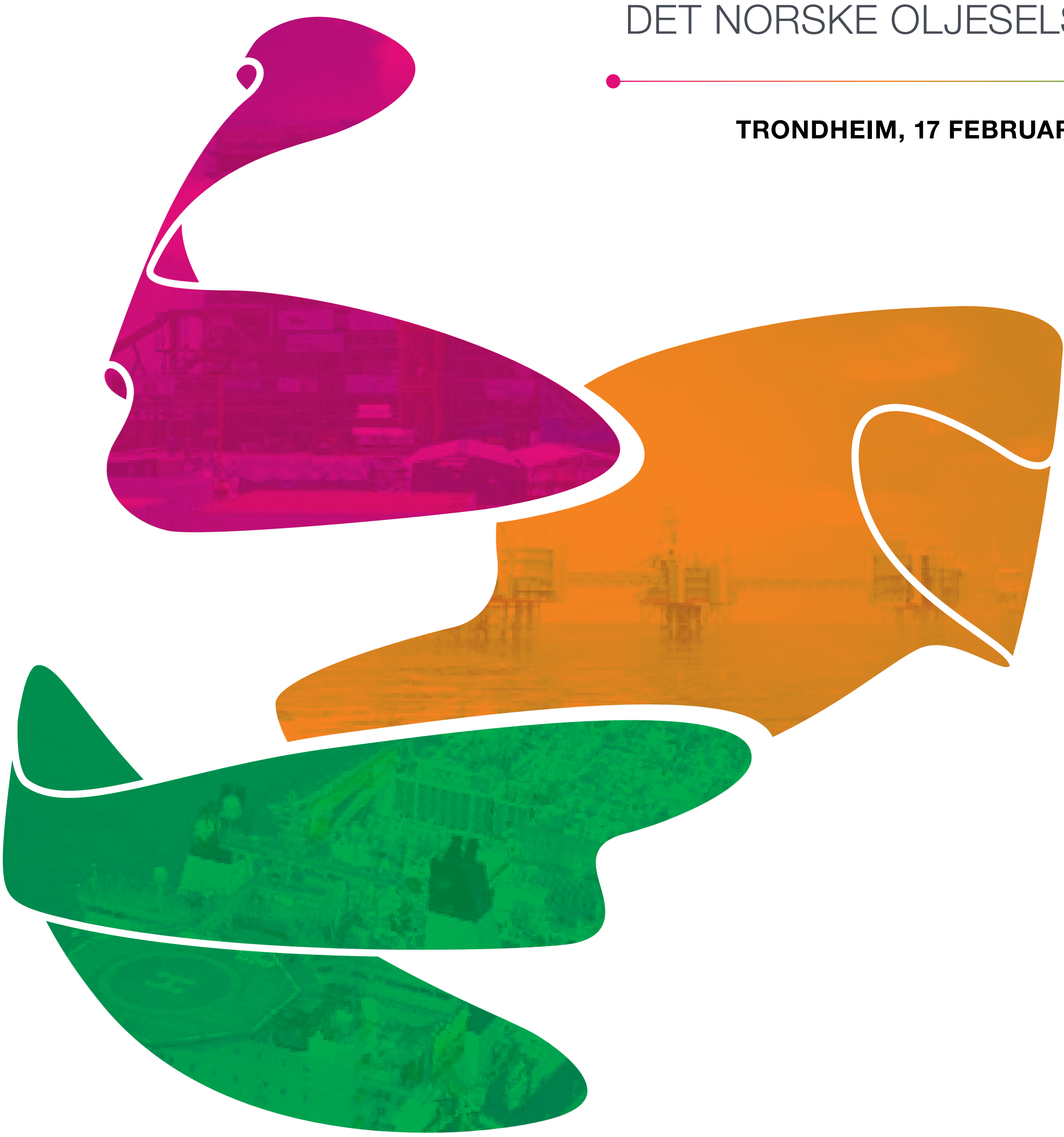
Q4
2015

QUARTERLY REPORT FOR
DET NORSKE OLJESELSKAP

TRONDHEIM, 17 FEBRUARY 2016



KEY EVENTS IN Q4 2015

- ***14 October:*** Det norske announced the acquisition of Svenska Petroleum's Norwegian subsidiary
- ***16 November:*** Det norske announced the acquisition of Premier Oil's Norwegian subsidiary
- ***30 November:*** Det norske announced a rig contract with Transocean for drilling in the Alvheim area
- ***15 December:*** Det norske announced that production capacity at the Alvheim FPSO had been restored
- ***23 December:*** Det norske announced a completion of a redetermination process for its RBL facility, resulting in an unchanged borrowing base of USD 2.9 billion

KEY EVENTS AFTER THE QUARTER

- ***18 January:*** Det norske announced a reduced CAPEX estimate for Johan Sverdrup phase 1 of NOK 14.5 billion from PDO
- ***18 January:*** Det norske announced year-end 2015 P50 reserves of 498 mmboe
- ***19 January:*** Det norske was offered ownership in ten new licenses, including six operatorship in the 2015 Awards in Pre-defined Areas

SUMMARY OF FINANCIAL RESULTS

	Unit	Q4 2015	Q4 2014	2015	2014
Operating income	USDm	255	346	1 222	464
EBITDA	USDm	208	239	953	208
Net result	USDm	-156	-287	-313	-279
Earnings per share (EPS)	USD	-0.77	-1.42	-1.54	-1.68
Production cost per barrel	USD/boe	5	9	6	12
Depreciation per barrel	USD/boe	22	21	22	28
Cash flow from operations	USDm	122	295	686	263
Cash flow from investments	USDm	-439	-1 794	-1 168	-2 266
Total assets	USDm	5 189	5 384	5 189	5 384
Net interest-bearing debt	USDm	2 532	1 994	2 532	1 994
Cash and cash equivalents	USDm	91	296	91	296

SUMMARY OF PRODUCTION

	Unit	Q4 2015	Q4 2014	2015	2014
Production					
Alvheim (65%)	boepd	30 865	36 589	34 133	9 223
Atla (10%)	boepd	282	476	387	532
Bøyla (65%)	boepd	8 838	-	9 006	-
Enoch (2%)	boepd	5	-	1	-
Jette (70%)	boepd	490	637	602	1 230
Jotun (7%)	boepd	119	123	118	143
Varg (5%)	boepd	330	374	341	475
Vilje (46.9%)	boepd	5 741	6 376	6 376	1 607
Volund (65%)	boepd	7 326	9 600	9 040	2 420
SUM	boepd	53 996	54 175	60 004	15 630
Oil price	USD/bbl	45	74	54	78
Gas price	USD/scm	0.22	0.34	0.27	0.33

SUMMARY OF THE QUARTER

Det norske oljeselskap ASA ("the company" or "Det norske") reported revenues of USD 255 (346) million in the fourth quarter of 2015. Production in the period was 54.0 (54.2) thousand barrels of oil equivalent per day ("mboepd"), realising an average oil price of USD 45 (74) per barrel.

EBITDA amounted to USD 208 (239) million in the quarter and EBIT was USD -95 (-184) million, following an impairment of USD 192 (319) million in the quarter. Net loss for the quarter was USD 156 (287) million, translating into an EPS of USD -0.77 (-1.42). Net interest-bearing debt amounted to USD 2,532 (1,994) million per December 31, 2015.

Production from the Alvheim area in the fourth quarter was impacted by a replacement of a high voltage drive motor for one of the gas compressor. Drilling of the tri-lateral BoaKamNorth well commenced in October. A new rig contract was signed for the Transocean Arctic rig for drilling of four wells in the Alvheim Area at a dayrate of USD 179,000.

The drilling program at Ivar Aasen is progressing ahead of schedule, with four oil producer wells and one water injector well finalised. Construction of the topside has reached 94 percent completion in Singapore. The project is progressing well and is on track for first oil in Q4 2016.

The Johan Sverdrup project is progressing according to plan. The operator's estimate for phase 1 CAPEX has been reduced with 12 percent from the PDO. Debottlenecking measures have been approved with the aim to increase phase 1 production capacity. The operator estimates that break-even oil price for phase 1 is now below 30 USD/bbl.

Drilling operations commenced on the Uptonia exploration well in PL554 in December to explore upsides near the Garantiana discovery.

The company announced the acquisition of Svenska Petroleum Exploration AS ("Svenska") in October and the acquisition of Premier Oil Norge AS ("Premier Norge") in November, adding flexibility to the company's project inventory without added CAPEX commitments.

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

All figures are presented in USD unless otherwise stated. Figures in brackets apply to the corresponding period in the previous year, and is for 2014 not directly comparable as they represent Det norske prior to the acquistion of Marathon Oil Norge AS.

