DETNORSKE

Second quarter report

Trondheim, **July 17, 2014**

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Report for the second quarter 2014

Second quarter summary

(All figures in brackets apply to the second quarter 2013)

Det norske oljeselskap ASA ("Det norske" or "the company") reported revenues of NOK 454 (286) million in the second quarter, where petroleum revenues account for NOK 143 million and other revenues account for NOK 311 million, relating to gain from two asset swaps resulting in a 40% ownership in PL457.

Exploration expenses amounted to NOK 123 (271) million, contributing to an operating gain of NOK 119 (-277) million. Net financial expenses were NOK -146 (-49) million. Net result for the second quarter was NOK 167 (-41) million, following a tax income of NOK 193 (284) million.

Det norske's four producing assets – Jette, Atla, Varg and Jotun – produced 2,698 boepd during the quarter, with about 65 percent of this coming from Jette. The average realized oil price was USD 108 (103) per barrel.

2P reserves for the Ivar Aasen field increased by approximately 35 percent compared to year end 2013 after the unitisation between licences PL001B, PL242, PL457 and PL338 as well as processing of new ocean-bed seismic. After two asset swaps increasing Det norske's interest in PL457, the Company has a 34.78 percent interest in the unitised field.

On June 2, 2014 Det norske announced the acquisition of Marathon Oil Norway which transforms the Company to a strong Norwegian E&P player with significant production. Together with Det norske's development projects, the acquired assets provide a diversified and balanced asset base and create a strong platform for future organic growth. After the transaction, Det norske will have 202 million barrels of oil equivalent (boe) of 2P reserves. The Plan for Development and Operation for Johan Sverdrup, scheduled for submission in Feb. 2015, will further increase reserves significantly.

Det norske participated in the drilling of two wildcat exploration wells and two appraisal wells in the quarter. Both the Terne and the Gotama prospects were dry. Drilling commenced on both the Gohta and Garantiana appraisal wells during the quarter and results are expected shortly.

Key events during the second quarter 2014

- **On 30 June,** Det norske announced a unit agreement for the Ivar Aasen field and a 35 percent increase in recoverable reserves
- **On 26 June,** Det norske announced a swap agreement with E.ON that increased Det norske's working interest in PL457 by 20 percent
- **On 20 June,** Det norske announced that well 6507/5-7 on the Terne prospect did not encounter hydrocarbons
- **On 17 June,** Det norske announced that the company had signed an agreement with Spike Exploration to swap 10 percent of PL554/B/C containing the Garantiana discovery for a 20 percent interest in PL457 containing the Asha discovery
- **On 2 June,** Det norske announced that the company had entered into an agreement to acquire Marathon Oil Norge AS for an expected cash consideration at closing of USD 2.1 billion
- **On 2 June,** Det norske announced that the Board of Directors had proposed a fully underwritten rights issue of USD 500 million in new equity
- **On 27 May,** Det norske announced that well 31/2-21S on the Gotama prospect did not encounter reservoir quality sandstones in the Upper Jurassic main target
- **On May 1,** Karl Johnny Hersvik took office as CEO of Det norske
- **On 29 April,** Det norske announced that the Geitungen sidetrack encountered a 13-metre oil-bearing interval of medium good reservoir.

Key events after the quarter

- The Extraordinary General Meeting resolved the proposed NOK 3 billion rights issue of 61,911,239 new shares at NOK 48,50 per share
- Signing of a USD 3 billion reserve-based lending facility
- A new management team effective from Q4 2014 was presented

Summary of financial results and operating performance

MNOK= NOK million	Q2 14	Q1 14	Q4 13	Q3 13	Q2 13	2013
Jette (boepd), 70%	1 758	1 458	2 710	4 378	3 594	2 683
Atla (boepd), 10%	282	750	1 031	981	1 446	1 177
Varg (boepd), 5%	535	500	412	377	398	403
Glitne (boepd), 10%	0	0	0	0	0	11
Enoch (boepd), 2%	0	0	0	0	0	0
Jotun Unit (boepd), 7%	122	188	175	204	175	191
Total production (boepd)	**2 698**	**2 895**	**4 328**	**5 940**	**5 613**	**4 463**
Oil and gas production (Kboe)	245	261	398	547	511	1 629
Oil price realised (USD/barrel)	108	107	109	112	103	107
Operating revenues (MNOK)	454	158	254	324	286	944
EBITDA (MNOK)	201	-12	-400	-348	-127	-1 091
Cash flow from production (MNOK)	98	112	151	269	227	684
Exploration expenses (MNOK)	123	110	544	588	271	1 637
Total exploration expenditures (expensed and capitalised) (MNOK)	304	151	400	581	373	1 659
Operating profit/loss(-) (MNOK)	119	-268	-1 182	-518	-277	-2 227
Net profit/loss(-) for the period (MNOK)	167	-16	-329	-158	-41	-548
No of licences (operatorships)	74 (27)	77(27)	80 (33)	74 (30)	72 (30)	80 (33)

Financials

Second quarter accounts
Operating revenues in the second quarter was NOK 454 (286) million. The main cause of the increase is the gain of NOK 309 million related to the two license swaps in PL457 calculated at fair value (see note 3 for further information). Total production in the second quarter was 2,698 boepd, this quarter. Jette accounted for 1,758 (3,594) boepd and Atla for 282 (1,446) boepd.

Exploration expenses amounted to NOK 123 (271) million. The decrease is mainly related to lower exploration expenses as well costs were partly carried by partners.

The operating profit increased to NOK 119 (-277) million, as revenues increased and exploration expenses decreased.

Net financial expenses in the second quarter amounted to NOK -146 (-49) million.

The net profit/(loss) for the period was NOK 167 (-41) million after a tax income of NOK 193 (284) million.

Net cash flow from operating activities was NOK 237 (-293) million. Net cash flow from investment activities amounted to NOK -907 (-595) million, mainly caused by investments in fields under development. Net cash flow from financing activities totalled NOK 814 (988) million as the company had net withdrawal of debt.

The company's cash and cash equivalents amounted to NOK 966 (835) million as of 30 June. Tax receivables for disbursement in December 2014 amounted to NOK 1,422 (1,283) million and tax receivable for disbursement in December 2015 amounted to NOK 415 (576) million.

The equity ratio as of 30 June was 28.1 (37.7) percent. Discoveries and fields under development contributed to a total asset balance of NOK 11,898 (9,742) million as of 30 June.

Field performance and oil prices

Det norske produced 245,475 barrels of oil equivalents (boe) in the second quarter quarter of 2014. This corresponds to 2,698 (5,613) boepd.The average realized oil price was USD 108 (103) per barrel, while gas revenues were recognised at market value of NOK 1.8 (2.2) per standard cubic metre (scm).

Jette (70 percent operator) came on stream in May 2013 and produced 1,758 (3,594) boepd net on average in the second quarter, accounting for 65 percent of total production. Into the second quarter, the Jette field has had stable operations from both wells. In the second quarter the company has been reallocated 31,340 bbl from the Jotun field for earlier periods.

Atla (10 percent partner) produced 282 (1,446) boepd net on average in the second quarter and accounted for 10 percent of the total production. The low production at Atla during the quarter was due to maintenance at the Heimdal field from late April to late June.

Varg (5 percent partner) produced 535 (398) boepd net to Det norske in the second quarter, or 20 percent of total production.

The average production rate on Jotun (7% partner) was 122 (175) boepd net to Det norske in the second quarter, which represented about 5 percent of total production. Production remained stable during the quarter.

Health, safety and the environment

The company is devoted to securing that all its projects are developed under the highest HSE standards in the oil industry.

