DETNORSKE

Report Q4 2009

Trondheim, 19 February 2010

DETNORSKE

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The fourth quarter of 2009 saw the merger of Det norske oljeselskap ASA and Aker Exploration ASA. The merger creates a dynamic oil company with a broader and more balanced licence portfolio on the Norwegian continental shelf. The licence portfolio provides a good basis for growth in the years ahead.

Important events in the 4th quarter

- Det norske oljeselskap ASA merged with Aker Exploration ASA on 22 December 2009. The merger created a company with 67 production licences, including 34 operatorships.
- Operator Statoil, discovered oil in the East Frigg Delta prospect in PL 442. Following this discovery the resource estimate is increased to between 60 and 190 million barrels of oil. Det norske has a 20% interest in PL 442.
- Production from the Varg field in PL 038 increased to 26,800 barrels a day in December after successful start-up of a new production well. The field is expected to produce around 18,000 bpd in 2010. Det norske has a 5% interest in PL 038.
- Drilling of the Geitfjellet prospect in PL 321 using the rig Aker Barents was completed in the fourth quarter, without discovering hydrocarbons. Det norske also drilled a dry exploration well in Skardkollen in PL 408, using the rig Bredford Dolphin.
- Det norske drilled the Jetta prospect in PL 027D for ExxonMobil, the licence operator. One small oil discovery was made. Det norske is in charge of work on behalf of PL 027D, PL 169C and PL 504 to evaluate the potential commerciality of the discovery, possibly in combination with other prospects in the area.
- The loss for the period was MNOK 379.3 (compared with a profit of MNOK 235.6 during the same period last year). The company’s cash position was MNOK 1,574.3 (1,468.3) at the end of the quarter.

Key figures

	Q4 2009	Q3 2009	Q2 2009	Q1 2009	Q4 2008	2009	2008
Oil and gas production (barrels)	179,542	155,035	162,576	176,450	195,799	673,603	661,732
Oil price achieved (USD/barrel)	73.4	67.0	58.8	42.9	45.8	59.7	87.6
Operating revenues (MNOK)	73.7	67.4	66.8	57.1	363.9	265.0	635.1
Exploration expenses (MNOK)	393.0	334.5	416.1	65.2	238.6	1,208.7	544.5
Operating profit/loss (MNOK)	-626.2	-330.2	-410.6	-68.5	-361.4	-1,435.5	-572.0
Profit/loss for the period (MNOK)	-379.3	-71.6	-77.1	7.3	235.6	-520.7	225.5
No of employees	176	146	140	135	127		
No of licences (operatorship)	67(34)	52(28)	51(28)	48(27)	42(23)		

Production

Barrels of o.e. per day	Share in production	Q4 2009	Q3 2009	Q2 2009	Q1 2009	Q4 2008	2009	2008
PL 038 Varg	5 %	874.2	595.6	619.9	669.6	737.0	690.1	611.1
PL 048B Glitne	10 %	587.3	566.7	629.0	694.2	745.3	618.9	866.0
PL 048D Enoch	2 %	129.4	130.7	104.3	138.0	142.6	125.6	124.0
PL 103B Jotun Unit	7 %	360.6	392.1	433.4	458.7	503.3	410.9	494.3
Total production		1,951.5	1,685.2	1,786.5	1,960.6	2,128.2	1,845.5	1,808.0

o.e. = oil equivalents

Production licences

Det norske's fourth quarter production amounted to 179,542 barrels of oil equivalents (boe), compared with 195,799 boe during the same period last year. This works out at an average of 1,951.5 (2,128.2) barrels per day. The oil was sold at an average price of USD 73.4 (45.8) per barrel.

Based on today's oil prices, all fields generate a positive cash flow.

PL 038 Varg

The drilling of production well A-10A led to positive results. Production from Varg was doubled in December and Det norske had a net production from the field of 1,341 bpd in December.

PL 048B Glitne

The planned shutdown of the Glitne field has been postponed until February 2011, at the earliest. The partnership has decided to drill a new well during the summer of 2010, which could extend the field's life by two or three years.

PL 048D Enoch

The production from Enoch has been as expected in the fourth quarter.

PL 103B and Jotun Unit

Production from Jotun has been regular and stable throughout the period, with the exception of a few days' production loss in November.

Health, safety and the environment

Det norske had two rigs in operation during the fourth quarter. Det norske was operator for the first drilling assignment for the newly built Aker Barents rig. Some undesirable incidents have been registered. Together with Aker Drilling, Det norske has implemented a number of measures to improve the HSE standards on board the rig.

Shallow gas was discovered during the drilling of Skardkollen, using Bredford Dolphin. Plans had been prepared in case this happened, and the shallow gas was handled in a safe and satisfactory manner.

Development projects

PL 364 Frøy and nearby licences

Det norske and its partner Premier Oil, have through 2009 worked to reduce the costs related to a development of Frøy. The companies are aiming to submit the Plan for development and operation (PDO) in 2010. Det norske has initiated several study projects with subcontractors.

PL 001B – PL 028B Draupne Hanz

Work is in progress to mature the basis for selecting a development concept for Draupne and Hanz. The evaluations confirm the resource estimates used as basis for the declaration of commerciality in April 2009. An appraisal well on Draupne is planned for the first quarter 2010. Results from this well will be important in connection with further work.

Discoveries

PL 442 East Frigg Gamma Delta

The discovery of oil in East Frigg Delta through well 25/2-17 is being evaluated by the operator Statoil. According to the preliminary estimates, well 25/2-17 proved resources of between 19 and 35 million barrels of oil. The operator believes that the licence as a whole could contain between 60 and 190 million barrels of oil. Det norske has a 20% interest in PL 442.

PL 038D Grevling
Operator Talisman and partners collaborate closely on evaluating the Grevling discovery, both in terms of production properties and development concept. The drilling of an appraisal well is planned for the second quarter of 2010. A provisional project sanction is expected in the third quarter of 2010.

