

Q1 2015

QUARTERLY REPORT FOR
DET NORSKE OLJESELSKAP



TRONDHEIM, 6 MAY 2015



KEY EVENTS IN Q1 2015

- **7 January:** Det norske announced completion of a redetermination process for its RBL facility
- **16 January:** Det norske announced the decision to develop the Viper-Kobra discoveries as tie-backs to the Alvheim FPSO
- **19 January:** Production commenced on the Bøyla field – the fourth field tied into the Alvheim FPSO
- **22 January:** The Maersk Interceptor drilling rig commenced the drilling programme on the Ivar Aasen field
- **6 February:** Det norske announced a change in functional currency to USD, as well as impairment charges for Q4 2014
- **9 February:** Det norske announced successful appraisal of the Krafla discovery and an updated resource estimate for PL035/PL272
- **13 February:** The Johan Sverdrup partners submitted the Plan for Development and Operation (PDO) to the MPE
- **18 March:** Det norske summoned to a bondholder meeting in DETNOR02 to request certain amendments in the loan agreement
- **19 March:** The Corporate Assembly in Det norske elected Kjell Pedersen to the company's board of directors.

KEY EVENTS AFTER THE QUARTER

- **1 April:** The bondholder meeting in DETNOR02 approved the amendments in the loan agreement, including removal of the adjusted equity ratio covenant
- **10 April:** Det norske announced a small gas discovery at Skirne East in the North Sea
- **21 April:** Det norske announced that the one-off put option in its DETNOR02 bond loan had expired. Only about one percent chose to exercise the option

SUMMARY OF FINANCIAL RESULTS

	Unit	Q1 2015	Q1 2014	2015 YTD	2014 YTD
Operating revenues	USDm	324	26	324	26
EBITDA	USDm	256	-2	256	-2
Net result	USDm	2	-3	2	-3
Earnings per share (EPS)	USD	0.01	-0.02	0.01	-0.02
Production cost per barrel	USD/boe	7	27	7	27
Depreciation per barrel	USD/boe	21	56	21	56
Cash flow from operations	USDm	281	-80	277	80
Cash flow from investments	USDm	-261	-116	261	116
Total assets	USDm	5 480	1 748	5 480	1 748
Net interest-bearing debt	USDm	1 965	749	1 965	749
Cash and cash equivalents	USDm	412	137	412	137

SUMMARY OF OPERATIONAL PERFORMANCE

	Unit	Q1 2015	Q1 2014	2015 YTD	2014 YTD
Production					
Alvheim (65%)	boepd	37 736	-	37 736	-
Volund (65%)	boepd	10 703	-	10 703	-
Vilje (46.9%)	boepd	6 429	-	6 429	-
Bøyla (65%)	boepd	8 341	-	8 341	-
Varg (5%)	boepd	322	500	322	500
Jotun (7%)	boepd	149	188	149	188
Atla (10%)	boepd	467	750	467	750
Jette (70%)	boepd	794	1 458	794	1 458
SUM	boepd	64 942	2 895	64 942	2 895
Oil and Gas Prices					
Oil price	USD/bbl	58	107	58	107
Gas price	USD/scm	0.29	0.38	0.29	0.38



SUMMARY OF THE QUARTER

Det norske oljeselskap ASA (“the company” or “Det norske”) reported consolidated revenues of USD 324 (26) million in the first quarter of 2015. Production in the period was 64.9 (2.9) thousand barrels of oil equivalent per day (“mboepd”), realising an average oil price of USD 58 (107) per barrel.

EBITDA amounted to USD 256 (-2) million in the quarter and EBIT was USD 81 (-44) million. Net earnings for the quarter were USD 2 (-3) million, translating into an EPS of USD 0.01 (-0.02).

During the quarter, the PDO for Johan Sverdrup was submitted to the Ministry of Petroleum and Energy (MPE), confirming the timeline to production start-up in 2019. Det norske’s reserves more than doubled following this event. The operator’s P50 volumes for the full field development amount to 279 mmbone net to Det norske, based on the preliminary working interest. The MPE is to conclude on the unitization split.

The Ivar Aasen development progressed well in the first quarter. Drilling of geo-pilots commenced in January, the jacket was completed and sailed away from Sardinia just after the end of the quarter. Construction of the topside reached 50% completion after the stacking of the intermediate and the weather decks.

First oil from the Bøyla field was achieved in early January, on schedule and the field produced an average of 8.3 mboepd in the quarter.

Krafla Main was successfully appraised early in 2015, after the discovery at the Krafla North prospect in December 2014. After drilling the well, estimated recoverable resources were 140-220 million barrels of oil equivalent.

Forward-looking statements in this report reflect current views about future events and are, by their nature, subject to significant risks and uncertainties because they relate to events and depend on circumstances that will occur in the future.

All figures are presented in USD unless otherwise stated. Figures in brackets apply to the first quarter 2014 and is not directly comparable as they represent Det norske prior to the acquisition of Marathon Oil Norway AS.

FINANCIAL REVIEW

Income statement

(USD million)	Q1 2015	Q1 2014
Operating revenues	324	26
EBITDA	256	-2
EBIT	81	-44
Pre-tax profit/loss	81	-54
Net profit	2	-3
EPS (USD)	0.01	-0.02

Consolidated operating revenues in the first quarter were USD 324 (26) million. This was the first full quarter incorporating revenues from the Alvheim area.

Exploration expenses amounted to USD 15 (20) million in the quarter, reflecting seismic costs, area fees and G&G activities.

Production costs were USD 39 (7) million, equating to USD 6.7 per barrel of oil equivalents, while other operating expenses amounted to USD 14 (1) million.

Depreciation was USD 122 (15) million, corresponding to USD 21 per boe.

Non-cash net impairments losses were USD 53 (27) million which is related to impairment of technical goodwill that arose from the acquisition of Marathon Oil Norge AS. The impairment is mainly caused by assumptions applied in the impairment test, as further described in note 4.

The company recorded an operating profit of USD 81 (-44) million in the first quarter.

The net profit for the period was USD 2 (-3) million after a tax charge of USD 79 (-51) million. This corresponds to a tax rate of 97 percent, mainly as a result of the impairment charge in the quarter, which is not tax deductible.

Earnings per share were USD 0.01 (-0.02).

Statement of financial position

(USD million)	Q1 2015	Q1 2014
Goodwill	1 134	54
PP&E	2 679	591
Cash & cash equivalents	412	137
Total assets	5 480	1 748
Equity	654	530
Interest-bearing debt	2 376	886

Total intangible assets amounted to USD 2,074 (554) million, of which goodwill was USD 1,134 (54) million after the impairment in the quarter. Other intangible assets were USD 631 (107) million, with the majority of this relating to excess values from the Marathon Oil Norge AS purchase price allocation. Capitalised exploration expenditures amounted to USD 309 (260) million, with the additions mainly relating to the Krafla Main and Skirne East wells.

Property, plant and equipment amounted to USD 2,679 (591) million and are detailed in note 5. The company's cash and cash equivalents were USD 412 (137) million as of 31 March, including USD 4 (2) million in restricted bank deposits.

Total assets grew to USD 5,480 (1,748) million at the end of the quarter.

Equity was USD 654 (530) million at the end of the quarter, reflecting the net profit in the period. The equity ratio as of 31 March was 12 (30) percent.

Deferred tax liabilities amounted to USD 1,363 (0) million and are detailed in note 8. The main part of this tax liability arose from the acquisition of Marathon Oil Norge AS. Interest-bearing debt increased to USD 2,376 (886) million, consisting of the DETNOR02 bond of USD 233 million and the drawn amount on the Reserve Based Lending ("RBL") facility of USD 2,144 million.

Payable taxes were USD 110 (0) million at the end of the quarter, mainly reflecting the expected outstanding payments for 2014 taxes.



