DETNORSKE

Report Q2 2011

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TRONDHEIM
Det norske oljeselskap ASA
www.detnor.no
Postal and office address:
Føniks, Munkegata 26
NO-7011 Trondheim
Telephone: +47 90 70 60 00
Fax: +47 73 54 05 00

HARSTAD
Det norske oljeselskap ASA
Office address: Havnebygget
Rikard Kaarbøs gate 2, NO-9405 Harstad
Postal address: P.O. Box 854, NO-9488 Harstad
Telephone: +47 97 65 60 00

OSLO
Det norske oljeselskap ASA
Office address: Støperigata 2
Aker Brygge, NO-0250 Oslo
Postal address: P.O. Box 2070 Vika
NO-0125 Oslo
Telephone: +47 95 44 60 00

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Det norske has experienced exploration success in recent months, with discoveries at Aldous Major South, Krafla, Krafla West, Norvarg and Skalle. Aldous Major could potentially be the largest oil discovery in the North Sea for many years. The company will participate in another four exploration wells before the end of 2011.

The company has submitted a plan for development and operation (PDO) of the Atla discovery. The Jette field is under consideration for development, and a development concept for the Draupne discovery is being evaluated.

Important events in the second quarter

- Det norske made an oil discovery in the North Sea Krafla prospect (PL 035) and both oil and gas/condensate were discovered in the Krafla West structure. These discoveries are close to Oseberg South and may hold 50 to 80 million barrels of recoverable oil equivalent (o.e). Det norske's 25 % share could amount to between 12.5 and 20 million barrels o.e.

- In the Barents Sea, gas was discovered in the Norvarg prospect (PL 535). A production test was carried out after the end of the quarter, and gross resources are estimated to between 10 and 50 billion standard cubic metres of gas (63 to 315 million barrels o.e). Det norske owns 20 %.

- Svein Aaser was elected chair of the board at the company's annual general meeting on 12 April. Carol Bell joined the board as an additional shareholder representative.

- Cash flow from production amounted to MNOK 41.1 (49.5). The company incurred a loss for the period of MNOK 42.2 (104.8). Exploration costs amounted to MNOK 177.8 (367.2).

Key figures

MNOK= NOK million	Q2 11	Q1 11	Q4 10	Q3 10	Q2 10
Oil and gas production (barrels)	127,283	162,982	187,653	170,414	187,620
Oil price achieved (USD/barrel)	116.3	106.1	87.1	77.8	79.9
Cash flows from production*	41.1	56.0	58.6	43.2	49.5
Operating revenues (MNOK)	96.3	101.6	99.5	80.6	88.7
Exploration expenses (MNOK)	177.8	609.1	570.6	209.1	367.2
Operating profit/loss (MNOK)	-207.9	-638.3	-676.2	-253.1	-409.3
Profit/loss for the period (MNOK)	-42.2	-251.7	-312.1	-80.1	-104.8
Total exploration expenditures (profit & loss and balance sheet)	450.5	634.3	513.2	447.0	911.6
No of licences (operatorships)	73(30)	72(30)	66(30)	72(35)	71(35)

Production

Barrels of o.e. per day	Working interest	Q2 11	Q1 11	Q4 10	Q3 10	Q2 10	2010	2009
Varg	5 %	682	1,121	1,322.7	1,067.4	1,185.8	1,239.9	690.1
Glitne	10 %	375	318	346.7	437.1	433.6	439.5	618.9
Enoch	2 %	45	57	60.7	61.0	85.4	80.0	125.6
Jotun Unit	7 %	297	315	309.5	286.9	357.0	332.4	410.9
Total production		**1,399**	**1,811**	**2,040**	**1,852**	**2,062**	**2,092**	**1,845**

Fields under production and oil prices

Det norske produced 127,283 (187,620) barrels of oil equivalent in the second quarter, corresponding to 1,399 (2,062) barrels a day. On average, the oil was sold for USD 116.3 (79.9) per barrel.

Production from Glitne and Jotun was stable during the period.

Production from Varg declined during the second quarter. This was partly due to increased water production from the two most important production wells. In addition, due to mineral scaling, one of the wells had to be closed down for maintenance for a period. Talisman, the operator, reports that the scale problem was solved by the maintenance operation. However, the trend of increasing water production is expected to continue, and long-term production from Varg will depend on the success of new production drilling campaigns, the first of which is scheduled for early 2012. In the long term, potential gas exports from Varg may also contribute to the field's profitability.

There was little production from Enoch in June as a result of maintenance work.

Health, safety and the environment

No serious HSE incidents were reported in connection with operations conducted by Det norske during the second quarter. On the partner-operated Krafla West well, a serious incident occurred while pulling the BOP. Nobody was injured. The incident is being investigated by the operator Statoil.

Early phase projects

PL001B, 242, 028B Draupne (35 % and operator)

Det norske has entered into a dialogue with its licence partners in order to find the best technical development solution for the field. The two alternatives being considered are a floating production unit combined with a fixed wellhead platform or a fixed production platform. The choice of development solution will have a bearing on when production can start. The plan is to submit a PDO in 2012.

PL 027D, 169C, 504 Jette (~61 % and operator)

Det norske is considering a decision to move forward with the project (previously called 'Jetta') over the next few months. This is a time-critical development, since it depends on use of the production installations on the Jotun field. Jette is expected to yield a total plateau production of around 13,000 barrels a day.