FINANCIAL REVIEW

Income statement

(USD million)	Q4 2015	Q4 2014
Operating income	255	346
EBITDA	208	239
EBIT	-95	-184
Pre-tax profit/loss	-151	-197
Net profit	-156	-287
EPS (USD)	-0.77	-1.42

Total operating income in the fourth quarter were USD 255 (346) million. Petroleum revenues accounted for USD 218 (345) million, while other operating income was USD 36 (1) million, primarily relating to gains on commodity hedges, which has been presented under financial items in prior quarters in 2015. The reason for the change is that these derivatives are closely linked to the operating revenue and this change is seen to better reflect the substance of the transactions.

Exploration expenses amounted to USD 19 (51) million in the quarter, reflecting seismic costs, area fees and G&G activities. Production costs were USD 24 (44) million, equating to USD 4.8 per barrel of oil equivalents, while other operating expenses amounted to USD 3 (11) million. Depreciation was USD 112 (104) million, corresponding to USD 22.5 (21) per boe.

Non-cash impairment losses were USD 192 (319) million, which is primarily related to impairment of technical goodwill that arose from the acquisition of Marathon Oil Norge AS. The impairment is mainly caused by decreasing oil futures prices compared to the previous quarter and is detailed in note 5.

The company recorded an operating loss of USD 95 (184) million in the fourth quarter. The net loss for the period was USD 156 (287) million after net financial items of USD -56 (-13) million and a tax charge of USD 5 (90) million.

Earnings per share were USD -0.77 (-1.42).

Statement of financial position

(USD million)	Q4 2015	Q4 2014
Goodwill	768	1 187
PP&E	2 979	2 549
Cash & cash equivalents	91	296
Total assets	5 189	5 384
Equity	339	652
Interest-bearing debt	2 622	2 290

Total intangible assets amounted to USD 1,706 (2,127) million, of which goodwill was USD 768 (1,187) million. Other intangible assets were USD 938 (940) million, with the majority of this relating to excess values from the Marathon Oil Norge AS purchase price allocation.

Property, plant and equipment increased to USD 2,979 (2,549) million and are detailed in note 6. Current tax receivables amounted to USD 126 (0) million at the end of the quarter, and details can be found in note 8.

The company's cash and cash equivalents were USD 91 (296) million as of 31 December. Total assets were USD 5,189 (5,384) million at the end of the quarter.

Equity decreased to USD 339 (652) million at the end of the quarter, reflecting the net loss in the period.

Deferred tax liabilities amounted to USD 1,356 (1,286) million and are detailed in note 8. The main part of this tax liability arose from the acquisition of Marathon Oil Norge AS.

Interest-bearing debt increased to USD 2,622 (2,290) million, consisting of the DETNOR02 bond of USD 209 million, the DETNOR03 bond of USD 295 million and the Reserve Based Lending ("RBL") facility of USD 2,119 million.

Statement of cash flow

(USD million)	Q4 2015	Q4 2014
Cash flow from operations	122	295
Cash flow from investments	-439	-1 794
Cash flow from financing	204	1 363
Net change in cash & cash eq.	-113	-137
Cash and cash eq. EOQ	91	296

Net cash flow from operating activities was USD 122 (295) million. Taxes paid in the quarter were USD 85 (109) million, reflecting the October and December tax instalments. In addition, the company received USD 88 (191) million in tax reimbursements mainly related to exploration activities in Svenska.

Net cash flow from investment activities were USD -439 (-1,794) million. Investments in fixed assets amounted to USD 229 (255) million for the quarter, mainly reflecting CAPEX on Ivar Aasen, Alvheim and Johan Sverdrup. USD 203 million relate to payment of the Svenska and Premier Norge acquisitions.

Net cash flow from financing activities totalled USD 204 (1,363) million, reflecting the net amount drawn on the company's RBL facility in the quarter, offset by the repayment of Svenskas' exploration facility.

Hedging

The company seeks to reduce the risk connected to both foreign exchange rates, interest rates and commodity prices through hedging instruments.

During the fourth quarter, the company benefitted from commodity hedges entered into during the first half of 2015. The company had put options in place with a strike of USD 55/bbl for a volume equal to around 30 percent of the estimated production for the last quarter of 2015. Furthermore, the company also has put options in place with a strike of USD 55/bbl for around 20 percent of the estimated 2016 oil production, corresponding to 67 percent of the after-tax value.

The company actively manages its foreign currency exposure through a mix of forward contracts and options.

HEALTH, SAFETY AND THE ENVIRONMENT

HSE is always the number one priority in all Det norske's activities. The company ensures that all its operations and projects are carried out under the highest HSE standards. Det norske did not have any serious or high potential incidents during the fourth quarter.

With the current high activity level, special attention is paid to maintain a high HSE standard and preventing injuries and undesired events at all levels in the organization.

The Petroleum Safety Authority (PSA) conducted two audits of Det norske's activities in the fourth quarter. The result of the audits have been reported by the PSA, with one deviation and seven areas for improvement. These are being registered and followed up according to Det norske's procedures. There are no concerns related to Det norske's ability to close out the deviation.

OPERATIONAL REVIEW

Det norske produced 5.0 (5.0) million barrels of oil equivalents ("mmboe") in the fourth quarter of 2015, corresponding to 54.0 (54.2) mboepd. The average realized oil price was USD 45 (74) per barrel, while gas revenues were recognized at market value of USD 0.22 (0.34) per standard cubic metre (scm).

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

The producing fields Alvheim (65 percent), Volund (65 percent), Bøyla (65 percent) and Vilje (46.9 percent) are all tied back to the production vessel Alvheim FPSO.

The production efficiency for the Alvheim FPSO in the fourth quarter was 86.7 percent, which is below the previous quarter. The production efficiency was impacted by a three and a half week period of reduced production capacity to replace a high voltage drive motor for one of the gas export compressors. Full year production efficiency for 2015 was 94.2 percent.

In November, Det norske on behalf of the partnership in PL203 (Alvheim) and PL150 (Volund) awarded a contract to Transocean Offhore Ltd NUF for the Transocean Arctic drilling rig for four wells, including two Volund infill wells, one Attic oil well and one exploration well, West Volund. The contract has a dayrate of USD 179,000 and will commence in December 2016 with options to be extended into 2019.

In October, the Transocean Winner drilling rig commenced work on the tri-lateral BoaKamNorth well. Drilling operations were successfully completed in early 2016, ahead of schedule and budget.

The BoaKamNorth project consists of one well and a new subsea manifold tied back to the Boa manifold. The progress on the project has been good in the fourth quarter. The well will be tied in to the existing Alvheim infrastructure in connection with the BoaKamNorth well tie-in campaign. Production from BoaKamNorth is expected to commence in Q2 2016.

The Viper-Kobra development, which comprises two small separate discoveries in the Alvheim area is progressing according to plan. Drilling of the two production wells have commenced and first oil is expected at the end of 2016.

Other producing assets

Production increased on Jotun in the quarter and production remained stable at Varg and Atla, while Jette production was reduced compared to the previous quarter.

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

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

Pre-drilling of production wells commenced mid-July. The Maersk Interceptor jack-up rig has performed very well, and the drilling program is progressing ahead of schedule. Four oil producer wells and one water injector well has been drilled to date. The pre-drilling will continue with further wells to be drilled through Q2 2016.

Topside construction in Singapore is progressing well, and is about 94 percent complete. During the quarter several sub systems were handed over from SMOE construction to commissioning and testing. The sailaway from Singapore is scheduled for late May 2016 and installation of the topside in the North Sea is scheduled for July 2016.

The construction of the living quarters at Stord in Norway is also progressing according to plan. Mechanical Completion and handover of sub-systems to commissioning progressed according to the handover schedule.

Johan Sverdrup Unit
PL 265/501/502 (11.5733 percent, partner)

The plan for development and operation (PDO) for phase 1 of the Johan Sverdrup development was approved by the Ministry of Petroleum and Energy (MPE) in August. The project is progressing according to plan and production is expected to commence in the fourth quarter 2019.

Contract awards continued through the fourth quarter. Jacktel AS was awarded an 18 months contract for the "Haven" jack-up accommodation unit and Saipem Ltd. was awarded the contract for pipeline installation. The fabrication for pipelines was awarded Mitsui & Co. Norway A.S. and Wasco Coatings Malaysia Sdn Bhd was awarded the contract for coating of the pipelines. Heerema was awarded the contract for heavy lift of two steel jackets (Thialf).

Following the submission of the Johan Sverdrup PDO, Det norske at the end of 2015 booked 303 million barrels of oil equivalent as net P50 reserves for Johan Sverdrup, and thereby more than doubled Det norske's total company P50 reserves.

Debottlenecking measures have been decided with aim to increase the phase 1 production capacity above the PDO design capacity of 315 – 380 mboepd.

