

# DET NORSKE

QUARTERLY INTERIM REPORT  
**First Quarter 2008**

Trondheim, May 7, 2008



**DET NORSKE OLJESELSKAP ASA**

*Visiting and mailing address:*

Nedre Baklandet 58 c  
7014 Trondheim  
Norway

Phone: +47 90 70 60 00

Fax: +47 73 53 05 00

E-mail: [detnor@detnor.no](mailto:detnor@detnor.no)

**[www.detnor.no](http://www.detnor.no)**

DET NORSKE OLJESELSKAP ASA **HARSTAD**

*Visiting address:*

Forsikringsgården AS  
Richard Kårbøes plass 3B  
9405 Harstad

*Mailing address:*

P. O. Box 854  
NO-9488 Harstad  
Norway

Phone: +47 97 65 60 00

DET NORSKE OLJESELSKAP ASA **STAVANGER**

*Visiting and mailing address:*

Næringslivets Hus  
Haakon VIIs gt. 8  
NO-4005 Stavanger  
Norway

Phone: +47 91 66 35 64

DET NORSKE OLJESELSKAP ASA **OSLO**

*Visiting address:*

Bryggegt. 9  
Aker Brygge  
0250 Oslo

*Mailing address:*

P. O. Box 2070 Vikta  
NO-0125 Oslo  
Norway

Phone: +47 22 01 57 00

Highlights Q1 2008	4
License Portfolio	5
Consolidated Key Financial Figures (IFRS)	5
Investments	6
Cash Flow and Capital Structure	6
Petroleum Resources and Reserves	6
Production Licenses	8
Licenses with Discoveries under Assessment/Development	8
Exploration Licenses	9
Health, Safety and Environment	10
Investor Relations	10
Events after 31 March 2008	10
Outlook	10
License Map as of March 31, 2008	11
License Portfolio as of March 31, 2008	12
Consolidated Income Statement	15
Consolidated Balance Sheet	16
Statement of Changes in Equity	18
Consolidated Cash Flow Statement	19
Notes	20

## Highlights Q1 2008

- The operating loss in the consolidated financial statements was MNOK 37.3 (17.7). The increased deficit is attributable to the Company's ambitious exploration activities. Exploration costs for Q1 amounted to MNOK 56.9 (24.6).
- With the award of 12 new licenses in the APA 2007, Det norske confirmed its position as the second largest operating company on the Norwegian Continental Shelf. The award increased its risked potential resources with 150 million barrels. Following the award Det norske participates in 46 licenses, of which the Company has 24 operatorships.
- On March 31, Det norske submitted a Plan for Development and Operation for the Frøy Field to the Norwegian Ministry of Petroleum and Energy. This marks the first time the Company is submitting such a plan as operator.
- Det norske and Lundin Norway AS signed a purchase and sales agreement for a 70% share in PL103B. The license constitutes 10% of the Jotun Unit. The agreement has got approval from the authorities and has an effective date of January 1, 2008. The production of current reserves in Jotun Unit is expected to be maintained until 2015.
- Det norske executed asset swap agreements with Concedo ASA. The agreements involve swapping a 15% stake of its 100% stake in PL383 with a 15% stake in PL485. Both licenses are located in the Norwegian Sea.
- Det norske effected a compulsory redemption of all minority owned shares in NOIL Energy. Det norske became 100% owner of NOIL Energy as of February 1, 2008.
- Total production of oil equivalents from its interests in Varg, Enoch and Glitne amounted to 156,886 (74,576) barrels for the quarter.
- The exploration well on the Draupne prospect (PL001B) commenced February 15, 2008. The prospect is situated in an area with several existing discoveries.
- On March 3, Det norske presented its new logo and graphic profile. With its new logo Det norske oljeselskap ASA emphasizes that its everyday name is Det norske. A modern, colorful and bold symbol in its logo differentiates Det norske from the many other players in the oil business.

### License Portfolio

By the end of the first quarter of 2008, the Group had ownership interests in 46 licenses, excluding five additional areas in licenses with no work obligations. The interests vary from 5% to 100%. At this point in time, Det norske was the operator of 24 licenses (additional areas not included). 34 licenses are located in the North Sea, eight licenses in the Norwegian Sea and four licenses in the Barents Sea.

Production licenses as of March 31, 2008 are shown in a separate attachment.

### Consolidated Key Financial Figures (IFRS)

The Group is comprised of Det norske oljeselskap ASA and its subsidiary NOIL Energy ASA. The Group is considered established on November 13, 2007 when the acquisition of NOIL Energy was approved by the authorities. Up until November 13, 2007, all consolidated figures apply only to Det norske oljeselskap (formerly Pertra). Subsequent to this date, NOIL Energy ASA has been included.

Figures in MNOK	Q1 2008	Q1 2007
Operating revenues	79.5	29.4
Exploration costs	56.9	24.6
EBITDA	(12.0)	(10.0)
Operating income / (loss)	(37.3)	(16.2)
Income (loss) before taxes	(44.8)	(10.2)
Net income / (loss)	(9.0)	0.8
Income / (loss) after taxes per share	(0.14)	0.03
Investments	153.9	36.1
Oil production (barrels)	156 886	74 576

In the first quarter, the Group generated operation revenues of MNOK 79.5 (29.4). The loss before taxes was MNOK 44.8 (10.2). The loss reflects the Company's exploration strategy. Total exploration costs for the quarter amounted to MNOK 56.9 (24.6), of which MNOK 9.4 (0.4) was attributed to seismic costs.

As of March 31, 2008 the number of employees was 117.

