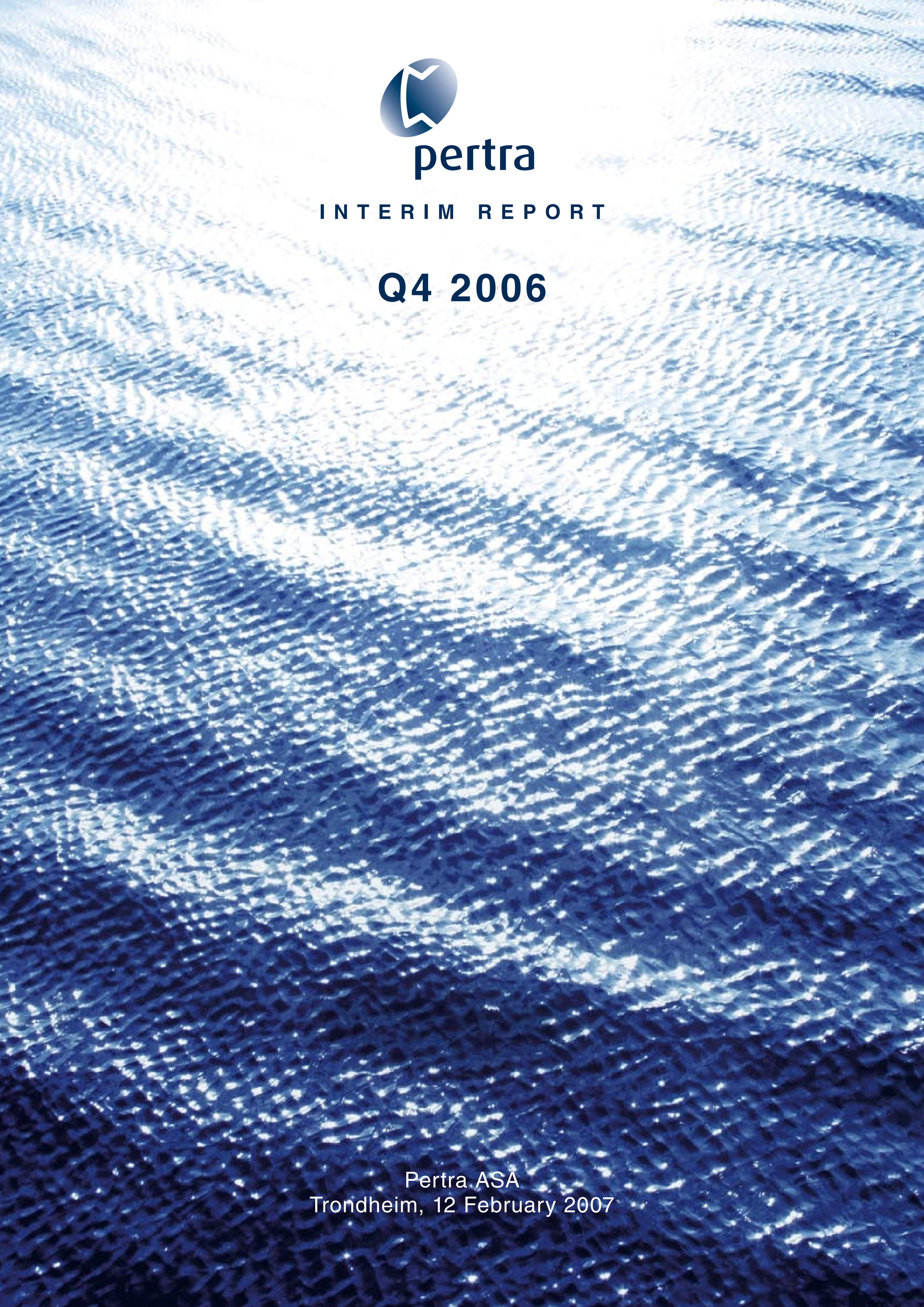


INTERIM REPORT

Q4 2006

Pertra ASA
Trondheim, 12 February 2007

CONTENT

Highlights Q4 2006

- Following the successful execution of a private placement and a retail offering, Pertra ASA was listed on Oslo Stock Exchange (“Oslo Børs”) 10 November 2006.

- In PL 337, where Pertra is operator and holds a 45 % license interest, the license partners have decided to drill an exploration well in 2007. The drilling operation is scheduled to commence at the turn of the year 2007/2008 using the drilling rig ”Mærsk Giant”. In consequence of this decision, the license period has been extended by two years.

- The Sale and Purchase Agreements regarding the acquisition of Marathon’s 30 % interest in PL 337 and sale of Pertra’s 20 % interest in PL 337 to Revus Energy ASA were approved by the authorities in October and formally implemented 31 December 2006. Subsequent to these transactions, Pertra holds a 45 % license interest in PL 337.

- Following a unanimous decision by the license partners, it was determined to relinquish PL 349 as the operating company, Marathon, recommended that none of the identified prospects in the license be drilled. Pertra held a 5 % interest in this license.