The Ivar Aasen project arranged their third HSE summit in Trondheim in early May. The topic of the summit was operational safety, and 60 leading personnel from contractors and Det norske participated.

In June, preparations for the HSE activities related to the integration between Det norske and Marathon Oil Norway started, including governing documents, HSE routines, emergency preparedness and authority communication.

PDO approved projects

Ivar Aasen – PL 001B/242/028B/457 (34.78 percent, operator)
Key engineering and construction activities for the Ivar Aasen project are progressing according to plan with first oil estimated for Q4 2016.

Ivar Aasen is being developed with a steel jacket platform. The topside will include living quarters and a processing facility for first stage separation.

In June, Det norske signed a unit agreement for the Ivar Aasen development on the Utsira High in the North Sea with the licencees in PL001B, PL242, PL457 and PL338. Det norske is operator and will have 34.7862 percent interest in the unit, following completion of the announced acquisition of 40 percent interest in PL457 from Spike Exploration and E.ON E&P Norge AS.

The unit comprises the Ivar Aasen and West Cable deposits, while the Hanz deposit remains in PL028B, where Det norske is operator and has 35 percent working interest. Hanz is planned to be developed in phase 2 of the Ivar Aasen development.

Det norske estimates that gross proven and probable (2P) reserves for the Ivar Aasen development (including Hanz) are about 210 million barrels of oil equivalents (mmboe), an increase of approximately 35 percent compared to end 2013 2P reserves. Net to Det norske, this amounts to about 74 mmboe. The reserve increase is a result of the inclusion of volumes from PL457 and PL338, as well as positive results from well 16/1-16 in PL457 and ocean-bed seismic (OBS) processed in conjunction with an updated drainage strategy submitted to the Ministry of Petroleum and Energy on June 30, 2014.

The updated drainage strategy has not identified a need for additional wells to develop the Ivar Aasen field. Total investments for the Ivar Aasen development are estimated at NOK 27.4 billion (nominal), unchanged from the Plan for Development and Production (PDO).

Partners in the development are Statoil, Bayerngas, Wintershall, VNG, Lundin and OMV.

Gina Krog – PL 029B/029C/048/303 (3.3 percent partner)
The Gina Krog field is progressing according to schedule with planned start up in Q1 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.

Other projects

Johan Sverdrup – PL 265 (20 percent, partner) & PL 502 (22.22 percent, partner)
Statoil, as the pre-unit operator on the Johan Sverdrup field, announced the key parts of the field concept selection in the first quarter 2014, as Decision Gate 2 (DG2) for the first development phase was passed in the Johan Sverdrup pre-unit partnership. Phase 1 will contain a field centre consisting of a riser/utilities platform, a drilling platform, a process platform and living quarter's platform. The plan is to submit a Johan Sverdrup phase 1 PDO to the authorities by the first quarter of 2015, with first oil expected in the fourth quarter of 2019. A unitization negotiation process has commenced between the Johan Sverdrup licensees. Approval of the PDO is expected in Norwegian Parliament's (Stortinget) spring session in 2015. The concept for future phases will be decided in a separate process after the phase 1 PDO.

During the second quarter, the extensive phase 1 DG3/PDO work continued largely according to plan, both within Statoil and within the external contractors performing front-end engineering and design ("FEED"). The FEED is scheduled to be completed by November. Aker Solutions is the main FEED contractor (platform facilities). In addition a number of other FEED contracts have been awarded for subsea facilities, pipelines, power from shore etc.

During the second quarter, a letter of intent was signed with Kværner to deliver two of the planned steel jackets to the Johan Sverdrup development. The riser platform jacket is scheduled for delivery in the summer of 2017, while delivery of the drilling platform jacket is scheduled for spring 2018.

Power for Phase 1 will be supplied from shore to the riser platform, estimated at 100 MW. Also future phases of Johan Sverdrup will be supplied with power from shore, together with the three other fields now being developed on the Utsira High (Ivar Aasen, Gina Krog and Edvard Grieg). The Norwegian Parliament (Stortinget) has decided that full electrification of the Utsira High shall be implemented no later than 2022.

Following appraisal well 16/2-19 on Geitungen on the northern margin of the Johan Sverdrup field in PL 265, the partnership decided to drill a sidetrack well 16/2-19 A, approximately 1 km to the southwest with the objective to clarify the northern extent of the Johan Sverdrup main reservoir of the Draupne formation sandstones. Drilling of the sidetrack well was completed in April and encountered a 13-metre gross oil-bearing Draupne formation reservoir, of which 3m with excellent reservoir quality. The well results will be incorporated into the Johan Sverdrup field development work. The 16/2-19 A well completed an extensive appraisal drilling program on Johan Sverdrup that now has 32 exploration/appraisal wells including geological sidetracks.

Exploration

During the quarter, the company's cash spending on exploration was NOK 304 million, of which NOK 123 million was recognised as exploration expenses.

Gotama – PL 550 (10 percent, partner)
Drilling of exploration well 31/2-21 S on the Gotama prospect in PL550 offshore Norway was completed in May. The well did not encounter reservoir quality sandstones in the Upper Jurassic main target. The well encountered reservoir quality sandstones in secondary targets, but these were water wet.

Terne – PL558 (10 percent after sale to Petrolia, partner)
Drilling of exploration well 6507/5-7 on the Terne prospect in PL558 in the Norwegian Sea was completed in June. The well did not encounter hydrocarbons. Det norske farmed out 10 percent in the license for a partial carry agreement with Petrolia Norway AS.

Gohta 2 – PL492 (40 percent, partner)
Drilling of appraisal well 7120/1-4S on the Gohta discovery in PL492 in the Barents Sea commenced in late May. The well is located 5.7 kilometer northwest of the original Gohta well with an objective to test the reservoir properties and hydrocarbon potential of the Permian carbonates in the Gohta karst Røye formation and the overlying Kobbe formation sandstones.

Garantiana 2 – PL554 (10 percent after swap with Spike Expl., partner)
Drilling of appraisal well 34/6-3S on the Garantiana discovery in PL 554 in the North Sea commenced during the second quarter. The object of the well is to test the hydrocarbon potential in the early Jurassic Cook formation.

Business development

As part of a continuous program to optimise its portfolio, Det norske relinquishes exploration licenses, and farms in and out of licenses on a regular basis.

In the second quarter 2014, Det norske entered into an agreement with Petrolia Norway AS to farm out 10 percent of PL558 for a partial carry agreement. The transaction is approved by the partnership, pending approval by the authorities.

Det norske also entered into an agreement with Spike Exploration to swap a 10 percent interest in licence 554/B/C containing the Garantiana oil discovery for a 20 percent interest in license 457 containing parts of the Ivar Aasen deposit. Licence 457 is located adjacent and to the east of licence 001B (Ivar Aasen, DETNOR 35 percent and operator) on the Utsira High in the North Sea. Following drilling of the Asha discovery in late 2012 it was established that Ivar Aasen extends into licence 457. The transaction is subject to approval from the relevant authorities.

Moreover, Det norske signed an agreement with E.ON E&P Norge AS (E.ON) to swap two exploration licenses plus a cash consideration for a 20 percent interest in license 457. After completion of the agreement and the Spike transaction, Det norske will hold 40 percent in PL457. As a result of the transaction, the company's share in license 613 in the Barents Sea decreases from 35 percent to 20 percent and the company's share in license 676 S in the North Sea decreases from 20 percent to 10 percent.

Acquisition of Marathon Oil Norge AS

On June 2, 2014 Det norske announced that the Company had entered into an agreement to acquire Marathon Oil Norge AS (“MONAS“) for a cash consideration of USD 2.1 billion.

