Prioritize an informative and continuously updated website
- Ensure that the Company has allocated the necessary resources to handling enquiries from the market

Share price development and traded volume 01.01.2007 - 31.12.2007



MANAGEMENT AND BOARD

Company Management

	No. of shares in Det norske as of 31.12.2007 *)
Erik Haugane, CEO	1,391,937
Stein Fines, VP Technology & HSE	690,978
Anton Tronstad, VP Drilling/Well Op.	788,035
Tom Bugge, VP Exploration	758,840
Paul Hjelm-Hansen, CFO	239,290
Sigmund Hanslien, VP Geology	57,755
Vidar Bergo Larsen, VP Business Development	4,500

Board

	No. of shares in Det norske as of 31.12.2007 *)
Kaare M. Gisvold, Chairman of the Board	455,635
Ivar Brandvold, Deputy Chairman of the Board	0
Svein Sivertsen	17,500
Tore Lilloe-Olsen	0
Eva Helene Skøelv	0
Barbro Hætta-Jacobsen	0
Guri Ingebrigtsen	0
Kristin Aubert**)	0
Øistein Høimyr**)	1,730

Nomination Committee

	No. of shares in Det norske as of 31.12.2007 *)
Berit Kjeldsberg, Chairwoman	591,635
Kjetil Grønskag	109,460
Berge Gerdt Larsen	0

*) Owned directly and indirectly through related parties/companies
**) Employee Representative

The composition of the Board was altered during 2007. Ivar Aarseth, Halfdan Carstens, Kjetil Grønskag, Eva Henderson Kristensen, Tove Nedreberg, and Anton Tronstad resigned. Tove Nedreberg was elected in the Ordinary General Meeting in the spring of 2007. Ivar Brandvold, Tore Lilloe-Olsen, Eva Helene Skøelv, Barbro Hætta-Jacobsen, Guri Ingebrigtsen, Kristin Aubert, and Øistein Høimyr are new members on the Board.

Trond Bernhard Brekke and Anton Tronstad resigned from the Nomination Committee after having been elected in the Ordinary General Meeting in the spring of 2007. They were replaced in the fall of 2007 by Kjetil Grønskag and Berge Gerdt Larsen. Berit Kjeldsberg was elected in the spring of 2007.

Members of the Nomination Committee are elected for a period expiring at the Annual General Meeting in 2009.

Management

Erik Haugane (born 1953), Chief Executive Officer (CEO)
Mr. Haugane founded Det norske (then Pertra) in 2001. He holds a Cand. Real. degree in Exogene Geology from the University of Tromsø. He has 25 years of experience from the oil industry and has been employed as Exploration Geologist with Esso, Research Scientist with SINTEF, Advisor in Energy Matters with the Governor of Sør-Trøndelag, and Secretary of the Mid-Norwegian Oil Council. He joined PGS in 1992 where he worked internationally and was stationed in Singapore for 2 years, and became Corporate Advisor for PGS before founding Pertra in 2001. He was awarded the title "Oilman of the Year" in 2004 by SPE, Norway. Mr. Haugane is a Norwegian citizen with residence in Trondheim, Norway.

Stein Fines (born 1951), Vice President Technology & HSE
Mr. Fines joined Det norske in 2002. He holds a M.Sc. degree in Engineering from the Norwegian University of Science and Technology in Trondheim. Mr. Fines has 30 years of experience from the offshore oil and gas industry, including design, engineering, construction and operation of offshore oil and gas installations for different companies. He has held several managerial positions in the Snorre and Varg Field development projects for Saga Petroleum, and has been responsible for several development projects related to development of deep water technology. In Det norske, he is Project Manager for the Frøy redevelopment project. Mr. Fines is a Norwegian citizen with residence in Hønefoss, Norway.

Anton Tronstad (born 1957), Vice President Drilling and Well Operations
Mr. Tronstad joined Det norske in 2003. He holds a M.Sc. degree in Engineering from the Norwegian University of Science and Technology in Trondheim. He has more than 24 years of diversified experience with different oil companies, primarily within drilling and well operations. His experience and core competencies are within planning and managing of offshore drilling & well activities. Mr. Tronstad also has extensive experience from subsea project developments. In the last years he has held several managerial positions, including Drilling Superintendent for Statoil on Åsgard, and the Kristin project. Mr. Tronstad is a Norwegian citizen with residence in Inderøy, Norway.

Tom Bugge (born 1948), Vice President Exploration
Dr. Bugge joined Det norske in 2004. He holds a Ph.D. in Geology from the Norwegian University of Science and Technology in Trondheim. He has more than 30 years of working experience in companies such as Norsk Hydro, Saga Petroleum, IKU, and NTNF. Dr. Bugge is a Norwegian citizen with residence in Trondheim, Norway.

Paul Hjelm-Hansen (born 1962), Chief Financial Officer (CFO)
Paul Hjelm-Hansen joined Det norske in January 2006 as Chief Financial Officer. Mr. Hjelm-Hansen received his MBA from the University of Denver, USA, in 1988 and is a Certified European Financial Analyst (AFA) from The Norwegian School of Economics and Business Administration. In addition, he is a Certified Portfolio Manager. He has previously held positions as Financial Analyst, Asset Manager for Equities and Fixed-income, and Financial Manager. He has several board appointments, one which has been with Det norske. As Chief Financial Officer he is responsible for financial strategy, financing activities, financial analysis, financial reporting, and investor relations. He is Head of the Accounting and Administrative departments. Mr. Hjelm-Hansen is a Norwegian citizen with residence in Trondheim, Norway.

Sigmund Hanslien (born 1950), Vice President Geology
Mr. Hanslien joined Det norske in early 2006. He holds a M.Sc. in Petroleum Geology from the Norwegian University of Science and Technology (NTNU) in Trondheim. He has more than 30 years of experience in exploration and production activities from major oil companies. He has held a number of both technical and managerial positions, primarily in ExxonMobil and Statoil, where his latest position was Chief Geologist. Mr. Hanslien is VP Geology and a member of Det norske's management team. Mr. Hanslien is a Norwegian citizen with residence in Stavanger, Norway.

Vidar Bergo Larsen (born 1949), Vice President Business Development
Mr. Larsen joined Det norske in October 2007. He holds a Cand. Real. in Petroleum Geology from the University of Bergen. Mr. Larsen has 30 years of experience from Statoil, where he has held several managerial positions within exploration on the NCS as well as internationally. He was also Manager of Statoil's research activities within the field of exploration at Statoil Research Centre in Trondheim. Mr. Larsen was Exploration Manager for Russia in Statoil prior to joining Det norske, where he will be responsible for the company's business development activities. Mr. Larsen is a Norwegian citizen with residence in Stavanger, Norway.

Board

Kaare Moursund Gisvold (born 1943), Chairman of the Board
Mr. Gisvold is an independent investor and advisor. He holds a Master of Science and PhD in naval architecture/marine technology from NTNU, Trondheim. Responsible for establishing and commissioning MARINTEK laboratories in 1978-81. He was one of the founders of Det norske and for 20 years the CEO/President of Teekay Petrojarl Production ASA (Golar-Nor Offshore AS/PGS Production AS). He was the first Chairman of Det norske (then Pertra) in 2001-3. Current directorships include Chairman of Adresseavisen and Det norske oljeselskap. Director Meraker Brug, Roxar (CorrOcean), Taubåtkompaniet/Boa Offshore, Aker Marine Contractors, and Access Mid-Norway. Mr. Gisvold is a Norwegian citizen with residence in Trondheim, Norway. Mr. Gisvold has been on the Board of Det norske since 2005. Mr. Gisvold's term expires at the Annual General Meeting in 2009.

Ivar Brandvold (born 1956), Deputy Chairman of the Board
Mr. Brandvold's current position is Chief Operating Officer in DNO International ASA, being the Corporate Head of all upstream activities in the geographical areas where the company is involved. Mr. Brandvold holds a Masters degree in mechanical engineering from NTH in Trondheim, Norway. He has 23 years of experience from several management positions in Norsk Hydro, and came to DNO in 2007 from the position as Head of Drilling in Norsk Hydro with worldwide responsibility for drilling operations. Before joining Norsk Hydro in 1984, he worked in Kongsberg Engineering. Mr. Brandvold is a Norwegian citizen with residence in Bergen, Norway. He has been on the Board of Det norske since 2007. Mr. Brandvold's term expires at the Annual General Meeting in 2009.

Svein Sivertsen (born 1951), Board Member
Mr. Sivertsen is Partner in Borgersen & Partners as and Board member. He holds a Master of Science from NTNU. He has previously held CEO positions in Nidar and Fokus Bank, and EVP in SINTEF. Several board memberships in listed and private corporations. Mr. Sivertsen is a Norwegian citizen with residence in Trondheim, Norway. He has been on the Board of Det norske since 2005. Mr. Sivertsen's term expires at the Annual General Meeting in 2009.

Tore Lilloe-Olsen (born 1956), Board Member
Mr. Lilloe-Olsen is Corporate Head of Exploration in DNO International ASA. He holds a Master of Science, Geology and Geophysics, from the University of Oslo, 1982. Mr. Lilloe-Olsen has more than 25 years of experience from the petroleum industry. He has previously held positions as Geophysicist in Elf and Hydro and as Department Manager Geophysics, Hydro O&E. Mr. Lilloe-Olsen was also North Sea Exploration Manager in Hydro O&E and seconded into Sonangol P&P as Asset Manager in BL 34 Angola. He has also held positions as Human Resources Manager in Development Norway, and NCS Exploration Manager/Vice President, Hydro O&E. Mr. Lilloe-Olsen is a Norwegian citizen with residence in Bærums Verk, Norway. He has been on the Board of Det norske since 2007. Mr. Lilloe-Olsen's term expires at the Annual General Meeting in 2009.

Eva Helene Skøelv (born 1966), Board Member
Ms. Skøelv is Finance Manager in DNO International ASA, and has more than 15 years of finance and accounting experience from international industrial firms. She holds an MBA from the Norwegian School of Economics and

Business Administration. Ms. Skøelv has previously held positions as Chief Financial Officer of Gamma Medica-Ideas (a medical-technical company), Business Controller in Yara International, Controller in Norsk Hydro Hong Kong, and various positions within the financial section of Hydro Oil & Energy. Ms. Skøelv is a Norwegian citizen with residence in Oslo, Norway. She has been on the Board of Det norske since 2007. Ms. Skøelv's term expires at the Annual General Meeting in 2009.

Barbro Hætta-Jacobsen (born 1972), Board Member
Ms. Hætta-Jacobsen is physician and politician, and served as Deputy Mayor in Harstad 2005-2007. She was Political Advisor in the Ministry of Local Government and Regional Development 1996-1997. Board memberships include a.o. Tromsø 2018 AS, the Norwegian State Housing Bank, Harstad Labor Party, and Sparebanken Nord-Norge, Region Hålogaland. Ms. Hætta-Jacobsen is a Norwegian citizen with residence in Harstad, Norway. She has been on the Board of Det norske since 2007. Ms. Hætta-Jacobsen's term expires at the Annual General Meeting in 2009.

Guri Ingebrigtsen (born 1952), Board Member
Ms. Ingebrigtsen, physician and politician, was Mayor of Vestvågøy 1999-2007. In 1996 and 1996-97 she served as Political Advisor to the Norwegian Minister of Social Affairs, and Minister of the same department 2000-2001 in the first cabinet Stoltenberg. Several board memberships, including "Det regionale husbankstyret i Nordland og Sør-Troms", LoVe Petro, the Amathea Foundation, the Norwegian Healthy Cities Network, and Narvik University College. She is also a member of "Nasjonalt råd for kvalitet og prioriteringer i helsetjenesten". Ms. Ingebrigtsen is a Norwegian citizen with residence in Stamsund, Norway. She has been on the Board of Det norske since 2007. Ms. Ingebrigtsen's term expires at the Annual General Meeting in 2009.

Kristin Aubert (born 1960), Employee Representative
Mrs. Aubert is an Advisor Geophysicist in Det norske since 1 September 2007, and is currently working with licenses in the North Sea. She has previously worked as an Exploration Geophysicist in Saga Petroleum / Hydro O&E (1995-2007), and Nopec / PGS (1988-1995). She holds a Master of Applied Geophysics from the University of Oslo in 1988. Mrs. Aubert is a Norwegian citizen with residence in Slemmestad, Norway. She has been on the Board of Det norske since 2007.

Øistein Høimyr (born 1958), Employee Representative
Mr. Høimyr is a Senior Reservoir Engineer with Det Norske, a position he has held since 2006. He has previously worked in Statoil E&P Norway as Supervisor for subsurface engineers and geoscientists in the Early Phase Projects Development off Mid-Norway (2001-2005), as Senior Reservoir Engineer; Small field development projects with DNO (2000-2001), and as Lead Subsurface Engineer in Saga Petroleum (1985-2000). He holds a Master of Science from NTH in Trondheim from 1984. Mr. Høimyr is a Norwegian citizen with residence in Trondheim, Norway. He has been on the Board of Det norske since 2007.

BOARD OF DIRECTORS' ANNUAL REPORT 2007

Area of Activity

Det norske oljeselskap ASA ("Det norske") is a leading player on the Norwegian Continental Shelf. The Company's business activity is exploration, development and production of petroleum resources. The Company consists of the parent company Det norske oljeselskap and the subsidiary NOIL Energy ASA ("NOIL"). A process aimed at merging the companies has been initiated. The Group has licenses in the Barents Sea, the Norwegian Sea and the North Sea. The Company's registered office is located in Trondheim. Headquarter functions are divided between Oslo and Trondheim. The Company also has offices in Harstad and Stavanger. In the fall of 2007, Det norske entered into an agreement with Residencekvartalet AS for new office premises on Torvet in Trondheim. The Company expects to move in during the first six months of 2010.

Important Events in 2007

In January, the Company was granted a license (PL 432) in the Norwegian Sea and two licenses in the North Sea (PL 408 and PL 414) in APA 2006, as well as an additional license in May in the Norwegian Sea (PL 447). In October a license was acquired in the exploration area in PL 027B – Jotun (PL 027D), conditional upon meeting certain terms. The sale of 15% of a license in the Norwegian Sea (PL 321) was carried out in Q2.

Pertra and DNO's Norwegian operations were combined in Q4 and became Det norske. Drilling of Ragnarrock in PL 265 in Q4 indicated up to 1,000 million barrels of oil equivalents, but with a very uncertain recovery factor. In Q3 and Q4 two oil discoveries were made in Paleocene reservoir rocks in the prospect Storskrymten in PL 337 (operated by Det norske) with a total of 10-45 million barrels recoverable oil equivalents. These two discoveries are being further processed with a view of possible recovery solutions. Drilling of Thorkildsen in PL 341 was completed in Q4 and revealed that the well was dry.

A Plan for Development and Operation (PDO) for Yme was submitted in January and approved by the Government in May. In Q1, the Norwegian Ministry of Petroleum and Energy (MPE) approved a program for an environmental impact assessment for redevelopment of the Frøy Field in PL 364. In August, Det norske (2/3) and Revus Energy (1/3) entered into an agreement with Odfjell Drilling regarding lease of the drilling rig "Deepsea Delta" for a three-year term at a day rate of USD 435,000. The probable start-up date is March 2009. In June the Company completed its acquisition of seismic data for the Nebba prospect in PL 432.

In November, the parent company and NOIL Energy entered into an agreement with DnB NOR Bank regarding a loan facility with a limit of NOK 1.5 billion for the purpose of financing exploration activities. The agreement replaced corresponding agreements, which the parent company had entered into in September and October as well as the agreement for exploration financing between NOIL and Bank of Scotland.

History

The original company Pertra was established by Petroleum Geo-Services ASA (PGS) in 2001/2002. Pertra purchased 70% of the Varg Field, which was in the process of being shut down, and became its operator on 1 August, 2002. The company was subsequently awarded several new licenses in the 2004 APA. PGS sold Pertra to Talisman Energy UK Ltd. in January 2005. Petra's management established a new oil company on 11 February, 2005 and simultaneously bought the Pertra name, physical onshore assets, procedures, data equipment as well as interests in five licenses from Talisman. The Company was sold in January 2005. Out of the 19 Pertra employees, 16 continued in the newly established Pertra. Since January 2005 the Company has experienced significant growth.

Det Norske Oljeselskap ASA was established 13 November 1989 as a wholly-owned subsidiary of DNO ASA (now: DNO International ASA). In connection with the combination of Det norske oljeselskap and Pertra, Det Norske Oljeselskap changed names to NOIL Energy ASA, whereas Pertra on 19 November 2007 changed names to Det norske oljeselskap ASA.