The capital expenditures for phase 1 was in the PDO estimated at NOK 123 billion (nominal value). As a consequence of the macro environment and project improvements the operator's estimate of capital expenditures has been reduced by 12 percent to NOK 108.5 billion (nominal value), based on the same FX-assumptions as in the PDO. The operator estimates that phase 1 for Johan Sverdrup now have a break-even price below 30 USD/bbl. For the full field development, capital expenditures are by the operator now projected at between NOK 160 and 190 billion (real 2015, reduced from NOK 170 to 220 billion in the PDO).

The PDO for all future phases is scheduled to be submitted late 2017, and start-up of production from the phase 2 is expected in 2022.

In July 2015 Det norske filed a complaint on MPE's decision 21 July 2015 on the distribution of the participating interests. On 18 December 2015, the King in Council upheld the decision made by the Ministry. Det norske is currently in the process of evaluating the King's decision. Based on that the company will consider if the King's decision should be contested in the court.

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

The Gina Krog field will be development with a platform fixed to the seabed and integrated topside with living quarters and processing facilities. Oil from Gina Krog will be exported to the markets with shuttle tankers while gas will be exported via the Sleipner platform.

Pre-drilling of production wells is ongoing by use of the Maersk Integrator jack-up rig. The topside is scheduled to be installed during summer 2016, and start-up of production is planned for mid-2017.

EXPLORATION

During the quarter, the company's cash spending on exploration was USD 21 million. USD 19 million was recognized as exploration expenses in the period, relating to seismic, area fees and G&G costs.

Drilling of the Uptonia well in PL 554 at the Tampen area commenced in December 2015. Results from the well are expected in the first quarter of 2016.

In December 2015, Det norske applied for acreage in the 23rd licensing round. In January 2016, The Ministry of Petroleum and Energy announced that Det norske was offered ownership in 10 new licenses, including six operatorship, in the 2015 Awards in Pre-defined Areas (APA).

OTHER EVENTS

Acquisition of Svenska Petroleum Exploration AS

In October, Det norske announced that the company had entered into an agreement to acquire Svenska Petroleum Exploration AS for a cash consideration of USD 75 million on a cash free, debt free basis. Svenska held a tax loss carry forward of approximately NOK 150 million, which was partly offset against Det norske's taxes for 2015. The transaction was completed in November 2015.

Svenska's portfolio consisted of 13 licenses in Norway, including the Krafla/Askja (25 percent), Garantiana (20 percent), Frigg Gamma Delta (40 percent) and Fulla/Lille-Frigg (25 percent) discoveries in the North Sea, plus four exploration licenses in the Norwegian Sea.

Acquisition of Premier Oil Norge AS

In November, Det norske announced that the company had entered into an agreement to acquire Premier Oil Norge AS for a cash consideration of USD 120 million on a cash free, debt free basis. At the end of 2015, Premier held estimated tax losses carry forward, undepreciated tax balances and exploration tax refunds equalling a tax value of approximately NOK 1.0 billion. The transaction was completed in December 2015. Premier Oil Norge AS is planned to be liquidated after all assets and employees are transferred to Det norske.

Premier Norge's portfolio comprise of the operated Vette field and adjacent Mackerel discovery (50 percent interest), a non-operated interest in the Frøy field (50 percent interest) and seven exploration licences in the North Sea.

Farm-in and farm-out agreements for exploration licenses

In January 2016, Det norske acquired a 10 percent interest in PL722 and a 25 percent interest in PL507 from Explora Petroleum for a cash consideration. The agreement is subject to approval by the authorities.

OUTLOOK

Recognising the continued low oil price environment, the company is taking steps to strengthen its business to adapt to current market conditions and aims to utilise the current macro environment to strengthen its long-term competitiveness. Improvement measures have been implemented to reduce expenditures across all disciplines to enable us to sanction new stand-alone projects at break-even prices below 40 USD/boe.

The Ivar Aasen project is progressing well and remains on track for first oil in Q4 2016. Sail away for the topside from Singapore is scheduled for May and offshore lifting operations in July. Det norske continues to develop the Alvheim area with drilling of the Viper well during the first quarter. The Johan Sverdrup project is moving forward according to plan and the company sees potential for further cost reductions.

Det norske's exploration drilling program for 2016 will be focused around exploring upsides near existing discoveries. The company will drill wells close to the Krafla/Askja and Garantiana discoveries in licenses where we increased our exposure from the acquisition of Svenska Petroleum Exploration AS.

The company has a robust and diversified capital structure and its debt facilities in place are sufficient to fund the current work program until first oil at Johan Sverdrup. Discussions with creditors have commenced with the aim to ease covenant thresholds for our debt instruments.

Production for 2016 is expected to be between 55 and 60 mboepd, CAPEX is expected to be between USD 925 and 975 million and exploration expenditures is expected between USD 160 and 170 million. Production cost is expected to average in the range 8 to 9 USD per barrel of oil equivalent.

FINANCIAL STATEMENTS WITH NOTES

INCOME STATEMENT (Unaudited)

		Group			
		Q4		01.01.-31.12.	
(USD 1 000)	Note	2015	2014	2015	2014
Petroleum revenues		218 314	344 744	1 158 683	411 996
Other operating income		36 320	926	63 119	52 235
Total operating income	2	**254 634**	**345 670**	**1 221 802**	**464 230**
Exploration expenses	4	18 867	51 491	76 404	164 336
Production costs		24 077	44 400	141 000	66 754
Depreciation	6	111 590	104 183	480 959	160 254
Impairments	5	191 939	319 018	430 468	346 420
Other operating expenses		3 228	10 679	51 608	25 393
Total operating expenses		**349 701**	**529 772**	**1 180 438**	**763 157**
Operating profit/loss		**-95 067**	**-184 102**	**41 364**	**-298 927**
Interest income		1 739	1 588	3 098	7 009
Other financial income		1 815	37 966	65 385	19 435
Interest expenses		29 793	34 817	109 125	83 845
Other financial expenses		29 899	17 525	114 328	19 296
Net financial items	7	**-56 138**	**-12 788**	**-154 971**	**-76 697**
Profit/loss before taxes		**-151 205**	**-196 889**	**-113 607**	**-375 624**
Taxes (+)/tax income (-)	8	4 980	89 997	199 045	-96 485
Net profit/loss		**-156 184**	**-286 887**	**-312 652**	**-279 139**
Weighted average no. of shares outstanding and fully diluted		202 618 602	202 618 602	202 618 602	165 811 098
Earnings/(loss) after tax per share		-0.77	-1.42	-1.54	-1.68

STATEMENT OF COMPREHENSIVE INCOME (Unaudited)

		Group			
		Q4		01.01.-31.12.	
(USD 1 000)	Note	2015	2014	2015	2014
Profit/loss for the period		-156 184	-286 887	-312 653	-279 139
Items which will not be reclassified over profit and loss (net of taxes)					
Exchange differences on translation to USD					-43 069
Actuarial gain/loss pension plan		17	-34	17	-897
Total comprehensive income in period		**-156 168**	**-286 921**	**-312 636**	**-323 105**

STATEMENT OF FINANCIAL POSITION (Unaudited)

(USD 1 000)	Note	Group 31.12.2015	Group 31.12.2014
ASSETS			
Intangible assets			
Goodwill	6	767 571	1 186 704
Capitalized exploration expenditures	6	289 980	291 619
Other intangible assets	6	648 030	648 788
Tangible fixed assets			
Property, plant and equipment	6	2 979 434	2 549 271
Financial assets			
Long-term receivables	11	3 782	8 799
Other non-current assets	9	12 628	3 598
Total non-current assets		**4 701 425**	**4 688 778**
Inventories			
Inventories		31 533	25 008
Receivables			
Accounts receivable	15	85 546	186 461
Other short-term receivables	10	105 190	184 592
Other current financial assets		2 907	3 289
Tax receivables	8	126 391	
Short-term derivatives	14	45 217	
Cash and cash equivalents			
Cash and cash equivalents	12	90 599	296 244
Total current assets		**487 384**	**695 594**
TOTAL ASSETS		**5 188 809**	**5 384 372**

STATEMENT OF FINANCIAL POSITION (Unaudited)