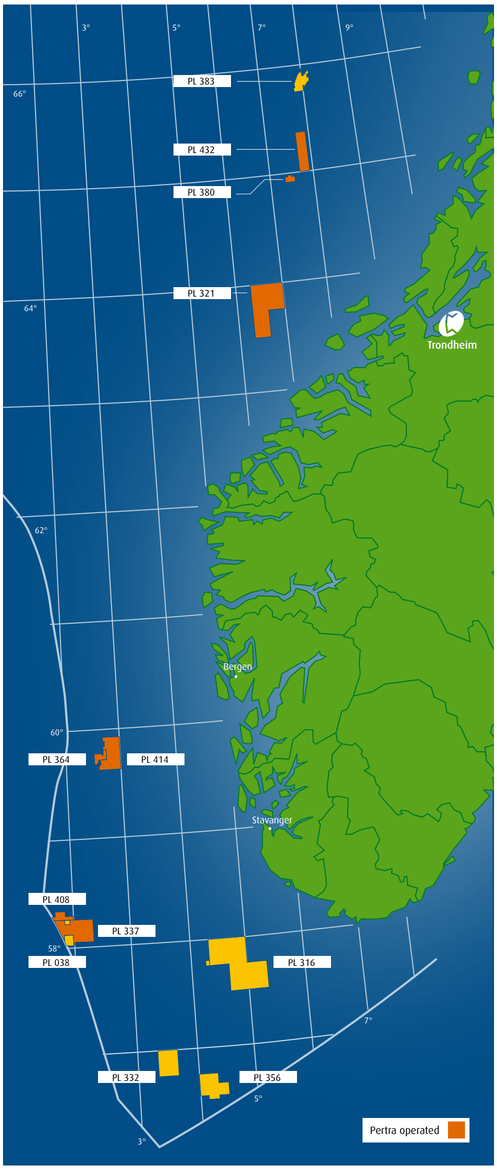
- In PL 364, an Environmental Impact Assessment Program proposal was submitted to the authorities for comments.

- A Plan for Development and Operation (PDO) for Yme has been compiled. The plan was submitted 9 January 2007.

- In Q4 Pertra’s average daily production increased by 48 % from 604 barrels/day in Q3 to 896 barrels/day in Q4. The sidetrack A-12A started producing during the period, and the installment of a gas lift on the wells has further increased production in Q4.

- The Income Statement shows an operating loss of NOK 15.7 million. The loss has been reduced as compared to Q3 because seasonal factors have resulted in a lower level of exploration-related activity. Total exploration costs in Q4 amount to NOK 26.5 million. The result is in accordance with the Company’s plans.

- Pertra entered into an agreement with Aker Exploration AS regarding the sale of a 15 % license interest in PL 321 in exchange for Aker Exploration covering the expenses for two exploration wells. The agreement is subject to approval by the respective license partners’ Boards of Directors and the authorities.



License Portfolio

At the end of the period, the Company held license interests in a total of nine licenses. The shares vary from 5 % to 100 %.

Production licenses operated by Pertra per 31.12.2006

Production license	Pertra's share
PL 321	40%
PL 337 incl. Storskrymten	45%
PL 364 incl. Frøyfeltet	50%
PL 380 incl. Fongen	70%

Production licenses where Pertra is partner per 31.12.2006:

Production license	Pertra's share
PL 038 incl. Varg	5%
PL 316 incl. Ymefeltet	10%
PL 332	20%
PL 356	50%
PL 383	50%

PL 349 was relinquished in December 2006. Pertra's (partner) share was 5 %.

The APA 2006 awards, previously always announced during the month of December, were delayed this year, and the award of new licenses was not announced until 29 January 2007. Subsequent to the awards, Pertra is now the operator of seven licenses and partner in additional five licenses. Pertra has entered into an agreement with Aker Exploration regarding the sale of a 15 % interest in PL 321, thus reducing Pertra's share in this license to 25 %. This transaction is subject to approval by the respective companies' Board of Directors and by the authorities.

License portfolio after APA 2006 and contingent of the sale of a 15 % license interest in PL 321:

Production licenses operated by Pertra:

Production license	Pertra's share
PL 321	25%
PL 337 incl. Storskrymten	45%
PL 364 incl. Frøyfeltet	50%
PL 380 incl. Fongen	70%
PL 432	100%
PL 414	40%
PL 408	70%

Production licenses where Pertra is partner:

Production license	Pertra's share
PL 038 incl. Varg	5%
PL 316 and PL 316B incl. Ymefeltet	10%
PL 332	20%
PL 356	50%
PL 383	50%

Key Figures (NGAAP)

Figures in NOK million	Q4 2006	Q3 2006
Operating revenues	31.4	27.4
Exploration costs	26.5	60.4
EBITDA [1]	(8.2)	(42.9)
Operating profit/(loss)	(15.7)	(46.6)
Income/(loss) before taxes	(5.7)	(47.8)
Net income/(loss)	0.4	(7.4)
Income/(loss) after taxes per share	0.02	(0.47)
Investments	36.1	30.6
Oil production (barrels)	82 472	55 590

[1] Profit/(loss) before depreciations and provisions for plugging and abandonment liabilities

In Q4 Pertra generated operating revenues in the amount of NOK 31.4 million, and the loss before taxes was NOK 5.7 million. The negative result in Q4 2006 is in accordance with the Company’s plans and results from costs related to exploration activities and field development studies of Frøy.

Pertra still covers 50 % of the costs in PL 316 (Yme), limited upward to USD 35 million. The share of expenses applicable to development has been capitalized. After Q4, USD 15.3 million remain of the total liability.

