SECOND QUARTER REPORT 2013

AUG 30, 2013

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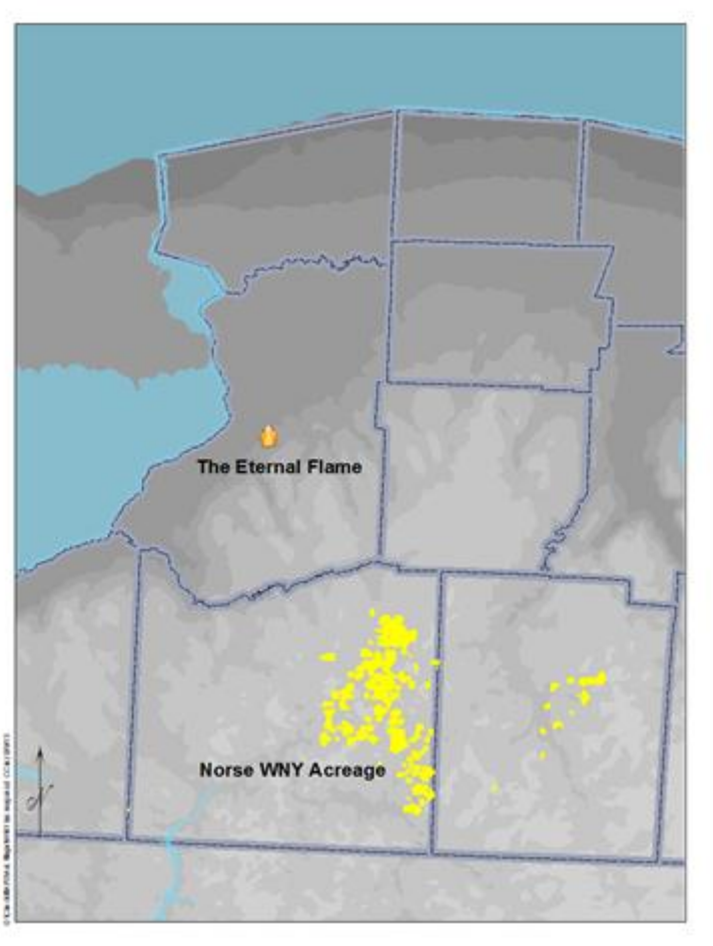
Norse Energy Corp. ASA is listed in Norway (OSE ticker code "NEC").

Cover Photo: The "Eternal Flame" in Chestnut Ridge County Park in Western New York State



The Eternal Flame, located in Chestnut Ridge County Park in Western New York State, "emanating directly from deep shale source rocks, with the highest concentration of ethane and propane of any seep in the world", and just 25 miles northwest from Norse's western New York acreage in Cattaraugus County.

From "Natural seepage of shale gas and the origin of "eternal" flames in the Northern Appalachian Basin, USA", Giuseppe Etiope, Agnieszka Drobniak, Arndt Schimmelmann, Marine and Petroleum Geology, May 2013

CORPORATE OVERVIEW

Norse Energy Corp. ASA (the "Company" or "Norse") is an oil and gas exploration, development, and production company focusing on US onshore oil and gas opportunities. As of 30 June 2013, the Company owned or leased ~130,000 net acres covering multiple stacked pay formations in New York State in the Appalachian basin, one of the premier oil and gas provinces in the world. Of this acreage, ~33,000 net acres lie in the liquids-rich shale fairways of Western New York, and the remaining ~97,000 net acres lie in the Marcellus and Utica natural gas fairways in Central New York.

The Company has designed, and optimized, horizontal well development plans for its Upper Devonian, Marcellus and Utica shales. Its top four projects, individually, are expected to be economic at current oil and gas prices. Efficiencies likely to be gained due to stacked pay development contribute to robust economic expectations. All of the Company's 951 net MMBOE of externally certified 2C contingent resources are in New York State whose long-awaited (~5 years) issuance of its Supplemental Generic Environmental Impact Statement ("SGEIS") that would allow High Volume Hydraulic Fracturing ("HVHF") application has yet to materialize.

Progression of the Company's large shale resource base is 100% dependent on SGEIS. HVHF well tests, costs and recovery reported by operators outside New York State have continued to mature and improve since the 'shale revolution' commenced in 2008. Notably, Cabot reported two July 2013 step-out Marcellus well tests in Pennsylvania, about 20 miles south of Norse's Central New York acreage, having initial flow rates of approximately 35 to 50 Mmcf/d.

Given the SGEIS delay, the Company is contesting a force majeure lawsuit filed by landowners representing ~6,000 acres out of the Company's ~130,000 acres. A ruling is expected in the third or fourth quarter. In addition, the Appellate Division of the New York State Supreme Court affirmed the ability of local municipalities to zone oil and gas drilling activities. In addition, following an earlier decision by the Appellate Division of the New York State Supreme Court allowing local municipalities to zone oil and gas drilling activities, the New York Court of Appeals, New York's highest court, has granted leave to appeal. This sends a strong signal that the legal issues will get a fresh look by New York's highest court. The case, which is in the Town of Dryden, impacts a very small amount (~ 75 acres) of Norse's total acreage.

In response to a court order to escrow USD 7.65 million related to Bradford Drilling Associates XXIX L.P. claims, the Company's US Subsidiaries Norse Energy Corp. USA ("NEC USA") and Norse Energy Holdings Inc. ("NEHI") filed voluntary petitions for protection under Chapter 11 of the US bankruptcy code.

During the second quarter of 2013, NEC USA reached an agreement with a Norwegian-based Special Purpose Vehicle funded by certain of NEC ASA's existing lenders for a USD 3.8 million Debtor-in-Possession ("DIP") loan for NEC USA and NEHI to fund continuing operations while in bankruptcy. It is currently anticipated that funds from the DIP loan will provide cash to operate NEC USA and NEHI into October 2013.

A requirement of the DIP loan is a court-sanctioned asset sale under the rules of section 363 of the Bankruptcy Code ("363 sale"). Bidding on the 363 sale closed on 23 August which resulted in less than expected bid values. NEC USA is currently evaluating its options including continuing the sales process. An unsuccessful 363 sale process may impede the Company's ability to continue as a going concern.

While the purpose of the DIP loan described above is to fund the US subsidiaries' operations during the Chapter 11 process, the Norwegian parent company, Norse Energy Corp. ASA ("NEC ASA"), requires a separate source of funds. During the second quarter, certain of NEC ASA's bondholders, convertible lenders, and shareholders reached an agreement (the "Restructuring") that facilitated a comprehensive restructuring of the Company's balance sheet and provided new funding for NEC ASA. As a result of the Restructuring, the Company was able to reduce its net interest-bearing debt to approximately USD 18 million by 30 June 2013 and to approximately USD 8 million now. It is currently anticipated that the funds from the Restructuring will provide cash to operate NEC ASA into October 2013.

Excluding legal and administrative costs associated with the Chapter 11 bankruptcy and restructuring in NEC ASA, the Company has reduced its burn rate. With the approaching departure of the Chief Financial Officer in September, and the absorption of those duties by the CEO, total Norse staff will be reduced to eight. Houston and Buffalo office leases continue on a month-to-month basis. The Company continues to seek ways to reduce its burn rate even further.

<u>The ability of the Company to remain a going concern requires further asset sales, equity issuances, and/or debt issuances. The Company remains concerned about being able to execute additional asset sales and/or raise debt/equity before the DIP loan runs out by the fourth quarter. Please see the section "Going Concern Assumption" below.</u>

SECOND QUARTER HIGHLIGHTS AND SUBSEQUENT EVENTS

ALL REFERENCES TO USD IN THIS REPORT ARE IN USD 000's UNLESS THE TEXT INDICATES OTHERWISE)

Second Quarter

- The Company's US subsidiaries NEC USA and NEHI obtained US Bankruptcy Court support for, and received, USD 3.8 million of Debtor in Possession ("DIP") financing from a Norwegian-based Special Purpose Vehicle funded by certain NEC ASA lenders.