In 2004 NOIL Energy sold almost its entire Norwegian portfolio to Lundin Petroleum. Since 2004 the company has established a significant exploration portfolio and acquired interests in the Goliat Field and others. In 2007 the company's operations were limited to the Norwegian Shelf, and in June 2007 NOIL Energy was listed on OTC. DNO International reduced its ownership share in the company to 84%. In October 2007 Det norske oljeselskap acquired DNO International's ownership share in NOIL.

In November and December Det norske oljeselskap increased its ownership to 97.3% of the shares in NOIL Energy ASA. By 31 December Det norske had interests in 34 licenses, 17 operatorships and 78 employees, subsidiary included, and is thus the second-largest operating company on the Norwegian Shelf.

Ownership

An Extraordinary General Meeting was held on 8 November, 2007, and a proposal was adopted to combine Pertra and DNO's Norwegian operations by raising of additional capital directed toward DNO International ASA ("DNO"). The share capital was increased by NOK 6,600,000 by issue of 33,000,000 shares. The new share capital increased to NOK 11,907,670 equaling 59,538,350 shares. DNO thus sold its holding in NOIL to Pertra for payment in Pertra shares. The exchange ratio was set at three NOIL shares for one Pertra share.

By the end of 2007, DNO is the Company's largest shareholder with 37% of the shares. DNO International has undertaken to sell, dilute or exchange shares in order to reduce its ownership in Det norske to a maximum of 25% before 31 December, 2008.

In addition to changes to the share capital and a change in names the Annual General Meeting resolved to increase the Articles of Association's limit of eight Board members to ten. It was also decided at the Annual General Meeting to change the composition of the Board of Directors and the Nomination Committee. The General Meeting's decisions were conditional in part upon certain conditions. The conditions were met shortly after the General Meeting.

The Company's General Meeting on 8 November furthermore granted the Board of Directors a general authorization to issue up to 29,750,000 new shares. The authorization will remain in effect until the next Annual General Meeting, but no later than 30 June, 2008. The authorization replaces previous authorizations.

The remaining shareholders in NOIL were offered to exchange their share holdings in NOIL to Det norske shares at the ratio 3:1. The offer period was 21 November - 30, 2007. The offer resulted in the issue of 5,386,670 new shares in Det norske and a capital increase in the amount of NOK 1,077,334 against a contribution of 16,161,032 NOIL shares. The Board of Directors adopted this share capital increase on 6 December, 2007 by using the authorization granted by the Annual General Meeting on 8 November. After this, the outstanding number of shares in Det norske oljeselskap is 64,925,020 and the share capital NOK 12,985,004.

By year end the total number of shareholders in the Company was 2,188. Shareholders are both Norwegian and international investors, management, the Board of Directors and the Company's employees.

Oil Resources and Reserves

Det norske's license portfolio has increased significantly over the course of the year. As of 31 December, the total risked resources and reserves amounted to 579 million barrels of oil equivalents, of which reserves constituted 8 million barrels of oil equivalents.

Research and Development

The licensing system on the Norwegian Shelf stimulates the implementation of research and development activities. In 2007 Det norske participated in several R&D projects in cooperation with research environments and professional experts. Costs for these activities are recognized in the Income Statement.

Health, Safety and the Environment

The Company's objective is for all activities to be executed without damaging human health or the environment. The safety of people, the environment and financial assets is an integrated part of the Company's management systems. That objective is achieved by systematically working on follow-ups and devoting a lot of attention to processes for continuous improvements. Registration, reporting and assessment of causal relationships and potential consequences are important components of those efforts.

Det norske operated two drilling operations in 2007 and registered no serious incidents in connection with these. No injuries or accidents have been registered for the Company's employees in 2007. Also, there have been no accidents that have resulted in property damages.

The Company experienced a high level of activity in 2007, and the working environment is considered to be good. Initiatives for improvements are implemented continuously. 442 days were lost through sickness, or 2.4% in total for 2007. The Company has conducted several assessments and improvement projects related to the internal working environment. The Company's safety representative has participated in the internal improvement processes.

Det norske is not operating any fields in production. Environmental data for Varg, Glitne and Enoch are available in the operator reports filed with the Petroleum Safety Authority Norway, the Norwegian Petroleum Directorate and the Norwegian Pollution Control Authority pertaining to emission into air and discharges into water as well as the use of chemicals. Use of chemicals and discharges to the environment in connection with the drilling operations has been reported to the authorities in accordance with established guidelines. Where feasible, Det norske prioritizes to replace chemicals that may cause potential damage to the environment with compounds representing a lesser risk. This has been a focus of the Company's drilling operations during 2007.

For PL 364 Frøy, Det norske prepared a program for an environmental impact assessment for redevelopment of the field in 2007. The environmental impact assessment was submitted to the authorities concerned and to central governmental and non-governmental organizations for comments in December 2007.

Equal Opportunity

The Company is a workplace with full gender equality. The Company has incorporated equal opportunity procedures. The Company has traditionally recruited from environments in which the number of women and men are unequally represented.

Out of the Company's 78 employees by year's end, 22 were women. As of 31 December, the Board of Directors consisted of four women and five men. Working hour arrangements in the Company are a result of the various positions and are independent of gender.

Corporate Governance

Det norske's governance is based on principles that follow the system laid out in "Norsk anbefaling: Eierstyring og selskapsledelse" (Norwegian Code of Practice for Corporate Governance) of 4 December, 2007, and it is largely in accordance with international codes on Corporate Governance.

For a more detailed description of corporate governance, please see the Administration's Annual Report.

Remuneration of the Chief Executive Officer and Management

The executive remuneration policy for 2007 was in accordance with the guidelines incorporated into the Board of Directors' Annual Report for 2006, with the exception of the bonus program for 2007 being implemented by the employees purchasing shares in the secondary market rather than executing a capital increase whereby the bonus recipients subscribed for shares. The bonus decision was made in January 2008, which preceded the publication of the 2007 annual Financial Statements. Guidelines for 2007 prescribed that bonus be determined subsequent to publication of annual Financial Statements.
The implementation of the management remuneration guidelines affected the Company in that the costs related to the above-mentioned arrangements impact the Company's financial result. To the extent that employees receiving bonus subscribe for shares in the Company, this will have a dilution effect due to an increasing number of shares in the Company.

The Board of Directors has established remuneration guidelines for 2008 for the Chief Executive Officer and other members of management. The guidelines will be addressed at the Company's Annual General Meeting in 2008.

Management will receive a base salary with an annual adjustment.
The Company's management participates in the same general schemes that apply to all employees in the Company regarding bonus share programs, pension schemes and other remuneration, including remunerations concerning recruitments.
Adjustments to the base salary for the Chief Executive Officer are determined by the Board of Directors.
Adjustments to the base salary for other members of management executives are determined by the Chief Executive Officer within the framework established by the Board of Directors.
After the age of 60 the Chief Executive Officer is obliged to retire if so requested by the Board of Directors.
For retirement before the age of 67, he is entitled to a compensation corresponding to 70% of the salary from 60 to 67 years. A guarantee account for this has been established.
A bonus scheme has been established for all employees. Bonuses are determined following the end of the fiscal year by the Board of Directors as they perform a discretionary assessment of the Company's total performance and result for the past year. Based on that, the Board of Directors will decide whether the employees should be awarded bonuses (supplemental salary). The size of the bonuses will be determined as a percentage rate of the base salary. A bonus for one year cannot exceed 40% of the base salary. The employees must subscribe for or purchase shares in Det norske oljeselskap ASA for 50% of the bonus amount to be entitled to bonuses. For previous years, the guidelines have been limited to the subscription alternative, but this is amended effective as of and including 2008. If employees are to subscribe for shares, a capital increase has to be implemented. Such capital increases must be resolved by the Board on the basis of a Board authorization or an authorization by the Annual General Meeting on a case-by-case basis. In that case, the subscription price is the market price for the share at the time the Board or the General Meeting adopts the capital increase. If the alternative involves purchasing in the market, the employees will pay the seller market price. Bonuses are not awarded to employees who have been fired, have resigned or otherwise left the Company at the time the bonus is awarded. For 2006, the Board of Directors set the bonus at 25% of the base salary in February 2007. For 2007, the Board of Directors set the bonus at 30% of the base salary in January 2008. No other remuneration exists regarding the Chief Executive Officer or members of management that are tied to shares, subscription rights, options or other share-based compensation.

No salary agreements in the Group are linked to the development in the Company's share price or returns on shares.

FINANCIAL STATEMENTS 2007

The Financial Statements have been prepared in accordance with the Norwegian Accounting Act and in correspondence with the IFRS regulations.

The Group was established 13 November 2007 through the combination of Pertra ASA and NOIL Energy ASA to Det norske oljeselskap ASA. Referenced accounting figures for 2007 apply to consolidated figures. Corresponding figures for the Group for 2006 and 2005 are identical to the parent company's corresponding figures.

To the best of its knowledge, the Board of Directors is not aware of any circumstances of significance that would influence the assessment of the Company's position as of 31 December, 2007, or the result for 2007, beyond that what has been distributed in the Annual Report and in the Financial Statements.

Profit/Loss

It is the Board's opinion that the Financial Statements provide a true and fair view of the Group's assets and liabilities, financial positions and result.

Total operating revenues for the Group were MNOK 131.0.

Crude oil from the Varg Field was sold for an average price of USD 71.4 per barrel. From the Group's establishment and up to the end of the year, oil from Enoch and Glitne was sold for an average of USD 80.2 per barrel. The management continuously assesses the need to limit the risk of fluctuations in the oil price but has so far not carried out any hedging transactions.

The operating loss was MNOK 206.0. This result is in line with the Company's plans and is mainly caused by high exploration activity. Exploration costs, including drilling costs, seismic costs and general research costs, amounted to MNOK 282.9.

Tax income on ordinary income / (loss) amounted to MNOK 184.6. As of 31 December, calculated tax receivable due to exploration activity amounted to MNOK 618.0. The anticipated time for payment is December 2008.

The loss for the year was MNOK 41.5.

Balance Sheet and Liquidity

By 31 December 2007, the Group had equity of MNOK 3,563.3. The equity ratio was 55.4%.

Cash and cash equivalents amounted to MNOK 585.1 as of 31 December. The Group has a drawing facility with DnB NOR Bank of a total of MNOK 1,500. As of 31 December, MNOK 130 have been drawn out of an effective limit of MNOK 587. The effective limit is a function of the Group's applicable recognized tax liabilities.

The Group's interest-bearing debt by year's end amounted to MNOK 130. The short-term liabilities are MNOK 596.9.

Provisions of MNOK 81.1 had been made by year's end for plug and abandonment liabilities for fields in production.

As of 31 December, 2007, goodwill on the consolidated balance sheet amounted to MNOK 1,672. This is mainly related to the acquisition of NOIL Energy ASA. In accordance with the principles defined by IFRS, the difference between the purchase price through acquisition and the actual value of identifiable assets at the time of the acquisition is classified as goodwill. Goodwill is tested annually for impairment or more frequently if events or changes to other circumstances indicate that there has been a decrease in the value. Such indicators could, for example, be changes in the Company's plans, changes in the price of oil, changes to the reserves and/or resources or changes in cost level. The Company has assessed that after the acquisition of NOIL no events have occurred that indicate that there is a need for impairment testing of goodwill related to the acquisition of NOIL. See Note 14 in the Financial Statements for more detailed information related to impairment testing of goodwill.

Cash Flow

Cash flow from operations amounted to MNOK 309.8 for 2007. The cash flow from operations was better than the operating loss, the main reason being the payment of tax liabilities of MNOK 323.8, excluding interest.

Payments related to investments amounted to MNOK 365.3. These are principally linked to development costs for the Yme Field and a temporarily capitalized exploration well on Storskrymten.

Production

The Group's total share of production from the Varg Field amounted to 253,453 barrels (40,275 Sm^3) crude oil. The shares of production for Enoch and Glitne for the period from mid-November were 7,253 barrels (1,153 Sm^3) and 39,945 barrels (6,348 Sm^3), respectively. Production from Enoch and Glitne is recognized from mid-November, which was the time of the NOIL acquisition. Oil inventory produced, but not delivered, as of 31 December, 2007 was 7,109 barrels (1,130 Sm^3).

Financial Risk

The Group's risk management, including financial risk management, is designed to ensure that risks of significance to the Company's objectives be clarified, analyzed and managed in a systematic and cost-efficient manner. Established management procedures provide a good basis for reporting and follow-up on risks to which the Company is exposed.

Det norske is exposed to market risks related to oil prices, foreign exchange rates and interest rates. The risk exposure is being continuously monitored, and the need for use of financial instruments to hedge market risks is being continuously assessed. Income mainly consists of revenues from the sale of petroleum. The Group is thus exposed to risks related to changes in the price of oil. Exchange rate developments entail both direct and indirect financial risks to the Company. The Group's income from petroleum is traded in U.S. dollars (USD), whereas expenses are paid partly in NOK, and partly in USD. No forward contracts or other agreements have been entered into to reduce the Company's oil price and currency exchange risks and the corresponding operational market risk. The Group is exposed to interest rate risks for current and future borrowings. The liquid funds will be invested so that the interest rate risk is relatively limited. The average interest rate sensitivity for the Company's liquid funds shall, according to the Company's guidelines, not exceed one year.

The invested funds' credit risk is assessed as being low. The risk that counterparties do not have the financial ability to meet their obligations is considered as low, since, historically, there have been no losses on claims. Liquid funds are invested in securities, mutual funds and bank deposits generally representing a low credit risk.

The combination of limited production income and an active exploration and development program places demands on the management of liquidity risk. The liquid funds and the drawing facility's available commitment are expected to be sufficient to finance the Company's operations through 2008. A low liquidity risk is prioritized in the management of the Company's liquid funds. Due dates for trade receivables are maintained.

Parent Company

The parent company's income for the year was MNOK -33.0. The Company does not have any unrestricted equity.

The Board of Directors proposes that the parent company's loss for the year be allocated by transferring MNOK 33.0 from the share premium reserve.

Going Concern

In accordance with Section 3-3a of the Norwegian Accounting Act, we confirm that the Financial Statements have been prepared under the assumption of going concern, and that this forms the basis for the preparation of the annual Financial Statements. The financial adequacy is assessed as being good. The planned growth in the years ahead will, however, entail uncovered financing needs. On that basis, the Company will assess alternative financing sources in the time ahead.

Events after Year's end

Larsen Oil and Gas ASA, holding 1.06% of the shares in NOIL, required redemption of all their shares in NOIL in January, pursuant to Section 4-25 of the Public Limited Companies Act. Larsen Oil and Gas ASA gave notice that it would accept a redemption price of NOK 24 per share in connection with the redemption call. At a Board Meeting held 25 January, 2008, the Board of Directors accepted the redemption at the offered price, which is the same that all shareholders in NOIL were offered in exchange for shares in Det norske oljeselskap in November 2007. The Board simultaneously adopted a resolution to perform a compulsory redemption of all other shareholders of NOIL and to offer these the same redemption price of NOK 24 per share. In doing so, Det norske's holding of the shares in NOIL was 100% as of 1 February, 2008. As a result of the redemption, NOIL was delisted from the OTC list on 29 January, 2008.

On 8 February, 2008 the Norwegian Ministry of Petroleum and Energy (MPE) announced its Awards in Predefined Areas for 2007 (APA 2007). The Group was awarded 12 licenses (excluding additional acreage for the Goliat license), of which seven were operatorships. Six of the licenses are located in the North Sea, three of the licenses are in the Norwegian Sea, while three licenses are located in the Barents Sea.

In late February 2008 it was decided to relinquish PL 441 to the authorities. In March Det norske entered into license swap agreements in PL 383, with corresponding interests in PL 485. The agreements are subject to approval by the license partners and the authorities. Subsequent to that transaction, Det norske will have a total of 46 licenses and be the operator of 23 of these. The Group has 33 licenses in the North Sea, nine licenses in the Norwegian Sea and four licenses in the Barents Sea.

Outlook

The Company is the second-largest on the Norwegian Shelf with 23 operatorships. The Company's operations are conducted in all petroleum provinces on the Norwegian Shelf. The publication of the 20th Licensing Round during 2008/2009 has the potential of providing the Company with further growth opportunities.

With more than 100 employees in 2008 and an objective of increasing the staff with another 20-30 employees over the course of the year, Det norske has secured a solid organizational foundation for continued good progress. Det norske has 1,270 rig days at its disposal and in addition the drilling program for the partner-operated licenses. In total this includes eight to nine exploration wells in 2008 and 14 to 15 exploration wells in 2009. Det norske anticipates that the exploration program for these two years will result in commercial discoveries and a corresponding increase in reserves and resources. Det norske oljeselskap and NOIL Energy aim to complete the merger in Q3 2008.