### **Investments**

First quarter investments amounted to MNOK 153.9 (36.1). The investments consisted of redeeming minority stockholders MNOK 75.8; investments in fields in development phases (Goliat, Frøy and Yme) MNOK 53.6; capitalized exploration wells MNOK 14.4; and other investments MNOK 10.1. Total depreciations and amortizations for Q1 were MNOK 25.3 (6.2).

The Group's share of drilling expenses at Draupne (PL001B) is essentially covered by PA Resources.

### **Cash Flow and Capital Structure**

Cash flow from operational activities was MNOK -141.0 (-8.9). The Group's cash and cash equivalents by the end of the quarter totalled MNOK 506.0 (522.9).

The current year's tax liabilities for payment were recognized in the accounts with MNOK 615.5 (112.8), while tax liabilities for payment in the upcoming year have been recognized at MNOK 40.3 (20.0)

Total assets constituted MNOK 6,512.6 (931.6) as of March 31. The Group's interest-bearing debt (related to an exploration finance facility with DnB NOR Bank) amounted to MNOK 344.4 (0.0). The equity ratio was 54.1% (87.0%) by the end of Q1.

### **Petroleum Resources and Reserves**

The overview below is based on the guidelines issued by the Oslo Stock Exchange for calculating petroleum resources and reserves, but also includes prospective resources.

Reserve and Resource Categories 1 through 7 are discoveries that have been demonstrated through drilling. Resource Category 8 comprises prospects that have been mapped and thus allowed estimation of volumes. These potentially recoverable reserves have then been multiplied by a discovery probability calculated in accordance with industry standards. Leads in Category 9 that have not been mapped have not been included.

The reserve estimates for Enoch, Glitne and Varg were updated on December 31, 2007 and adjusted on March 31, 2008 for production in the first quarter. The P90 estimates are unchanged. Frøy was unchanged with 23.5 million barrels, but is moved to Category 3. Det norske decided to develop Frøy and a Plan for Development and Operation (PDO) was submitted to the Norwegian Ministry of Petroleum and Energy on March 31, 2008. So far, Premier Oil Norge, which is the only partner in the license, has thus far not endorsed the plan.

On March 14, 2008 Det norske and Lundin Norway AS entered into an agreement to trade a 70% stake

in PL103B. The production license constitutes 10% of the Jotun Unit. The agreement has an effective date of January 1, 2008. The operator and the Norwegian Petroleum Directorate estimate that there are 2.7 million Sm<sup>3</sup> oil and 0.1 billion Sm<sup>3</sup> gas reserves remaining in the field as of December 31, 2007. Det norske's share of the reserves is estimated 1.2 million barrels oil equivalents and has not been included in the table below. It is anticipated that production of the Jotun Unit reserves can be maintained until 2015.

Goliat is included with 30.6 million barrels oil equivalents in accordance with the operator's estimate. The operator estimates a depletion rate of 30%.

The upper section of Ragnarrock (PL265) is included in Resource Category 5 with 12.6 million barrels, whereas the lower section is included in Category 7 because of uncertain production properties. Storskrynten is being evaluated with a possible outcome varying between 10 and 40 million barrels on a 100% basis. The discovery is recognized at 11.3 million barrels for Det norske's share. Det norske's share of Frigg Gamma Delta is 5.7 million barrels.

Agreements with ExxonMobil to acquire a 25% stake in PL027D, which comprises the Eitri prospect, are binding because all reservations regarding approval from the

authorities, etc. have been lifted. The risked potential resources for PL027D have been estimated at 17.7 million barrels and have not been included in the table below as Det norske does not get license ownership until the end of the well operation.

Det norske was awarded 12 new licenses in APA 2007. The awards increased Det norske's risked potential resources by 150 million barrels. (Resource Category 8)

Total reserves and risked resources as of March 31, 2008 are estimated at 642 million barrels, up from 579 million barrels as of December 31, 2007. Total reserves as of March 31, 2008 are estimated at 31.4 million barrels, an increase from 8.0 as of yearend 2007.

Resource Category	Norwegian Petroleum Directorate Classification	Reserves (P90)	Reserves (P50)	Resources (P50)	Risked potential resources (P50)
1	<b>In production</b>	<b>0.5</b>	<b>1.1</b>		
	Enoch Unit	0.1	0.2		
	PL048 B Giltne	0.1	0.5		
	PL038 Varg	0.3	0.4		
2	<b>Under development</b>	<b>5.4</b>	<b>6.8</b>		
	PL038 Varg		0.1		
	PL316 Yrme	5.4	6.7		
3	<b>Development committed</b>	<b>17.5</b>	<b>23.5</b>		
	PL364 Frey	17.5	23.5		
4	<b>In the planning phase</b>			<b>30.6</b>	
	PL229 Goliat			30.6	
5	<b>Development probable</b>			<b>23.0</b>	
	PL265 Ragnarrock			12.6	
	PL332			10.4	
7	<b>Under evaluation</b>			<b>44.0</b>	
	PL001B/028B West Cable and Hanz			6.8	
	PL265 Ragnarrock			20.2	
	PL337 Storskrynten			11.3	
	PL442 Frigg Gamma Delta			5.7	
8	<b>Prospects</b>				<b>513</b>
<b>Total</b>		<b>23.4</b>	<b>31.4</b>	<b>97.5</b>	<b>513</b>

## **Production Licenses**

The Group's production for the first quarter amounted to 156,886 (74,576) barrels oil equivalents. This corresponds to an daily average of 1,724 barrels for Det norske's share. The oil was sold at an average price of 94.07 USD/barrel.

There have been no serious events or unexpected spills during the period for any of the production licenses.

### *PL038 Varg*

Production in the first quarter amounted to 52,031 barrels for Det norske's share, which corresponds to a daily average of 572 barrels. Production in the same quarter in 2007 was 829 barrels per day. Drilling of two new wells with Maersk Giant is expected to commence in May 2008. One is a production well, while the other is an exploration well on a prospect called Lilleulv.

