DETNORSKE

Report Q2 2012

Trondheim, Aug 15, 2012

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Summary

Significant activities in the second quarter included drilling of production wells on the Jette field and continued front end engineering work on the Draupne project. As part of Det norske's continuous work to optimise the license portfolio, three licenses were acquired and five licenses were relinquished. Det norske participated in two exploration wells during the quarter, Clapton and Storebjørn, both of which were dry.

Key events in the second quarter 2012

- **June 26th:** Det norske reported that the Clapton exploration well 2/8-18S in PL 440S was dry.
- **June 22nd:** Det norske appointed Mr. Alexander Krane as new CFO.
- **May 30th:** An agreement with Petoro was reached to transfer 18 percentage points in the Jette development, reducing Det norske's interest from 88 percent to 70 percent in the field. The transaction is subject to final approval from Norwegian authorities.
- **May 2nd:** Drilling operations on the Storebjørn prospect in PL 450 were completed and the well is classified as dry.
- **April 19th:** The general meeting authorised the Board of directors to increase the share capital, in one or more rounds, with up to NOK 12,791,578. The general meeting also elected Tom Røtjer as a new board member.
- The company continued its ongoing programme to highgrade its exploration portfolio during the quarter, relinquishing five licenses; PL 392, 508S, 523, 538 and 548S. It also acquired interests in three licenses; a 10 per cent interest in PL 531 from RWE Dea, and a 20 percent interest in PL 550 and 551 from Spring Energy.

Summary of financial results and operating performance

MNOK= NOK million	Q2 12	Q1 12	Q4 11	Q3 11	Q2 11	1H12	1H11
Oil and gas production (Kboe)	95	123	138	120	127	218	290
Oil price achieved (USD/barrel)	107	121	111	115	116	116	112
Operating revenues (MNOK)	70	97	92	82	96	167	198
Cash flow from production	22	50	47	36	41	72	97
Exploration expenses (MNOK)	417	595	105	120	178	1012	787
Total exploration expenditures (profit & loss and balance sheet)	189	555	178	548	451	744	1085
Operating profit/loss (MNOK)	-571	-596	-226	-119	-208	-1 167	-846
Profit/loss for the period (MNOK)	-217	-104	-125	-40	-42	-321	-294
No of licences (operatorships)	67 (26)	70 (27)	65 (28)	67 (28)	73 (30)	67 (26)	73 (30)

Production per field

Barrels of oil equivalent per day	Share	Q2 12	Q1 12	Q4 11	Q3 11	Q2 11	2011	2010
Varg	5 %	556	801	885	701	682	846	1,240
Glitne	10 %	243	286	326	301	375	329	440
Enoch	2 %	0	15	46	41	45	48	80
Jotun Unit	7 %	243	251	237	266	297	281	332
Total production		**1,042**	**1,352**	**1,495**	**1,309**	**1,399**	**1,505**	**2,092**

Field performance and oil prices

Det norske produced 94,780 (127,283) barrels of oil equivalent in the second quarter, corresponding to 1,042 (1,399) barrels of oil equivalent per day (boepd). The reduction relative to the first quarter was caused by maintenance work on the Varg field and production halt at Glitne.

On average, for the realised oil price was USD 106.5 (116.3) per barrel. This compares to the average market price for Brent crude in the second quarter of USD 108.4 (117.3) per barrel.

Planned maintenance work had a negative impact on production from Varg in April and May.

At the Glitne field, the drilling of an infill well was completed, but the well proved to be dry. Production was limited in June due to technical issues with gas lift risers. The partnership is assessing the actual schedule for the final shut-down of Glitne. Abandonment is expected to take place during 2013.

Production from Enoch is expected to remain shut-in until a subsea valve is replaced in early 2013.

Production from the Jotun field was stable during the second quarter.

Health, safety and the environment

Det norske did not experience any accidents or major incidents on the company's operations during the quarter. Main offshore activities were drilling of production wells on Jette and completion of the Storebjørn exploration well. The Storebjørn well represented a HSE-challenge as the well had high pressure zones. The company's procedures for drilling of such wells proved to be equal to the task of dealing with these conditions.

A particular emphasis was put on preventing falling objects during drilling operations at Jette.

Projects

Jette - PL 027D, 169C, 504 (70 % operator)

The Jette development is underway and offshore operations have been carried out throughout the second quarter, with drilling of production wells as the most important task. The company has experienced technical challenges with one of the production wells, which was targeting the southern part of the Jette field. (Please see Events after the quarter). The company plans to commence production in first quarter 2013.

In May, Det norske came to an agreement with Petoro for transfer of an 18 percentage point interest in the Jette field. Following the agreement, Det norske's interest will be reduced from 88 percent to 70 percent. This transaction is subject to final approval from Norwegian authorities.

Atla – PL 102C (10 % partner)

The Atla development project operated by Total is on schedule. The single production well was completed in June. Offshore operations continue with respect to connecting the Atla production wellhead to the Byggve/Skirne subsea system. Topside modifications on the Heimdal processing platform are underway.

The Atla gas field is expected to come on stream late in 2012. Atla contains gross P50 reserves of approximately 11 million barrels of oil equivalent and expected production is approximately 10,000 boepd on a 100 percent basis.

Draupne – PL 001B/242/028B (35 % operator)

Front End Engineering Design (FEED) work for Draupne is being performed by Aker Solutions. Det norske aims to file a plan for development and operations (PDO) for Draupne in the fourth quarter of this year.