PL 265 – Ragnarrock
Further drilling in this licence has been postponed to 2011. The most relevant drilling targets are an appraisal well in the bedrock reservoir or an exploration well in the Skårasalen prospect.

PL 029B – Ermintrude and Freke
In mid-November, the operatorship in PL 029B was transferred from ExxonMobil to Statoil. The licence contains some of the resources in the Dagny- and Ermintrude discoveries, where the partners have supported a declaration of commerciality.

PL 362/035B – Fulla
The operator Statoil is about to complete the evaluation of the gas and condensate discovery in Fulla (wells 30/11-7 and 30/11-7A). The process to commercialise Fulla is being discussed in the license.

PL 027D, 169C, 504 Jetta
On 15 November, Det norske completed drilling of exploration wells 25/8-17 and 25/8-17A in the Jetta prospect about 4 km south of the Jotun field. Det norske drilled these wells on behalf of the operator ExxonMobil. A thin oil column was encountered in the Heimdal formation in well 25/8-17, and the discovery was appraised by well 25/8-17 A.

The proven oil volume was smaller than expected, estimated at between 5 and 15 million barrels. Even though the volumes are small, the development of Jetta might prove profitable due to the short distance to existing installations on the Jotun field. Det norske has initiated a project in collaboration with partners Dana, Bridge and Petoro, to evaluate whether or not Jetta can be profitably developed. The project plans to make a decision on development in 2010.

After drilling of the Jetta wells was completed, Det norske has acquired the operatorship from ExxonMobil in PL 027D. Det norske is now operator for all the licences in the immediate vicinity of the Jotun field. Det norske has also taken over ExxonMobil's remaining interests in PL 027D and PL 169C, and now has an owning interest of approximately 65% in the Jetta discovery.

Exploration activity

The North Sea

PL 408 Skardkollen
Exploration well 15/9-23 in Skardkollen proved to be dry. The well was drilled down to 3200 metres, ending in the Skagerak formation.

PL 414 Skatollet
The partnership in PL 414 has decided to undertake one drilling commitment. The well has to be drilled before the end of 2011.

The Norwegian Sea

PL 321/PL 321B – Geitfjellet
The Aker Barents drilling rig finished drilling exploration well 6306/6-2 in the fourth quarter. No hydrocarbons were proven by the well.

PL 469 Pumbaa
Exploration well 6407/12-2 in the Pumbaa prospect was dry. The well encountered reservoir-type rocks of lower thickness and poorer reservoir quality than expected. The drilling of Pumbaa was completed before the merger date, and is therefore not reflected in the income statement.

The Barents Sea

PL 533
In the 20th licensing round, Det norske was awarded a 20% interest in PL 533 on the south-western flank of Lopphøgda. During the quarter, 3D seismic data was collected.

Seismic
In the North Sea, 3D seismic surveys have been conducted of licences PL 462S and PL 508S. The data collected is now being processed. In the Norwegian Sea, 3D seismic surveys have been carried out of licences PL 512, PL 522 and PL 523.

In addition, we are planning to conduct a 3D seismic survey of PL 538.

Financial considerations

Revenues from petroleum activities in the fourth quarter amounted to MNOK 73.4 (60.8). The increase can largely be ascribed to higher oil prices. Production dropped slightly compared to same period last year. Operating revenues totalled MNOK 73.7 (363.9). Operating revenues for 2008 included revenues from the sale of Goliat and Yme. The company had an operating loss of MNOK 626.2 (compared with an operating loss of MNOK 361.4 during the same period last year). The loss was primarily due to net write-downs of previously capitalised licenses of MNOK 213.3 (400.4) and MNOK 393.0 (238.6) in exploration costs. The loss for the period was MNOK 379.3 (compared with a profit of MNOK 235.6 during the same period last year after a positive tax expense of MNOK 241.7 (464.4).

Cash flow from operating activities amounted to MNOK 67.6 (473.4) and included a tax refund of MNOK 199.7 and payments related to the dry Skardkollen and Geitfjellet exploration wells. Net cash flow from investment activities in the fourth quarter amounted to MNOK -498.5 (1,162.9). The group's liquid assets amounted to MNOK 1,574.3 (1,468.3) at the end of the quarter. Tax receivables for disbursement in 2010 have been recognised in the amount of MNOK 2,060.1 (206.8).

The company is financially strong with an equity ratio of 50% (71%) and cash, cash equivalents and tax receivables amounting to MNOK 3,634.4 (1,675.1) at the end of the period.

Total assets amounted to MNOK 7,679.4 (5,218.1) at 31 December 2009. The group had total interest bearing debt of MNOK 1,480.9 (0.0). This item consists of a credit facility for exploration with DnB NOR Bank, and a convertible bond loan.

Events after the end of the quarter

Satisfactory licence awards in predefined areas – APA 2009

In the annual licensing round, APA 2009, Det norske was offered 11 licence shares in 10 licenses. The company was very satisfied with the licence awards, which included an offer of operatorship in six of the ten licences. Following the above licence awards, the return of some licence areas and some licence swaps around the turn of the year, the company now has 77 licences and is operator for 37 of them.

PL 476 Frusalen

No hydrocarbons were discovered through the drilling of well 6507/11-10 Frusalen. The well will be plugged and abandoned. The well was drilled using the Songa Delta rig. The well head was removed by boat instead of the rig by a new cost efficient method.

PL 460 Storklakken

Det norske started drilling in Storklakken on 31 December 2009. The rig Aker Barents was moved to Ølen for repair of the DAT cylinders and will return to Storklakken to finish drilling the well.

Outlook

Det norske has intensified its work to get the development of the Frøy field going. For the Draupne and Hanz project, an appraisal well planned to be spudded in the first quarter, will be important for further work.

Det norske will maintain a high level of exploration activities in the years ahead. In mature areas, as in the North Sea, the company has a substantial exploration portfolio and the objective in this area is to make new discoveries every year. In addition, the company has a portfolio of licenses in more immature areas, such as deepwater areas in the Norwegian Sea and the Barents Sea. In these areas, Det norske will hunt for substantially larger prospects, but where the probability of success is lower.