The cash consideration is based on a gross asset value of USD 2.7 billion and is adjusted for debt, net working capital and interest on the net purchase price. The effective date of the transaction is 1 January 2014 and it is expected to close in the fourth quarter 2014, subject to regulatory approvals.

Strategic rationale

Marathon Norway represents an excellent strategic fit for Det norske:

- Its portfolio of quality assets comes with limited capital expenditure commitments, low historic tax balances and high near-term production that complement the planned production start of Det norske’s Ivar Aasen and Johan Sverdrup developments.
- Marathon Norway’s organisation brings significant operational experience from the Alvheim fields, which adds to Det norske’s exploration and development capabilities.
- Marathon Norway’s assets are geographically focused and are all producing through the Alvheim FPSO that boasts a robust operating track record. Furthermore, the company’s assets are oil rich (80% of the reserves are oil).

After the transaction, Det norske will have 202 mmboe in 2P reserves (end 2013). In addition, the combined Company will have contingent resources amounting to 101 mmboe, excluding Johan Sverdrup. Further identified upside in Marathon’s portfolio is estimated at approximately 80 million boe. Combined 2013 production for the two companies amounted to approximately 84 thousand boe per day, making Det norske one of the largest listed independent E&P companies in Europe in terms of output.

Financing

Det norske secured a fully committed and underwritten acquisition loan facility for the full cash consideration. This facility was provided by BNP PARIBAS, DNB, Nordea and SEB. On July 8, 2014 the Company signed a reserve-based lending facility (“RBL Facility”), fully underwritten by the same banks. 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. This long-term facility will replace the USD 2.2 billion acquisition loan facility upon closing of the Marathon Oil Norway acquisition and refinance Det norske's current revolving credit facility.

As an integral component of the long-term financing plan, the company will strengthen its equity base by issuing the NOK equivalent of USD 500 million in new equity through a rights issue.The company’s largest shareholder Aker Capital AS has pre-committed to subscribe for its 49.99% pro rata share of such rights issue. The remaining 50.01% is fully underwritten by a consortium of banks. With this equity issue, the company has secured the financing of its current work program until first production from the Johan Sverdrup field.

The acquisition of Marathon Norway will increase Det norske’s financial robustness and its ability to absorb the impact of any changes in future capital spend. This will improve the company’s credit profile and reduce the cost of capital.

Set for further growth

After the acquisition Det norske will have more than 450 employees. No redundancies are expected as a result of the transaction given the breadth of opportunities across the growing organisation

The completion of the transaction is subject to approval by the relevant Norwegian and European Union authorities.

Report for the first half 2014

	30 June 2014	30 June 2013
Oil and gas production (barrels)	506,045	684,422
Oil price achieved (USD/barrel)	107.7	103.7
Operating revenues (MNOK)	612	366
Exploration expenses (MNOK)	233	504
Operating profit/loss (MNOK)	-149	-527
Profit/loss for the period (MNOK)	151	-62
Total exploration expenditure (profit & loss and balance sheet)	455	679
No of licenses (operatorships)	74 (27)	70 (42)

During the first six months, the company's operating revenues amounted to NOK 612 (366) million. Total production from the company's producing assets amounted to 506,045 (684,422) barrels. The realised oil price was USD 107.7 (103.7) per barrel. The operating loss for the first half of 2014 was NOK 149 (-527) million, mainly caused by exploration expenses, depreciation and impairments.

In accordance with the company's accounting principles, the cost of drilling the dry wells is charged to income, while the costs of drilling wells that encounter hydrocarbons are capitalised, pending a final evaluation of their commercial viability. The company expensed a total of NOK 103 (283) million in connection with the drilling of dry wells in the first half of 2014, while NOK 1,654 (2,340) million was capitalised in the balance sheet as of 30 June 2014.

Det norske participated in four wildcat exploration wells that was completed during the first six months of 2014, namely Trell in PL102F, Langlitinden in PL659, Gotama in PL550 and Terne in PL558. Trell was a small discovery, while Langlitinden was deemed uncommercial. Gotama and Terne were both classified as dry.

In addition, drilling commenced at the Gohta-2 appraisal well in the Barents Sea and at the Garantiana-2 well in the North Sea during the second quarter and is still ongoing.

Det norske was awarded six new licenses in the APA 2013 (Awards in Predefined Areas), of which two as operator. All licenses were located in the North Sea.

The Ivar Aasen project had good progression during the first half of 2014. First steel cutting for the living quarters commenced at Apply Leirvik in March. At the end of the second quarter, the unitisation negotiations between the licencees in PL001B, PL242, PL457 and PL338 was completed. Det norske is operator of the Ivar Aasen development with 34.7862 percent working interest in the unit. Gross 2P reserves from the development were increased 35 percent to 210 mmboe from the inclusion of volumes from PL457 and PL338, as well as positive results from well 16/1-16 in PL457 and ocean-bed seismic (OBS) processed in conjunction with an updated drainage strategy submitted to the Ministry of Petroleum and Energy on June 30, 2014.

At the Johan Sverdrup field, Statoil communicated at DG2 in February 2014 expected full field production capacity in the range 550,000 to 650,000 barrels of oil equivalents pr. day. Production capacity for phase 1 is expected to be between 315,000 to 375,000 barrels of oil equivalents pr. day. Gross field recoverable contingent resources are between 1,800 and 2,900 million barrels oil equivalents. Total investments for the first phase are estimated to be between NOK 100 and 120 billion, including contingencies and provisions for market adjustments. Phase 1 has capacity to produce more than 70% of the total Johan Sverdrup field resources.

The acquisition of Marathon Oil Norway was announced in June 2014. Following the acquisition, the Company will be transformed to a strong Norwegian E&P player with significant production on the NCS. Together with Det norske's development projects, the acquired assets provide a diversified and balanced asset base and creates a strong platform for future organic growth. After the transaction, Det norske will have 202 million barrels of oil equivalent (boe) of 2P reserves. The plan for development and operation for Johan Sverdrup, scheduled for submission in February 2015, will further increase reserves significantly.

Risk and uncertainty

Investment in Det norske involves risks and uncertainties as described in the company's annual report for 2013.

As an oil and gas company exploring on the Norwegian Continental Shelf, exploration results, reserve and resource estimates and capex estimates are associated with uncertainty. The fields' production performance may be uncertain over time.

The company is exposed to various forms of financial risks, including, but not limited to, fluctuation in oil prices, exchange rates, interest rates and capital requirements; these are described in the company's annual report and accounts, and in note 29 to the accounts for 2013. The company is also exposed to uncertainties relating to the international capital markets and access to capital and this may influence the speed with which development projects can be accomplished. As of 30 June 2014, Det norske has not entered into any contracts or derivatives that hedge against oil price fluctuations, but some currency forward contracts and interest swap agreements have been established.

There are several risks relating to the implementation of the Marathon acquisition. These risks can relate to successful integration of Marathon Norway's business, the Company's ability to transfer contracts currently held by Marathon Norway or transfer these on the same terms, the potential loss of key Marathon employees. Moreover, the Company may fail to successfully implement synergies from consolidated tax positions or may discover contingent or other liabilities within Marathon Norway. Other business after the Marathon acquisition involve risks of unexpected shutdowns that can occur at the Alvheim FPSO as well as risks relating to capacity booking for transport of gas.