### *PL048 B Glitne*

Production in the first quarter totaled 90,765 barrels for Det norske's share of 10%. This corresponds to an average production of 997 barrels per day. Production for the same quarter in 2007 was 862 barrels per day. Production well A-7H, which was put into production on November 30, 2007, is currently producing about 2,740 barrels per day. This corresponds to 27% of the field's total production. The field's total water production is 83%. The operator has received partner approval to commence the 4D seismology in connection with future maturation of a potential infill production well in 2009. It is anticipated that 4D data gathering will be implemented in the summer of 2008.

### *PL048 D Enoch*

Production in the first quarter amounted to 14,090 barrels for Det norske's stake of 2% of total from the Norwegian and British sectors. This corresponds to an average production of 155 barrels per day. For the corresponding period, gas production for Det norske was 0.14 MSm<sup>3</sup>. This constitutes an average production of 10 barrels oil equivalents per day. The gas-to-oil ratio is still declining, and artificial gas lifts are currently being used there. No water is being produced.

## **Licenses with Discoveries under Assessment/ Development**

### *Operator Licenses*

#### *PL001B/028B/242 Draupne*

On February 19, 2008 Det norske commenced drilling (Well 16/1-9) at Draupne (PL001B). The work was performed with the semi-submersible drilling rig Bredford Dolphin.

This was the first drilling in 2008 that had Det norske as operator. For results from the drilling, please see Events after the end of the quarter.

### *PL337 Storskrymten*

End reporting of the Storskrymten discovery in 2007 is in progress. Seismic interpretation in the neighboring region is in progress in order to gain a better understanding of the size of the discovery and to uncover any upside potential. In early 2009 Talisman has plans to drill an exploration well near Storskrymten in the Grevling prospect (PL038, Det norske 5% stake). This well will be able to provide important new data and, if a discovery is made, will be able to form the basis for combined development.

### *PL364 Frøy*

On January 6 the license decided to continue the Frøy project with the preparation of a Plan for Development and Operation (PDO). Such a plan was presented to the licensing partners in March. The operator chose, against Premier Oil Norge's vote, to submit the proposed PDO to the Ministry of Petroleum and Energy as no other development concept proposal existed. The plan is to produce minimum 47 million barrels on a 100% basis, during a period of six years. The license has agreed on a time schedule which implies that contracts for Frøy to be entered during the third quarter as the latest, and thus make approval of PDO possible within yearend 2008.

### *Partner-operated Licenses*

#### *PL229 Goliat*

The license partners decided a development concept in February. Together with its partners, Eni Norge, the operator of Goliat, has recommended developing the Goliat discovery with an offshore floating production and storage unit linked to seabed wells. The recommended development concept has been assessed to be the best technical and economical solution of the alternatives that have been evaluated so far.

#### *PL265 Ragnarrock*

The operator StatoilHydro is currently completing its studies of the wells (16/2-1, 3, 4). It has also initiated a project to construct a geological model for the relatively dense chalk reservoir at Ragnarrock. It will require quite a bit of work before the license holder can make a decision on drilling a well for production testing. Because of the large present oil resources in Ragnarrock, Det norske has initiated parallel and supplementary studies. Det norske will conduct its own field survey study based on its internal competence and studies of dense chalk reservoirs.



#### *PL316 Yme*

At the end of March, the development project was about 50% completed. The operator anticipates production start-up in June 2009. The area surrounding the license comprises of several prospects for exploration drilling, such as the Aubrey prospect, which it is planned to be drilled during the first half of 2009.

#### *PL332*

The license contains small discoveries. The license has not made the decision to drill the prospect Optimus. License holder has issued its approval for a site survey. Drilling is expected during the summer of 2009.

#### *PL442*

StatoilHydro (operator) will continue its geological survey of the Nanna, Øst Frigg Gamma and Delta prospects but is awaiting the completion of seismic reprocessing before it can finalize its interpretation of the results. The new seismic data will be delivered in April/May. An appraisal well is being planned for 2009.

### **Exploration Licenses**

Det norske was awarded six licenses in the North Sea in the most recent APA round (PL450, PL451, PL453S, PL458, PL460 and PL463S). Det norske is the operator of PL450, PL460 and PL463S. For PL450 a well has to be drilled over the course of the first four-year period and in PL460 a well must be drilled within two years. In PL453S a contract has been secured to perform an extensive seismic survey this year.

In the Norwegian Sea, Det norske was awarded three licenses in the most recent APA round (PL476, PL482 and PL483S). Det norske is the operator of all three licenses. For PL483S there is an obligation to establish a permanent well within three years.

In the Barents Sea, Det norske was awarded three licenses in the most recent APA round (PL490, PL491 and PL492). Det norske is the operator of PL491. For all the licenses, new 3D seismic data will need to be gathered and a decision to drill must be made no later than February 2011. It is likely that the licenses will secure contracts to add seismic data in the present year.

PL305/305B (west of Jotun) had its deadline extended by one year for deciding on any further exploration drilling (until December 12, 2008).

For PL029B (east of Glitne) it has been decided to drill the Freke prospect in the fall of 2008. Det norske has undertaken to operate this well with the rig Bredford Dolphin on behalf of ExxonMobil (operator) and StatoilHydro.

Det norske applied for permission to relinquish PL441 on February 25, 2008. The license was awarded on June 15, 2007. During the first year, the work obligation consisted of gathering electromagnetic data and on the basis of these data - and a general assessment of its prospectivity - to decide whether to return license or to gather 250 km<sup>2</sup> 3D seismic data. The work obligation has been met.