Statement of cash flow

(USD million)	Q1 2015	Q1 2014
Cash flow from operations	281	-80
Cash flow from investments	-261	-116
Cash flow from financing	100	50
Net change in cash & cash eq.	120	-145
Cash and cash eq. EOQ	412	137

Net cash flow from operating activities was USD 281 (-80) million. Taxes paid in the quarter were USD 64 (0) million, reflecting one tax payment in February.

Net cash flow from investment activities rose to USD -261 (-116) million. Investments in fixed assets amounted to USD 239 (97) million for the quarter, mainly reflecting CAPEX on Ivar Aasen, Alvheim, Bøyla and Johan Sverdrup.

Net cash flow from financing activities totalled USD 100 (50) million as the company drew USD 100 million on its RBL during the quarter.

Funding

Det norske has been actively working to optimize its capital structure. Certain positive amendments have been made to the company's USD 3.0 billion reserve-based lending ("RBL") agreement. These amendments, plus an in-depth review of the reserves by the technical banks has resulted in an immediate increase of the borrowing base in the RBL from USD 2.7 billion to USD 2.8 billion and will result in a more robust RBL going forward.

Following this, a consortium of seven banks have fully underwritten a revolving credit facility ("RCF") for USD 500 million. The loan has a tenor of four years and a 1+1 extension option at the lenders discretion. The loan carries a margin of 4 percent, stepping up by 0.5 percent after 3, 4 and 5 years, plus a utilization fee of 1.5 percent. Covenants are the same as for the company's RBL. Completion of the RCF is expected during May.

Additionally, the company is contemplating a new subordinated bond issue of USD 300 million. Together with the second lien RCF, this represents an integral part of diversifying the capital structure of the company.

Hedging

The company has initiated a hedging programme to reduce the risk connected to both foreign exchange rates and commodity prices.

During the first quarter, the company bought put options in order to secure revenues from production. The company has bought put options with a strike of USD 55/bbl for a volume corresponding to 30 percent of the estimated Q2-Q4 2015 production and 20 percent of the estimated 2016 production. Such financial instruments are taxed at 27 percent, while petroleum revenues are taxed at 78 percent.

The company has also put in place certain hedges in order to reduce the foreign exchange risk, taking advantage of the strong USD against the NOK.

Amendment of the DETNOR02 loan agreement

On 18 March, Det norske summoned to a bondholder meeting to request certain amendments to the loan agreement in the company's DETNOR02 bond. The proposal to bondholders included, inter alia, an exchange of the adjusted equity ratio covenant in the bond agreement for a leverage ratio covenant and interest ratio covenant, to harmonize the financial covenants with the company's bank facility (RBL) agreement.

The final proposed resolution obtained 91.69 percent of the votes. As compensation, the bondholders was offered a 2 percent consent fee, a step-up of the margin of 1.5 percent and a one-off option to put the bonds at 101 percent of par.

Bondholders representing NOK 24.5 million nominal worth elected to exercise the one-off put option. The company subsequently sold the bonds at 103.5 percent of par.

OPERATIONAL REVIEW

Det norske produced 5.8 (0.3) million barrels of oil equivalents (“mmbœ”) in the first quarter of 2015. This corresponds to 64.9 (2.9) mboepd. The average realized oil price was USD 58 (107) per barrel, while gas revenues were recognised at market value of USD 0.29 (0.38) per standard cubic metre (scm).

Alvheim fields

PL 203/088BS/036C/036D/150 (Operator)

The producing fields Alvheim (65 percent), Volund (65 percent), Bøyla (65 percent) and Vilje (46.9 percent) are tied back to the production vessel Alvheim FPSO. The production availability and production efficiency for the Alvheim FPSO in the first quarter was 96.4 percent, which is above target.

The Bøyla development was completed in the quarter and the field commenced production from one well on 19 January 2015. The second well (Bøyla M-2) is planned put in production during the third quarter this year. Recoverable reserves (P50) from the field are estimated at approximately 23 mmbœ, whereof Det norske’s share is 15 mmbœ.

The drilling rig Transocean Winner completed drilling of a new Alvheim IOR well in the East Kameleon reservoir in the first quarter. This well was put on production early in the second quarter with good reservoir performance.

In March, Transocean Winner drilled the reservoir section of the Bøyla M-2 production well and completed the well. The rig was moved to Kneler B in early April for work-over on the KB-3 well.

The BoaKamNorth project, which consists of a new subsea manifold tied back to the Boa manifold, is a part of the Alvheim IOR project. The progress in the project has been good in the first quarter. The subsea installation is scheduled to be placed on the seabed and hooked up to the existing Alvheim infrastructure in the end of the second quarter of 2015. Production from BoaKamNorth is expected to commence in the middle of 2016.

The Alvheim licensees have decided to develop Viper-Kobra, which comprises two small separate discoveries in the Alvheim area. The two reservoirs each contain approximately 4 million barrels of recoverable oil. Together with gas, total recoverable reserves have been estimated at 9 million barrels of oil equivalent. First

oil is expected at the end of 2016.

Other producing assets

Production has been stable at Jotun, Atla, Jette and Varg during the quarter. Atla has been shut-in for shorter periods due to maintenance on Heimdal.

Ivar Aasen

PL 001B/242/457 (34.78 percent, operator)

Key activities for the Ivar Aasen project are progressing according to plan with first oil planned for Q4 2016. Ivar Aasen is being developed with a manned production platform. The topside will include living quarters and a processing facility for first stage separation.

Construction of the topside is progressing well at the SMOE yard in Singapore. Stacking of the intermediate deck onto the cellar deck took place in late January, before the weather deck was stacked onto the intermediate deck in late March. The construction of the topside is now more than fifty percent complete. Key equipment have arrived at the site and the piping fabrication and installation is ongoing. Detailed engineering will be completed during the summer. Commissioning will commence this autumn and the topside is scheduled to be mechanical complete by year-end 2015. Sail-away is planned for spring 2016.

Construction of the living quarter continued with stacking and outfitting of decks at Stord. The completion of the construction and preparations for shipment of the lowest living quarter level from Gryfia in Poland to Stord is ongoing. The stacking of decks and sub-modules will be concluded by the summer of 2015.

During the quarter, jacket construction was finalised on the Arbatax yard in Sardinia, where Saipem delivered the jacket on schedule and on cost. The jacket load out took place late March, before the jacket sailed away from Sardinia on 2 April. The jacket has now arrived in Rotterdam and is ready for installation at the Ivar Aasen field. The jacket is expected to be installed during the second quarter of 2015. The Thialf heavy lift vessel will install the jacket, before Wei-Li will complete the installation work.

Drilling also commenced on the Ivar Aasen field in the quarter. Maersk interceptor has drilled the first two geo-pilots. The geo-pilots have provided valuable information for the placement of production wells and



the well results were broadly in line with expectations. Maersk Interceptor will continue to drill the last pilot well in the second quarter of 2015. Drilling of production wells are expected to commence this summer.

Johan Sverdrup

PL 265/501/502 (Prelim. unit interest 11.8933 percent)

The plan for development and operation (PDO) for Phase 1 and two plans for installation and operation (PIOs) were submitted to the Ministry of Petroleum and Energy in February, confirming the project timeline. Approval from the Norwegian Parliament is expected during June 2015 and production is expected to commence in late 2019.

The Johan Sverdrup field is planned to be developed in several phases. The capital expenditures for Phase 1 have been estimated at NOK 117 billion (2015 value). The expected recoverable resources from the Phase 1 investments are estimated at between 1.4 and 2.4 billion barrels of oil equivalent. Full field capital expenditures are projected at between NOK 170 and 220 billion (2015 value) with recoverable resources of between 1.7 and 3.0 billion barrels of oil equivalent. The ambition is a recovery rate of 70 per cent. Phase 1 has a production capacity of 315 000 to 380 000 barrels of oil equivalent per day. Fully developed, the field can produce 550 000 to 650 000 barrels of oil equivalent per day. The PDO for future phases is expected to be submitted no later than the second half of 2017, and start-up of production in the second phase is expected in 2022.