(USD 1 000)	Note	Group 31.12.2015	Group 31.12.2014
EQUITY AND LIABILITIES			
Equity			
Share capital	13	37 530	37 530
Share premium		1 029 617	1 029 617
Other equity		-728 121	-415 485
Total equity		**339 026**	**651 662**
Provisions for liabilities			
Pension obligations		1 638	2 021
Deferred taxes	8	1 356 114	1 286 357
Abandonment provision	19	412 805	483 323
Provisions for other liabilities			12 044
Non-current liabilities			
Bonds	17	503 440	253 141
Other interest-bearing debt	18	2 118 935	2 037 299
Long-term derivatives	14	62 012	5 646
Current liabilities			
Trade creditors		51 078	152 258
Accrued public charges and indirect taxes		9 060	6 758
Tax payable	8		189 098
Short-term derivatives	14	13 506	25 224
Abandonment provision	19	10 520	5 728
Other current liabilities	16	310 675	273 813
Total liabilities		**4 849 783**	**4 732 710**
TOTAL EQUITY AND LIABILITIES		**5 188 809**	**5 384 372**

STATEMENT OF CHANGES IN EQUITY (Unaudited)

			Other equity					
				Other comprehensive income				
(USD 1 000)	**Share capital**	**Share premium**	Other paid-in capital	Actuarial gains/(losses)	Foreign currency translation reserves*	Retained earnings	**Total other equity**	**Total equity**
Equity as of 31.12.2013	**27 656**	**564 736**	573 083	-223	-48 334	-592 818	**-68 292**	**524 100**
Right issue	9 874	469 249			-24 350		-24 350	454 773
Transaction costs, rights issue		-4 368			261		261	-4 107
Profit/loss for the period 1.1.2014 - 30.09.2014				-897	-19 846	7 748	-12 995	-12 995
Equity as of 30.09.2014	**37 530**	**1 029 617**	573 083	-1 121	-92 268	-585 070	**-105 375**	**961 772**
Profit/loss for the period 1.10.2014 - 31.12.2014					-23 223	-286 887	-310 110	-310 110
Settlement of defined benefit plan				1 016		-1 016		
Equity as of 31.12.2014	**37 530**	**1 029 617**	573 083	-105	-115 491	-872 972	**-415 485**	**651 662**
Profit/loss for the period 1.1.2015 - 30.09.2015						-156 468	-156 468	-156 468
Equity as of 30.09.2015	**37 530**	**1 029 617**	573 083	-105	-115 491	-1 029 440	**-571 954**	**495 193**
Profit/loss for the period 1.10.2015 - 31.12.2015				17		-156 184	-156 168	-156 168
Equity as of 31.12.2015	**37 530**	**1 029 617**	573 083	-88	-115 491	-1 185 625	**-728 121**	**339 026**

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

STATEMENT OF CASH FLOW (Unaudited)

		Group			
		Q4		01.01.-31.12.	
(USD 1 000)	Note	2015	2014	2015	2014
Cash flow from operating activities					
Profit/loss before taxes		-151 205	-196 889	-113 608	-375 624
Taxes paid during the period		-85 397	-109 068	-320 618	-109 068
Tax refund during the period		87 662	190 532	87 662	190 532
Depreciation	6	111 590	104 183	480 959	160 254
Net impairment losses	5	191 939	319 018	430 468	346 420
Accretion expenses	19	6 746	6 708	26 351	12 410
Interest expenses	7	37 109	24 051	127 620	85 107
Interest paid		-44 847	-30 168	-124 276	-83 910
Gain/loss on licence swaps without cash effect			60		-49 765
Changes in derivatives	2,7	-2 222	11 554	-793	10 616
Amortization of interest expenses and arrangement fee	7	2 262	21 196	17 480	26 711
Amortization of fair value of contracts assumed in the Marathon acquisition	16			-2 878	
Expensed capitalized dry wells	4	2 492	33 733	11 682	99 061
Changes in inventories, accounts payable and receivables		-28 314	-579 302	-470 023	-530 150
Changes in abandonment liabilities through income statement		-1 569	-1 952	-1 569	-1 952
Changes in other current balance sheet items		-4 474	500 974	538 011	482 148
Net cash flow from operating activities		**121 772**	**294 631**	**686 467**	**262 791**
Cash flow from investment activities					
Payment for removal and decommissioning of oil fields	19	-3 741	-1 479	-12 508	-14 087
Disbursements on investments in fixed assets	6	-229 028	-254 947	-917 150	-583 200
Acquisition of Marathon Oil Norge AS (net of cash acquired)			-1 513 591		-1 513 591
Acquistion of Premier Oil Norge AS (net of cash acquired)		-125 600		-125 600	
Disbursements on investments in capitalized exploration expenditures and other intangible assets	6	-80 959	-24 307	-113 051	-164 128
Sale/farmout of tangible fixed assets and licences			-81		8 862
Net cash flow from investment activities		**-439 328**	**-1 794 405**	**-1 168 310**	**-2 266 144**
Cash flow from financing activities					
Net proceeds from equity issuance					474 755
Repayment of short-term debt		-70 938	-162 434	-70 938	-162 434
Repayment of bond (detnor 01)			-87 536		-87 536
Repayment of long-term debt	18		-970 000	-330 000	-1 147 934
Arrangement fee			-67 350	-14 380	-67 350
Proceeds from issuance of long-term debt	18,17	275 000	2 650 000	700 000	2 897 354
Proceeds from issuance of short-term debt					116 829
Net cash flow from financing activities		**204 062**	**1 362 680**	**284 683**	**2 023 684**
Net change in cash and cash equivalents		**-113 493**	**-137 095**	**-197 160**	**20 331**
Cash and cash equivalents at start of period		206 941	444 849	296 244	280 942
Effect of exchange rate fluctuation on cash held		-2 849	-11 511	-8 485	-5 029
Cash and cash equivalents at end of period		**90 599**	**296 244**	**90 599**	**296 244**
Specification of cash equivalents at end of period					
Bank deposits		88 621	291 346	88 621	291 346
Restricted bank deposits		1 978	4 897	1 978	4 897
Cash and cash equivalents at end of period	12	**90 599**	**296 244**	**90 599**	**296 244**

NOTES

(All figures in USD 1 000)

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

Note 1 Accounting principles

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

There has been made a minor change in the presentation of the line items in the Income statement since Q4 2014. The company will no longer present payroll expenses separately, as these costs are fully allocated to other items, such as production cost for producing licenses and development cost for fields under development. The cost previously presented as payroll is mainly classified as other operating expenses in the Income statement and comparative figures have been adjusted accordingly. Additionally, area fee which prior to 2015 was included in other operating expenses is now reclassified to exploration expenses and comparative figures have been adjusted accordingly.

In Q4 2015, the company has also changed the presentation in the Income statement regarding the impact from hedging of commodity derivatives. In previous quarters in 2015, gains and losses from such derivatives have been included in financial items. As the commodity derivatives are closely linked to the operating revenue, the company has concluded that presentation within the operating result better reflects the substance of these arrangements. Hence, from Q4 2015 realised and unrealised gains and losses arising from commodity derivatives are presented as other operating income. There is no need for adjusting comparative figures from 2014 as there were no commodity derivatives in that year. The year to date numbers for 2015 have been adjusted in line with the new principle.

During Q4 2015, the company acquired 100 per cent of the shares in Svenska Petroleum Exploration AS and Premier Oil Norge AS. The acquisition of Premier Oil Norge AS is regarded as a business combination and further information is provided in Note 3. The acquisition of Svenska Petroleum Exploration AS is, based on IFRS 3 guidance on definition of business, treated as an acquisition of assets. The acquisition of the shares was completed 13 November 2015 and in a subsequent group transaction at 30 November all activity in Svenska Petroleum Exploration AS was transferred to Det norske oljeselskap ASA. As the period between 13 November and 30 November has immaterial impact on the group, the acquisition date for accounting purposes is set to 30 November 2015. Premier Oil Norge AS and Svenska Petroleum Exploration AS have subsequent to the acquisitions been renamed to Det norske oil AS and Det norske Exploration AS respectively.

Note 2 Operating income

	Group			
	Q4		01.01.-31.12.	
Breakdown of petroleum revenues (USD 1 000)	**2015**	**2014**	**2015**	**2014**
Recognized income oil	197 491	309 231	1 044 548	368 443
Recognized income gas	19 938	34 316	110 909	39 665
Tariff income	884	1 197	3 227	3 888
Total petroleum revenues	**218 314**	**344 744**	**1 158 683**	**411 996**
Breakdown of produced volumes (barrels of oil equivalent)				
Oil	4 419 414	4 243 934	19 307 898	4 800 457
Gas	548 240	740 134	2 593 733	904 444
Total produced volumes	**4 967 654**	**4 984 068**	**21 901 630**	**5 704 901**
Other operating income (USD 1 000)				
Realized gain on derivatives	14 758		14 962	
Unrealized gain on derivatives	20 664		45 217	
Gain on license transactions	856	926	856	52 235
Other income	42		2 084	
Total other operating income	**36 320**	**926**	**63 119**	**52 235**

As mentioned in Note 1, gain on commodity derivatives is presented as other operating income from Q4 2015.