Det norske applied for permission to relinquish PL334 on March 13, 2008. After reprocessing and interpreting the 3D seismic data, Talisman as the operator recommended that the license be relinquished.

The current drilling date for the Fongen prospect in PL380 is the summer of 2009. For PL321/321B, the prospect Geitfjellet was decided for drilling. Drilling is scheduled for summer of 2009 with the rig Aker Barents.

The current drilling date for the prospect Struten in PL383 is April-May 2009. Det norske has entered into asset swap agreements with Concedo ASA, which means that Det norske will swap 15% of its 100% stake in PL383 with a 15% stake in PL485. Both licenses are located in the Norwegian Sea. The agreements are contingent upon the approval of its license partners and the authorities. The transaction is based on the desire to balance the Company's exploration portfolio.

It was decided to use the drilling rig Deepsea Delta for PL383, PL476 and PL483S for drilling exploration wells in 2009. For PL476 east of Midgard it was decided to drill at least one of the two surveyed prospects Trolltind and Frusalen. For PL483S in the Helgeland Basin, it has been decided to drill the prospect Trolla.

For PL356, reprocessing of the license's 3D data has been performed. On the basis of this, a decision on drilling has been targeted for the second half of 2008. Both for this license and for PL440S and PL450 a jack-up rig will be required in order to drill; and work is currently in progress to secure a rig for drilling no later than 2010.

For PL369 a rig agreement was entered into with StatoilHydro about the use of the rig Transocean Winner for drilling the prospect Trow. The drilling date will be June/July 2008.

## Health, Safety and Environment

During the first quarter Det norske has been the operator of the Draupne prospect (PL001B) with the drilling rig Bredford Dolphin. Det norske has not registered serious incidents in connection with the drilling.

## Investor Relations

The Board of Directors adopted a resolution in January to accept redemption of stocks in NOIL Energy that belonged to Larsen Oil & Gas at NOK 24 per share after this shareholder had issued a demand for redemption. The Board of Directors also adopted a resolution to perform a compulsory redemption of all other shareholders of NOIL Energy at the same redemption price. The minority stock holdings were transferred to Det norske on February 1, 2008. NOIL Energy was delisted from the OTC list on January 29, 2008.

In the first quarter, 2.76 million stocks in Det norske oljeselskap (ticker DETNOR) were traded on the Oslo Stock Exchange, which is a daily average of 45,954 stocks. The high and the low for trading in the stock were, respectively, NOK 79.00 and NOK 43.80. The average price was NOK 52.90. The number of shareholders at the end of the quarter was 2,289. Of the outstanding stocks, 29% were held by foreign investors.

## Events after 31 March 2008

Det norske discovered oil and gas at the Draupne prospect (PL001B). Preliminary analyses indicate that the well at Draupne has proven technically recoverable resources in the order of 25 to 30 million barrels oil equivalents, most of it oil. The total potential of this discovery is evaluated to be upward of 65 million barrels oil equivalents. The nearby discoveries Hanz (PL028B) and West Cable (PL001/242) have the same ownership as Draupne and might, together with this discovery, contain between 45 and 90 million barrels oil equivalents. Det norske has a 35% share in these discoveries. StatoilHydro owns 50%, and PA Resources owns 15%.

The final size and commercial potential depend on the results of further studies, which include improvements to seismic data and maturation of a potential appraisal well at Draupne in 2009. Parallel with this evaluation, Det norske will initiate a field survey study on the basis of a benchmark case, which includes a potential area field center for phasing in Draupne, Hanz, West Cable and any other discoveries in the area (Luno, Ragnarrock).

In a letter dated April 18, 2008, the Norwegian Ministry of Petroleum and Energy granted permission to relinquish PL441. The license will be considered as having been relinquished as of May 25, 2008.

The Boards of Directors of Det norske and NOIL Energy have drawn up a merger plan to merge Det norske oljeselskap ASA and NOIL Energy ASA. The Boards of Directors intend to adopt the merger plan in the middle of

May and anticipate that the merger will go into effect in late July 2008.

Det norske held its General Stockholders Meeting in Trondheim on April 8, 2008. The General Meeting adopted a resolution to authorize the Board of Directors to increase the equity by 500,000 stocks that can be utilized for the Company's employee bonus program. The authorization superseded an earlier authorization and remains in effect until the next Ordinary General Stockholders Meeting but no later than June 30, 2009.

## Outlook

The discovery at Draupne confirms the value potential of Det norske's exploration strategy. The remaining exploration wells in 2008 are PL369 Trow in June/July, PL038 Lilleulv in June/July, PL029B Freke in September/October, PL362 Fulla in October/November, PL229 Goliat North in November/December and PL027D Eitri in December/January. About 13 exploration wells are scheduled for 2009 of which 9 will be operated by Det norske. Det norske's base of drilling prospects in operated licenses combined with the Company's significant exploration capacity have created the basis for annual growth of 50 million barrels in new discoveries.

In the North Sea Det norske has designated four areas of special strategic interest for the Company. These are areas with discoveries in which Det norske has ownership interests. These areas are the Frøy area, Varg/Storskrymten, the southern Vikinggraben and the Jotun area. Det norske will devote resources to developing these areas for new discoveries, license acquisitions and development.

Over the course of 2008 Det norske will submit applications for the APA 2008 and for the 20th Concession Round, which could bring the total portfolio to more than 50 licenses. Det norske considers the Barents Sea to have great reserve potential, which would contribute significantly to the Company's long-term growth, regardless of the Company's ownership interest in the Goliat license.

The license partners aims at awarding contracts for Frøy during the third quarter 2008 and start-up of production in fourth quarter 2012.

The Company will work actively on acquiring and selling licenses in order to create the greatest possible value and to diversify risks.