For Det norske, it was a decisive principle that the ownership interests in Johan Sverdrup are to be distributed according to a combination of volume and value. Agreement about this was not reached, which led to Det norske to not signing the unit agreement. The Ministry of Petroleum & Energy (MPE) is to decide on the unitisation split. The MPE has requested the Norwegian Petroleum Directorate to evaluate the technical work done by Statoil and the other partners regarding the ownership distribution of field. The MPE is expected to make its decision on the distribution of the Johan Sverdrup field this summer. The ministry's decision may be challenged by an appeal to King in Council and/or in the Civil Court system.

Until a conclusion is reached, the MPE has decided that Statoil's proposal be used as a basis: Statoil 40.0267

per cent, Lundin Norway 22.12 per cent, Petoro 17.84 per cent, Det norske oljeselskap 11.8933 per cent and Maersk Oil 8.12 per cent. Following the submission of the Johan Sverdrup PDO, Det norske more than doubled P50 net reserves. The operator's P50 volumes for the full field development amount to 279 mmboe net to Det norske, based on the preliminary working interest.

Gina Krog

PL 029B/029C/048/303 (3.3 percent partner)

The Gina Krog field is moving forward with scheduled start-up of production in the first quarter of 2017.

The development plan for the field includes a steel jacket and integrated topside with living quarters and processing facilities. Oil from Gina Krog will be exported to the markets with shuttle tankers while exit for the gas is via the Sleipner platform.

Songa Trym is currently drilling well 15/6-13 (Gina Krog East 3).

HEALTH, SAFETY AND THE ENVIRONMENT

HSE is always number one priority in all Det norske activities. The company ensures that all its operations and projects are carried out under the highest HSE standards in the oil industry.

The responsibility for the second line (operational level onshore) emergency response was transferred from Det norske to the Association for Emergency Preparedness (OFFB) during the quarter. Senior management has conducted the annual management review meeting which resulted in several improvement actions.

The Petroleum Safety Authority (PSA) conducted two audits in the quarter, regarding the workforce involvement on Alvheim and the integration process for Det norske and Marathon Oil Norge. The annual discharge reports are issued to the Environmental agency for producing assets and exploration drilling.

Four events were reported to the PSA during the first quarter. There were two dropped objects and one near miss regarding planned welding near a diesel tank. The last case involved mustering due to a false alarm. None of the incidents resulted in personnel injuries.

All events are investigated according to procedures and lessons learned are implemented. With the high current activity level, special attention is paid to preventing injuries at all levels in the organization.

The company is working actively to harmonize and further develop the HSE culture in the company following the acquisition of Marathon Oil Norway AS.

EXPLORATION

During the quarter, the company's cash spending on exploration was USD 32 million. USD 15 million was recognised as exploration expenses in the period, relating to seismic, area fees and G&G costs.

Krafla North and Main PL035 (25 percent, partner)

Krafla North and Main – PL035 (25 percent, partner)
The Krafla Main appraisal well was completed in the first quarter. Well 30/11-10 A encountered a gross oil column of 260 meters and net reservoir of 85 meters in the upper and middle Tarbert formation with good reservoir properties. The well was not formation tested, but extensive data collection and sampling were carried out.

Since 2011, five discoveries have been made in the Krafla area in licences PL035 and PL272: Krafla Main, Krafla West, Askja West, Askja East and Krafla North. Based on well results and updated evaluations of the licenses, recoverable resources in the two licenses are expected to be in a range of 140-220 mmboc.

APA 2014

In the 2014 Awards in Pre-defined Areas (APA), Det norske was awarded nine new licenses, whereof two new operatorships. Eight licenses are in the North Sea and one in the Barents Sea.

Skirne East PL627 (20 percent, partner)

After the end of the quarter, a gas discovery on the Skirne East prospect in the North Sea was announced. The well encountered a 10-metre gross gas column in the Middle Jurassic (Hugin formation) with good reservoir qualities. The well was not formation tested, but data collection and sampling were carried out.

Preliminary volume estimates for the discovery are in the range of 3 – 10 million barrels of oil equivalent. The licensees will evaluate the discovery with regards to a potential development.



OTHER EVENTS

Cost efficiency programme

The company initiated a cost efficiency programme early this year to reduce expenditures for 2015 and the programme is progressing well. The measures identified currently exceed USD 100 million, and these include actual reductions across all disciplines in the organization, as well as cancellation and postponements of activities.

The company will continue to systematically improve internal work processes and initiatives have also been taken towards suppliers to reduce rates and optimize work processes. This work is still in an early phase.

As a part of the cost efficiency programme, the company has also taken steps to optimize the organization. Some departments have been re-organized and a number of employees have been appointed new roles in the organization. As a result of the organizational review, a large number of consultants were cut and 35 employees were also offered redundancy packages or early-retirement packages.

OUTLOOK

Amid the current challenging macro environment, the company continues to strengthen its business to adapt to market conditions and ensure that the company is in a position to benefit when conditions improve.

The company continues to work to increase financial flexibility and optimize the capital structure. Amendments to the RBL facility provide a more predictable borrowing availability going forward and bond covenants have been harmonized with the company's RBL facility. A USD 500 million RCF has been fully underwritten by a consortium of banks and

a process to raise USD 300 million in new subordinated bond is underway.

The Ivar Aasen project moves forward and is on track for first oil in Q4 2016. Det norske continues to develop the Alvheim area, and expects to put a total of four wells on stream in 2015. The Johan Sverdrup development project progresses as planned while the partnership awaits the MPE's decision on the ownership interest distribution.





FINANCIAL STATEMENTS WITH NOTES

INCOME STATEMENT (Unaudited)

(USD 1 000)	Note	Group			
		Q1 2015	2014	1.1 - 31.03 2015	2014
Petroleum revenues	2	323 749	25 393	323 749	25 393
Other operating revenues		430	531	430	531
Total operating revenues		324 178	25 923	324 178	25 923
Exploration expenses	3	14 523	20 040	14 523	20 040
Production costs		39 349	7 032	39 349	7 032
Depreciation	5	122 224	14 548	122 224	14 548
Net impairment losses	4	52 773	27 402	52 773	27 402
Other operating expenses	6	14 397	825	14 397	825
Total operating expenses		243 266	69 847	243 266	69 847
Operating profit/loss		80 912	-43 924	80 912	-43 924
Interest income		262	1 988	262	1 988
Other financial income		56 150	5 675	56 150	5 675
Interest expenses		26 464	14 203	26 464	14 203
Other financial expenses		29 694	3 361	29 694	3 361
Net financial items	7	254	-9 901	254	-9 901
Profit/loss before taxes		81 166	-53 824	81 166	-53 824
Taxes (+)/tax income (-)	8	78 727	-51 240	78 727	-51 240
Net profit / loss		2 439	-2 584	2 439	-2 584
Weighted average no. of shares outstanding and fully diluted		202 618 602	140 707 363	202 618 602	140 707 363
Earnings/(loss) after tax per share		0.01	-0.02	0.01	-0.02

STATEMENT OF COMPREHENSIVE INCOME (Unaudited)

(USD 1 000)	Note	Group			
		Q1 2015	2014	1.1 - 31.03 2015	2014
Profit/loss for the period		2 439	-2 584	2 439	-2 584
Items which will not be reclassified over profit and loss (net of taxes)					
Exchange differences on translation to USD			8 404		8 404
Total comprehensive income in period		2 439	5 820	2 439	5 820



STATEMENT OF FINANCIAL POSITION (Unaudited)