Events after the quarter

On July 3, 2014 the Extraordinary General Meeting resolved to raise the NOK equivalent of USD 500 million in new equity through a rights issue. A prospectus was approved by the Norwegian Financial Supervisory Authority (Finanstilsynet) on July 9, 2014. Through the rights issue, the company will issue 61,911,239 new shares at NOK 48,50 per share. Total shares in the Company after the issue will be 202,618,602. Each shareholder was granted 11 subscription rights for every 25 shares in the Company. The subscription period is scheduled to end on July 29, 2014. Payment for the shares is expected on August 4, 2014 and delivery of the shares on August 6, 2014. BNP PARIBAS, DNB Markets, J.P. Morgan Securities, Nordea Markets and Skandinaviska Enskilda Banken act as Joint Global Coordinators and Joint Bookrunners for the Rights Issue.

On July 8, 2014 the Company signed an RBL Facility, fully underwritten by BNP Paribas, DNB, Nordea and SEB. 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. This long-term facility will replace the USD 2.2 billion acquisition loan facility upon closing of the Marathon Oil Norway acquisition and refinance Det norske's current revolving credit facility.

The RBL Facility will be on improved terms compared to the Company's current credit facility. The interest will be LIBOR plus a margin of 2.75 percent p.a. plus a utilisation fee of 0.25 percent or 0.5 percent based on the amount drawn under the facility.

In July, Det norske appointed the majority of the new management team in Det norske after the integration with Marathon Oil Norway and effective from the fourth quarter 2014. CEO Karl Johnny Hersvik will lead a team of eleven Executive Vice Presidents, where eight have been appointed:

- Karl Johnny Hersvik (42), Chief Executive Officer
- Gro Gunleiksrud Haatvedt (56), EVP Exploration
- Øyvind Bratsberg (55), EVP Technology and Field Development
- Geir Solli (54), EVP Operations
- Kjetil Ween (38), EVP Drilling and Wells
- Elke Njaa (60), EVP Special Projects

- Alexander Krane (38), Chief Financial Officer
- Kjetil Kristiansen (45), EVP HR
- Leif Gunnar Hestholm (45), EVP HES&Q

Presently vacant (acting leader in brackets):

- EVP Corporate Development (Elke Njaa)
- EVP Projects (Karl Johnny Hersvik)
- EVP Communication (To be announced)

Outlook

The acquisition of Marathon Norway is a transformational transaction for Det norske. Marathon Norway's material portfolio of oil-producing assets, together with Det norske's development projects, provide a diversified and balanced asset base and creates a strong platform for future organic growth. Work to integrate the two organisations is well underway and closing of the transaction is expected in the fourth quarter 2014.

With the new reserve-based lending facility and the ongoing equity issue, the company has secured the financing of its current work program until first production from the Johan Sverdrup field.

Ivar Aasen and Johan Sverdrup are the most important field development projects for Det norske and both projects are progressing according to plan. The unitisation discussions at Johan Sverdrup are ongoing.

Based on current plans, Det norske will participate in around 10 exploration wells through 2014..

STATEMENT OF INCOME (Unaudited)

(All figures in NOK 1,000)	Note	Q2 2014	Q2 2013	01.01 - 30.06 2014	01.01 - 30.06 2013
Petroleum revenues	2	143 227	283 804	298 327	362 513
Other operating revenues	3	310 626	1 822	313 867	3 452
Total operating revenues		**453 853**	**285 626**	**612 195**	**365 965**
Exploration expenses	4	123 492	270 635	233 075	504 374
Production costs		45 301	57 086	88 251	98 598
Payroll and payroll-related expenses	7	4 859	28 515	9 417	30 042
Depreciation	6	82 109	147 844	170 971	182 842
Impairments	5,6		1 700	167 373	1 700
Other operating expenses	7	78 852	56 619	92 157	75 827
Total operating expenses		**334 613**	**562 400**	**761 244**	**893 382**
Operating profit/loss		**119 240**	**-276 773**	**-149 049**	**-527 417**
Interest income	8	9 635	6 217	21 779	13 419
Other financial income	8	17 652	34 581	52 316	55 183
Interest expenses	8	104 374	42 610	191 126	55 358
Other financial expenses	8	68 682	47 103	89 212	94 256
Net financial items		**-145 769**	**-48 915**	**-206 244**	**-81 012**
Profit/loss before taxes		**-26 529**	**-325 688**	**-355 293**	**-608 429**
Taxes (+)/tax income (-)	9	-193 181	-284 200	-506 162	-546 615
Net profit/loss		**166 652**	**-41 488**	**150 869**	**-61 814**
Weighted average no. of shares outstanding		140 707 363	140 707 363	140 707 363	140 707 363
Weighted average no. of shares fully diluted		140 707 363	140 707 363	140 707 363	140 707 363
Earnings/(loss) after tax per share		1,18	-0,29	1,07	-0,44
Earnings/(loss) after tax per share fully diluted		1,18	-0,29	1,07	-0,44

TOTAL COMPREHENSIVE INCOME (Unaudited)

(All figures in NOK 1,000)	Q2 2014	Q2 2013	01.01 - 30.06 2014	01.01 - 30.06 2013
Profit/loss for the period	166 652	-41 488	150 869	-61 814
Total comprehensive income in period	**166 652**	**-41 488**	**150 869**	**-61 814**

STATEMENT OF FINANCIAL POSITION

(All figures in NOK 1,000)	Note	(Unaudited) 30.06.2014	30.06.2013	(Audited) 31.12.2013
ASSETS				
Intangible assets				
Goodwill	6	321 120	387 551	321 120
Capitalised exploration expenditures	6	1 654 163	2 340 490	2 056 100
Other intangible assets	6	973 286	718 305	646 299
Deferred tax asset	9	820 344		630 423
Tangible fixed assets				
Property, plant, and equipment	6	4 104 748	2 650 744	2 657 566
Financial assets				
Long term receivables	12	105 380	89 788	125 432
Calculated tax receivables	9	415 474	575 601	
Other non-current assets	10	288 216	205 756	285 399
Total non-current assets		**8 682 731**	**6 968 236**	**6 722 340**
Inventories				
Inventories		34 284	37 446	40 880
Receivables				
Account receivables	16	10 837	367 027	134 221
Other short term receivables	11	757 967	226 705	499 419
Short-term deposits		24 360	23 875	24 075
Calculated tax receivables	9	1 421 849	1 283 074	1 411 251
Cash and cash equivalents				
Cash and cash equivalents	13	965 962	835 391	1 709 166
Total current assets		**3 215 258**	**2 773 517**	**3 819 011**
TOTAL ASSETS		**11 897 989**	**9 741 754**	**10 541 352**

(All figures in NOK 1,000)	Note	(Unaudited) 30.06.2014	30.06.2013	(Audited) 31.12.2013
EQUITY AND LIABILITIES				
Paid-in capital				
Share capital	14	140 707	140 707	140 707
Share premium		3 089 542	3 089 542	3 089 542
Total paid-in equity		**3 230 249**	**3 230 249**	**3 230 249**
Retained earnings				
Other equity		109 089	444 112	-41 780
Total Equity		**3 339 339**	**3 674 361**	**3 188 470**
Provisions for liabilities				
Pension obligations		44 657	59 531	66 512
Deferred taxes	9		155 374	
Abandonment provision	21	831 755	867 394	828 529
Provisions for other liabilities		522		780
Non current liabilities				
Bonds	19	2 477 296	590 816	2 473 582
Other interest-bearing debt	20	2 470 125	2 147 322	2 036 907
Derivatives	15	51 262	39 666	49 453
Current liabilities				
Short-term loan	17	1 183 537	1 272 562	478 050
Trade creditors		497 352	165 370	452 435
Accrued public charges and indirect taxes		26 911	21 037	23 579
Abandonment provision	21	165 274		147 375
Other current liabilities	18	809 960	748 319	795 680
Total liabilities		**8 558 650**	**6 067 392**	**7 352 882**
TOTAL EQUITY AND LIABILITIES		**11 897 989**	**9 741 754**	**10 541 352**