Trondheim, May 7, 2008

Board of Directors of Det norske oljeselskap ASA



- Operator
- Partner

\* Additional acreage

- PL 492
- PL 491
- PL 490
- PL 229 **Goliat**
- PL 229 B\*
- PL 229 C\*

- PL 447
- PL 485
- PL 483 S
- PL 482
- PL 383
- PL 432
- PL 476
- PL 380

- PL 321
- PL 321 B\*

PL 387

- PL 463 S
- PL 369
- PL 035
- PL 362
- PL 460
- Jotun Unit
- PL 305
- PL 305 B\*
- PL 341
- PL 048 B **Glitne**
- PL 048 D **Enoch**
- PL 029 B

- PL 272
- PL 442
- PL 414
- PL 364 **Froy**
- PL 103 B
- PL 242
- PL 028 B
- PL 458
- PL 265
- PL 001 B

- PL 408
- PL 337
- PL 038 **Varg**
- PL 334
- PL 453 S
- PL 450
- PL 332
- PL 440 S

- PL 316 B\*
- PL 316 DS
- PL 316 CS
- PL 316 **Yme**
- PL 451
- PL 356

## License Portfolio as of March 31, 2008

Licenses for which Det norske is the operator as of March 31, 2008 (including additional acreage):

License	Det norske's interest	Location	Status
PL001 B	35%	North Sea	Exploration well Q1 2008
PL028 B	35%	North Sea	Hanz - discovery under evaluation
PL242	35%	North Sea	West Cable - discovery under evaluation
PL305	30%	North Sea	Exploration license
PL305 B	30%	North Sea	Additional acreage to PL305
PL321	25%	Norwegian Sea	Exploration well decided, to be drilled 2009/2010
PL321 B	25%	Norwegian Sea	Additional acreage to PL321
PL337	45%	North Sea	Storskrynten - discovery under evaluation
PL341	30%	North Sea	Exploration license
PL356	100%	North Sea	Exploration license
PL364	50%	North Sea	Frøy PDO submitted Q1 2008
PL380	100%	Norwegian Sea	Exploration well decided, to be drilled 2009
PL383	100%	Norwegian Sea	Exploration well decided, to be drilled 2009
PL408	70%	North Sea	Exploration license
PL414	40%	North Sea	Exploration license, to be drilled 2009
PL432	100%	Norwegian Sea	Exploration license
PL440 S	30%	North Sea	Exploration license
PL441	60%	North Sea	Exploration license, application to relinquish
PL447	50%	Norwegian Sea	Exploration license
PL450	100%	North Sea	Exploration license
PL460	40%	North Sea	Exploration license
PL463 S	100%	North Sea	Exploration license
PL476	40%	Norwegian Sea	Exploration license, to be drilled 2009
PL482	65%	Norwegian Sea	Exploration license, to be drilled 2010
PL483 S	40%	Norwegian Sea	Exploration license, to be drilled 2009
PL491	40%	Barents Sea	Exploration license

Licenses for which Det norske is a license partner (including additional acreage):

License	Det norske's interest	Location	Status
PL029 B	20%	North Sea	To be drilled summer 2008
PL035	25%	North Sea	Exploration license
PL038	5%	North Sea	Varg – field in production, exploration well 2008/2009
PL048 B	10%	North Sea	Giltne – field in production
PL048 D	10%	North Sea	Enoch – field in production
PL229	15%	Barents Sea	Goliat – development being planned, exploration well Q4 2008
PL229 B	15%	Barents Sea	Additional acreage to PL229
PL229 C	15%	Barents Sea	Additional acreage to PL229
PL265	30%	North Sea	Ragnarrock – discovery under evaluation
PL272	25%	North Sea	Exploration license
PL316	10%	North Sea	Yme – field under development
PL316 B	10%	North Sea	Additional acreage to PL316
PL316 CS	10%	North Sea	Exploration license
PL316 DS	10%	North Sea	Exploration license, to be drilled 2009
PL332	40%	North Sea	To be drilled 2009
PL334	30%	North Sea	Exploration license, application to relinquish
PL362	25%	North Sea	Exploration license, to be drilled 2008
PL369	20%	North Sea	Exploration license, to be drilled summer 2008
PL387	30%	North Sea	Exploration license
PL442	20%	North Sea	Exploration license, to be drilled 2009
PL451	40%	North Sea	Exploration license
PL453 S	25%	North Sea	Exploration license
PL458	30%	North Sea	Exploration license
PL490	20%	Barents Sea	Exploration license
PL492	40%	Barents Sea	Exploration license
PL491	40%	Barentshavet	Letelicens

Det norske has executed an agreement to enter into PL027D (separated from PL027B) with Exxon Mobil. A 25% ownership share will be earned when drilling of the exploration well on the Eitri prospect has been carried out.

Det norske has entered into equity swap agreements with Concedo ASA. Det norske will swap 15% of its 100% stake in PL383 with a 15% stake in PL485. The agreements are contingent upon the approval of its license partners and the authorities.

PL103B. Det norske and Lundin Norway AS signed a purchase and sales agreement for a 70% stake in PL103B. The production license constitutes 10% of the Jotun Unit. The agreement is contingent upon the authorities' approval.