The Group's oil production from the fields Varg, Enoch and Glitne is expected to amount to an average of approximately 1,700 barrels per day.

Production drilling in Yme is planned from August 2008. Det norske will submit Plan for Development and Operation (PDO) for Frøy to the authorities in March 2008 which is based on the development solution adopted by the license partners. Premier Oil Norge, the only partner in the license, has as of yet not conceded to the plan. Production commencement is planned for Q3 2012. The Goliat license is planning to submit the PDO in December 2008 with a potential production start-up in 2011/2012.

Det norske is actively pursuing license transactions in order to create maximum value and to diversify the risk.

Major variations in the Company's results may occur as a result of fluctuations in the price of oil, produced volumes, development costs and exploration activity.

The Board of Directors of Det norske oljeselskap ASA
Trondheim, 12 March, 2008

Kaare M. Gisvold, Chairman of the Board

Ivar Brandvold, Deputy Chairman of the Board

Svein Sivertsen, Board Member

Barbro Hætta-Jacobsen, Board Member

Guri Ingebrigtsen, Board Member

Eva H. Skøelv, Board Member

Tore Lilloe-Olsen, Board Member

Øistein Høimyr, Board Member

Kristin Aubert, Board Member

Erik Haugane, CEO

INCOME STATEMENT

1 January - 31 Desember (NOK 1000)	Note	GROUP 2007	DET NORSKE OLJESELSKAP AS 2007	2006[1)]	2005[1)]
Petroleum revenues		127 689	107 027	115 869	93 601
Other operating revenues		3 335	50	2 173	884
Total operating revenues		**131 024**	**107 077**	**118 043**	**94 485**
Exploration expenses	5	282 943	257 435	186 178	168 298
Change in inventories	6	406	406	2 582	-1 371
Production costs	7	43 238	41 843	43 443	27 703
Payroll and payroll-related expenses	8	11 161	2 346	2 093	582
Depreciation and amortsation expenses	13	34 553	26 088	20 054	19 958
Other operating costs	9	10 807	7 380	1 051	188
Total operating expenses		**383 109**	**335 500**	**255 401**	**215 358**
Operating profit/(loss)		(252 084)	(228 421)	(137 358)	(120 873)
Interest income	10	28 463	25 753	11 335	1 033
Other financial income		2 365	966	3 326	3 767
Interest expenses		3 940	3 556	7 749	2 202
Other financial expenses		22 288	13 541	5 096	1 459
Net financial items	**10**	**4 600**	**9 621**	**1 815**	**1 139**
Income/(loss) before taxes		**(247 485)**	**(218 800)**	**(135 544)**	**(119 734)**
Taxes (+)/tax income (-)	11	(205 976)	(185 782)	(105 628)	(93 340)
Net income/(loss)		**(41 509)**	**(33 018)**	**(29 916)**	**(26 394)**
Minority's share of net income (loss)		(807)			
Majority's share of net income (loss)	12	(40 701)			
Transferred from other paid-in equity				(1 248)	(858)
Transferred from share premium			(33 018)	(28 667)	(25 536)
Total transfers			**(33 018)**	**(29 916)**	**(26 394)**
Weighted average no. of shares outstanding		31 240 879	31 240 879	18 200 614	8 347 593
Weighted average no. of shares fully diluted		31 240 879	31 240 879	18 200 614	8 347 593
Earnings/(loss) after taxes per share (adjusted for split)		(1.33)	(1.06)	(1.64)	(3.16)
Earnings/(loss) after taxes per share (adjusted for split) fully diluted		(1.33)	(1.06)	(1.64)	(3.16)

1) The Group was established 13 November 2007. Comparable figures for the Group for the years 2006 and 2005 are identical to the Parent company figures for these years.

BALANCE SHEET

(NOK 1000)	Note	GROUP 31.12.2007	DET NORSKE OLJESELSKAP AS 31.12.2007	DET NORSKE OLJESELSKAP AS 31.12.2006 [1]
ASSETS				
Intangible assets				
Goodwill	13,14	1 671 556	43 875	43 875
Capitalized exploration expenditures	13	517 867	139 567	2 886
Other intangible assets	13	2 423 340	23 466	23 701
Tangible fixed assets				
Property, plant, and equipment	13	354 692	243 159	86 976
Financial investments				
Shares in subsidiary	3		2 777 140	
Long term prepayments	21	5 160		
Total fixed assets		**4 972 614**	**3 227 206**	**157 437**
Inventories				
Inventories	6	2 579	2 579	2 208
Receivables				
Trade receivables	15	128 237	24 682	15 262
Other receivables	16	119 718	87 537	87 072
Calculated tax receivables	11	618 044	277 977	112 724
Cash and cash equivalents				
Cash and cash equivalents	17	585 127	343 392	565 889
Total currant assets		**1 453 705**	**736 166**	**783 155**
Total assets		**6 426 319**	**3 963 372**	**940 591**

1) The Group was established 13 November 2007. Comparable figures for the Group for the years 2006 and 2005 are identical to the Parent company figures for these years.

BALANCE SHEET

(NOK 1000)	Note	GROUP 31.12.2007	DET NORSKE OLJESELSKAP AS 31.12.2007	DET NORSKE OLJESELSKAP AS 31.12.2006 [1]
EQUITY AND LIABILITIES				
Paid-in-capital				
Share capital	18	12 985	12 985	5 302
Share premium		3 519 597	3 527 282	802 160
Total paid-in capital		**3 532 582**	**3 540 267**	**807 462**
Minority interests		30 725		
Total equity		**3 563 307**	**3 540 267**	**807 462**
Provisions				
Pension obligations	19	8 125	8 125	3 255
Deferred taxes	11	2 166 470	108 335	18 875
Abandonment provision	20	81 133	32 267	21 928
Deferred revenues	21	10 402	10 402	
Total provisions		**2 266 130**	**159 130**	**44 058**
Current liabilities				
Short-term loan	22	128 625		
Trade creditors		112 788	105 378	26 787
Taxes withheld and public duties payable		12 044	4 761	3 420
Other current liabilities	23	343 423	153 837	58 864
Total current liabilities		**596 881**	**263 976**	**89 071**
Total liabilities		**2 863 012**	**423 106**	**133 129**
TOTAL EQUITY AND LIABILITIES		**6 426 319**	**3 963 372**	**940 591**

1) The Group was established 13 November 2007. Comparable figures for the Group for the years 2006 and 2005 are identical to the Parent company figures for these years.

Trondheim, 12 March 2008

(sign.)
Kaare M. Gisvold, Chairman of the Board

(sign.)
Ivar Brandvold, Deputy Chairman of the Board

(sign.)
Svein Sivertsen, Board Member

(sign.)
Barbro Hætta-Jacobsen, Board Member

(sign.)
Guri Ingebrigtsen, Board Member

(sign.)
Eva H. Skøelv, Board Member

(sign.)
Tore Lilloe-Olsen, Board Member

(sign.)
Øistein Høimyr, Board Member

(sign.)
Kristin Aubert, Board Member

(sign.)
Erik Haugane, CEO

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(NOK 1000)	Share capital	Share premium reserve	Other paid-in capital	Minority interest	Total equity
	MAJORITY INTEREST				
Equity at 01.01.2006	3 113	183 399	-	-	186 512
Share issue June (employees)	2	479			481
Share issue October (private placement)	2 000	598 000			600 000
Share issue October (public offering/employees)	187	54 784	1248		56 219
Share issue costs October		(26 514)			(26 514)
Tax effect of share issue costs		20 681			20 681
Profit / (loss) for the period		(28 668)	(1248)		(29 916)
Equity at 31.12.2006	**5 302**	**802 160**	**-**	**-**	**807 462**
					-
Share issue	6	2 086			2 091
Share issue 13.11.2007	6 600	2 369 400			2 376 000
Share issue 6.12.2007	1 077	386 763			387 840
Share issue costs booked to equity		(500)			(500)
Tax effect of share issue costs booked to equity		390			390
Majority share of consolidated Group net loss		(40 701)			(40 701)
Minority interest				30 725	30 725
Equity at 31.12.2007	**12 985**	**3 519 597**	**-**	**30 725**	**3 563 307**

STATEMENT OF CHANGES IN EQUITY - PARENT

(NOK 1000)	Share capital	Share premium reserve	Other paid-in capital	Minority interest	Total equity
Equity at 01.01.2006	3 113	183 399	-	-	186 512
Share issue June (employees)	2	479			481
Share issue October (private placement)	2 000	598 000			600 000
Share issue October (public offering/employees)	187	54 784	1248		56 219
Share issue costs October		(26 514)			(26 514)
Tax effect of share issue costs		20 681			20 681
Profit / (loss) for the period		(28 668)	(1248)		(29 916)
Equity at 31.12.2006	**5 302**	**802 160**	**-**	**-**	**807 462**
Share issue	6	2 086			2 091
Share issue 13.11.2007	6 600	2 369 400			2 376 000
Share issue 6.12.2007	1 077	386 763			387 840
Share issue costs booked to equity		(500)			(500)
Tax effect of share issue costs booked to equity		390			390
Profit / (loss) for the period		(33 018)			(33 018)
Equity at 31.12.2007	**12 985**	**3 527 283**	**-**	**-**	**3 540 267**

CASH FLOW STATEMENT

(NOK 1000)	Note	GROUP 2007	DET NORSKE OLJESELSKAP ASA 2007	DET NORSKE OLJESELSKAP ASA 2006
Cash flow from operating activities				
Income/(loss) before taxes		(247 485)	(218 800)	(135 544)
Tax refund		323 795	110 381	81 925
Depreciation and amortization expenses		34 553	26 088	20 054
Changes in plugging and abandonment liabilities		3 129	1 961	1 923
Discount shares to employees			-	1 248
Changes in inventories, accounts payable and receivable		62 975	68 800	5 980
Changes in net current capital and in other current balance sheet items		127 640	110 931	(60 349)
Net cash flow from operating activities		**304 607**	**99 361**	**(84 763)**
Cash flow from investment activities				
Purchase of property, plant, and equipment		(170 824)	(164 718)	(66 414)
Purchase of intangible assets		(194 444)	(145 456)	(3 234)
Net cash flow from (used in) investment acitvities		**(365 267)**	**(310 175)**	**(69 649)**
Cash flow from financing activities				
Paid-in share capital/capital increase		2 091	2 091	628 938
Expenditure related to acquisition of companies		(13 775)	(13 775)	
Payment of loan		(290 686)	-	
Short-term loan		130 000		-15 271
Net cash flow from (used in) financing activities		**(172 369)**	**(11 684)**	**613 667**
Net change in cash and cash equivalents		(227 870)	(222 498)	459 255
Cash and cash equivalents at start of period		565 890	565 890	106 634
Cash and cash equivalents in acquired company at time of acquisition		252 267		
Cash and cash equivalents at end of period		**585 127**	**343 392**	**565 889**
Specification of cash and cash equivalents at end of period		-		
Bank deposits, etc.	17	552 741	311 564	537 876
Restricted bank deposits	17	8 806	8 248	2 451
Other financial investments	17	23 580	23 580	25 563
Total cash and cash equivalents at end of period	**17**	**585 127**	**343 392**	**565 890**

NOTES

PRINCIPAL ACTIVITIES AND CORPORATE INFORMATION

Det norske oljeselskap ASA (the Company) is an oil production company engaged in exploration, development, and operation of oil and gas properties on the Norwegian Continental Shelf.

The Company is a limited company incorporated and domiciled in Norway, whose shares are publicly traded. The Company has its registered office in Trondheim.

The Group's financial statements were approved for publication by the Board of Directors on 12 March 2008, and will be submitted to the Annual General Meeting for approval on 8 April 2008.

STATEMENT OF COMPLIANCE

The financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU. Due to the EEA agreement this also applies to group companies listed on the Oslo Stock Exchange.

NOTE 1 - SUMMARY OF IFRS ACCOUNTING POLICIES APPLICABLE FOR 2005 - 2007

GROUP FINANCIAL STATEMENT

The Group`s financial statements comprise Det norske oljeselskap as well as subsidiary in which Det norske oljeselskap has a controlling influence on the business finances and operations in order to gain financial or other benefit.

A controlling interest is normally achieved when the Group controls, directly or indirectly, more than 50% of the votes in the other company or is otherwise able to exercise de facto control of the other company.

The Group's financial statements have been produced by adding together the accounts of the parent company and the subsidiary, which have been drawn up using the same accounting principles. For consolidation purposes, intra-group revenues and cost, shareholdings, outstanding balances, dividends, group contribution, and realized and unrealized gains on transactions between consolidated companies have been eliminated.

BASIS FOR PREPARATION

The financial statements have been prepared on a historical cost basis. The consolidated financial statements are presented in Norwegian Kroner (NOK), and all values are rounded off to the nearest thousand except when otherwise indicated.

SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES, AND ASSUMPTIONS

The preparation of financial statements in conformity with IFRS requires the management to make judgments, estimates, and assumptions that affect the application of policies and reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting periods.

Accounting estimates are employed in the financial statements to determine reported amounts, including the possibility for realization of certain assets, the useful lives of tangible and intangible assets, income taxes and others. Although these estimates are based on management's best knowledge of historical experience, current events and actions, actual results may differ from these estimates. The estimates and the underlying assumptions are reviewed on an ongoing basis. Changes in estimates will be recognized when new estimates can be determined with certainty.

The key sources of estimation uncertainty for the Group relates to the following:

Proved and Probable Oil and Gas Reserves

Oil and gas reserves have been estimated by internal experts in accordance with industry standards. The estimates are based on both Det norske oljeselskap ASA's own assessment and information from the operators. Proved and probable oil and gas reserves are the estimated quantities of crude oil, natural gas, and natural gas liquids which geological and engineering data demonstrate with reasonable certainty to be recoverable in future years from known reservoirs under existing economic and operating conditions, i.e., prices and costs as of the date the estimate is made. Prices include consideration of changes in existing prices provided only by contractual arrangements but not on escalations based upon future conditions.

Proved and probable reserves are used when calculating the unit-of-production rates used for depreciation, depletion, and amortization. Reserve estimates are also used when testing upstream assets for impairment. Future changes in proved and probable oil and gas reserves, for instance as a result of changes in prices, could have a material impact on unit-of-production rates used for depreciation and amortization and for decommissioning and removal provisions, as well as for the impairment testing of upstream assets, which could have a material adverse effect on operating result as a result of increased deprecation and amortization or impairment charges.

Exploration and Leasehold Acquisition Costs

Det norske oljeselskap ASA's accounting policy is to capitalize the costs of drilling exploratory wells pending determination of whether the wells have found proved and probable oil and gas reserves. Judgments on whether these expenditures should remain capitalized or expensed in the period may materially affect the operating result for the period.

Oil and gas properties that are not deemed as proved and probable properties are assessed at each reporting date and unsuccessful wells are expensed. Exploratory wells that have found reserves, but classification of those reserves as proved and probable depends on whether a major capital expenditure can be justified, may remain capitalized for more than one year. The main conditions are that either firm plans exist for future drilling in the license or a development decision is planned in the near future.

Impairment/Reversal of Impairment

Det norske oljeselskap ASA has significant investments in long-lived assets such as property, plant and equipment, and changes in expectations of future value from individual assets may result in some assets being impaired, with the book value being written down to estimated fair value. Impairments should be reversed if the conditions for impairment are no longer present. Making judgments of whether an asset is impaired or not, and if an impairment should be reversed, are complex decisions that rest on a high degree of judgment and to a large extent on key assumptions. Complexity is related to the modeling of relevant future cash flows, to the determination of the extent of the asset for which impairment is to be measured, and to establishing a fair value of the asset in question.

Impairment testing requires long-term assumptions to be made concerning a number of often volatile economic factors such as future market prices, currency exchange rates and future output, discount rates among others, in order to establish relevant future cash flows. There is a high degree of reasoned judgment involved in establishing these assumptions, including determining relevant factors such as forward price curves, estimating production outputs, and determining the ultimate termination value of an asset. Likewise, establishing a fair value of the asset, when required, will require a high degree of judgment in many cases where there is no ready third party market in which to obtain the fair value of the asset in question.

Decommissioning and Removal Liabilities

Det norske oljeselskap ASA has significant legal obligations to decommission and remove offshore installations at the end of the production period. Legal obligations associated with the retirement of non-current assets are recognized at their fair value at the time the obligations are incurred. Upon initial recognition of a liability, that cost is capitalized as part of the related non-current asset and allocated to expense over the useful life of the asset. It is difficult to estimate the costs of these decommissioning and removal activities, which are based on current regulations and technology. Most of the removal activities are many years into the future and the removal technology and costs are constantly changing. The estimates include, among others, cost assumptions relating to removal complexity, rigs, marine operations, and heavy lift vessels. As a result, the initial recognition of the liability and the capitalized cost associated with decommissioning and removal obligations, and the subsequent adjustment of these Balance Sheet items, involve the application of significant judgment.