STATEMENT OF CHANGES IN EQUITY (Unaudited)

			Other equity				
(All figures in NOK 1,000)	Share capital	Share premium	Other paid-in capital	Other com-prehensive income	Retained earnings	Total other equity	Total equity
Equity as of 31.12.2012	**140 707**	**3 089 542**	3 600 107	-2 188	-3 091 994	**505 926**	**3 736 175**
Profit/loss for the period 1.1.2013 - 30.6.2013					-61 814	-61 814	-61 814
Equity as of 30.06.2013	**140 707**	**3 089 542**	3 600 107	-2 188	-3 153 808	**444 112**	**3 674 361**
Profit/loss for the period 1.7.2013 - 31.12.2013				894	-486 785	-485 891	-485 891
Equity as of 31.12.2013	**140 706**	**3 089 542**	3 600 107	-1 294	-3 640 593	**-41 780**	**3 188 470**
Profit/loss for the period 1.1.2014 - 30.06.2014					150 869	150 869	150 869
Equity as of 30.06.2014	**140 707**	**3 089 542**	3 600 107	-1 294	-3 489 724	**109 089**	**3 339 339**

STATEMENT OF CASH FLOW (Unaudited)

(All figures in NOK 1,000)	Note	Q2 2014	Q2 2013	01.01. - 30.06 2014	01.01. - 30.06 2013	Year 2013
Cash flow from operating activities						
Profit/loss before taxes		-26 529	-325 688	-355 293	-608 429	-2 545 327
Taxes paid during the period						-26 585
Tax refund during the period						1 318 430
Depreciation	6	82 109	147 844	170 971	182 842	470 529
Impairment losses	5		1 700	167 373	1 700	666 135
Accretion expenses	21	13 231	10 812	26 151	20 736	42 765
Gain/ loss on swap of licenses, excluding pro&contra	3	-303 622	734	-303 622	734	734
Changes in derivatives	8	3 200	-9 077	817	-6 369	3 174
Amortization of interest expenses and arrangement fee	8	9 824	9 307	19 887	18 598	88 458
Expensed capitalized dry wells	4,6	30 195	119 394	103 214	282 957	1 150 541
Changes in inventories, accounts payable and receivables		401 649	-361 989	174 897	-374 651	141 786
Changes in other current balance sheet items		28 091	113 666	-255 705	-78 258	-394 934
Net cash flow from operating activities		**238 148**	**-293 296**	**-251 309**	**-560 139**	**915 707**
Cash flow from investment activities						
Payment for removal and decommissioning of oil fields	21	-2 320	-11 313	-5 027	-13 370	-36 739
Disbursements on investments in fixed assets	6	-651 027	-297 028	-1 240 638	-758 213	-1 495 709
Disbursements on investments in capitalised exploration expenditures and other intangible assets	6	-308 448	-288 504	-431 340	-524 511	-1 358 941
Sale/farmout of tangible fixed assets and licenses		54 046	1 225	54 628	1 225	86 472
Net cash flow from investment activities		**-907 749**	**-595 620**	**-1 622 377**	**-1 294 868**	**-2 804 917**
Cash flow from financing activities						
Repayment of short-term debt	17					-1 500 000
Repayment of long-term debt	19,20			-290 927		-2 185 102
Proceeds from issuance of long-term debt	19,20	314 494	688 601	721 409	836 217	4 729 297
Proceeds from issuance of short-term debt	17	500 000	300 000	700 000	700 000	1 400 000
Net cash flow from financing activities		**814 494**	**988 601**	**1 130 482**	**1 536 217**	**2 444 195**
Net change in cash and cash equivalents		**144 893**	**99 685**	**-743 204**	**-318 790**	**554 985**
Cash and cash equivalents at start of period	13	821 069	735 706	1 709 166	1 154 182	1 154 182
Cash and cash equivalents at end of period		**965 962**	**835 391**	**965 962**	**835 391**	**1 709 166**
Specification of cash equivalents at end of period:						
Bank deposits, etc.		950 566	823 391	950 566	823 391	1 693 319
Restricted bank deposits		15 396	12 000	15 396	12 000	15 847
Cash and cash equivalents at end of period	13	**965 962**	**835 391**	**965 962**	**835 391**	**1 709 166**

NOTES

(All figures in NOK 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. The quarterly report is unaudited.

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 2013. There are some new and amended standards effective from 1 January 2014, as mentioned in the annual report 2013. These standards are implemented in 2014, but do not have material impact on the Interim Financial Statements.

Note 2 Petroleum revenues

	Q2		01.01. - 30.06	
Breakdown of revenues:	**2014**	**2013**	**2014**	**2013**
Recognized income oil	142 080	237 323	270 621	284 621
Recognized income gas	-4 550	39 315	17 341	65 130
Tariff income	5 697	7 167	10 365	12 762
Total petroleum revenues	**143 227**	**283 804**	**298 327**	**362 513**
Breakdown of produced volumes (barrel of oil equivalents):				
Oil	207 380	383 813	403 140	469 154
Gas	38 095	126 970	102 905	215 268
Total produced volumes	**245 475**	**510 783**	**506 045**	**684 422**

Note 3 Other operating revenues

	Q2		01.01. - 30.06	
	2014	**2013**	**2014**	**2013**
Other operating revenues	310 626	1 822	313 867	3 452

During June, Det norske entered into two licence swaps which increase the company's share in the Ivar Aasen unit. In accordance with accounting principles, swaps of assets are calculated at fair value, unless the transaction lacks commercial substance or can be reliably measured. In this swap, fair value has been calculated on the assets received, applying an income approach and present value technique to determine fair value.

Total gain related to the swaps including 40% share in PL 457 is calculated to NOK 309 million.

Note 4 Exploration expenses

	Q2		01.01. - 30.06	
Breakdown of exploration expenses:	**2014**	**2013**	**2014**	**2013**
Seismic, well data, field studies, other exploration costs	48 159	68 137	65 963	128 482
Recharged rig costs	-19 302	-25 824	-66 348	-64 242
Exploration expenses from license participation incl. seismic	38 525	27 550	76 382	65 535
Expensed capitalized wells previous years	7 993	82 812	21 427	96 805
Expensed capitalized wells this year	22 202	36 583	81 787	186 153
Payroll and other operating expenses classified as exploration	21 315	75 000	44 674	83 000
Exploration-related research and development costs	4 600	6 378	9 190	8 641
Total exploration expenses	**123 492**	**270 636**	**233 075**	**504 374**

Note 5 Impairments

The company has experienced lower production than forecast on the Jette field, which led to reassessment and reduction of the reserves. Consequently, Det norske has performed an impairment assessment and has recorded an impairment charge in the first quarter of NOK 167 million before tax. The net after tax effect of this charge is NOK 36 million. The impairment is entirely related to tangible fixed assets.