Note 3 Business combination

On 22 December 2015, Det norske finalized the acquisition of 100 per cent of the shares in Premier Oil Norge AS. The transaction was announced on 16 November 2015, and Det norske paid a cash consideration of USD 120 million on a cash free, debt free basis. The acquisition was financed through existing cash and undrawn debt facilities. The main reasons for the acquisition were to obtain certain licenses at an attractive price, taking into account the tax positions in Premier Oil Norge AS.

The acquisition date for accounting purposes corresponds to the finalization of the acquisition on 22 December 2015. For tax purposes, the effective date was 1 January 2015. The acquisition is regarded as a business combination and has been accounted for using the acquisition method of accounting in accordance with IFRS 3. A purchase price allocation (PPA) has been performed to allocate the cash consideration to fair value of assets and liabilities from Premier Oil Norge AS. The PPA is performed as of the accounting date, 22 December 2015. Fair value is determined based on guidance in IFRS 13.

As there were no significant changes in the fair value of the assets and liabilities assumed in the period between 22 December and 31 December 2015, the acquisition is accounted for at 31 December 2015, in line with guidance in IFRS 3. As such, the acquisition has no impact on the Income statement for 2015.

The recognized amounts of assets and liabilities assumed as at the date of the acquisition were as follows:

(USD 1 000)	
Deferred tax asset	88 934
Intangible assets - value of licenses	9 047
Property, plant and equipment	309
Exploration tax refund	17 462
Total assets	**115 752**
Other current liabilities	1 164
Total liabilities	**1 164**
Total identifiable net assets	114 588
Consideration paid on acquisition	120 000
Goodwill arising from the acquisition	**5 412**

As the transaction is on a cash free, debt free basis there will be an adjustment to the purchase price for the booked value of cash, debt and working capital in Premier Oil Norge AS at the acquisition date. These items are therefore not included in the figures above, where the purchase price before such adjustment of USD 120 million is compared to the total identifiable net assets.

The goodwill of USD 5.4 million mainly arises from the requirement to recognize deferred tax assets and liabilities for the difference between the assigned fair values and the tax bases of assets acquired and liabilities assumed in a business combination ("technical goodwill").

The above valuation is based on currently available information about fair values as of the acquisition date. If new information becomes available within 12 months from the acquisition date, the company may change the fair value assessment in the PPA, in accordance with guidance in IFRS 3.

If the acquisition had taken place at the beginning of the year, it would have no impact on the group revenue, as Premier Oil Norge AS had no producing licenses in 2015. The net loss would have increased by approximately USD 4 million.

Note 4 Exploration expenses

	Group			
Breakdown of exploration expenses	**Q4**		**01.01.-31.12.**	
(USD 1 000)	**2015**	**2014**	**2015**	**2014**
Seismic, well data, field studies, other exploration costs	132	8 531	24 377	24 846
Recharged rig costs		5	407	-11 087
Exploration expenses from licence participation incl. seismic	10 622	4 939	19 316	28 097
Expensed capitalized wells previous years		35 077	3 772	40 175
Expensed capitalized wells this year	2 492	-1 344	7 898	58 886
Payroll and other operating expenses classified as exploration	2 335	2 577	12 234	14 104
Exploration-related research and development costs		-108	-235	2 556
Area fee	3 286	1 815	8 634	6 758
Total exploration expenses	**18 867**	**51 491**	**76 404**	**164 336**

As mentioned in Note 1, area fee included in other operating expenses prior to 2015, are reclassified to exploration expenses.

Note 5 Impairments

Impairment testing
Impairment tests of individual cash-generating units are performed when impairment triggers are identified. As of 31 December 2015 there has been a decrease in the forward prices compared to 30 September 2015, which is considered as an impairment trigger. Two categories of impairment tests have been performed:

- Impairment test of fixed assets and related intangible assets, other than goodwill
- Impairment test of goodwill

Impairment is recognized when the book value of an asset or a cash-generating unit, including associated goodwill, exceeds the recoverable amount. The recoverable amount is the higher of the asset's fair value less cost to sell and value in use. All impairment testing in Q4 2015 has been based on value in use. In the assessment of the value in use, the expected future cash flow is discounted to the net present value by applying a discount rate after tax that reflects the current market valuation of the time value of money, and the specific risk related to the asset. The discount rate is derived from the weighted average cost of capital (WACC) for a market participant. Cash flows are projected for the estimated lifetime of the fields, which may exceed periods greater than five years.

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

Oil and gas prices
Future price level is a key assumption and has significant impact on the net present value. Forecasted oil and gas prices are based on the management's estimates and available market data. Information about market prices in the near future can be derived from the futures contract market. The information about future prices is less reliable on a long-term basis, as there are fewer observable market transactions going forward. In the impairment test, the oil price is therefore based on the forward curve for the beginning of 2016 to the end of 2020. From 2021, the oil price is based on the company's long-term price assumptions.

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

Year	**USD/BOE**
2016	42.53
2017	49.58
2018	53.90
2019	56.75
2020	58.54
From 2021 (in real terms)	85.00

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

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

Based on the above, the post tax nominal discount rate is set to 8.5 per cent, which is a change from 9.1 per cent from the previous quarters in 2015.

Currency rates
As Det norske's functional currency changed to USD during 2014, the company is now exposed to exchange rate fluctuations between USD and non-USD cash flows with regard to the financial statements. In line with the methodology for future oil price, it has been concluded to apply the forward curve for the currency rate from 2016 until the end of 2020, and the company's long term assumption from 2021 and onwards. This results in the following currency rates being applied in the impairment test for Q4 2015:

Year	NOK/USD
2016	8.80
2017	8.73
2018	8.65
2019	8.56
2020	8.46
From 2021	7.00

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

Impairment testing of assets other than goodwill
The impairment test of assets other than goodwill has been performed prior to the annual goodwill impairment test. If these assets are found to be impaired, its carrying value will be written down before the impairment test of goodwill. The carrying value of the assets is the sum of tangible assets and intangible assets as of the valuation date.

In Q4 2015, the removal estimates on several fields were reduced. Some of these fields had previously been written down to zero, and a reduction in the removal asset therefore leads to an immediate impact in the Income statement presented as reversed impairment. The impact from the decreased removal estimates is partly offset by decreased prices and other changes in assumptions from previous impairment calculations.

Below is an overview of the impairment charge and the carrying value per cash generating unit where impairment has been recognized or reversed in Q4 2015:

	Impairment charged/reversal		Recoverable amount
Cash generating unit (USD 1 000)	**Intangible**	**Tangible**	**/carrying value**
Jette	0	-12 350	1 534
Gina Krog	0	11 984	75 216
Other CGU's	2 832	3 457	
Total	**2 832**	**3 091**	**76 750**

Impairment testing of goodwill
For the purpose of impairment testing, goodwill acquired through business combinations have, before any impairment charges in Q4 2015, been allocated as follows:

Goodwill allocation (USD 1 000)	
Remaining technical goodwill from the acquisition of Marathon Oil Norge AS as of 1 October 2015	617 335
Residual goodwill	291 717
Remaining technical goodwill from other business combinations	44 535

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

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

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

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

(USD 1 000)	
Carrying value of oilfield licences and fixed assets	1 923 766
+ Technical goodwill	617 335
- Deferred tax related to technical goodwill	-1 091 797
Net carrying value pre-impairment of goodwill	**1 449 304**

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

(USD 1 000)	
Net carrying value as specified above	1 449 304
Recoverable amount (including tax amortization benefit)	1 265 425
Impairment charge Q4	**183 879**
Impairment charge 01.01. - 30.09.2015	238 529
Total impairment charge 2015	**422 408**

As depicted in the table over carrying value above, deferred tax (from the date of acquisition) reduces the net carrying value prior to the impairment charges. When deferred tax from the Marathon acquisition decreases, more goodwill is as such exposed for impairment. This may lead to future impairment charges even though other assumptions remain stable. In Q4 2015, the main reason for the impairment is the decreased prices, together with an overall update of the other assumptions.

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

		Change in goodwill impairment after	
Assumption (USD million)	**Change**	**Increase in assumption**	**Decrease in assumption**
Oil and gas price	+/- 20%	-183.9	248.6
Production profiles (reserves)	+/- 5%	-58.8	62.6
Discount rate	+/- 1% point	35.5	-34.2
Currency rate USD/NOK	+/- 1.0 NOK	16.3	-15.3
Inflation	+/- 1% point	-38.6	39.4

Impairment testing of technical goodwill from previous business combinations
In Q4, an impairment charge of technical goodwill from other business combinations amounting to USD 2 136 thousand has been recognized. This impairment is mainly related to Gina Krog.