Production from Draupne is expected to commence in the fourth quarter 2016 and the field is estimated to contain 143 million barrels of oil equivalent (gross). Draupne has secured processing capacity at the neighbouring Edvard Grieg facilitiy of about 50,000 boepd at first oil, gradually increasing to approximately 75,000 boepd from October 2018.

An invitation to tender for the topside of Draupne was issued in late June. The estimated topside dry weight is 13 000 tons and the living quarter will have a capacity of 100 persons.

Johan Sverdrup
The Johan Sverdrup field extends over both PL 265 and PL 501 and will be developed as one field. Det norske holds 20 percent in PL 265. Statoil has been appointed as operator as a result of a pre-unit agreement between PL 501 and PL 265.

There was increased activity on the Johan Sverdrup development project in the second quarter. Detailed study programs were initiated for subsurface, well design and facilities. The partners have agreed to drill 10 appraisal wells during the next 12 months, of which two were spud in late July. The plan to commence production in 2018 is maintained. Three of these wells are planned to be on PL 265.

PL 364 Frøy (50 % operator)
The company is in discussion with Centrica, operator of PL 442 Frigg GammaDelta, about a potential joint development together with the other partners Svenska Petroleum (PL 442) and Premier (PL 364). Other undeveloped fields in the greater Frøy-Frigg area may also be tied in.

The current gross contingent resource estimate for Frøy is between 50 and 85 million barrels of oil equivalent.

PL 035 Dagny
The Dagny field extends into PL 029B, where Det norske holds 20 percent. Det norske's net share in the field will be determined under a unit agreement. Unitisation negotiations commenced during the second quarter and the goal is to complete these prior to submitting the PDO, which is scheduled for December 2012. Dagny will be developed through a fixed platform. First oil and gas from Dagny is planned for late 2016. Dagny contains gross P50 reserves of approximately 198 million barrels of oil equivalent.

Exploration activity

PL 440S Clapton (10 % partner)
Det norske participated with a 10 percent interest in the Clapton exploration well in PL 440S. The well was dry. The company's expenses related to this well were covered by Faroe Petroleum, following an asset transaction in 2010, where Det norske divested a 20 percentage point interest in the license against a carry for its remaining 10 percent interest.

PL 450 Storebjørn (60 % operator)
During the second quarter, Det norske completed drilling, as operator, well 7/12-13S on the Storebjørn prospect, which was dry. High pressure zones were encountered in the well, as a result of special procedures were applied which resulted in the well taking longer to complete. Consequently, the well exceeded its original budget. Det norske holds a 60 percent ownership stake in the well, but the company's costs relating to this well were partly carried by one of its partners as a result of an earlier license transaction.

Relinquishment of licenses
As part of a continuous programme to optimise its exploration portfolio, Det norske relinquishes licenses on a regular basis. During the second quarter the authorities approved the relinquishment of five licenses, PL 392, 508S, 523, 538 and 548S.

Business development

Det norske acquired interests in three licenses during the second quarter. A 10 per cent interest in PL 531 from RWE Dea, and a 20 percent interest in PL 550 and PL 551 from Spring Energy.

Financials

Second quarter accounts
Operating revenues in the second quarter fell to MNOK 69.6 from MNOK 96.3 in the same quarter in 2011, due to lower production volumes and lower oil prices. The realised oil price for the second quarter was USD 106.5 per barrel (USD 116.3 per barrel), representing a decrease of eight percent relative to the same period last year. Production fell by 26 percent from 1 399 boepd in the second quarter 2011, down to 1 042 boepd this quarter.

The company generated an operating loss of MNOK 570.9 (207.9). This was mainly the result of exploration expenses of MNOK 417.1 (177.8) and impairments of 140.7 (28.0), relating to the Glitne field, PL 356 Ulvetanna and PL 440S Clapton. Total exploration expenditures, both expensed and capitalised, amounted to MNOK 188.9 (450.5). The total exploration expenditures (capitalised and expensed) were lower than exploration expenses in the quarter, as previously capitalised exploration were been expensed.

The loss for the period was MNOK 217.4 (42.1) after a tax income of MNOK 376.6 (217.5).

Net cash flow from operational activities amounted to MNOK 360.0 (-237.5). Changes in net working capital and other balance sheet items with MNOK 440 in the Cash Flow Statement, includes accruals for ongoing activities on development projects.

Net cash flow from investment activities in the second quarter amounted to MNOK –1,033.6 (-338.1), largely as a result of exploration expenses and investments in fields under development. Net cash flow from financing activities in the second quarter totalled MNOK 899.1 (500.0) as a consequence of debt drawn down on the company's exploration facility.

The value of the company's liquid assets was MNOK 1,114.6 (766.5) as of 30 June. Tax receivables for disbursement in December 2012 amount to MNOK 1,114.7 (2,366.6), while tax receivables for disbursement in December 2013 amount to MNOK 560.1 (825.7).

The company's equity ratio at 30 June 2012 was 37.2 percent (33.2 percent). Total assets amounted to MNOK 9,028.4 (8,642.6) as of 30 June.

Report for the first half 2012

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

	30 June 2012	30 June 2011
Oil and gas production (barrels)	217,852	290,265
Oil price achieved (USD/barrel)	116.2	111.6
Operating revenues (MNOK)	166.6	197.9
Exploration expenses (MNOK)	1011.8	786.9
Operating profit/loss (MNOK)	-1,167.3	-846.1
Profit/loss for the period (MNOK)	-321.1	-293.9
No of employees	207	157
Total exploration expenditure (profit & loss and balance sheet)	743.9	1,084.7
No of licenses (operatorships)	67 (26)	73 (30)

During the first six months, the company's operating revenues amounted to MNOK 166.6 (197.9). Total production from the company's interests in Jotun, Varg, Glitne and Enoch amounted to 217,852 (290,265) barrels. The realised oil price was USD 116.2 (111.6) per barrel. The operating loss for the first half of 2012 was MNOK 1,167.3 (846.1), mainly caused by high exploration expenses.