(USD 1 000)	Note	31.03.2015	Group 31.03.2014	31.12.2014
ASSETS				
Intangible assets				
Goodwill	5	1 133 930	53 635	1 186 704
Capitalized exploration expenditures	5	309 219	259 783	291 619
Other intangible assets	5	631 222	107 406	648 788
Deferred tax asset	8		132 852	
Tangible fixed assets				
Property, plant and equipment	5	2 679 219	590 651	2 549 271
Financial assets				
Long-term receivables	11	8 074	23 063	8 799
Other non-current assets	9	4 289	47 180	3 598
Calculated tax receivables	8		24 720	
Long-term derivatives	14	1 518		
Total non-current assets		4 767 471	1 239 291	4 688 778
Inventories				
Inventories		24 874	6 606	25 008
Receivables				
Accounts receivable	15	102 466	21 419	186 461
Other short-term receivables	10	166 867	103 103	184 592
Other current financial assets		3 032	4 071	3 289
Calculated tax receivables	8		236 600	
Short-term derivatives	14	3 229		
Cash and cash equivalents				
Cash and cash equivalents	12	411 691	137 140	296 244
Total current assets		712 158	508 939	695 594
TOTAL ASSETS		5 479 630	1 748 229	5 384 372

STATEMENT OF FINANCIAL POSITION (Unaudited)

(USD 1 000)	Note	31.03.2015	Group 31.03.2014	31.12.2014
EQUITY AND LIABILITIES				
Equity				
Share capital	13	37 530	27 656	37 530
Share premium		1 029 617	564 736	1 029 617
Other equity		-413 046	-62 472	-415 485
Total equity		654 101	529 920	651 662
Provisions for liabilities				
Pension obligations		1 722	6 076	2 021
Deferred taxes	8	1 362 959		1 286 357
Abandonment provision	19	489 617	138 585	483 323
Provisions for other liabilities		6 909	116	12 044
Non-current liabilities				
Bonds	17	232 545	413 482	253 141
Other interest-bearing debt	18	2 143 703	359 154	2 037 299
Long-term derivatives	14	6 317	8 055	5 646
Current liabilities				
Short-term loan			113 710	
Trade creditors		120 245	36 473	152 258
Accrued public charges and indirect taxes		4 965	4 085	6 758
Tax payable	8	110 356		189 098
Short-term derivatives	14	17 107		25 224
Abandonment provision	19	2 677	26 122	5 728
Other current liabilities	16	326 405	112 451	273 813
Total liabilities		4 825 528	1 218 309	4 732 710
TOTAL EQUITY AND LIABILITIES		5 479 630	1 748 229	5 384 372



STATEMENT OF CHANGES IN EQUITY (Unaudited)

(USD 1 000)	Share capital	Share premium	Other equity				Total other equity	Total equity
			Other paid-in capital	Other comprehensive income		Retained earnings		
				Actuarial gains/(losses)	Foreign currency translation reserves*			
Equity as of 31.12.2013	27 656	564 736	573 083	-223	-48 334	-592 818	-68 292	524 100
Right issue	9 874	469 249			-24 350		-24 350	454 773
Transaction costs, rights issue		-4 368			261		261	-4 107
Profit/loss for the period 1.1.2014 - 31.12.2014				-897	-43 069	-279 139	-323 105	-323 105
Settlement of defined benefit plan				1 016		-1 016		
Equity as of 31.12.2014	37 530	1 029 617	573 083	-105	-115 491	-872 972	-415 485	651 662
Profit/loss for the period 1.1.2015 - 31.03.2015						2 439	2 439	2 439
Equity as of 31.03.2015	37 530	1 029 617	573 083	-105	-115 491	-870 533	-413 046	654 101

* At 15 October 2014, the presentation currency was changed to USD retrospectively as if USD had always been the presentation currency. For each category of the opening equity as at 1 January 2013, the historical rates was used for translation to USD, and therefore an exchange reserve was established which represents the fact that the presentation currency is different from the functional currency in the periods presented prior to the change in functional currency to USD as at 15 October 2014. For each period presented prior to the change in functional currency, the ending balance of total equity is translated to USD using the end rate.

STATEMENT OF CASH FLOW (Unaudited)

(USD 1 000)	Note	2015	Q1 2014	Year 2014
Cash flow from operating activities				
Profit/loss before taxes		81 166	-53 824	-375 624
Taxes paid during the period		-64 142		-109 068
Tax refund during the period				190 532
Depreciation	5	122 224	14 548	160 254
Net impairment losses	4	52 773	27 402	346 420
Accretion expenses	7,19	6 396	2 115	12 410
Gain/loss on licence swaps without cash effect				-49 765
Changes in derivatives	7	-11 784	-390	10 616
Amortization of interest expenses and arrangement fee	7	6 602	1 648	26 711
Expensed capitalized dry wells	3	-309	12 050	99 061
Changes in inventories, accounts payable and receivables		-174 986	-37 123	-530 150
Changes in abandonment liabilities				-1 952
Changes in other current balance sheet items		262 943	-46 462	483 345
Net cash flow from operating activities		280 884	-80 037	262 791
Cash flow from investment activities				
Payment for removal and decommissioning of oil fields	19	-1 134	-443	-14 087
Disbursements on investments in fixed assets	5	-238 902	-96 529	-583 200
Acquisition of Marathon Oil Norge AS (net of cash acquired)				-1 513 591
Disbursements on investments in capitalized exploration expenditures and other intangible assets	5	-21 205	-18 818	-164 128
Sale/farmout of tangible fixed assets and licences				8 862
Net cash flow from investment activities		-261 241	-115 790	-2 266 144
Cash flow from financing activities				
Net proceeds from equity issuance				474 755
Repayment of short-term debt				-162 434
Repayment of bond (detnor 01)				-87 536
Repayment of long-term debt			-47 630	-1 147 934
Arrangement fee				-67 350
Gross proceeds from issuance of long-term debt	18	100 000	65 317	2 897 354
Proceeds from issuance of short-term debt			32 743	116 829
Net cash flow from financing activities		100 000	50 431	2 023 684
Net change in cash and cash equivalents		119 642	-145 397	20 331
Cash and cash equivalents at start of period	12	296 244	280 942	280 942
Effect of exchange rate fluctuation on cash held		-4 195	1 594	-5 029
Cash and cash equivalents at end of period		411 691	137 140	296 244
Specification of cash equivalents at end of period				
Bank deposits		407 704	135 412	291 346
Restricted bank deposits		3 987	1 728	4 897
Cash and cash equivalents at end of period	12	411 691	137 140	296 244



NOTES

(All figures in USD 1 000)

These interim financial statements have been prepared in accordance with the International Financial Reporting Standards as adopted by the EU (IFRS) IAS 34 "Interim Financial Reporting", thus the interim financial statements do not include all information required by IFRS and should be read in conjunction with the companies annual financial statement as at 31 December 2014. These interim financial statements have not been subject to review or audit by independent auditors.

Note 1 Accounting principles

The accounting principles used for this interim report are in all material respect consistent with the principles used in the financial statement for 2014. There are no new standards effective from 1 January 2015, but there are some annual improvements cycles as described in the annual report 2014. These changes have no significant effect for the group.

As more fully described in the annual report, the group changed its presentation currency from NOK to USD effective 15 October 2014. Accordingly, the interim financial information for Q1 2014 presented herein that was historically presented in NOK has been restated as if the USD had always been the presentation currency.

There has been made a minor change in the presentation of the line items in the Income statement since Q4 2014. The group will no longer present payroll expenses separately, as these costs are fully allocated to other items, such as production cost for producing licenses and development cost for fields under development. The cost previously presented as payroll is mainly classified as other operating expenses in the Income statement and comparative figures have been adjusted accordingly. Additionally, area fee which previously was included in other operating expenses is now reclassified to exploration expenses and comparative figures have been adjusted accordingly.