PL 364 Frøy (50 % and operator)

Frøy is being evaluated for development in an area perspective. The development of Storklakken (PL 460), which is wholly owned by Det norske, has also been postponed pending further clarification of the Frøy area.

Exploration activity

PL 035 and 272 Krafla and Krafla West (25 %)

The discovery of oil in the Krafla prospect, and of oil and gas/condensate in the neighbouring Krafla West structure, were the most important exploration outcomes in the second quarter. Together, these discoveries could contain between 50 and 80 million barrels o.e. The discoveries are located in the North Sea, about 25 kilometers south-west of Oseberg South. The discoveries may lead to a material growth in production for Det norske in a relatively short timescale at relatively low capital investment per barrel.

PL 535 Norvarg (20 %)

Gas was encountered in three different horizons in the Norvarg prospect in the Barents Sea with the Kobbe formation being the most promising. Norvarg is a major structure, potentially containing significant volumes. Preliminary estimates indicate that the discovery may amount to between 10 and

50 billion standard cubic metres of gas (63 to 315 million barrels o.e).

Business transactions

Sale of 10 % of licence interest in PL 356
Det norske has agreed to sell 10 % of PL 356, of which it is operator, to Petrolia Norway AS for a cash consideration. Drilling is expected to commence on the Ulvetanna prospect during the second half of 2011. After the transaction, the company retains 50 % of the licence. The sale is conditional on the qualification of Petrolia Norway AS as a licensee on the Norwegian continental shelf before 1 January 2012.

Financials

Operating revenues in the second quarter amounted to MNOK 96.3 (88.7). The achieved oil price was up 46 %, while production was down 32 %, compared with the second quarter 2010.

The company generated an operating loss of MNOK 207.9 (409.3). The loss can largely be ascribed to exploration expenses of MNOK 177.8 (367.2). In order to determine the total amount that the company has spent on exploration wells during the period, the expensed amount must be added to the amount capitalised in the balance sheet during the period. Total exploration expenditures, charged to income and capitalised in the balance sheet, amounted to MNOK 450.5 (911.6). The loss for the period was MNOK 42.2 (104.8) after a tax income of MNOK 217.5 (296.6).

Net cash flow from operational activities amounted to MNOK -237.5 (-50.1).

Net cash flow from investment activities in the second quarter amounted to MNOK -338,1 (-885,7), largely as a result of exploration expenses and investments in fields in operation or under development. Net cash flow from financing activities in the second quarter totalled MNOK 500.0 (480.1) and relates to the amount drawn on the credit facility. The company’s liquid assets amounted to MNOK 766.5 (438.7) at the end of the quarter. Tax receivables for disbursement in December 2011 amount to MNOK 2,366.6 (2,069.0), while tax receivables for disbursement in December 2012 amounts to MNOK 825.7 (1,409.1).

The company’s financial position is satisfactory with an equity ratio of 33.2 % (40.1 %). Liquidity is also satisfactory. Total assets amounted to MNOK 8,642.6 (8,762) as of 30 June. The company has an exploration credit facility of MNOK 4,500, of which MNOK 2,200 has been drawn as of 30 June 2011.

Report for the first half 2011

Important events and their impact on the accounts for the first half year

	30 June 2011	30 June 2010
Oil and gas production (barrels)	290,265	405,568
Oil price achieved (USD/barrel)	111.6	77.7
Operating revenues (MNOK)	197.9	185.8
Exploration expenses (MNOK)	786.9	911.4
Operating profit/loss (MNOK)	-846.1	-984.0
Profit/loss for the period (MNOK)	-293.9	-279.1
No of employees	157	188
Total exploration expenditure (profit & loss and balance sheet)	1,084.7	1,705.5
No of licences (operatorships)	73 (30)	71 (35)

During the first six months, the company’s operating revenues amounted to MNOK 197.9 (185.8). Total production from the company’s interests in Jotun, Varg, Glitne and Enoch amounted to 290,265 (405,568). Average achieved oil price was USD 111.6 (77.7) per barrel. The first six months have been characterised by a high level of exploration activity, but, because this has resulted in discoveries, the company's total exploration expenses only amounted to MNOK 786,9 (911,4). The operating loss for the first half of 2011 was MNOK 846.1 (984.0). This is in accordance with the company’s plans and forecasts.

During the first six months, discoveries have been made in Krafla, Krafla West and Norvarg. Dry wells have been drilled in Gullris and Dovregubben.

Preliminary volume estimates indicate that Krafla and Krafla West may contain a total of between 50 and 80 million barrels o.e, in which Det norske has a 25 % share. The find in Norvarg in the Barents Sea is a promising one and could potentially contain large gas volumes. Preliminary estimates show that the discovery may comprise between 10 and 50 billion cubic metres of gas. Total, the operator, has carried out one production test with a positive outcome.

In accordance with the company's accounting principles, the costs of drilling the dry wells were charged to income, while the costs of drilling other prospects were capitalised during the first six months, pending a final evaluation of their commercial viability. The company expensed a total of MNOK 505,7 (657.3) in connection with the drilling of dry wells, while MNOK 2,089.2 (1,697.4) was capitalised in the balance sheet at the end of the six-month period.

In January 2011, Det norske issued bonds in the amount of MNOK 600 with five-year maturity at a coupon rate of 3M NIBOR +675 basis points. This has improved the company's liquidity.