Det norske will continue to play an active role in the licence market.

Det norske oljeselskap - group

Income Statement

(All figures in NOK 1,000)	Note	Q4 2009	Q4 2008	01.01. - 31.12. 2009	01.01. - 31.12. 2008
Petroleum revenues		73 396	60 764	255 135	326 756
Other operating revenues		317	303 109	9 882	308 314
Total operating revenues		**73 714**	**363 872**	**265 017**	**635 070**
Exploration expenses	3	392 962	238 551	1 208 728	544 529
Change in inventories		-219	-1 266	4 124	-3 037
Production costs		31 439	44 289	140 275	125 657
Payroll and payroll-related expenses		-4 054	2 177	11 827	12 634
Depreciation and amortisation	8	16 587	32 823	53 469	111 357
Write-downs	4, 8	213 304	400 376	213 304	400 376
Other operating expenses		49 886	8 282	68 794	15 569
Total operating expenses		**699 906**	**725 231**	**1 700 520**	**1 207 084**
Operating profit/loss		**-626 193**	**-361 359**	**-1 435 503**	**-572 014**
Interest income		9 365	107 624	49 589	144 698
Other financial income		16 648	43 062	57 618	82 214
Interest expenses		9 548	13 427	22 544	44 935
Other financial expenses		11 302	4 688	49 014	26 109
Net financial items	5	**5 164**	**132 571**	**35 648**	**155 869**
Profit/loss before taxes		**-621 029**	**-228 788**	**-1 399 855**	**-416 145**
Taxes (+)/tax income (-) on ordinary profit/loss	6	-241 725	-464 419	-879 159	-641 640
Net profit/loss		**-379 304**	**235 631**	**-520 696**	**225 494**
Weighted average no. of shares outstanding		69 443 225	64 925 020	66 063 855	64 925 020
Weighted average no. of shares fully diluted		69 443 225	64 925 020	66 063 855	64 925 020
Earnings/loss after taxes per share (adjusted for split)		-5.46	3.63	-7.88	3.47
Earnings/loss after taxes per share (adjusted for split) fully diluted		-5.46	3.63	-7.88	3.47

The group was established from 22 December 2009. Aker Exploration is included in the income statement from this date.

Det norske oljeselskap - group

Balance Sheet

(All figures in NOK 1,000)	Note	31.12.2009	31.12.2008 *)	30.09.2009
ASSETS				
Intangible assets				
Goodwill	4, 8	697 938	864 339	864 339
Capitalised exploration expenditures	4, 8	893 467	251 544	682 835
Other intangible assets	4, 8	1 320 484	1 264 624	1 318 139
Tangible fixed assets				
Property, plant, and equipment	4, 8	413 922	298 054	308 181
Financial fixed assets				
Calculated tax receivable				985 602
Other financial fixed assets		17 965	48 447	17 713
Longterm prepayments	7	240 442		
Total fixed assets		**3 584 218**	**2 727 010**	**4 176 809**
Inventories				
Inventories		14 655	14 727	15 654
Receivables				
Trade receivables		30 414	583 463	33 334
Other receivables	9	393 669	200 447	234 319
Short-term deposits		21 995	17 400	19 400
Calculated tax receivables		2 060 124	206 774	213 225
Cash and cash equivalents				
Cash and cash equivalents	10	1 574 287	1 468 287	957 352
Total current assets		**4 095 144**	**2 491 098**	**1 473 285**
TOTAL ASSETS		**7 679 361**	**5 218 108**	**5 650 094**

*) Adjusted balance sheet as shown in note 6

Det norske oljeselskap - group

Balance Sheet

(All figures in NOK 1,000)	Note	31.12.2009	31.12.2008 *)	30.09.2009
EQUITY AND LIABILITIES				
Paid-in capital				
Share capital	11	111 111	12 985	12 985
Share premium			3 519 597	
Retained earnings				
Other equity		3 739 413	158 637	3 536 843
Total Equity		**3 850 524**	**3 691 219**	**3 549 828**
Provisions				
Pension obligations		19 914	16 164	22 326
Deferred taxes	4	1 173 477	907 293	1 255 461
Abandonment provision		190 841	134 612	142 610
Deferred income and provisions for commitments	15	5 588	45 132	5 588
Total provisions		**1 389 820**	**1 103 201**	**1 425 986**
Long term liabilities				
Derivatives	12	21 805		
Bond loan	16	390 600		
Total long term liabilities		**412 405**		
Current liabilities				
Short-term loan	13	1 090 258		
Trade creditors		261 940	94 287	76 771
Taxes withheld and public duties payable		22 618	12 160	8 742
Deferred income	15	53 001		47 693
Other current liabilities	14	598 795	317 241	541 073
Total current liabilities		**2 026 613**	**423 688**	**674 280**
Total liabilities		**3 828 837**	**1 526 889**	**2 100 266**
TOTAL EQUITY AND LIABILITIES		**7 679 361**	**5 218 108**	**5 650 094**

*) Adjusted balance sheet as shown in note 6

Det norske oljeselskap - group

Consolidated statement of changes in equity

(All figures in NOK 1,000)

	Note	Share capital	Share premium reserve	Minority interest	Other equity	Total equity
Equity as at 31.12.2007		**12 985**	**3 519 597**	**30 725**		**3 563 307**
Forced redemption of minority shareholders				-30 704		-30 704
Profit/loss for the period				-21	225 516	225 494
Equity as of 31.12.2008 in the annual accounts		**12 985**	**3 519 597**		**225 516**	**3 758 098**
Correction of previous year	6				-66 879	-66 879
Corrected equity as of 31.12.2008		**12 985**	**3 519 597**		**158 637**	**3 691 219**
Reduction of share premium			-3 519 597		3 519 597	
Share issue 22.12.2009		98 126			581 874	680 000
Total profit/loss for the period					-520 696	-520 696
Equity as of 31.12.2009		**111 111**			**3 739 413**	**3 850 524**

