FOURTH QUARTER REPORT 2009

FEBRUARY 25, 2010

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HIGHLIGHTS AND EVENTS

Norse Energy Corp. ASA ("NEC" ticker code OSE - NEC, Oslo, Norway, U.S OTCQX symbol "NSEEY") and its subsidiaries ("Norse Energy" or "the Company") report that third-party certified contingent resources in the US more than doubled from 346 MMBOE per end 2008 to 697 MMBOE by end 2009. EBITDA was USD 5.8 million for the quarter and USD 7.4 million for 2009. With the recent NOK 300 million share issue successfully completed, the NOK 60 million repair issue ongoing, as well as the bond restructuring, the Company is confident about its funding situation and growth prospects for both entities following the demerger.

Fourth Quarter Highlights and Subsequent Events

Corporate

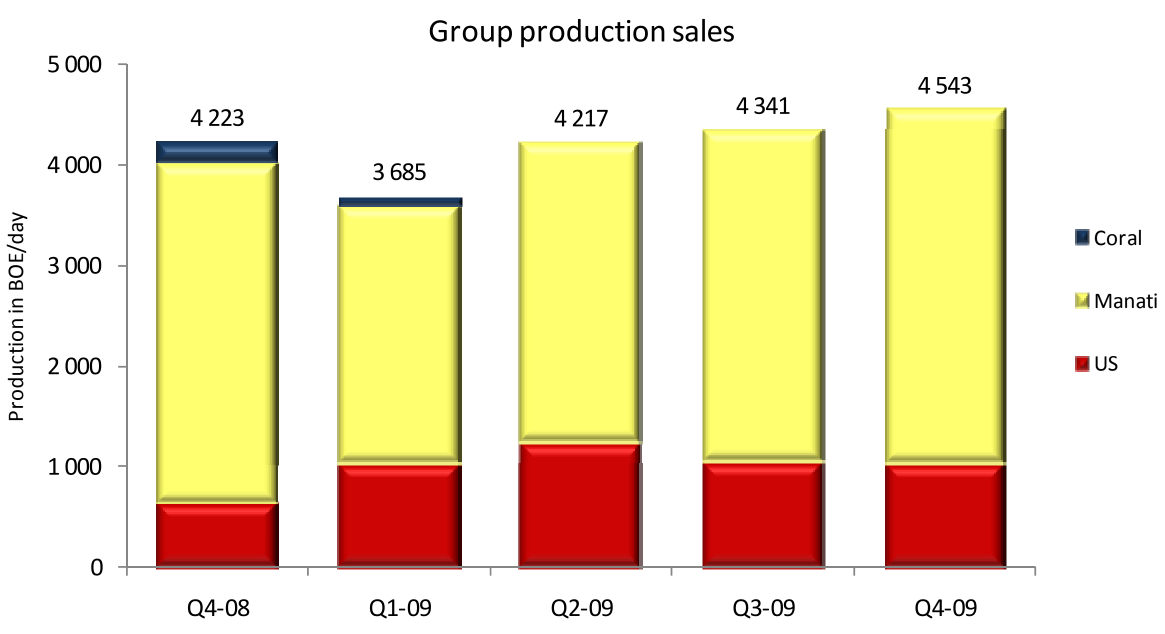
- Demerger of the Company into distinct business cases with current focus offshore Brazil and unconventional oil & gas in the US, was approved in an Extraordinary General Meeting in January 2010

Key financials and operations

- Group net production was 4,543 BOE/day in Q4-09, an increase of ~5% from 4,341 BOE/day in Q3-09
- Record production of 7.71 MMm^3 (4,849 BOE/day net to Norse) from the Manati field reached on December 13, 2009
- Reached end of year production target of 12,000 Mcf (2,137 BOE) per day in the US
- Drilled 4 wells in the US
- EBITDA for the fourth quarter was USD 5.8 million, up from USD -2.7 million in the third quarter 2009

Financing

- Restructuring of bond portfolio reduces principal repayments in 2010 by approximately USD 34 million and USD 51 million in 2011
- Completed NOK 300 million private placement at NOK 4.25 per share in January 2010, directed at domestic and international institutional investors
- NOK 60 million repair issue at NOK 4.25 per share ongoing



FOURTH QUARTER REPORT

Divisional Report – Norse Energy do Brasil

Manati Project (10% interest)

Average production in the fourth quarter was 5.85 MMm3/day (3,678 BOE/day net to NEC interest). Daily gas sales were 3,458 BOE/day net to NEC interest, an increase of 7% compared to the previous quarter. In addition, a daily average of 60 barrels of condensate was sold from the field, net to NEC's interest.