Det norske was awarded eight licences in the APA 2010 (Awards in Predefined Areas). Three of these were operatorships. In addition to this, the company was awarded a share in a new licence in the Barents Sea in the twenty-first licensing round.

Svein Aaser was elected chair of the board at the company's annual general meeting on 12 April 2011. He replaces Kjell Inge Røkke who will continue as a deputy board member. Carol Bell joined the board as an additional shareholder representative.

The company is in the process of closing down its office in Stavanger.

Risk and uncertainty
Investment in Det norske involves risks and uncertainties as described in the company's annual report for 2010.

As with all oil companies, exploration results, reserves and resource estimates are associated with uncertainty. The fields' production performance may be uncertain over time. Society at large is much more aware of the risks associated with drilling. This may change the company's future framework conditions.

The company is exposed to various forms of financial risks, including fluctuation in oil prices, exchange rates, interest rates and capital requirements; these are described in the company's annual report and accounts, and in note 30 to the accounts for 2010. The company is also exposed to uncertainties relating to the international capital markets and access to capital and this may influence the speed with which development projects can be accomplished. As of 30 June 2011, Det norske has not entered into any contracts or derivatives that hedge against oil price fluctuations.

The company plans to increase its reserve and resource basis through an extensive exploration programme.

Material transactions with related parties
Note 29 to the company's annual accounts for 2010 describes transactions with closely related parties. During the first six months of 2011, no changes or transactions have taken place that will materially affect the company's position or financial performance.

Events after June 30th 2011

PL 265 Aldous Major South (20 %)
In August, a major oil discovery was made in the Aldous Major South prospect. Recoverable gross resources in this part of PL 265 are estimated at between 200 and 400 million barrels of oil, of which Det norske's 20 % share represents 40 to 80 million barrels. Det norske believes that the licence may potentially contain additional volumes to the north and south of the discovery.

This autumn, Statoil plans to drill another exploration well in the licence, targeting the Aldous Major North prospect. This prospect could potentially also contain considerable volumes. There are plans to drill further sidetracks next year in order to clarify the total potential in the area around Aldous Major South.

PL 535 Norvarg (20 %)
In August, a successful production test was carried out in the Norvarg prospect. A stable production rate of 180,000 standard cubic metres gas per day was achieved. The gas showed low CO_2, $H2_S$ and N_2 values, which is positive in terms of the value of the gas. Appraisal drilling will be necessary in order to map the resources in the discovery and decide on commercial viability.

PL 438 Skalle (10 %)
In July, gas was discovered in the Skalle prospect in the Barents Sea. Lundin, the operator, estimate total resources to between 2.5 and 8 billion standard cubic metres of gas (15 to 50 million

barrels o.e). The partners in the licence are considering drilling another well with a view to prove possible additional resources.

PL 416 Breiflabb (15 %)
The exploration well in the Breiflabb prospect south of Troll in the North Sea proved dry.

PL 102C Atla (10 %)
In early July, Total submitted a PDO for Atla under which production is expected to commence towards the end of 2012. Estimated plateau production from the field is around 10,000 barrels o.e per day, of which Det norske's share corresponds to 1,000 barrels o.e a day. Total investment is estimated at NOK 1.4 billion. Det norske's share will amount to MNOK 140. Atla is located in the North Sea, 20 kilometres north-east of the Heimdal field. The discovery will be developed as a subsea tie back to Skirne, and from Skirne back to Heimdal.

PL 450 Storebjørn (60 %)
The company has sold 15 % of PL 450 to North Energy. As consideration, North Energy will cover some of the company's future exploration expenses in the licence. After this transaction, Det norske holds 60 % interest in the licence, where there are plans to drill an exploration well in the Storebjørn prospect.

PL 482 Skaugumsåsen (65 %)
In mid-August, Det norske started drilling an exploration well in the Skaugumsåsen prospect. The company is operator and estimated total unrisked resources are between 20 and 90 million barrels o.e.

Outlook

The Board considers the company to be in a good position to grow further and has created a diversified portfolio of discoveries that could result in a series of developments in the coming years. Notably, the recent Aldous Major South discovery could potentially be the largest oil discovery made in the North Sea in many years.

The Company expects to participate in another four exploration wells during the remainder of 2011. So far this year, the Det norske’s drilling programme has resulted in the discovery of estimated net resources of between 67 and 168 million barrels o.e, which represents an increase of between 38 % and 95 % compared with the company's estimated resources at the end of 2010.

Det norske oljeselskap - Group

STATEMENT OF INCOME (Unaudited)