For producing licences and licences in the development phase, recoverable amount is estimated based on discounted future after tax cash flows. Future cash flows are calculated on the basis of expected production profiles and estimated proved and probable remaining reserves. The following assumptions have been applied:

* discount rate of 8.2 percent nominal after tax
* a long term inflation of 2.5 percent
* a long term exchange rate of NOK/USD 6.00
* oil prices are based on forward curve

	Q2		01.01. - 30.06	
Reconciliation of impairment in the income statement:	**2014**	**2013**	**2014**	**2013**
Impairment of other intangible assets/licence rights		1 700		1 700
Impariment of tangible assets			167 373	
Total impairment		**1 700**	**167 373**	**1 700**

Note 6 Tangible assets and intangible assets

Tangible fixed assets	Fields under development *	Production facilities including wells	Fixtures and fittings, office machinery	Total
Book value 31.12.2013	**1 647 173**	**947 956**	**62 437**	**2 657 566**
Acquisition cost 31.12.2013	**1 647 173**	**4 399 452**	**156 375**	**6 203 000**
Additions	567 662	9 635	12 314	589 611
Reclassification	542 047			542 047
Acquisition cost 31.03.2014	2 756 883	4 409 086	168 689	7 334 659
Accumulated depreciation and impairments 31.03.2014		3 532 702	98 299	3 631 002
Book value 31.03.2014	**2 756 883**	**876 385**	**70 390**	**3 703 657**
Acquisition cost 31.03.2014	**2 756 883**	**4 409 086**	**168 689**	**7 334 658**
Additions	640 911	1 402	8 714	651 027
Disposals			1 699	1 699
Acquisition cost 30.06.2014	3 397 794	4 410 488	175 705	7 983 986
Accumulated depreciation and impairments 30.06.2014		3 776 770	102 469	3 879 239
Book value 30.06.2014	**3 397 794**	**633 718**	**73 236**	**4 104 748**
Depreciation Q2 2014		76 695	4 170	80 865
Depreciation 01.01 - 30.06.2014		157 901	8 531	166 432
Impairments Q2 2014				
Impairments 01.01 - 30.06.2014		167 373		167 373

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 decommisioning costs are included as "Production facilities".

*The Johan Sverdrup Field entered into the development phase during the first quarter 2014. All costs relating to the development are thus recognised as tangible assets, and previously capitalised exploration expenditures have been reclassified accordingly from intangible assets.

Subsequent to the unitization and the swaps including PL 457 (refer to note 3), the company`s share in the Ivar Aasen unit is 34.78%. The accounting of the unitization is based on historical cost rather than fair value. The accounting impacts of the unitization is presented as an addition in the fixed asset overview above.

	Other intangible assets				
Intangible assets	Licences etc.**	Software	Total	Exploration exp *	Goodwill
Book value 31.12.2013	**641 616**	**4 683**	**646 299**	**2 056 100**	**321 120**
Acquisition cost 31.12.2013	**902 705**	**48 097**	**950 801**	**2 056 100**	**465 652**
Additions		46	46	114 896	
Disposals/Expensed dry wells				73 601	
Reclassification				-542 047	
Acquisition cost 31.03.2014	902 705	48 143	950 848	1 555 349	465 652
Acc. depreciation and impairments 31.03.2014	263 821	43 977	307 798		144 532
Book value 31.03.2014	**638 884**	**4 166**	**643 050**	**1 555 349**	**321 120**
Acquisition cost 31.03.2014	**902 705**	**48 143**	**950 848**	**1 555 349**	**465 652**
Additions	331 445	35	331 479	261 646	
Disposals/Expensed dry wells				162 832	
Acquisition cost 30.06.2014	1 234 150	48 178	1 282 328	1 654 163	465 652
Acc. depreciation and impairments 30.06.2014	264 815	44 227	309 042		144 532
Book value 30.06.2014	**969 335**	**3 951**	**973 286**	**1 654 163**	**321 120**
Depreciation Q2 2014	994	250	1 243		
Depreciation 01.01 - 30.06.2014	3 726	813	4 539		

	Q2		01.01.-30.06	
Reconciliation of depreciation in the income statement:	**2014**	**2013**	**2014**	**2013**
Depreciation of tangible fixed assets	80 865	141 657	166 432	171 475
Depreciation of intangible assets	1 243	6 187	4 539	11 366
Total depreciation in the income statement	**82 109**	**147 844**	**170 971**	**182 842**

**The main addition of licences is related to the swaps performed in 2Q 2014, as described in note 3.
The Ivar Aasen-field has an obligation related to investments to enable the Edvard Grieg facilites to receive fluids from the Ivar Aasen field. These processing rights are considered as an "Intangible asset" and included with NOK 106.1 million as of 30.06.2014.

Note 7 Payroll and other operating expenses

	Q2		01.01. - 30.06	
Breakdown of payroll expenses:	**2014**	**2013**	**2014**	**2013**
Gross payroll expenses	135 859	123 015	263 417	230 542
Share of payroll expenses classified as exploration, development or production expenses, and expenses invoiced to licences	-131 000	-94 500	-254 000	-200 500
Net payroll expenses	**4 859**	**28 515**	**9 417**	**30 042**

	Q2		01.01. - 30.06	
Breakdown of other operating expenses:	**2014**	**2013**	**2014**	**2013**
Gross other operating expenses	141 163	83 898	226 649	157 196
Share of other operating expenses classified as exploration, development or production expenses, and expenses invoiced to licences	-62 311	-27 279	-134 492	-81 369
Net other operating expenses	**78 852**	**56 619**	**92 157**	**75 827**

Note 8 Financial items

	Q2		01.01. - 30.06	
	2014	**2013**	**2014**	**2013**
Interest income	**9 635**	**6 217**	**21 779**	**13 419**
Return on financial investments		250	300	738
Currency gains	17 652	25 254	49 633	45 368
Fair value of derivatives		9 077	2 383	9 077
Total other financial income	**17 652**	**34 581**	**52 316**	**55 183**
Interest expenses	146 750	66 338	251 871	124 233
Capitalized interest cost development projects	-52 200	-33 035	-80 632	-87 474
Amortized loan costs and accreation expence	9 824	9 307	19 887	18 598
Total interest expenses	**104 374**	**42 610**	**191 126**	**55 358**
Currency losses	56 433	43 784	73 280	85 238
Realised loss on derivatives	9 034	3 320	12 718	9 018
Fair value of derivatives	3 200		3 200	
Decline in value of financial investments	15		15	
Total other financial expenses	**68 682**	**47 103**	**89 212**	**94 256**
Net financial items	**-145 769**	**-48 915**	**-206 244**	**-81 012**

Note 9 Taxes

	Q2		01.01. - 30.06	
Taxes for the period appear as follows:	**2014**	**2013**	**2014**	**2013**
Calculated current year exploration tax refund	-267 470	-314 462	-415 474	-575 601
Change in deferred taxes	-2 330	30 262	-159 539	28 164
Tax entered directly against statement of income	11 516		11 516	
Prior period adjustments	1 307		-6 461	822
Deferred tax related to disposal of licences	63 796		63 796	
Total taxes (+) / tax income (-)	**-193 181**	**-284 200**	**-506 162**	**-546 615**

A full tax calculation has been carried out in accordance with the accounting principles described in the annual report for 2013. The calculated exploration tax receivable as result of exploration activities in 2014 is recognised as a long-term item in the balance sheet. The tax refund for this item is expected to be paid in December 2015. The calculated exploration tax receivable as result of exploration activities in 2013 is recognised as a current asset in the balance sheet. The exploration tax refund for this item is expected to be paid in December 2014.