## Consolidated Income Statement

DET NORSKE OLJESELSKAP		Q1	
(All figures in NOK 1000)	Note	2008	2007
Petroleum revenues		78 165	29 406
Other operating revenues		1 318	
<b>Total operating revenues</b>		<b>79 483</b>	<b>29 406</b>
Exploration expenses	2	56 907	24 579
Change in inventories		(343)	1 475
Production costs		23 369	12 724
Payroll and payroll-related expenses		6 919	431
Depreciation and amortisation expenses	5	25 255	6 190
Other operating costs		4 658	220
<b>Total operating expenses</b>		<b>116 766</b>	<b>45 619</b>
<b>Operating profit/(loss)</b>		<b>(37 283)</b>	<b>(16 213)</b>
Interest income		12 571	7 722
Other financial income		1 523	461
Interest expenses		6 968	736
Other financial expenses		14 634	1 442
<b>Net financial items</b>	<b>3</b>	<b>(7 508)</b>	<b>6 005</b>
<b>Income/(loss) before taxes</b>		<b>(44 791)</b>	<b>(10 208)</b>
Taxes (+)/tax income (-) on ordinary income/(loss)	4	(35 827)	(11 007)
<b>Net income/(loss)</b>		<b>(8 964)</b>	<b>799</b>
Minority's share of net income (loss)		(21)	
Majority's share of net income (loss)	12	(8 942)	
Weighted average no. of shares outstanding		64 925 020	26 513 420
Weighted average no. of shares fully diluted		64 925 020	26 513 420
Earnings/(loss) after taxes per share (adjusted for split)		(0.14)	0.03
Earnings/(loss) after taxes per share (adjusted for split) fully diluted		(0.14)	0.03

The Group was established 13 of November 2007. Compared to year 2007, NOIL Energy accounts are not included.

## Consolidated Balance Sheet

(All figures in NOK 1000)

	Note	31.03.2008	31.03.2007	31.12.2007
<b>ASSETS</b>				
<i>Intangible assets</i>				
Goodwill	5	1 716 661	43 875	1 671 556
Capitalized exploration expenditures	5	532 315	7 181	517 867
Other intangible assets	5	2 421 304	25 189	2 423 340
<i>Tangible fixed assets</i>				
Property, plant, and equipment	5	395 125	111 138	354 692
<i>Financial fixed assets</i>				
Long-term receivable (prepayment)		5 159		5 160
Estimated tax for repayment		40 283	19 960	
<b>Total fixed assets</b>		<b>5 110 847</b>	<b>207 343</b>	<b>4 972 614</b>
<i>Inventories</i>				
Inventories		2 938	778	6 136
<i>Receivables</i>				
Trade receivables		133 605	14 714	128 237
Other receivables	6	143 669	73 069	116 161
Calculated tax receivables	4	615 539	112 752	618 044
<i>Cash and cash equivalents</i>				
Cash and cash equivalents	7	506 046	522 899	585 127
<b>Total current assets</b>		<b>1 401 797</b>	<b>724 212</b>	<b>1 453 704</b>
<b>TOTAL ASSETS</b>		<b>6 512 644</b>	<b>931 555</b>	<b>6 426 319</b>



## Consolidated Balance Sheet

(All figures in NOK 1000)

	Note	31.03.2008	31.03.2007	31.12.2007
<b>EQUITY AND LIABILITIES</b>				
<b>Paid-in capital</b>				
Share capital	8	12 985	5 308	12 985
Share premium		3 510 654	805 045	3 519 597
Minority interests				30 725
<b>Total equity</b>		<b>3 523 639</b>	<b>810 353</b>	<b>3 563 307</b>
<b>Provisions</b>				
Pension obligations		5 597	3 730	8 125
Deferred taxes		2 159 926	27 827	2 166 470
Abandonment provision		82 755	22 368	81 133
Deferred revenues	9	15 179		10 402
<b>Total provisions</b>		<b>2 263 457</b>	<b>53 925</b>	<b>2 266 130</b>
<b>Current liabilities</b>				
Short-term loan		344 447		128 625
Trade creditors		30 044	8 044	112 788
Taxes withheld and public duties payable		4 060	1 568	12 044
Other current liabilities	10	346 998	57 665	343 423
<b>Total current liabilities</b>		<b>725 549</b>	<b>67 277</b>	<b>596 881</b>
<b>Total liabilities</b>		<b>2 989 006</b>	<b>121 202</b>	<b>2 863 012</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>6 512 644</b>	<b>931 555</b>	<b>6 426 319</b>

The Group was established 13 of November 2007. Compared to year 2007, NOIL Energy accounts are included from this date.

## Statement of Changes in Equity

(All figures in NOK 1000)	MAJORITY INTEREST			Minority interest	Total equity
	Share capital	Share premium reserve	Other paid-in capital		
<b>Equity as at 31.12.2005</b>	<b>3 113</b>	<b>183 399</b>			<b>186 512</b>
Share issue June (employees)	2	479			481
Share issue October (privat placement)	2 000	598 000			600 000
Share issue October (public offering/employees)	187	54 784	1248		56 219
Share issue costs booked to equity		(26 514 )			(26 514)
Tax effect of share issue costs booked to equity		20 681			20 681
Profit (loss) for the period		(28 668)	(1248)		(29 916 )
<b>Equity as at 31.12.2006</b>	<b>5 302</b>	<b>802 160</b>			<b>807 462</b>
Share issue (employees)	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 cost recorded against equity		(500 )			(500 )
Tax effect of share issue cost recorded against equity		390			390
Majority share of consolidated Group net loss Q4		(40 701 )			(40 701 )
Minority interest as of 31.12.2007				30 725	30 725
<b>Equity as at 31.12.2007</b>	<b>12 985</b>	<b>3 519 597</b>		<b>30 725</b>	<b>3 563 307</b>
Majority share of consolidated group net loss Q1				(30 704)	(30 704)
Minority interest of 31.03.2008		(8 942)		(21)	(8 964)
<b>Equity as at 31.03.2008</b>	<b>12 985</b>	<b>3 510 654</b>			<b>3 523 639</b>