- The Appellate Division of the New York State Supreme Court affirmed the ability of local municipalities to zone oil and gas drilling activities. At the date of this report, the New York Court of Appeals, New York's highest court, has granted leave to appeal. This sends a strong signal that the legal issues will get a fresh look by New York's highest court. The case, which is in the town of Dryden, impacts a very small amount (~ 75 acres) of Norse's total acreage.

- The Company obtained NOK 7,100,000 of new convertible loans in April 2013 of which NOK 1,000,000 had been converted to Company stock by 30 June 2013. All of the convertible loans had been converted or are in process of being converted by the date of this report.

- During April 2013 the Company initiated a process to restructure (the Restructuring) the debt of the Company through debt to equity conversions, cash paydowns and an equity offering which reduced the Company's net interest-bearing debt to approximately USD 18 million by 30 June 2013 and USD 8 milliion now.

- Landowners representing approximately 60 Norse leases involving ~6,000 acres filed an action in bankruptcy court challenging whether force majeure extended those leases. NEC USA is contesting that lawsuit.

Subsequent Events

- NEC USA was granted an extension, to 22 October 2013, of its exclusivity period to file a plan of reorganization by the US Bankruptcy Court.

- NEC USA retained The Oil & Gas Clearinghouse to broker the sale of some or all of the Company's assets in a 363 sale, in accordance with its DIP loan obligations.

- The bids in the 363 sale were less than anticipated. NEC USA is evaluating its options, including continuing the sales process.

- The Company's Chief Financial Officer, Chris Steinhauser, announced his resignation effective 6 September 2013, and will be replaced on an interim basis by Mark Dice, Chief Executive Officer.

- The creditors' committee is pursuing claims against NEC ASA, NEHI, certain officers and directors, and others. The Company believes that the claims are without merit and intends to vigorously oppose.

DISCUSSION OF KEY EVENTS

Environment Health and Safety

Protection of the environment, health, and safety remains the Company's top priority. During the second quarter, there were no lost work time incidents or accidents.

Financial

Financing

The Company's US subsidiaries, NEC USA and NEHI received all of its DIP financing of USD 3.8 Million, including the final tranche of USD 600,000 in August. The cash is being used to pay post-petition claims and provide operating runway for NEC USA/NEHI in to October 2013.

As part of the Restructuring, NEC ASA secured new funding from a private shareholder group of NOK 7.1 Million sufficient to fund its operations into October. The Restructuring also greatly reduced the Company's interest-bearing debt which stood at USD 8 Million as of the date of this report.

A bankruptcy court sanctioned sale process, through a 363 sale, of some or all of the Company's assets, a requirement of the NEC USA/NEHI DIP loan agreement, was initiated in July. Bidding on the 363 sale closed on 23 August, which resulted in less than expected bid values.

There is currently no guarantee of additional funding other than that described above.

Technical

Acreage Position

The Company controls the right to develop oil and gas through a combination of lease and owned fee mineral interests on approximately 130,000 net working interest acres in New York State. The Company expects to produce natural gas through the development of the Utica Shale Formation, the Marcellus Shale Formation, and other formations in the same area in Central New York (principally in Madison, Chenango and Broome Counties) and liquids-rich gas from the Upper Devonian and Marcellus, and dry gas from the Utica Shale in Western New York (primarily in Cattaraugus and Allegany Counties).

In the Central New York Area, Norse controls approximately 97,000 net acres. In that 97,000 acres, Norse has rights to all formations and depths on approximately 89,000 net acres, including approximately 2,041 of fee mineral ownership, and a 37.5% working interest in approximately 22,000 gross (~8,000 net) Held-by-Production ("HBP") acres in deeper formations including the Utica Shale. In Western New York, Norse has oil and gas lease rights to all formations and depths on approximately 33,000 acres.

Net Working Interest Acres	Central New York	Western New York	Company Total
All Depths/Formations (Net)	~89,000	~33,000	~122,000
Deep Rights Retained (Net)	~8,000		~8,000
Company Total (Net)	~97,000	~33,000	~130,000

Project Portfolio

The Company has a diversified portfolio of oil and gas resources including:

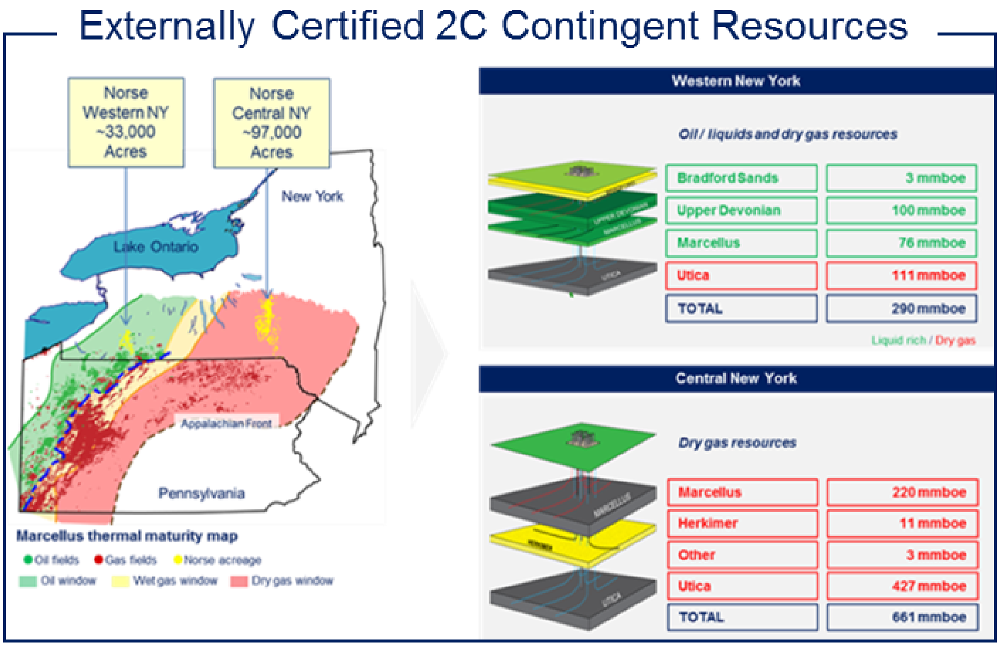
- Western New York Marcellus shale 50-75 feet thick, expected to contain liquids-rich gas, characterized as 'wet gas' by Schlumberger, hence expected to have a condensate and NGL stream in addition to a gas stream
- Western New York Upper Devonian shale (Rhinestreet, Middlesex, Geneseo) 525-725 feet thick also expected to contain wet gas; a recent Range Resources Upper Devonian test in Pennsylvania was reported to be 10 Mmcfe/d, liquids-rich
- Western New York Utica shale 300-550 feet thick, characterized as dry gas by Schlumberger, occurring at optimal drilling depths of between 6,000 and 8,500 feet
- Central New York Utica shale 850-1100 feet thick, containing dry gas and the prolific Point Pleasant formation that underlies much of the acreage at an optimal drilling depth of between 5,000 to 10,000 feet

- Central New York Marcellus shale 120-225 feet thick, containing dry gas, extensively proven by industry in nearby states Pennsylvania and Ohio
- Other formations including the Herkimer Sandstone in Central New York

At current, NYMEX gas prices of approximately USD 3.50 per Mcf, the Company's key Marcellus and Utica projects in Western New York and Central New York are expected to have attractive economics.

Resource Growth

Current 2C resources (December 31, 2012 Schlumberger certification) are 951 net MMBOE. The large volume of 2C contingent resources is summarized in the following chart.



