



DET NORSKE

Report Q3 2010

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Det norske is currently participating in two exploration wells: Stirby and Dalsnuten. The results of these wells are expected in the near future. The company has an active exploration programme for 2011 with planned participation in 11 exploration wells.

Det norske continues its work of preparing for the development of the Frøy and Draupne fields.

Important events

- Gas and condensate was discovered in the David prospect in PL 102C. Estimated recoverable volumes are between 15 and 20 million barrels of oil equivalents. Det norske has a 10% interest in the licence. The discovery is being considered for development.
- In August, Det norske started exploration drilling in the Stirby prospect, a gas and condensate prospect in PL 341. Det norske has a 30% interest in the licence.
- In September, Shell started exploration drilling in the Dalsnuten gas prospect in PL 392 in the Norwegian Sea. Det norske is a partner and has a 10% interest in the licence.
- The charter party for the Aker Barents drilling rig was extended from July 2012 until July 2014. This agreement secures drilling capacity in deep water and in the Barents Sea.
- Teitur Poulsen has accepted the role as Chief Financial Officer (CFO).
- The loss for the period was MNOK 80.1 compared with a loss of MNOK 71.6 for the same period last year. Exploration expenses for the period amounted to MNOK 209.1 (329.0).

Key figures

	Q3 10*	Q2 10*	Q1 10*	Q4 09*	Q3 09	2009	2008
Oil and gas production (barrels)	171,203	187,377	218,191	179,542	155,035	673,603	661,732
Oil price achieved (USD/barrel)	77.8	79.9	76.0	73.4	67.0	59.7	87.6
Operating revenues (MNOK)	80.6	88.7	97.1	73.7	67.4	265.0	635.1
Exploration expenses (MNOK)	209.1	367.2	544.2	409.9	329.0	1,208.7	544.5
Operating profit/loss (MNOK)	-253.1	-409.3	-574.7	-626.2	-330.2	1,435.5	-572.0
Profit/loss (MNOK)	-80.1	-104.8	-174.3	-379.3	-71.6	520.7	225.5
Total exploration expenses (expensed and capitalised)	447.0	911.6	793.9	592.8	511.3	1,804.3	153.3
No. of employees	192	188	181	176	146		
No. of licences (operatorships)	72(35)	71(35)	74(37)	67(34)	52(28)		

MNOK= NOK million

* The group was established on 22 December 2009. Aker Exploration is included in the income statement as from that date.

Production

Barrels of o.e. per day	Share in production	Q3 10	Q2 10	Q1 10	Q4 09	Q3 09	2009	2008
Varg	5%	1,067.4	1,185.8	1,386.1	874.2	595.6	690.1	611.1
Glitne	10%	437.3	433.6	542.9	587.3	566.7	618.9	866.0
Enoch	2%	65.0	79.9	117.1	129.4	130.7	125.6	124.0
Jotun Unit	7%	291.3	359.8	378.2	360.6	392.1	410.9	494.3
Total production		1,861	2,059	2,424	1,951	1,685	1,845	1,808

o.e = oil equivalents

Fields in production and oil prices

Production in the third quarter amounted to 171,203 (155,035) barrels of oil equivalents. This corresponds to an average of 1,860.9 (1,685.2) barrels a day. The oil was sold at an average price of USD 77.8 (67.0) per barrel.

Production from the Varg, Jotun and Glitne fields fell during the quarter, because of planned maintenance. The work was carried out in a safe and efficient manner. Moreover, challenges relating to the gas-lift system led to reduced production from the Enoch field during the third quarter.

Health, safety and the environment

There have been no serious incidents in connection with Det norske's operations during the quarter.

Operated projects

Frøy and nearby licenses

The partnership in PL 364 has decided to study the possibility of increasing recoverable volumes in Frøy through the combined use of gas and water injection rather than just gas injection. This work must be completed before a more detailed front-end engineering design (FEED) study can be carried out. This means that the partnership is planning to submit a Plan for development and operation (PDO) in mid-2011 at the earliest, with production start in mid-2014. Efforts are currently being made to secure financing. Frøy is a profitable prospect with a break-even price of just under USD 60/barrel based on a development solution that uses a wellhead platform and FPSO.

Draupne and nearby licenses

The plan is to make a decision concerning the development concept for Draupne in the course of the first quarter 2011, following a

comprehensive evaluation of the data from the successful delineation wells 16/1-11 and 11A, and interpretation of new 3D seismic data. A combined development with the Luno discovery in PL338 will be evaluated before the partnership decides what concept to choose. Production is not expected to start before 2015, at the earliest.