Employee Retirement Plans

When estimating the present value of defined pension benefit obligations that represent a gross long-term liability in the Balance Sheet and, indirectly, the period's net pension expense in the income statement, the management makes a number of critical assumptions affecting these estimates. Most notably, assumptions made on the discount rate to be applied to future benefit payments, the expected return on plan assets, and the annual rate of compensation increase have a direct and material impact on the amounts presented. Significant changes in these assumptions between periods can have a material effect on the accounts.

Income Tax

The Group annually incurs significant amounts of income taxes payable/receivable, and also recognizes significant changes to deferred tax assets and deferred tax liabilities, all of which are based on management's interpretations of applicable laws, regulations and relevant court decisions. The quality of these estimates is highly dependent upon management's ability to properly apply at times very complex sets of rules, to recognize changes in applicable rules and, in the case of deferred tax assets, management's ability to project future earnings from activities that may apply loss carry forward positions against future income taxes.

INTERESTS IN JOINT VENTURES

A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control. The Group accounts for joint ventures, including jointly controlled assets (oil and gas licenses), by recording its share of the assets, liabilities, and cash flows. The Company combines its share of the joint ventures' individual income and expenses, assets and liabilities, and cash flows on a line-by-line basis with similar items in the Group's financial statements.

BALANCE SHEET CLASSIFICATION

Current asset and short-term liabilities include items due less than a year from the Balance Sheet date, and items related to the operating cycle, if longer. The current portion of long-term debt is included as current liabilities. Financially motivated investments in shares are classified as current assets, while strategic investments are classified as a non-current asset. Other assets are classified as non-current assets.

ACQUISITIONS, DIVESTMENTS, LICENSE EXCHANGES

Accounting principles related to the sale and purchase of license shares in joint-venture activities are individually assessed for each agreement.

Acquisitions of interests in oil and gas producing licenses are regarded as business combinations and are accounted for using the purchase method of accounting. The acquirer purchases net assets and recognizes the assets acquired and liabilities and contingent liabilities assumed, including those not previously recognized by the seller.

At the acquisition date, the costs of a business combination are allocated by recognizing the identifiable assets, liabilities, and contingent liabilities at their fair values at that date. For oil and gas producing properties the purchase price is allocated between exploration rights, facilities, wells, and goodwill.

The acquisition date is the date which effective control is transferred to the acquirer (transaction date).

The acquirer's income statement incorporates the profits and losses of the acquired interest from the transaction date.

Acquisition of interests in exploration and development J/Vs are regarded as transfer of assets under IFRS.

Farm-ins generally occur in the exploration or development phase and are characterized by the transferor giving up future economic benefits, in the form of reserves, in exchange for reduced future funding obligations. In the exploration phase the Group accounts for farm-ins on a historical cost basis. As such no gain or loss is recognized. In the development phase, the Group accounts for farm-ins as an acquisition at fair value when the Group is the transferee and a disposal at fair value when the Group is the transferor of a part of an oil and gas property. The fair value is determined by the costs that have been agreed as being borne by the transferee.

Exchanges of assets are measured at the fair value of the asset given up unless the exchange transaction lacks commercial substance or the fair value of neither the asset received nor the asset given up is reliably measurable. If the exchanges only comprise of assets in the exploration and evaluation phase, the exchanges are accounted for on a historical cost basis.

FOREIGN CURRENCY TRANSLATION AND TRANSACTIONS

Functional Currency

Transactions in foreign currency are entered at transaction exchange rates. Monetary items in foreign currency are converted into the exchange rate of the Balance Sheet date. Realized and unrealized foreign exchange gains and losses are included in the annual results.

The financial statements are presented in Norwegian Kroner (NOK), which is the functional currency of the Company.

PROPERTY, PLANT AND EQUIPMENT

General

Property, plant and equipment acquired by the Group are stated at historical cost. Depreciation of other assets than oil and gas properties are calculated on a straight-line basis at rates varying from 3-5 years and adjusted for impairment charges and residual value, if any.

The carrying value of the property, plant and equipment on the Balance Sheet represents the cost less accumulated depreciation and any impairment charges. Expenses on leased premises are capitalized and depreciated over the leasing period.

Expected useful lives of long-lived assets are reviewed at each Balance Sheet date and, where they differ significantly from previous estimates, depreciation periods are changed accordingly. Any change is accounted for prospectively.

The residual value of an asset is the estimated amount that the Group would currently obtain from disposal of the asset, after deducting the estimated costs of disposal, if the assets were already of the age and in the condition expected at the end of its useful life.

Ordinary repairs and maintenance costs, defined as day-to-day servicing costs, are charged to the income statement during the financial period in which they are incurred. The cost of major renovations is included in the asset's carrying amount.

Gains and losses on disposals are determined by comparing the disposal proceeds with the carrying amount and are included in other operating expenses. Assets to be disposed of are reported at the lower of the carrying amount and the fair value less selling costs.

Exploration and Development Cost for Oil and Gas Properties

The Group employs the "successful efforts" method to account for exploration and development costs. All exploration costs (including seismic acquisitions, seismic studies, and 'own time'), with the exception of acquisition costs of licenses and drilling costs for exploration wells, are charged to expense as incurred.

Drilling costs for exploration wells are temporarily capitalized pending the evaluation of potential existence of oil and gas reserves. If reserves are not found, or if discoveries are assessed not to be technically and commercially recoverable, the costs are expensed. The costs for acquiring licenses are capitalized and assessed for impairment at each reporting date.

Capitalized exploration cost is classified as intangible assets and is re-classified to tangible assets upon start of development. For accounting purposes, the field enters into the development phase when the partners in the license declare the commerciality decision, or the field has matured to a similar level. All costs for developing commercial oil and/or gas fields are capitalized as tangible assets. Pre-operating cost is expensed as incurred.

Depreciation of Oil and Gas Properties

Expenditures to drill and equip exploratory wells where proved and probable reserves are discovered are capitalized and depreciated using the unit-of-production method based on proved and probable developed reserves expected to be recovered from the well. Development expenditure on the construction, installation or completion of infrastructure facilities such as platforms, pipelines and the drilling of development wells are capitalized as producing oil and gas properties and depreciated using the unit-of-production method based on proved and probable developed reserves expected to be recovered from the area during the concession or contract period. Capitalized acquisition cost of proved and probable properties is depreciated using the unit-of-production method based on proved and probable reserves. Any changes in the reserves affecting unit-of-production calculations are reflected prospectively.

Component Cost Accounting

The Group allocates the amount initially recognized in respect of an item of property, plant and equipment to its significant parts, and depreciates separately each such part over their useful lives.

INTANGIBLE ASSETS

Amortization of intangible assets is based on the following expected useful lives:

- Computer software 3-5 years.

GOODWILL

Excess value on the purchase of operations that cannot be allocated to identifiable assets or liabilities on the acquisition date is classified in the Balance Sheet as goodwill.

For internal management purposes, goodwill is monitored on an individual field/license basis (cash-generating unit).
The goodwill acquired in a business combination is measured after initial recognition at cost less any accumulated impairment losses. The goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired.

BORROWING COSTS

Borrowing costs are recognized as an expense in the period in which they are incurred.

IMPAIRMENT OF LONG-LIVED ASSETS

Property, plant and equipment and intangible assets with finite useful life (excluding goodwill) are reviewed for potential impairment indicators annually, and whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows. For oil and gas properties this is done on a field-by-field basis. For capitalized exploration expenditures the impairment test is done for each well. An impairment loss is the amount by which the carrying amount of the assets exceeds the recoverable amount. The recoverable amount is the higher of the asset's net selling price and its value in use. The value in use is determined by reference to discounted future net cash flows expected to be generated by the asset. Cash flows are discounted using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount, however, not to a higher amount than if no impairment loss had been recognized. Such reversal is recognized in profit or loss. After such a reversal, the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

IMPAIRMENT OF GOODWILL

Goodwill is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of the cash-generating unit, to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount of the cash-generating unit to which goodwill has been allocated, and impairment loss is recognized. Impairment losses relating to goodwill cannot be reversed in future periods. The Company performs its annual impairment test of goodwill during fourth quarter.

RESEARCH AND DEVELOPMENT

Research and development costs are expensed as incurred.

LEASES

Operating lease payments are recognized as an expense in the income statement on a straight-line basis over the lease term.

TRADE RECEIVABLES

Trade receivables are recognized and carried at their anticipated realizable value, which is the original invoice amount less an estimated valuation allowance for any uncollectible amounts. A provision is made when there is objective evidence that the Company will not be able to collect the debts. Bad debts are expensed when identified.

INVENTORY

Spare parts are valued at the lower of cost and net realizable value. The cost is determined by the First-in, First-out (FIFO) method. Cost includes raw material, freight, and direct production costs together with a share of indirect costs. Net realizable value is the estimated selling price, less the estimated selling expenses.

Inventory of petroleum is valued at the lower of full production cost and net realizable value.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are included within borrowings in current liabilities on the Balance Sheet.

INTEREST-BEARING LIABILITIES

All loans and borrowings are initially recognized at cost, being the fair value of the consideration received net of issuing costs associated with the borrowing.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method; any difference between proceeds (net of transaction costs) and the redemption value is recognized on the income statement over the period of the interest-bearing liabilities. Amortized cost is calculated by taking into account any issue costs, and any discount or premium on settlement.

Gains and losses are recognized in other financial income or expenses when the liabilities are derecognized or impaired, as well as through the amortization process.

REVENUE RECOGNITION

Revenue from sale of petroleum is recognized on the basis of the Group's net working interest, regardless of whether the petroleum is sold (entitlement method). Other revenue is recognized at the time of delivery of goods and services.

INCOME TAXES

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the Balance Sheet date.

Current income tax relating to items recognized directly to equity is recognized in equity and not in the income statement.

Deferred Tax

Deferred income tax is provided using the liability method on temporary differences at the Balance Sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognized for all taxable temporary differences, except:

- where the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized except:

- where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred income tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred income tax assets is reviewed at each Balance Sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Unrecognized deferred income tax assets are reassessed at each Balance Sheet date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the Balance Sheet date.

Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the income statement.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

The effect of uplift, a special deduction for petroleum surtax in Norway, is recognized in the current tax calculation, alternatively as deferred tax if the Group has net taxes receivable caused by exploration expenses.

Refund Related to Exploration Expenditure

Expected tax refund related to exploration expenses is recognized when the expenses are incurred and presented in the Balance Sheet as calculated tax receivable.

EMPLOYEE BENEFITS

Pension Obligations

The Parent Company has a retirement benefit plan for employees which is managed and funded through a Norwegian life insurance company. The projected benefit obligations are calculated based on actuarial methods, and compared with the value of pension assets.

Pension costs and pension obligations are calculated on a straight-line earning profile basis, based on assumptions relating to discounts rates, projected salaries, the amount of benefits from the National Insurance Scheme, future return on plan assets, and actuarial calculations related to mortality rate, voluntary retirement, etc. Plan assets are valued at fair value. Pension liabilities are reported net of plan assets in the Balance Sheet. Changes in the pension obligation due to changes in the pension plans are accounted for at the time of decision. Changes in estimates which exceed 10 percent of the higher of the pension obligation and pension assets (corridor) are accounted for prospectively over the assumed remaining contribution time.

Contribution Pension Plans

Employees in the subsidiary NOIL Energy ASA have a defined contribution pension plan managed and funded through a Norwegian life insurance company. Payments are recognized as pension costs when accrued.

PROVISIONS

A provision is recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each Balance Sheet date and adjusted to reflect the current best estimate.

If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the carrying amount of the provision increases in each period to reflect the unwinding of the discount by the passage of time. This increase is recognized as an interest expense.

Assets Retirement Obligations

In accordance with the terms of the license concessions for licenses where the Group has an ownership interest, the Norwegian State may instruct the license holders to partly or completely remove the facilities at the end of production or when the concession period expires.

Upon initial recognition of a removal liability, the Group calculates and records the net present value related to future abandonment and decommissioning. A corresponding asset is recognized in plant and equipment and depreciated using the unit-of-production method. The change in the time value (net present value) of the liability is charged as a finance cost (accretion) and increases the future liability related to abandonment and decommissioning. Any changes in the best estimate related to expenditures associated with abandonment and decommissioning liabilities are accounted for prospectively. The discount rate used when calculating the net present value of the abandonment and decommissioning liability is calculated based on a risk-free interest rate plus a risk premium related to the individual offshore asset.

Related Party Transactions

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

EARNINGS PER SHARE

Earnings per share are calculated by dividing the ordinary result by the weighted average number of shares outstanding. Shares issued during the year are included relative to the number of days they have been outstanding. Diluted earnings per share are calculated as the ordinary result divided by the average number of shares outstanding during the period adjusted for the effect of possible dilutive options. The profit due to the ordinary shareholders and the weighted average number of ordinary shares outstanding are adjusted for all the dilution effects relating to potential share options. All shares that can be received by conversion of share options that is “in the money” and that can be exercised are included in the calculation. The share options are assumed to be converted at the date of assignment.

CASH FLOW

The cash flow statement is based on the indirect method, and the Group’s bank balance is shown as means of payment.

COMPARATIVES

Comparative figures have been adjusted to conform to changes in presentation in the current year, where necessary.

APPROVED STANDARDS AND INTERPRETATIONS YET TO COME INTO EFFECT

IFRS 3 (Revised) – Business Combinations

As compared to the existing IFRS 3, the revised standard entails certain amendments and specifications pertaining to the application of the acquisition method. Specific issues that are addressed include a.o. goodwill acquired in step acquisitions, minority voting interests, contingent payments, and acquisition-related costs. The Group plans to apply IFRS 3 (R) with effect from 1 January 2010.

IFRS 8 – Operating Segments

IFRS 8 replaces IAS 14 – Segment Reporting. The standard requires that the Company/Group uses a management approximation to identify segments. In general, the information to be reported must be that used by management internally for the evaluation of the segment's results and to decide how resources shall be allocated to the segments. IFRS 8 requires information on the basis from which the segment information is prepared, and from which type of products and services each segment receives earnings. The Group will apply IFRS 8 with effect from 1 January, 2009.

IAS 1 (Revised) – Presentation of Financial Statements

The revised standard will come into effect for the annual periods beginning on or after 1 January 2009. The revised standard entails changes to the presentation of financial statements, particularly with regard to the statement of changes in equity, and introduces a presentation of non-owner transactions; "Statement of Comprehensive Income". Specific issues that are addressed include a.o. goodwill acquired in step acquisitions, minority voting interests, contingent payments, and acquisition-related costs. The Group will apply the revised standard with effect from and including 1 January 2009.

IAS 23 – Borrowing Costs

A revised IAS 23 Borrowing Costs was issued in March 2007, and becomes effective for financial years beginning on or after 1 January 2009. The standard has been revised to require capitalization of borrowing costs when such costs relate to a qualifying asset. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. In accordance with the transitional requirements in the Standard, the Group will adopt this as a prospective change. Accordingly, borrowing costs will be capitalized on qualifying assets with a commencement date after 1 January 2009. No changes will be made for borrowing costs incurred to this date that have been expensed.

IAS 27 (Revised) – Consolidated and Separate Financial Statements

As compared to the existing standard, the revised standard provides more instructions related to accounting for changed ownership interest in subsidiaries and disposal of subsidiaries. Furthermore, the existing regulations pertaining to allocation of losses between majority and minority are amended to read that losses are to be allocated against the minority, even if this should be adverse. The Group will apply the revised standard with effect from and including 1 January 2010.

IFRIC 11 – Group and Treasury Share Transactions

IFRIC 11 gives guidance on how to apply IFRS 2 Share-based Payment for settlement with the Group's own equity instruments. The interpretation requires that an agreement regarding share-based payment, whereby an entity receives goods and services as payment for the entity's equity instruments, is to be accounted for as a share-based payment transaction to be settled in equity. This applies regardless of how the equity instrument has been acquired. The Group has not utilized any equity instrument as payment, and the interpretation is consequently not applicable to the Group.

IFRIC 12 – Accounting for Service Concession Arrangements

IFRIC Interpretation 12 was issued in November 2006 and becomes effective for annual periods beginning on or after 1 January 2008. This Interpretation applies to service concession operators and explains how to account for the obligations undertaken and rights received in service concession arrangements. The Group has no concession arrangements comprised by IFRIC 12 and hence the interpretation will have no impact on the Group.