Total profit/loss for the period

(All figures in NOK 1,000)

	Q4		01.01. - 31.12.	
	2009	**2008**	**2009**	**2008**
Profit/loss for the period	-379 304	235 631	-520 696	225 494
Total profit/loss for the period	**-379 304**	**235 631**	**-520 696**	**225 494**
Break-down of total profit/loss:				
Majority interests	-379 304	235 631	-520 696	225 515
Minority interests				-21
Total profit/loss for the period	**-379 304**	**235 631**	**-520 696**	**225 494**

Det norske oljeselskap - group

Cash Flow Statement	Q4		01.01.- 31.12.	
(All figures in NOK 1,000)	2009	2008	2009	2008
Cash flow from operating activities				
Profit/loss before taxes	-621 029	-228 788	-1 399 855	-416 145
Taxes paid	1 798	-1 841		-1 841
Tax refund	199 710	610 858	199 710	610 858
Depreciation and amortisation expenses	16 587	32 823	53 469	111 357
Write-downs	213 304	400 376	213 304	400 376
Expensed dry wells	309 927	124 887	784 027	124 887
Changes in abandonment liabilities	2 515	2 414	10 514	7 665
Changes in inventories, accounts payable and receivable	157 133	-533 935	688 820	-485 876
Changes in net current capital and in other current balance sheet items	-212 391	66 557	18 546	-122 371
NET CASH FLOW FROM OPERATING ACTIVITIES	**67 555**	**473 351**	**568 534**	**228 909**
Cash flow from investment activities				
Purchase of property, plant, and equipment	-21 888	-258 113	-62 299	-487 012
Payment related to compulsory acquisition of shares				-75 810
Purchase of intangible assets	-476 632	-68 942	-1 442 455	-144 302
Price obtained on selling property, plant and equipment			320	
Price obtained on selling licences		1 490 000		1 490 000
NET CASH FLOW FROM INVESTMENT ACTIVITIES	**-498 520**	**1 162 945**	**-1 504 433**	**782 875**
Cash flow from financing activities				
Payment of shares			-6 000	
Payment of loan		-494 638		-128 625
Short-term loan	600 000		600 000	
NET CASH FLOW FROM FINANCING ACTIVITIES	**600 000**	**-494 638**	**594 000**	**-128 625**
Net change in cash and cash equivalents	**169 035**	**1 141 658**	**-341 900**	**883 160**
Cash and cash equivalents at start of period	957 352	326 627	1 468 287	585 127
Cash in merging company	447 900		447 900	
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**1 574 287**	**1 468 286**	**1 574 287**	**1 468 287**
Specification of cash and cash equivalents at end of period				
Bank deposits, etc.	1 559 200	1 460 176	1 559 200	1 460 176
Restricted bank deposits	15 087	8 110	15 087	8 110
Other financial investments				
Total cash and cash equivalents at end of period	**1 574 287**	**1 468 287**	**1 574 287**	**1 468 287**

Notes

(All figures in NOK 1,000)

This interim report has been prepared in accordance with international standards for financial reporting (IFRS), issued by the board of IAS, and in accordance with IAS 34 "Interim financial reporting".

Note 1: Accounting principles, changes to accounting standards and implementation of these changes

The accounting principles used for this report are in accordance with the principles used in the annual accounts for 2008. In addition, the company has introduced some new principles. These are described in the following:

IFRS 8 - Operating segments

Based on the company’s activities and the existing follow-up and reporting, it is still deemed to be expedient to report the whole business as one segment.

IAS 1 - Presentation of financial accounts

The revised standard entails changes in the presentation of equity. This is now divided between "Changes in equity" and "Total profit/loss".

IFRS 3R

Revised standard. Among other things, the revised standard allows us to choose whether to assign goodwill to minorities or not. In addition, goodwill in connection with stepwise acquisitions shall only be measured at the time a controlling interest is taken over. Conditional compensation shall be recognised at fair value and acquisition costs shall be charged to income.

Group accounts and consolidation
Subsidiaries

Det norske oljeselskap’s group accounts for the 2009 financial year comprise the financial accounts of the parent company Det norske oljeselskap ASA and the subsidiary Det norske oljeselskap AS. Subsidiaries are enterprises in which Det norske oljeselskap ASA, directly or indirectly, owns more than 50% of the voting rights or otherwise has a controlling interest in the enterprise’s operational and financial management. When considering whether or not an enterprise is controlled, account is taken of potential voting rights that can be exercised at the present time. Where necessary, the subsidiary’s principles for preparation of the accounts have been adjusted to ensure that they are in accordance with the group’s accounting principles.

Eliminations

All intra-group transactions, receivables, commitments, unrealised income and expenses are eliminated when preparing the group accounts.

Convertible loans

Loans that can be converted into share capital pursuant to an option granted to the lender, and where the number of shares issued does not change in the event that the fair value changes, are treated as hybrid financial instruments. Transaction costs relating to the issuing of a hybrid financial instrument are allocated between the commitment and equity in the same proportion as the proceeds. The equity component of convertible bonds is calculated as that part of the proceeds of the issue that exceeds the present value of future interest and instalment payments, discounted by the market interest rate for similar commitments without conversion rights. The interest expenses to be included in the income statement are calculated using the effective interest rate method.

Derivatives other than hedging instruments

Financial derivatives not recognised as hedging instruments in the accounts are valued at fair value. Changes in fair value are recognised in the income statement as they arise.

