DETNORSKE

Report Q2 2010

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This has been an important quarter for the company. Three rigs have been operated in parallell without any accidents. The Draupne and Storklakken discoveries have been appraised with positive results and the appraisal drilling on Grevling has proved potential commercial resources. Det norske will now start to develop the self-operated fields Frøy and Draupne which are expected to boost production considerably.

Important events in the second quarter

- Exploration well 16/1-11 A discovered more oil in Draupne in PL 001B. The resource potential of a development is estimated to lie between 110 and 150 million barrels of oil equivalents.
- Det norske found oil in the appraisal well 25/1-11 A in Storklakken in PL 460. The resource potential is estimated to lie between 7 and 12 million barrels of oil equivalents.
- Three of the exploration wells that Det norske participated in during the second quarter were dry: well 15/12-22 Storkollen in PL 337, well 15/9-24 Storkinn in PL 408 and well 2/2-6 Optimus in PL 332.
- Repsol Exploration Norge AS has acquired 40 percent of PL 356 from Det norske. After these transactions, Det norske holds a 60 percent interest in the licence, where an exploration well is planned for 2011.
- Det norske has sold 20 percent in PL 440S to Faroe Petroleum. As compensation, Faroe will cover Det norske's exploration expences related to the next exploration well in the license. Det norske has offered to resign as operator in the license.
- The loss for the period was MNOK 104.8 compared with a loss of MNOK 77.1 for the same period last year. Exploration expenses for the period amounted to MNOK 367.2 (410.4).

Key figures

	Q2 10*	Q1 10*	Q4 09*	Q3 09	Q2 09	2009	2008
Oil and gas production (barrels)	187,377	218,191	179,542	155,035	162,576	673,603	661,732
Oil price achieved (USD/barrel)	79.9	76.0	73.4	67.0	58.8	59.7	87.6
Operating revenues (MNOK)	88.7	97.1	73.7	67.4	66.8	265.0	635.1
Exploration expenses (MNOK)	367.2	544.2	409.9	329.0	410.4	1,208.7	544.5
Operating profit/loss (MNOK)	-409.3	-574.7	-626.2	-330.2	-410.6	1,435.5	-572.0
Profit/loss for the period (MNOK)	-104.8	-174.3	-379.3	-71.6	-77.1	520.7	225.5
No. of employees	188	181	176	146	140		
No. of licences (operator ships)	71(35)	74(37)	67(34)	52(28)	51(28)		

MNOK= NOK million

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

Production

Barrels of o.e. per day	Share in production	Q2 10	Q1 10	Q4 09	Q3 09	Q2 09	2009	2008
PL 038 Varg	5%	1,185.8	1,386.1	874.2	595.6	619.9	690.1	611.1
PL 048B Glitne	10%	433.6	542.9	587.3	566.7	629.0	618.9	866.0
PL 048D Enoch	2%	79.9	117.1	129.4	130.7	104.3	125.6	124.0
PL 103B Jotun Unit	7%	359.8	378.2	360.6	392.1	433.4	410.9	494.3
Total production		**2,059.1**	**2,424.3**	**1,951.5**	**1,685.2**	**1,786.5**	**1,845.5**	**1,808.0**

o.e = oil equivalents

Production licences

Production in the second quarter amounted to 187,377 (162,576) barrels of oil equivalents. This corresponds to an average of 2,059.1 (1,786.5) barrels a day. The oil was sold at an average price of USD 79.9 (58.8) per barrel.

Production from Varg and Jotun was stable throughout the quarter. Revisions are planned for both fields in the third quarter.

Production from Glitne and Enoch was somewhat reduced in the second quarter because of maintenance and repairs.

Health, safety and the environment

During the quarter, Det norske operated three drilling rigs at the same time. This is proof of the company's capacity and competence as drilling operator. The operations were completed without any serious incidents or injuries. In the third quarter, Det norske will drill its first well with potential for high pressure and high temperature (HTHP) in the Stirby prospect in PL 341. The well has been planned for more than a year.

Future development projects

Frøy and nearby licenses

The partners in PL 364 are working with the basis for an updated plan for development and operation (PDO) for the Frøy field. The main development option is a floating production unit from Sevan Marine ASA in combination with a wellhead platform, but competing development solutions may also be used. No binding agreements have so far been entered into between any parties. Work to establish a company that will own the production unit is progressing. There is a comprehensive set of agreements that needs to be completed and the speed of this work, together with the financing, will to a large extent decide when a PDO may be submitted. At the same time, the license is also looking at the possibility of producing oil and gas from the Storklakken and Rind discoveries via a new Frøy production unit, as part of an area development.