## Consolidated Cash Flow Statement

	01.01.-31.03. 2008	01.01.-31.03. 2007	01.01.-31.12. 2007
(All figures in NOK 1000)			
<b>Cash flow from operating activities</b>			
Income/(loss) before taxes	(44 791)	(10 208)	(247 485)
Tax refund		(28)	323 795
Depreciation and amortisation expenses	25 255	6 190	34 553
Changes in plugging and abandonment liabilities	1 623	440	3 129
Changes in inventories, accounts payable and receivable	(84 914)	(16 765)	62 975
Changes in net current capital and in other current balance sheet items	(38 145)	11 425	127 640
<b>Net cash flow from operating activities</b>	<b>(140 972)</b>	<b>(8 946)</b>	<b>304 607</b>
<b>Cash flow from investment activities</b>			
Purchase of property, plant and equipment	(62 854)	(29 894)	(170 824)
Purchase of minority interest	(75 810)		
Purchase of intangible assets	(15 266)	(6 242)	(194 444)
<b>Net cash flow from investment activities</b>	<b>(153 930)</b>	<b>(36 136)</b>	<b>(365 267)</b>
<b>Cash flow from financing activities</b>			
Paid-in share capital/capital increase		2 091	2 091
Expenditure related to acquisition of companies			(13 775)
Payment of loan			(290 686)
Short-term loan	215 822		130 000
<b>Net cash flow from financing activities</b>	<b>215 822</b>	<b>2 091</b>	<b>(172 369)</b>
Net change in cash and cash equivalents	(79 081)	(42 991)	(233 029)
Cash and cash equivalents at start of period	585 127	565 890	565 890
Cash and cash equivalents in acquired company at time of acquisition			252 267
<b>Cash and cash equivalents at end of period</b>	<b>506 046</b>	<b>522 899</b>	<b>585 127</b>
<i>Specification of cash and cash equivalents at end of period</i>			
Bank deposits, etc.	479 543	497 336	552 741
Restricted bank deposits	3 541		8 806
Other financial investments	22 963	25 563	23 580
<b>Total cash and cash equivalents at end of period</b>	<b>506 046</b>	<b>522 899</b>	<b>585 127</b>

## Notes

(All figures in NOK 1000)

The Q1 2008 Interim Report has been prepared in accordance with IFRS, published by the IAS Board and IAS 34 "Interim Financial Reporting". The accounting principles applied are described in the 2007 Annual Report.

### NOTE 1 CHANGES IN GROUP OWNERSHIP

#### Compulsory acquisition of shares

As of 31.12.2007 Det norske oljeselskap ASA had a 97,3% ownership in NOIL Energy ASA. On 30.1.2008 the ownership was increased to 100% through a compulsory acquisition of the remaining 2,7% shares in NOIL Energy ASA. The redemption price was NOK 24 equaling the price offered in the voluntary offer in November 2007. The total settlement amounted to 75.810 and was paid in cash.

### NOTE 2 EXPLORATION EXPENCES

	01.01.-31.03. 2008	01.01.-31.03. 2007
<b>Spesification of exploration expenses:</b>		
Seismic, welldata, field studies and other exploration costs	20 399	4 318
Share of exploration costs from license participation	19 264	11 772
Expensed capitalized wells previous years	0	
Expensed capitalized wells this years	0	
Share of salaries and other operating costs	11 906	8 489
Research and development expenses related to exploration activities	5 337	
<b>Total exploration expenses</b>	<b>56 907</b>	<b>24 579</b>

### NOTE 3 FINANCIAL ITEMS

	01.01.-31.03. 2008	01.01.-31.03. 2007
Interest income	12 572	7 722
Foreign exchange gain	1 523	461
Increased value financial investments	0	0
<b>Total interest income and other financial income</b>	<b>14 094</b>	<b>8 183</b>
Interest expense	6 510	736
Amortized borrowing costs	458	98
Foreign exchange losses	14 017	1 344
Decreased value financial investments	618	0
<b>Total interest expenses and other financial expenses</b>	<b>21 602</b>	<b>2 179</b>
<b>Net financial items</b>	<b>(7 508)</b>	<b>6 005</b>

### NOTE 4 TAXES

	01.01.-31.03. 2008	01.01.-31.03. 2007
<b>Taxes for the period appear as follows:</b>		
Calculated tax receivable due to exploration-related costs	(40 283)	(19 960)
Change in deferred taxes	4 456	8 953
<b>Total taxes (+) / tax income (-)</b>	<b>(35 827)</b>	<b>(11 007)</b>

A complete calculation of tax has been performed in accordance with the described accounting principles. Calculated taxes receivable resulting from exploration activities in 2008 have been entered as a long-term item in the Balance Sheet. This is expected to be paid out in December 2009. Calculated taxes receivable due to exploration activities in 2007 have been entered as a current asset and is expected to be paid out in December 2008.

**NOTE 5 TANGIBLE ASSETS/INTANGIBLE ASSETS**

Tangible assets	Production facilities in development	Production facilities, wells included	Machinery and equipment, etc.	Total
<b>Procurement cost 31.12.2007</b>	<b>197 289</b>	<b>194 932</b>	<b>12 670</b>	<b>404 891</b>
Investments	53 637	5 128	4 089	62 854
Retirements				
Procurement cost 31.03.2008	250 926	200 060	16 759	467 745
Acc. depreciations and writedowns 31.03.2008		69 241	3 378	72 620
<b>Net book value 31.03.2008</b>	<b>250 926</b>	<b>130 819</b>	<b>13 381</b>	<b>395 125</b>
Depreciations this year		21 228	913	22 141