(All figures in NOK 1,000)	Note	Q2 2011	Q2 2010	01.01. - 30.06 2011	01.01. - 30.06 2010
Petroleum revenues		93 408	87 547	193 485	183 762
Other operating revenues		2 886	1 124	4 395	2 048
Total operating revenues		**96 293**	**88 671**	**197 880**	**185 809**
Exploration expenses	2	177 791	367 219	786 935	911 431
Production costs		52 336	38 035	96 373	78 346
Payroll and payroll-related expenses		10 133	1 412	16 767	2 492
Depreciation	3	20 618	44 121	39 942	94 892
Net impairment losses	3	28 045	32 748	70 556	48 743
Other operating expenses		15 222	14 476	33 432	33 902
Total operating expenses		**304 146**	**498 011**	**1 044 005**	**1 169 806**
Operating profit/loss		**-207 853**	**-409 340**	**-846 126**	**-983 997**
Interest income	4	15 426	16 923	30 830	33 902
Other financial income	4	3 845	56 847	4 147	77 935
Interest expenses	4	67 715	57 164	143 172	97 408
Other financial expenses	4	3 313	8 653	14 347	77 233
Net financial items		**-51 758**	**7 952**	**-122 542**	**-62 805**
Profit/loss before taxes		**-259 611**	**-401 387**	**-968 667**	**-1 046 801**
Taxes (+)/tax income (-)	5	-217 450	-296 566	-674 804	-767 669
Net profit/loss		**-42 161**	**-104 821**	**-293 864**	**-279 133**
Weighted average no. of shares outstanding		111 111 111	111 111 111	111 111 111	111 111 111
Weighted average no. of shares fully diluted		111 111 111	111 111 111	111 111 111	111 111 111
Earnings/(loss) after tax per share (adjusted for split)		-0,38	-0,94	-2,64	-2,51
Earnings/(loss) after tax per share (adjusted for split) fully diluted		-0,38	-0,94	-2,64	-2,51

TOTAL PROFIT/LOSS FOR THE PERIOD (Unaudited)

(All figures in NOK 1,000)	Q2 2011	Q2 2010	01.01. - 30.06 2011	01.01. - 30.06 2010
Profit/loss for the period	-42 161	-104 821	-293 864	-279 133
Total profit/loss for the period	**-42 161**	**-104 821**	**-293 864**	**-279 133**
Break-down of total profit/loss:				
Majority interests	-42 161	-104 821	-293 864	-279 133
Total profit/loss for the period	**-42 161**	**-104 821**	**-293 864**	**-279 133**

Det norske oljeselskap - Group

STATEMENT OF FINANCIAL POSITION

(All figures in NOK 1,000)	Note	(Unaudited) 30.06.2011	30.06.2010	(Audited) 31.12.2010
ASSETS				
Intangible assets				
Goodwill	3	553 547	669 670	596 506
Capitalised exploration expenditures	3	2 089 165	1 697 360	1 802 234
Other intangible assets	3	989 854	1 238 050	1 107 693
Tangible fixed assets				
Property, plant, and equipment	3	438 014	421 110	406 834
Financial fixed assets				
Calculated tax receivable	5	825 705	1 409 063	
Derivatives			27 721	
Other financial fixed assets		18 174	18 001	18 210
Long-term prepayments	6	18 808	176 881	106 269
Total fixed assets		**4 933 267**	**5 657 858**	**4 037 746**
Inventories				
Inventories		39 127	17 788	10 249
Receivables				
Trade receivables	10	170 866	62 199	60 719
Other short-term receivables	7	343 639	494 222	448 221
Short-term deposits		22 625	22 075	22 568
Derivatives				6 033
Calculated tax receivables		2 366 608	2 068 956	2 344 753
Cash and cash equivalents				
Cash and cash equivalents	8	766 502	438 692	789 330
Total current assets		**3 709 366**	**3 103 933**	**3 681 872**
TOTAL ASSETS		**8 642 633**	**8 761 792**	**7 719 619**

Det norske oljeselskap - Group

STATEMENT OF FINANCIAL POSITION

(All figures in NOK 1,000)	Note	(Unaudited) 30.06.2011	30.06.2010	(Audited) 31.12.2010
EQUITY AND LIABILITIES				
Paid-in capital				
Share capital	9	111 111	111 111	111 111
Premium reserve		1 167 312	1 167 312	1 167 312
Other paid-in capital		8 552	25 589	17 715
Total paid-in equity		**1 286 975**	**1 304 012**	**1 296 138**
Earned equity				
Retained earnings		1 579 334	2 267 379	1 864 035
Total Equity		**2 866 309**	**3 571 391**	**3 160 174**
Provisions for liabilities				
Pension liabilities		34 227	19 548	32 070
Deferred taxes		1 809 482	1 778 627	1 757 481
Abandonment provision		276 517	230 508	268 227
Deferred income and provisions for liabilities		2 037	5 588	2 429
Non current liabilities				
Bonds	13,14	585 493	406 134	
Current liabilities				
Bonds	13	316 254		421 668
Short-term loan	11	2 169 325	1 819 688	1 110 652
Trade creditors		98 913	345 555	219 984
Accrued public charges and indirect taxes		14 641	31 062	20 013
Other current liabilities	12	469 435	553 690	726 921
Total liabilities		**5 776 324**	**5 190 401**	**4 559 446**
TOTAL EQUITY AND LIABILITIES		**8 642 633**	**8 761 792**	**7 719 619**

Det norske oljeselskap - Group

STATEMENT OF CHANGES IN EQUITY (Unaudited)

(All figures in NOK 1,000)	Share capital	Premium reserve	Other paid-in capital	Retained earnings	Total equity
Equity as of 31.12.2009	**111 111**	**1 167 312**	**33 463**	**2 538 638**	**3 850 524**
Profit/loss for the period 01.01.2010 - 30.06.2010			-7 874	-271 259	-279 133
Equity as of 31.06.2010	**111 111**	**1 167 312**	**25 589**	**2 267 379**	**3 571 391**
Profit/loss for the period 01.07.2010 - 31.12.2010			-7 874	-403 345	-411 218
Equity as of 31.12.2010	**111 111**	**1 167 312**	**17 715**	**1 864 035**	**3 160 174**
Profit/loss for the period 01.01.2011 - 30.06.2011			-9 163	-284 700	-293 864
Equity as of 30.06.2011	**111 111**	**1 167 312**	**8 552**	**1 579 334**	**2 866 309**