On December 13, 2009, production from the field reached an all time high with 7.71 MMm3/day (4,849 BOE/day net to Norse). Average production in Q1 to date (through February 18) was 5.86 MMm3 (3,688 BOE/day net to NEC interest) per day.

Camarão Norte (10% interest)

After the declaration of commerciality of the BAS-131 "Camarão Norte" (CRN) discovery in the southern part of BCAM-40 block the operator has started the initial preparations for the unitization process with El Paso. The estimate is to conclude the unitization process and send the unitization plan to ANP by the end of 2010.

BS-3 Project (Cavalo Marinho (50%), Estrela do Mar (65%) and Coral redevelopment (35%))

Petrobras, the operator of two new discoveries in an adjacent block to BS-3 has announced that test production will start shortly. The discoveries were made approximately 30 km north east of the Caravela field, and the plan is to have a larger integrated project in the area that will include our BS-3 fields with shared infrastructure. Work to revise Development Plans is in process, with an aim from the operator to start production in 2012–13 from these new discoveries. Norse is currently investigating and evaluating this opportunity in comparison to the existing plans. Norse and Petrobras are in the process of initiating discussions about location for FPSO and good commercial agreements between the licenses. A successful outcome of these discussions might lower the development costs and anticipate the production start up of the fields in BS-3.

Norse has continued its work together with AGR in order to improve the operators' development plans for the fields in the BS-3 area. Norse will also continue to maintain the option to develop the fields in the BS-3 area independent of the new discoveries made by Petrobras.

While possible development alternatives are being considered, Norse has also performed studies for a potential commercialization of the B1 reservoir. B1 in place resources have been estimated to up to 1 billion barrels of Oil-in-Place inside our licenses. Available world class well technology and reservoir management makes this an attractive option to pursue. To confirm this potential in B1, Norse has requested well core samples from ANP and Petrobras. Based on this, Norse will consider production from Estrela do Mar based on the combined B2 and B1 reservoir potentials. If the B1 potential proves positive an extensive B1 development also of Cavalo Marinho can be expected.

S-M-1035, S-M-1036 and S-M-1100 (50% interest)

The processing of the 3D seismic is completed and the data has been received from PGS according to plan. The first impression from the data is positive. The data quality is good and the project team has already found indications of 2–4 new leads that were not identified on the 2D seismic. The seismic confirms the presence of 5–7 potentially interesting structures; however it is too early to conclude on the commerciality and chances of finding hydrocarbons on the licenses. The interpretation of the 3D-seismic and the analysis of the petroleum system to define migration and reservoir quality will be completed in Q3 2010.

Divisional Report – USA

	EBITDA USDm	*	Average net daily production (MMBtu)	*	Average gas price USD/MMBtu	*
E&P	(2.2)	↓	6,036	↓	5.62	↓
G&T	0.2	↓	-		-	
Energy Marketing ***	2.0	↑	-		-	
TOTAL**	**(0.1)**	↓	**-**		-	

* *Compared to the third quarter 2009*
** *Sum of segments excludes corporate overhead and intercompany eliminations*
*** *Includes mark-to-market adjustments of negative USD 0.3 million*
**** *1 MMBtu ~ 1Mcf*

Exploration & Production

Gross natural gas production from the US gas wells (before royalty and retainage) during the fourth quarter was 6,524 Mcf (1,162 BOE) per day, resulting in sales net to the Company's share of 6,036 Mcf (1,026 BOE) per day. While this represents a decrease of 2% over the third quarter, production levels increased significantly in the latter part of the fourth quarter. This increase was due to the addition of both new wells and existing wells that were awaiting pipeline or regulatory approval. Significantly, the Company reached its target production rate of 12,000 Mcf/day (2,137 BOE/day) by year's end, which represents a doubling of the rate of ~6,000 Mcf (1,069 BOE) per day achieved at the close of 2008.