Operated discoveries

PL 027D, 169C, 504 Jetta

Det norske finds the Jetta discovery commercially interesting and is negotiating commercial terms with the Jotun licence for a possible tie-in with the processing plant on Jotun.

PL 460 Storklakken

Preliminary technical and financial analyses confirm the presence of commercial volumes. The field can be tied in with Frøy, Vilje/Alvheim or Jotun.

Non-operated projects

The part of Dagny that extends into PL 029B

The Dagny discovery extends into PL 029B, in which Det norske has a 20% interest. The operator Statoil plans to submit the PDO for Dagny in 2012, with production start towards the end of 2015, at the earliest.

PL 362/035B Fulla

The operator Statoil has made good progress with the Fulla project. A number of tie-in alternatives are being evaluated, via Heimdal (possibly via satellites) or Bruce on the UK side.

PL 038D Grevling

The operator Talisman is making good progress with the Grevling project following the successful drilling of delineation wells 15/12-23 and 15/12-23A. The oil-water contact proved to be 83 meters deeper than in the discovery well and the

operator Talisman is evaluating various development options.

Exploration activity

APA 2010

Awards in pre-defined areas (APA) 2010 include the more mature areas of the Norwegian continental shelf, and Det norske made several applications both as operator and partner before the deadline on 15 September.

Twenty-first licensing round

In the third quarter, considerable resources were engaged with the 21st licensing round. The company has submitted applications for areas in both the Norwegian Sea and the Barents Sea.

PL 341 Stirby

On 16 August, the *Songa Delta* drilling rig started drilling exploration well 24/12-6S in the Stirby prospect. Stirby is a major gas and condensate prospect for which Det norske is operator. The drilling operation was planned and is being conducted as if the well was a high temperature and high pressure (HTHP) well.

PL 392 Dalsnuten

The *Aker Barents* drilling rig started drilling Dalsnuten on 6 September. The operation is conducted by Shell and is still ongoing. Dalsnuten is a large deep-water gas prospect in the Norwegian Sea, in which Det norske has a 10 percent interest.

PL 482 Skaugumsåsen

The licence has decided to drill a well in Skaugumsåsen and the planned drilling operation will be carried out by the *Aker Barents* drilling rig. Det norske owns a 65 percent interest in the licence.

PL 522 Gullris

The licence has decided to drill a well in the Gullris prospect and the management committee has agreed to use the *Aker Barents* for this operation. BG is operator for PL 522, in which Det norske owns a 20 percent interest.

PL 265 Aldous Major

In September, Lundin reported a major oil discovery with good production properties in the Avaldsnes prospect in PL 501. Det norske has no ownership interest in this discovery, but is of the opinion that the structure extends into PL 265, in which Det norske has a 20 percent interest. Statoil is operator for PL 265 and is

planning to drill two exploration wells in 2011, in order to determine the resource potential.

Business transactions

Secured rig capacity after 2012

The charter party for the *Aker Barents* drilling rig has been extended by two years in direct continuation of the existing contract which expires in July 2012. The new contract has a variable rate structure. A rate of approximately USD 450,000 will apply when the rig is used at water depths of less than 500 metres, while the rate will be approximately USD 550,000 when the rig is used in deeper waters and in the Barents Sea. The company also has an option on the rig for another two years.

The market for rigs that can operate in the Barents Sea and in deep waters in the Norwegian Sea is very tight. The company believes that it is important to secure drilling capacity for exploration drilling and possible production drilling if discoveries are made in these areas.

PL 440S Clapton

In the third quarter, Det norske sold a 20% interest in PL 440S, which includes the Clapton prospect, to Faroe Petroleum. As consideration, Faroe Petroleum will cover Det norske's share of expenses relating to the next exploration well in the licence. Following the transaction, Det norske owns a 10 percent interest in the licence.

PL 468 Dovregubben

Det norske has sold 5 percent of PL 468 to GDF SUEZ. This licence contains the Dovregubben prospect, in which drilling is planned for 2011 using the *Aker Barents* drilling rig.

PL 256, PL 383 and PL 476

It has been decided to relinquish these licences.

Financials

Operating revenues in the third quarter amounted to MNOK 80.6 (67.5). The increase of 19% is due to an increase in production and higher oil prices compared with the third quarter of 2009. The company had an operating loss of MNOK 253.1 (compared with an operating loss of MNOK 330.2 during the same period last year). The loss can largely be attributed to exploration expenses of MNOK 209.1 (328.9).