Note 2 Petroleum revenues

Breakdown of revenues (USD 1 000)	Group			
	Q1		01.01.-31.03	
	2015	2014	2015	2014
Recognized income oil	287 877	21 044	287 877	21 044
Recognized income gas	35 140	3 584	35 140	3 584
Tariff income	732	764	732	764
Total petroleum revenues	323 749	25 393	323 749	25 393

Breakdown of produced volumes (barrels of oil equivalent)				
	2015	2014	2015	2014
Oil	5 094 389	195 760	5 094 389	195 760
Gas	750 346	64 810	750 346	64 810
Total produced volumes	5 844 735	260 569	5 844 735	260 569

Note 3 Exploration expenses

Breakdown of exploration expenses (USD 1 000)	Group			
	Q1		01.01.-31.03	
	2015	2014	2015	2014
Seismic, well data, field studies, other exploration costs	7 755	2 820	7 755	2 820
Recharged rig costs	414	-7 702	414	-7 702
Exploration expenses from licence participation incl. seismic	4 724	6 198	4 724	6 198
Expensed capitalized wells previous years	-9	2 199	-9	2 199
Expensed capitalized wells this year	-300	9 850	-300	9 850
Payroll and other operating expenses classified as exploration	32	3 824	32	3 824
Exploration-related research and development costs	-237	751	-237	751
Area fee	2 144	2 100	2 144	2 100
Total exploration expenses	14 523	20 040	14 523	20 040

As mentioned in Note 1, area fee previously included in other operating expenses is reclassified to exploration expenses.

Note 4 Impairments

Impairment testing

Impairment tests of individual cash-generating units are performed when impairment triggers are identified. As of 31 March 2015 there has been a minor decrease in the forward prices compared to year end 2014, which is considered as an impairment trigger. The calculation shows that no impairment is needed for tangible assets, while technical goodwill is impaired as outlined below.

Impairment is recognized when the book value of an asset or a cash-generating unit, including associated goodwill, exceeds the recoverable amount. The recoverable amount is the higher of the asset's fair value less cost to sell and value in use. All impairment testing in Q1 2015 has been based on value in use. In the assessment of the value in use, the expected future cash flow is discounted to the net present value by applying a discount rate after tax that reflects the current market valuation of the time value of money, and the specific risk related to the asset. The discount rate is derived from the weighted average cost of capital (WACC) for a market participant. Cash flows are projected for the estimated lifetime of the fields, which may exceed periods greater than five years.

For producing licences and licences in the development phase, recoverable amount is estimated based on discounted future after tax cash flows. Below is an overview of the key assumptions applied for impairment testing purposes as of 31 March 2015.

Oil and gas prices

Future price level is a key assumption and has significant impact on the net present value. Forecasted oil and gas prices are based on the management's estimates and available market data. Information about market prices in the near future can be derived from the futures contract market. The information about future prices is less reliable on a long-term basis, as there are fewer observable market transactions going forward. In the impairment test, the oil price is therefore based on the forward curve for the period 2015 to the end of 2019. From 2020, the oil price is based on the company's long-term price assumptions.

The nominal oil price based on the forward curve applied in the impairment test is as follows:

Year	USD/BOE
2015	58.28
2016	63.93
2017	67.96
2018	70.32
2019	72.30
From 2020 (in real terms)	85.00

Oil and gas reserves

Future cash flows are calculated on the basis of expected production profiles and estimated proven and probable remaining reserves. The recoverable amount is sensitive to changes in reserves.

Discount rate

The discount rate is derived from the company's WACC. The capital structure considered in the WACC calculation is derived from the capital structures of an identified peer group and market participants with consideration given to optimal structures. The cost of equity is derived from the expected return on investment by the company's investors. The cost of debt is based on the interest-bearing borrowings on debt specific to the assets acquired. The beta factors are evaluated annually based on publicly available market data about the identified peer group.

Based on the above, the post tax nominal discount rate is set to 9.1 per cent.

Currency rates

As Det norske's functional currency changed to USD during 2014, the company is now exposed to exchange rate fluctuations between USD and non-USD cash flows with regard to the financial statements. In line with the methodology for future oil price, it has been concluded to apply the forward curve for the currency rate from 2015 until the end of 2019, and the company's long term assumption from 2020 and onwards. This results in the following currency rates being applied in the impairment test for Q1 2015:

Year	NOK/USD
2015	8.08
2016	8.09
2017	8.07
2018	8.02
2019	7.97
From 2020	7.00

Inflation

The long-term inflation rate is assumed to be 2.5 per cent.



Impairment testing of goodwill

For the purpose of impairment testing, goodwill acquired through business combinations have, before any impairment charges in 2015, been allocated as follows:

Goodwill allocation (USD 1 000)

Remaining technical goodwill from the acquisition of Marathon Oil Norge AS as of 1 January 2015	855 864
Residual goodwill from the acquisition of Marathon Oil Norge AS	289 628
Remaining technical goodwill from other business combinations	41 212

Technical goodwill has been allocated to individual cash-generating units (CGUs) for the purpose of impairment testing. All fields tied in to the Alvheim FPSO are assessed to be included in the same cash-generating unit ("Alvheim CGU"). The residual goodwill from the acquisition is allocated to group of CGUs including all fields acquired from Marathon Oil Norge AS and all existing Det norske fields, as this mainly was related to tax and workforce synergies. The technical goodwill from previous business combinations are mainly allocated to Johan Sverdrup (USD 23 million) and Ivar Aasen (USD 8 million). The remaining technical goodwill from prior year business combinations is not significant in comparison to the total carrying amount of goodwill.

Impairment testing of residual goodwill

As mentioned above, residual goodwill is allocated across all CGUs for impairment testing. The combined recoverable amount exceeds the carrying amount by a substantial margin. Based on this, no impairment of residual goodwill has been recognized.

Impairment testing of technical goodwill from the acquisition of Marathon Oil Norge AS

The carrying value of the Alvheim CGU consists of the carrying values of the oilfield assets plus associated technical goodwill. In the impairment test performed, carrying value is adjusted by the remaining part of deferred tax from which the technical goodwill arose, to avoid an immediate impairment of all technical goodwill.

The carrying value of the Alvheim CGU is, in accordance with the above, calculated as follows:

(USD 1 000)

Carrying value of oilfield licences and fixed assets	2 252 602
+ Technical goodwill	855 864
- Deferred tax related to technical goodwill	-1 157 109
Net carrying value pre-impairment of goodwill	1 951 357

The impairment charge is the difference between the recoverable amount and the carrying value.

(USD 1 000)

Net carrying value as specified above	1 951 357
Recoverable amount (including tax amortization benefit)	1 898 584
Impairment charge	52 773

As depicted in the table over carrying value above, deferred tax (from the date of acquisition) reduces the net carrying value prior to the impairment charges. When deferred tax from the Marathon acquisition decreases, more goodwill is as such exposed for impairment. This may lead to future impairment charges even though other assumptions remain stable. In Q1 2015 the impact from the decrease in deferred tax, together with an update of assumptions, have been the main reasons for the impairment charge of USD 52.7 million.

Sensitivity analysis

The table below shows how the impairment of goodwill allocated to the Alvheim CGU will be affected by changes in the various assumptions, given that the remainders of the assumptions are constant.

Assumption (USD million)	Change	Total goodwill impairment after	
		Increase in assumption	Decrease in assumption
Oil and gas price	+/- 20%		403.6
Production profiles (reserves)	+/- 5%		144.5
Discount rate	+/- 1% point	102.5	0.5
Currency rate USD/NOK	+/- 1.0 NOK		114.4
Inflation	+/- 1% point		103.5

Impairment testing of technical goodwill from previous business combinations

No impairment charge of technical goodwill from other business combinations have been recognized in Q1 2015.

Note 5 Tangible assets and intangible assets

Tangible fixed assets - Group (USD 1 000)	Fields under development	Production facilities including wells	Fixtures and fittings, office machinery	Total
Book value 31.12.2013	270 752	155 819	10 263	436 834
Acquisition cost 31.12.2013	270 752	723 154	25 704	1 019 610
Additions	92 936	1 577	2 016	96 529
Reclassification	88 742			88 742
Acquisition cost 31.03.2014	452 430	724 731	27 720	1 204 882
Accumulated depreciation and impairments 31.03.2014		605 765	16 093	621 859
Foreign currency translation reserve*	8 040	-543	130	7 628
Book value 31.03.2014	460 470	118 423	11 757	590 651
Acquisition cost 31.12.2014	1 324 557	1 856 371	35 684	3 216 612
Additions	225 960	5 875	1 230	233 065
Reclassification**	-397 990	398 000		9
Acquisition cost 31.03.2015	1 152 526	2 260 246	36 914	3 449 686
Accumulated depreciation and impairments 31.03.2015		752 409	18 058	770 467
Book value 31.03.2015	1 152 526	1 507 836	18 857	2 679 219
Depreciation Q1 2015		102 114	1 012	103 126
Depreciation 01.01 - 31.03.2015		102 114	1 012	103 126

*Foreign currency translation reserve arises on the difference between average and currency rates at end of period applied when deriving USD from NOK amounts at 15 October 2014, as described in the accounting principles note in the annual report 2014.