Det norske oljeselskap - Group

STATEMENT OF CASH FLOW (unaudited)

(All figures in NOK 1,000)	Note	Q2 2011	Q2 2010	01.01-30.06. 2011	01.01-30.06. 2010	01.01-31.12. 2010
Cash flow from operating activities						
Profit/loss before taxes		-259 611	-401 387	-968 667	-1 046 801	-2 183 427
Tax paid during the period						-1 390
Tax refund during the period						2 048 448
Depreciations	3	20 618	44 121	39 942	94 892	159 049
Net impairment losses	3	28 045	32 748	70 556	48 743	160 488
Expensing of excess/shortfall value					91 555	101 575
Reversal of tax item related to shorfall value of purchase price allocation (PPA)	2	-7 000		-11 988		-79 259
Losses on the sale of license						19 724
Changes in derivatives		2 047	-35 369	6 982	-49 526	-27 838
Amortisation of interest expenses		15 349	7 767	40 299	15 534	51 518
Expensed capitalised dry wells	2, 3	31 622	303 388	505 749	657 254	1 239 257
Changes in abandonment liabilities		4 184	3 038	8 301	6 036	12 358
Changes in inventories, accounts payable and receivable		-91 133	156 536	-260 096	48 697	-51 264
Changes in net current capital and in other current balance sheet items		18 417	-160 896	-92 785	-146 633	82 533
NET CASH FLOW FROM OPERATING ACTIVITIES		**-237 461**	**-50 055**	**-661 706**	**-280 250**	**1 531 771**
Cash flow from investment activities						
Payment for removal and decommissioning of oil fields		-9		-12		-765
Disbursements on investments in fixed assets	3	-40 406	-26 697	-63 650	-58 580	-102 915
Disbursements on investments in capitalised exploration expenditures and in other intangible assets	3	-297 697	-859 004	-795 912	-1 467 163	-2 162 660
Sale of licenses						8 700
NET CASH FLOW FROM INVESTMENT ACTIVITIES		**-338 112**	**-885 701**	**-859 573**	**-1 525 743**	**-2 257 640**
Cash flow from financing activities						
Arrangement fee				-16 145		-61 350
Repayment of loan				-133 850	-549 290	-2 613 075
Short-term loan		500 000	480 113	1 648 448	1 219 688	2 615 338
NET CASH FLOW FROM FINANCING ACTIVITIES		**500 000**	**480 113**	**1 498 453**	**670 398**	**-59 088**
Net change in cash and cash equivalents		**-75 573**	**-455 644**	**-22 827**	**-1 135 595**	**-784 957**
Cash and cash equivalents at start of period		842 074	894 336	789 330	1 574 287	1 574 287
CASH AND CASH EQUIVALENTS AT END OF PERIOD		**766 502**	**438 692**	**766 502**	**438 692**	**789 330**
Specification of cash and cash equivalents at end of period						
Bank deposits		757 252	416 729	757 252	416 729	775 924
Restricted bank deposits		9 250	21 939	9 250	21 939	13 405
Other financial investments			24		24	
Total cash and cash equivalents at end of period	8	**766 502**	**438 692**	**766 502**	**438 692**	**789 330**

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 IASB, 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 Financial statement for 2010. Note 1.37 to the annual accounts, stated that the company planned to implement some changes to the accounting standards as from 1 January 2011. Based on the company's activities, none of these have significant effect on the semi-annual Financial statement for 2011.

Note 2 Exploration expenses

	Q2		01.01. - 30.06	
Specification of exploration expenses:	**2011**	**2010**	**2011**	**2010**
Seismic costs, well data, field studies and other exploration expenses	43 401	1 699	57 509	98 920
Share of exploration expenses from license participation incl. Seismic	48 223	87 263	126 458	145 851
Expensed capitalised wells previous years	2 429	9 819	8 202	9 819
Expensed capitalised wells this year	29 192	293 569	497 547	647 435
Share of payroll and other operating expenses reclassified as exploration	54 426	28 343	93 634	51 554
Research and development costs related to exploration activities	7 121	7 923	15 573	19 249
Rig contract warranty recognised in the income statement		-61 397		-61 397
Reversal of tax item related to shorfall value of purchase price allocation (PPA)	-7 000		-11 988	
Total exploration expenses	**177 791**	**367 219**	**786 935**	**911 431**

Note 3 Tangible assets and intangible assets

Tangible fixed assets

	Fields under development	Production plant, including wells	Fixtures and fittings, office machinery etc.	Total
Balance-sheet value 31/12/10	**250 205**	**98 517**	**58 113**	**406 834**
Acquisition cost 31/12/2010	**250 205**	**432 090**	**90 291**	**772 586**
Additions/reclassification	6 980	10 179	6 086	23 244
Acquisition cost 31/03/2011	257 185	442 269	96 377	795 830
Accumulated depreciation and impairments 31/03/2011		344 577	36 769	381 346
Balance-sheet value 31/03/2011	**257 185**	**97 691**	**59 608**	**414 483**
Acquisition cost 31/03/2011	**257 185**	**442 269**	**96 377**	**795 830**
Additions/reclassification	24 357	14 186	1 862	40 406
Acquisition cost 30/06/2011	281 542	456 455	98 239	836 236
Accumulated depreciation and impairments 30/06/2011		356 452	41 769	398 221
Balance-sheet value 30/06/2011	**281 542**	**100 003**	**56 470**	**438 014**
Depreciation Q2 2011		11 875	5 000	16 875
Depreciation 1.1.- 30.06.2011		22 878	9 591	32 469
Impairments in Q2 2011				
Impairments 1.1 - 30.06.2011				

Fields under development are reclassified and 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 decommisioning costs for production facilities are included in the table above.