Note 2 Acquisition of companies

Det norske oljeselskap ASA (in the following called "Det norske") merged with Aker Exploration ASA (in the following called "AkX") on 22 December 2009. Aker Exploration ASA owned 100% of the subsidiary Aker Exploration AS. Aker Exploration was engaged in exploration for petroleum resources on the Norwegian continental shelf. For legal and financial reasons, AkX was legally the acquiring party in the merger. Det norske is clearly the biggest party to the merger and must be regarded as the acquiring party pursuant to IFRS 3R B13 - B19. For accounting purposes, the transaction date is set to the date on which the merger became legally effective, i.e. 22 December 2009. For tax purposes the transaction date was 1 January 2009. In legal terms, the merger was effected by Det norske oljeselskap ASA transferring all its assets, rights and commitments to Aker Exploration ASA in return for which Det norske's shareholders received shares in AkX based on a conversion ratio of 82:18 between the companies in Det norske's favour. Det norske's shareholders who received consideration shares in AkX were registered in AkX's share register as shareholders from the effective date of the merger. From that date, the new shares conferred rights, including dividend rights. A total of 91,111,111 new shares were issued in Aker Exploration ASA, each with a nominal value of NOK 1. The fair value of these shares was NOK 39.35416 per share, based on the listed price of AkX (Oslo Axess) on the transaction date. There are no shareholders with special rights etc. The merged company will operate under Det norske's name, logo and profile. The subsidiary Aker Exploration AS has changed its name to Det norske oljeselskap AS.

The total effect of the acquisition on the accounts is as follows:

All figures in NOK 1,000		Capitalised value 22 Dec 2009	Exess- / less value	Acquistion value
Seismic			31 000	31 000
Rig contract			-201 054	-201 054
Capitalised exploration expenditures		70 674	233 581	304 255
Property, plant, and equipment		2 032		2 032
Pre-paid mobilisation expenses rig / rig expenses		533 713		533 713
Other receivables		1 523		1 523
Deferred tax benefit		52 997		52 997
Trade receivables		45 953		45 953
Calcutated tax receivables		659 617		659 617
Cash		447 900		447 900
Convertible bond loan		-411 023	20 423	-390 600
Longterm debt		-550 813	60 555	-490 258
Financial instruments		-15 550		-15 550
Trade creditors		-300 459		-300 459
Accrued interest		-1 068		-1 068
Net assets and debt		**535 495**	**144 505**	**680 000**
Calculation of goodwill:				
Purchase price				680 000
Net book value equity		535 495		
Total value adjustments		144 505		
	Basis:			
Deferred tax 28 %	80 978			22 674
Deferred tax 78 %	63 527			49 551
Total deferred tax				*72 225*
Goodwill		72 225		
Total		752 225		**752 225**
Reconciliation of goodwill				
Goodwill as a result of deferred tax				**72 225**
Total				**72 225**
Capital increase				680 000

Goodwill is the result of the transaction being treated in accordance with IFRS 3 'Business Combinations'. The change in deferred tax is the result of the difference between the fair value and tax value of assets on the acquisition date. The valuation at fair value of licences under development or licences in production is based on cash flows after tax. This is because these licences are only sold in a market after tax based on decisions made by the Ministry of Finance pursuant to the Petroleum Taxation Act section 10. In accordance with IAS 12 sections 15 and 19, a provision is made for deferred tax corresponding to the difference between the acquisition cost and the acquired depreciation base for tax purposes. The offsetting entry to this deferred tax is goodwill. Hence, goodwill arises as a technical effect of deferred tax.

The acquired company contributed NOK 0 to the group's sales and a loss of MNOK 11.6 to the group's result before tax between the date of acquisition (22 December 2009) and the balance-sheet date.

If the acquisition had been effected on 1 January 2009, the group's total sales for the period would have been MNOK 265.0, and the corresponding profit/loss before taxes would have been MNOK - 2,521.6

Note 3 Exploration expenses

	Q4		01.01.-31.12.	
Specification of exploration expenses:	**2009**	**2008**	**2009**	**2008**
Seismic costs, well data, field studies and other exploration expenses	904	18 769	79 892	82 419
Share of exploration expenses from license participation	58 006	85 761	262 522	236 019
Expensed capitalised wells previous years	5 144	124 887	23 689	124 887
Expensed capitalised wells this year	304 784	211	760 338	16 912
Share of payroll and other operating expenses reclassified as exploration	10 718	8 188	56 458	75 527
Research and development costs related to exploration activities	13 408	736	25 828	8 766
Total exploration expenses	**392 962**	**238 551**	**1 208 728**	**544 529**

Note 4 Writedown

A write-down test of goodwill and pertaining licences was carried out in the fourth quarter in accordance with the company's accounting principles. The test was carried out as of 31.12.2009. Goodwill is capitalised as a consequence of the requirement in IFRS 3 to make provision for deferred tax in connection with the acquisition of enterprises, even if the transactions are made on an "after-tax" basis as a result of a section 10 decision in line with applicable petroleum taxation. The offsetting entry to deferred tax is goodwill.

From 2008 goodwill is allocated to every license, and every license is regarded as a cash generating unit with respect to goodwill.

The value per licence for licences that are still in the exploration phase, is determined by looking at the risked resources and estimating a value per barrel. In order to arrive at a value per barrel, the company has used the average of several analysts' valuations as a basis. The value used is slightly below this average.

For producing licenses and licenses in the development phase, recoverable amount is estimated based on discounted future after tax cash flows. Input to the calculations are reports form operators to the Revised National Budget 2010 (RNB). Future cash flows are calculated in the various licenses on the basis of expected production profiles and estimated proven and probable remaining reserves. The discount rate applied is 10.7 percent nominal after tax, which corresponds to a pre-tax discount rate of 48.6 percent. The company have used a long term inflationary expectation of 2.5 percent, and a long term exchange rate expectation of NOK/USD 6.00.

The following oil price assumptions are applied:

Year	Average USD
2010	80,9
2011	85,8
2012	88,0
2013	89,5
2014	91,3
2015	93,4
2016	96,3
2017	99,0

Oil prices are based on forward curve, source: ICE Brent Crude 31.12.2009.

Some of last years writedowns on producing licenses is reversed as of 31 Desember 2009. Reversing of earlier years write downs are mainly due to lower oil prices and new reserve and resource estimates.