	Group			
	Q4		**01.01.-31.12.**	
(USD 1 000)	**2015**	**2014**	**2015**	**2014**
Impairment/reversal of tangible fixed assets	3 092	-30 714	3 092	-3 313
Impairment of other intangible assets/licence rights	2 832	7 417	2 832	7 417
Impairment of goodwill	186 016	347 919	424 544	347 919
Impairment of deferred tax related to impairment of goodwill		-5 604		-5 604
Total impairments	**191 939**	**319 018**	**430 468**	**346 420**

Note 6 Tangible assets and intangible assets

Tangible fixed assets - Group (USD 1 000)	**Assets under development**	**Production facilities including wells**	**Fixtures and fittings, office machinery**	**Total**
Book value 31.12.2014	**1 324 556**	**1 206 077**	**18 639**	**2 549 271**
Acquisition cost 31.12.2014	**1 324 556**	**1 856 371**	**35 684**	**3 216 612**
Additions	603 623	75 210	7 158	685 992
Reclassification	-509 168	514 409		5 241
Acquisition cost 30.09.2015	**1 419 011**	**2 445 991**	**42 843**	**3 907 843**
Accumulated depreciation and impairments 30.09.2015		958 579	20 137	978 716
Book value 30.09.2015	**1 419 011**	**1 487 412**	**22 706**	**2 929 128**
Acquisition cost 30.09.2015	**1 419 011**	**2 445 991**	**42 843**	**3 907 844**
Additions*	139 705	2 723	-7 336	135 092
Reclassification**	-52 937	65 773		12 836
Acquisition cost 31.12.2015	**1 505 779**	**2 514 487**	**35 506**	**4 055 772**
Accumulated depreciation and impairments 31.12.2015	11 984	1 043 606	20 748	1 076 338
Book value 31.12.2015	**1 493 795**	**1 470 881**	**14 758**	**2 979 434**

Depreciation Q4 2015		93 919	611	94 530
Depreciation 01.01. - 31.12.2015		402 203	3 666	405 869
Impairments Q4 2015	11 984	-8 892		3 092
Impairments 01.01. - 31.12.2015	11 984	-8 892		3 092

* The additions in Q4 2015 are partially offset by reduction in abandonment provisions as presented in Note 19.

** The Kneler K6 well in the Alvheim area entered into the production phase during Q4 2015 and the related costs are thus reclassified from fields under development to production facilities.

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

Capitalized exploration expenditures are reclassified to "Fields under development" when the field enters into the development phase. If development plans are subsequently re-evaluated, the associated costs remain in assets under development and are not reclassified back to exploration assets. Fields under development are reclassified to "Production facilities" from the start of production. Production facilities, including wells, are depreciated in accordance with the Unit of Production Method. Office machinery, fixtures and fittings etc. are depreciated using the straight-line method over their useful life, i.e. 3-5 years. Removal and decommissioning costs are included as production facilities or fields under development.

Intangible assets - Group (USD 1 000)	**Licences etc.**	**Software**	**Total**	**Exploration wells**	**Goodwill**
Book value 31.12.2014	**646 482**	**2 306**	**648 788**	**291 619**	**1 186 704**
Acquisition cost 31.12.2014	**712 237**	**9 064**	**721 301**	**291 619**	**1 556 468**
Additions	2 467	21	2 487	27 546	
Disposals/expensed dry wells				9 190	
Reclassification	3 895		3 895	-9 135	
Acquisition cost 30.09.2015	**718 598**	**9 085**	**727 683**	**300 841**	**1 556 468**
Acc. depreciation and impairments 30.09.2015	123 276	7 266	130 542		608 293
Book value 30.09.2015	**595 322**	**1 818**	**597 140**	**300 841**	**948 175**
Acquisition cost 30.09.2015	**718 598**	**9 085**	**727 683**	**300 841**	**1 556 468**
Additions*	70 718	64	70 782	4 467	5 412
Disposals/expensed dry wells				2 492	
Reclassification				-12 836	
Acquisition cost 31.12.2015	**789 316**	**9 149**	**798 465**	**289 980**	**1 561 880**
Acc. depreciation and impairments 31.12.2015	142 829	7 606	150 435		794 309
Book value 31.12.2015	**646 487**	**1 543**	**648 030**	**289 980**	**767 571**
Depreciation Q4 2015	16 721	339	17 061		
Depreciation 01.01. - 31.12.2015	74 243	848	75 090		
Impairments Q4 2015	2 832		2 832		186 016
Impairments 01.01. - 31.12.2015	2 832		2 832		424 544

* Additions in Q4 2015 mainly arise from the acquisitions of Premier Oil Norge AS and Svenska Petroleum Exploration AS which both were completed during the quarter. The acquisition of Premier Oil Norge AS was regarded as a business combination and reference is made to Note 3 for further information. The acquisition of Svenska Petroleum Exploration AS was regarded as an asset acquisition and the purchase price of USD 75 million (on a cash free, debt free basis) have been allocated to identifiable assets and liabilities based on their proportionate share of fair value. The allocation to intangible assets related to fields in the exploration phase amounts to USD 62.7 million.

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

See Note 5 for information regarding impairment charges.

	Group			
	Q4		**01.01.-31.12.**	
Depreciation in the Income statement (USD 1 000)	**2015**	**2014**	**2015**	**2014**
Depreciation of tangible fixed assets	94 530	86 140	405 869	141 097
Depreciation of intangible assets	17 061	18 043	75 090	19 156
Total depreciation in the Income statement	**111 590**	**104 183**	**480 959**	**160 254**

Note 7 Financial items

(USD 1 000)	Group Q4 2015	Group Q4 2014	Group 01.01.-31.12. 2015	Group 01.01.-31.12. 2014
Interest income	**1 739**	**1 588**	**3 098**	**7 009**
Realised gains on derivatives	1 800		2 679	
Return on financial investments	15		39	72
Change in fair value of derivatives			18 250	
Currency gains		37 966	44 416	19 363
Total other financial income	**1 815**	**37 966**	**65 385**	**19 435**
Interest expenses	37 109	24 051	127 620	85 107
Capitalized interest cost, development projects	-16 325	-14 826	-62 326	-40 383
Amortized loan costs and accretion expenses	9 008	25 592	43 831	39 122
Total interest expenses	**29 793**	**34 817**	**109 125**	**83 845**
Currency losses	3 256			
Realized loss on derivatives	8 138	5 963	51 584	8 671
Change in fair value of derivatives	18 505	11 555	62 739	10 616
Decline in value of financial investments		7	6	9
Total other financial expenses	**29 899**	**17 525**	**114 328**	**19 296**
Net financial items	**-56 138**	**-12 788**	**-154 971**	**-76 697**

As mentioned in Note 1, gain on commodity derivatives was previously included in financial items, but from Q4 2015 it is presented as other operating income.

Note 8 Taxes

Taxes for the period appear as follows (USD 1 000)	Group Q4 2015	Group Q4 2014	Group 01.01.-31.12. 2015	Group 01.01.-31.12. 2014
Calculated current year tax/exploration tax refund	-17 431	-442 972	49 776	-581 667
Change in deferred taxes in the Income statement	22 509	531 058	153 927	484 360
Prior period adjustments	-98	1 911	-4 658	822
Tax expenses (+)/tax income (-)	**4 980**	**89 997**	**199 045**	**-96 485**

Calculated tax receivable (+)/tax payable (-) (USD 1 000)	Group 31.12.2015	Group 31.12.2014
Tax receivable/payable at 1.1.	-189 098	231 972
Current year tax (-)/tax receivable (+)	-49 776	581 667
Tax payable related to acquisition of Marathon Oil Norge AS		-910 332
Tax receivable related to acquisition of Svenska Petroleum Exploration AS/Premier Oil Norge AS	108 047	
Tax payment/tax refund	232 956	-81 464
Prior period adjustments	11 580	-528
Revaluation of tax payable	12 682	19 574
Foreign currency translation reserve*		-29 988
Total tax receivable (+)/tax payable (-)	**126 391**	**-189 098**

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

Deferred taxes (-)/deferred tax asset (+) (USD 1 000)	Group 31.12.2015	31.12.2014
Deferred taxes/deferred tax asset 1.1.	-1 286 357	103 625
Change in deferred taxes in the Income statement	-153 927	-484 360
Deferred tax related to acquisition of Marathon Oil Norge AS		-911 363
Deferred tax related to acquisition of Svenska Petroleum Exploration AS/Premier Oil Norge AS*	91 151	
Prior period adjustment	-6 921	
Deferred tax related to impairment, disposal and licence transactions		14 938
Deferred tax charged to OCI and equity	-59	4 999
Foreign currency translation reserve**		-14 195
Net deferred tax (-)/deferred tax asset (+)	**-1 356 114**	**-1 286 357**

* Included in deferred tax is a loss carried forward of USD 60 million in Premier Oil Norge AS. This is expected to be received in cash following the liquidation of Premier in 2016. As the liquidation decision is not formally made before 31 December 2015, it is reflected as deferred rather than current tax in these financial statements.