Intangible assets	Other intangible assets Licences	Software	Total	Exploration expenses	Goodwill
Balance-sheet value 31/12/10	**1 100 153**	**7 540**	**1 107 693**	**1 802 234**	**596 506**
Acquisition cost 31/12/2010	**1 565 439**	**40 710**	**1 606 149**	**1 802 234**	**1 006 347**
Additions/reclassification		2 855	2 855	495 360	
Disposals/reclassification				474 127	
Acquisition cost 31/03/2011	1 565 439	43 565	1 609 004	1 823 467	1 006 347
Accumulated depreciation and impairments	546 425	34 599	581 024		433 702
Balance-sheet value 31/03/2011	**1 019 014**	**8 965**	**1 027 978**	**1 823 467**	**572 645**
Acquisition cost 31/03/2011	**1 565 439**	**43 565**	**1 609 004**	**1 823 467**	**1 006 347**
Additions/reclassification		377	377	297 320	
Disposals/reclassification	397 150		397 150	31 622	284 732
Acquisition cost 30/06/2011	1 168 289	43 942	1 212 231	2 089 165	721 615
Accumulated depreciation and impairments	186 125	36 252	222 377		168 069
Balance-sheet value 30/06/2011	**982 164**	**7 690**	**989 854**	**2 089 165**	**553 547**

Depreciation Q2 2011	2 090	1 653			
Depreciation 1.1.- 30.06.2011	4 389	3 081			
Impairments in Q2 2011	34 760				19 099
Impairments 1.1 - 30.06.2011	113 600				42 959

Reconcilliation of depreciation in the income statement:	Q2 2011	01.01. - 30.06 2011
Depreciation of tangible fixed assets	16 875	32 469
Depreciation of intangible assets	3 743	7 470
Total depreciation in the income statement	**20 618**	**39 942**

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

Reconcilliation of write-downs in the income statement:	Q2 2011	01.01. - 30.06 2011
Impairments of intangible assets	34 760	113 600
Impairments of Goodwill	19 099	42 959
Impairement of deferred tax related to impairement of goodwill	-25 813	-86 003
Total write-downs in the income statement	**28 045**	**70 556**

Note 4 Financial items

	Q2		01.01. - 30.06	
	2011	**2010**	**2011**	**2010**
Interest income	**15 426**	**16 923**	**30 830**	**33 902**
Return on financial investments	148	575	148	575
Currency gains	3 696	20 903	3 998	27 834
Change in value of derivatives		35 369		49 526
Total other financial income	**3 845**	**56 847**	**4 147**	**77 935**
Interest expenses	52 366	52 051	102 873	87 183
Amortisation of loan costs	15 349	5 113	40 299	10 225
Total interest expenses	**67 715**	**57 164**	**143 172**	**97 408**
Currency losses	1 265	8 653	7 274	16 182
Expensed excess value, identified in connection with acquisition				60 555
Change in value of derivatives	2 047		6 983	
Decline in value of financial investments			91	495
Total other financial expenses	**3 313**	**8 653**	**14 347**	**77 233**
Net financial items	**-51 758**	**7 952**	**-122 542**	**-62 805**

Note 5 Taxes

	Q2		01.01. - 30.06	
Taxes for the period appear as follows:	**2011**	**2010**	**2011**	**2010**
Calculated tax receivable due to exploration-related costs	-348 076	-805 377	-825 705	-1 409 063
Reversal of tax item related to shorfall value of purchase price allocation (PPA), accounted as exploration expenses	7 000		11 988	
Change in deferred taxes	123 626	508 812	138 913	682 531
Tax on excess-/shortfall values expensed in the period				-41 135
Total taxes (+) / tax income (-)	**-217 450**	**-296 566**	**-674 804**	**-767 669**

A full tax calculation has been carried out in accordance with the accounting principles described in the annual report for 2010. The calculated tax receivable as a result of exploration activities in 2011 is recognised as a long-term item in the balance sheet. The tax refund for this items is expected to be paid in December 2012. The calculated tax receivable as a result of exploration activities in 2010 is recognised as a current asset, and the refund is expected in December 2011.

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

	30.06.2011	30.06.2010	31.12.2010
Pre-payments relating to upgrades, rig intake and mobilisation	28 576	317 570	157 112
Shortfall value of rig charterparties in connection with acquisition	-9 768	-140 689	-50 843
Total pre-payments, Aker Barents	*18 808*	*176 881*	*106 269*
Other pre-payments			
Total pre-payments and chartering of drilling rigs	**18 808**	**176 881**	**106 269**

Det norske oljeselskap ASA 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 2010 the company signed a new lease agreement for two more 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

	30.06.2011	30.06.2010	31.12.2010
Pre-payments, including rigs	31 653	55 517	47 446
VAT receivable	5 990	19 409	15 113
Underlift (earned income)	41 415	19 994	19 839
Deposit account - deferred income		62 141	
Guarantee account, unsecured pension scheme	6 896	5 555	6 356
Other receivables, including operator licences	86 062	214 197	202 942
Pre-payments relating to upgrades, rig intake and mobilisation	260 759	177 774	240 878
Shortfall value of rig charterparties in connection with acquisition	-89 137	-60 365	-84 353
Total pre-payments, Aker Barents	*171 622*	*117 409*	*156 525*
Total other short-term receivables	**343 639**	**494 222**	**448 221**

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.