Although the Company reached its end 2009 target, pipeline interconnections for several 2009 completed wells, which were expected to supplement the year end production level, were not completed due to delays in obtaining regulatory permits. In addition, several wells in production exhibited an influx of water in early January 2010. As a result, Q1-10 production averaged ~7,800 Mcf (1,390 BOE) per day through February 20, 2010. This prompted an immediate review of our production techniques and implementation of a tubing intervention program. This intervention procedure is helping to recover lost production and has the potential to enhance performance from both new and existing wells. Based upon current projections for a 30 well Herkimer drilling program during 2010, the Company continues to anticipate achieving the 2010 goal of 24,000 Mcf (4,275 BOE) per day by year's end.

Four horizontal Herkimer wells were drilled during the fourth quarter. This brings the total to 15 horizontal Herkimer wells drilled during the year. Continued efficiency improvements were maintained at approximately 15 drilling days per well, in line with previous guidance. In Q4-09, the Company completed a 50 mile 2D seismic program aimed at expanding its Herkimer location inventory.

Norse continued to extend its pipeline gathering system in central New York State that presently delivers natural gas to a major interstate pipeline, Dominion Transmission Inc. ("DTI") and a large gas and electric utility, New York State Electric & Gas ("NYSEG"). In addition to construction of well lines and laterals, during the quarter Norse commenced construction of an eleven mile extension of the main trunk-line that will provide access to several wells presently waiting to be turned into line and open new areas for development. Completion of that extension is anticipated in Q1 2010.

The New York Department of Environmental Conservation (NYDEC) extended the deadline for public comment to its anxiously awaited proposed new environmental rules and regulations for shale gas development, the Supplemental Generic Environmental Impact Statement (SGEIS), to December 31, 2009. The NYDEC received over 10,000 comments, including numerous environmental concerns related to water usage and consumption and disclosure of content and usage of fracturing fluids. Of particular concern was the potential for drilling in the New York City watershed, which is a considerable distance away from the Company's 130,000 acre Herkimer, Marcellus and Utica shale position in central New York State.

Gathering & Transmission

Throughput on the Company's 320 mile gathering system, located in western New York and northwestern Pennsylvania, was approximately 1,336,000 MMBtu in the fourth quarter, an average of 14,520 MMBtu/day. This represents an 11% decrease from the previous quarter due to higher than normal line pressure and loss of some seasonal gas, most of which we anticipate to commence recovering in Q2 2010.

Energy Marketing

Energy Marketing's Q4-09 EBITDA totalled USD 2.0 million and marketed volumes increased from 5.2 Bcf in Q3-09 to 6.2 Bcf in Q4-09. Gross Sales jumped from USD 18.7 million in Q3-09 to nearly USD 25.2 million in Q4-09 (after inter-company elimination) due to higher volume and slightly higher NYMEX values. Gross sales continue to lag those reported in prior years due to dramatically lower year on year NYMEX values. Because of the generally colder than normal weather in the subsidiary's key market areas, Energy Marketing achieved improved strong margins in the quarter. Margins are likely to continue to show fluctuations going forward.

Reserve & Resource Update

The Company has adopted a policy of regional Reserve Reporting using external third party companies to audit its work and certify reserves and resources according to the guidelines established by the Oslo Stock Exchange (OSE). Reserve and Contingent Resource estimates comply with the definitions set by the Petroleum Resources Management System (PRMS) issued by the Society of Petroleum Engineers (SPE), the American Association of Petroleum Geologists (AAPG), the World Petroleum Council (WPC) and the Society of Petroleum Evaluation Engineers (SPEE) in March 2007.

Each region (division) has a long standing relation with its certification agents; Gaffney, Cline & Associates in Brazil and Schlumberger Technology Corporation in the US. A full "Annual Statement of Reserves" will be published in conjunction with the annual report in April 2010.