Based on the above mentioned evaluations, the following writedowns/revers of earlier years writedowns have been accounted for in 2009:

	Q4		01.01. - 31.12.	
	2009	2008	2009	2008
Writedown/reversing of earlier years writedowns of tangible fixed assets	-50 225	50 225	-50 225	50 225
Writedown/reversing of earlier years writedowns of other intangible assets/licence rights	-48 900	48 900	-48 900	48 900
Writedown other intangible assets/licence rights	335 468	288 925	335 468	288 925
Writedown goodwill	238 626	265 324	238 626	265 324
Writedown deferred tax	-261 665	-252 998	-261 665	-252 998
	213 304	**400 376**	**213 304**	**400 376**

When a license is sold and the company previously has accounted for deferred taxes and goodwill from a business combination, both goodwill and deferred taxes will be included in the calculation of gains and losses. In assessing a potential writedown due to impairment, a similar assumption is made and goodwill and deferred taxes are evaluated together with the value of the corresponding license.

Note 5 Financial items

	Q4		01.01. - 31.12.	
	2009	2008	2009	2008
Interest income	9 365	107 624	49 589	144 698
Increased value of financial investments	2 595		12 220	
Currency gain	13 941	43 062	45 285	82 214
Other financial income	112		112	
Total interest income and other financial income	**26 013**	**150 686**	**107 206**	**226 912**
Interest costs	9 488	13 025	21 278	43 795
Amortised borrowing costs	3 619	402	4 826	1 140
Currency loss	1 488	3 088	39 200	19 929
Loss on derivatives	6 254		6 254	
Decrease in value of financial investments		1 600		6 180
Total interest costs and other financial expenses	**20 850**	**18 115**	**71 558**	**71 043**
Net financial items	**5 164**	**132 571**	**35 648**	**155 869**

Note 6 Taxes

	Q4		01.01. - 31.12.	
Taxes for the period appear as follows:	2009	2008	2009	2008
Calculated tax receivable due to exploration-related costs	-402 178	-40 834	-1 387 780	-225 587
Change in deferred taxes	160 453	-423 585	508 621	-416 053
Total taxes (+) / tax income (-)	**-241 725**	**-464 419**	**-879 159**	**-641 640**

A full tax calculation has been carried out in accordance with the accounting principles described in the annual report for 2008. The calculated tax receivable as a result of exploration activities in 2009 is recognised as a current asset, and the refund is expected in December 2010.

An error was detected in the tax calcutation for 2008. The error has been corrected in the opening balance for 2009 as follows:

	Closing	Correction	Corrected
Calculated tax receivable	213 982	-7 208	206 774
Total correction assets		**-7 208**	
Deferred tax	847 622	59 671	907 293
Other equity	225 516	-66 879	158 637
Total correction debt and equity		**-7 208**	

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Note 7 Prepayments and chartering of drilling rig(s)

	31.12.2009	31.12.2008	30.09.2009
Prepayments related to upgrading, rig intake and mobilisation of Aker Barents	379 608		
Less value - rig contract acquisition	-140 689		
Sum prepayment Aker Barents	*238 919*		
Other prepayment	1 523		
	240 442		

Det norske oljeselskap AS has signed a charterparty for a sixth generation drilling rig (Aker Barents) for a fixed period of three years with an option to extend by up to two years. The charter period started to run in August 2009. The charterparty is classified as an operational lease.

Pre-paid mobilisation expenses and investments in the rig will be amortised over the three-year charter period. The agreed rig rate per day is USD 520,000, including operating expenses of NOK 900,000, which will be adjusted for inflation during the charter period. Rig expenses will be charged to income and subsequently reversed when invoicing for use of the rig. The group has devided these costs in a long term and a short term part, according to when invoicing will take place.

Note 8 Tangible assets/intangible assets

Tangible fixed assets	Fields under development	Production facilities, including wells	Machinery and equipment, etc	Total
Balance sheet value 31.12.2008	**190 430**	**88 459**	**19 165**	**298 054**
Procurement cost 31.12.2008	**190 430**	**276 099**	**27 566**	**494 096**
Additions/reclassifications	4 795	14 257	21 359	40 411
Disposals/reclassifications			320	320
Procurement cost 30.09.2009	195 225	290 356	48 605	534 186
Accumulated depreciation and write-downs 30.09.2009		209 573	16 433	226 005
Balance sheet value 30.09.2009	**195 225**	**80 784**	**32 173**	**308 181**
Procurement cost 30.09.2009	195 225	290 356	48 605	534 186
Additions acquisition of company			2 087	2 087
Additions/reclassifications	3 406	68 652	4 245	76 302
Disposals/reclassifications		1 559	7 139	8 698
Procurement cost 31.12.2009	**198 631**	**357 449**	**47 797**	**603 877**
Accumulated depreciation and write-downs 31.12.2009		169 864	20 091	189 955
Balance sheet value 31.12.2009	**198 631**	**187 585**	**27 706**	**413 922**
Depreciation Q4		10 516	3 659	14 175
Depreciation in 2009		32 449	11 690	44 139
Write-downs in 2009		-50 225		-50 225

Production facilities under development are depreciated from production start-up. Production facilities, wells included, are depreciated in accordance with the production of unit method. Machinery, equipment, etc. are depreciated linearly over their lifetime, 3-5 years. Abandonment assets are included as part of the procurement cost on production installations in the table above.