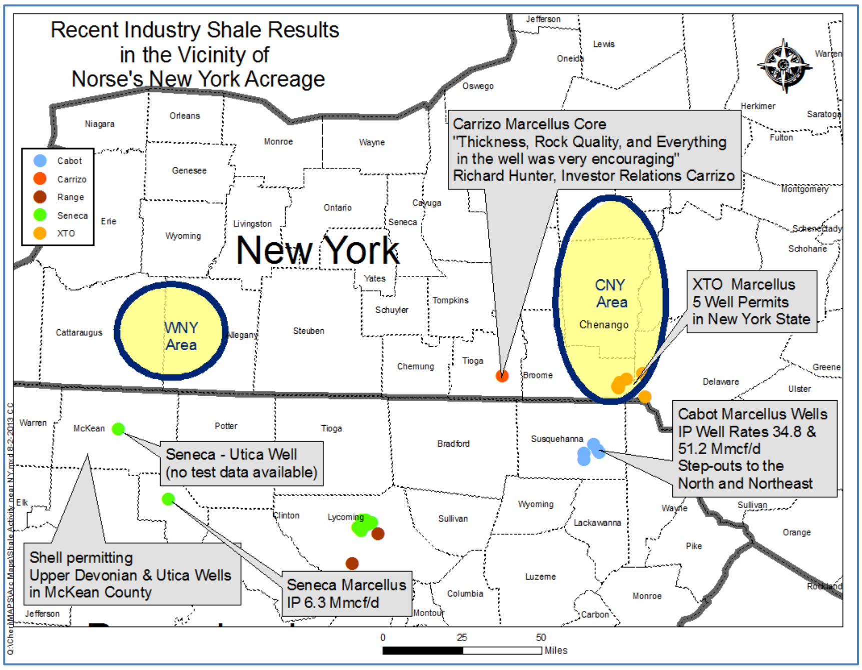
The mix of 'wet' gas, dry gas, geography, and stacked pay provides capital project flexibility, and risk and economic differentiation. The Company has designed, and optimized, horizontal well development plans for its Upper Devonian, Marcellus and Utica shales. Its top four projects, individually, are expected to be economic at current oil and gas prices. Efficiencies likely to be gained due to stacked pay development could improve the economics even further.

New York and Regional Shale Activity

Industry activity in and around New York State is expanding, and very encouraging.

- Cabot reported in July initial well tests of 34.8 Mmcf/d and 51.2 MMcf/d (Platt's Gas Daily of 29 July 2013) from two step-out Marcellus wells in Lennox Township, Susquehanna County, Pennsylvania and just about 20 miles from Norse's southernmost acreage in Broome County New York State.
- ExxonMobil / XTO has 5 Marcellus well permits in the NYDEC queue, just a few miles from Norse's Broome county acreage.
- Carrizo has reported on their 3Q 2012 Marcellus core in Tioga County New York taken just 30 miles west of Norse's Broome County acreage "The thickness, rock quality and everything in the well was very encouraging, and the same kind of thing we are seeing in West Virginia where we are having success", stated Carrizo.

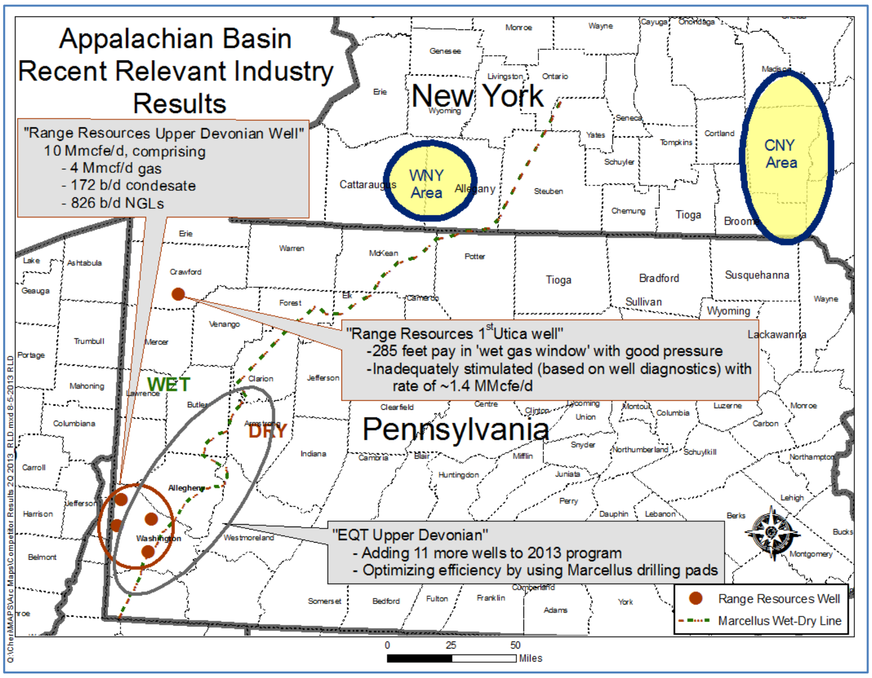
The following schematic shows the location of the industry activity summarized above relative to Norse's acreage position.



More regionally, the Upper Devonian Shale (present in Norse's Western New York acreage in Cattaraugus and Alleghany Counties) is starting to generate increased industry attention with encouraging results.

- EQT reports that drilling results have caused them to 'tweak' their drilling schedule to double the number of Upper Devonian wells to be drilled. Their Upper Devonian wells will be drilled on the same pad as Marcellus wells, thus increasing the efficiencies of drilling (Pittsburgh Business Times 25 July 2013).

- Range Resources have deemed their first four Upper Devonian test wells successful. Their most recent (super-rich) well was tested at 10.0 Mmcfe/d, liquids-rich (Range Resources July 2013 company presentation).



The above developments and results are very encouraging for Norse's Upper Devonian, Marcellus and Utica plays in Central and Western New York.

Regulatory

SGEIS

The Supplemental Generic Environmental Impact Statement ("SGEIS") is currently being finalized by the NYDEC. The SGEIS has been in development in New York State since 2008. In September of 2012, further comments were sought by the New York State DEC from the New York State Health Department on potential health impacts. The Health Department input is still pending and therefore the Company cannot predict when the final regulations will be issued.

Home Rule

The NYDEC is the governing and permitting authority for drilling, completion, production and eventual plugging regulations in New York as granted under New York State Environmental Conservation Law Article 23. The provisions of Article 23 supersede all local laws or ordinances relating to the regulation of oil and gas, except for local government jurisdiction over local roads or the rights of local governments under the real property tax law. However, in several court decisions in New York over the past year, most recently in the Appellate Division of the State Supreme Court, the right of local municipalities to use zoning rules to limit or ban drilling activities has been affirmed. To date local bans on drilling have had minimal impact on the Company's acreage position. The New York Court of Appeals, New York's highest court, has granted leave to appeal. This sends a strong signal that the legal issues will get a fresh look by New York's highest court. The case, which is in the town of Dryden, impacts a very small amount (~ 75 acres) of Norse's total acreage.

OUTLOOK

Bidding on the 363 sale closed on 23 August which resulted in less than expected bid values. An unsuccessful 363 sale may impede the Company's ability to continue as a going concern. The Company is evaluating all options to preserve value for all stakeholders.

Natural gas prices in the US are currently around USD 3.50. The Company believes that its main shale projects including Marcellus and Utica, remain economically robust due to the quality of the lease terms, underlying geology, and proximity to premium gas markets.

Going Concern Assumption

The second quarter 2013 financial statements have been prepared pursuant to the going concern assumption, in accordance with Section 3-3a of the Norwegian Accounting Act. However, the Company's continued operations are dependent on the successful resolution of the financial challenges facing the Company. For further information please refer to Note 1 of the consolidated financial statements

Risk Factors

There are numerous risk factors that should be reviewed by an investor in the Company. The list below summarizes many of the major risk factors the Company faces but it is not inclusive of every risk. Financial risk is managed under policies approved by the Board of Directors.