Norse Energy's preliminary 2009 reserve reports are summarized in the table below;

Reserves (certified volumes reflecting approved development plans):

Division	1P reserves (MMBOE)	*	2P reserves (MMBOE)	*	3P reserves (MMBOE)	*
Total US	**5.8**	↑	**7.2**	=	**7.9**	↓
Estrela do Mar	0.0	=	5.7	=	6.8	=
Cavalo Marinho	5.7	=	14.2	=	20.3	=
Manati	11.5	↓	15.8	↓	17.9	↓
Total Brazil	**17.2**	↓	**35.7**	↓	**45.1**	↓
NEC TOTAL	**23.0**	↑	**42.9**	↓	**53.0**	↓

* *Compared to the 2008 reserve report*

In the US, proven reserves (1P) increased as a consequence of more well locations gained from proven, undeveloped reserves (PUD's) mainly caused by 2009 drilling and infill leasing.

In Brazil, reserves for Cavalo Marinho are based on the currently filed development plan, a joint development between Cavalo Marinho and the 100% owned Petrobras field Caravela. Reserves for Estrela do Mar is based on a stand-alone development plan. The Company is working towards an integrated development plan for Estrela do Mar and Cavalo Marinho, joint with a re-development of Coral and the Caravela field (100% Petrobras owned). Volumes under this alternative development plan are classified as contingent resources. The decline in Manati reserves reflects production during 2009.

Best estimate Contingent Resources (certified volumes but without approved development plans):

US Division	2C Contingent Resources (MMBOE)	*
Herkimer	25.3	↓
Marcellus Shale	211.0	↑
Utica Shale	453.7	↑
Others	7.5	↑
Total US	**697.4**	↑

Brazil Division	2C Contingent Resources (MMBOE)	*
Coral	3.4	=
Estrela do Mar	6.2	=
Cavalo Marinho	15.1	=
Camarão Norte	0.9	=
Others (2008 numbers)	4.9	=
Total Brazil	**30.5**	=

According to the SPE definitions, categorization of volumes as reserves are only permitted when approved development plans demonstrating acceptable economics are available.

Best estimate (2C) Contingent Resources show an increase of 93% from 377 MMBOE to 728 MMBOE at the end of 2009. For the US, contingent resources more than doubled from 346 MMBOE to 697 MMBOE at the end of 2009. The increase is mainly attributed to continued geologic and engineering evaluation of Utica and Marcellus shales. In 2009, the US group invested time and resources to gather additional geologic information on the shale formations as well as laying out drilling plans for horizontal well pads. Using horizontal wellbore layout and assuming the application of modern completion techniques, per well recovery factors were increased from 15% to 30% in the Utica and Marcellus shales.

Schlumberger estimates recoverable contingent resources (2C) from the Utica shale formation of 2.55 Tcf (453.7 MMBOE), up 148% from last year's estimate of 1.03 Tcf (183 MMBOE). Recoverable contingent resources (2C) from the Marcellus shale were estimated to be 1.18 Tcf (211.0 MMBOE), up 61% from the 2008 estimate of 0.74 Tcf (131 MMBOE).

For Brazil, there have not been any revisions to the best estimate contingent resource volume from 2008 to 2009. As there have been no developments during 2009 on Sardinha and Caravela Sul, these fields were excluded from GCA's report. Included in the table above are 2008 volumes for those assets.

Contingent resources for Coral re-development, Estrela do Mar and Cavalo Marinho are based on a revised, integrated development plan for these fields, along with the Caravela field, as documented by Norwegian consultancy company, AGR. Volumes under this alternate plan are classified as contingent resources and as such should not be aggregated with the volumes of reserves derived from the approved development plans.

The reserve and resource estimates are based on the following assumptions:

- All US numbers from Schlumberger are net to the Company's interest after royalties.
- All Brazil numbers from GCA include royalty, but royalty is excluded in economic calculations.

Financial Information

Income statement review

EBITDA for the fourth quarter of 2009 was USD 5.8 million, up from a negative USD 2.7 million in the previous quarter. The increase is mainly explained by increased gas revenue in Brazil and higher margins in the Energy & Marketing business in the US.

Exploration costs overall amounted to USD 3.8 million, mainly related to seismic acquisition costs in the US operations and the write-down of an exploratory well. This was a considerable reduction from USD 7.2 million in the third quarter. Depreciation increased to USD 5.4 million in the fourth quarter, from USD 4.5 million in the previous quarter. This was mainly related to the increased production volume from the Manati field.

For the full year 2009, EBITDA was USD 7.4 million. This compares to USD 41.2 million in the same period in 2008, when EBITDA included a USD 28 million divestment gain from sale of the Medina properties. Exploration and dry hole costs were USD 18.9 million and depreciation USD 18.8 million. This compares to USD 27.2 million and USD 16.7 million respectively, in the same period in 2008.