**The reclassification is related mainly to the Bøyla field which started producing in January 2015.

Acquisition cost and historical depreciation as of 31.12.2014 in the table above does not match the corresponding figures in the annual report 2014 as the foreign currency translation reserve from 2014 is no longer presented separately.

Capitalized exploration expenditures are reclassified to "Fields under development" when the field enters into the development phase. Fields under development are reclassified to "Production facilities" from the start of production. Production facilities, including wells, are depreciated in accordance with the Unit of Production Method. Office machinery, fixtures and fittings etc. are depreciated using the straight-line method over their useful life, i.e. 3-5 years. Removal and decommissioning costs are included as production facilities or fields under development.



Intangible assets - Group (USD 1 000)	Licences etc.	Software	Total	Exploration wells	Goodwill
Book value 31.12.2013	105 465	770	106 234	337 969	52 784
Acquisition cost 31.12.2013	148 381	7 906	156 287	337 969	76 541
Additions		8	8	18 810	
Disposals/expensed dry wells				12 050	
Reclassification				-88 742	
Acquisition cost 31.03.2014	148 381	7 914	156 295	255 987	76 541
Acc. depreciation and impairments 31.03.2014	43 192	7 200	50 392		23 662
Foreign currency translation reserve*	1 521	-18	1 503	3 796	757
Book value 31.03.2014	106 710	696	107 406	259 783	53 635
Acquisition cost 31.12.2014	712 237	9 064	721 301	291 619	1 556 468
Additions	1 513	19	1 532	17 301	
Disposals/expensed dry wells				-309	
Reclassification				-9	
Acquisition cost 31.03.2015	713 750	9 083	722 833	309 219	1 556 468
Acc. depreciation and impairments 31.03.2015	84 718	6 893	91 611		422 538
Book value 31.03.2015	629 032	2 190	631 222	309 219	1 133 930
Depreciation Q1 2015	18 963	135	19 098		
Depreciation 01.01 - 31.03.2015	18 963	135	19 098		
Impairments Q1 2015					52 773
Impairments 01.01 - 31.03.2015					52 773

*Foreign currency translation reserve arises on the difference between average and currency rates at end of period applied when deriving USD from NOK amounts at 15 October 2014, as described in the accounting principles note in the annual report 2014.

Acquisition cost and historical depreciation as of 31.12.2014 in the table above does not match the corresponding figures in the annual report 2014 as the foreign currency translation reserve from 2014 is no longer presented separately.

See Note 4 for information regarding impairment charges.

Depreciation in the Income statement (USD 1 000)	Q1		01.01.-31.03	
	2015	2014	2015	2014
Depreciation of tangible fixed assets	103 126	14 009	103 126	14 009
Depreciation of intangible assets	19 098	540	19 098	540
Total depreciation in the Income statement	122 224	14 548	122 224	14 548

Note 6 Other operating expenses

Breakdown of other operating expenses (USD 1 000)	Group			
	Q1 2015	2014	01.01.-31.03 2015 2014	
Gross other operating expenses	35 800	32 779	35 800	32 779
Share of other operating expenses classified as exploration, development or production expenses, and expenses invoiced to licences	-21 403	-31 954	-21 403	-31 954
Net other operating expenses	14 397	825	14 397	825

As mentioned in Note 1, the cost item previously presented as payroll is now included in other operating expenses.

Note 7 Financial items

(USD 1 000)	Group			
	Q1 2015	2014	01.01.-31.03 2015 2014	
Interest income	262	1 988	262	1 988
Return on financial investments	9	49	9	49
Change in fair value of derivatives	19 304	390	19 304	390
Currency gains	36 837	5 236	36 837	5 236
Total other financial income	56 150	5 675	56 150	5 675
Interest expenses	25 066	17 210	25 066	17 210
Capitalized interest cost, development projects	-11 600	-4 655	-11 600	-4 655
Amortized loan costs and accretion expenses	12 998	1 648	12 998	1 648
Total interest expenses	26 464	14 203	26 464	14 203
Currency losses		2 758		2 758
Realized loss on derivatives	22 174	603	22 174	603
Change in fair value of derivatives	7 520		7 520	
Total other financial expenses	29 694	3 361	29 694	3 361
Net financial items	254	-9 901	254	-9 901



Note 8 Taxes

Taxes for the period appear as follows (USD 1 000)	Group			
	Q1		01.01.-31.03	
	2015	2014	2015	2014
Calculated current year tax/exploration tax refund	8 080	-24 231	8 080	-24 231
Change in deferred taxes	73 640	-25 738	73 640	-25 738
Prior period adjustments	-2 994	-1 272	-2 994	-1 272
Tax expenses (+)/tax income (-)	78 727	-51 240	78 727	-51 240

Calculated tax receivable (+)/tax payable (-) (USD 1 000)	Group	
	31.03.2015	31.12.2014
Tax receivable/payable at 1.1	-189 098	231 972
Current year tax (-)/tax receivable (+)	-8 080	581 667
Tax payable related to acquisition of Marathon Oil Norge AS		-910 332
Tax payment/tax refund	64 142	-81 464
Prior period adjustments	10 123	-528
Revaluation of tax payable	12 557	19 574
Foreign currency translation reserve*		-29 988
Total tax receivable (+)/tax payable (-)	-110 356	-189 098

Deferred taxes (-)/deferred tax asset (+) (USD 1 000)	Group	
	31.03.2015	31.12.2014
Deferred taxes/deferred tax asset 1.1.	-1 286 357	103 625
Change in deferred taxes	-73 640	-484 360
Deferred tax related to acquisition of Marathon Oil Norge AS		-911 363
Prior period adjustment	-7 129	
Deferred tax related to impairment, disposal and licence transactions	1 758	14 938
Deferred tax charged to OCI and equity		4 999
Revaluation of losses carried forward	2 410	
Foreign currency translation reserve*		-14 195
Total deferred tax (-)/deferred tax asset (+)	-1 362 959	-1 286 357

*Foreign currency translation reserve arose on the difference between average and currency rates at end of period applied when deriving USD from NOK amounts, as described in the accounting principles note in the annual report 2014.

Tax effect of tax losses carry forward	Applied tax rate	Group	
		31.03.2015	31.12.2014
Tax losses carry forward	27 %	-23 233	
Tax losses carry forward	51 %		

Reconciliation of tax expense (USD 1 000)	Group			
	Q1		01.01.-31.03	
	2015	2014	2015	2014
27% company tax on profit before tax	21 915	-14 533	21 915	-14 533
51% special tax on profit before tax	41 395	-27 450	41 395	-27 450
Tax effect of financial items - 27% only	69 890	3 412	69 890	3 412
Tax effect on uplift	-24 402	-10 181	-24 402	-10 181
Interest of tax losses carry forward		-1 038		-1 038
Permanent difference - impairment of goodwill	41 163		41 163	
Foreign currency translation of NOK monetary items	-29 128		-29 128	
Foreign currency translation of USD monetary items	-121 456		-121 456	
Revaluation of tax balances**	80 319		80 319	
Other items (other permanent differences and previous period adjustment)	-969	-1 450	-969	-1 450
Total taxes (+)/tax income (-)	78 727	-51 240	78 727	-51 240

**Tax balances are in NOK and converted to USD using the period end currency rate. When the NOK/USD currency rate increases, the tax rate increases as there is less remaining tax depreciation measured in USD.

In accordance with statutory requirements, the calculation of current tax is required to be based on NOK currency. This may impact the tax rate when the functional currency is different from NOK. The main factor in Q1 is the foreign exchange losses of the RBL facility in USD, which is a taxable loss without any corresponding impact on profit before tax.