Intangible assets	Other intangible assets	Software	Exploration assets	Goodwill	Total
Balance sheet value 31.12.2008	**1 251 637**	**12 987**	**251 544**	**864 339**	**2 380 507**
Procurement cost 31.12.2008	**1 613 468**	**28 768**	**251 544**	**1 129 556**	**3 023 337**
Additions/reclassifications	56 873	3 559	976 117		1 036 549
Disposals/reclassifications			544 826		544 826
Procurement cost 30.09.2009	1 670 341	32 327	682 835	1 129 556	3 515 060
Accumulated depreciation and write-downs 30.09.2009	363 032	21 498		265 217	649 747
Balance sheet value 30.09.2009	**1 307 309**	**10 829**	**682 835**	**864 339**	**2 865 313**
Procurement cost 30.09.2009	1 670 341	32 327	682 835	1 129 556	3 515 060
Additions acquisition of company	288 723		46 533	72 225	407 480
Additions/reclassifications	1 991	615	243 898		246 504
Disposals/reclassifications	98 500		79 799	70 065	248 364
Procurement cost 31.12.2009	**1 862 555**	**32 942**	**893 467**	**1 131 716**	**3 920 680**
Accumulated depreciation and write-downs 31.12.2009	551 594	23 419		433 778	1 008 791
Balance sheet value 31.12.2009	**1 310 960**	**9 523**	**893 467**	**697 938**	**2 911 889**
Depreciation Q4	495	1 921			2 415
Depreciation in 2009	1 695	7 638			9 333
Write-downs in 2009	286 568			238 626	525 194

Reconcilliation of depreciation in the income statement:	
Depreciation of tangible fixed assets	14 175
Depreciation of intangible assets	2 415
Total depreciation in the income statement	**16 587**

Reconcilliation of depreciation in the income statement:	
(-)Reversals/write-downs of tangible fixed assets	-50 225
Write-downs of intangible assets	525 194
Write-downs of deferred tax	-261 665
Total write-downs in the income statement	**213 304**

Software is depreciated linearly over the software's lifetime, which is three years.

Fields under developement include an amount of EUR 13.5 million relating to Frøy. There is a dispute in the licence concerning whether this expense should be covered by Det norske oljeselskap in its entirety or divided between the partners in the license. For further information, see note 17.

Note 9 Other short-term receivables

	31.12.2009	31.12.2008	30.09.2009
Prepayments, including rig prepayments	29 488	86 079	28 361
VAT refund	17 809	7 839	12 105
Underlift (retained earnings)	5 205	4 242	5 190
Deposit account - deferred income	49 959		
Garantee account, unsecured pension scheme	5 015	3 653	4 463
Other receivables, including receivables in operator licenses	192 454	98 634	139 696
Prepayments related to upgrading, rig intake and mobilisation of Aker Barents	154 105		
Less value - rig contract acquisition	-60 365		
Sum prepayment Aker Barents	*93 740*		
Total other short-term receivables	**393 669**	200 447	189 814

Note 10 Cash and cash equivalents

The item "Cash and cash equivalents" comprises bank deposits and short-term placements which are a part of the company's transaction liquidity.

Spesifikasjon av betalingsmidler	31.12.2009	31.12.2008	30.09.2009
Cash	20		
Bank deposits	1 559 156	1 460 176	951 250
Restricted bank deposits	15 087	8 110	6 102
Current investments	24		
Total cash and cash equivalents	**1 574 287**	**1 468 287**	**957 352**
Unused overdraft facility, exploration facility loan	740 940	203 283	1 138 886

Note 11 Share capital

	31.12.2009	31.12.2008	30.09.2009
Share capital	111 111	12 985	12 985
Total number of shares	111 111	64 925	64 925
Nominal value per share in NOK	1.00	0.20	0.20

Note 12 Derivatives

Det norske oljeselskap AS has entered into forward contracts to reduce its currency exposure in USD.

At 31 December 2009, the company had the following financial instruments:

	31.12.2009	31.12.2008	30.09.2009
Structured forward contracts	21 805	-	-
Estimated real value	**21 805**	**-**	**-**

Note 13 Current liabilities

	31.12.2009	31.12.2008	30.09.2009
Exploration facility DnB NOR	1 150 813		
Excess value - exploration facility by acquisition (note 2)	-60 555		
	1 090 258		

Det norske oljeselskap ASA has a revolving exploration facility of 1,500,000 in DnB NOR BANK ASA. The maximum amount is limited to 95 percent of the tax refund related to exploration costs. The company can utilies on the loan up to 31 December 2010 and the final repayment will take place in December 2011.

Det norske oljeselskap AS has a revolving exploration facility of 1,819,770 in DnB NOR BANK ASA. The maximum amount is limited to 95 percent of the tax refund related to exploration costs. The company can utilies on the loan up to 31 December 2012 and the final repayment will take place in December 2013.

Fore more information about unused overdraft facility, exploration facility loan, see note 10 - "cash and cash equivalents"

Note 14 Other current liabilities

	31.12.2009	31.12.2008	30.09.2009
Short-term debt related to license cash calls	45 127	32 910	48 058
Share of other current liabilities from licenses	364 642	154 750	379 973
Other current liabilities	189 026	129 582	113 042
Total current liabilities	**598 795**	**317 241**	**541 073**

Note 15 Deferred income and other obligations

Together with five other oil companies, Det norske is part of a consortium which has secured a three-year rig contract for the drilling rig Bredford Dolphin (1,095 days). Together, the companies have undertaken to employ the rig for 945 days. In co-operation with another company, Det norske has guaranteed for the commitment pertaining to the remaining 150 days. As compensation for this liability, Det norske will receive a payment of USD 10,000 per day for the first 945 days of drilling. The amount is paid into an Escrow Account and serves as security for the obligations under the rig contract. The revenue will be taken to income when it is no longer probable that Det norske has such an obligation. In Q3, this entry is reclassified from long-term liabilities to short-term liabilities.

	31.12.2009	31.12.2008	30.09.2009
Deferred income - long-term		38 669	
Deferred income - short-term	53 001		47 693
Other obligations		6 463	
	53 001	45 132	47 693

Note 16 Bond loan

	31.12.2009	31.12.2008	30.09.2009
Principal convertibel bond Norsk Tillitsmann	457 500		
Ecquity share convertibel bond initial recognition	-98 991		
Accumulated amortisation ecquity share	52 514		
Excess value acquisition	-20 423		
	390 600		

The loan runs from 18 December 2006 to 16 December 2011 at a fixed rate of interest of 6%. The principal falls due on 16 December 2011 and interest is paid on an annual basis (16 December). Throughout the loan period, the loan can be converted into shares at NOK 79.30 per share (5,769,231 shares). No security has been furnished for this loan. Det norske ASA has fulfilled all the loan conditions.