Net effects of foreign exchange items were a negative USD 4.1 million in the fourth quarter, compared to a negative effect of USD 0.5 million in the third quarter. The loss in the fourth quarter was primarily due to the Coral asset retirement obligation, resulting in a foreign exchange loss of USD 5.2 million, partly offset by a gain in Brazil caused by a stronger Real against the USD. The non-cash effect of the Company's warrants was a gain of USD 1.3 million in the fourth quarter, compared to a loss of USD 1.4 million in the third quarter.

Income tax for the fourth quarter was a benefit of USD 4.6 million, compared to a benefit of USD 6.3 million in the third quarter. Net loss for the fourth quarter was USD 8.4 million, compared to a net loss of USD 20.9 million in the previous quarter.

Net loss for the full year of 2009 was USD 22.3 million, compared to a net loss of USD 10.5 in 2008.

Funding

After the close of the quarter, on January 11, 2010, Norse Energy completed a private placement for a total of 70,588,235 new shares at NOK 4.25 per share, directed towards Norwegian and international institutional investors. The share issue was substantially oversubscribed and the price in the book-building was set at NOK 4.25 per share. The private placement was subsequently approved by an Extraordinary General Meeting (EGM) held on February 2, 2010. The share capital increase has been registered in the Norwegian Register of Business Enterprises and a listing prospectus has been approved by the Oslo Stock Exchange. Concurrently, the Board of Directors were authorized by the EGM to conduct a subsequent repair issue of up to 14,117,647 shares at NOK 4.25 per share raising up to NOK 60 million, directed to existing shareholders per January 11, 2010 not invited to participate in the private placement. The subscription period runs from February 17 until March 8, 2010.

With the 300 million share issue in place and ongoing 60 million repair issue, coupled with the recent bond restructuring, the Company has a strong financial position from which to implement its growth strategy.

In the US, there were no changes in the amount of reserve based lending facility in the fourth quarter. The credit line currently stands at USD 21.8 million as per budget, with USD 19.1 million utilized at the end of the quarter. No other bond or debt issues were raised during the quarter.

Cash and cash equivalents decreased by USD 6.3 million in the fourth quarter to USD 37.3 million at the end of the year. Net interest bearing debt increased from USD 204.2 million per September 30, 2009 to USD 215.6 million per December 31, 2009.

Corporate , bonds, debt, associated warrants and other financial information

During the fourth quarter, the Board of Directors proposed a demerger of the Company into two parts, with ownership of the US business remaining in NEC ASA, while the ownership of the business in Brazil and its associated assets is transferred to New Brazil Holding ASA ("New Brazil Holding"). The rationale for the demerger is that the current structure is not regarded as optimal for operational and financial purposes. There are limited synergies between the business areas and significantly different investment return horizons. Separation of the business areas will optimise the capital structure and provide considerable growth potential in the respective markets.

The demerger was approved by an Extraordinary General Meeting on January 28, 2010, and an application has been made to list the shares of New Brazil Holding on the Oslo Stock Exchange.

The Company reached an agreement with the largest bondholders for a complete restructuring of its bond portfolio. In general terms, the bond holder meeting on December 17, 2009 approved the extension of the bonds' maturity by 1–2 years and at the same time obtained the bondholders' unconditional acceptance for the demerger of Norse Energy Corp. ASA. In return, the bondholders are compensated with security by pledge over shares in subsidiaries and intercompany loans, early repayment of 15% of all outstanding bonds, 55.4 million new warrants in the US entity and 2% increased coupon until original maturity and flat 13.5% thereafter. The original schedule for principal repayments (at USD/NOK 5.90) was approximately USD 57 million in 2010, USD 75 million in 2011 and USD 22 million in 2012. After early repayment of approximately USD 23 million, the new proposed schedule will have no further principal repayments in 2010, approximately USD 24 million in 2011, USD 56 million in 2012, USD 41 million in 2013 and USD 10 million in 2014. This reduces principal repayments in 2010 with approximately USD 34 million and USD 51 million in 2011. The restructuring proposal will become effective upon a successful completion of a demerger and will enable the companies to grow two independent strategies. Upon completion of the conditions precedent, the bondholder-approved restructuring will significantly improve the cash flow in 2010 and 2011 as the principal payments are postponed. The debt obligations will be divided approximately USD 90 million and USD 41 million between the US and Brazil entities after the early repayment of 15% and will become effective upon a successful demerger of Norse Energy Corp. ASA. The bond restructuring is an important step towards creating two separate companies with distinct business cases.