Government Regulation
Norse Energy owns and leases mineral rights in New York State. At present, the New York State government does not issue permits allowing High Volume Hydraulic Fracturing ("HVHF"). The Company's large resources in the Upper Devonian, Marcellus, and Utica shale formations cannot be developed until this ban is lifted. The New York Department of Health (NYDOH) is currently undertaking a health review of the proposed SGEIS. Issuance of the final SGEIS is contingent on a determination that the SGEIS has adequately addressed health concerns. The DEC can accept and process HVHF permit applications ten days after issuance of the SGEIS.

NEC 07 Bond and Other Interest-Bearing Debt
As a result of the NEC USA and NEHI US Chapter 11 filings, the Company was in default with respect to the NEC 07 bond loan. The Company's interest-bearing debt agreements were also in default due to non-payment of interest as of 31 December 2012 and 31 March 2013. As a result of the Restructuring, the Company is now in compliance with all debt covenants and has reduced its interest-bearing debt significantly. However, the Company could fall back into default if it is unable to repay its debts when they are due.

Liquidity
Financing and liquidity risks arise from not having the necessary resources from current operations available to fund current operations and meet maturing debt liabilities. Failure to maintain liquidity could also have an impact on the Company's financial performance through higher interest rates or possibly even forced liquidation.

The Company has been actively pursuing the sales of assets to fund operations and reduce debt. Additional capital is required to fund current operations. If the asset sales are unsuccessful or not timely, the Company may seek refinancing in the capital markets which could include both debt and equity alternatives. A failure to obtain required financing in time to meet the Company's debt and other liabilities will materially and adversely affect the Company's business, operations and financial condition. Please also refer to "Going Concern Assumption".

Natural Gas Price
Natural gas is an energy commodity. Substantial or prolonged decline in gas prices could have a material adverse effect on the value of our leased and owned acreage and the Company's financial condition. Future prices cannot be predicted with any degree of certainty.

Exploration and Development Cost
Drilling costs and well completion costs are often uncertain due to site-specific drilling conditions. In order to explore and produce in new areas of the Norse Energy acreage, gathering facilities will need to be installed or expanded. The Company has no history of drilling horizontal shale wells with high volume hydraulic fracturing. However, the technology is readily available from drilling subcontractors which the Company can employ.

Resource and Reserve Volumes
The Company’s oil and natural gas resources and reserves are based on reports, prepared by the independent engineering firm Schlumberger Data & Consulting Services. Such reports are obtained at least annually to establish the expected production profiles for the fields, and the expected economic lifetime of the fields. The Company's actual oil and natural gas production could vary significantly from those reports.

Competition
There is competition from other oil and gas companies in all areas of our operations. Some of those companies are much larger, better integrated and have organizational and financial strength enabling them to invest where Norse Energy might be limited by its human and financial resources. The Company must compete for drilling equipment, pipeline equipment, services, and for the acquisition and extension of its acreage position.

Lease Expiration
Norse Energy’s leased acreage has fixed expiration dates. The Company exercised the right of *Force Majeure* provided in its lease agreements, which should extend the duration of the leases affected by the time required to finalize the regulations in the state of New York. In the event the *Force Majeure* provision in the leases is successfully challenged, the original lease expiration dates will prevail.

Currency Risk and Interest
The Company’s functional currency is USD. Most of the Company’s operations and most of its cash flows are in USD. The Company has a small amount of NOK denominated liabilities and incurs a relatively small amount of its operating expenses in NOK for its corporate office in Norway.

Statement of Responsibility from the Board of Directors and the CEO

The Board of Directors and the Chief Executive Officer have today considered and approved the condensed consolidated financial statements for the first half year 2013 and the financial review relevant for the interim report for the first half year 2013. The first half year 2013 report has been prepared in accordance with IAS 34 as adopted by the EU and additional disclosure requirements for the first half year report as stated in the Norwegian Securities Trading Act.

We confirm that, to the best of our knowledge, the financial statements for the first half year of 2013 give a true and fair view of the Company's consolidated assets, liabilities, financial position and results of operations. To the best of our knowledge, the financial report includes a fair review of important events in the period and their effects on the financial statements for the first half year 2013, the principal risks and uncertainties for the Company for the remainder of the financial year, and related parties' significant transactions that might have a material effect on financial position or results for the period.

The Board of Directors and Chief Executive Officer
Norse Energy Corp. ASA
Oslo, August 29, 2013

Cecilie Amdahl	Bjarte Bruheim	Elin Karfjell
Chairperson	*Board member*	*Board member*

Mark Dice

Chief Executive Officer

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Condensed Consolidated Statement of Comprehensive Income

(in USD thousands, except earnings per share)	Note	For the three months ended, 30 June 2013 (1)	30 June 2012 (1)	For the six months ended, 30 June 2013 (1)	30 June 2012 (1)
REVENUES AND OTHER INCOME					
Oil and gas revenue		**26**	40	**56**	77
Other income		**-**	47	**8**	50
Total revenues and other income		**26**	87	**64**	127
OPERATING EXPENSES					
Production expenses		**15**	23	**42**	49
Exploration and dry-hole expenses	4	**714**	660	**1,120**	1,317
Salaries and benefits		**896**	1,467	**2,006**	3,322
General and administrative expenses		**1,239**	1,437	**1,629**	2,841
EBITDA		**(2,838)**	(3,500)	**(4,733)**	(7,402)
Depreciation	5	**47**	131	**97**	280
Total operating expenses		**2,911**	3,718	**4,894**	7,809
EBIT - Net operating loss		**(2,885)**	(3,631)	**(4,830)**	(7,682)
FINANCIAL ITEMS					
Net interest expense		**(558)**	(2,817)	**(1,231)**	(5,379)
Net foreign exchange gain (loss)		**-**	(614)	**78**	(729)
Gain (loss) on warrants and convertibles		**(5,210)**	(367)	**(10,080)**	(1,087)
Other financial expenses	6,7	**(4,773)**	(65)	**(4,823)**	3,514
Net financial items		**(10,541)**	(3,863)	**(16,056)**	(3,681)
Loss before tax		**(13,426)**	(7,494)	**(20,886)**	(11,363)
Income tax benefit (expense)		**-**	-	**-**	-
Net loss from continuing operations		**(13,426)**	(7,494)	**(20,886)**	(11,363)
Net income (loss) from discontinued operations, net of tax	3	**-**	(82)	**-**	1,962
Net loss		**(13,426)**	(7,576)	**(20,886)**	(9,401)
Other comprehensive loss (net of tax)		**-**	-	**-**	-
Total comprehensive loss		**(13,426)**	(7,576)	**(20,886)**	(9,401)
Net loss attributable to:					
Shareholders of the parent company		**(13,426)**	(7,576)	**(20,886)**	(9,401)
Total		**(13,426)**	(7,576)	**(20,886)**	(9,401)
Total comprehensive loss attributable to:					
Shareholders of the parents company		**(13,426)**	(7,576)	**(20,886)**	(9,401)
Total		**(13,426)**	(7,576)	**(20,886)**	(9,401)
Basic earnings per share from continuing operations		**(0.07)**	(0.07)	**(0.10)**	(0.11)
Diluted earnings per share from continuing operations		**(0.05)**	(0.07)	**(0.08)**	(0.11)
Basic and diluted earnings per share from discontinued operations		-	(0.00)	**-**	0.02

(1) For comparative purposes, the financial results of Norse Energy Supply, Inc., Norse Pipeline, LLC, Mid-American Natural Resources, and the Herkimer assets are shown as discontinued operations.