Petroleum Resources and Reserves

In Circular 2/2007 Oslo Stock Exchange has established a framework for the reporting of oil and gas reserves for the listed companies. Previously, Pertra has reported the Company's most probable reserves and resources in accordance with the classifications in use by the NPD, a classification system on which Oslo Stock Exchange also bases its guidelines.

Due to the large number of applications submitted for APA 2006 the authorities needed more processing time than anticipated, and the awards in this licensing round were not announced until 29 January 2007. Consequently, Pertra has elected to present two reserve/resource summaries; one consisting of the portfolio as of 31.12.2006, and one that displays the portfolio subsequent to the APA 2006 awards and sale of license interests in PL 321.

A separate Annual Statement of Reserves in accordance with the new guidelines established by Oslo Stock Exchange will be presented in the Company's 2006 Annual Report.

Ressurs-klasse	NPD's classification	Proved reserves (P90) Mill. barrels(MSm3)	Reserves (P50) Mill. barrels(MSm3)	Risked contingent resources Mill. barrels(MSm3)	Risked potential resources Mill. barrels(MSm3)
1	In production	0.5 (0.08)	1.0 (0.2)		
2	Under development				
3	Development committed	4.5 (0.7)	6.0 (1.0)		
4	In planning phase			25 (4)	
5	Development likely			8 (3)	
7	Under evaluation				
8	Prospect				194 (31)

Reserves and resources per 31.12.2006

Ressurs-klasse	NPD's classification	Proved reserves (P90) Mill. barrels(MSm3)	Reserves (P50) Mill. barrels(MSm3)	Risked contingent resources Mill. barrels(MSm3)	Risked potential resources Mill. barrels(MSm3)
1	In production	0.5 (0.08)	1.0 (0.2)		
2	Under development				
3	Development committed	4.5 (0.7)	6.0 (1.0)		
4	In planning phase			25 (4)	
5	Development likely			8 (3)	
7	Under evaluation				
8	Prospect				220 (35)

Reserves and resources after APA 2006 and sale of 15 % license interest in PL 321

Reserves and resources in categories 1 – 7 are discoveries proved by drilling. Resource category 8 comprises prospects that have been mapped and thus enabled estimation of volumes. These potentially recoverable reserves have then been multiplied by a discovery probability calculated in accordance with industry standard.

Production

The Company's production revenues stem entirely from its 5 % license share in PL 038 – the Varg Field. In Q4 production amounted to 82,472 barrels (13,105 Sm3), as compared to 55,590 barrels (8,834 Sm3) in Q3.

The increase in production is the result of an extensive workover program and investments in new wells. Total recoverable reserves from the field remain basically unchanged.

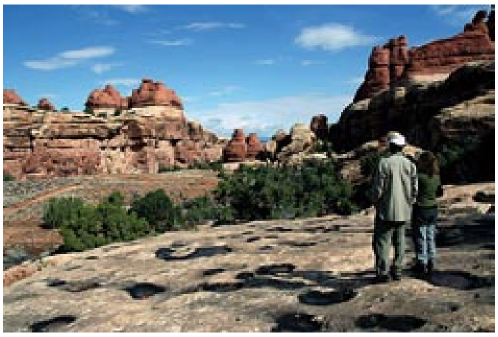
Varg crude oil has been sold at an average price of USD 59.9 per barrel in Q4 2006; the average for the entire year amounted to USD 63.6 per barrel. All oil was sold at the spot market. 947 Sm3 (5,962 barrels) less than what was produced during the period, was sold. In Q4 the Company had a margin on sold quantity from Varg in the amount of NOK 18.2 million before depreciations.

Development

PDO (Plan for Development and Operation) for the Yme Field was submitted to the authorities 9 January 2007. Talisman Energy is the operator (70 %), and license partners are Revus Energy (20 %) and Pertra (10 %). The Yme Field consists of two separate reservoirs; Beta and Gamma. The field is being developed with the use of a leased production platform with subsea storage on Gamma, and with a subsea production facility on Beta. The oil will be exported by means of a shuttle tanker, whereas surplus gas not utilized for power generation will be injected into the reservoir for pressure support. The wells are planned drilled by a leased jackup drilling rig. Pertra's share of investments costs, drilling expenses included, has been estimated at NOK 400 million. Dependent on oil price premises, the economic life of the field will be between seven and twelve years, and recoverable oil volumes (100% basis) 50 – 70 million barrels. The field is expected to start producing in January 2009.

Potential Development

Pertra is the operator of PL 364 (Frøy) and currently engaged in work aimed at a potential redevelopment of the Frøy Field. The Frøy Field was in production from 1995 to 2001 with Elf as operator. A total of 35 million barrels (5.6 MSm3) was produced from the field, corresponding to a recovery rate of 18 %. Pertra aims to increase the recovery rate up to a minimum of 40 %, which equals an additional production of at least 50 million barrels (8 MSm3).



In Q4 the new 3D seismic has been interpreted and the geological understanding of the field has improved through studies of well data and core data. New biostratigraphic analyses constituted an important part of this process. This work has resulted in the development of a generation 3 reservoir model confirming earlier volume estimates and has provided the Company with a more accurate and detailed model than previously. This model will be further improved in Q1 2007, when new data are made available.