The revaluation of tax payable is presented as foreign exchange loss/gain in the Income statement, while the impact on deferred tax from revaluation of tax balances are presented as tax.

Note 9 Other non-current assets

(USD 1 000)	Group		
	31.03.2015	31.03.2014	31.12.2014
Shares in Alvheim AS	10		10
Shares in Det norske oljeselskap AS	835		
Shares in Sandvika Fjellstue AS	1 814	2 004	1 814
Investment in subsidiaries	2 659	2 004	1 824
Debt service reserve		43 012	
Tenancy deposit	1 630	2 164	1 774
Total other non-current assets	4 289	47 180	3 598

Det norske oljeselskap AS was previously named Marathon Oil Norge AS. This company was consolidated in the group accounts for Q4 but is deemed immaterial for Q1 as all activity in previously Marathon Oil Norge AS was transferred to the company during Q4.

Note 10 Other short-term receivables

(USD 1 000)	Group		
	31.03.2015	31.03.2014	31.12.2014
Receivables related to deferred volume at Atla*	5 383	878	5 866
Pre-payments, including rigs	31 776	32 680	41 682
VAT receivable	10 086	4 185	7 986
Underlift/overlift (-)	31 969	7 272	22 896
Other receivables, including operated licences	87 653	58 087	106 162
Total other short-term receivables	166 867	103 103	184 592

*For information about receivables related to deferred volume at Atla, see Note 11.



Note 11 Long-term receivables

(USD 1 000)	Group		
	31.03.2015	31.03.2014	31.12.2014
Receivables related to deferred volume at Atla	8 074	23 063	8 799
Total long-term receivables	8 074	23 063	8 799

The physical production volumes from Atla were higher than the commercial production volumes. This was caused by the high pressure from the Atla field which temporarily stalled the production from the neighbouring field Skirne. The Skirne partners have therefore historically received and sold oil and gas from Atla, but from 2014 they started to deliver oil and gas back to the Atla partners. Revenue was recognized based on physical production volumes measured at market value, similar to over/underlift. This deferred compensation is recorded as long-term or short-term receivables, depending on when the deliverance of oil and gas is expected, see also Note 10.

Note 12 Cash and cash equivalents

The item 'Cash and cash equivalents' consists of bank accounts and short-term investments that constitute parts of the company's transaction liquidity.

Breakdown of cash and cash equivalents (USD 1 000)	Group		
	31.03.2015	31.03.2014	31.12.2014
Cash		1	
Bank deposits	407 704	135 411	291 346
Restricted funds (tax withholdings)	3 987	1 728	4 897
Cash and cash equivalents	411 691	137 140	296 244
Unused exploration facility loan		126 764	
Unused credit facility (see Note 18)	493 000	624 785	593 000

Note 13 Share capital

(USD 1 000)	Group		
	31.03.2015	31.03.2014	31.12.2014
Share capital	37 530	27 656	37 530
Total number of shares (in 1 000)	202 619	140 700	202 619
Nominal value per share in NOK	1.00	1.00	1.00

Note 14 Derivatives

(USD 1 000)	Group		
	31.03.2015	31.03.2014	31.12.2014
Unrealized gain on commodity derivatives	1 518		
Long-term derivatives included in assets	1 518		
Unrealized gain on commodity derivatives	3 229		
Short-term derivatives included in assets	3 229		
Total derivatives included in assets	4 747		
Unrealized losses currency contracts	4 988		
Unrealized losses interest rate swaps	1 328	8 055	5 646
Long-term derivatives included in liabilities	6 317	8 055	5 646
Unrealized losses currency contracts	15 911		25 224
Unrealized losses interest rate swaps	1 196		
Short-term derivatives included in liabilities	17 107		25 224
Total derivatives included in liabilities	23 424	8 055	30 870

The company has different types of hedging instruments. The commodity derivatives is used to hedge the risk of oil price reduction. Interest rate swaps are used to swap floating rate loans to fixed rate. Foreign currency exchange contracts are used to swap spot currency USD/NOK to fixed rate to reduce the currency risk related to the expected NOK payments. All these derivatives are marked to market with changes in market value recognized in the Income statement.

Note 15 Accounts receivable

(USD 1 000)	Group		
	31.03.2015	31.03.2014	31.12.2014
Receivables related to sale of petroleum	101 159	2 205	182 384
Receivables related to licence transaction		16 581	285
Invoicing related to expense refunds including rigs	1 307	2 633	3 792
Total accounts receivable	102 466	21 419	186 461

Note 16 Other current liabilities

Breakdown of other current liabilities (USD 1 000)	Group		
	31.03.2015	31.03.2014	31.12.2014
Current liabilities related to overall in licences	67 124	1 831	195
Share of other current liabilities in licences	158 430	74 114	163 369
Overlift of petroleum	5 816		7 508
Fair value of contracts assumed in acquisition*	22 600		22 903
Other current liabilities	72 435	36 506	79 838
Total other current liabilities	326 405	112 451	273 813

*The negative contract value is related to a rig contract entered into by Marathon Oil Norge AS, which was different from current market terms at the time of acquisition at 15 October 2014. The fair value was based on the difference between market price and contract price. The balance is split between current and non-current liabilities based on the cash flows in the contract, and is amortized over the lifetime of the contract, which ends in 2016.

Other current liabilities includes unpaid wages and vacation pay, accrued interest and other provisions.

Note 17 Bond

(USD 1 000)	Group		
	31.03.2015	31.03.2014	31.12.2014
Principal, bond Nordic Trustee ¹⁾		99 086	
Principal, bond Nordic Trustee ²⁾	232 545	314 396	253 141
Total bond	232 545	413 482	253 141

¹⁾The loan runs from 28 January 2011 and was repaid in Q4 2014.

²⁾The loan runs from July 2013 to July 2020 and carries an interest rate of 3 month NIBOR plus 5 per cent. The principal falls due on July 2020 and interest is paid on a quarterly basis. The loan is unsecured. The company requested certain amendments to the bond agreement in a bondholders' meeting. The changes involved removal of the Adjusted Equity Ratio covenant, and inclusion of two new financial covenants to align the covenants on this bond with the covenants on the reserve-based lending facility. As compensation for approval, the bondholders will receive an increased interest by 1.5 per cent, to 3 month NIBOR plus 6.5 per cent, in addition to a one-time consent fee of 2.0 per cent (flat). On 1 April 2015 the bondholders' meeting approved the requested amendments to the loan agreement in accordance with the proposal made by the company. The effective date of the amended loan agreement is 1 April 2015.

Note 18 Other interest-bearing debt

(USD 1 000)	Group		
	31.03.2015	31.03.2014	31.12.2014
Reserve-based lending facility	2 143 703		2 037 299
Revolving credit facility		359 154	
Total other interest-bearing debt	2 143 703	359 154	2 037 299

The RBL Facility is a senior secured seven-year USD 3.0 billion facility and includes an additional uncommitted accordion option of USD 1.0 billion. The interest rate is from 1 - 6 months LIBOR plus a margin of 2.75 per cent, with a utilization fee of 0.5 per cent on outstanding loan. In addition a commitment fee of 1.1 per cent is paid on unused credit.



Note 19 Provision for abandonment liabilities

(USD 1 000)	Group		
	31.03.2015	31.03.2014	31.12.2014
Provisions as of 1 January	489 051	160 413	160 413
Removal obligation from acquisition of Marathon Oil Norge AS			340 897
Incurred cost removal	-1 134	-443	-14 087
Accretion expense - present value calculation	6 396	2 115	12 410
Foreign currency translation reserve*		2 622	-10 674
Change in estimates and incurred liabilities on new fields	-2 019		93
Total provision for abandonment liabilities	492 295	164 707	489 051
Break down of the provision to short-term and long-term liabilities			
Short-term	2 677	26 122	5 728
Long-term	489 617	138 585	483 323
Total provision for abandonment liabilities	492 294	164 707	489 051

*Foreign currency translation reserve arose on the difference between average and currency rates at end of period applied when deriving USD from NOK amounts at 15 October 2014, as described in the accounting principles note in the annual report 2014.