Condensed Consolidated Statement of Financial Position

(in USD thousands)	Note	At 30 June 2013	At 31 December 2012
ASSETS			
Non-current assets			
Intangible assets			
License interests and exploration assets	4	**7,664**	**7,664**
Total intangible assets		**7,664**	**7,664**
Properties and field investments			
Field investments and equipment	5	**-**	-
Other fixed assets	5	**48**	**200**
Total properties and field investments		**48**	**200**
Other non-current assets		**46**	**52**
Total non-current assets		**7,758**	**7,916**
Current assets			
Accounts receivable and other short-term assets		**430**	**464**
Cash and cash equivalents		**1,913**	**862**
Total current assets		**2,343**	**1,326**
TOTAL ASSETS		**10,101**	**9,242**
EQUITY AND LIABILITIES			
Equity			
Share capital	9	**5,379**	**21,713**
Share premium	9	**-**	**-**
Treasury shares		**(14)**	**(14)**
Other paid in capital		**6,614**	**-**
Total paid-in equity		**11,979**	**21,699**
Other equity		**(27,494)**	**(39,703)**
Total equity		**(15,515)**	**(18,004)**
Non-current liabilities			
Long-term interest-bearing debt	6	**5,512**	**-**
Asset retirement obligations		**57**	**57**
Other non-current liabilities	9	**151**	**166**
Total non-current liabilities		**5,720**	**223**
Current liabilities			
Short-term interest-bearing debt	6	**12,472**	**20,339**
Accounts payable		**7,091**	**6,436**
Other current liabilities	9	**333**	**248**
Total current liabilities		**19,896**	**27,023**
TOTAL EQUITY AND LIABILITIES		**10,101**	**9,242**

Condensed Statement of Changes in Equity

USD thousands	H1 2013 Attributable to parent shareholders	H1 2013 Non-controlling interests	H1 2013 Total	H1 2012 Attributable to parent shareholders	H1 2012 Non-controlling interests	H1 2012 Total
Opening balance, January 1	**(18,004)**	**-**	**(18,004)**	**(26,456)**	**-**	**(26,456)**
Net income/(loss) for the period	(20,886)	-	(20,886)	(9,401)	-	(9,401)
Total comprehensive income/(loss) for the period	**(20,886)**	**-**	**(20,886)**	**(9,401)**	**-**	**(9,401)**
Proceeds from issuance of shares	-	-	-	-	-	-
Proceeds from issuance of shares exchanged for debt	22,748	-	22,748	16,343	-	16,343
Option premium on convertible notes	-	-	-	2,693	-	2,693
Employee share options	627	-	627	68	-	68
Closing balance period end	**(15,515)**	**-**	**(15,515)**	**(16,754)**	**-**	**(16,754)**

Condensed Consolidated Statement of Cash Flows

		For the six months ended,	
(in USD thousands)	Note	30 June 2013	30 June 2012
OPERATING ACTIVITIES			
Net loss		(20,886)	(9,401)
Adjustments to reconcile net loss to cash flows used in operating activities:			
(Income) loss from discontinued operations	3	-	(1,962)
Depreciation	5	97	280
Market adjustment, warrants, options and shares		14,903	1,087
(Gain) loss on disposal of assets		-	(185)
Loss on sale of Herkimer assets	2	-	545
Gain on extinguishment of debt		-	(4,938)
Interest income		-	(61)
Interest expense		1,231	5,440
Movements in working capital:			
Change in accounts receivable and other short-term assets		34	518
Change in accounts payable and other short-term liabilities		864	(1,709)
Other adjustments		391	746
Cash flows used in operating activities		(3,366)	(9,640)
INVESTING ACTIVTIES			
Proceeds from sale of assets		-	21,845
Proceeds from sale of Herkimer assets	2	-	34,468
Investment in fixed assets	5	-	(383)
Cash flows used in investing activities		-	55,930
FINANCING ACTIVITIES			
Proceeds from DIP loan		3,200	-
Proceeds from issuance of short-term debt	6,9	1,217	-
Net interest received (paid)		-	(4,523)
Repayment of debt		-	(45,120)
Cash flows used in financing activities		4,417	(49,643)
Effects of foreign currency on cash balances		-	(7)
Net cash provided by (used in) discontinued operations	3	-	1,077
Change in cash and cash equivalents during the period		1,051	(2,283)
Cash and cash equivalents at the beginning of the period		862	3,955
Cash and cash equivalents and the end of the period		1,913	1,672

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Note 1. Organization and basis of preparation

General information and organization

Norse Energy Corp. ASA is a public limited liability company incorporated and domiciled in Norway. The address of the main office is Munkedamsveien 35, 3rd floor, 0250 Oslo, Norway. The principal activity of Norse Energy Corp. ASA and its subsidiaries is the acquisition, exploration, and development of oil and natural gas properties in the United States.

The Company's shares are traded on the Oslo Stock Exchange under the ticker symbol NEC and in the United States of America under the ticker symbol NSEEY.

The interim financial statements for the second quarter of 2013 were authorized for issuance by the Board of Directors on 29 August 2013.

Basis of preparation

The consolidated financial statements for 2012 and 2013 were prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and the Norwegian accounting act. These interim financial statements are prepared in accordance with International Accounting Standard 34 *Interim Financial reporting* as issued by the International Accounting Standards Board (IASB). The accounting policies and methods of computation followed in the interim financial statements are the same as compared with the most recent annual financial statements. The interim financial statements have not been audited or subject to a review. The interim financial statements do not include all of the information and footnotes required by IFRS for a complete set of financial statements and should be read in conjunction with the consolidated annual financial statements for 2012. The annual financial statements for 2012 are available at www.norseenergycorp.com.

On 16 May 2012, the Company completed the sale of its operated production, ~22,000 held by production ("HBP") and owned acres, the associated natural gas gathering system, and pipeline rights of way in Central New York as further described in Note 2. As a consequence of the sale, the results from operations associated with the assets are presented on a separate line of the Statement of Comprehensive Income and Statement of Cash Flows as discontinued operations.

All references herein as to number of shares, number of shares issuable upon exercise of options, warrants, or conversion of debt instruments and associated exercise or conversion prices reflect the 10-1 reverse stock split announced by the Company on May 29, 2012.

Going Concern

The second quarter of 2013 financial statements has been prepared pursuant to the going concern assumption, in accordance with section 3-3 of the Norwegian Accounting Act. This assumption was made based on the financial position of the Company at the balance sheet date of this report.

The company faces challenges related to liquidity and future debt covenant compliance. The Company's cash balance was approximately USD 1,913 thousand on 30 June 2013.

As a result of the Restructuring (Note 9), the Company's current cash position is sufficient to finance operations into October 2013. The Company has sold substantially all of its cash flow generating assets to pay down indebtedness. The cash flow generated from remaining operations is negligible and insufficient for the Company to meet its obligations for its continued operations. Therefore, to meet ongoing obligations it is necessary for the Company to raise new equity, new debt, or sell additional assets. The Company will also continue to implement further cost reduction measures.

In connection with the Bradford litigation, in late November 2012 a New York court denied a motion for summary judgment filed by Bradford and directed the parties to establish an escrow account into which Norse will be required to deposit USD 7.65 Million.

In December 2012, the Company announced that U S subsidiaries Norse Energy Corp. USA ("NEC USA") and Norse Energy Holdings Inc. ("NEHI") filed voluntary petitions for Chapter 11 bankruptcy protection and re-organization under the United States Bankruptcy Code. The Bradford Drilling Associates XXIX L.P. litigation, including the escrow obligation, was stayed by NEC USA's voluntary petition for Chapter 11 bankruptcy protection.

At 31 December 2012 and 31 March 2013, the Company was in default of its interest bearing debt due to failure to pay scheduled interest and the filing of Chapter 11 Bankruptcy by the US subsidiaries. In conjunction with the Restructuring, Note 9, all defaults are currently cured.

In order to address the company's ongoing liquidity requirements going forward, the following alternatives are under consideration:

- additional asset sales
- issuance of additional equity
- issuance of additional debt
- further cost reduction measures

The New York State Department of Environmental Conservation (DEC) has been directed by the Governor to draft the Supplemental Generic Environmental Impact Statement (SGEIS), under which permits for high volume hydraulic fracturing (HVHF") would be issued by the DEC. No HVHF permits may be issued until the the final Supplemental Generic Environmental Impact Statement is released. The process of developing the SGEIS has been ongoing since 2008 and timing of the final SGEIS remains uncertain. The Company is defending lease expiration through exercising the force majeure provisions in the lease contracts. There is no guarantee the Company will prevail its force majeure claim.