Work involving various development and operation concepts is in progress. A Plan for Development and Operation (PDO) is expected in the summer of 2007. The goal is to commence production during 2010.

Exploration
Pertra shall create value by discovering and developing resources that are either not yet proved or in production. The Company regards the conditions for an exploration-focused growth strategy on the Norwegian Shelf as favorable. Pertra is investing considerable efforts in identifying interesting prospects that the Company will apply for in the annual licensing rounds, APAs (Awards in Predefined Areas).

Operator Licenses
Subsequent to the APA 2006 awards, which were announced 29 January 2007, Pertra is now the operator of seven licenses. Three of these were awarded in APA 2006 (PL 408, PL 414, and PL 432). Four of the seven operator licenses are in the North Sea, and three in the Norwegian Sea.

PL 337 (45 %)
This license is located due north of the Varg Field and was awarded in APA 2004. Following thorough and extensive analyses, it was decided in December to drill the prospects ”Storskrymten” and ”Grytkollen” in one and the same exploration well. Drilling operations are scheduled to commence early in Q3 2007 using the jackup drilling rig ”Mærsk Giant”.

PL 321 (25 %, reduced from 40 % subject to approval by the authorities and the companies' Boards of Directors)
The license is located on the Frøy Height east of Ormen Lange and south of Draugen. The acquisition of new 3D seismic data was completed in July 2006 and processed in late December. These data will be utilized in studies ending in June, when it will be determined whether any of the prospects are to be drilled or if the license shall be relinquished. In Q4 extensive work has been invested in the existing 3D and 2D seismic data and well data from surrounding wells in order to be thoroughly prepared when the new 3D data were made available.

PL 380 (70 %)
PL 380 is situated due west of the Midgard Field in the Norwegian Sea and contains one prospect that has been named ”Fongen”. The license was awarded in APA 2005, and the authorities allotted the license partners one year by which to complete studies providing a basis for determining whether to drill or relinquish the license. The license partners decided within the deadline to drill the prospect ”Fongen”. The deadline was set at 6 January 2007. The license has thus initiated phase 2 of the work program, with a two-year drilling deadline. At that point of time it must be decided whether a prospective discovery shall be put into production. The prospect is to be drilled using the semi-submersible drilling rig ”Bredford Dolphin”. In accordance with the prevailing schedule of the drilling consortium, the drilling of ”Fongen” is planned to commence at the turn of the year 2007/2008.

PL 408 (70 %) (Awarded in APA 2006)
Pertra and partner Altinex were awarded a license in Blocks 15/8 and 15/9, comprising the area between Sleipner and PL 337. In this area interesting prospects in Jurassic and Paleocene have been identified. The license partners have been assigned two years by which to reprocess 3D seismic and interpret existing data before it has to be decided whether to drill or relinquish the license.

PL 414 (40 %) (Awarded in APA 2006)
The partnership consisting of Pertra (operator), Færøy Petroleum, Noreco, and PA Resources was awarded Blocks 25/3 and 25/6 in PL 414. The license is located east and northeast of Frøy (PL 364). In PL 414 prospects in Jurassic and Paleocene have been mapped. These may be produced through the Frøy Field if they are drilled and discoveries made. The work program stipulates two years by which to reprocess 3D seismic data and perform studies before a drilling decision has to be reached.

PL 432 (100 %) (Awarded in APA 2006)
The third new operator license is situated in the Norwegian Sea east and northeast of the Midgard Field. In PL 432 interesting prospects that may have trapped oil or gas ”spilling over” from the Midgard Field have been identified. The work commitment involves shooting 400 km2 3D seismic prior to deciding whether to drill or relinquish the license within three years. Pertra has already entered into an agreement with Fugro Geoteam regarding the shooting of this seismic, and the acquisition of data is scheduled for August 2007.

Partner Licenses
Pertra had been awarded partnership in four licenses in previous licensing rounds. When the awards in APA 2006 were first announced, the Company was awarded, through PL 316, additional acreage located by the Gamma West structure in the Yme Field in PL 316. The additional acreage constitutes a part of PL 316.

PL 356 (50 %)
The operator, DNO, holds the other 50 % interest. The license was awarded in APA 2005 and has been assigned three years before a drilling decision has to be made. Approximately 500 km2 3D seismic was acquired in March – April 2006, and the data processing is expected completed in Q1 2007.

PL 332 (20%)
PL 332 is situated in Block 2/2 and was awarded in APA 2004. Talisman is operator. Partners are DNO, PA Resources, and Pertra. 3D seismic was acquired in 2005 and 2006, and the processing of this seismic is expected to be accomplished toward the end of Q1 2007. The decision whether to drill or not has to be made by the end of 2007.

PL 316 and PL 316B (10 %) (PL 316B awarded in APA 2006)
In addition to the Yme Field, this license also encompasses considerable exploration acreage in the Egersund Basin. The operating company, Talisman, has mapped a series of prospects and is currently in the process of concluding an evaluation of these. A drill site survey was performed on one of the prospects with the aim of commencing drilling toward the end of 2007 or in 2008.

PL 349 (5 %) (The license was relinquished in December 2006.)
This license is located south of Draugen and was awarded in APA 2004. 3D seismic was to be reprocessed and included in studies constituting the decision-making basis for determining whether to drill or relinquish the license by December 2006. Marathon, as operator, decided that the probability of making discoveries that were commercially viable was insignificant and recommended that the license be relinquished.