Draupne

We are in the process of evaluating the results of appraisal wells 16/1-11 and 16/1-11 A on Draupne. The evaluation so far confirms an increased resource basis that will improve the profitability of the Draupne project. The resource potential, including Hanz and West Cable, is estimated to lie between 110 and 150 million barrels of oil equivalents. The partners agree to continue to work on two main development concepts: an independent Draupne development, and a coordinated area solution that includes a common field centre with the Luno discovery in PL 338.

Discoveries

PL 029B – Ermintrude and Freke

Det norske has mapped further probable volumes of commercial gas/condensate in the southern trend of the Freke discovery, which can be tied back to Dagny-Ermintrude. The company has recommended drilling a new exploration well as soon as possible to confirm these reserves. In addition, the drilling of an appraisal well in the Dagny area is planned for the fourth quarter of 2010. The well could add new volumes to the resource basis for Dagny-Ermintrude.

PL 027D, 169C, 504 Jetta

The first part of the commercialisation project for the Jetta oil discovery was completed. It was decided that the project will be continued with a view to choosing a concept and possibly reaching a development decision in 2010.

Exploration activity

APA 2010 and the 21th licence round

Det norske is preparing applications for both the 21th licensing round, which includes areas in the Norwegian Sea and the Barents Sea, and awards in pre-defined areas (APA) 2010, which includes more mature areas of the continental shelf. The application deadline for APA 2010 is 15 September, while the application deadline for the 21th licensing round is 3 November.

PL 460 Storklakken

Det norske discovered light oil in the Storklakken prospect through exploration well 25/1-11. During the second quarter, sidetrack 25/1-11 A was drilled to appraise the discovery. Proven volumes of between 7 and 12 million barrels of oil equivalents have been estimated. The reservoir properties in Storklakken are very good. Preliminary technical and financial analyses show that the profitability of a tie-in with Frøy, which is only 22 kilometres away, will be good. Vilje and Alvheim are also relevant tie-in points for a development of Storklakken. Det norske owns 100 percent of the licence.

Dry exploration wells

Det norske drilled three dry exploration wells during the period: well 15/12-22 in the Storkollen prospect in PL 337, where the company owns 45 percent; well 15/9-24 in the Storkinn prospect in PL 408, which is wholly owned by the company; and well 2/2-6 in the Optimus prospect in PL 332, where Det norske owns 40 percent. Parts of the well costs in Optimus were covered by Bayerngas in accordance with a previous agreement whereby Bayerngas took over 10 percent in the licence.

Licence transactions

PL 356 Ulvetanna

Det norske has signed a contract with Repsol for the transfer of a 40 percent interest in PL 356, which includes the Ulvetanna prospect. The transfer is awaiting approval by the authorities.

PL 447 Storhornet

Det norske is taking over Noreco's and Petro-Canada's interests in the license and will have an 80 percent interest once the transaction is completed. The rest is owned by VNG Norge. The authorities have postponed the deadline for sanctioning an exploration well until 15 June 2011.

PL 440S Clapton

Det norske has sold 20 percent in PL 440S to Faroe Petroleum. As compensation, Faroe will cover Det norske's exploration expences in the license for its remaining 10 percent interest. Det norske has offered to resign as operator in the license.

Financial considerations

Operating revenues in the second quarter amounted to MNOK 88.7 (66.8). The increase of 33 percent is due to an increase in production and higher oil prices compared with the second quarter of 2009. The company had an operating loss of MNOK 409.3 (410.6). The loss can largely be ascribed to exploration expenses of MNOK 367.2 (410.4), which includes a total of MNOK 303.4 related to dry wells in the Optimus, Storkinn and Storkollen prospects. The loss for the period was MNOK 104.8, compared with a loss of MNOK 77.1 for the same period last year, after a positive tax expense of MNOK 296.6 (323.6).

The net cash flow from operational activities was MNOK -50.1 (-172.1). The negative cash flow was a result of the exploration activities. The net cash flow from investment activities for the second quarter was MNOK -885.7 (-324.5) and consisted mainly of exploration expenses and expensed exploration wells.

The group's liquid assets amounted to MNOK 438.7 (1,348.3) at the end of the quarter. Tax receivables for disbursement in 2010 have been recognised in the amount of MNOK 2,069.0 (211.7), while tax receivables for disbursement in 2011 have been recognised in the amount of MNOK 1,409.1 (596.5).

The company is financially strong with an equity ratio of NOK 41(66) percent. Liquidity is robust. Cash and tax receivables, adjusted for short term debt on the exploration facility and convertible bond amounted to MNOK 1,690.9 (2,156.5) at the end of the period.