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

	Group			
	Q4		01.01.-31.12.	
Reconciliation of tax expense (USD 1 000)	**2015**	**2014**	**2015**	**2014**
27% company tax on profit before tax	-40 825	-53 160	-30 674	-101 418
51% special tax on profit before tax	-77 114	-100 414	-57 940	-191 568
Tax effect of financial and other 27% items	41 028	73 407	185 202	98 055
Tax effect on uplift	-22 406	-20 189	-93 513	-51 537
Change in tax rates*	265		265	
Reversed interest of tax losses carry forward		4 234		
Permanent difference - gain on swap of licences		-1		-38 530
Permanent difference on impairment	146 579	267 006	332 631	267 006
Foreign currency translation of NOK monetary items	-37 092	-36 133	-243 175	-36 133
Foreign currency translation of USD monetary items	-27 410	-159 660	-59 857	-159 660
Revaluation of tax balances**	18 390	113 461	164 348	113 461
Utilization of acquired loss carried forward***	-5 524		-5 524	
Other items (other permanent differences and previous period adjustment)	9 090	1 447	7 282	3 840
Total taxes (+)/tax income (-)	**4 980**	**89 997**	**199 045**	**-96 485**

* The tax rate for general corporation tax changed from 27 to 25 per cent from 1 January 2016. The rate for special tax changed from the same date from 51 to 53 per cent.

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

*** In the acquisition of Svenska Petroleum Exploration AS the acquired loss carried forward was initially recognized to fair value. The amount USD 5 524 thousand represents the difference between the proportional share of fair value and the nominal value.

In accordance with statutory requirements, the calculation of current tax is required to be based on NOK functional currency. This may impact the tax rate when the functional currency is different from NOK. The main factor in 2015 is the foreign exchange losses of the USD loans, which is a taxable loss without any corresponding impact on profit before tax.

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

Note 9 Other non-current assets

(USD 1 000)	Group 31.12.2015	31.12.2014
Shares in Alvheim AS	10	10
Shares in Det norske oljeselskap AS	1 021	
Shares in Sandvika Fjellstue AS	1 814	1 814
Investment in subsidiaries	**2 845**	**1 824**
Tenancy deposit	1 512	1 774
Other non-current assets	8 272	
Total other non-current assets	**12 628**	**3 598**

Det norske oljeselskap AS was previously named Marathon Oil Norge AS. This company was consolidated in the group accounts for Q4 2014 but is deemed immaterial from 2015 as all activity in previously Marathon Oil Norge AS was transferred to the company during Q4 2014. Alvheim AS and Sandvika Fjellstue AS have also been deemed immaterial for consolidation purposes.

Premier Oil Norge AS and Svenska Petroleum Exploration AS have been consolidated in this report and are therefore not included as investments in subsidiaries.

Note 10 Other short-term receivables

(USD 1 000)	Group 31.12.2015	31.12.2014
Receivables related to deferred volume at Atla*	5 673	5 866
Pre-payments, including rigs	21 634	41 682
VAT receivable	6 121	7 986
Underlift of petroleum	3 696	22 896
Accrued income from sale of petroleum products	1 866	
Other receivables, including operated licences	66 200	106 162
Total other short-term receivables	**105 190**	**184 592**

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

Note 11 Long-term receivables

(USD 1 000)	Group 31.12.2015	31.12.2014
Receivables related to deferred volume at Atla	3 782	8 799
Total long-term receivables	**3 782**	**8 799**

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

Note 12 Cash and cash equivalents

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

	Group	
Breakdown of cash and cash equivalents (USD 1 000)	**31.12.2015**	**31.12.2014**
Bank deposits	88 621	291 346
Restricted funds (tax withholdings)	1 978	4 897
Cash and cash equivalents	**90 599**	**296 244**
Unused revolving credit facility (see Note 18)	550 000	
Unused reserve-based lending facility (see Note 18)	731 370	593 000

Note 13 Share capital

	Group	
(USD 1 000)	**31.12.2015**	**31.12.2014**
Share capital	37 530	37 530
Total number of shares (in 1 000)	202 619	202 619
Nominal value per share in NOK	1.00	1.00

Note 14 Derivatives

	Group	
(USD 1 000)	**31.12.2015**	**31.12.2014**
Unrealized gain on commodity derivatives*	45 217	
Total derivatives included in assets	**45 217**	
Unrealized losses currency contracts	7 840	
Unrealized losses interest rate swaps	54 172	5 646
Long-term derivatives included in liabilities	**62 012**	**5 646**
Unrealized losses currency contracts	13 506	25 224
Short-term derivatives included in liabilities	**13 506**	**25 224**
Total derivatives included in liabilities	**75 518**	**30 870**

* As mentioned in Note 1, gain on commodity derivatives is presented as other operating income from Q4 2015.

The company has different types of hedging instruments. The commodity derivatives are used to hedge the risk of oil price reduction. The company manages its interest rate exposure using interest rate derivatives, including a cross currency interest rate swap. Foreign currency exchange contracts are used to swap USD into foreign currencies, mainly NOK, EUR, GBP and SGD, in order to reduce currency risk related to expenditures. Currently all these derivatives are marked to market with changes in market value recognized in the Income statement.

Note 15 Accounts receivable

	Group	
(USD 1 000)	**31.12.2015**	**31.12.2014**
Receivables related to sale of petroleum	85 546	182 384
Receivables related to licence transaction		285
Invoicing related to expense refunds including rigs		3 792
Total accounts receivable	**85 546**	**186 461**

Note 16 Other current liabilities

Breakdown of other current liabilities (USD 1 000)	**Group** 31.12.2015	31.12.2014
Current liabilities related to overcall in licences	33 444	195
Share of other current liabilities in licences	184 010	163 369
Overlift of petroleum	17 088	7 508
Fair value of contracts assumed in acquisition of Marathon Oil Norge AS*	12 009	22 903
Other current liabilities**	64 125	79 838
Total other current liabilities	**310 675**	**273 813**

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

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

Note 17 Bond

(USD 1 000)	**Group** 31.12.2015	31.12.2014
Principal, bond Nordic Trustee [1)]	208 744	253 141
Principal, bond Nordic Trustee [2)]	294 696	
Total bond	**503 440**	**253 141**

[1)] The loan is denominated in NOK and runs from July 2013 to July 2020 and carries an interest rate of 3 month NIBOR + 5 per cent. The principal falls due on July 2020 and interest is paid on a quarterly basis. The loan is unsecured. In April 2015, the bondholders approved certain requested amendments to the bond. The changes involved removal of the Adjusted Equity Ratio covenant, and inclusion of two new financial covenants to align the covenants on this bond with the covenants on the reserve-based lending facility. As compensation for approval, the bondholders received an increased interest by 1.5 per cent, to 3 month NIBOR plus 6.5 per cent, in addition to a one-time consent fee of 2.0 per cent (flat).

[2)] In May 2015, the company completed a new issue of USD 300 million subordinated seven year PIK Toggle bonds with a fixed rate coupon of 10.25 per cent. The bonds are callable from year four and includes an option to defer interest payments.

Note 18 Other interest-bearing debt

(USD 1 000)	**Group** 31.12.2015	31.12.2014
Reserve-based lending facility	2 118 935	2 037 299
Total other interest-bearing debt	**2 118 935**	**2 037 299**

The RBL Facility was established in October 2014 and is a senior secured seven-year USD 3.0 billion facility and includes an additional uncommitted accordion option of USD 1.0 billion. The interest rate is from 1 - 6 months LIBOR plus a margin of 2.75 per cent, with a utilization fee of 0.5 per cent on outstanding loan. In addition a commitment fee of 1.1 per cent is paid on unused credit. In December 2015 the company completed a semi-annual redetermination process with its bank consortium. The borrowing base availability under the facility remained unchanged at USD 2.9 billion, which is the same amount as in the redetermination completed in June 2015.

A revolving credit facility ("RCF") of USD 550 million was also completed with a consortium of banks at June 2015. The loan has a tenor of four years with extension options of one plus one year at the lenders discretion. The loan carries a margin of 4 per cent, stepping up by 0.5 per cent annually after 3, 4 and 5 years, plus a utilization fee of 1.5 per cent. In addition a commitment fee of 2.2 per cent is paid on unused credit. Covenants are the same as for the company’s RBL. This facility is undrawn as of 31 December 2015.