PL 383 (50 %)
PL 383 is located south of Norne and is operated by DNO. DNO holds the other 50 % license interest. During the summer of 2006, seabed loggings were performed (EM surveys). Interpretation of the data is not yet been completed, but show anomalies that

may prove positive. The decision whether to drill an exploration well or relinquish the license is to be made during 2007.

Investments

Investments in Q4 amounted to NOK 36.1 million, and total depreciations were NOK 6.3 million. The purchase amount of the license interest in PL 316 (Yme, etc.) related to development has been booked as an investment, whereas the remaining part, related to exploration, is being expensed when incurred.

Cash Flow, Currency, and Capital Structure

In December 2006 Pertra received a reimbursement of the tax value of losses incurred in 2005 in the amount of NOK 86.3 million, including interest. The basis for the reimbursement is exploration costs incurred in 2005. Cash flows from operations in Q4 amounted to NOK -84.9 million, including the tax reimbursement.

On 2 October 2006 an Extraordinary General Meeting was held, and the Company resolved to execute a private placement of NOK 600 million. 10,000,000 new shares were issued. The proceeds from the offering will be utilized to secure the financial basis for the Company's exploration and development program in 2007 and 2008. The subscription price was NOK 60 per share.

The EGM also resolved to grant the Board of Directors an authorization to issue up to 8,750,000 new shares. The authorization is in force until the next Ordinary General Meeting, but no later than 30 June 2007. On 3 November 2006, the Board of Directors adopted to use this power of attorney to issue 833,000 shares at a subscription price of NOK 60 per share and in addition issue 103,993 shares at a subscription price of NOK 48 per share. The first 833,000 shares were issued in connection with the Company's retail offering of NOK 50 million, the application period being the second half of October 2006. The main objective of this retail offering was to broaden the shareholder structure. The latter 103,993 shares were issued in connection with an employee offering of NOK 5 million. All three offerings were oversubscribed; the retail offering substantially so. The share was listed on the Oslo Stock Exchange on 10 November 2006 with the ticker PERTRA. The opening price was NOK 65, which was also the closing price on the last day of 2006. In the period the share price has been trading between NOK 62.25 and NOK 67.00.

In Q4 the number of shares has increased by 10,936,993 to 26,510,650. During 2006, a total equity of NOK 628.9 million has been raised.

Pertra has entered into a loan agreement with Sparebanken Midt-Norge regarding a drawing facility of NOK 150 million, effective as of 1 November 2006, which replaces the previous drawing facility. In Q4 the Company has redeemed all outstanding interest-bearing liabilities.

As of 31.12.2006, the Company's liquid assets amounted to NOK 540.3 million, supplemented by the Company's drawing facility of NOK 150 million and NOK 25.6 million in liquid interest-bearing securities. A tax refund to be paid out in December 2007 (before interest credit) has been booked at NOK 112.7 million.

Based on Pertra's development plans and level of exploration activities, the Company anticipates considerable dollar-based net disbursements in 2007 and 2008. With the purpose of reducing the currency exposure incurred by these plans, the Company aims to partially and gradually hedge the currency exposure of future dollar disbursements.

Total assets as of Q4 2006 amounted to NOK 897.0 million. The equity ratio as of Q4 2006 was 87.7 %.

Events after 31.12.2006

- The Ministry of Petroleum and Energy (MPE) has awarded Pertra three operatorships and additional acreage in PL 316B in the APA 2006 awards announced 29 January 2007.
- The formal resolution regarding the drilling of the prospect ”Fongen” in PL 380 was passed by the License Management Committee on 4 January 2007.
- A Plan for Development and Operation (PDO) of the Yme Field was submitted to the Ministry of Petroleum and Energy 9 January 2007.
- Pertra has entered into an agreement with Fugro-Geoteam regarding the acquisition of 400 km2 3D seismic in the Norwegian Sea (PL 432). The value of the contract is NOK 60 million, and the acquisition is scheduled to commence in August this year.

These matters have been described in further detail in other parts of the Q4 2006 Interim Report.

Outlook

Pertra is an exploration-focused company. We identify prospects and pursue them with the goal of acquiring a license interest primarily through the Norwegian State's licensing rounds. Since Pertra first participated in licensing rounds in 2004, the Company has been awarded all the operator licenses for which it has applied. All prospects will be named after mountains in Mid-Norway.

Pertra was awarded two operatorships and two partnerships in APA 2005. The progress in all four licenses has been positive. It has been decided to drill in PL 380 (Fongen), and the process of identifying a development concept for Frøy proceeds according to plan. New 3D seismic was acquired over the Frøy Field during the summer of 2006 - merely five months after Pertra had been awarded the operatorship. The acquisition of these data has enabled a more accurate mapping of the remaining reserves in the field. Production start-up is expected in 2010.

Plan for Development and Operation of the Yme Field was submitted 9 January this year. Pertra expects the Government to approve the PDO during the first six months of 2007, and that the field will start producing at the turn of the year 2008/09. Consequently, Pertra will experience a considerable increase in production after 2008, and the Company's total production is expected to reach 15,000 barrels per day during 2010.