Total assets at 30 June amounted to MNOK 8,761.8 (5,492.7). The group has a credit facility for exploration of MNOK 4,500.

Events after the end of the quarter

PL 038D Grevling
Appraisal well 15/12-23 confirmed the previous discovery of a 262-metre long oil column in Grevling, but the oil-water contact was not encountered. Sidetrack 15/12-23 A was then drilled further west in the structure. Oil was encountered 83 metres further down than through previous wells, which means that the total oil column in Grevling is at least 345 metres. The oil that was encountered was present in both wells in the Sleipner and Skagerrak formations, and had the expected reservoir properties. The reservoir in the Hugin formation was not present in well 15/12-23. In sidetrack 15/12-23 A, the Hugin reservoir was present with good properties, but was water-bearing. Det norske regards the results as encouraging with a view to the possible commercialisation of the discovery.

Outlook

Results from exploration activities have been below the company's expectations. Some organisational changes have been made and the dual exploration strategy has been further defined. In the second half of 2010, the company will participate in two exploration wells in Stirby in PL 341 (30 percent) and Dalsnuten in PL 392 (10 percent). Both these have large potential. Det norske continues its work of preparing for the development of the Frøy and Draupne fields. These have the potential to increase the company’s production considerably in the years ahead.

Half-yearly report

Important events and their impact on the half-yearly accounts

	30th June 2010	30th June 2009
Oil and gas production (barrels)	405,568	339,026
Oil price achieved (USD/barrel)	77.7	49.4
Operating revenues (MNOK)	185.8	123.9
Exploration expenses (MNOK)	911.4	469.9
Operating profit/loss (MNOK)	-984.0	-479.1
Profit/loss for the period (MNOK)	-279.1	-69.8
No. of employees	188	140
No of licences (operatorship)	71(35)	51(28)

During the first six months, the company's operating revenues amounted to MNOK 185.8 (123.9). Total production from the company's interests in Jotun, Varg, Glitne and Enoch amounted to 405,568 (339,026) barrels of oil equivalents with an average price of USD 77.7 (49.4) per barrel. A high level of exploration activities characterised the first six months, and exploration expenses totalled MNOK 911.4 (469.9). This caused the company to suffer an operating loss of MNOK 984.0, compared with an operating loss of MNOK 479.1 for the same period last year. This is in accordance with the company's plans/forecasts.

Two appraisal wells were drilled for the Draupne discovery, and both confirmed that this can be described as a significant discovery on the Norwegian continental shelf. The resource potential in a further development of the Draupne area is estimated to lie between 110 and 150 million barrels of oil equivalents.

One discovery in Storklakken in PL 460 was made in the first six months. Preliminary estimates indicate that the field may contain between 7 and 12 million barrels of oil. Despite limited volumes, the discovery may be of great value to Det norske as the company owns the entire license. Alternative development solutions are being considered. One relevant alternative is to build a subsea well to be connected to a future installation on Frøy.

Det norske has participated in five dry wells during the first six months: Balder Trias in PL 028S, Frusalen in PL 476, Storkinn in PL 408, Optimus in PL 332 and Storkollen in PL 337.

In accordance with the company's accounting principles, the costs of drilling the dry wells were expensed, 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 652.4 (233.9) in connection with the drilling of dry wells, while MNOK 1,697.4 (493.3) was capitalised in the balance sheet at the end of the six-month period.

Det norske was awarded a total of ten licenses in APA 2009. Six of these were operatorships.

On 20 April, the company's annual general meeting authorised the board to increase the company's share capital by up to 10 percent. The general meeting appointed Ernst & Young as new auditor.

Risk and uncertainty
Investment in Det norske involves intrinsic risks and uncertainties as described in the company's annual report for 2009.

As with all oil companies, exploration results and resource estimates are associated with uncertainty. The fields' production properties are also associated with great uncertainty. Society at large has become much more aware of the risks associated with drilling after the accident in the Gulf of Mexico. This may change the company's future framework conditions.

The financial risks to which the company is exposed are primarily risks relating to oil prices, exchange rate fluctuations, interest rates and capital requirements. These are described in the company's annual report and accounts, and in note 30 to the accounts for 2009. As of the first six months of 2010, 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 program.

Material transactions with related parties
Note 29 to the company's annual report and accounts for 2009 described transactions with closely related parties in 2009. During the first six months of 2010, no changes or transactions have taken place that will materially affect the company's position or financial performance.