A positive outcome of the regulatory process could enable Norse to explore and drill the Marcellus and Utica formations in New York State on its own or with partners in industry joint ventures, in which partners may provide operating expertise and/or capital contributions to the development of defined acreage. The issuance of final regulations is also likely to increase the interest of other natural gas production companies in the potential acquisition of certain of the company's assets if they were to be offered for sale. Regardless of the outcome of the SGEIS, there can be no guarantee that the Company is able to finance development of the acreage, or to enter into transactions to divest parts or all of its acreage.

As described above the Company's continued operation is dependent on the successful outcome of the financial and regulatory challenges facing the Company. The financial statements do not include any impairment charges, provisions, or other adjustments likely to occur if assets are sold in a distressed situation, if the Company is not successful in defending the force majeure provisions in the leases to allow for extension of the leases, if the drilling permits are not issued in a timely manner, or if the Company is liquidated.

Note 2. Sale of Herkimer assets

On 15 March 2012, the Company announced the USD 37 million asset sale. Conveyed assets included substantially all of the Company's producing wells, approximately 23,000 held by production ("HBP"), or owned acres, the associated natural gas gathering system, and pipeline rights of way in Central New York. Norse retains a 37.5% working interest in all deep formations, including the Utica Shale on the conveyed acres. The buyer also received a three year warrant to purchase 8.1 million Company shares (post 10-1 reverse split) at a strike price of NOK 4.00 per share. The transaction was closed on 16 May 2012.

The buyer was EmKey Resources, LLC, a private company, led and partially owned by Øivind Risberg at the time of the sale. Mr. Risberg was a Norse board member at the time of the sale and former Norse Energy CEO. As part of this transaction, EmKey has committed to construct a new pipeline system in Central New York capable of transporting at least 90,000 Mcf/day for 15 years once Norse so nominates.

A loss of USD 36.4 million was recorded in the fourth quarter of 2011 in the form of impairment. Through the first six months of 2012, an additional loss of USD 545 thousand was recorded. The results from operations associated with the assets are presented on a separate line of the Statement of Comprehensive Income and Statement of Cash Flows as discontinued operations. Adjustments to assets and/or liabilities related to the final settlement will affect the cash proceeds and the gain/loss calculated below for periods beyond this balance sheet date.

(in USD thousands)	Note	Total
Purchase price		37,000
Purchase price and closing adjustments		(998)
Commissions & other		(1,094)
Funds held in escrow		(440)
Net proceeds from sale		34,468
Less: net assets sold		(33,100)
Warrants issued as a condition of sale	7	(1,382)
Firm transportation reimbursement		(531)
Gain/(loss) on sale		(545)

Note 3. Discontinued operations

As a result of the sale of the Herkimer assets on finalized on 16 May 2012, the Company's Herkimer assets are considered discontinued operations in accordance with IFRS 5. The tables presented below show the results of discontinued operations, for all comparative periods presented in this report.

Statement of Comprehensive Income

	For the three months ended,		For the six months ended,	
(in USD thousands)	30 June 2013	30 June 2012	30 June 2013	30 June 2012
Revenues	-	729	-	3,428
Expenses	-	266	-	921
EBITDA	-	463	-	2,507
Depreciation	-	-	-	-
Impairment	-	-	-	-
EBIT	-	463	-	2,507
Financial income (expense)	-	-	-	-
Net foreign exchange loss	-	-	-	-
Net income (loss) before tax	-	463	-	2,507
Income tax benefit	-	-	-	-
Net income (loss)	-	463	-	2,507
Loss on sale of assets	-	(545)	-	(545)
Total net income (loss) from discontinued operations	-	(82)	-	1,962

Statement of Cash Flows

	For the six months ended,	
(in USD thousands)	30 June 2013	30 June 2012
Net cash provided by operating activities	-	1,159
Net cash (used in) investing activities	-	(82)
Net cash provided by (used in) financing activities	-	-
Net cash provided by discontinued operations	-	1,077

Note 4. Exploration costs

(in USD thousands)	For the three months ended, 30 June 2013	30 June 2012	For the six months ended, 30 June 2013	30 June 2012
Seismic acquisitions, G&G costs, and general exploration costs	**714**	657	**1,120**	1,314
Dry-hole costs	**-**	-	**-**	-
Other exploration costs expensed	**-**	3	**-**	3
Total exploration costs from continuing operations	**714**	660	**1,120**	1,317
Total exploration costs from discontinued operations	**-**	-	**-**	-
Total exploration investments during the period	**714**	660	**1,120**	1,317

Note 5. Property, plant, and equipment and intangible assets

(in USD thousands)	Licenses and exploration assets	Other fixed assets	Total
Acquisition cost at 1 January 2013	7,664	2,217	9,881
Investments in continuing operations	-	-	-
Investments in discontinued operations	-	-	-
Disposals	-	-	-
Acquisition cost at 30 June 2013	7,664	2,217	9,881
Accumulated depreciation/impairment at 1 January 2013	-	(2,026)	(2,026)
Depreciation/impairment from continuing operations	-	(97)	(97)
Disposals	-	-	-
Accumulated depreciation/impairment at 30 June 2013	-	(2,123)	(2,123)
Assets Sold to EmKey	-	-	-
Net carrying value at 30 June 2013	7,664	94	7,758

Note 6. Interest-bearing debt

Below is a summary of the Company's interest bearing debt as of 30 June 2013.

(in USD thousands, except conversion price)	Instrument nt Type	Nominal Amount	Carrying Amount	Interest Rate	Effective Date	Maturity Date	Conversion Price (USD)	Conversion Price (NOK)
Magaron AS***	Convertible loan	329	329	5% Fixed	04/26/13	01/25/14	0.012	0.075
Bjarte Bruheim***	Convertible loan	247	247	5% Fixed	04/26/13	01/25/14	0.012	0.075
Mabe Invest AS***	Convertible loan	264	264	5% Fixed	04/26/13	01/25/14	0.012	0.075
SAF Invest AS****	Convertible loan	66	66	5% Fixed	04/26/13	01/25/14	0.012	0.075
Jan H. Farstad****	Convertible loan	66	66	5% Fixed	04/26/13	01/25/14	0.012	0.075
Tyrholm & Farstad AS****	Convertible loan	33	33	5% Fixed	04/26/13	01/25/14	0.012	0.075
NEC07 Bond Loan**	Convertible Bond	15,000	13,780	5% Fixed	04/02/12	04/02/15	0.049	0.300
Start Up 271 AS	Debtor in Possesion (DIP) Loan	3,200	3,200	12% Fixed	04/12/13	01/13/14	N/A	N/A

The loans are discounted for their convertible features, which are carried separately on the balance sheet at fair value with changes in the fair value recognized in profit or loss

***In conjunction with the Restructuring, (Note 9), USD 9 million was either converted to shares of Company stock or paid down subsequent to 30 June 2013 (Notes 9 and 10), and another USD 917,727 was either converted or notice was given to convert to shares of Company stock subsequent to 30 June 2013 at the revised conversion price of NOK 0.30 per share*

**** These loans were converted to 68,000,000 shares of Company stock at a conversion price of NOK 0.075 subsequent to 30 June 2013 (Notes 9 and 10)*

***** Notice given after 26 August 2013 of intent to convert to stock of the Company*

Convertible Loans

In the third quarter of 2012, the Company executed 7 convertible loan agreements for total loan proceeds of NOK 21.5 million. The convertible loans were unsecured, carried a 10% coupon, and were 3 years in duration. The loans were convertible into ordinary shares in Norse Energy at anytime during the life of the loans commencing on the first calendar day of the fourth month following the Funding Date. The conversion prices were the lesser of the volume weighted average trading price the five days preceding the payment day of the loan, but were subject to adjustment to match the issue price in any private placement or rights issue prior to 1 July 2015. In conjuction with the Restructuring (Note 9), all of the NOK 21.5 million convertible loans were converted to 86,000,000 shares of Company stock during the quarter ended 30 June 2013 at a conversion price of NOK .25. In accordance with IFRIC 19, the profit and loss impact of the conversion of the NOK 21.5 million convertible loans was calculated as the difference between the carrying amount of the financial liability extinguished and consideration paid and has been recorded in the Consolidated Statement of Comprehensive Income as a loss of approximately USD 2.8 million.