The loss for the period was MNOK 80.1 (compared with a loss of MNOK 71.6 during the same period last year) after a positive tax income of MNOK 228.7 (264.5).

The net cash flow from operational activities was MNOK -189.4 (-176.3). The net cash flow from investment activities was MNOK -282.9 (-214.7) in the third quarter. The negative cash flow was mainly a result of exploration expenses.

The group's liquid assets amounted to MNOK 1,100.7 (957.4) at the end of the quarter. Tax receivables for disbursement in 2010 have been recognised in the amount of MNOK 2,078.0 (213.2), while tax receivables for disbursement in 2011 have been recognised in the amount of MNOK 1,801.3 (985.6). The company continues to be financially strong with an equity ratio of 36 percent (63 percent) and good liquidity. Liquid assets and tax receivables, adjusted for the amount drawn on the credit facility for exploration and convertible loans, amounted to MNOK 1,612.0 (2,156.2) at the end of the period.

Total assets amounted to MNOK 9,790.3 (5,650.1) at 30 September. The increase was mainly a result of the merger between Det norske and Aker Exploration in the fourth quarter 2009. The group has a credit facility for exploration of MNOK 4,500.

Events after the end of the quarter

PL 102C David

Gas and condensate have been discovered through exploration well 25/5-7 in the David prospect in PL102C. Preliminary estimates show reserves of between 15 and 20 million barrels of oil equivalents. Total is operator and Det norske has a 10 percent interest. The discovery has good production properties and possible commercialisation with tie-in to Byggve/Skirne will be evaluated.

Outlook

The company is currently participating in two exploration wells that have significant potential – on Stirby in PL 341 and on Dalsnuten in PL 392. Det norske continues its work of preparing for the development of the Frøy and Draupne fields.

The company has submitted applications in the 21 st licensing round. Awards are expected early in 2011. The licenses applied for both in the Barents Sea and Norwegian Sea contain significant prospects.

Det norske oljeselskap - group

INCOME STATEMENT (Unaudited)

(All figures in NOK 1,000)	Note	Q3 2010	2009	01.01. - 30.09. 2010	2009
Petroleum revenues		79 655	61 420	263 416	181 739
Other operating revenues		988	5 997	3 036	9 564
Total operating revenues		80 643	67 417	266 452	191 303
Exploration expenses	1, 2	209 065	328 886	1 120 495	798 782
Change in inventories		660	-283	-1 859	4 343
Production costs		35 845	35 848	116 709	108 836
Payroll and payroll-related expenses		7 548	2 270	10 040	15 880
Depreciation	3	41 749	13 583	136 641	36 881
Write-downs	3	24 442		73 185	
Other operating expenses	1	14 447	17 343	48 349	35 890
Total operating expenses		333 756	397 647	1 503 561	1 000 613
Operating profit/loss		-253 113	-330 231	-1 237 109	-809 309
Interest income		13 294	10 372	41 365	40 224
Other financial income		659	12 544	84 424	40 969
Interest expenses		52 624	4 593	150 032	12 996
Other financial expenses		17 025	24 132	94 258	37 712
Net financial items	4	-55 696	-5 809	-118 500	30 485
Profit/loss before taxes		-308 808	-336 040	-1 355 609	-778 825
Taxes (+)/tax income (-)	5	-228 684	-264 454	-996 352	-637 434
Net profit/loss		-80 123	-71 586	-359 257	-141 391
Weighted average no. of shares outstanding		111 111	64 925	111 111	64 925
Weighted average no. of shares fully diluted		111 111	64 925	111 111	64 925
Earnings/(loss) after taxes per share (adjusted for split)		(0,72)	(1,10)	(3,23)	(2,18)
Earnings/(loss) after taxes per share (adjusted for split) fully diluted		(0,72)	(1,10)	(3,23)	(2,18)

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

TOTAL PROFIT/LOSS FOR THE PERIOD (Unaudited)

(All figures in NOK 1,000)	Q3 2010	2009	01.01. - 30.09. 2010	2009
Profit/loss for the period	-80 124	-71 586	-359 257	-141 391
Total profit/loss for the period	-80 124	-71 586	-359 257	-141 391
Break-down of total profit/loss:				
Majority interests	-80 124	-71 586	-359 257	-141 391
Total profit/loss for the period	-80 124	-71 586	-359 257	-141 391

Det norske oljeselskap - group

STATEMENT OF FINANCIAL POSITION (Unaudited)