Det norske oljeselskap - group

INCOME STATEMENT (Unaudited)

(All figures in NOK 1,000)	Note	Q2 2010	Q2 2009	01.01. - 30.06. 2010	01.01. - 30.06. 2009
Petroleum revenues		87 547	63 120	183 762	120 319
Other operating revenues		1 124	3 642	2 048	3 567
Total operating revenues		**88 671**	**66 761**	**185 809**	**123 886**
Exploration expenses	1, 2	367 219	410 400	911 431	469 897
Change in inventories		-1 571	665	-2 519	4 627
Production costs		39 606	37 375	80 865	72 987
Payroll and payroll-related expenses		1 412	6 209	2 492	13 610
Depreciation	3	44 121	12 029	94 892	23 298
Write-downs	3	32 748		48 743	
Other operating expenses	1	14 476	10 674	33 902	18 547
Total operating expenses		**498 011**	**477 352**	**1 169 806**	**602 965**
Operating profit/loss		**-409 340**	**-410 591**	**-983 997**	-479 079
Interest income		16 923	9 826	33 902	29 852
Other financial income		56 847	11 140	77 935	28 426
Interest expenses		57 164	4 242	97 408	8 403
Other financial expenses		8 653	6 819	77 233	13 580
Net financial items	4	**7 952**	**9 905**	**-62 805**	**36 294**
Ordinary profit/loss before taxes		**-401 387**	**-400 685**	**-1 046 801**	**-442 785**
Taxes (+)/tax income (-) on ordinary profit/loss	5	-296 566	-323 598	-767 669	-372 980
Net profit/loss		**-104 821**	**-77 087**	**-279 133**	**-69 805**
Weighted average no. of shares outstanding		111 111 111	64 925 020	111 111 111	64 925 020
Weighted average no. of shares fully diluted		111 111 111	64 925 020	111 111 111	64 925 020
Earnings/(loss) after taxes per share (adjusted for split)		(0,94)	(1,19)	(2,51)	(1,08)
Earnings/(loss) after taxes per share (adjusted for split) fully diluted		(0,94)	(1,19)	(2,51)	(1,08)

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

Det norske oljeselskap - group

STATEMENT OF FINANCIAL POSITION (Unaudited)

(All figures in NOK 1,000)	Note	30.06.2010	30.06.2009	31.12.2009
ASSETS				
Intangible assets				
Goodwill	3	669 670	864 339	697 938
Capitalised exploration expenses	3	1 697 360	493 321	893 467
Other intangible assets	3	1 238 050	1 319 486	1 320 484
Tangible fixed assets				
Property, plant, and equipment	3	421 110	302 354	447 553
Financial fixed assets				
Calculated tax receivable	5	1 409 063	596 473	
Derivatives	10	27 721		
Other financial fixed assets		18 001	62 035	17 965
Long-term prepayments	6	176 881		240 442
Total fixed assets		**5 657 858**	**3 638 008**	**3 617 849**
Inventories				
Inventories		17 788	14 224	14 655
Receivables				
Trade receivables		62 199	96 652	30 414
Other short-term receivables	7	494 222	165 483	393 669
Market-based financial investments		22 075	18 300	21 995
Calculated tax receivables		2 068 956	211 674	2 060 124
Cash and cash equivalents				
Cash and cash equivalents	8	438 692	1 348 332	1 574 287
Total current assets		**3 103 933**	**1 854 665**	**4 095 144**
TOTAL ASSETS		**8 761 792**	**5 492 673**	**7 712 992**

Det norske oljeselskap - group

STATEMENT OF FINANCIAL POSITION (Unaudited)

(All figures in NOK 1,000)	Note	30.06.2010	30.06.2009	31.12.2009
EQUITY AND LIABILITIES				
Paid-in capital				
Share capital	9	111 111	12 985	111 111
Share premium		1 167 312	3 519 597	1 167 312
Other paid-in equity		25 589		33 463
Total paid-in equity		**1 304 012**	**3 532 582**	**1 311 886**
Earned equity				
Other equity		2 267 379	88 832	2 538 638
Total Equity		**3 571 391**	**3 621 414**	**3 850 524**
Provision for liabilities				
Pension liabilities		19 548	15 926	19 914
Deferred taxes		1 778 627	1 130 786	1 173 477
Provision for removal and decommissioning liabilities		230 508	139 893	224 472
Deferred income and other provisions for liabilities	13	5 588	52 388	5 588
Long-term liabilities				
Derivatives	10			21 805
Bond loan	14	406 134		390 600
Current liabilities				
Short-term loan	11	1 819 688		1 090 258
Trade creditors		345 555	116 770	261 940
Accrued public charges and indirect taxes		31 062	20 748	22 618
Deferred income	13			53 001
Other current liabilities	12	553 690	394 748	598 795
Total liabilities		**5 190 401**	**1 871 259**	**3 862 468**
TOTAL EQUITY AND LIABILITIES		**8 761 792**	**5 492 673**	**7 712 992**