In accordance with the company's accounting principles, the cost of drilling the dry wells is charged to income, while the costs of drilling wells that encounter hydrocarbons are capitalised, pending a final evaluation of their commercial viability. The company expensed a total of MNOK 669,6 (505.7) in connection with the drilling of dry wells in the first half of 2012, while MNOK 1,876.6 (2,089.2) was capitalised in the balance sheet as of 30 June 2012.

A final agreement was signed for the MUSD 500 corporate credit facility that was announced on December 21st 2011.

Det norske participated in three exploration wells during the first six months, Kalvklumpen in PL 414, Storebjørn in PL 450 and Clapton in

PL 440S. The drilling of Ulvetanna in PL 356 was commenced in July and the well was announced dry on August 13th. All these wells have been classified as dry and expensed.

Det norske was awarded nine licenses in the APA 2011 (Awards in Predefined Areas), three of which as operator.

The Jette development is proceeding and offshore operations were carried out during the second quarter, with drilling of production wells as the most important task. See also Events after the quarter for further description.

The partners in Dagny decided to develop the field with a fixed platform. Det norske has an ownership interest in the field through its interest in PL 029B. Unitisation negotiations have been initiated and the result will decide Det norske's ownership interest in this development.

The Draupne partnership, with Det norske as operator, signed an agreement with the Edvard Grieg partnership for a coordinated development of the area. Work related to front end engineering design is underway.

A pre-unit agreement has been signed between the license owners in PL 265 and PL 501, to cover the joint work that will culminate in submission of the PDO for the Johan Sverdrup field.

Risk and uncertainty

Investment in Det norske involves risks and uncertainties as described in the company's annual report for 2011.

As with all oil companies, exploration results, reserves and resource estimates are associated with uncertainty. The fields' production performance may be uncertain over time.

The company is exposed to various forms of financial risks, including, but not limited to, 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 29 to the accounts for 2011. 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 2012, Det norske has not entered into any contracts or derivatives that hedge against oil price fluctuations, but some currency forward contracts and interest swap agreements have been established.

The company aims to increase its reserve and resource base through an extensive exploration programme.

Det norske oljeselskap ASA has, following a tax audit carried out by the Oil Taxation Office (OTO), received a notice of reassessment for the two income years 2009 and 2010. The notice is related to the drilling contract of Aker Barents. The company disputes the position taken by the OTO, and is in the process of documenting the underlying issues. As of 30th June 2012 the Company has subsequently not included any provisions for potential tax costs in the financial statements.

Events after the quarter

Det norske has in August experienced challenges with one of the two planned production wells on the Jette field. The well was planned as a long horizontal production well, but due to well bore instability it is uncertain how much of the horizontal well section that can be completed as a producer. The company will drill a side track and the well will be of shorter length than originally planned. The well design is now being reassessed for the second well. The total output from a two well scenario on Jette will is likely to be less than previously estimated. It is likely that the company will have to impair the value of the Jette asset in its accounts. The company needs more time to establish a revised drainage plan for the field and estimate the impact of these problems and therefore impairment has not been included in the second quarter accounts.

Det norske, as operator, commenced drilling operations on the Ulvetanna exploration prospect in July 2012. On August 13th, the company announced that the exploration well did not encounter hydrocarbons. Ulvetanna is located in the North Sea in PL 356.

Statoil as operator of PL 265 commenced drilling operations on the Geitungen prospect in late July. This prospect is located to the north of the Johan Sverdrup discovery.

Total, as operator of PL 554, commenced drilling operations on the Garantiana prospect on 5th of August.

In PL 533, the drilling of the Salina prospect commenced on 7th of August by the operator Eni Norge.

Outlook

The board believes the company is well positioned for profitable growth on the Norwegian Continental Shelf.

The planned exploration activity for the second half of 2012 includes ten wells, of which the results from the Geitungen well will be of particular interest as a discovery may add additional resource volumes to the Johan Sverdrup discovery. In addition to this exploration well, two appraisal wells planned to be drilled in PL 265 during the second half of the year.

The Jette and Atla developments are proceeding as well as the plans to submit PDOs for both the Draupne field and the Dagny field late this year.

The board observes that the activity level in the oil industry is very high, and believe that this could have an effect on the general cost level for future field developments. The key elements for the Draupne development are now out on tender and the company will be in position to update the market on the development costs towards the end on the year.

Det norske oljeselskap

STATEMENT OF INCOME (Unaudited)