Calculated tax receivables	**30.06.2014**	**30.06.2013**	**31.12.2013**
Tax receivables included as non-current assets	415 474	575 601	
Tax receivables included as current assets	1 421 849	1 283 074	1 411 251

Deferred taxes/deferred tax asset:	**30.06.2014**	**30.06.2013**	**31.12.2013**
Deferred taxes/deferred tax asset 1.1.	630 423	-126 604	-126 604
Change in deferred taxes	183 461	-28 164	567 368
Prior period adjustments	6 461	-606	
Deferred tax related to impairment and disposal of licenses			192 830
Deferred tax recorded towards OCI			-3 170
Total deferred tax (-) or deferred tax asset (+)	**820 344**	**-155 374**	**630 423**

Tax effect of tax losses carryforward:	**Applied tax rate**	**30.06.2014**	**30.06.2013**	**31.12.2013**
Tax losses carryforward	27 %	-633 449	-381 428	-479 558
Tax losses carryforward	51 %	-1 271 075	-737 211	-939 713

Temporary differences of tax losses carryforward are incuded in the deferred taxes/deferred tax assets.

Reconciliation of tax income	Q2 2014	Q2 2013	01.01. - 30.06 2014	01.01. - 30.06 2013
27% company tax on result before tax	-7 163	-91 193	-95 929	-170 360
51% special tax on result before tax	-13 530	-162 844	-181 199	-304 215
Tax effect of financial items - 27% only	60 635	9 994	81 476	9 737
Tax effect on uplift	-53 690	-36 098	-115 880	-67 123
Interest of tax losses carryforward	-7 818	-4 310	-14 161	-8 327
Permanent differances - gain on swap of licences (see note 3)	-236 525		-236 525	
Transaction costs	52 200		52 200	
Other items (other permanent differences and previous period adjustment)	12 710	251	3 856	-6 327
Total tax income	**-193 181**	**-284 200**	**-506 162**	**-546 615**

Note 10 Other non-current assets

	30.06.2014	30.06.2013	31.12.2013
Shares in Sandvika Fjellstue AS	12 000	12 000	12 000
Debt service reserve	263 263	181 063	260 446
Tenancy deposit	12 954	12 694	12 954
Total other non-current assets	**288 216**	**205 756**	**285 399**

Note 11 Other short-term receivables

	30.06.2014	30.06.2013	31.12.2013
Receivables related to deferred volume at Atla *	26 345		3 103
Pre-payments, including rigs	222 918	59 221	146 977
VAT receivable	10 288	8 940	11 444
Underlift	101 964	10 238	18 611
Other receivables, including operator licences	396 452	148 306	319 283
Total other short-term receivables	**757 967**	**226 705**	**499 419**

* For information about receivables related to deferred volume at Atla, see Note 12.

Note 12 Long term receivables

	30.06.2014	30.06.2013	31.12.2013
Receivables related to deferred volume at Atla	105 380	89 788	125 432
Total long term receivables	**105 380**	**89 788**	**125 432**

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 has stalled the production from the neighbouring field Skirne. This is expected to continue throughout 2014. Income is recognised based on physical production volumes measured at market value. This deferred compensation is recorded as either long term or short term receivables, depending on when the income will occur, see Note 11.

Note 13 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:	30.06.2014	30.06.2013	31.12.2013
Cash	5	5	5
Bank deposits	950 561	823 386	1 693 314
Restricted funds (tax withholdings)	15 396	12 000	15 847
Short-term placements	**965 962**	**835 391**	**1 709 166**
Unused exploration facility loan	513 304	433 214	815 991
Unused revolving credit facility	3 583 904	845 027	3 945 286

Note 14 Share capital

	30.06.2014	30.06.2013	31.12.2013
Share capital	140 707	140 707	140 707
Total number of shares (in 1.000)	140 707	140 707	140 707
Nominal value per share in NOK	1.00	1.00	1.00

Note 15 Derivatives

	30.06.2014	30.06.2013	31.12.2013
Unrealized losses interest rate swaps	51 262	39 666	49 453
Total derivatives	**51 262**	**39 666**	**49 453**

The company has entered into three interest rate swaps. The purpose is to swap floating rate loans to fixed rate loans. These rate swaps are market to market and with changes in market value recognized in the Statement of income.

Note 16 Accounts receivables

	30.06.2014	30.06.2013	31.12.2013
Receivables related to sale of petroleum	1 757	319 538	70 885
Receivables related to licence transaction	3 330		1 284
Invoicing related to expense refunds including rigs	5 749	47 489	62 052
Total account receivable	**10 837**	**367 027**	**134 221**

Note 17 Short-term loans

	30.06.2014	30.06.2013	31.12.2013
Exploration facility	1 183 537	1 272 562	478 050
Total short-term loans	**1 183 537**	**1 272 562**	**478 050**

The current facility of NOK 3,500 million was established in December 2012 and the company can draw on the facility until 31 December 2015 with a final date for repayment in December 2016. The maximum utilization including interest is limited to 95 percent of tax refund related to exploration expenses. The lender have security in the company's tax receivable. The calculated exploration tax receivable as result of exploration activities in 2013 is expected to be paid in December 2014, and will be used to repay this loan. See Note 9.

The interest rate is three months' NIBOR plus a margin of 1.75 percent, with a utilization fee of 0.25 percent on outstanding loan up to NOK 2,750 million and 0.5 percent if the utilized credit exceeds NOK 2,750 million. In addition a commitment fee of 0.7 percent is also paid on unused credit.

For information about the unused part of the credit facility for exploration purposes, see Note 13 - "Cash and cash equivalents".

Note 18 Other current liabilities

	30.06.2014	30.06.2013	31.12.2013
Current liabilities related to overcall in licences	-17 602	24 915	202 037
Share of other current liabilities in licences	450 434	362 777	310 673
Overlift of petroleum	1 501	93 367	9 588
Other current liabilities	375 627	267 260	273 382
Total other current liabilities	**809 960**	**748 319**	**795 680**

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

Note 19 Bond

	30.06.2014	30.06.2013	31.12.2013
Principal, bond Norsk Tillitsmann [1)]	594 392	590 816	592 304
Principal, bond Norsk Tillitsmann [2)]	1 882 904		1 881 278
Total bond	**2 477 296**	**590 816**	**2 473 582**

[1)]The loan runs from 28 Januar 2011 to 28 January 2016 and carries an interest rate of 3 month NIBOR + 6.75 percent. The principal falls due on 28 January 2016 and interest is paid on a quarterly basis. The loan is unsecured.

[2)]The loan runs from July 2013 to July 2020 and carries an interest rate of 3 month NIBOR + 5 percent. The principal falls due on July 2020 and interest is paid on a quarterly basis. The loan is unsecured.

Note 20 Other interest-bearing debt

	30.06.2014	30.06.2013	31.12.2013
Revolving credit facility	2 400 043	2 112 060	1 992 055
Unrealized currency	70 082	35 262	44 852
Total other interest-bearing debt	**2 470 125**	**2 147 322**	**2 036 907**

In September 2013, the company entered into a USD 1 billion revolving credit facility with a group of nordic and international banks. The revolving credit facility can be increased with USD 1 billion on certain future conditions. The company can draw on the facility until September 2018 with a final date for repayment as of September 2018. The facility replaced the company's USD 500 million tranche which originally matured on 31 December 2015.

The interest rate on the revolving credit facility is from 1 - 6 months NIBOR/LIBOR pluss a margin of 3 percent, with a utilization fee of 0.5 percent or 0.75 percent based on the amount drawn under the facility. In addition a commitment fee of 1.20 percent is paid on unused credit.

Note 21 Provision for abandonment liabilities

	30.06.2014	30.06.2013	31.12.2013
Provisions as of 1 January	975 904	798 057	798 057
Incurred cost removal	-5 027	-13 370	-36 739
Accreation expense - present value calculation	26 151	20 736	42 765
Change in estimates and incurred liabilities on new fields		61 970	171 822
Total provision for abandonment liabilities	**997 028**	**867 394**	**975 904**
Breakdown of the provision to short- and long-term liabilities			
Short term	165 274		147 375
Long term	831 755	867 394	828 529
Total provision for abandonment liabilities	**997 028**	**867 394**	**975 904**

The company's removal and decommissioning liabilities relate to the fields Jette, Glitne, Varg, Atla, Enoch, and Jotun. Time of removal is expected to be in 2018 for Jette, 2014-2016 for Glitne, 2016-2018 for Varg, 2018-2020 for Atla, 2017 for Enoch and in 2018-2021 for Jotun.