(All figures in NOK 1,000)	Note	30.09.2010	31.12.2009	30.09.2009
ASSETS				
Intangible assets				
Goodwill	3	666 470	697 938	864 339
Capitalised exploration expenses	3	1 935 335	893 467	682 835
Other intangible assets	3	1 218 467	1 320 484	1 318 139
Tangible fixed assets				
Property, plant, and equipment	3	408 998	447 553	308 181
Financial fixed assets				
Calculated tax receivable	5	1 801 278		985 602
Derivatives	10	9 948		
Other financial fixed assets		18 001	17 965	62 218
Long-term prepayments	6	99 620	240 442	
Total fixed assets		6 158 116	3 617 849	4 221 315
Inventories				
Inventories		17 633	14 655	15 654
Receivables				
Trade receivables		25 709	30 414	33 334
Other short-term receivables	7	388 111	393 669	189 814
Market-based financial investments		22 050	21 995	19 400
Calculated tax receivables		2 077 992	2 060 124	213 225
Cash and cash equivalents				
Cash and cash equivalents	8	1 100 663	1 574 287	957 352
Total current assets		3 632 158	4 095 144	1 428 779
TOTAL ASSETS		9 790 274	7 712 992	5 650 094

Det norske oljeselskap - group

STATEMENT OF FINANCIAL POSITION (Unaudited)

(All figures in NOK 1,000)	Note	30.09.2010	31.12.2009	30.09.2009
EQUITY AND LIABILITIES				
Paid-in capital				
Share capital	9	111 111	111 111	12 985
Share premium		1 167 312	1 167 312	
Other paid-in equity		21 652	33 463	
Total paid-in equity		1 300 075	1 311 886	12 985
Earned equity				
Other equity		2 191 192	2 538 638	3 536 843
Total Equity		3 491 267	3 850 524	3 549 828
Provision for liabilities				
Pension liabilities		24 293	19 914	22 326
Deferred taxes		1 885 434	1 173 477	1 255 461
Provision for removal and decommissioning liabilities		233 586	224 472	142 610
Other provisions for liabilities		2 832	5 588	5 588
Long-term liabilities				
Derivatives	10		21 805	
Bond loan	13	413 901	390 600	
Current liabilities				
Short-term loan	11	2 953 988	1 090 258	
Trade creditors		118 187	261 940	76 771
Accrued public charges and indirect taxes		11 744	22 618	8 742
Deferred income			53 001	47 693
Other current liabilities	12	655 042	598 795	541 073
Total liabilities		6 299 007	3 862 468	2 100 266
TOTAL EQUITY AND LIABILITIES		9 790 274	7 712 992	5 650 094

Det norske oljeselskap - group

STATEMENT OF CHANGES IN EQUITY (Unaudited)

(All figures in NOK 1,000)	Share capital	Premium reserve	Other paid-in equity	Other equity	Total equity
Corrected equity as of 31/12/2008	12 985	3 519 597		158 637	3 691 219
Profit/loss for the periode				-141 391	-141 391
Reduction of premium reserve		-3 519 597		3 519 597	
Equity as of 30/09/2009	12 985			3 536 843	3 549 828
Redemption of share capital	-12 985				-12 985
Equity capital / value of acquiring company	20 000	1 167 312	33 463	-618 901	601 874
Share Issue 22/12/2009	91 111				91 111
Total profit/loss for the period				-379 305	-379 305
Equity as of 31/12/2009	111 111	1 167 312	33 463	2 538 638	3 850 524
Total profit/loss for the period			-11 811	-347 446	-359 257
Equity as of 30/09/2010	111 111	1 167 312	21 652	2 191 192	3 491 267

Det norske oljeselskap - group

CASH FLOW STATEMENT (Unaudited)