(All figures in NOK 1,000)	Note	Q2 2012	Q2 2011	01.01. - 30.06 2012	01.01. - 30.06 2011
Petroleum revenues		68 110	93 408	163 613	193 485
Other operating revenues		1 492	2 886	3 020	4 395
Total operating revenues		**69 603**	**96 293**	**166 633**	**197 880**
Exploration expenses	2	417 140	177 791	1 011 756	786 935
Production costs		46 154	52 336	91 420	96 373
Payroll and payroll-related expenses		703	10 133	9 453	16 767
Depreciation	3	19 780	20 618	40 126	39 942
Net impairment losses	3	140 669	28 045	141 544	70 556
Other operating expenses		16 050	15 222	39 664	33 432
Total operating expenses		**640 497**	**304 146**	**1 333 963**	**1 044 005**
Operating profit/loss		**-570 894**	**-207 853**	**-1 167 329**	**-846 126**
Interest income	4	12 860	15 426	30 773	30 830
Other financial income	4	8 181	3 845	16 440	4 147
Interest expenses	4	22 960	67 715	61 888	143 172
Other financial expenses	4	21 146	3 313	31 682	14 347
Net financial items		**-23 065**	**-51 758**	**-46 357**	**-122 542**
Profit/loss before taxes		**-593 959**	**-259 611**	**-1 213 687**	**-968 667**
Taxes (+)/tax income (-)	5	-376 558	-217 450	-892 587	-674 804
Net profit/loss		**-217 401**	**-42 161**	**-321 100**	**-293 864**
Weighted average no. of shares outstanding		127 915 786	111 111 111	127 915 786	111 111 111
Weighted average no. of shares fully diluted		127 915 786	111 111 111	127 915 786	111 111 111
Earnings/(loss) after tax per share		-1,70	-0,38	-2,51	-2,64
Earnings/(loss) after tax per share fully diluted		-1,70	-0,38	-2,51	-2,64

TOTAL PROFIT/LOSS FOR THE PERIOD (Unaudited)

(All figures in NOK 1,000)	Q2 2012	Q2 2011	01.01. - 30.06 2012	01.01. - 30.06 2011
Profit/loss for the period	-217 401	-42 161	-321 100	-293 864
Total profit/loss for the period	**-217 401**	**-42 161**	**-321 100**	**-293 864**
Break-down of total profit/loss:				
Majority interests	-217 401	-42 161	-321 100	-293 864
Total profit/loss for the period	**-217 401**	**-42 161**	**-321 100**	**-293 864**

Det norske oljeselskap

STATEMENT OF FINANCIAL POSITION

(All figures in NOK 1,000)	Note	(Unaudited) 30.06.2012	30.06.2011	(Audited) 31.12.2011
ASSETS				
Intangible assets				
Goodwill	3	445 366	553 547	525 870
Capitalised exploration expenditures	3	1 876 622	2 089 165	2 387 360
Other intangible assets	3	790 303	989 854	905 726
Tangible fixed assets				
Property, plant, and equipment	3	2 267 097	438 014	902 071
Financial assets				
Calculated tax receivables	5	560 107	825 705	
Other financial fixed assets		24 423	18 174	18 423
Long-term prepayments	6		18 808	
Total non-current assets		**5 963 919**	**4 933 267**	**4 739 450**
Inventories				
Inventories		28 936	39 127	37 039
Receivables				
Trade receivables	11	171 086	170 866	146 188
Other short term receivables	7	304 844	343 639	532 538
Short-term deposits		22 273	22 625	21 750
Derivatives	10	1 973		
Calculated tax receivables		1 420 791	2 366 608	1 397 420
Cash and cash equivalents				
Cash and cash equivalents	8	1 114 624	766 502	841 599
Total current assets		**3 064 528**	**3 709 366**	**2 976 534**
TOTAL ASSETS		**9 028 447**	**8 642 633**	**7 715 984**

Det norske oljeselskap

STATEMENT OF FINANCIAL POSITION

(All figures in NOK 1,000)	Note	(Unaudited) 30.06.2012	30.06.2011	(Audited) 31.12.2011
EQUITY AND LIABILITIES				
Paid-in capital				
Share capital	9	127 916	111 111	127 916
Share premium		2 083 271	1 167 312	2 083 271
Other paid in capital			8 552	
Total paid-in equity		**2 211 187**	**1 286 975**	**2 211 187**
Retained earnings				
Other equity		1 144 265	1 579 334	1 465 364
Total Equity		**3 355 451**	**2 866 309**	**3 676 551**
Provisions for liabilities				
Pension obligations		50 056	34 227	46 944
Deferred taxes		1 589 709	1 809 482	2 042 051
Abandonment provision		367 813	276 517	285 201
Deferred income and provisions for commitments		1 252	2 037	1 643
Non current liabilities				
Bonds	15	584 607	585 493	587 011
Other interest-bearing debt	16	219 557		
Derivatives	10	16 572		
Current liabilities				
Bonds	14		316 254	
Short-term loan	12	1 589 775	2 169 325	379 550
Trade creditors		250 002	98 913	274 308
Accrued public charges and indirect taxes		15 898	14 641	18 568
Other current liabilities	13	987 754	469 435	404 156
Total liabilities		**5 672 995**	**5 776 324**	**4 039 432**
TOTAL EQUITY AND LIABILITIES		**9 028 447**	**8 642 633**	**7 715 984**

STATEMENT OF CHANGES IN EQUITY (Unaudited)

(All figures in NOK 1,000)	Share capital	Premium reserve	Other paid-in capital	Retained earning	Total equity
Equity as of 31.12.2010	**111 111**	**1 167 312**	**17 715**	**1 864 035**	**3 160 173**
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**
Private placement	11 111	470 153			481 264
Conversion of bond to shares	5 694	445 806			451 500
Effect on equity related to the liquidation of subsidiary				42 884	42 884
Profit/loss for the period 01.07.2011 - 31.12.2011			-8 552	-156 855	-165 407
Equity as of 31.12.2011	**127 916**	**2 083 271**		**1 465 364**	**3 676 551**
Profit/loss for the period 01.01.2012 - 30.06.2012				-321 100	-321 100
Equity as of 30.06.2012	**127 916**	**2 083 271**		**1 144 265**	**3 355 451**

Det norske oljeselskap

STATEMENT OF CASH FLOW (Unaudited)