As operator, Pertra will drill three exploration wells in 2007/2008. In PL 337, Storskrymten and Grytkollen will be drilled in one well during the summer of 2007 using the jackup drilling rig ”Mærsk Giant”; this is a rig Pertra has employed also during previous drilling operations. In PL 380 the prospect Fongen will be drilled with the semi-submersible drilling rig ”Bredford Dolphin”, this is scheduled for the end of 2007.

Pertra was awarded three license interests in APA 2006, all as operator. The Company was also awarded additional acreage in the vicinity of PL 316, where Pertra has a 10 % interest. The MPE has announced that further ten licenses will be offered later this year. APA 2007 has been announced, and the deadline for applications is 28 September this year, as is common practice. The 20th Licensing Round, however, has been postponed to 2008.

To ensure progress in the licenses operated by Pertra, the Company has already entered into an agreement with Fugro Geoteam regarding the acquisition of 400 km2 3D seismic over Blocks 6507/9 and 12 (PL 432) this summer. This implies that Pertra may start interpreting the prospects in this license as early as the end of 2007. Pertra holds a 100 % interest in this license and aims to include a partner in this project prior to a prospective drilling operation. The data bases for the other two licenses from APA 2006 are satisfactory, and the prospects will be subjected to detailed studies before the decision whether to drill the prospects or not is made.

The planned merger of Hydro and Statoil into one company implies major structural changes on the NCS. This situation represents a major opportunity for Pertra.

Access to interesting exploration acreage in upcoming APA rounds in conjunction with Pertra's ability to identify attractive prospects in the years ahead will have a significant impact on the Company's development in the years after 2010. To ensure that the APA rounds will invoke interest also in the future, it is essential that larger parts of the exploration acreage awarded during the 1980s and 1990s, and where no drilling decisions have yet been reached, be relinquished to the State and thus made available in future APA rounds. We may anticipate that Statoil/Hydro will clear up its combined portfolio and that Petoro will be given more freedom in the allotment of exploration acreage and small fields. This will in all probability result in Pertra and other exploration-oriented participants gaining improved access to exploration acreage on the Norwegian Continental Shelf.

Supported by the company's drilling program for the next three years, which has ensured access to the required rig capacity for this period, Pertra expects to make discoveries amounting to an average of 30 million barrels of oil per year. It is the Company's stated objective to increase its potential for growth further by continuing to actively acquire licenses and the required drilling capacity and thus boost the expected production rate to 50 million barrels of oil after 2010.

Subsequent to the capital offerings in 2006 the Company has ensured a sound financial solidity. The planned future expansion will, however, result in capital requirements not yet covered. In consequence of this, the Company will consider alternative sources of funding in the time ahead.

Pertra has entered into an agreement with Fische ASA regarding the lease of additional 750 m^2 of office accommodation in Trondheim. As of today, the number of employees is 33 (30 at 31.12.2006), and this number will increase as the Company continues to expand. Pertra plans to increase the number of employees by approximately 20 % per year in the years ahead.

This Interim Report, the financial statements included, has not been reviewed by the Company's Auditor.

Trondheim, 12 February 2007
The Board of Directors of Pertra ASA

Q4 2006 INCOME STATEMENT,
BALANCE SHEET
AND CASH FLOW STATEMENT

Income Statement

(All figures in NOK 1000)	Q4		Q3	Per 31.12.	
	2006	**2005**	**2006**	**2006**	**2005**
Petroleum revenues	29 169	33 422	27 373	115 869	93 601
Other operating revenues	2 185	778		2 173	884
TOTAL OPERATING REVENUES	**31 354**	**34 200**	**27 373**	**118 043**	**94 485**
Exploration costs	26 473	20 515	60 404	186 178	166 298
Change in inventories	-1 481	-1 951	2 750	2 582	-1 371
Production costs	12 164	11 430	6 751	43 443	27 703
Payroll and payroll-related expenses	1 727	235	218	2 093	582
Depreciation and amortisation expenses	6 252	4 355	2 838	21 058	19 941
Provisions for plugging and abandonment liabilities	1 294	2 136	872	8 044	10 104
Other operating expenses	625	70	130	1 051	188
TOTAL OPERATING EXPENSES	**47 053**	**36 790**	**73 963**	**264 449**	**223 445**
OPERATING PROFIT/(LOSS)	**-15 699**	**-2 590**	**-46 589**	**-146 407**	**-128 960**
Interest income	10 625	147	245	11 335	1 033
Other financial income	776	900	2 025	3 326	3 767
Interest expenses	1 754	604	2 802	5 976	1 240
Other financial expenses	-362	478	710	5 406	1 834
NET FINANCIAL ITEMS	**10 009**	**-35**	**-1 242**	**3 278**	**1 726**
INCOME /(LOSS) BEFORE TAXES	**-5 690**	**-2 625**	**-47 831**	**-143 128**	**-127 233**
Taxes (+)/tax income (-) on ordinary income/(loss)	-6 111	506	-40 465	-108 103	-85 030
NET INCOME /(LOSS)	**421**	**-3 131**	**-7 366**	**-35 025**	**-42 203**
Time-weighted average number of shares outstanding	26 010 359	11 889 020	15 573 657	18 200 614	8 347 593
Earnings /(loss) after taxes per share (adjusted for split)	0.02	(0.26)	(0.47)	(0.52)	(0.20)