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 assets	Goodwill	Software	Exploration assets	Licenses	Total
<b>Procurement cost 31.12.2006</b>	<b>1 671 556</b>	<b>19 839</b>	<b>517 867</b>	<b>2 427 636</b>	<b>4 636 898</b>
Investments	45 105	17	14 448	799	60 371
Retirements					
Procurement cost 31.03.2008	1 716 661	19 856	532 315	2 428 435	4 697 268
Acc. depreciations and writedowns 31.03.2008		10 865		16 122	26 987
<b>Net book value 31.03.2008</b>	<b>1 716 661</b>	<b>8 991</b>	<b>532 315</b>	<b>2 412 313</b>	<b>4 670 281</b>
Depreciations this year		1 633		1 219	2 852

**NOTE 6 OTHER SHORT TERM RECEIVABLES**

	31.03.2008	31.03.2007
Prepayments, rig prepayments included	53 840	65 056
VAT refund	7 892	11 142
Underlift (recognised income)	15 359	3 558
Early-retirement plan assets	2 843	2 573
Other receivables, receivables in operator licenses included	63 735	37 389
<b>Total current receivables</b>	<b>143 669</b>	<b>119 718</b>

**NOTE 7 CASH AND CASH EQUIVALENTS**

The item "cash and cash equivalents" comprises bank deposits and current deposits which constitute parts of the company's transaction liquidity.

Specification of cash and cash equivalents	31.03.2008	31.03.2007
Bank deposits	479 543	497 336
Restricted bank deposits	3 541	
Current deposits	22 963	25 563
<b>Total cash and cash equivalents</b>	<b>506 046</b>	<b>522 899</b>

**NOTE 8 SHARE CAPITAL**

	31.03.2008	31.03.2007
Share capital	12 985	5 308
Total number of shares	64 925 020	26 540 000
The nominal value per share is NOK 0.20		

**NOTE 9 DEFERRED INCOME**

Det norske is part of a consortium that has secured a three-year rig contract for the drilling rig Bredford Dolphin (1,095 days). 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 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. The revenue will be recognized as a revenue when it is no longer probable that Det norske has such an obligation.

Deferred income per 31.03.2008 amounts to 15.282.

**NOTE 10 OTHER CURRENT LIABILITIES**

	31.03.2008	31.03.2007
Short term debt related to license cash calls	23 717	119 368
Share of other current liabilities from licenses	189 729	176 026
Other current liabilities	133 553	48 030
<b>Total current liabilities</b>	<b>346 998</b>	<b>343 423</b>

**NOTE 11 RESULTS FROM PREVIOUS INTERIM REPORTS**

	2008		2007		2006				2005			
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
<b>Operating revenues</b>	<b>79 483</b>	<b>55 625</b>	<b>19 434</b>	<b>26 560</b>	<b>29 406</b>	<b>31 354</b>	<b>27 373</b>	<b>18 154</b>	<b>41 161</b>	<b>46 384</b>	<b>34 200</b>	<b>13 901</b>
Exploration costs	56 907	122 836	33 127	102 401	24 579	26 473	60 404	65 782	33 520	141 554	13 275	13 469
Change in inventories	(343)	2 498	(2 686)	(881)	1 475	(1 481)	2 750	(1 921)	3 234	(1 878)	(1 951)	2 458
Production costs	23 369	9 747	10 897	9 871	12 723	12 164	6 751	13 904	10 624	13 201	11 354	3 147
Payroll and payroll-related expenses	6 919	10 281	135	313	431	1 727	218	18	130	(6 388)	5 872	1 097
Depreciation and amortisation expenses	25 255	17 488	5 191	5 685	6 189	6 030	3 302	2 721	8 001	11 518	6 339	2 101
Other operating expenses	4 658	4 978	5 475	133	220	625	130	230	67	(2 792)	1 749	1 230
<b>Operating expenses</b>	<b>116 766</b>	<b>167 829</b>	<b>52 138</b>	<b>117 523</b>	<b>45 618</b>	<b>45 537</b>	<b>73 555</b>	<b>80 734</b>	<b>55 576</b>	<b>155 216</b>	<b>36 638</b>	<b>23 503</b>
<b>Operating profit/(loss)</b>	<b>(37 283)</b>	<b>(112 203)</b>	<b>(32 704)</b>	<b>(90 963)</b>	<b>(16 213)</b>	<b>(14 183)</b>	<b>(46 181)</b>	<b>(62 579)</b>	<b>(14 415)</b>	<b>(108 832)</b>	<b>(2 438)</b>	<b>(9 603)</b>
<b>Net financial items</b>	<b>(7 508)</b>	<b>(4 480)</b>	<b>(1 115)</b>	<b>4 190</b>	<b>6 006</b>	<b>10 655</b>	<b>66</b>	<b>(6 345)</b>	<b>(2 560)</b>	<b>393</b>	<b>101</b>	<b>646</b>
<b>Income/(loss) before taxes</b>	<b>(44 791)</b>	<b>(116 684)</b>	<b>(33 819)</b>	<b>(86 774)</b>	<b>(10 208)</b>	<b>(3 528)</b>	<b>(46 116)</b>	<b>(68 924)</b>	<b>(16 975)</b>	<b>(108 439)</b>	<b>(2 337)</b>	<b>(8 957)</b>
Taxes	(35 827)	(97 316)	(28 722)	(68 931)	(11 007)	(3 805)	(35 747)	(53 624)	(12 453)	(84 601)	(1 799)	(6 941)
<b>Net income/(loss)</b>	<b>(8 964)</b>	<b>(19 368)</b>	<b>(5 097)</b>	<b>(17 843)</b>	<b>799</b>	<b>277</b>	<b>(10 369)</b>	<b>(15 301)</b>	<b>(4 522)</b>	<b>(23 839)</b>	<b>(538)</b>	<b>(2 017)</b>





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