(All figures in NOK 1,000)	Note	Q2 2012	Q2 2011	01.01-30.06. 2012	01.01-30.06. 2011	01.01-31.12. 2011
Cash flow from operating activities						
Profit/loss before taxes		-593 959	-259 611	-1 213 687	-968 667	-1 390 877
Taxes paid during the period						-5 489
Tax refund during the period						2 323 865
Depreciation	3	19 780	20 618	40 126	39 942	78 518
Net impairment losses	3	140 669	28 045	141 544	70 556	197 673
Reversal of tax item related to shorfall value of purchase price allocation (PPA)	2	-20 000	-7 000	-42 000	-11 988	-17 988
Gain on sale of convertible bonds						-10 583
Reduction of exploration expenses sale of license				5 554		
Losses on sale of license				1 130		
Changes in derivatives	10	16 806	2 047	14 598	6 982	6 033
Amortization of interest expenses and arrangement fee		9 073	15 349	13 507	40 299	59 438
Expensed capitalized dry wells	2,3	321 955	31 622	669 560	505 749	534 640
Changes in abandonment liabilities		71 373	4 184	82 762	8 301	17 009
Changes in inventories, accounts payable and receivables		-46 064	-91 133	-41 101	-260 096	-57 935
Changes in net current capital and in other current balance sheet items		440 310	18 417	792 593	-92 785	-281 653
NET CASH FLOW FROM OPERATING ACTIVITIES		**359 943**	**-237 461**	**464 586**	**-661 706**	**1 452 652**
Cash flow from investment activities						
Payment for removal and decommissioning of oil fields		-88	-9	-150	-12	-35
Disbursements on investments in fixed assets	3	-959 399	-40 406	-1 242 470	-63 650	-388 160
Disbursements on investments in capitalised exploration expenditures and other intangible assets	3	-74 078	-297 697	-365 944	-795 912	-1 440 812
Sale of licenses				3 134		110 574
NET CASH FLOW FROM INVESTMENT ACTIVITIES		**-1 033 565**	**-338 112**	**-1 605 430**	**-859 573**	**-1 718 433**
Cash flow from financing activities						
Sale of convertible bond						144 433
Arrangement fee	16			-85 294	-16 145	-16 145
Private placement						481 164
Repayment of short-term debt	12	-200 000		-200 000	-133 850	-2 539 850
Proceeds from issuance of long-term debt	16	299 165		299 165		
Proceeds from issuance of short-term debt	12	800 000	500 000	1 400 000	1 648 448	2 248 448
NET CASH FLOW FROM FINANCING ACTIVITIES		**899 165**	**500 000**	**1 413 871**	**1 498 453**	**318 050**
Net change in cash and cash equivalents		**225 543**	**-75 573**	**273 026**	**-22 827**	**52 270**
Cash and cash equivalents at start of period		889 081	842 074	841 599	789 330	789 330
CASH AND CASH EQUIVALENTS AT END OF PERIOD		**1 114 624**	**766 502**	**1 114 624**	**766 502**	**841 599**
Specification of cash equivalents at end of period:						
Bank deposits, etc.		1 105 644	757 252	1 105 644	757 252	828 772
Restricted bank deposits		8 980	9 250	8 980	9 250	12 827
CASH AND CASH EQUIVALENTS AT END OF PERIOD	8	**1 114 624**	**766 502**	**1 114 624**	**766 502**	**841 599**

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 2011.

Note 2 Exploration expenses

	Q2		01.01. - 30.06	
Specification of exploration expenses:	**2012**	**2011**	**2012**	**2011**
Seismic costs, well data, field studies and other exploration expenses	46 925	43 401	190 378	57 509
Recharged rig costs	21 429		40 526	
Share of exploration expenses from license participation incl. seismic	38 704	48 223	101 288	126 458
Expensed capitalized wells previous years	175 996	2 429	237 991	8 202
Expensed capitalized wells this year	145 959	29 192	431 569	497 547
Share of payroll and other operating expenses classified as exploration	5 997	54 426	40 758	93 634
Research and development costs related to exploration activities	2 129	7 121	11 245	15 573
Reversal of tax item related to shorfall value of purchase price allocation	-20 000	-7 000	-42 000	-11 988
Total exploration expenses	**417 140**	**177 791**	**1 011 756**	**786 935**

Note 3 Tangible assets and intangible assets

Tangible fixed assets	**Fields under development**	**Production facilities including wells**	**Fixtures and fittings, office machinery etc.**	**Total**
Balance-sheet value 31/12/11	**803 352**	**47 839**	**50 881**	**902 071**
Acquisition cost 31/12/2011	**803 352**	**457 089**	**102 337**	**1 362 778**
Additions	267 853	12 964	2 255	283 071
Reclassification	200 926			200 926
Acquisition cost 31/03/2012	1 272 131	470 053	104 592	1 846 774
Accumulated depreciation and impairments 31/03/2012		423 956	56 032	479 988
Balance-sheet value 31/03/2012	**1 272 131**	**46 096**	**48 560**	**1 366 786**
Acquisition cost 31/03/2012	**1 272 131**	**470 053**	**104 592**	**1 846 776**
Additions	843 181	111 732	4 486	959 399
Acquisition cost 30/06/2012	2 115 312	581 785	109 078	2 806 175
Accumulated depreciation and impairments 30/06/2012		478 669	60 408	539 077
Balance-sheet value 30/06/2012	**2 115 312**	**103 116**	**48 670**	**2 267 097**
Depreciation Q2 2012		14 513	4 376	18 889
Depreciation 1/1.- 30/06/2012		29 219	8 952	38 171
Impairments in Q2 2012		40 200		40 200
Impairments 1/1 - 30/06/2012		40 200		40 200

Capitalized exploration expenditures are classified as "Fields under development" when the field enteres into the development phase. Fields under development are classified as "Production facilities" 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 as "Production facilities".