	30.06.2011	30.06.2010	31.12.2010
Cash	9	20	21
Bank deposits	757 243	416 709	775 903
Restricted funds (tax withholdings)	9 250	21 939	13 405
Short-term placements		24	
Total cash and cash equivalents	**766 502**	**438 692**	**789 330**
Unused revolving credit facility, exploration facility loan	716 938	1 372 440	946 166

Note 9 Share capital

	30.06.2011	30.06.2010	31.12.2010
Share capital	111 111	111 111	111 111
Total number of shares (in 1000)	111 111	111 111	111 111
Nominell value per share in NOK	1,00	1,00	1,00

Note 10 Accounts receivables

	30.06.2011	30.06.2010	31.12.2010
Receivables related to licensing transactions	89 620	34 936	
Receivables related to sale of oil and gas	29 030	24 712	41 626
Invoicing related to rigs etc.	53 081	2 200	19 876
Unrealized exchange rate losses	-865	351	-784
Total account receivable	**170 866**	**62 199**	**60 719**

Note 11 Short-term loans

	30.06.2011	30.06.2010	31.12.2010
Exploration facility in DnB NOR	2 200 000	1 809 463	1 151 552
Accrued loan costs	-30 675	10 225	-40 900
Total short-term loans	**2 169 325**	**1 819 688**	**1 110 652**

The parent company has a joint revolving credit facility of NOK 4,500,000,000 in 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 are pledged as security for the bank. For licence overview, see note 16.

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".

Note 12 Other current liabilities

	30.06.2011	30.06.2010	31.12.2010
Current liabilities related to overcall in licences	19 034	109 642	203 588
Share of other current liabilities in licences	179 870	279 355	265 004
Other current liabilities	270 531	164 694	258 329
Total other current liabilities	**469 435**	**553 690**	**726 921**

Note 13 Convertible bond

	30.06.2011	30.06.2010	31.12.2010
Principal, convertible loan Norsk Tillitsmann	323 650	457 500	457 500
Equity part of convertible loan on initial inclusion	-98 991	-98 991	-98 991
Accumulated amortisation of equity part of convertible loan	87 114	63 451	74 388
Loss on repayed share of bond	10 096		
Excess value on acquisition	-5 614	-15 826	-11 228
Total current convertible bond	**316 254**		**421 668**
Total long-term convertible bond		**406 134**	

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 30/06/2011. As of 13. January 2011 29.3% of the convertible bond loan was repaid.

Note 14 Bond

	30.06.2011	30.06.2010	31.12.2010
Principal, new bond Norsk Tillitsmann	600 000		
Establishment costs	-16 145		
Amortisation of establishment costs	1 638		
Total bond	**585 493**		

The loan runs from 28 Januar 2011 to 28 January 2016 and has an interest rate of 3 month NIBOR + 6.75%. The principal falls due on 28 Janyary 2016 and interest is paid on an quarterly basis. No security has been furnished for this loan. Det norske has fulfilled all the loan conditions 30/06/2011.

Note 15 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 presented claim, and has not made provision in the accounts of this controversy.

During the normal course of its business, Det norske oljeselskap ASA 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.

Note 16 Investments in jointly controlled assets

Operatorships:

Licence	31.12.2010	30.06.2011
PL 001B	35,0 %	35,0 %
PL 027D	60,0 %	60,0 %
PL 028B	35,0 %	35,0 %
PL 103B	70,0 %	70,0 %
PL 169C	70,0 %	70,0 %
PL 242	35,0 %	35,0 %
PL 337	45,0 %	45,0 %
PL 341	30,0 %	30,0 %
PL 356	60,0 %	60,0 %
PL 364	50,0 %	50,0 %
PL 369*	60,0 %	0,0 %
PL 414	40,0 %	40,0 %
PL 447	80,0 %	80,0 %
PL 450	75,0 %	75,0 %
PL 460	100,0 %	100,0 %
PL 463S	100,0 %	100,0 %
PL 468	95,0 %	95,0 %
PL 468B	0,0 %	95,0 %
PL 476*	40,0 %	0,0 %
PL 482	65,0 %	65,0 %
PL 491*	50,0 %	0,0 %
PL 497	35,0 %	35,0 %
PL 497B	35,0 %	35,0 %
PL 500	35,0 %	35,0 %
PL 504	58,5 %	58,5 %
PL 504BS	58,5 %	58,5 %
PL 512	30,0 %	30,0 %
PL 542	60,0 %	60,0 %
PL 548S	40,0 %	40,0 %
PL 549S	35,0 %	35,0 %
PL 553	40,0 %	40,0 %
PL 573S	0,0 %	35,0 %
PL 593	0,0 %	60,0 %
Antall	30	30

Partner-operated :