Balance Sheet

(All figures in NOK 1000)	31.12. 2006	2005	Q3 2006
ASSETS			
Deferred tax assets	19 165	2 796	15 159
Property, plant, and equipment	95 383	46 935	65 643
Calculated tax receivable			89 630
Long-term prepayment			37 340
TOTAL FIXED ASSETS	**114 548**	**49 732**	**207 772**
Inventories	2 208	4 764	700
Accounts receivable	15 262	9 692	7 934
Other receivables	86 387	10 482	23 581
Other financial investments	25 563		
Calculated tax receivable	112 724	82 234	82 234
Cash and cash equivalents	540 327	106 634	36 978
TOTAL CURRENT ASSETS	**782 469**	**213 805**	**151 427**
TOTAL ASSETS	**897 017**	**263 537**	**359 198**
Share capital	5 302	3 113	3 115
Share premium reserve	781 241	167 589	132 622
TOTAL EQUITY	**786 544**	**170 702**	**135 736**
Pension liabilities	3 255	1 490	2 561
Provisions for plug- and abandonment obligation	18 148	10 104	16 854
TOTAL PROVISIONS	**21 403**	**11 594**	**19 415**
Short-term loan			130 000
Bank overdraft		15 271	
Accounts payable	26 787	17 794	15 197
Taxes withheld and public duties payable	3 420	2 291	1 218
Other current liabilities	58 864	45 885	57 632
TOTAL CURRENT LIABILITIES	**89 071**	**81 241**	**204 047**
TOTAL LIABILITIES	**110 474**	**92 835**	**223 462**
TOTAL EQUITY AND LIABILITIES	**897 017**	**263 537**	**359 198**

Cash Flow Statement

	Pr. 31.12.	
(All figures in NOK 1000)	**2006**	**2005**
Cash flow from operating activities		
Income /(loss) before taxes	-143 128	-127 233
Taxes paid		
Direct tax payout from the State	81 926	
Depreciation and amortisation expenses	21 058	19 941
Changes in plugging and abandonment liabilities	8 044	10 104
Discount shares to employees	1 248	857
Changes in inventories, accounts payable and receivable	5 980	3 338
Changes in net current capital and in other current balance sheet items	-60 031	39 185
NET CASH FLOW FROM OPERATING ACTIVITIES	**-84 904**	**-53 809**
Cash flow from investment activities		
Purchases of offshore PP&E	-66 272	-60 866
Purchases of software, inventory etc.	-3 234	-6 011
NET CASH FLOW FROM INVESTMENT ACTIVITIES	**-69 507**	**-66 877**
Cash flow from financing activities		
Paid-in share capital / capital increase	628 938	212 048
Bank overdraft	-15 271	15 271
NET CASH FLOW FROM FINANCING ACTIVITIES	**613 667**	**227 319**
Net change in cash and cash equivalents	459 256	106 633
Cash and cash equivalents at start of period	106 634	
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**565 890**	**106 633**
Specification of cash and cash equivalents at end of period		
Bank deposits, etc.	**540 327**	**106 633**
Other financial investments	**25 563**	
Total cash and cash equivalents at end of period	**565 890**	**106 633**

Notes to Q4 2006 Financial Statements

The Interim Report has been prepared in accordance with the Norwegian Standard for interim reporting.

Note 0 Accounting Principles

The Financial Statement has been prepared in accordance with the rules of the Norwegian Accounting Act and Generally Accepted Accounting Principles in Norway (NGAAP).

Revenue
Revenue from the Company's ownership of production licenses is recognized when ownership of produced oil passes to the customer (delivery). Other revenue is recognized at the time of delivery of goods and services.

Expenses
Expenses are entered in the Profit/(Loss) Account according to the matching principle, i.e., either juxtaposed with the corresponding income or identified as a period expense.

Assessment and Classification of Balance Sheet Items
Current assets and short-term liabilities comprise items that are due within one year, as well as items related to goods circulation. Other items are classified as fixed assets/long-term liabilities.

Current assets are valued at the lower of acquisition cost and actual value. Short-term liabilities are capitalized to nominal amount at the time of establishment.

Fixed assets are valued at acquisition cost, but are depreciated to actual value if the decrease in value is not considered temporary. Long-term liabilities are capitalized to nominal amount at the time of establishment, after deduction for paid installments.

Exploration Costs
Exploration costs related to drilling of exploration wells are managed according to the Successful Effort method. The method implies that purchase of seismic data and expenses related to seismic and geophysical explorations will be expensed.

Exploration wells are temporarily capitalized pending an evaluation of prospective discoveries of oil and gas reserves. Such expenses are charged to the Profit and Loss Account if commercial oil reserves are not proven.

Oil and Gas Assets Offshore
Field development costs are capitalized if development of proven reserves is relatively certain and if a decision regarding concrete development is expected in near future.

In accordance with the matching principle expenditures are capitalized even though the economic life time is less than three years. Depreciation of drilling expenses and production rights are calculated in accordance with the production unit method. The rate of depreciation is equal to the ratio of oil and gas production for the period to proved reserves. Wells are included in the depreciation basis when the well is put in production.

Maintenance costs are expensed as operating costs when incurred, whereas upgrades and significant renewals are capitalized and depreciated as part of the asset they relate to.