Intangible assets

	Other intangible assets Licenses	Software	Total	Exploration expenditures	Goodwill
Balance-sheet value 31/12/11	**900 072**	**5 654**	**905 726**	**2 387 360**	**525 870**
Acquisition cost 31/12/2011	**1 110 324**	**43 989**	**1 154 314**	**2 387 360**	**648 338**
Additions		308	308	291 558	
Disposals	6 232		6 232	353 160	3 768
Reclassification				-200 926	
Acquisition cost 31/03/2012	1 104 092	44 297	1 148 390	2 124 833	644 570
Accumulated depreciation and impairments	210 446	39 205	249 651		122 468
Balance-sheet value 31/03/2012	**893 646**	**5 093**	**898 739**	**2 124 833**	**522 102**
Acquisition cost 31/03/2012	**1 104 092**	**44 297**	**1 148 390**	**2 124 833**	**644 570**
Additions	182	153	334	73 743	
Disposals				321 955	
Acquisition cost 30/06/2012	1 104 274	44 450	1 148 723	1 876 622	644 570
Accumulated depreciation and impairments	318 459	39 962	358 420		199 204
Balance-sheet value 30/06/2012	**785 815**	**4 488**	**790 303**	**1 876 622**	**445 366**

	Licenses	Software	Total	Exploration expenditures	Goodwill
Depreciation Q2 2012	135	757			
Depreciation 1/1.- 30/06/2012	328	1 627			
Impairments in Q2 2012	107 878				76 736
Impairments 1/1 - 30/06/2012	109 531				77 247

Reconciliation of depreciation in the income statement:	**Q2 2012**	**01.01. - 30.06 2012**
Depreciation of tangible fixed assets	18 889	38 171
Depreciation of intangible assets	892	1 955
Total depreciation in the income statement	**19 780**	**40 126**

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

Reconciliation of impairments in the income statement:	**Q2 2012**	**01.01. - 30.06 2012**
Impairment of tangible fixed assest	40 200	40 200
Impairment of intangible assets	107 878	109 531
Impairment of goodwill	76 736	77 247
Impairment of deferred tax related to impairment of goodwill	-84 145	-85 434
Total impairment in the income statement	**140 669**	**141 544**

Det norske oljeselskap signed an agreement with Petoro AS in May 2012 regarding the transfer of interests in Jette. The transaction is subject to government approval and the company expects completion to take place during the 3rd quarter. The agreement involves the transfer of an 18 per cent interest in the Jette Unit. Det norske will have an interest of 70 per cent after completion. The transaction is not expected to have material effects on the income statement, but it will reduce tangible fixed assets by approximately MNOK 250.

Note 4 Financial items

	Q2		01.01. - 30.06	
	2012	2011	2012	2011
Interest income	**12 860**	**15 426**	**30 773**	**30 830**
Return on financial investments		148	763	148
Currency gains	8 416	3 696	13 704	3 998
Change in value of derivatives	-234		1 973	
Total other financial income	**8 181**	**3 845**	**16 440**	**4 147**
Interest expenses	41 719	52 366	89 201	102 873
Capitalizing interest costs development projects	-27 832		-40 819	
Amortization of loan costs	9 073	15 349	13 507	40 299
Total interest expenses	**22 960**	**67 715**	**61 888**	**143 172**
Currency losses	4 334	1 265	14 870	7 274
Change in value of derivatives	16 572	2 047	16 572	6 983
Decline in value of financial investments	240		240	91
Total other financial expenses	**21 146**	**3 313**	**31 682**	**14 347**
Net financial items	**-23 065**	**-51 758**	**-46 357**	**-122 542**

Note 5 Taxes

	Q2		01.01. - 30.06	
Taxes for the period appear as follows:	2012	2011	2012	2011
Calculated tax receivable due to exploration-related costs	-138 499	-348 076	-560 107	-825 705
Change in deferred taxes	-342 204	123 626	-436 499	138 913
Reversal of tax item related to shorfall value of purchase price allocation (PPA), accounted as exploration expenses	20 000	7 000	42 000	11 988
Changes in prior years tax returns			-26 986	
Tax on excess-/shortfall values expensed in the period	84 145		89 005	
Total taxes (+) / tax income (-)	**-376 558**	**-217 450**	**-892 587**	**-674 804**

A full tax calculation has been carried out in accordance with the accounting principles described in the annual report for 2011. The calculated tax receivable as a result of exploration activities in 2012 is recognised as a long-term item in the balance sheet. The tax refund for this items is expected to be paid in December 2013. The calculated tax receivable as a result of exploration activities in 2011 is recognized as a current assets in the balance sheet. The tax refund for this item is expected to be paid in December 2012.

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

	30.06.2012	30.06.2011	31.12.2011
Pre-payments relating to upgrades, rig intake and mobilisation		28 576	
Shortfall value of rig charterparties in connection with acquisition		-9 768	
Total pre-payments and chartering of drilling rigs		**18 808**	

Det norske oljeselskap ASA has signed a charterparty for a sixth generation drilling rig (Transocean 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 company 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

	30.06.2012	30.06.2011	31.12.2011
Pre-payments, including rigs	51 168	31 653	53 405
VAT receivable	11 610	5 990	9 314
Underlift (recognised income)	-2 561	41 415	44 028
Guarantee account, unsecured pension scheme		6 896	
Other receivables, including operator licences	222 625	86 062	312 763
Pre-payments relating to upgrades, rig intake and mobilisation	27 888	260 759	155 189
Shortfall value of rig charterparties in connection with acquisition	-5 885	-89 137	-42 160
Total pre-payments, Transocean Barents	*22 003*	*171 622*	*113 029*
Total other short-term receivables	**304 844**	**343 639**	**532 538**

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.