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				-69 805	-69 805
Equity as of 30/06/2009	**12 985**	**3 519 597**		**88 832**	**3 621 414**
Reduction of premium reserve		-3 519 597		3 519 597	
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				-450 890	-450 890
Equity as of 31/12/2009	**111 111**	**1 167 312**	**33 463**	**2 538 638**	**3 850 524**
Totalt profit/loss for the period			-7 874	-271 259	-279 133
Equity as of 30/06/2010	**111 111**	**1 167 312**	**25 589**	**2 267 379**	**3 571 391**

TOTAL PROFIT/LOSS FOR THE PERIOD (Unaudited)

	Q2		01.01. - 30.06.	
(All figures in NOK 1,000)	**2010**	**2009**	**2010**	**2009**
Profit/loss for the period	-104 821	-77 087	-279 133	-69 805
Total profit/loss for the period	**-104 821**	**-77 087**	**-279 133**	**-69 805**
Break-down of total profit/loss:				
Majority interests	-104 821	-77 087	-279 133	-69 805
Total profit/loss for the period	**-104 821**	**-77 087**	**-279 133**	**-69 805**

Det norske oljeselskap - group

CASH FLOW STATEMENT (Unaudited)

(All figures in NOK 1,000)	Note	Q2 2010	Q2 2009	01.01. - 30.06. 2010	01.01. - 30.06. 2009	01.01.- 31.12 2009
Cash flow from operating activities						
Income/loss before taxes		-401 387	-400 685	-1 046 801	-442 785	-1 399 855
Taxes paid during the period					-1 798	
Tax refund during the period						199 710
Depreciation	3	44 121	12 029	94 892	23 298	53 469
Write-downs	3	32 748		48 743		213 304
Expensed excess/shortfall values				91 555		
Changes in derivatives	4	-35 369		-49 526		
Amortisation of interest expenses	14	7 767		15 534		
Expensed dry wells, previous capitalised (*)	2, 3	303 388	233 896	657 254	233 896	784 027
Changes in abandonment liabilities		3 038	2 666	6 036	5 281	10 514
Changes in inventories, accounts payable and receivable		156 536	-70 830	48 697	509 798	688 820
sheet items		-160 896	50 850	-146 633	116 487	18 546
NET CASH FLOW FROM OPERATING ACTIVITIES		**-50 055**	**-172 074**	**-280 250**	**444 177**	**568 534**
Cash flow from investment activities						
Disbursements on investments in tangible fixed assets	3	-26 697	-3 392	-58 580	-23 117	-62 299
Disbursements on investments in capitalised exploration expenses ant other intangible assets	3	-859 004	-321 127	-1 467 163	-535 015	-1 442 455
Sale of tangible fixed assets						320
NET CASH FLOW FROM INVESTMENT ACTIVITIES		**-885 701**	**-324 519**	**-1 525 743**	**-558 132**	**-1 504 434**
Cash flow from financing activities						
Purchase of shares			-6 000		-6 000	-6 000
Repayment of loan				-549 290		
Short-term debt		480 113		1 219 688		600 000
NET CASH FLOW FROM FINANCING ACTIVITIES		**480 113**	**-6 000**	**670 398**	**-6 000**	**594 000**
Net change in cash and cash equivalents		**-455 644**	**-502 593**	**-1 135 595**	**-119 955**	**-341 900**
Cash and cash equivalents at start of period		894 336	1 850 925	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		**438 692**	**1 348 332**	**438 692**	**1 348 332**	**1 574 287**
Specification of cash and cash equivalents at end of period:						
Bank deposits, etc.		416 729	1 333 224	416 729	1 333 224	1 559 176
Restricted bank deposits		21 939	15 108	21 939	15 108	15 087
Short-term placements		24		24		24
Total cash and cash equivalents at end of period	8	**438 692**	**1 348 332**	**438 692**	**1 348 332**	**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.

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/half-yearly 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 to the first half-year.

In relation to the comparative figures for 2009, area fees have been reclassified from exploration expenses to other operating expenses. In Q2 2009 this amounts to 5 661 and for the first half 2009 this amounts to 11 322.