(All figures in NOK 1,000)	Note	Q3		01.01. - 30.09.		01.01.- 31.12
		2010	2009	2010	2009	2009
Cash flow from operating activities						
Income/loss before taxes		-308 808	-336 040	-1 355 609	-778 825	-1 399 855
Taxes paid during the period		-1 390		-1 390	-1 798	
Tax refund during the period						199 710
Depreciation	3	41 749	13 583	136 641	36 881	53 469
Write-downs	3	14 092		62 835		213 304
Expensed excess/shortfall values		10 350		101 905		
Reversal of tax item related to shortfall value of purchase price allocation (PPA)		-26 853		-26 853		
Changes in derivatives	4	17 773		-31 753		
Amortisation of interest expenses		7 767		23 301		
Expensed dry wells, previous capitalised (*)	2, 3	10 457	7 095	667 711	18 545	784 027
Changes in abandonment liabilities		3 078	2 718	9 114	7 999	10 514
Changes in inventories, accounts payable and receivable		-190 722	21 889	-142 025	531 687	688 820
Changes in net current capital beyond the changes in inventories, accounts payable and receivables and other current balance sheet items		233 105	114 448	86 472	230 935	18 546
NET CASH FLOW FROM OPERATING ACTIVITIES		-189 401	-176 307	-469 651	45 424	568 534
Cash flow from investment activities						
Disbursements on investments in tangible fixed assets	3	-25 621	-17 294	-84 201	-40 411	-62 299
Disbursements on investments in capitalised exploration expenses and other intangible assets	3	-257 306	-197 699	-1 724 469	-510 268	-1 442 455
Sale of tangible fixed assets			320		320	320
NET CASH FLOW FROM INVESTMENT ACTIVITIES		-282 927	-214 673	-1 808 670	-550 359	-1 504 434
Cash flow from financing activities						
Purchase of shares					-6 000	-6 000
Repayment of loan				-549 290		
Short-term debt		1 134 300		2 353 988		600 000
NET CASH FLOW FROM FINANCING ACTIVITIES		1 134 300		1 804 698	-6 000	594 000
Net change in cash and cash equivalents		661 971	-390 980	-473 624	-510 934	-341 900
Cash and cash equivalents at start of period		438 692	1 348 332	1 574 287	1 468 287	1 468 287
Cash and cash equivalents in acquired company at the time of acquisition						447 900
CASH AND CASH EQUIVALENTS AT END OF PERIOD		1 100 663	957 352	1 100 663	957 353	1 574 287
Specification of cash and cash equivalents at end of period:						
Bank deposits, etc.		1 092 156	951 250	1 092 156	951 250	1 559 176
Restricted bank deposits		8 507	6 102	8 507	6 102	15 087
Short-term placements						24
Total cash and cash equivalents at end of period	8	1 100 663	957 352	1 100 663	957 352	1 574 287

(*) Classification of "expensing of capitalized exploration wells this year" has changed in that it has moved from investment activities to operating activities.

Det norske oljeselskap - group

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". The quarterly report is unaudited.

Note 1 Accounting principles

The accounting principles used for this interim report are in accordance with the principles used in the annual accounts for 2009. Note 1.37 to the annual accounts, stated that the company planned to implement some changes to the accounting standards as from 1 January 2010. Based on the company's activities, none of these changes are relevant as of 30/09/2010.

In relation to the comparative figures for 2009, area fees have been reclassified from exploration expenses to other operating expenses. In Q3 2009 this amounts to NOK 5 661 and for the first three quarters of 2009 this amounts to NOK 16 983.

Note 2 Exploration expenses

Specification of exploration expenses:	Q3		01.01. - 30.09.	
	2010	2009	2010	2009
Seismic costs, well data, field studies and other exploration expenses	117 331	41 006	216 251	78 989
Reversal of tax item related to shortfall value of purchase price allocation (PPA)	-26 853		-26 853	
Share of exploration expenses from license participation incl. seismic	81 030	32 812	226 881	187 533
Expensed capitalised wells previous years		7 095	9 819	18 545
Expensed capitalised wells this year	10 457	233 108	657 892	455 555
Share of payroll and other operating expenses reclassified as exploration expenses	23 937	8 372	75 491	45 741
Research and development costs related to exploration activities	3 162	6 493	22 411	12 420
Rig contract warranty recognised in the income statement			-61 397	
Total exploration expenses	209 065	328 886	1 120 495	798 782

Note 3 Tangible assets and intangible assets

TANGIBLE FIXED ASSETS:	Production			
	Fields under development	plant, including wells	Fixtures and fittings, office machinery etc.	Total
Balance-sheet value 31/12/09	198 631	221 216	27 706	447 553
Acquisition cost 31/12/2009	198 631	391 080	47 797	637 508
Additions/reclassification	36 726	9 638	12 215	58 579
Acquisition cost 30/06/2010	235 357	400 718	60 013	696 087
Accumulated depreciation and writedowns 30/06/2010		246 291	28 687	274 978
Balance-sheet value 30/06/2010	235 357	154 427	31 326	421 111
Acquisition cost 30/06/2010	235 357	400 718	60 013	696 088
Additions/reclassification	9 261	679	15 681	25 621
Acquisition cost 30/09/2010	244 618	401 397	75 694	721 710
Accumulated depreciation and writedowns 30/09/2010		280 738	31 975	312 713
Balance-sheet value 30/09/2010	244 618	120 659	43 719	408 998
Depreciation Q3		34 447	3 288	37 731
Depreciation in 2010		110 874	11 883	122 757

Det norske oljeselskap - group

Fields under development are depreciated from 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 for production facilities is included in the table on previous page.