Effective 29 April 2013 the Company executed convertible loans for NOK 7,100,000 with fixed 5% interest with a 29 January 2014 maturity date and a conversion price of NOK 0.075. In June 2013, NOK 1,000,000 of the convertible loans were converted to 13,333,333 shares of Company stock. Subsequent to 30 June, all of the remaining NOK 6,100,000 convertible debt has been converted or notice has been given to convert to stock of the Company.

Convertible Bond

On 2 April 2012, the Company issued convertible bond NEC07 with principal amount minimum USD 21 million settled by conversion of principal amount of NEC02/04/05 bonds (pro rata). The convertible debt had a strike of NOK 3.63 per share (subject to adjustment clauses), carries a 5% coupon, is 3 years in duration, contains a call provision, and is secured by the shares in the Company's wholly owned subsidiary, Norse Energy Holdings Inc. In conjunction with the Restructuring (Note 9), the conversion price was reset to NOK 0.30 per share subject to possible adjustment.

Fair value has been estimated by a third party provider using alternative valuation techniques. Due to the specific nature of the NEC07 bond loan IAS 32 requires that the initial value of the conversion feature be allocated directly to equity.

In conjuction with the Restructuring (Note 9), (a) all outstanding and unpaid interest of USD 1,050,000 was converted into 81,918,200 of Company stock at conversionprice of NOK 0.075, (b) the bondholders waived the right to receive interest payment in the period from and including 16 May 2013 to and including 1 April 2014, (c) USD 6 million of the outstanding bond was converted into 140,431,200 shares of Company stock at an agreed upon conversion price of NOK 0.25 and (d) subsequent to 30 June 2013 the Company completed a rights offering whereby USD 8,137,784 of the bond was converted to 190,466,464 shares of Company stock at an agreed upon conversion price of NOK 0.25 and a principle reduction of USD 862,216 was made with proceeds from the offering. Additionally, another USD 917,727 was converted or notice was given to convert into shares of Company stock at a conversion price of NOK 0.30 per share subsequent to 30 June 2013.

In accordance with IFRIC 19, the profit and loss impact of the conversion of USD 6.0 million of the NEC 07 convertible bonds was calculated as the difference between the carrying amount of the financial liability extinguished and consideration paid and has been recorded in the Consolidated Statement of Comprehensive Income as a loss of approximately USD 4.5 million.

Debtor in Possession (DIP) Loan

In April 2013 certain of the Company’s US subsidiaries, Norse Energy Corp. USA ("NEC USA") and Norse Energy Holdings, Inc. ("NEHI") closed on a USD 3.8 million Debtor-in-Possession (DIP) loan with a Norwegian-based Special Purpose Vehicle funded by certain existing Norse Energy Corp. ("NEC ASA") lenders.

The terms of the loan provided for an interim advance of up to USD 800,000 with the balance to be advanced in successive draws thereafter. At June 30, 2013, the outstanding balance was USD 3,200,000. In August 2013, the remaining USD 600,000 was advanced.

The loan bears interest at 12% per annum payable at maturity and has a maximum term of 9 months. A 6% commitment fee is assessed on the undrawn portion of the DIP loan. The loan is collateralized by the assets of the US subsidiaries and requires that NEC USA enter into a process within 90 days of court approval of the interim advance to sell assets.

Debt Covenants

At 31 December 31 2012 and 31 March 2013 the Company was in default of its interest bearing debt due to failure to pay scheduled interest and the filing of Chapter 11 Bankruptcy by certain of the US subsidiaries. In conjunction with the Restructuring described in Note 9, all defaults were cured and all interest bearing debt is current at 30 June 2013.

Note 7. Warrants & Loan Conversion Features

Management Warrants

On 31 May 2013, the extraordinary general meeting ("EGM") resolved that the Company issue a total of 94,000,000 non-transferable warrants to the management of the Company, each warrant giving the warrant holder the right to subscribe for one (1) share in the Company exercisable at NOK 0.10 per share. The warrants may be exercised at any time in the period from the later of (i) the date one year after the EGM and (ii) the date the DIP financing has been fully repaid (including interest), to and including the date five years after the date of the EGM.

NEC F Warrants

On 16 May 2012, the extraordinary general meeting resolved that the Company issue a total of 8,100,000 warrants, each warrant giving the warrant holder the right to subscribe for one (1) share in the Company exercisable at NOK 4.00 per share. The Warrants were issued to the buyers of the Herkimer assets, EmKey Resources LLC. As of the date of this report, no warrants have been redeemed.

NEC 06 Warrants

On 30 March 2012, the extraordinary general meeting resolved that the Company issue a total of 750,000 warrants, each warrant giving the warrant holder, the right to subscribe for one (1) share in the Company exercisable at 2.80 per share. The warrants were issued to the holders of bonds in the NEC06 bond loans on 2 April 2012. The warrants expired in April 2013.

NEC K Warrants

On 26 January 2010, the extraordinary general meeting resolved that the Company issue a total of 5,543,000 warrants, each warrant giving the warrant holder, the right to subscribe for one (1) share in the Company exercisable at NOK 22.10 per share. The warrants were issued to the subscribers to NEC02, NEC03, NEC04, and NEC05. The warrants are listed on the OSE under the ticker code NEC K. As of the date of this report, no warrants have been redeemed.

The NEC K warrants are measured at fair value with reference to the quoted price of the warrants on the OSE. The NEC F warrants and management warrants are not publically traded. Fair value has been estimated by a third party provider using alternative valuation techniques. The NEC F warrants are not considered to have a dilutive effect on earnings per share, as they were out-of-the-money compared to the average price per share in 2012 and 2013.

Conversion Features of Convertible Bonds and Loans

The conversion features are not considered to have a dilutive effect on earnings per share, as they were out-of-the-money compared to the average price per share in 2013.

Below is a summary of the Company's outstanding warrants as of 30 June 2013.

Description	Number of Warrants	Issue Date	Maturity Date	Carrying Amount*	Exercise Price (USD)	Exercise Price (NOK)
NEC F	8,100,000	05/16/12	05/16/15	152	0.67	4.00
NEC K	5,543,000	10/05/10	06/16/15	53	3.69	22.10
Management Warrants	94,000,000	06/02/13	06/02/18	-	0.02	0.10

*in USD thousands

Below is a summary of the Company's outstanding conversion features on convertible debt as of 30 June 2013

Description	Number of Shares If Converted	Issue Date	Maturity Date	Exercise Price (USD)	Exercise Price (NOK)
Magaron AS*	26,666,667	04/26/13	01/25/14	0.012	0.075
Mabe Invest AS*	21,333,333	04/26/13	01/25/14	0.012	0.075
Bjarte Bruheim*	20,000,000	04/26/13	01/25/14	0.012	0.075
SAF Invest AS***	5,333,333	04/26/13	01/25/14	0.012	0.075
Jan H. Farstad***	5,333,333	04/26/13	01/25/14	0.012	0.075
Tyrholm & Farstad AS***	2,666,666	04/26/13	01/25/14	0.012	0.075
NEC07 Bond Loan**	121,400,000	04/02/12	04/02/15	0.049	0.300

** Debt was converted to 68,000,000 shares of Company stock at an exercise price of NOK 0.075 after 30 June 2013*

*** In conjunction with completion of the rights offering completed in July 2013, USD 8,137,784 of bond debt was converted to 190,466,464 shares of Company stock at an agreed upon exercise price of NOK 0.25, and additional USD 862,216 was paid down and in August 2013 an additional USD 917,727 was converted to or notice given to convert to Company stock at the revised conversion rate of NOK 0.30*

****Notice was given to convert remaining convertible loans to Company stock in August 2013*

Note 8. Contingent liabilities

Legal Proceedings

The Company is involved in various legal proceedings, which are disclosed in the Company's consolidated annual financial statements for 2012. The Company does not anticipate any liability arising from these proceedings and therefore no accrual has been made related to these matters.