Note 2 Exploration expenses

	Q2		01.01. - 30.06.	
Specification of exploration expenses:	**2010**	**2009**	**2010**	**2009**
Seismic costs, well data, field studies and other exploration expenses	1 699	25 328	98 920	37 983
Share of exploration expenses from license participation incl. seismic	87 263	124 275	145 851	154 722
Expensed capitalised wells previous years	9 819	11 450	9 819	11 450
Expensed capitalised wells this year	293 569	222 446	647 435	222 446
Share of payroll and other operating expenses reclassified as exploration expenses	28 343	21 844	51 554	37 369
Research and development costs related to exploration activities	7 923	5 057	19 249	5 927
Rig contract warranty recognised in the income statement	-61 397		-61 397	
Total exploration expenses	**367 219**	**410 400**	**911 431**	**469 897**

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 31/12/09	**198 631**	**221 216**	**27 706**	**447 553**
Acquisition cost 31/12/2009	**198 631**	**391 080**	**47 797**	**637 508**
Additions/reclassification	17 680	8 728	5 474	31 883
Disposals/reclassification				
Acquisition cost 31/03/2010	216 311	399 808	53 272	669 391
Accumulated depreciation and writedowns 31/03/2010		211 948	23 864	235 812
Balance-sheet value 31/03/2010	**216 311**	**187 860**	**29 407**	**433 579**
Acquisition cost 31/03/2010	**216 311**	**399 808**	**53 272**	**669 391**
Additions/reclassification	19 046	910	6 741	26 697
Disposals/reclassification				
Acquisition cost 30/06/2010	235 357	400 718	60 013	696 088
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**	**421 110**
Depreciation Q2		34 343	4 777	39 120
Depreciation first half-year		76 427	8 549	84 977

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 decommisioning costs for production facilities is included in the above table.

INTANGIBLE ASSETS:	**Other intangible assets**		**Exploration**	**Goodwill**	**Total**
	Licences	**Software**	**expenses**		
Balance-sheet value 31/12/09	**1 310 961**	**9 523**	**893 467**	**697 938**	**2 911 890**
Acquisition cost 31/12/2009	**1 862 555**	**32 942**	**893 467**	**1 131 716**	**3 920 680**
Additions/reclassification		126	608 033		608 159
Disposals/reclassification	38 965		358 341	3 555	400 861
Acquisition cost 31/03/2010	1 823 590	33 068	1 143 159	1 128 161	4 127 979
Accumulated depreciation and writedowns 31/03/2010	554 945	24 985		433 778	1 013 708
Balance-sheet value 31/03/2010	**1 268 645**	**8 082**	**1 143 159**	**694 383**	**3 114 270**
Acquisition cost 31/03/2010	**1 823 590**	**33 068**	**1 143 159**	**1 128 161**	**4 127 979**
Additions/reclassification		1 024	857 980		859 004
Disposals/reclassification	132 500		303 779	94 250	530 529
Acquisition cost 30/06/2010	1 691 090	34 091	1 697 360	1 033 911	4 456 453
Accumulated depreciation and writedowns 30/06/2010	460 268	26 863		364 241	851 372
Balance-sheet value 30/06/2010	**1 230 823**	**7 227**	**1 697 360**	**669 670**	**3 605 082**
Depreciation Q2	3 080	1 921			5 001
Depreciation first half-year	6 431	3 487			9 918
Write-downs in Q2	34 743		391	24 713	59 847
Write-downs in the first half-year	42 708		4 866	28 268	75 842

Reconcilliation of depreciation in the income statement:

Depreciation of tangible fixed assets	39 120
Depreciation of intangible assets	5 001
Total depreciation in the income statement	**44 121**

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

Reconcilliation of write-downs in the income statement:

Write-downs of intangible assets	59 847
Write-down of deferred tax related to write-down of goodwill	-27 099
Total write-downs in the income statement for Q2	**32 748**

The Group has considered whether there are indicators that are essential to the impairment of intangible assets, including capitalized exploration expenses, license rights and associated goodwill. There have been write-downs related to licenses under relinquishment.