Licence	31.12.2010	30.06.2011
PL 028S	40,0 %	40,0 %
PL 029B	20,0 %	20,0 %
PL 035	25,0 %	25,0 %
PL 035B	15,0 %	15,0 %
PL 038	5,0 %	5,0 %
PL 038D	30,0 %	30,0 %
PL 048B	10,0 %	10,0 %
PL 048D	10,0 %	10,0 %
PL 102C	10,0 %	10,0 %
PL 265	20,0 %	20,0 %
PL 272	25,0 %	25,0 %
PL 283	25,0 %	25,0 %
PL 332	40,0 %	40,0 %
PL 362	15,0 %	15,0 %
PL 392	10,0 %	10,0 %
PL 416	15,0 %	15,0 %
PL 440S	10,0 %	10,0 %
PL 442	20,0 %	20,0 %
PL 451	40,0 %	40,0 %
PL 453S	25,0 %	25,0 %
PL 462S	30,0 %	30,0 %
PL 469	25,0 %	25,0 %
PL 485	15,0 %	15,0 %
PL 490	30,0 %	30,0 %
PL 492	30,0 %	30,0 %
PL 494	30,0 %	30,0 %
PL 494B	0,0 %	30,0 %
PL 502	22,2 %	22,2 %
PL 508S	30,0 %	30,0 %
PL 522	20,0 %	20,0 %
PL 523	20,0 %	20,0 %
PL 533	20,0 %	20,0 %
PL 535	20,0 %	20,0 %
PL 538	30,0 %	30,0 %
PL 554	40,0 %	40,0 %
PL 554B	0,0 %	40,0 %
PL 558	20,0 %	20,0 %
PL 561	20,0 %	20,0 %
PL 563	30,0 %	30,0 %
PL 567	0,0 %	40,0 %
PL 568	0,0 %	20,0 %
PL 571	0,0 %	40,0 %
PL 613	0,0 %	35,0 %
Antall	37	43

* Relinquished licences

In the annual licencing round, APA 2010, Det norske was offered operatorship in PL 573S (35%), PL 468B (95%) og PL 593 (60%). As partner, Det norske has been awarded interest in PL 494B (30%), PL 567 (40%), PL 568 (20%), PL 571 (40%) og PL 554B (40%). The formal transaction took place in January 2011.

Det norske has entered into an agreement with Talisman Energy to acquire 10% in PL 438 in the Barents Sea. The ownership has not yet been officially transferred to Det norske. Following licenses will be relinquished: PL 283, PL 462S, PL 469, and PL 485. In addition Det norske will withdraw from licenses PL 490 and PL 500. Det norske has entered into farm-out agreements with Svenska Petroleum to acquire 10% in PL 554, with Centrica to acquire 10% in PL 522, with North Energy to acquire 15% in PL 450, and with Petrolia Norway AS to acquire 10% in PL 356.

Det norske oljeselskap - Group

Note 17 Results from previous interim reports

	2011		2010				2009		
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Operating revenues	**96 293**	**101 586**	**99 518**	**80 643**	**88 671**	**97 138**	**73 714**	**67 417**	**66 761**
Exploration expenses	177 791	609 143	656 841	209 065	367 219	544 211	409 945	328 886	410 400
Production costs	52 336	44 037	40 109	36 505	38 035	40 311	31 220	35 565	38 040
Payroll and payroll-related expenses	10 133	6 634	4 723	7 548	1 412	1 080	-4 054	2 270	6 209
Depreciation	20 618	19 324	22 408	41 749	44 121	50 772	16 587	13 583	12 029
Impairments	28 045	42 511	97 323	24 442	32 748	15 995	213 304		
Other operating expenses	15 222	18 210	40 628	14 447	14 476	19 426	32 903	17 343	10 674
Operating expenses	**304 146**	**739 859**	**862 032**	**333 756**	**498 011**	**671 795**	**699 905**	**397 648**	**477 352**
Operating profit/loss	**-207 853**	**-638 273**	**-762 514**	**-253 113**	**-409 340**	**-574 657**	**-626 193**	**-330 231**	**-410 591**
Net financial items	-51 758	-70 784	-65 304	-55 696	7 952	-70 757	5 164	-5 809	9 905
Pre-tax profit/loss	**-259 611**	**-709 057**	**-827 818**	**-308 808**	**-401 387**	**-645 414**	**-621 029**	**-336 040**	**-400 685**
Taxes	-217 450	-457 354	-496 723	-228 684	-296 566	-471 102	-241 725	-264 454	-323 598
Net profit/loss	**-42 161**	**-251 703**	**-331 095**	**-80 124**	**-104 821**	**-174 312**	**-379 304**	**-71 586**	**-77 087**

Statement by the Board of Directors and Chief Executive Officer

Pursuant to the Norwegian Securities Trading Act section § 5-5 with pertaining regulations, we hereby confirm that, to the best of our knowledge, the group's interim financial statements for the period 1 January to 30 June 2011 have been prepared in accordance with IFRS, as provided for by the EU, and in accordance with the requirements for additional information provided for by the Norwegian Accounting Act. The information presented in the financial statements gives a true and fair picture of the group's liabilities, financial position and results overall.

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

The Board of Directors of Det norske oljeselskap ASA
Oslo, 15 August 2011

Svein Aaser, Chairman	Maria Moræus Hanssen, Deputy Chairman
Kaare Moursund Gisvold, Board member	Berge Gerdt Larsen, Board member
Bodil Alteren, Board member	Hege Sjo, Board member
Gunnar Eide, Board member	Carol Bell, Board member
Erik Haugane, Chief Executive Officer	


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