INTANGIBLE ASSETS:	Other intangible assets		Total	Exploration expenses	Goodwill
	Licences	Software			
Balance-sheet value 31/12/09	1 310 961	9 523	1 320 484	893 467	697 938
Acquisition cost 31/12/2009	1 862 555	32 942	1 895 497	893 467	1 131 716
Additions/reclassification		1 150	1 150	1 466 013	
Disposals/reclassification	171 465		171 465	662 120	97 805
Acquisition cost 30/06/2010	1 691 090	34 091	1 725 181	1 697 360	1 033 911
Accumulated depreciation and writedowns 30/06/2010	460 268	26 863	487 131		364 241
Balance-sheet value 30/06/2010	1 230 823	7 227	1 238 050	1 697 360	669 670
Acquisition cost 30/06/2010	1 691 090	34 091	1 725 181	1 697 360	1 033 911
Additions/reclassification	8 228	647	8 875	248 431	
Disposals/reclassification	24 442		24 442	10 457	3 200
Acquisition cost 30/09/2010	1 674 876	34 738	1 709 614	1 935 335	1 030 711
Accumulated depreciation and writedowns 30/09/2010	462 988	28 160	491 148		364 241
Balance-sheet value 30/09/2010	1 211 889	6 579	1 218 467	1 935 335	666 470
Depreciation Q3	2 721	1 297			
Depreciation in 2010	9 143	4 741			
Write-downs in Q3	24 442				
Write-downs in 2010	67 150			4 866	28 268

Reconciliation of depreciation in the income statement:

	Q3	01.01. - 30.09.
Depreciation of tangible fixed assets	37 731	122 757
Depreciation of intangible assets	4 018	13 884
Total depreciation in the income statement	41 749	136 641

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

Reconciliation of write-downs in the income statement:

	Q3	01.01. - 30.09.
Write-downs of intangible assets	24 442	100 284
Write-down of deferred tax related to write-down of goodwill		-27 099
Total write-downs in the income statement	24 442	73 185

There has been a derecognition related to licenses under relinquishment in the period. Disposal of goodwill in the period is related to relinquishment of a license the company acquired in the merge with Aker Exploration.

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Note 4 Financial items

	Q3		01.01. - 30.09.	
	2010	2009	2010	2009
Interest income	13 294	10 372	41 365	40 224
Return on financial investments		1 100	575	9 625
Currency gains	15 653	11 444	46 905	31 344
Change in value of derivatives	-14 994		36 944	
Total other financial income	659	12 544	84 424	40 969
Interest expenses	47 511	4 191	134 695	11 790
Amortisation of loan costs	5 113	402	15 338	1 206
Total interest expenses	52 624	4 593	150 032	12 996
Currency losses	17 000	24 132	33 183	37 712
Expensed excess value, identified in connection with acquisition			60 555	
Decline in value of financial investments	25		520	
Total other financial expenses	17 025	24 132	94 258	37 712
Net financial items	-55 696	-5 809	-118 500	30 485

Note 5 Taxes

Taxes for the period appear as follows:	Q3		01.01. - 30.09.	
	2010	2009	2010	2009
Calculated tax receivable due to exploration-related costs	-392 213	-389 129	-1 801 277	-985 602
Reversal of tax item related to shortfall value of purchase price allocation (PPA), accounted as exploration expenses	26 853		26 853	
Changes in prior years tax returns	1 390		1 390	
Change in deferred taxes	135 286	124 675	817 817	348 168
Tax on excess-/shortfall values expensed in the period			-41 135	
Total taxes (+) / tax income (-)	-228 684	-264 454	-996 352	-637 434

A full tax calculation has been carried out in accordance with the accounting principles described in the annual report for 2009. The calculated tax receivable as a result of exploration activities in 2010 is recognised as a long-term item in the balance sheet. The tax refund for this items is expected to be paid in December 2011. 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.