Note 4 Financial items

	Q2		01.01. - 30.06.	
	2010	**2009**	**2010**	**2009**
Interest income	16 923	9 826	33 902	29 852
Return on financial investments	575	3 910	575	
Currency gains	20 903	7 230	27 834	28 426
Change in value of derivatives	35 369		49 526	
Total interest income and other financial income	**73 770**	**20 967**	**111 837**	**58 278**
Expensed excess value, identified in connection with acquisition			60 555	
Interest expenses	52 051	3 840	87 183	7 599
Amortisation of loan costs	5 113	402	10 225	804
Currency losses	8 653	6 819	16 182	13 580
Decline in value of financial investments			495	
Total interest expenses and other financial expenses	**65 818**	**11 061**	**174 641**	**21 984**
Net financial items	**7 952**	**9 905**	**-62 805**	**36 294**

Note 5 Taxes

	Q2		01.01. - 30.06.	
Taxes for the period appear as follows:	**2010**	**2009**	**2010**	**2009**
Calculated tax receivable due to exploration-related costs	-805 377	-383 794	-1 409 063	-596 473
Change in deferred taxes	508 812	60 196	682 531	223 493
Tax on excess-/shortfall values expensed in the period			-41 135	
Total taxes (+) / tax income (-)	**-296 566**	**-323 598**	**-767 669**	**-372 980**

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.

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

	30.06.2010	**30.06.2009**	**31.12.2009**
Pre-payments relating to upgrades, rig intake and mobilisation	317 570		379 608
Shortfall value of rig charterparties in connection with acquisition	-140 689		-140 689
Total pre-payments, Aker Barents	*176 881*		*238 919*
Other pre-payments			1 523
Total pre-payments and chartering of drilling rigs	**176 881**		**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. The charterparty is classified as an operational lease.

Pre-paid mobilisation expenses and investments in the rig will be amortised over the three-year charter period. The agreed rig rate per day is USD 520,000, including operating expenses of NOK 900,000, which will be adjusted for inflation during the charter period. Rig 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

	30.06.2010	30.06.2009	31.12.2009
Pre-payments, including for rigs	55 517	58 051	29 488
VAT receivable	19 409	5 895	17 809
Underlift (earned income)	19 994	9 284	5 205
Deposit account - deferred income	62 141		49 959
Guarantee account, unsecured pension scheme	5 555	4 193	5 015
Other receivables, including in operator licences	214 197	88 061	192 454
Pre-payments relating to upgrades, rig intake and mobilisation	177 774		154 105
Shortfall value of rig charterparties in connection with acquisition	-60 365		-60 365
Total pre-payments, Aker Barents	*117 409*		*93 740*
Total other short-term receivables	**494 222**	**165 483**	**393 669**

For further information related to deposit account - deferred income, see Note 13.

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.

	30.06.2010	30.06.2009	31.12.2009
Cash	20		20
Bank deposits	416 709	1 333 224	1 559 156
Restricted funds (tax withholdings)	21 939	15 108	15 087
Short-term placements	24		24
Total cash and cash equivalents	**438 692**	**1 348 332**	**1 574 287**
Unused revolving credit facility, exploration facility loan	1 372 440	767 740	740 940

Note 9 Share capital

	30.06.2010	30.06.2009	31.12.2009
Share capital	111 111	12 985	111 111
Total number of shares	111 111	64 925	111 111
Nominal value per share in NOK	1,00	0,20	1,00

Note 10 Derivatives

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

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

	30.06.2010	30.06.2009	31.12.2009
Structured forward contracts	27 721	-	-21 805
Estimated fair value	**27 721**	**-**	**-21 805**

Description of structured forward contracts:
As of 30 June 2010, Det norske oljeselskap AS has five structured forward contracts, each for an amount of USD 12 million, which fall due every three months. The first forward contract matures on 3 August 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

	30.06.2010	30.06.2009	31.12.2009
Exploration facility in DnB NOR	1 809 463	-	1 150 813
Accrued loan costs	10 225		
Excess value of overdraft facility identified in connection with acquisition			-60 555
	1 819 688	**-**	**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"

Note 12 Other current liabilities

	30.06.2010	30.06.2009	31.12.2009
Current liabilities related to overcall in licences	109 642	25 217	45 127
Share of other current liabilities in licences	279 355	285 257	364 642
Other current liabilities	164 694	84 274	189 026
Total other current liabilities	**553 690**	**394 748**	**598 795**

Note 13 Deferred income and other obligations

Through its participation in a rig consortium together with five other oil companies, Det norske has used the drilling rig Bredford Dolphin over a period of three years (1,095 days). Together, the companies had undertaken to employ the rig for 945 days. In co-operation with another company, Det norske guaranteed for the commitment pertaining to the remaining 150 days. As compensation for this liability, Det norske received a payment of USD 10,000 per day for the first 945 days of drilling. The amount was paid into an escrow account. The contract has now expired and the revenues were taken to income in Q2. See Notes 2 and 7 for further details.