Bradford Drilling Associates XXIX L.P is seeking a return of USD 7.65 million of the USD 9 million that they provided to the Company as part of a Drilling Program. The Company recently advised Bradford that approximately USD 3.3 million remained to be allocated to the program and anticipates allocating those funds when the program resumes or as needed to address ongoing program expenses. The Company does not anticipate any additional liability and therefore no accrual has been made related to the lawsuit. Bradford also seeks USD 10 million in punitive damages. In connection with the litigation, a New York court denied a motion for summary judgment filed by Bradford and directed the parties to establish an escrow account into which Norse will be required to deposit USD 7.65 Million.

The Company announced that NEC USA and NEHI filed voluntary petitions for Chapter 11 protection and re-organization under the United States Bankruptcy Code. The Bradford Drilling Associates XXIX L.P. litigation, including the escrow obligation, was stayed by NEC USA's voluntary petition for Chapter 11 bankruptcy protection.

Note 9. Restructuring

The purpose of the "DIP" financing (Note 6) described above was to fund the US subsidiaries operations during the Chapter 11 process. The Norwegian parent company, Norse Energy Corp. ASA ("NEC ASA"), requires a separate source of funds and on 24 April 2013, certain of NEC ASA's bondholders, convertible lenders, and shareholders reached an agreement (the "Restructuring") that (i) facilitated a comprehensive restructuring of the Group's balance sheet and (ii) provided new funding for the NEC ASA entity.

The Restructuring was comprised of (i) reduction of the Company's par value from NOK 1.20 to NOK 0.075 (ii) the funding of NOK 7.1 million in new Convertible Loans to the Company (Note 6), (iii) conversion of certain unpaid interest of USD 1,050,000 under the NEC 07 Bond Loan into equity in the Company, (iv) certain amendments to the Bond Loan, including a conversion of the NOK equivalent of minimum USD 6,000,000 and maximum USD 15,000,000 of the principal amount of the NEC 07 Bond Loan into equity in the Company, (v) a conversion of the entire outstanding principal, totalling NOK 21.5 million, of the existing convertible Loans into equity in the Company and waiver of accrued interest thereon (Note 6), (vi) issue of warrants by the Company to the Management (Note 7) , and (vii) a rights offering (Note 10) of new shares in the Company with gross proceeds of up to the NOK equivalent of USD 10,000,000 which was completed in July 2013.

Note 10. Subsequent Events

Subsequent to 30 June 2013 the Company completed its rights offering (Note 9) whereby 48,585,535 shares of the Company were subscribed at price of NOK 0.25, USD 8,137,784 of the NEC07 bond debt was converted to 190,466,464 shares of Company stock at an agreed upon conversion price of NOK 0.25 and a principle reduction of USD 862,216 was made with proceeds from the rights offering.

Subsequent to 30 June, all of the remaining NOK 6,100,000 convertible debt has been converted or notice has been given to convert to stock of the Company. Additionally, USD 917,727 of the remaining NEC07 bond debt was converted to shares of Company stock at a conversion price of NOK 0.30 per share.

In August, as part of the bankruptcy proceeding, the creditors' committee is pursuing claims against NEC ASA, NEHI, certain officers and directors, and others. The Company believes the claims are without merit and intends to vigorously oppose.

The Company retained The Oil & Gas Clearinghouse to broker the sale of some of the Company's assets in a 363 sale, in accordance with its DIP loan obligations. The bidding process ended 23 August 2013 and the bids were less than anticipated. NEC USA is evaluating its options including continuing the sale process.

The Company's Chief Financial Officer, Chris Steinhauser, announced his resignation effective 6 September 2013, and will be replaced on an interim basis by Mark Dice, Chief Executive Officer.

GLOSSARY

Bbl	One barrel of oil, equal to 42 US gallons or 159 liters
Bcf	Billion cubic feet
Blpd	Barrells of liquid per day
Bm^3	Billion cubic meter
BOE	Barrel of oil equivalent
Btu	British Thermal Units, energy needed to heat one pound of water by one degree Fahrenheit
Dth	Decatherm, the approximate energy equivalent of burning 1000 cubic feet of natural gas
EBITDA	Earnings (Net Income) before Interest, Taxes, Depreciation and Amortization and viewed by many financial analysts as a short form estimate of cash from operations, although it is not a measurement recognized in the accounting literature
EBITDAX	An Oil and Gas industry term which adds back certain Exploration costs, such as the Company's acquisition of 3D Seismic, to EBITDA. Exploration costs, such as 3D Seismic, are not operating expense in the sense that they vary with operational activities. They are more like capital spending investments in that they are large expenditures which provide value to developemnt activities across a number of years and are not likely to be recurring. The accounting literature recognizes Exploration costs as Operating Expense which reduces EBITDA for this type of non-recurring expense.
HBP	Hold by Production means holding the future right to develop all of the acreage in all leases in the drilling unit in all geological formations for life of the producing well.
IP	Initial production
Mcf	Thousand cubic feet
Mcf/d	Thousand cubic feet per day
MMcf	Million cubic feet
MMBBL	Million barrels of oil
MMBOE	Million barrels of oil equivalents
MMBtu	Million British thermal units
MMm^3	Million cubic meters
NGLs	Natural Gas Liquids
Spud	The initial contact of a drill bit with the ground surface as the drilling of a well begins
Tcf	Trillion cubic feet
TCFGE	Trillion cubic feet of gas equivalent
1P	Proved Reserves are those quantities of reserves, which, by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be commercially recoverable, from a given date forward, from known reservoirs and under defined economic conditions, operating methods, and government regulations.
2P	Probable Reserves are those additional Reserves which analysis of geoscience and engineering data indicate are less likely to be recovered than Proved Reserves but more certain to be recovered than Possible Reserves.
3P	Possible Reserves are those additional reserves which analysis of geoscience and engineering data suggest are less likely to be recoverable than Probable Reserves.
2C	Contingent Resources – those quantities of resources estimated as of a given date to be potentially recoverable from known accumulations by application of development projects but which are not considered to be commercially recoverable due to one or more contingencies

Disclaimer

This report does not constitute an offer to buy or sell shares or other financial instruments of Norse Energy Corp. ASA ("Company"). This presentation contains certain statements that are, or may be deemed to be, "forward-looking statements", which include all statements other than statements of historical fact. Forward-looking statements involve making certain assumptions based on the Company's experience and perception of historical trends, current conditions, expected future developments and other factors that are deemed appropriate under the circumstances. Although the expectations reflected in these forward-looking statements are believed to be reasonable, actual events or results may differ materially from those projected or implied in such forward-looking statements due to known or unknown risks, uncertainties and other factors. These risks and uncertainties include, among others, uncertainties in the exploration for and development and production of oil and gas, uncertainties inherent in estimating oil and gas reserves and projecting future rates of production, uncertainties as to the amount and timing of future capital expenditures, unpredictable changes in general economic conditions, volatility of oil and gas prices, competitive risks, regulatory changes and other risks and uncertainties discussed in the Company's periodic reports. Forward-looking statements are often identified by the words "believe", "budget", "potential", "expect", "anticipate", "intend", "plan" and other similar terms and phrases. Norse Energy cautions you not to place undue reliance on these forward-looking statements, which speak only as of the date of this report, and the Companyundertakes no obligation to update or revise any of this information.

Contact information

For further information, please contact:

J. Chris Steinhauser
Chief Financial Officer,
Norse Energy Corp. ASA
csteinhauser@norseenergy.com

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Norse Energy Corp ASA

Munkedamsveien 35, 3rd floor

0250 Oslo