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Note 6 Pre-payments and chartering of drilling rig - long term

	30.09.2010	31.12.2009	30.09.2009
Pre-payments relating to upgrades, rig intake and mobilisation	166 743	379 608	
Shortfall value of rig charterparties in connection with acquisition	-67 122	-140 689	
<i>Total pre-payments, Aker Barents</i>	<i>99 620</i>	<i>238 919</i>	
Other pre-payments		1 523	
Total pre-payments and chartering of drilling rigs	99 620	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 the charter period by up to two years. The charter period started to run in July 2009. In Q3 the company signed a lease agreement for two years, with an option for an additional period of two years. 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 on the contract date was USD 520,000 per day, including operating expenses of NOK 900,000, which will be adjusted for inflation during the charter period. Rig costs are charged to income on a running basis and reversed when invoicing the licences that use the rig. The group has split these costs into a long-term and a short-term component, according to when the licences will be invoiced. The long-term component is described in this Note, while the short-term component is described in Note 7.

Note 7 Other short-term receivables

	30.09.2010	31.12.2009	30.09.2009
Pre-payments, including for rigs	36 492	29 488	28 361
VAT receivable	20 362	17 809	12 105
Underlift (earned income)	20 723	5 205	5 190
Deposit account - deferred income		49 959	
Guarantee account, unsecured pension scheme	5 825	5 015	4 463
Other receivables, including in operator licences	157 284	192 454	139 696
Pre-payments relating to upgrades, rig intake and mobilisation	246 758	154 105	
Shortfall value of rig charterparties in connection with acquisition	-99 333	-60 365	
<i>Total pre-payments, Aker Barents</i>	<i>147 425</i>	<i>93 740</i>	
Total other short-term receivables	388 111	393 669	189 814

Note 8 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.

	30.09.2010	31.12.2009	30.09.2009
Cash	20	20	
Bank deposits	1 092 136	1 559 156	951 250
Restricted funds (tax withholdings)	8 507	15 087	6 102
Short-term placements		24	
Total cash and cash equivalents	1 100 663	1 574 287	957 352
Unused revolving credit facility, exploration facility loan	617 419	740 940	1 138 886

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Note 9 Share capital

	30.09.2010	31.12.2009	30.09.2009
Share capital	111 111	111 111	12 985
Total number of shares	111 111	111 111	64 925
Nominal value per share in NOK	1,00	1,00	0,20

Note 10 Derivatives

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

At 30 September 2010, the company had the following financial instruments:

	30.09.2010	31.12.2009	30.09.2009
Structured forward contracts	9 948	-21 805	
Estimated fair value	9 948	-21 805	

Description of structured forward contracts:

As of 30 September 2010, Det norske oljeselskap AS has four structured forward contracts, each for an amount of USD 12 million, which fall due every three months. The first forward contract matures on 1st December 2010. These forward exchange contracts are structured so that if the NOK/USD spot exchange rate falls below 5.65 in the course of the last three months preceding the maturity date, the company is obliged to buy USD at a rate of NOK 6.145. If the USD exchange rate is between NOK 5.65 and NOK 6.145, the company pays the normal spot price, and if the exchange rate exceeds NOK 6.145, the rate paid by the company is NOK 6.145.

The company has also signed five forward contracts for the sale of USD, each for an amount of 6 million. These fall due at the same time as the above-mentioned outright purchase contracts. The average agreed NOK/USD rate is 6.65.

Note 11 Short-term loans

	30.09.2010	31.12.2009	30.09.2009
Exploration facility in DnB NOR	3 000 000	1 150 813	
Accrued loan costs	-46 013		
Excess value of overdraft facility identified in connection with acquisition		-60 555	
	2 953 988	1 090 258	

In January 2010, the group established a joint revolving credit facility of NOK 4,500,000,000 with a bank syndicate headed by DnB NOR BANK ASA. Maximum utilization including interest is limited to 95 percent of tax refunds related to the exploration expenses. The companies can draw on the facility until 31 December 2012 and the final repayment must take place in December 2013. All the group's exploration licences were pledged as security for the bank syndicate headed by DnB NOR as from 5 March 2010.

The interest rate on the revolving credit is 3 months' NIBOR + 2.5%, and the establishment fee for the facility was NOK 61.3 million. A commission of 1.35% is also paid on unused credit.