	30.06.2010	30.06.2009	31.12.2009
Deferred income - long-term			53 001
Deferred income - short-term		46 800	
Other provisions for liabilities		5 588	
		52 388	**53 001**

Note 14 Bond loan

	30.06.2010	30.06.2009	31.12.2009
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	63 451		52 514
Excess value on acquisition	-15 826		-20 423
	406 134		**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 15 Uncertain commitments

In order to secure progress in the Frøy Project (PL 364), Det norske undertook certain commitments in relation to the engineering services contractor and certain other commitments relating to the contractor's subcontractors during the period before 1 October 2008. There was a dispute in the licence concerning whether this expense should be covered by Det norske in its entirety or divided between the licensees, Premier Oil Norge AS and Det norske. The matter was resolved by arbitration in April 2010 and Det norske must cover the expenses in its entirety. The disputed amount of EUR 13.5 million was included under "Tangible fixed assets - Fields under development" in 2008 and, hence, the arbitration award has no accounting effect as of 30 June 2010.

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

There is a disagreement between the partners in one of the company's operating licenses, related to the cost of drilling an exploration well. It is not made provision in the accounts of this controversy.

Note 16 Changes in the licence portfolio

	Comments	30.06.2010	31.03.2010	31.12.2009
PL 027D		60,0 %	60,0 %	35,0 %
PL 169C		70,0 %	70,0 %	57,5 %
PL 259	Relinquished	0,0 %	0,0 %	30,0 %
PL 321/321B	Relinquished	0,0 %	60,0 %	60,0 %
PL 369		60,0 %	60,0 %	40,0 %
PL 380	Relinquished	0,0 %	0,0 %	70,0 %
PL 432/432B	Relinquished	0,0 %	0,0 %	100,0 %
PL 447		80,0 %	30,0 %	30,0 %
PL 458	Relinquished	0,0 %	0,0 %	30,0 %

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

	Comments	30.06.2010	31.03.2010
PL 497B	Operatorship	35,0 %	35,0 %
PL 504 BS	Operatorship	58,5 %	58,5 %
PL 542	Operatorship	60,0 %	60,0 %
PL 548S	Operatorship	40,0 %	40,0 %
PL 549S	Operatorship	35,0 %	35,0 %
PL 553	Operatorship	40,0 %	40,0 %
PL 554	Partner-operated	40,0 %	40,0 %
PL 558	Partner-operated	20,0 %	20,0 %
PL 561	Partner-operated	20,0 %	20,0 %
PL 563	Partner-operated	30,0 %	30,0 %

Note 17 Results from previous interim reports

	2010		2009				2008		
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Operating revenues	**88 671**	**97 138**	**73 714**	**67 417**	**66 761**	**57 125**	**363 872**	**102 243**	**89 471**
Exploration expenses	367 219	544 211	409 945	328 886	410 400	59 497	238 551	146 443	102 572
Change in inventories	-1 571	-948	-219	-283	665	3 961	-1 266	70	-1 499
Production costs	39 606	41 259	31 439	35 848	37 375	35 612	44 289	34 513	23 486
Payroll and payroll-related expenses	1 412	1 080	-4 054	2 270	6 209	7 401	2 177	1 989	1 549
Depreciation	44 121	50 772	16 587	13 583	12 029	11 269	32 823	29 061	24 217
Write-downs	32 748	15 995	213 304				400 376		
Other operating expenses	14 476	19 426	32 903	17 343	10 674	7 873	8 282	-1 517	4 160
Operating expenses	**498 011**	**671 795**	**699 905**	**397 648**	**477 352**	**125 613**	**725 231**	**210 559**	**154 484**
Operating profit/loss	**-409 340**	**-574 657**	**-626 193**	**-330 231**	**-410 591**	**-68 488**	**-361 359**	**-108 317**	**-65 013**
Net financial items	7 952	-70 757	5 164	-5 809	9 905	26 388	132 571	32 233	-1 427
Pre-tax profit/loss	**-401 387**	**-645 414**	**-621 029**	**-336 040**	**-400 685**	**-42 100**	**-228 788**	**-76 083**	**-66 440**
Taxes	-296 566	-471 102	-241 725	-264 454	-323 598	-49 381	-464 419	-81 689	-59 705
Net profit/loss	**-104 821**	**-174 312**	**-379 304**	**-71 586**	**-77 087**	**7 282**	**235 631**	**5 605**	**-6 735**

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 2010 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, 17. August 2010

Kjell Inge Røkke, Chairman	Kaare Moursund Gisvold, Deputy Chairman
Maria Moræus Hanssen, Board member	Berge Gerdt Larsen, Board member
Bodil Alteren, Board member	Hege Sjo, Board member
Gunnar Eide, Board member	Erik Haugane, Chief Executive Officer


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