IFRIC 13 – Customer Loyalty Programs

IFRIC Interpretation 13 was issued in June 2007 and becomes effective for annual periods beginning on or after 1 July 2008. This Interpretation requires customer loyalty award credits to be accounted for as a separate component of the sales transaction in which they are granted, and therefore part of the fair value of the consideration received is allocated to the award credits and deferred over the period that the award credits are fulfilled. The Group expects that this interpretation will have no impact on the Group's financial statements as no such schemes currently exist.

IFRIC 14 IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

IFRIC Interpretation 14 was issued in July 2007 and becomes effective for annual periods beginning on or after 1 January 2008. This Interpretation provides guidance on how to assess the limit on the amount of surplus in a defined benefit scheme that can be recognized as an asset under IAS 19 Employee Benefits. The Group expects that this Interpretation will have no impact on the financial position or performance of the Group as all defined benefit schemes are currently in deficit.

NOTE 2: CHANGES IN GROUP STRUCTURE AND SIGNIFICANT TRANSACTIONS

Acquisition of business

On 13 November 2007, the previous Pertra ASA (now Det norske oljeselskap ASA) purchased 83.7% of the shares in NOIL Energy ASA. The NOIL shares were exchanged for “Pertra” shares at an exhange ratio of 3:1 and were based on valuations by external facilitators at the time of acquisition. The transaction involved a share issue of 33 million shares at a price of MNOK 6.6, as well as a premium amounting to MNOK 2,369. The external facilitators’ fees are included in the cost price. On 6 December 2007, an additional 13.6% of the shares was acquired. This was financed by means of a share issue of 5.4 million shares at MNOK 1.1, and a premium in the amount of MNOK 386.8. NOIL Energy ASA is a public limited liability company with headquarters in Oslo, Norway. The company operates in the same business segment as Det norske oljeselskap. The acquisition entailed a goodwill in the amount of MNOK 1,627.7, which will be subjected to an annual depreciation test. The management is of the opinion that the acquisition will result in an improved positioning within the oil industry and have a positive impact on future earnings beyond the value of each individual asset, and synergies with existing activities. Each share represents one vote.

One of the terms of agreement applicable to the transaction was that the company change its name from Pertra ASA to Det norske oljeselskap ASA.

In the consolidated financial statements, goodwill is presented as the difference between cost price at the share purchases and share of the estimated net value of NOIL’s assets and liabilities. The acquisition had the following impact on the consolidated financial statements:

(Alle tall i NOK 1000)	Capitalized value 13 Nov. 2007	Added value 13 Nov. 2007	Acquisitions 2007 13 Nov. 2007
Capitalized exploration and license expenditures	377 371	2 351 816	2 729 187
Property, plant, and equipment	133 474	(684)	132 790
Long-term receivables	283 093		283 093
Inventory	8 656		8 656
Trade receivables	111 060		111 060
Other receivables	77 403		77 403
Tax receivables	214 744		214 744
Cash and cash equivalents	252 267		252 267
Deferred taxes	(187 671)	(1 834 346)	(2 022 017)
Plug and abandonment liabilities	(67 763)		(67 763)
Long-term liabilities	(63 196)		(63 196)
Current liabilities credit institutions	(218 500)		(218 500)
Other short-term liabilities	(230 893)		(230 893)
Trade creditors	(25 839)		(25 839)
Minority 2.67%	(17 734)	(13 798)	(31 532)
Net identifiable assets and liabilities	**646 472**	**502 988**	**1 149 459**
Goodwill at acquisition 13.11.2007		1 391 256	1 391 256
Goodwill at acquisition 6.12.2007		236 425	236 425
Purchase price	**646 472**	**2 130 669**	**2 777 140**
Increase of capital			2 763 865
Cash			0
Direct expenses			13 275
Purchase price			**2 777 140**
Paid in cash			13 275
Cash received			0
Net outgoing cash			**13 275**

The acquired company has contributed 23,947 to the Group’s turnover and (28,720) to the Group’s income/(loss) before taxes during the period between acquisition (13.11.2007) and Balance Sheet date.

If the acquisition had been completed as of 01.01.2007, the Group’s total turnover for the entire period would have amounted to 389,393, and the Group’s loss before taxes to 374,402.

Included in the goodwill value are customer relations, technology, employees with special skills, organizational capabilities and solutions, rig contracts, seismic data, and expected synergies with NOIL Energy ASA’s existing operations. These intangible assets do not satisfy the capitalization criterion in IAS 38 and have consequently not been capitalized separately.

Significant transactions

The company was warded three new operatorships and one partner-operated license in APA 2006.

Plan for Development and Operation (PDO) for the Yme Field was approved by the authorities in May 2007.

In cooperation with Revus Energy, the company entered into a lease agreement with Odfjell Drilling regarding the drilling facility “Deepsea Delta” for drilling of exploration wells on the NCS from 2009. The agreement secures the company rig capacity for 24 months through a three-year period.

Two oil discoveries were made in Paleocene reservoirs in Storskrymten, totaling between 20 and 45 million barrels of recoverable oil equivalents.

The company entered into a new loan agreement with DnB NOR regarding a drawing facility with an available amount of MNOK 1,500.

Drilling of Ragnarrock indicated up to 1,000 million barrels of oil equivalents, but with a very uncertain recovery factor. The drilling of the Thorkildsen prospect in Production License 341 was concluded, and the well was dry.

NOTE 3: SUMMARY OF SUBSIDIARIES

The following subsidiaries are included in the consolidated financial statements:

				31-12-07	
Company	Domicile	Registered office	Main business	Ownership interest	Voting share
NOIL Energy ASA	Norway	Bryggeg. 9 NO-0250 Oslo	Oil	97.3%	97.3%

* Consolidated as of 13 November 2007 (see note 2). For the period 13.11.2007–06.12.2007 the ownership interest was 83.7%

	PARENT	
	2007	2006
Shares in subsidiary	2 777 140	0

In the parent company, shares in the subsidiary are valued at the lower of cost price and actual value.

	2007
Eguity in subsidiary	655 586
Annual result	12 728

Inter-company balance is presented in Note 28 “Transactions with related parties”.

NOTE 4: BUSINESS SEGMENT INFORMATION

In 2007 and 2006, the company’s business has been conducted in its entirety within one and the same business segment, defined as exploration and production of petroleum in Norway. For the time being, it has not been deemed necessary to split the business into other segments.

NOTE 5: EXPLORATION EXPENSES

	GROUP	PARENT		
	2007	2007	2006	2005
Seismic, well data, field studies, and other exploration expenses related to license applications and regional studies	53 661	45 294	27 488	31 963
Share of exploration expenses from participation in licenses	131 643	124 838	121 028	48 363
Expensed, previously capitalized exploration wells	33		8 665	
Expensed, dry exploration wells this year	63 105	61 255		67 607
Share of payroll and payroll-related expenses reclassified as exploration expenditure	25 726	19 963	28 997	18 364
Research and development costs related to exploration activities	8 774	6 086		
Total exploration expenses	**282 943**	**257 435**	**186 178**	**166 298**

The share of payroll and operating expenses attributable to operations and exploration activities has been reclassified and categorized as production and exploration expenses, respectively.

NOTE 6: INVENTORY AND INVENTORY COST

Inventory consists of oil that has been produced, but not delivered, and inventory of spare parts. This is valued at full production cost.

	GROUP	PARENT		
	2007	2007	2006	2005
Inventory of oil - produced, but not delivered 31.12.	1 692	1 692	2 098	4 680
Share of spare part inventory 31.12.	887	887	109	84
Total inventory 31.12.	**2 579**	**2 579**	**2 208**	**4 765**
Change in inventory of oil	406	406	2 582	(1 371)

NOTE 7: PRODUCTION COSTS

Production costs comprise costs related to lease, operation, and maintenance of production vessel/platform, and well intervention and work-over activities, CO^2 fees, etc. Share of payroll and administration costs attributable to operations is also reclassified and presented as production cost. In the Group, the costs are related to the production licenses Varg, Enoch, and Glitne, whereas the costs in the parent company relate only to Varg.

NOTE 8: REMUNERATION

Bonus scheme

The company has established a bonus scheme applicable to all employees. The bonus is set by the Board based on a discretionary estimate of the Group's total performance the preceding year. Based on this estimate, the Board will resolve whether a bonus is to be granted to the employees. Bonus for one year may amount to maximum 40% of the basic wage. The employees must subscribe for shares in Det norske oljeselskap ASA for 50% of the bonus. Bonus is not granted to employees who have resigned or otherwise terminated their employment in the company when the bonus is awarded.

	GROUP	PARENT		
	2007	2007	2006	2005
Salaries	57 447	47 429	24 534	8 675
Discount shares to employees	0	0	1 248	2 658
Pension costs, payroll tax included (Note 19)	6 727	5 312	5 722	857
Payroll tax	7 549	5 844	2 562	1 474
Other personnel expenses	3 084	2 302	2 210	1 126
Reclassification of wage costs to exploration and production costs	(63 647)	(58 540)	(34 183)	(14 208)
Total personnel expenses	11 161	2 346	2 093	582

No. of employees, in man-years:

	GROUP	PARENT		
	2007	2007	2006	2005
No. of employees, in man-years	39.5	35.3	22.7	9.8

The number of man-years in the parent company was increased by 12.6 from 2006 to 2007. Acquisition/consolidation of new business entailed an increase of 35.1 employee man-years for the period 13.11.2007-31.12.2007. The average number of man-years in the Group was 39,5 in 2007.

Management remuneration in 2006	Salary incl. bonus	Other	Pension	Total remuneration
Management				
Erik Haugane (CEO)	1 574	49	408	2 030
Sigmund Hanslien (Portfolio Manager)	1 378	80	511	1 968
Tom Bugge (VP Exploration)	1 009	44	216	1 269
Stein Fines (VP Technology and HSE)	982	48	216	1 246
Anton E Tronstad (VP Drilling and Well Op.)	1 188	44	331	1 563
Paul E. Hjelm-Hansen (CFO)	953	81	323	1 357

Management remuneration in 2007	Fees	Salary	Bonus	Other	Pension	Total remuneration
Management						
Erik Haugane (CEO)		2 024	401	25	153	2 603
Sigmund Hanslien (VP Geology)		1 752	386	20	143	2 301
Tom Bugge (VP Exploration)		1 364	258	26	123	1 771
Stein Fines (VP Technology and HSE)		1 347	251	22	145	1 765
Anton Tronstad (VP Drilling and Well Op.)		1 364	301	23	158	1 846
Paul Hjelm-Hansen (CFO)		1 277	267	25	164	1 733
Vidar Larsen (VP Business Development) **		884	-	8	48	941
Tore Lilloe-Olsen (hired General Manager NOIL Energy ASA)	142					142
Board of Directors						
Kaare Moursund Gisvold, Chairman	500					500
Svein Sivertsen, Board Member	227					227
Ivar Brandvold, Deputy Chairman	26					26
Tore Lilloe-Olsen, Board Member	26					26
Eva Helene Skøelv, Board Member	26					26
Barbro Lill Hætta-Jacobsen, Board Member	26					26
Guri Helene Ingebrigtsen, Board Member	26					26
Øistein Høimyr, Employee Representative	26					26
Kristin Aubert, Employee Representative	26					26
Kjetil Grønskag, Board Member *	174					174
Halvdan Carstens, Board Member *	174					174
Ivar Aarseth, Board Member *	174					174
Eva Margrete Henderson Kristensen, Board Member *	174					174
Tove Elin Nedreberg, Board Member *	107					107
Total remuneration	**1 854**	**10 011**	**1 865**	**148**	**935**	**14 814**

* Resigned 16 November 2007

** Joined Det norske 1 October 2007

Having reached the age of 60 years, the CEO is obliged to resign his position if so required by the Board. As compensation for resignation prior to 67 years, the CEO is entitled to a compensation equivalent to 70% of salary from 60 to 67 years. A guarantee account has been established to ensure this arrangement. The cost is accrued for in the accounts and has been calculated according to the same acturial assumptions as the company's other pension obligations.

No loans or guarantees have been granted to members of the management team or on the Board of Directors.

Shares held by management and Board of Directors

The management of the parent company and several Board members own shares in the company. The summary below shows the number of shares and ownership interest in Det norske oljeselskap ASA, owned both directly or indirectly through related parties. Indirect ownership through other companies is included in its entirety if the ownership interest is equal to or exceeds 50%.

Management	Total no. of shares	Ownership in %
Erik Haugane (CEO)	1 391 937	2.14%
Sigmund Hanslien (VP Geology)	57 755	0.09%
Tom Bugge (VP Exploration)	758 840	1.17%
Stein Fines (VP Technology and HSE)	690 978	1.06%
Anton Tronstad (VP Drilling and Well Op.)	788 035	1.21%
Paul Hjelm-Hansen (CFO)	239 290	0.37%
Vidar Larsen (VP Business Development)	4 500	0.01%
Kaare Moursund Gisvold, Chairman of the Board	455 635	0.70%
Svein Sivertsen, Board Member	17 500	0.03%
Ivar Brandvold, Deputy Chairman		
Tore Lilloe-Olsen, Board Member		
Eva Helene Skøelv, Board Member		
Barbro Lill Hætta-Jacobsen, Board Member		
Guri Helene Ingebrigtsen, Board Member		
Total	**4 404 470**	**6.78%**

	GROUP	PARENT		
Auditor's fees (all figures excl. VAT)	2007	2007	2006	2005
Statutory audit fee	250	250	160	130
Assurance services	555	555	223	
Tax advisory services	17	17		
Other consultancy services	364	364	264	
Total auditor's fees	**1 186**	**1 186**	**646**	**130**
Of which booked to equity in connection with equity transactions	362	362	85	
Total expences auditor's fees	**824**	**823**	**561**	**130**

In addition, a fee to Deloitte Advokatfirma DA has been expensed by 20.

The subsidiary NOIL Energy ASA uses Ernst & Young AS as Auditor. The statutory audit amounts to 847 in 2007 and 190 in 2006. Fees for other consultancy services total 89 in 2007 and 0 in 2006.

Management remuneration policy statement

The Board will present a statement pertaining to the management's salaries and other remuneration at the Ordinary General Meeting. The statement is included in the Board's Annual Report.