Note 19 Provision for abandonment liabilities

(USD 1 000)	Group 31.12.2015	31.12.2014
Provisions as of 1 January	489 051	160 413
Removal obligation from acquisition of Marathon Oil Norge AS		340 897
Incurred cost removal	-12 508	-14 087
Accretion expense - present value calculation	26 351	12 410
Foreign currency translation reserve*		-10 674
Change in estimates and incurred liabilities on new fields	-79 569	93
Total provision for abandonment liabilities	**423 325**	**489 051**
Break down of the provision to short-term and long-term liabilities		
Short-term	10 520	5 728
Long-term	412 805	483 323
Total provision for abandonment liabilities	**423 325**	**489 051**

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

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

The estimate is based on executing a concept for abandonment in accordance with the Petroleum Activities Act and international regulations and guidelines. The calculations assume an inflation rate of 2.5 per cent and a nominal discount rate before tax of between 3.91 per cent and 5.93 per cent. The main reason for the change in the ARO estimate is a significant reduction in rig rates. Current market rig rates are used as a basis (increasing with inflation) going forward as we do not expect rig rates to recover at the same pace as oil prices due to an increased capacity in the rig market, which we expect to limit rig rate increases in a recovering oil price environment.

Note 20 Contingent liabilities

During the normal course of its business, the company will be involved in disputes, including tax disputes. The company has made accruals for probable liabilities related to litigation and claims based on the management's best judgment and in line with IAS 37. The Management is of the opinion that none of the disputes will lead to significant commitments for the company.

In 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 was extended to include 2011 and 2012. The company responded to the notice of reassessment in 2012 by submitting detailed comments, and has subsequently had further correspondence with OTO regarding the notice.

Note 21 Subsequent events

The company has not identified any events with significant accounting impacts that have occurred between the end of the reporting period and the date of this report.

Note 22 Investments in joint operations

Fields operated:	31.12.2015	30.09.2015
Alvheim	65.000 %	65.000 %
Bøyla	65.000 %	65.000 %
Ivar Aasen Unit	34.786 %	34.786 %
Jette Unit	70.000 %	70.000 %
Vilje	46.904 %	46.904 %
Volund	65.000 %	65.000 %

Fields non-operated:	31.12.2015	30.09.2015
Atla	10.000 %	10.000 %
Enoch	2.000 %	2.000 %
Gina Krog	3.300 %	3.300 %
Johan Sverdrup ****	11.573 %	11.573 %
Jotun	7.000 %	7.000 %
Varg	5.000 %	5.000 %

Production licences in which Det norske is the operator:

Licence:	31.12.2015	30.09.2015
PL 001B	35.000 %	35.000 %
PL 026B	62.130 %	62.130 %
PL 027D	100.000 %	100.000 %
PL 027ES *	0.000 %	0.000 %
PL 028B	35.000 %	35.000 %
PL 036C	65.000 %	65.000 %
PL 036D	46.904 %	46.904 %
PL 088BS	65.000 %	65.000 %
PL 103B	70.000 %	70.000 %
PL 150	65.000 %	65.000 %
PL 150B	65.000 %	65.000 %
PL 169C	50.000 %	50.000 %
PL 203	65.000 %	65.000 %
PL 203B	65.000 %	65.000 %
PL 242	35.000 %	35.000 %
PL 340	65.000 %	65.000 %
PL 340BS	65.000 %	65.000 %
PL 364	50.000 %	50.000 %
PL 460	100.000 %	100.000 %
PL 494	30.000 %	30.000 %
PL 494B	30.000 %	30.000 %
PL 494C	30.000 %	30.000 %
PL 504	47.593 %	47.593 %
PL 504BS *	0.000 %	0.000 %
PL 504CS *	0.000 %	0.000 %
PL 553 *	0.000 %	0.000 %
PL 626	50.000 %	50.000 %
PL 659	20.000 %	20.000 %
PL 663	30.000 %	30.000 %
PL 677	60.000 %	60.000 %
PL 709	40.000 %	40.000 %
PL 715	40.000 %	40.000 %
PL 724	40.000 %	40.000 %
PL 724B **	40.000 %	40.000 %
PL 736S	65.000 %	65.000 %
PL 748***	30.000 %	40.000 %
PL 777 **	40.000 %	40.000 %
PL 790 ***	30.000 %	50.000 %
Number	**34**	**34**

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

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

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

**** According to a ruling by Ministry of Oil and Energy.

***** Acquired through the purchase of Svenska (PL521 is relinquished)

Production licences in which Det norske is a partner:

Licence:	31.12.2015	30.09.2015
PL 019C	30.000 %	30.000 %
PL 019D	30.000 %	30.000 %
PL 029B	20.000 %	20.000 %
PL 035*****	50.000 %	25.000 %
PL 035B*****	40.000 %	15.000 %
PL 035C*****	50.000 %	25.000 %
PL 038	5.000 %	5.000 %
PL 038D	30.000 %	30.000 %
PL 038E	5.000 %	5.000 %
PL 048B	10.000 %	10.000 %
PL 048D	10.000 %	10.000 %
PL 102C	10.000 %	10.000 %
PL 102D	10.000 %	10.000 %
PL 102F	10.000 %	10.000 %
PL 102G	10.000 %	10.000 %
PL 265	20.000 %	20.000 %
PL 272*****	50.000 %	25.000 %
PL 362*****	40.000 %	15.000 %
PL 438	10.000 %	10.000 %
PL 442*****	60.000 %	20.000 %
PL 457	40.000 %	40.000 %
PL 457BS	40.000 %	40.000 %
PL 492	40.000 %	40.000 %
PL 502	22.222 %	22.222 %
PL521*****	25.000 %	0.000 %
PL 522 *	0.000 %	0.000 %
PL 533 ***	35.000 %	35.000 %
PL 550	10.000 %	10.000 %
PL 551	20.000 %	20.000 %
PL 554*****	30.000 %	10.000 %
PL 554B*****	30.000 %	10.000 %
PL 554C*****	30.000 %	10.000 %
PL 558 *	0.000 %	0.000 %
PL 567	40.000 %	40.000 %
PL583*****	45.000 %	0.000 %
PL 574	10.000 %	10.000 %
PL 613	20.000 %	20.000 %
PL 619 *	0.000 %	0.000 %
PL 627	20.000 %	20.000 %
PL 627B **	20.000 %	20.000 %
PL 653	30.000 %	30.000 %
PL 667 *	0.000 %	0.000 %
PL 672	25.000 %	25.000 %
PL 676BS *	0.000 %	0.000 %
PL 676S *	0.000 %	0.000 %
PL 678BS***	0.000 %	25.000 %
PL 678C ***	0.000 %	25.000 %
PL 678S	25.000 %	25.000 %
PL 681	16.000 %	16.000 %
PL689*****	20.000 %	0.000 %
PL690*****	30.000 %	0.000 %
PL 694 **	20.000 %	20.000 %
PL 706 *	0.000 %	0.000 %
PL722***	10.000 %	0.000 %
PL 730	30.000 %	30.000 %
PL 730B	30.000 %	30.000 %
PL 778 **	20.000 %	20.000 %
PL797*****	25.000 %	0.000 %
PL 804 **	30.000 %	30.000 %
Number	**50**	**46**

Note 23 Results from previous interim reports

	2015				2014			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Total operating income	**254 634**	**316 393**	**321 850**	**328 924**	**345 670**	**18 334**	**74 304**	**25 923**
Exploration expenses	18 867	18 066	24 949	14 523	51 491	71 778	21 027	20 040
Production costs	24 077	26 888	50 686	39 349	44 400	7 906	7 417	7 032
Depreciation	111 590	129 790	117 354	122 224	104 183	28 080	13 443	14 548
Impairments	191 939	185 756		52 773	319 018			27 402
Other operating expenses	3 228	11 433	22 550	14 397	10 679	993	12 896	825
Total operating expenses	**349 701**	**371 932**	**215 539**	**243 266**	**529 772**	**108 757**	**54 782**	**69 847**
Operating profit/loss	**-95 067**	**-55 539**	**106 311**	**85 658**	**-184 102**	**-90 423**	**19 522**	**-43 924**
Net financial items	-56 138	-51 205	-43 137	-4 492	-12 788	-30 143	-23 865	-9 901
Profit/loss before taxes	**-151 205**	**-106 744**	**63 174**	**81 166**	**-196 889**	**-120 567**	**-4 343**	**-53 824**
Taxes (+)/tax income (-)	4 980	59 441	55 897	78 727	89 997	-103 615	-31 627	-51 240
Net profit/loss	**-156 184**	**-166 185**	**7 277**	**2 439**	**-286 887**	**-16 952**	**27 284**	**-2 584**

Financial figures from quarters prior to the change in functional currency have been converted to USD nine months average for the three first quarters in 2014.

NOTES

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