Note 17 Uncertain commitments

In order to secure progress in the Frøy Project (PL 364), Det norske accepted commitments in relation to the engineering services contractor and other commitments relating to the contractor's subcontractors during the period before 1 October 2008. There is a dispute in the licence concerning whether this expense shold be covered by Det norske in its entirety or divided between the licensees, Premier Oil Norge AS and Det norske. The disputed amount totals EUR 13.5 million. It is included under "Tangible fixed assets - Fields under development".

In addition to the above-mentioned amount of EUR 13.5 million, there is a dispute between Det norske and the contractor concerning coverage of contract overruns totalling EUR 3.2 million. The company has not made any provision for this possible liability.

The company is involved in an ongoing dispute with rig contractors relating to the application of rates. Det norske’s share of the disputed amount is MNOK 20. The accounts include provision of MNOK 6 to cover this.

Note 18: Investments in common controlled assets

Investments in common controlled assets are calculated by gross method (proportionately consolidation), based on the assets.

Investments in licenses on the Norwgian continental shelf as of 31.12.2009:

	Operatorships:			Partner-operated:	
License	**31.12.2009**	**31.12.2008**	**License**	**31.12.2009**	**31.12.2008**
PL 001B	35 %	35 %	PL 029B	20 %	20 %
PL 027D*	35 %	10 %	PL 035	25 %	25 %
PL 028B	35 %	35 %	PL 035B	15 %	15 %
PL 103B	70 %	70 %	PL 038	5 %	5 %
PL 169C	57 %	0 %	PL 038D	30 %	0 %
PL 242	35 %	35 %	PL 048B	10 %	10 %
PL 256	55 %	0 %	PL 048D	10 %	10 %
PL 321	60 %	25 %	PL 102C	10 %	0 %
PL 321B	60 %	25 %	PL 265	20 %	30 %
PL 337	45 %	45 %	PL 272	25 %	25 %
PL 341	30 %	30 %	PL 283	25 %	0 %
PL 356	100 %	100 %	PL 304	30 %	0 %
PL 364	50 %	50 %	PL 332	40 %	40 %
PL 369**	60 %	20 %	PL 362	15 %	15 %
PL 380	70 %	70 %	PL 387	0 %	30 %
PL 383	55 %	55 %	PL 416	15 %	0 %
PL 408	100 %	70 %	PL 442	20 %	20 %
PL 414	40 %	40 %	PL 451	40 %	40 %
PL 432	100 %	100 %	PL 453S	25 %	25 %
PL 432B	100 %	0 %	PL 458	30 %	30 %
PL 440S	30 %	30 %	PL 462S	30 %	0 %
PL 447	30 %	30 %	PL 469	25 %	0 %
PL 450	75 %	75 %	PL 474	30 %	0 %
PL 460	100 %	52,5 %	PL 485	15 %	15 %
PL 463S	100 %	70 %	PL 490	30 %	20 %
PL 468	100 %	0 %	PL 492	30 %	30 %
PL 476	40 %	40 %	PL 494	30 %	0 %
PL 482	65 %	65 %	PL 502	22,2 %	0 %
PL 483S	40 %	40 %	PL 508S	30 %	0 %
PL 491	50 %	40 %	PL 522	20 %	0 %
PL 497	35 %	0 %	PL 523	20 %	0 %
PL 500	35 %	0 %	PL 533	20 %	0 %
PL 504	58,5 %	0 %	PL 535	20 %	0 %
PL 512	30 %	0 %	PL 538	30 %	0 %
Number	**34**		**Number**	**33**	

* Compared with status as of 31.12.2008, Det norske has acquired the operatorship from ExxonMobil.

** Det norske has acquired Talisman's share and operatorship.

In the annual licensing round, APA 2009, Det norske was offered operatorships in PL 497B (35 percent), PL 504BS (58.5 percent), PL 542 (60 percent), PL 548S (40 percent), PL 549S (35 percent) og PL 553 (40 percent). As partner, Det norske has been awarded interests in PL 554 (40 percent), PL 558 (20 percent), PL 561 (20 percent) og PL 563 (30 percent). The formal transaction took place in January 2010.

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Note 19 Results from previous interim reports

	2009				2008				2007
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Operating revenues	**73 714**	**67 417**	**66 761**	**57 125**	**363 872**	**102 243**	**89 471**	**79 483**	**55 625**
Exploration expenses	392 962	334 547	416 061	65 158	238 551	146 443	102 572	56 907	122 836
Change in inventories	-219	-283	665	3 961	-1 266	70	-1 499	-343	2 498
Production costs	31 439	35 848	37 375	35 612	44 289	34 513	23 486	23 369	9 747
Payroll and payroll-related expenses	-4 054	2 270	6 209	7 401	2 177	1 989	1 549	6 919	10 281
Depreciation and amortisation	16 587	13 583	12 029	11 269	32 823	29 061	24 217	25 255	17 488
Write-downs	213 304				400 376				
Other operating expenses	49 886	11 682	5 013	2 212	8 282	-1 517	4 160	4 658	4 978
Operating expenses	**699 906**	**397 648**	**477 352**	**125 613**	**725 231**	**210 559**	**154 484**	**116 766**	**167 829**
Operating profit/loss	**-626 193**	**-330 231**	**-410 591**	**-68 488**	**-361 359**	**-108 317**	**-65 013**	**-37 283**	**-112 203**
Net financial items	5 164	-5 809	9 905	26 388	132 571	32 233	-1 427	-7 508	-4 480
Pre-tax profit/loss	**-621 029**	**-336 040**	**-400 685**	**-42 100**	**-228 788**	**-76 083**	**-66 440**	**-44 791**	**-116 684**
Taxes	-241 725	-264 454	-323 598	-49 381	-464 419	-81 689	-59 705	-35 827	-97 316
Net profit/loss	**-379 304**	**-71 586**	**-77 087**	**7 282**	**235 631**	**5 605**	**-6 735**	**-8 964**	**-19 368**