Specification of cash and cash equivalents:	30.06.2012	30.06.2011	31.12.2011
Cash	5	9	2
Bank deposits	1 105 639	757 243	828 771
Restricted funds (tax withholdings)	8 980	9 250	12 827
Total cash and cash equivalents	**1 114 624**	**766 502**	**841 599**
Unused revolving credit facility, exploration facility loan	247 188	716 938	903 094

Note 9 Share capital

	30.06.2012	30.06.2011	31.12.2011
Share capital	127 916	111 111	127 916
Total number of shares (in 1.000)	127 916	111 111	127 916
Nominal value per share in NOK	1,00	1,00	1,00

Note 10 Derivatives

Det norske oljeselskap ASA has entered into forward contracts to reduce currency exposure in the Jette project.

The company has the following currency forward contracts as of 30.06.12:	Nominal amount	Forward contract NOK	Market value NOK	Gain/Loss NOK
DKK	21 000	21 309	21 344	35
EUR	7 000	53 132	53 101	-32
GBP	5 000	44 734	46 705	1 971
Total value		**119 176**	**121 149**	**1 973**

Description of contracts:
Forward contracts are established for the purchase of DKK, EUR and GBP, covering a part of Det norskes share of the Jette project in 2012. Amounts are syncronised to signed agreements with suppliers to the project. All forward contracts mature in 2012.

Interest rate swaps

Det norske oljeselskap has in May entered into three interest rate swaps. The purpose is to swap floating rate loans to fixed rate. Unrealized losses are NOK 16.6 million as of 30.06.2012

Note 11 Accounts receivables

	30.06.2012	30.06.2011	31.12.2011
Receivables related to licensing transactions		89 620	
Receivables related to sale of oil and gas	27 575	29 030	32 292
Invoicing related to rigs etc.	143 881	53 081	112 641
Unrealized exchange rate	-369	-865	1 254
Total account receivable	**171 086**	**170 866**	**146 188**

Note 12 Short-term loans

	30.06.2012	30.06.2011	31.12.2011
Exploration facility in DnB NOR	1 600 000	2 200 000	400 000
To be amortized	-10 225	-30 675	-20 450
Total short-term loans	**1 589 775**	**2 169 325**	**379 550**

The company has a joint revolving credit facility of NOK 3,500 million in DnB NOR BANK ASA. Maximum utilization including interest is limited to 95 percent of tax refunds related to the exploration expenses. The company can draw on the facility until 31 December 2012 and the final repayment must take place in December 2013.

The interest rate on the revolving credit is 3 months' NIBOR + 2.5 percent, and the establishment fee for the facility was NOK 61.3 million. A commission of 1.25 percent is 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 13 Other current liabilities

	30.06.2012	30.06.2011	31.12.2011
Current liabilities related to overcall in licences	118 493	19 034	60 731
Share of other current liabilities in licences	702 494	179 870	155 766
Other current liabilities	166 767	270 531	187 658
Total other current liabilities	**987 754**	**469 435**	**404 156**

Note 14 Convertible bond

	30.06.2012	30.06.2011	31.12.2011
Principal, convertible loan Norsk Tillitsmann		323 650	
Equity part of convertible loan on initial inclusion		-98 991	
Accumulated amortization of equity part of convertible loan		87 114	
Payment of loan		10 096	
Converted to shares		-5 614	
Total long-term convertible bond		**316 254**	

The convertible bond was past due on the 16. December 2011. On due date 5,693,564 shares were converted at NOK 79,30 and the residual bonds were repaid.

Note 15 Bond

	30.06.2012	30.06.2011	31.12.2011
Principal, new bond Norsk Tillitsmann	600 000	600 000	600 000
Establishment costs	-16 145	-16 145	-16 145
Amortization of establishment costs	752	1 638	3 156
Total bond	**584 607**	**585 493**	**587 011**

The loan runs from 28 Januar 2011 till 28 January 2016 and has an interest rate of 3 month NIBOR + 6.75 percent. The principal falls due on 28 January 2016 and interest is paid on an quarterly basis. No security has been furnished for this loan.

Note 16 Other interest-bearing debt

	30.06.2012	30.06.2011	31.12.2011
Revolving credit facility	298 665		
To be amortized	-79 608		
Unrealized currency loss	500		
Total interest-bearing debt	**219 557**		

Det norske oljeselskap ASA has an agreement of a revolving credit facility of USD 500 million. The revolving credit facility can be increased with MUSD 100, but the agreement has no guarantee for this. The USD 500 million tranche (the "Facility Amount") is co-ordinated by DNB and Nordea and fully underwritten by the Bookrunners and Mandated Lead Arrangers: DNB, Nordea and SEB, subject to an executed loan agreement. The underwriters have syndicated the Facility to a select group of banks.

The interest rate on the revolving credit is 3 months LIBOR + 3.75 - 4.0 percent, and the establishment fee for the facility was NOK 85.3 million. A commission of 1.30 percent is paid on unused credit.

Note 17 Uncertain commitments

Det norske oljeselskap ASA has, following a tax audit carried out by the Oil Taxation Office (OTO), received a notice of reassessment for the two income years 2009 and 2010. The notice is related to the drilling contract of Aker Barents. The company disputes the position taken by the OTO, and is in the process of documenting the underlying issues. As of 30th June 2012 the Company has subsequently not included any provisions for potential tax costs in the financial statements.