The company's removal and decommissioning liabilities relate to the producing fields.

The estimate is based on executing a concept for abandonment in accordance with the Petroleum Activities Act and international regulations and guidelines. The calculations assume an inflation rate of 2.5 per cent and a nominal discount rate before tax of between 3.89 per cent and 5.66 per cent.

Note 20 Contingent liabilities

During the normal course of its business, the company will be involved in disputes, including tax disputes. Potential tax claims related to the taxable income of Marathon Oil Norge AS before 1 January 2014 will be reimbursed from the Marathon Group. The company has made accruals for probable liabilities related to litigation and claims based on the management's best judgment and in line with IAS 37. The Management is of the opinion that none of the disputes will lead to significant commitments for the company.

Note 21 Subsequent events

The company has identified the following events that have occurred between the end of the reporting period and the date of this report. None of the below points are deemed to have any material impact on the interim financial statements as at 31 March 2015.

Changes in covenants on bonds

On 1 April 2015 the bondholders' meeting approved the requested amendments to the loan agreement in accordance with the proposal made by the company. We refer to additional information in Note 17.

Gas discovery on Skirne East

On 10 April 2015 the company announced that drilling of exploration well 25/6-5 S on the Skirne East prospect was about to be completed. Preliminary volume of gas estimates for the discovery are in the range of 3 -10 million barrels of oil equivalents. The licensees will evaluate the discovery with regards to a potential development. Det norske holds a 20 per cent working interest in the license.

Note 22 Investments in jointly controlled assets

Fields operated:	31.03.2015	31.12.2014
Ivar Aasen Unit	34.8 %	34.8 %
Jette Unit	70.0 %	70.0 %
Alvheim	65.0 %	65.0 %
Bøyla	65.0 %	65.0 %
Vilje	46.9 %	46.9 %
Volund	65.0 %	65.0 %

Production licences for which Det norske is the operator:

Licence - operatorships:	31.03.2015	31.12.2014
PL 001B	35.0 %	35.0 %
PL 026B***	62.1 %	62.1 %
PL 027D	100.0 %	100.0 %
PL 027ES	40.0 %	40.0 %
PL 028B	35.0 %	35.0 %
PL 036 C ***	65.0 %	65.0 %
PL 036 D ***	46.9 %	46.9 %
PL 088 BS ***	65.0 %	65.0 %
PL 103B	70.0 %	70.0 %
PL 150 ***	65.0 %	65.0 %
PL 150 B ***	65.0 %	65.0 %
PL 169C	50.0 %	50.0 %
PL 203 ***	65.0 %	65.0 %
PL 203 B ***	65.0 %	65.0 %
PL 242	35.0 %	35.0 %
PL 340 ***	65.0 %	65.0 %
PL 340 BS ***	65.0 %	65.0 %
PL 364	50.0 %	50.0 %
PL 460	100.0 %	100.0 %
PL 494	30.0 %	30.0 %
PL 494B	30.0 %	30.0 %
PL 494C	30.0 %	30.0 %
PL 504	47.6 %	47.6 %
PL 504BS*	0.0 %	83.6 %
PL 504CS*	0.0 %	21.8 %
PL 553	40.0 %	40.0 %
PL 626	50.0 %	50.0 %
PL 659 ***	20.0 %	20.0 %
PL 663	30.0 %	30.0 %
PL 677	60.0 %	60.0 %
PL 709	40.0 %	40.0 %
PL 715	40.0 %	40.0 %
PL 724	40.0 %	40.0 %
PL 724 B **	40.0 %	0.0 %
PL 736 S ***	65.0 %	65.0 %
PL 748	40.0 %	40.0 %
PL 777**	40.0 %	0.0 %
PL 790**	50.0 %	0.0 %
Number	36	35

* Relinquished licences or Det norske has withdrawn from the licence.

** Interest awarded in the APA Licensing round (Application in Predefined Areas) in 2014. The awards were announced in 2015.

*** Acquired/changed through licence transactions or licence splits.

Production licences in which Det norske is a partner:

Licence	31.03.2015	31.12.2014
PL 019C	30.0 %	30.0 %
PL 019D	30.0 %	30.0 %
PL 029B	20.0 %	20.0 %
PL 035	25.0 %	25.0 %
PL 035B	15.0 %	15.0 %
PL 035C	25.0 %	25.0 %
PL 038	5.0 %	5.0 %
PL 038D	30.0 %	30.0 %
PL 038E	5.0 %	5.0 %
PL 048B	10.0 %	10.0 %
PL 048D	10.0 %	10.0 %
PL 102C	10.0 %	10.0 %
PL 102D	10.0 %	10.0 %
PL 102F	10.0 %	10.0 %
PL 102G	10.0 %	10.0 %
PL 265	20.0 %	20.0 %
PL 272	25.0 %	25.0 %
PL 362	15.0 %	15.0 %
PL 438	10.0 %	10.0 %
PL 442	20.0 %	20.0 %
PL 457 ***	40.0 %	40.0 %
PL 492	40.0 %	40.0 %
PL 502	22.2 %	22.2 %
PL 522	10.0 %	10.0 %
PL 533	20.0 %	20.0 %
PL 550	10.0 %	10.0 %
PL 551	20.0 %	20.0 %
PL 554	10.0 %	10.0 %
PL 554B	10.0 %	10.0 %
PL 554C	10.0 %	10.0 %
PL 558 ***	10.0 %	10.0 %
PL 567	40.0 %	40.0 %
PL 574	10.0 %	10.0 %
PL 613	20.0 %	20.0 %
PL 619	30.0 %	30.0 %
PL 627	20.0 %	20.0 %
PL 627B**	20.0 %	0.0 %
PL 653 **	30.0 %	0.0 %
PL 667	30.0 %	30.0 %
PL 672	25.0 %	25.0 %
PL 676BS**	10.0 %	0.0 %
PL 676S	10.0 %	10.0 %
PL 678C **	25.0 %	0.0 %
PL 678BS	25.0 %	25.0 %
PL 678S	25.0 %	25.0 %
PL 681	16.0 %	16.0 %
PL 694	20.0 %	0.0 %
PL 706	20.0 %	20.0 %
PL 730	30.0 %	30.0 %
PL 730 B **	30.0 %	0.0 %
PL 778**	20.0 %	0.0 %
PL 804**	30.0 %	0.0 %
Number	52	44



Note 23 Results from previous interim reports - Group

	2015		2014		2013			
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Total operating revenues	324 178	345 670	18 334	74 304	25 923	43 279	55 056	48 601
Exploration expenses	14 523	51 491	71 778	21 027	20 040	95 472	102 347	48 370
Production costs	39 349	44 400	7 906	7 417	7 032	16 607	9 090	9 713
Depreciation	122 224	104 183	28 080	13 443	14 548	21 103	27 849	25 156
Impairments	52 773	319 018			27 402	111 893	1 163	289
Other operating expenses	14 397	10 679	993	12 896	825	-685	2 752	12 166
Total operating expenses	243 266	529 772	108 757	54 782	69 847	244 391	143 200	95 695
Operating profit/loss	80 912	-184 102	-90 423	19 522	-43 924	-201 111	-88 144	-47 094
Net financial items	254	-12 788	-30 143	-23 865	-9 901	-18 011	-22 305	-8 323
Profit/loss before taxes	81 166	-196 889	-120 567	-4 343	-53 824	-219 123	-110 450	-55 417
Taxes (+)/tax income (-)	78 727	89 997	-103 615	-31 627	-51 240	-163 202	-83 542	-48 358
Net profit / loss	2 439	-286 887	-16 952	27 284	-2 584	-55 921	-26 908	-7 059

Financial figures from previous quarters have been converted to USD by yearly average currency rate for 2013 and nine months average for the 3 first quarters in 2014.

NOTES

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