NOTE 9: OTHER OPERATING EXPENSES

	GROUP	PARENT		
	2007	2007	2006	2005
Office equipment and IT costs	14 046	13 011	7 441	1 948
Consultancy fees and auditors' fees (auditors' fees specified in Note 8)	12 397	9 507	9 192	4 469
Other operating expenses, travel expenses included	14 610	13 901	7 500	2 055
Operating expenses charged to licenses/reclassified to exploration and production expenses	(30 245)	(29 038)	(23 081)	(8 284)
Other operating expenses	**10 807**	**7 380**	**1 051**	**188**

NOTE 10: NET FINANCIAL ITEMS

	GROUP	PARENT		
	2007	2007	2006	2005
Interest income	28 463	25 753	11 335	1 033
Agio	2 365	966	2 701	3 767
Increased value of financial investments	-	-	625	
Total financial income	**30 828**	**26 719**	**14 661**	**4 800**
Interest costs, incl. plug and abandonment liability interest, amortized borrowing costs, etc.	5 010	4 626	7 440	1 827
Decreased value of financial investments	1 983	1 983	-	
Disagio	19 236	10 489	5 406	1 834
Total financial expenses	**26 228**	**17 098**	**12 846**	**3 661**
Net financial items	**4 600**	**9 621**	**1 815**	**1 139**

NOTE 11: TAXES

	GROUP	PARENT		
Taxes for the period appear as follows:	2007	2007	2006	2005
Income/(loss) before taxes	(247 485)	(218 800)	(135 543)	(119 734)
Permanent differences				
Other permanent differences	(897)	(2 091)	(23 678)	118
Change in temporary differences	(174 714)	(128 418)	17 813	14 240
Taxable income, statutory tax rate 28%	**(423 095)**	**(349 309)**	**(141 409)**	**(105 377)**
Effect of uplift current year	(18 162)	(16 511)	(4 765)	
Financial items without 50% special oil tax rate	(11 438)	(11 031)	(82)	(82)
Taxable income, 50% special oil tax rate	**(452 694)**	**(376 851)**	**(146 256)**	**(105 459)**
Of this current year uplift carried forward	18 162	16 511		
Taxable income, excl. unused uplift	**(434 533)**	**(360 341)**	**(146 256)**	**(105 459)**
Taxes paid for the year appear as follows:				
Taxable income due to exploration-related losses	335 733	277 977	112 724	82 234
Of this taxable income booked to equity	(390)	(390)	(20 681)	
Adjustment of previous period	(3 673)	(2 343)	(308)	
Effect of uplift on taxes payable	(123)			
Change deferred tax liabilities	(125 573)	(89 462)	13 894	11 107
Total taxes	**205 976**	**185 782**	**105 628**	**93 341**
Effective tax rate in %	**(83.2 %)**	**(84.9 %)**	**(77.9 %)**	**(78,0 %)**
Reconciliation of taxes				
28% corporate income tax of earnings before taxes	69 296	61 264	37 952	33 525
50% special oil tax of earnings before taxes	123 742	109 400	67 772	59 867
Tax effext related to issue of new shares booked to equity	(390)	(390)	(20 681)	
Adjustment of previous period	(3 673)	(2 343)	(308)	
Tax effect of uplift	10 581	10 704	2 382	
Tax effect of financial items without 50% special oil tax	5 719	5 516	42	41
Effect of permanent differences	699	1 631	18 469	(92)
This year's tax income/tax expense	**205 976**	**185 782**	**105 628**	**93 340**

Tax effect of temporary differences and unused uplift:	GROUP 2007	PARENT 2007	2006	2005
Capitalized exploration expenditures	441 422	108 863	2 251	0
Other intangible assets	1 839 138	4 722	14 345	19 865
Tangible fixed assets	98 075	54 701	26 546	29 730
Inventories	755	755	1 085	2 646
Other receivables	1 779	0	534	0
Pension obligations	(6 337)	(6 337)	(2 539)	(1 162)
Provision after generally accepted accounting practice	(81 358)	(43 664)	(23 348)	(18 311)
Unused tax losses	(127 004)	(10 704)	0	0
Deferred taxes	**2 166 470**	**108 335**	**18 874**	**32 769**
Reconciliation of deferred taxes:				
Deferred tax 01.01	18 874	18 874	32 769	0
Deferred tax related to acquisition of business, VAT incl.	2 022 024			53 118
Change deferred tax liabilities in Income Statement	125 573	89 462	(13 894)	(11 107)
Deferred taxes in Balance Sheet 31.12.	**2 166 470**	**108 335**	**18 874**	**42 010**
Reconciliation of calculated tax payable				
Calculated tax payable this year related to acquisition of business	282 311			
Calculated tax payable in Income Statement	335 733	277 977	112 724	82 234
Calculated tax payable in Balance Sheet 31.12.	**618 044**	**277 977**	**112 724**	**82 234**

NOTE 12: EARNINGS PER SHARE

Ordinary earnings per share are calculated by dividing the profit of the year due to shareholders, amounting to MNOK -62.9 (-29.9 in 2006), by the weighted number of ordinary shares outstanding during the year, 31.2 million (18.2 milion in 2006).

There are no option schemes or convertible bonds in the company. Consequently, there is no variance between earnings per share and diluted earnings per share.

	GROUP 2007	PARENT 2007	2006	2005
Profit of the year due to holders of ordinary shares	(41 509)	(33 018)	(29 916)	(26 394)

	GROUP 2007	PARENT 2007	2006	2005
Average no. of ordinary shares in the year (1000)	31 241	31 241	18 201	8 348

Earnings per share	GROUP 2007	PARENT 2007	2006	2005
Continued business				
- Ordinary	(1.33)	(1.06)	(1.64)	(3.16)
- Diluted	(1.33)	(1.06)	(1.64)	(3.16)
Disposed business				
- Ordinary	-	-	-	-
- Diluted	-	-	-	-

Reconciliation of majority's share of profit:		Share	Sum
Profit for the year in parent company in 2007	(33 018)	100.0 %	(33 018)
Profit in subsidiary in the period 13.11.07-6.12.2007	(4 249)	83.7 %	(3 556)
Profit in subsidiary in the period 7.12.2007-31.12.2007	(4 249)	97.3 %	(4 136)
Majority share of eliminations in consolidated financial statement			9
Total majority share of profit			**(40 701)**

NOTE 13: TANGIBLE AND INTANGIBLE FIXED ASSETS

TANGIBLE FIXED ASSETS

2006 - Group and Parent	Production facilities in development	Production facilities, wells included	Machinery and equipment, etc.	Total
Procurement cost 31.12.2005		**50 070**	**660**	**50 730**
Investments	39 520	20 312	1 150	60 982
Retirements				
Procurement cost 31.12.2006	39 520	70 382	1 810	111 712
Acc. depreciations 31.12.2006		24 226	510	24 736
Net book value 31.12.2006	**39 520**	**46 156**	**1 300**	**86 976**
Depreciations this year		12 271	331	12 602

2007 - Parent	Production facilities in development	Production facilities, wells included	Machinery and equipment, etc.	Total
Procurement cost 31.12.2005	**39 520**	**70 382**	**1 810**	**111 711**
Investments	157 769	7 221	8 105	173 095
Retirements				
Procurement cost 31.12.2006	197 289	77 603	9 915	284 807
Acc. depreciations 31.12.2006		39 716	1 931	41 647
Net book value 31.12.2006	**197 289**	**37 888**	**7 984**	**243 159**
Depreciations this year		15 418	1 587	17 005

2007 - Group	Production facilities in development	Production facilities, wells included	Machinery and equipment, etc.	Total
Procurement cost 31.12.2006	**39 520**	**70 382**	**1 810**	**111 712**
Investments at acquisition of business		130 177	2 613	132 790
Investments	157 769	(5 627)	8 161	160 303
Retirements				
Procurement cost 31.12.2007	197 289	194 932	12 584	404 804
Acc. depreciations 31.12.2007		47 908	2 203	50 112
Net book value 31.12.2007	**197 289**	**147 024**	**10 381**	**354 692**
Depreciations this year		23 646	1 895	25 540

Production facilities in development are depreciated from production start-up. Production facilities, wells included, are depreciated in accordance with the production unit method. Machinery, equipment, etc. are depreciated linearly over the lifetime, 3-5 years.

INTANGIBLE FIXED ASSETS

2006 - Group and parent	Goodwill	Software	Exploration assets	Licenses	Total
Procurement cost 31.12.2005	**43 875**	**7 270**		**29 472**	**80 617**
Investments		2 084	2 886		4 970
Retirements					
Procurement cost 31.12.2006	43 875	9 354	2 886	29 472	85 587
Acc. depreciations 31.12.2006		4 120		11 004	15 124
Net book value 31.12.2006	**43 875**	**5 234**	**2 886**	**18 468**	**70 463**
Depreciations this year		2 732		4 861	7 593

2007 - Parent	Goodwill	Software	Exploration assets	Licenses	Total
Procurement cost 31.12.2005	**43 875**	**9 354**	**2 886**	**29 472**	**85 587**
Investments		10 485	136 682	(1 710)	145 456
Retirements					
Procurement cost 31.12.2006	43 875	19 839	139 568	27 762	231 043
Acc. depreciations 31.12.2006		9 232		14 903	24 135
Net book value 31.12.2006		**10 607**	**139 568**	**12 859**	**206 907**
Depreciations this year		5 112		3 902	9 013

2007 - Group	Goodwill	Software	Exploration assets	Licenses	Total
Procurement cost 31.12.2006	**43 875**	**9 354**	**2 886**	**29 472**	**85 586**
Investments at acquisition of business	1 627 681		330 966	2 398 221	4 356 868
Investments		10 485	184 015	(57)	194 444
Retirements					
Procurement cost 31.12.2007	1 671 556	19 839	517 867	2 427 636	4 636 898
Acc. depreciations 31.12.2007		9 232		14 903	24 135
Net book value 31.12.2007	**1 671 556**	**10 607**	**517 867**	**2 412 733**	**4 612 763**
Depreciations this year		5 112		3 902	9 013

Licenses are depreciated using the production unit method. Exploration licenses and capitalized wells are temporarily capitalized pending evaluation of commerciality according to the “Successful Efforts” method.
Software is depreciated linearly over the lifetime, which is 3 years.
Goodwill is not depreciated. However, goodwill is tested for impairment annually. Impairment tests of goodwill are discussed in Note 14.

NOTE 14: IMPAIRMENT TEST OF GOODWILL

As at 31.12.2007, capitalized goodwill in the Group amounts to 1,671,556. This is mainly applicable to the acquisition of NOIL Energy ASA, which was implemented 13.11.2007 (see Note 2). In addition, the Group has goodwill in the amount of 43,875 related to a transaction with Talisman in 2005, which comprised Varg and four exploration licenses. These are considered as one cash generating unit.

	GROUP	PARENT	
Name	2007	2007	2006
NOIL Energy ASA	1 627 681		
Talisman-transaksjon (Varg +four exploration licenses)	43 875	43 875	43 875
Total goodwill	**1 671 556**	**43 875**	**43 875**

Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired. Examples of such indicators are changes in the company's plans, oil price, reserves and/or resources or level of costs. Following the acquisition of NOIL Energy, the company's assessment is that there are no events or changes in circumstances indicating that impairment testing of the acquisition is required. As the acquisition was implemented in Q4, this transaction is not comprised by the annual impairment testing.
Impairment testing of goodwill related to the Talisman transaction has been performed. Impairment is determined by the company itself on the basis of expected cash flows from relevant reserves and resources.
The calculated value exceeds capitalized value to such an extent that no reasonable changes in circumstances will induce a need for impairment.

For discounting of cash flows, a real interest of 8% after taxes has been applied.

NOTE 15: TRADE RECEIVABLES

	GROUP	PARENT	
	2007	2007	2006
Trade receivables	128 237	24 682	15 262

No provisions for losses on trade receivables have been made for 2007 or 2006.
Credit risk and og currency risk concerning trade receivables are discussed in more detail in Note 24.

Of trade receivables, 11,687 is overdue by more than 30 days as of 31.12.2007. This is caused by some of our clients requiring longer processing time, not by decreased willingness or ability to pay.

As of 31.12. the company had the following overdue but not paid trade receivables, not depreciated:

	Total	Not overdue	<30 d	30-60d	60-90d	>90d
2007 - Group	128 237	87 852	27 052	6 155	1 708	5 474
2007 - Parent	24 682	14 702	8 329	1 650	-	-
2006 - Group and parent	15 262	15 262	-	-	-	-

NOTE 16: OTHER RECEIVABLES

	GROUP	PARENT	
	2007	2007	2006
Prepayments, rig prepayment included	65 056	41 447	63 814
VAT receivable	11 142	6 128	2 633
Underlift (earned income)	3 558	-	-
Guarantee account concerning unsecured pension scheme, see Note 19	2 573	2 573	-
Other receivables, incl. receivables from operator licenses	37 389	37 389	20 625
Total other current receivables	**119 718**	**87 537**	**87 072**

NOTE 17: CASH AND CASH EQUIVALENTS

	GROUP	PARENT	
	2007	2007	2006
Bank deposits	552 741	311 564	537 876
Restricted bank deposits	8 806	8 248	2 451
Current deposits	23 580	23 580	25 563
Cash and cash equivalents in Balance Sheet	**585 127**	**343 392**	**565 890**
Cash and cash equivalents in Cash Flow Statement	**585 127**	**343 392**	**565 890**

The Group's undrawn loan facility is described in more detail in Note 22.

NOTE 18: SHARE CAPITAL

	31.12.2007	31.12.2006
Share capital	12 985	5 302
Number of ordinary shares	64 925 020	26 510 650

Nominal value per share is NOK 0.2. Each share represents one vote.

Payments to share capital, share premium, and other paid-in equity	No. of shares	Share capital (1000 NOK)	Share premium (1000 NOK)	Other paid-in equity (1000 NOK)
Issued and fully paid at 1 January 2006	15 565 650	3 113	167 589	
Share issue June 2006 - bonus shares	8 007	2	479	
Issued share capital October 2006 - private placement	10 000 000	2 000	598 000	
Issued share capital 2006 - retail offering	833 000	187	54 784	
Issued share capital 2006 - employee offering	103 993			1 248
Issued and paid at 31.12.2006	**26 510 650**	**5 302**	**820 852**	**1 248**
Issued share capital 2007 - bonus shares	27 700	6	2 086	
Issued share capital November 2007	33 000 000	6 600	2 369 400	
Issued share capital December 2007	5 386 670	1 077	386 763	
Issued and paid at 31.12.2007	**64 925 020**	**12 985**	**3 579 101**	**1 248**

Changes due to disposal of profit/(loss), are presented separately, see “Consolidated Statement of Changes in Equity”.
Computation of earnings per share is shown in Note 12.

The company’s 20 largest shareholders as registered with VPS at 31.12.07:

	No. of shares	% of total
DNO INTERNATIONAL ASA	23 800 000	36.7 %
JPMORGAN CHASE BANK*	2 500 000	3.9 %
BANK OF NEW YORK, BRUSSELS BRANCH	2 008 070	3.1 %
BANK OF NEW YORK, BRUSSELS BRANCH*	1 686 713	2.6 %
DRESDNER BANK AG LONDON BRANCH*	1 459 783	2.2 %
VERDIPAPIRFONDET KLP AKSJENORGE	1 441 433	2.2 %
KØRVEN AS	1 387 181	2.1 %
BEAR STEARNS SECURITIES CORP.*	1 181 475	1.8 %
H.L.MANAGEMENT AND CONSULTANT (1986) LTD.	1 133 667	1.7 %
VERDIPAPIRFOND ODIN NORGE	1 077 367	1.7 %
GOLDMAN SACHS INT. - EQUITY -*	1 030 463	1.6 %
UBS AG, LONDON BRANCH*	930 953	1.4 %
SPAREBANKEN MIDT-NORGE INVEST AS	900 668	1.4 %
CREDIT SUISSE SECURITIES*	862 170	1.3 %
SJÆKERHATTEN AS	786 040	1.2 %
VILJE 2M AS	754 830	1.2 %
OLEUM AS	753 000	1.2 %
VINN INVEST AS	687 215	1.1 %
BANK OF NEW YORK, BRUSSELS BRANCH*	662 994	1.0 %
CREDIT AGRICOLE INVESTOR SERVICES*	619 717	1.0 %
Others	19 261 281	29.7 %
Total	**64 925 020**	**100.0 %**

* Registered as nominee account with the Norwegian Central Securities Depository (VPS)

Dividends

The company has no distributable equity, and will consequently not pay any dividend to its shareholders.

NOTE 19: PENSIONS AND OTHER LONG-TERM EMPLOYEE BENEFITS

The companies in the Group are required to have mandatory company pension in accordance with the act on Mandatory Company Pensions. The Group's pension scheme follows the requirements as set in this Act.

Pension scheme in subsidiary - Contribution pension plan
Employees in the subsidiary NOIL Energy ASA have a defined contribution pension plan managed and funded through a Norwegian life insurance company. Payments are recognized as pension costs when accrued. The pension scheme has 30 active members, and 4,283 has been paid to the year's pension premium in 2007. Expected premium to be paid in 2008 is 2,570.
Pension scheme in parent company - Benefit pension plan
Employees in the parent company are covered by a defined group benefit pension scheme comprising a total of 48 persons. Pension benefits are primarily dependent upon contribution time, wage level at time of retirement, and the amount of benefits from the National Insurance Scheme. Pension obligations are covered through an insurance company. Changes in the pension obligation in 2007 are mainly due to the discontinuation of a pension scheme applicable to salaries exceeding 12 G, as well as reduction of contribution in ordinary pension scheme from 70% to 66%. Expected premium to be paid in 2008 is 4,350.

In addition to the secured pension schemes, the CEO has an unsecured early-retirement pension arrangement. A guarantee account has been established, to which current payments are made. These payments are not netted against the obligation, but have been classified in 2007 as other receivables in the Balance Sheet in the amount of 2,573. The obligation has been calculated based on the same acturial assumptions as the company's other pension obligations. Both the obligation as well as the cost related to this arrangement have been included in the figures below.

For accounting purposes, it is assumed that pension entitlements are earned on a straight-line basis. The share of accumulated unrealized profit or loss caused by changes in acturial assumptions exceeding a defined corridor is recognized over remaining average contribution time. The corridor is defined as 10% of the higher of the gross obligation and gross assets. The pension obligation was calculated in October of the contribution year as an estimate of the situation as at 31.12. by an independent actuary. The management considers that changes in assumptions and basic data toward the Balance Sheet date will not significantly impact the figures.