Oil and Gas Assets Onshore
Oil and gas-related assets onshore are capitalized and depreciated linearly throughout the expected lifetime of assets if these are estimated to have a lifetime exceeding three years and a production cost exceeding NOK 15,000.

Inventory
The value of the petroleum inventory on board the FPSO Varg is estimated as the lower of total production cost and actual value.

Shares in Joint Venture Activities
The Company's license shares on the Norwegian Continental Shelf are included in the Profit and Loss Account and capitalized in accordance with the gross method.

Accounting principles related to the sale and purchase of license shares in joint venture activities are individually assessed for each agreement. Such transactions are assessed at fair value or at the best estimate of fair value. So-called farm-in/farm-out agreements involve one party covering the costs on behalf of the other party; these are limited to a specific type of cost or limited upward to a fixed amount. This consideration is entered in the books when incurred and classified as either expense or asset.

Provisions for Plugging and Abandonment
Costs relating to future plugging and abandonment of offshore petroleum installations are calculated as nominal value of estimated future expenses. Current provisions for this future obligation are entered in the Profit and Loss Account in accordance with the production unit method.

Taxes
Taxes in the Profit and Loss Account encompasses both taxes payable this period and changes in deferred tax liabilities. Deferred tax liabilities are calculated using a 28 % tax rate and a 50 % surtax rate, based on the temporary differences between accounting values and fiscal values at 31.12. The Company recognizes the effect of uplift, a special deduction for petroleum surtax in Norway, at the investment date. The effect of tax-increasing and tax-reducing temporary differences that reverse or may reverse in the same period has been capitalized and entered as net in the Balance Sheet. Net deferred tax assets are capitalized to the extent that it is probable it will be utilized. Calculated outstanding tax in consequence of deficit related to exploration activities are entered as current receivables in the balance sheet.

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

Pensions
Pension costs and liabilities are calculated according to linear contribution based on discount rate, future wage regulations, pensions and National Insurance benefits, future return on pension resources, and actuarial assumptions regarding mortality rates, voluntary retirement, etc. Pension assets are assessed at actual value and deducted in net pension liabilities in the balance. Altered liabilities caused by changes in pension plans are divided over the expected remaining contribution time. The same applies to estimate deviations to the extent that these exceed 10 % of the larger of pension liabilities and pension assets (corridor).

Cash Flow Analysis
The cash flow statement is based on the indirect method, and the Company's bank inventory is shown as means of payment.

Share-based Compensation
When allotting shares to employees at a discount, the difference between market value and purchase value is expensed as salary. In equity, the discount appears as other paid equity.

(All figures in NOK 1000)

Note 1 Property, plant, and equipment

	Production license oil and gas fields	Temporarily capitalized exploration wells	Capitalized drilling and development expenditures	Equipment, software, etc.	Totalt
Procurement cost 01.01.2006	45 002		15 864	6 011	66 877
Investments	1 094	1 792	63 387	3 234	69 507
Retirements					
Procurement cost 31.12.2006	46 096	1 792	79 251	9 245	136 383
Accumulated depreciations 31.12.2006	24 013		13 448	3 539	41 000
Capitalized value 31.12.2006	**22 083**	**1 792**	**65 803**	**5 706**	**93 592**
Depreciations this year	10 302		8 276	2 480	21 058

Production license and capitalized drilling and development expenditures are depreciated in accordance with the production unit method. Fixtures and fittings, office machinery, software, etc. are depreciated linearly over the lifetime, 3-5 years

Note 2 Taxes

Taxes for the period appear as follows:

	31.12.2006
Calculated taxable income due to exploration-related costs	-89 630
Change deferred tax asset/liabilities	-18 473
Adjustment of previous period	308
Total taxes	**-103 758**

A complete calculation of tax has been performed in accordance with the previously described accounting principles. Calculated taxes receivable resulting from exploration activities in 2006 have been entered as a current asset in the Balance Sheet. This is expected to be paid out in December 2007.

Note 3 Equity

Changes in equity for the year	Share capital	Share premium reserve	Other paid-in equity	Total
Equity at 01.01.2006	3 113	167 589		170 702
Capital increase June - bonus shares to employees	2	479		480
Capital increase - private placement October 2006	2 000	598 000		600 000
Capital increase - retail offering/employee offering	187	54 784	1 248	56 220
Costs related to issues of new shares		-26 514		-26 514
Tax effect of costs related to issues of new shares		20 681		20 681
Profit/(loss) at 31.12.2006		-33 777	-1 248	-35 025
Equity at 31.12.2006	5 302	781 242	0	786 544

Adjustment of previous period applies to share of exploration costs that has been capitalized following new assessments.

Note 4 Costs related to issue of new shares and IPO

A total of 933 related to IPO has been capitalized in Q4, whereas 1,980 were capitalized in Q3. Costs related to issue of new shares prior to and in connection with IPO in the amount of 26,514 have been deducted from equity in Q4.

Note 5 Other financial investments

Other financial investments in the amount of 25,563 apply to a perpetual transaction of subordinated debt placed with Sparebanken Midt-Norge. Nominal value is 25,000.

Note 6 Other receivables

Prepayments on rig contracts have previously been presented as long-term prepayments. The prepayments relate to drilling of exploration wells in 2007 and is now included as other receivables under current assets with 55,105.

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