In addition, 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 Company has provided accruals in its financial statements for probable liabilities related to litigation and claims based on the Company'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.

Det norske oljeselskap

Note 18 Investments in jointly controlled assets

Operatorships:

Licence	30.06.2012	31.12.2011
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*	0,0 %	30,0 %
PL 356	50,0 %	60,0 %
PL 364	50,0 %	50,0 %
PL 414	40,0 %	40,0 %
PL 414B**	40,0 %	0,0 %
PL 450	60,0 %	75,0 %
PL 460	100,0 %	100,0 %
PL 468*	0,0 %	95,0 %
PL 468B*	0,0 %	95,0 %
PL 482	65,0 %	65,0 %
PL 497	35,0 %	35,0 %
PL 497B	35,0 %	35,0 %
PL 500*	0,0 %	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*	0,0 %	40,0 %
PL 549S	35,0 %	35,0 %
PL 553	40,0 %	40,0 %
PL 573S	35,0 %	35,0 %
PL 593	60,0 %	60,0 %
PL 626**	50,0 %	0,0 %
PL 659**	30,0 %	0,0 %
Number	26	28

Partner-operated:

Licence	30.06.2012	31.12.2011
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 035C**	25,0 %	0,0 %
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 102D**	10,0 %	0,0 %
PL 265	20,0 %	20,0 %
PL 272	25,0 %	25,0 %
PL 332	40,0 %	40,0 %
PL 362	15,0 %	15,0 %
PL 392*	0,0 %	10,0 %
PL 416*	0,0 %	15,0 %
PL 438	10,0 %	10,0 %
PL 440S	10,0 %	10,0 %
PL 442	20,0 %	20,0 %
PL 453S	25,0 %	25,0 %
PL 492	30,0 %	30,0 %
PL 494	30,0 %	30,0 %
PL 494B	30,0 %	30,0 %
PL 494C**	30,0 %	0,0 %
PL 502	22,2 %	22,2 %
PL 508S*	0,0 %	30,0 %
PL 522	10,0 %	10,0 %
PL 523*	0,0 %	20,0 %
PL 533	20,0 %	20,0 %
PL 535	20,0 %	20,0 %
PL 538*	0,0 %	30,0 %
PL 550***	20,0 %	0,0 %
PL 551***	20,0 %	0,0 %
PL 554	20,0 %	20,0 %
PL 554B	20,0 %	20,0 %
PL 558	20,0 %	20,0 %
PL 561	20,0 %	20,0 %
PL 563	30,0 %	30,0 %
PL 567	40,0 %	40,0 %
PL 568	20,0 %	20,0 %
PL 571	40,0 %	40,0 %
PL 613	35,0 %	35,0 %
PL 619**	30,0 %	0,0 %
PL 627**	20,0 %	0,0 %
PL 652**	20,0 %	0,0 %
Number	41	38

* Relinquised licenses or Det norske has withdrawn from the license.
** Interest awarded in APA-round (Application in Predefined Areas) in 2011. Offers were announced in January 2012.
*** Aqcuired through license transaction

Note 19 Results from previous interim reports

	2012		2011				2010		
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Total operating revenues	**69 603**	**97 031**	**92 384**	**81 843**	**96 293**	**101 586**	**99 518**	**80 643**	**88 671**
Exploration expenses	417 140	594 616	105 329	119 927	177 791	609 143	656 841	209 065	367 219
Production costs	46 154	45 266	42 621	42 894	52 336	44 037	40 109	36 505	38 035
Payroll and payroll-related expenses	703	8 750	9 061	5 905	10 133	6 634	4 723	7 548	1 412
Depreciation	19 780	20 346	21 532	17 044	20 618	19 324	22 408	41 749	44 121
Impairments	140 669	875	127 117		28 045	42 511	97 323	24 442	32 748
Other operating expenses	16 050	23 614	12 554	14 785	15 222	18 210	40 628	14 447	14 476
Total operating expenses	**640 497**	**693 467**	**318 214**	**200 555**	**304 146**	**739 859**	**862 032**	**333 756**	**498 011**
Operating profit/loss	**-570 894**	**-596 436**	**-225 830**	**-118 712**	**-207 853**	**-638 273**	**-762 514**	**-253 113**	**-409 340**
Net financial items	-23 065	-23 293	-41 429	-36 239	-51 758	-70 784	-65 304	-55 696	7 952
Profit/loss before taxes	**-593 959**	**-619 728**	**-267 259**	**-154 951**	**-259 611**	**-709 057**	**-827 818**	**-308 808**	**-401 387**
Taxes (+)/tax income (-)	-376 558	-516 030	-141 846	-114 957	-217 450	-457 354	-496 723	-228 684	-296 566
Net profit/loss	**-217 401**	**-103 698**	**-125 413**	**-39 993**	**-42 161**	**-251 703**	**-331 095**	**-80 124**	**-104 821**

Det norske oljeselskap

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 company's interim financial statements for the period 1 January to 30 June 2012 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 company's'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 company, and includes a description of the principal risk and uncertainty factors facing the company.

The Board of Directors of Det norske oljeselskap ASA
Oslo, 14 August 2012

Svein Aaser, Chairman

Maria Moræus Hanssen, Deputy Chairman

Tom Røtjer, Board member

Berge Gerdt Larsen, Board member

Tonje Foss, Board member

Hege Sjo, Board member

Inge Sundet , Board member

Carol Bell, Board member

Erik Haugane, Chief Executive Officer

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