The estimate is based on executing a concept for removal in accordance with the Petroleum Activities Act and international regulations and guidelines.

Note 22 Uncertain commitments

During the second quarter 2012, the company announced that it had received a notice of reassessment from the Norwegian Oil Taxation Office (OTO) in respect of 2009 and 2010. Subsequently the notice has been extended to include 2011 and 2012. At the end of the third quarter 2012, the company responded to the notice of reassessment by submitting detailed comments.

During the normal course of its business, the company will be involved in disputes. The company provides accruals in its financial statements for probable liabilities related to litigation and claims based on the company's best judgement. Det norske does not expect that the financial position, results of operations or cash flows will be materially affected by the resolution of these disputes.

Note 23 Subsequent events

Det norske oljeselskap ASA (DETNOR) has signed a reserve-based lending facility (RBL Facility), fully underwritten by BNP Paribas, DNB, Nordea and SEB. 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. This long-term facility will replace the USD 2.2 billion acquisition bridge facility upon closing of the Marathon Oil Norway acquisition and refinance Det norske's current revolving credit facility.

The Extraordinary General Meeting resolved the proposed NOK 3 billion rights issue of 61,911,239 new shares at NOK 48,50 per share.

For further information regarding the above matters, reference is made to notices published on the Oslo Stock Exchange.

Note 24 Investments in jointly controlled assets

License - partner-operated:	30.06.2014	31.12.2013
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 %	0,0 %
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 332 *	0,0 %	40,0 %
PL 362	15,0 %	15,0 %
PL 438	10,0 %	10,0 %
PL 442	20,0 %	20,0 %
PL 453S*	0,0 %	25,0 %
PL 492	40,0 %	40,0 %
PL 502	22,2 %	22,2 %
PL 522	10,0 %	10,0 %
PL 531*	0,0 %	10,0 %
PL 533	20,0 %	20,0 %
PL 535	10,0 %	10,0 %
PL 535B	10,0 %	10,0 %
PL 550	10,0 %	10,0 %
PL 551	20,0 %	20,0 %
PL 554	20,0 %	20,0 %
PL 554B	20,0 %	20,0 %
PL 554C **	20,0 %	0,0 %
PL 558	20,0 %	20,0 %
PL 563*	0,0 %	30,0 %
PL 567	40,0 %	40,0 %
PL 568	20,0 %	20,0 %
PL 571	40,0 %	40,0 %
PL 574	10,0 %	10,0 %
PL 613	35,0 %	35,0 %
PL 619	30,0 %	30,0 %
PL 627	20,0 %	20,0 %
PL 667	30,0 %	30,0 %
PL 672	25,0 %	25,0 %
PL 676S	20,0 %	20,0 %
PL 678BS **	25,0 %	0,0 %
PL 678S	25,0 %	25,0 %
PL 681	16,0 %	16,0 %
PL 706	20,0 %	20,0 %
PL 730 **	30,0 %	0,0 %
Number	47	47

Licence - operatorships:	30.06.2014	31.12.2013
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 103B	70,0 %	70,0 %
PL 169C	50,0 %	50,0 %
PL 242	35,0 %	35,0 %
PL 364	50,0 %	50,0 %
PL 414 *	0,0 %	40,0 %
PL 414B *	0,0 %	40,0 %
PL 450 *	0,0 %	80,0 %
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 497 *	0,0 %	35,0 %
PL 497B *	0,0 %	35,0 %
PL 504	47,6 %	47,6 %
PL 504BS	83,6 %	83,6 %
PL 504CS	21,8 %	21,8 %
PL 512 *	0,0 %	30,0 %
PL 542 *	0,0 %	45,0 %
PL 542B *	0,0 %	45,0 %
PL 549S	35,0 %	35,0 %
PL 553	40,0 %	40,0 %
PL 573S	35,0 %	35,0 %
PL 626	50,0 %	50,0 %
PL 659 ***	20,0 %	30,0 %
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 %	0,0 %
PL 748**	40,0 %	0,0 %
Number	27	33

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

** Interest awarded in APA-round (Application in Predefined Areas) in 2013. Offers were announced in 2014.

*** Aqcuired/changed through licence transaction or licence is split.

Note 25 Results from previous interim reports

	2014		2013				2012		
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Total operating revenues	453 853	158 342	254 353	323 563	285 626	80 339	116 797	49 014	69 603
Exploration expenses	123 492	109 582	544 400	588 289	270 635	233 738	194 924	402 635	417 140
Production costs	45 301	42 949	97 602	53 419	57 086	41 512	74 027	45 515	46 154
Payroll and payroll-related expenses	4 859	4 559	3 854	4 129	28 515	1 527	267	1 280	703
Depreciation	82 109	88 863	124 021	163 666	147 844	34 997	56 505	15 056	19 780
Impairments		167 373	657 597	6 837	1 700		127 155	1 880 953	140 669
Other operating expenses	78 852	13 305	8 811	25 247	56 619	19 208	21 995	21 140	16 050
Total operating expenses	**334 613**	**426 631**	**1 436 285**	**841 588**	**562 400**	**330 983**	**474 873**	**2 366 579**	**640 497**
Operating profit/loss	**119 240**	**-268 289**	**-1 181 933**	**-518 025**	**-276 773**	**-250 644**	**-358 076**	**-2 317 565**	**-570 894**
Net financial items	-145 769	-60 475	-105 851	-131 089	-48 915	-32 097	-13 763	-45 784	-23 065
Profit/loss before taxes	**-26 529**	**-328 764**	**-1 287 784**	**-649 114**	**-325 688**	**-282 741**	**-371 839**	**-2 363 349**	**-593 959**
Taxes (+)/tax income (-)	-193 181	-312 981	-959 137	-490 975	-284 200	-262 415	-324 575	-1 774 462	-376 558
Net profit/loss	**166 652**	**-15 783**	**-328 647**	**-158 139**	**-41 488**	**-20 326**	**-47 264**	**-588 887**	**-217 401**

Statement by the Board of Directors and Chief Executive Officer

Pursuant to the Norwegian Securities Trading Act section § 5-5 with pertaining regulations, we hereby confirm that, to the best of our knowledge, the company's interim financial statements for the period 1 January to 30 June 2014 have been prepared in accordance with IFRS, as provided for by the EU, and in accordance with the requirements for additional information provided for by the Norwegian Accounting Act. The information presented in the financial statements gives a true and fair picture of the company's liabilities, financial position and results overall.

To the best of our knowledge, the Board of Directors' half-yearly report together with the yearly report, gives a true and fair picture of the development, performance and financial position of the company, and includes a description of the principal risk and uncertainty factors facing the company.

The Board of Directors of Det norske oljeselskap ASA
Oslo, 16 July 2014

Sverre Skogen, Chair of the Board

Anne Marie Cannon, Deputy Chair

Tom Røtjer, Board member

Kjell Inge Røkke, Board member

Gro Gauthun Kielland, Board member

Kitty Hall, Board member

Inge Sundet, Board member

Jørgen C. Arentz Rostrup, Board member

Kristin Gjertsen, Board member

Gudmund Evju, Board member

Karl Johnny Hersvik, Chief executive officer

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