	UNSECURED SCHEME		SECURED SCHEME		TOTAL	
Pension cost is estimated as follows:	2007	2006	2007	2006	2007	2006
Benefits earned during the year	1 204	858	4 530	4 085	5 734	4 943
Interest cost	98	25	203	83	301	108
Expected return on pension assets	(119)	(45)	(178)	(114)	(298)	(159)
Amortization of net accumulated changes in estimates	34					
Effect of changes in pension plans			(1 304)	2	(1 304)	2
Fee charged			92	99	92	99
Net pension cost for the period	**1 217**	**838**	**3 343**	**4 155**	**4 526**	**4 993**
Payroll tax	188	208	598	522	787	730
Pension cost including social security	**1 405**	**1 047**	**3 941**	**4 675**	**5 312**	**5 722**

	UNSECURED SCHEME		SECURED SCHEME		TOTAL	
	2007	2006	2007	2006	2007	2006
Changes in gross pension obligation:						
Gross pension obligation (PBO) at 01.01.	1 430	504	5 142	1 677	6 572	2 181
Benefits earned during the year	1 204	858	4 530	4 085	5 734	4 943
Interest cost	98	25	203	83	301	108
Actuarial profit/loss	465	43	(670)	(703)	(206)	(659)
Effect of changes in pension plans	-	-	(2 596)		(2 596)	-
Gross pension obligation (PBO) at 31.12.	**3 197**	**1 430**	**6 610**	**5 142**	**9 807**	**6 573**
Changes in gross pension assets:						
Gross pension assets at 01.01.	1 607	86	2 508	612	4 115	697
Expected return on pension assets	119	45	178	114	298	159
Actuarial profit/loss	224		(528)	394	(304)	394
Fee charged	-		(92)	(99)	(92)	(99)
Effect of changes in pension plans	-		(434)			
Reclassification of assets unsecured arrangement	(2 573)					
Premium paid	622	1 477	2 165	2 205	2 787	3 682
Actual value pension assets at 31.12.	**-**	**1 607**	**3 797**	**3 227**	**6 804**	**4 834**
Net pension assets/obligation(-) 31.12.2007	(3 197)	177	(2 813)	(1 915)	(6 010)	(1 738)
Unrecognized changes in estimates	212	6	(1 297)	(905)	(1 085)	(899)
Unrecognized changes in pension plans	-		-		-	-
Payroll tax	(451)	(220)	(579)	(398)	(1 030)	(618)
Net capitalized pension assets/obligation (-) 31.12.	**(3 436)**	**(37)**	**(4 689)**	**(3 218)**	**(8 125)**	**(3 254)**
Changes in assets:						
Not capitalized pension assets/obligation (-) 01.01.	(37)	(467)	(3 218)	(995)	(3 255)	(1 462)
Pension cost	(1 405)	(1 047)	(3 941)	(4 740)	(5 346)	(5 787)
Payments charged to operations	-	-	-	-	-	-
Reclassification of assets unsecured arrangement	(2 573)				(2 573)	
Payments	579	1 477	2 471	2 516	3 050	3 993
Net capitalized pension assets/obligation (-) 31.12.	**(3 436)**	**(37)**	**(4 689)**	**(3 218)**	**(8 125)**	**(3 255)**

Calculations of pension cost and net pension obligation are based on a number of assumptions. The discount rate is based on observed Norwegian government securities, adjusted for term to maturity. The pension obligation's average term to maturity is estimated at 25 years. Salary increase and adjustment of government contributions are based on historical observations of the company, and on an expected long-term inflation of 2.5%.

Assumptions	2007	2006
Discount rate	4.70%	4.55%
Return on pension funds	5.75%	5.40%
Increase in salary	4.50%	4.50%
Adjustment of pension	4.25%	1.60%
Average turnover	2.00%	2.00%

Actuarial assumptions	2007	2006
Applied mortality chart	K2005	K63
Applied disability tariff	IR-02	IR-02
Expected yearly voluntary terminations before 40 years	2.00%	2,00%
Expected yearly voluntary terminations after 40 years	0.00%	0.00%

Major categories of plan assets as a percentage are as follows:	2007	2006
Shares	24.80%	29.70%
Long-term bonds	21.50%	20.60%
Short-term commercial papers	7.50%	4.50%
Investment bonds	27.70%	30.00%
Assets	15.60%	12.60%
Other	2.90%	2.60%
Total assets	**100.00%**	**100.00%**

The pension scheme is placed in Vital, who has a long-term positioning of the portfolio. Vital seeks to achieve the highest possible returns by composing an investment portfolio yielding the maximum risk-adjusted rate of return. Actual value-adjusted return on pension funds in 2007 was 9.5% as compared to the 5.75% estimate..

NOTE 20: PROVISIONS FOR ABANDONMENT AND DECOMMISSIONING LIABILITIES

	GROUP	PARENT	
Provisions for abandonment and decommissioning liability	2007	2007	2006
Provisions at 1 January	21 928	21 928	23 851
Investments	67 763		
Imputed interest present value calculation	2 253	1 961	1 773
Changes in estimates	(10 811)	8 378	(3 695)
Provisions at 31 December	**81 133**	**32 267**	**21 928**

The abandonment and decommissioning liability for the parent company is related to Varg, whereas Enoch and Glitne are included for the Group.

This is based on an implementation concept in accordance with the Act Pertaining to Petroleum Activities and international rules and guidelines. When calculating the liability, an assumption of 2.5% inflation and a discount rate of 8% constitute the basis of calculation.

NOTE 21: DEFERRED INCOME

Together with six other oil companies, the parent company is part of a consortium that has secured a three-year rig contract for the drilling rig Bredford Dolphin (1,095 days). In all, the companies have undertaken to employ the rig for 945 days. In cooperation with another company, Det norske has guaranteed for the commitment pertaining to the remaining 150 days. As a compensation for this liability, Det norske will on a daily basis get paid USD 10,000 for the first 945 days. The amount is paid into an Escrow Account and acts as a security for the obligations under the rig contract. This account is classified as a long-term financial asset. As at 31.12.2007, retention money amounted to 5,159.The revenue will be recognized as revenue when it is no longer probable that Det norske has such an obligation.

As of 31.12.2007, deferred income amounts to 10,402.

NOTE 22: INTEREST-BEARING LOANS AND ASSETS PLEDGED AS SECURITY

	GROUP	PARENT	
	2007	2007	2006
Gross amount of loan	130 000	-	-
Accrued borrowing cost	1 375	-	-
Total	**128 625**	**-**	**-**

As at 31 December 2007, short-term loans consist of a credit facility for an exploration facility placed with DnB NOR BANK ASA.

Det norske oljeselskap ASA, together with the subsidiary NOIL Energy ASA, has entered into an agreement regarding a drawing facility with an available amount of MNOK 1,500 with DnB NOR BANK ASA. The maximum credit usage is limited to 95% of tax refund related to exploration expenses. An interest rate of NIBOR + 0.7% applies, in addition to a framework commission of 0.28%. As of 31.12.2007, NOIL Energy had drawn 130,000. The Group may draw on the facility until 31.12.2010, and the last payment is due in December 2011.

	GROUP
Available drawing limit as at 31.12.2007:	2007
"Calculated tax receivable" in Balance Sheet	618 044
95% of "Calculated tax receivable" = available drawing limit	587 142
Drawn	130 000
Undrawn	**457 142**

The Group has pledged the following licenses as security for the loan agreement:

Production License:	Share group
PL 229	15%
PL 265	30%
PL 321	25%
PL 341	30%
PL 364	50%
PL 369	20%
PL 380	100%
PL 408	70%
PL 432	100%

NOTE 23: OTHER CURRENT LIABILITIES

	GROUP	PARENT	
	2007	2007	2006
Incurred liability pertaining to farm-in YME			11 612
Current liability related to overcall / undercall from licenses	119 368	71 336	13 859
Share other current liabilities from licenses	176 026	55 485	20 387
Other current liabilities	48 030	27 016	13 006
Total other current liabilities	**343 423**	**153 837**	**58 864**

NOTE 24: FINANCIAL INSTRUMENTS

Financial risk

The parent company and subsidiary's risk management, financial risk management included, shall ensure that risk is mapped, analyzed, and managed in a systematic and cost-efficient manner. Established management procedures provide a good basis for reporting and follow-up of the risk to which the company is exposed.

The Group has established a drawing facility which is to be regarded as a financial instrument. The purpose of this facility is to finance the company's exploration activities. In addition, the company has financial instruments such as cash, trade receivables, other receivables, and trade creditors directly related to the company's day-to-day operations. The Group has no financial derivatives for the purpose of protection or speculation.

The combination of limited production revenues and a substantial exploration and development program poses requirements to management of liquidity risk. The liquid assets and present unused drawing facility are expected to provide sufficient funding of the company's operations through 2008. A low liquidity risk is prioritized in the company's liquid asset management.

(I) Oil price risk and currency risk

Revenues consist primarily of revenues from the sale of petroleum. Consequently, the company is exposed to risk related to changes in oil price. Foreign exchange rate fluctuations represent both a direct as well as indirect financial risk for the company. The Group's petroleum revenue is in US dollars (USD), whereas the main costs incurred in 2007 have been in Norwegian Kroner (NOK). The company's means of payment are in both USD and NOK. When converted, a decrease in USD value will involve a lower amount in NOK. The company has not entered into any forward sales contracts or other agreements designed to reduce the company's exposure to oil price or currencies, and thus not operation-related market risk.

(II) Interest rate and liquidity risk

The Group is exposed to interest rate risk related to present and future borrowings. The existing loan has a floating rate, which entails that the Group is exposed to fluctuations in the interest rate level. Investment of liquid assets ensures a relatively limited exposure to interest rate risk. The average interest sensitivity for the company's liquid assets shall, according to guidelines issued by the company, not exceed one year. The credit risk of invested assets is estimated as low. Risks of debtors and business partners not being financially capable of fulfilling their obligations toward the company are seen as very low, as historically there have been no losses on accounts receivable. Liquid assets are invested in securities, securities' funds, and bank deposits representing an overall low credit risk.

(III) Establishment of actual value

Capitalized value of cash, cash equivalents, and loans is approximately equal to actual value as these instruments have short maturity. Correspondingly, the capitalized value of trade receivables and trade creditors is approximately equal to actual value, as these are entered into on "regular" terms.

Maximum exposure to risk is represented by capitalized value of the financial assets in the Balance Sheet.

Below is a comparison of capitalized and actual values applicable to the Group's financial instruments.

	GROUP		PARENT			
	2007		2007		2006	
	Capitalized value	Actual value	Capitalized value	Actual value	Capitalized value	Actual value
Financial assets						
Cash and cash equivalents	585 127	585 127	343 392	343 392	565 889	565 889
Trade receivables	128 237	128 237	24 682	24 682	15 262	15 262
Other receivables	119 718	119 718	87 537	87 537	87 072	87 072
Calculated tax receivable	618 044	618 044	277 977	277 977	112 724	112 724
Financial liabilities						
Trade creditors	112 788	112 788	105 378	105 378	26 787	26 787
Interest-bearing liabilities:						
Short-term loan	128 625	128 625				

NOTE 25: LIABILBITIES, LEASES, AND GUARANTEES

LIABILITIES, LEASE LIABILITIES INCLUDED

Rig contracts

Bredford Dolphin and Deep Sea Delta

The parent company and the subsidiary NOIL Energy ASA have through participation in a rig consortium encompassing five other oil companies reserved the drilling facility Bredford Dolphin until the summer of 2010. In addition the parent company has, together with another oil company, entered into a lease agreement with Odfjell Drilling regarding the rig Deep Sea Delta. The agreement secures the Group rig capacity for 24 months over a three-year period. A contract with Odfjell Management regarding drilling management for the same three-year period has also been entered into.

The above-mentioned rig contracts will be utilized for exploration drilling in licenses constituting the Group's current and future license portfolio. The minimum lease liability can not be accurately determined, as it is dependent upon ownership interest in the licenses where the rig will actually be employed. Thus, the table below shows the total lease liability for the Group with regard to these agreements. The total liability will be reduced by the share covered by the partners in the various licenses.

Expected due dates of future total lease liability related to rig contracts are as follows:

	Bredford Dolphin	Deep Sea Delta incl. drilling management	Total
By 1 year	263 451	36 006	299 457
1 to 5 years	519 153	1 906 392	2 425 545
After 5 years			-
Total	**782 604**	**1 942 399**	**2 725 002**

Lease liabilities pertaining to ownership interest in licenses

Operational lease liabilities and other long-term liabilities pertaining to ownership interests in partner-operated oil and gas fields are shown in the table below. Liabilities related to rig contracts mentioned above are not included.

	GROUP	PARENT
By 1 year	60 155	52 037
1 to 5 years	272 887	272 887
After 5 years	30 252	30 252
Total	**363 295**	**355 177**

Lease liabilities - office premises

The company's liabilities related to lease of office accomodation are as follows:

	GROUP	PARENT
By 1 year	8 934	3 034
1 to 5 years	106 733	32 373
After 5 years	172 120	75 000
Total	**287 787**	**110 407**

The subsidiary NOIL Energy has two office accomodation lease agreements, of which the more long-lasting is valid until 2018. The subsidiary will sublet parts of these premises.

Liability for damages/insurance

As is the case for other licensees on the Norwegian Continental Shelf, the company has unlimited responsibility for damage, pollution included. The company has insured its pro rata liability on the Norwegian Shelf at least on the same level as other oil companies. Installations and liability are covered by an operations insurance policy.

Legal disputes

The Group has no ongoing legal disputes, but the subsidiary NOIL has contested parts of the invoicing from Dolphin AS for July and August 2007, where Dolphin has warned that it will commence legal proceedings. The disputed amount is MUSD 4, whereof NOIL's share constitutes approximately MUSD 1. The amount falls within the agreement pertaining to payment of drilling expenditures.

Guarantees

The parent company has furnished a guarantee related to the rig contract concerning lease of Bredford Dolphin, which is described in more detail in Note 21.

NOTE 26: INVESTMENT IN JOINT VENTURES

Investment in joint venture is included using the gross method (pro rata consolidation), based on ownership interests.

The Group has made the following investments in licenses on the Norwegian Shelf as at 31.12.:

		GROUP	PARENT	
License		2007	2007	2006
Production licenses operated by Det norske:				
PL 001 B		35%		
PL 028 B		35%		
PL 242		35%		
PL 305		30%		
PL 305 B	Additional acreage	30%		
PL 321		25%	25%	40%
PL 321 B	Additional acreage	25%		
PL 337		45%	45%	45%
PL 341		30%		
PL 356		100%	50%	50%
PL 364		50%	50%	50%
PL 380		100%	70%	70%
PL 383		100%	50%	50%
PL 408		70%	70%	
PL 414		40%	40%	
PL 432		100%	100%	
PL 440 S		30%		
PL 441*		60%		
PL 447		50%	20%	
Partner-operated production licenses:				
PL 029 B		20%		
PL 035		25%		
PL 038		5%	5%	5%
PL 048 B		10%		
PL 048 D		10%		
PL 229		15%		
PL 229 B	Additional acreage	15%		
PL 265		30%		
PL 272		25%		
PL 316		10%	10%	10%
PL 316 B	Additional acreage	10%	10%	
PL 316 CS		10%	10%	
PL 316 DS		10%	10%	
PL 332		40%	20%	20%
PL 334		30%		
PL 362		25%		
PL 369		20%		
PL 387		30%		
PL 442		20%		

* Relinquished in 2006. Relinquishment has no effect on the Financial Statements for 2007.

NOTE 27: TRANSACATIONS WITH RELATED PARTIES

DNO International ASA

DNO International is the largest shareholder in Det norske oljeselskap ASA with a 36.7% ownership interest.

NOIL Energy ASA

Subsidiary of Det norske oljeselskap ASA. As at 31.12.2007, the ownership interest was 97.3%. The ownership interest has increased to 100% in 2008.

Transactions with NOIL Energy ASA

Together with the subsidiary NOIL Energy ASA, Det norske oljeselskap ASA has entered into a loan agreement with DnB NOR BANK ASA regarding a drawing facility with an available amount of MNOK 1,500. The interest costs are charged to the company utilizing the facility. Additional borrowing costs are equally distributed between the companies. A more detailed description is provided in Note 22.
As at 31.12.2007, the parent company carried a receivable from NOIL Energy ASA in the amount of 1,500 related to through-invoicing of borrowing costs. In the parent company, the amount has been included in the item "Other current receivables".

Transactions with DNO International ASA (owns 36.7% of Det norske oljeselskap)

The subsidiary NOIL Energy ASA has in the period 13.11.2007-31.12.2007 conducted a number of transactions with its previous parent company, DNO International ASA. These apply to distribution of joint costs and leasing of personnel. These agreements have been entered into on commercial terms.

Transactions with related party to former Board member

Up to 16.11.2007, Kjetil Grønskag was a member of the Board of the company. He is currently a member of the company's Nomination Committee.