For information about the unused part of the credit facility for exploration purposes, see Note 8 - "Cash and cash equivalents"

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Note 12 Other current liabilities

	30.09.2010	31.12.2009	30.09.2009
Current liabilities related to overcall in licences	227 892	45 127	48 058
Share of other current liabilities in licences	178 984	364 642	379 973
Other current liabilities	248 166	189 026	113 042
Total other current liabilities	655 042	598 795	541 073

Note 13 Bond loan

	30.09.2010	31.12.2009	30.09.2009
Principal, convertible loan Norsk Tillitsmann	457 500	457 500	
Equity part of convertible loan on initial inclusion	-98 991	-98 991	
Accumulated amortisation of equity part of convertible loan	68 919	52 514	
Excess value on acquisition	-13 527	-20 423	
	413 901	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 this period, the loan can be converted to shares (5,769,231 shares) at a price of NOK 79.30 per share. No security has been furnished for this loan. Det norske ASA has fulfilled all the loan conditions.

Note 14 Uncertain commitments

There is a disagreement between the partners in one of the company's operating licenses, related to the cost of drilling an exploration well. Det norske disagrees with the claim, and has not made provision in the accounts of this controversy.

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

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Note 15 Changes in the licence portfolio

	Comments	30.09.2010	30.06.2010	31.03.2010	31.12.2009
PL 027D		60,0 %	60,0 %	60,0 %	35,0 %
PL 028S		40,0 %	0,0 %	0,0 %	0,0 %
PL 169C		70,0 %	70,0 %	70,0 %	57,5 %
PL 259	Relinquished	0,0 %	0,0 %	0,0 %	30,0 %
PL 321/321B	Relinquished	0,0 %	0,0 %	60,0 %	60,0 %
PL 369		60,0 %	60,0 %	60,0 %	40,0 %
PL 380	Relinquished	0,0 %	0,0 %	0,0 %	70,0 %
PL 383	Relinquished	0,0 %	55,0 %	55,0 %	55,0 %
PL 392		10,0 %	0,0 %	0,0 %	0,0 %
PL 432/432B	Relinquished	0,0 %	0,0 %	0,0 %	100,0 %
PL 447		80,0 %	80,0 %	30,0 %	30,0 %
PL 458	Relinquished	0,0 %	0,0 %	0,0 %	30,0 %
PL 474	Relinquished	0,0 %	30,0 %	30,0 %	30,0 %

In the annual licensing round APA 2009, Det norske was offered interests in the following licences:

PL 497B	Operatorship	35,0 %	35,0 %	35,0 %
PL 504 BS	Operatorship	58,5 %	58,5 %	58,5 %
PL 542	Operatorship	60,0 %	60,0 %	60,0 %
PL 548S	Operatorship	40,0 %	40,0 %	40,0 %
PL 549S	Operatorship	35,0 %	35,0 %	35,0 %
PL 553	Operatorship	40,0 %	40,0 %	40,0 %
PL 554	Partner-operate	40,0 %	40,0 %	40,0 %
PL 558	Partner-operate	20,0 %	20,0 %	20,0 %
PL 561	Partner-operate	20,0 %	20,0 %	20,0 %
PL 563	Partner-operate	30,0 %	30,0 %	30,0 %

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Note 16 Results from previous interim reports

	2010			2009				2008	
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
Operating revenues	80 643	88 671	97 138	73 714	67 417	66 761	57 125	363 872	102 243
Exploration expenses	209 065	367 219	544 211	409 945	328 886	410 400	59 497	238 551	146 443
Change in inventories	660	-1 571	-948	-219	-283	665	3 961	-1 266	70
Production costs	35 845	39 606	41 259	31 439	35 848	37 375	35 612	44 289	34 513
Payroll and payroll-related expenses	7 548	7 548	1 080	-4 054	2 270	6 209	7 401	2 177	1 989
Depreciation	41 749	44 121	50 772	16 587	13 583	12 029	11 269	32 823	29 061
Write-downs	24 442	32 748	15 995	213 304				400 376	
Other operating expenses	14 447	14 476	19 426	32 903	17 343	10 674	7 873	8 282	-1 517
Operating expenses	333 755	498 011	671 795	699 905	397 648	477 352	125 613	725 231	210 559
Operating profit/loss	-253 112	-409 340	-574 657	-626 193	-330 231	-410 591	-68 488	-361 359	-108 317
Net financial items	-55 696	7 952	-70 757	5 164	-5 809	9 905	26 388	132 571	32 233
Pre-tax profit/loss	-308 808	-401 387	-645 414	-621 029	-336 040	-400 685	-42 100	-228 788	-76 083
Taxes	-228 684	-296 566	-471 102	-241 725	-264 454	-323 598	-49 381	-464 419	-81 689
Net profit/loss	-80 124	-104 821	-174 312	-379 304	-71 586	-77 087	7 282	235 631	5 605



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