Nomination committee member Kjetil Grønskag is also a board member of Odfjell Drilling Ltd and some of its subsidiaries. Close associates to Grønskag have substantial shareholdings in Odfjell Drilling Ltd. Det norske has, together with Revus Energy ASA, entered into a 3-year rig contract with Deep Sea Rig AS, a company related to Odfjell Drilling Ltd.

Det norske, Revus Energy, and Odfjell Drilling Ltd. have entered into an agreement related to drilling services which encompasses projecting, logistics, and other related services. This agreement also encompasses Det norske's drilling operations related to Frøy (PL 364).

RECEIVABLES / LIABILITIES		GROUP	PARENT	
Related party		2007	2007	2006
NOIL Energy ASA	Other current receivables		1 500	
DNO International ASA	Accounts payable	(6 266)		
DNO International ASA m/døtre	Accounts receivable	11 909		

INNTEKTER/KOSTNADER		GROUP	PARENT	
Related party	Transaction	2007	2007	2006
DNO International ASA	Procurement of services / reallocation of costs	(2 539)	1 500	
DNO International ASA m/døtre	Billing of hours	577		

NOTE 28: PETROLEUM RESERVES AND RESOURCES (UNREVISED)

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/regelverk/r2002/Ressursklassifisering_n.htm) and are consistent with Oslo Stock Exchange's guidelines for the disclosure of hydrocarbon reserves and contingent resources, see figure below.

	POTENTIAL RESOURCES		CONTIGENT 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 hydrocarbons	Discoveries under evaluation	Discoveries where development is unlikely	Discoveries where development is likely	Discoveries where development is beeing planned	Fields where PDO has been concluded by Licensees	Fields under development, PDO approved	Fields in production

Fig: NPD's classification system used by Det norske oljeselskap.

Our assessments of remaining reserves in these fields are based on the operator's evaluation.

The Varg Field (PL 038) is located south of Sleipner Øst. The field is developed with the production vessel "Petrojarl Varg" with integrated oil storage, and a connected wellhead platform. Oil is exported using shuttle tankers. Proved reserves (1P/P90) include 90% of the expected volume from existing wells, assuming no new wells being drilled and abandonment of the field at 1 July 2010. This is the earliest possible date on which the "Petrojarl Varg" owner has the right to remove the production vessel from the field. Remaining proved plus probable reserves (2P/P50) are based on the same cut-off date but contain the total volumes from the base case production profile provided by the operator. Total remaining proved and probable reserves are 8.6 million barrels, hereof developed 7 million barrels. The owner plans to drill two new production wells in 2008 which may increase the reserve base.
The license period expires 1 April 2021.

The Glitne Field (PL 048B) 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. Current estimated life time ends July 2009. Total reserves are determined by the operator based on decline analysis combined with reservoir simulation. The main uncertainty in future production is the water cut development in individual wells. Remaining reserves are assessed probabilistically considering uncertainties related to water production, the liquid potential and the regularity of individual wells and the regularity of the total system. No new wells are assumed. All proved and possible reserves are classified as "developed reserves". Revision from 31.12.2007 reflects produced volumes in 2007 and reduced uncertainty due to longer production history.
The license period expires 18 February 2013.

The Enoch Field (PL 048B) straddles the Norwegian/UK boarder and is located on the UK block 16/13a and on 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 Brae. Enoch started production in May 2007. The field has been unitized with the license owners on the British sector and Det norske's overall share is 2% (10% of the Norwegian license PL 048D). Total initial proved plus probable reserves (Enoch unit) are estimated by the operator at 15 million barrels of oil equivalents of which 12.8 million barrels remains. Total proven remaining reserves amounts to 3.8 million barrels or 29% of 2P volumes. Volumes in Table 1 include only the Norwegian part of the field and are classified as "developed reserves".
The license period expires 18 February 2013. The expected lifetime is up to 2017.

The Yme Field (PL 316) is located in the Egersund basin and was produced by Statoil as the operator from 1996 to 2001. The PDO for the reactivation of the Yme Field (PL 316) was submitted January 2007, and was approved by the authorities in May 2007. The reserves are consequently classified as "under development". The reserve estimates are consistent with the RNB 2007 report submitted by the operator, and are based on extensive geological and geophysical studies, dynamic reservoir simulation, and history matching. A range of sensitivities has been addressed reflecting uncertainties in various parameters and form the basis for the proven reserves (1P/P90) and the proven plus probable reserves (2P/P50).
The license period expires 18 June 2010.

Reserves by field

DEVELOPED ASSETS (CATEGORY 1)

As of 31.12.2007	1P / P90 (low estimate)					2P / P50 (best estimate)				
	Liquids (million barrels)	Gas (bcm)	Million barrel of oil equivalents	Interest %	Net million barrel of oil equivalents	Liquids (million barrels)	Gas (bcm)	Million barrel of oil equivalents	Interest %	Net million barrel of oil equivalents
PL 038 - Varg	5.20	0.0	5.20	5%	0.26	6.96	0.0	6.96	5%	0.35
PL 048B - Glitne	1.45	0.0	1.45	10%	0.15	5.55	0.0	5.55	10%	0.56
Enoch Unit (Norway)	0.56	0.0	0.56	10%	0.06	1.66	0.0	2.56	10%	0.26
Total					**0.47**					**1.17**

UNDER DEVELOPMENT (CATEGORY 2)

As of 31.12.2007	1P / P90 (low estimate)					2P / P50 (best estimate)				
	Liquids (million barrels)	Gas (bcm)	Million barrel of oil equivalents	Interest %	Net million barrel of oil equivalents	Liquids (million barrels)	Gas (bcm)	Million barrel of oil equivalents	Interest %	Net million barrel of oil equivalents
PL 038 - Varg						1.64	0.0	1.64	5%	0.1
PL 316 - Yme	54.0	0.0	54.0	10%	5.4	67.0	0.0	67.0	10%	6.7
Total					**5.4**					**6.8**

DEVEOPMENT DECIDED (CATEGORY 3)

As of 31.12.2007	1P / P90 (low estimate)					2P / P50 (best estimate)				
	Liquids (million barrels)	Gas (bcm)	Million barrel of oil equivalents	Interest %	Net million barrel of oil equivalents	Liquids (million barrels)	Gas (bcm)	Million barrel of oil equivalents	Interest %	Net million barrel of oil equivalents
	0.0	0.0	0.0	0%	0	0.0	0.0	0.0	0%	0
Total					**0**					**0**

NOTE 29: EVENTS AFTER THE BALANCE SHEET DATE

Redemption of shares

Larsen Oil & Gas ASA, holding 1.06% of the shares in NOIL, required in January 2008 that all its shares be redeemed pursuant to the Public Limited Liability Companies Act §4-25. In connection with the redemption call, Larsen Oil and Gas ASA gave notice that it was prepared to accept a redemption price of NOK 24.00 per share. In a Board meeting held 25 January 2008, the Board of Directors of Det norske oljeselskap resolved to accept the redemption of Larsen Oil and Gas ASA at the offered price, which is equivalent to the price offered to all shareholders in NOIL Energy ASA in exchange for shares in Det norske oljeselskap in November 2007. At the same time, the Board of Det norske oljeselskap resolved to effect a compulsory redemption toward all shareholders in NOIL Energy ASA by offering them the same redemption price, NOK 24.00 per share. Through this resolution, Det norske oljeselskap owned 100% of the shares in NOIL as of 01.02.2008. As a result of the redemption, NOIL was delisted from OTC 29.1.2008.

License awards in APA 2007

On 8 February 2008, the Ministry of Petroleum and Energy (MPE) announced the award of new licenses in Awards in Predefined Areas (APA) 2007. The Group was awarded a total of 12 licenses (additional acreage to the Goliat license not included), of which seven were operatorships. Six of the licenses are located in the North Sea, three in the Norwegian Sea, whereas three licenses are located in the Barents Sea. Subsequent to these awards, the Group has interests in a total of 45 licenses, and operates 23 of these. Thus, the Group currently has interests in 33 licenses in the North Sea, eight in the Norwegian Sea, and four licenses in the Barents Sea.

Decision to relinquish Production License 441

The partnership in Production License 441 has agreed to inform the Ministry of Petroleum and Energy that it has resolved to relinquish the license. The license was awarded on 15 June 2007. The work commitment for the first year was to acquire electromagnetic data. The commitment has been fulfilled and the partnership does not find the license sufficiently commercially attractive for further data acquisition.

NOTE 30 - TRANSITION TO IFRS

These are the company's first financial statements prepared in accordance with International Financial Reporting Standards (IFRS).

The accounting policies described in Note 1 have been applied in the preparation of both the parent company's as well as the subsidiary's financial statements for 2007. The same applies to comparable figures for the years 2006 and 2005. The parent company was established 11 February 2005, and conversion from Norwegian Generally Accepted Accounting Principles (NGAAP) to IFRS has been implemented from the time of establishment.

In connection with the preparation of IFRS accounting figures, the parent company has introduced certain adjustments of accounting figures as compared to what has been previously reported in the parent company's annual financial statements prepared in accordance with NGAAP. The effect of the transition from NGAAP to IFRS on the parent company's financial position, results, and cash flows has been described in more detail in this note as well as in the Transition Report issued in connection with the publication of the company's Q3 2007 Interim Report on Oslo Stock Exchange.

Reconciliation of transitional effects	11.02.2005			31.12.2005			31.12.2006		
(NOK 1000)	NGAAP	Effect transition to IFRS	IFRS	NGAAP	Effect transition to IFRS	IFRS	NGAAP	Effect transition to IFRS	IFRS
ASSETS									
Fixed assets									
Intangible assets									
Goodwill					43 875	43 875		43 875	43 875
Capitalized drilling and development activities								2 886	2 886
Other intangible assets					29 553	29 553		23 701	23 701
Deferred tax assets				2 796	(2 796)	-	19 165	(19 165)	-
Tangible fixed assets									
Property, plant, and equipment				46 935	(8 682)	38 253	95 383	(8 407)	86 976
Financial investments									
Calculated tax receivables									
Long-term prepayments									
Other fixed assets									
Total fixed assets	**-**	**-**	**-**	**49 731**	**61 950**	**111 682**	**114 548**	**42 889**	**157 437**
Current assets									
Inventories									
Inventories				4 764		4 764	2 208		2 208
Accounts receivable									
Trade receivables				9 692		9 692	15 262		15 262
Other current receivables				10 482	375	10 857	86 387	685	87 072
Calculated tax receivables				82 234		82 234	112 724		112 724
Cash and cash equivalents									
Cash and cash equivalents	1 000		1 000	106 634		106 634	565 890		565 890
Total current assets	**1 000**	**-**	**1 000**	**213 805**	**375**	**214 180**	**782 469**	**685**	**783 153**
TOTAL ASSETS	**1 000**	**-**	**1 000**	**263 536**	**62 325**	**325 862**	**897 017**	**43 574**	**940 590**
EQUITY AND LIABILITIES									
Equity									
Paid-in equity									
Share capital	1 000		1 000	3 113		3 113	5 302		5 302
Share premium reserve				167 589	15 809	183 398	781 241	20 919	802 160
Total paid-in equity	**1 000**	**-**	**1 000**	**170 702**	**15 809**	**186 511**	**786 544**	**20 919**	**807 462**
Minority interest									
Total equity	**1 000**	**-**	**1 000**	**170 702**	**15 809**	**186 511**	**786 544**	**20 919**	**807 462**
Provisions									
Interest-bearing long-term liabilities						-			
Pension liabilities				1 490		1 490	3 255		3 255
Deferred taxes					32 769	32 769		18 875	18 875
Provisions for plug and abandonment liabilities				10 104	13 747	23 851	18 148	3 780	21 928
Total provisions	**-**	**-**	**-**	**11 594**	**46 515**	**58 109**	**21 403**	**22 655**	**44 058**
Current liabilities									
Bank overdraft				15 271		15 271			-
Short-term loan						-			-
Trade creditors				17 794		17 794	26 787		26 787
Taxes withheld and public duties payable				2 291		2 291	3 420		3 420
Other current liabilities				45 885		45 885	58 864		58 864
Total current liabilities	**-**	**-**	**-**	**81 241**	**-**	**81 241**	**89 071**	**-**	**89 071**
Total liabilities	**-**	**-**	**-**	**92 835**	**46 515**	**139 350**	**110 473**	**22 655**	**133 128**
TOTAL EQUITY AND LIABILITIES	**1 000**	**-**	**1 000**	**263 537**	**62 325**	**325 862**	**897 017**	**43 574**	**940 590**

NOTE 31 - ADJUSTMENTS AS COMPARED TO Q4 INTERIM REPORT AND PRELIMINARY FINANCIAL STATEMENTS 2007

On 14 February 2008, the Board of Directors approved the Q4 2007 Interim Report and the Preliminary Financial Statements for 2007. When preparing the final financial statements, two adjustments were made. An error in the 21,408 tax cost related to change in deferred taxes. In addition, a deposit account related to the guarantee discussed in Note 21 has been classified as a long-term financial asset rather than "Cash and cash equivalents". These adjustments have resulted in the following deviations as compared to what has previously been reported:

	GROUP					
		Q4			01.01.2007 - 31.12.2007	
CONSOLIDATED INCOME STATEMENT	Previously reported	Adjusted amount	Deviation	Previously reported	Adjusted amount	Deviation
Income(loss) before taxes	(116 684)	(116 684)	-	(247 485)	(247 485)	-
Taxes (+)/tax income (-) on ordinary income /(loss)	(75 908)	(97 316)	(21 408)	(184 568)	(205 976)	(21 408)
Net profit (loss)	(40 776)	(19 368)	21 408	(62 917)	(41 509)	21 408

ASSETS	GROUP BALANCE SHEET AT 31.12.2007 Previously reported	Adjusted amount	Deviation
Fixed assets			
Intangible assets			
Goodwill	1 671 556	1 671 556	-
Capitalized exploration expenditures	517 867	517 867	-
Other intangible assets	2 423 340	2 423 340	-
Tangible fixed assets			
Property, plant, and equipment	354 692	354 692	-
Financial investments			
Long-term deposit		5 160	5 160
Total fixed assets	**4 967 454**	**4 972 614**	**5 160**
Current assets			
Inventories			
Inventories	2 579	2 579	-
Receivables			
Trade receivables	128 237	128 237	-
Other receivables	119 718	119 718	-
Calculated tax receivables	618 044	618 044	-
Cash and cash equivalents			
Cash and cash equivalents	590 287	585 127	(5 160)
Total current assets	**1 458 865**	**1 453 705**	**(5 160)**
TOTAL ASSETS	**6 426 319**	**6 426 319**	**(0)**

EQUITY AND LIABILITIES	CONSOLIDATED BALANCE SHEET 31.12.2007 Previously reported	Adjusted amount	Deviation
Equity			
Share capital	12 985	12 985	-
Share premium	3 498 189	3 519 597	21 408
Total paid-in capital	**3 511 174**	**3 532 582**	**21 408**
Minority interests	30 725	30 725	-
Total equity		**3 563 307**	**21 408**
Pension obligations	8 125	8 125	-
Deferred taxes	2 187 878	2 166 470	(21 408)
Abandonment provision			-
Deferred revenues	10 402	10 402	-
Total provisions	**2 287 538**	**2 266 130**	**(21 408)**
Short-term loan	128 625	128 625	-
Trade creditors	112 788	112 788	-
Taxes withheld and public duties payable	12 045	12 045	-
Other current liabilities		343 423	-
Total current liabilities	596 881	596 881	-
Total liabilities	**2 884 419**	**2 863 011**	**(21 408)**
TOTAL EQUITY AND LIABILITIES	**6 426 319**	**6 426 319**	**-**

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Translation from the original Norwegian version

To the Annual Shareholders' Meeting of Det norske oljeselskap ASA

AUDITOR'S REPORT FOR 2007

We have audited the annual financial statements of Det norske oljeselskap ASA as of 31 December 2007, showing a loss of NOK 33.018.000 for the parent company and a loss of NOK 41.509.000 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 parent company's financial statements comprise the balance sheet, the statements of income, cash flows, the statement of changes in equity and the accompanying notes. The group accounts comprise the balance sheet, the statements of income, cash flows, the statement of changes in equity and the accompanying notes. International Financial Reporting Standards as adopted by the EU, has 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 Company and of the Group as of 31 December 2007, and the results of its operations, its cash flows and the changes in equity for the year then ended, in accordance with generally accepted 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, 12 March 2008
Deloitte AS

Karl O. Sanderød (signed)
State Authorised Public Accountant (Norway)

Audit. Tax & Legal. Consulting. Financial Advisory.

Member of
Deloitte Touche Tohmatsu

Org.nr.: 980 211 282