The warrants associated with the 6.5% USD 75 million bond loan due 2011 are deemed as a liability for accounting purposes, and are consequently booked at fair market value at the end of each quarter. During the fourth quarter of 2009, the price of the warrants (NEC-J) increased slightly and the NOK appreciated against the USD. Combined, this resulted in a non-cash financial gain of USD 1.3 million in the third quarter, compared to a loss of USD 1.4 million in the third quarter.

Although increases in the quoted price of the warrants and appreciation of the Norwegian Krone negatively impact the Company’s Income Statement, it should be noted that this is a non-cash financial impact and that the financial position of the Company remains unaffected. The financial impact of a conversion to NEC shares at NOK 6.10 per NEC share at maturity in July 2011 will be an increase to equity with proceeds being used to repay the USD 75 million bond loan. If the share price is below NOK 6.10, this will be treated as a normal loan. As for the demerger there will be 75 million warrants in each entity after the demerger and the price will be set based on five days VWAP (volume weighted average price) after listing of the two companies. The combined strike price will remain unchanged.

Net interest costs for the fourth quarter amounted to USD 9.7 million, up from USD 5.4 million in the third quarter. Most of the increase is a result of a previous adjustment of a refinanced loan converted from USD to BRL denomination. At the end of the fourth quarter, the equity ratio was approximately 25.3%, down from 28.3% at the end of the previous quarter. The stock price closing on December 30 was NOK 4.39, an increase of 8% during the fourth quarter. The NEC-J warrants decreased 10% to NOK 0.87 during the quarter.

Risks and uncertainties

We are committed to delivering all of our performance through safe and reliable operations. During Q4 2009 we continued the process of improving our safety management system. A corporate safety committee is now meeting monthly and continuously monitoring our safety performance.

The Annual Report 2008 details certain inherent risk and uncertainties in investing in the Company. The main financial risks are related to gas prices in the US, currency rates, interest rates and compliance with debt covenants. During the last year, the Company has seen fluctuating oil and gas prices and large fluctuations in currency rates.

In the US, the Company is required to maintain a defined working capital ratio, minimum net worth, a ratio of general and administrative expenses to net revenues, senior debt to EBITDA, and other non-financial covenants related to its reserve base lending. In the fourth quarter, the Company was not in compliance with the working-capital ratio, the general administrative expenses to net revenues and the senior debt to EBITDA covenant. Although in violation of the working capital ratio at December 31, 2009, management has cured this covenant with cash contribution from NEC ASA. The general and administrative expense to net revenues issue arose from the sale of the Medina assets and the building of resources by retaining staff to capitalize on the Company’s drilling opportunities. The senior debt to EBITDA ratio rose above the required ratio as Q4 EBITDA declined from lower production in the quarter. The Company has communicated its position with its bank. In connection with the Brazilian debt restructuring; a waiver for non-compliance with the debt covenants in 2009 will be issued once the refinancing takes effect.

Financial risk management is performed at a local level and by the group finance and accounting function. The risk management efforts seek to minimize the potential adverse effects on the Company’s financial performance. For details on how the Company manages the various financial risks, refer to note 20 in the Annual Report 2008. The Company utilizes derivative financial instruments such as currency swaps, cash flow hedging of gas production and fixed price contracts to hedge against financial risk exposures. For details on these financial instruments, refer to note 10 in the Annual Report 2008.

The bond restructuring will become effective when all relevant conditions precedent are lifted. For details on these conditions precedent, refer to the proposed amendment documents for each bond loan, available on www.norseenergy.com.

The development of oil and gas fields in which the Company is involved is associated with technical risk, alignment in the consortium when it comes to the development plans, and on obtaining the necessary licenses and approvals from the authorities. Such operations might occasionally lead to cost overruns and production disruptions, as well as delays compared to the plans laid out by the operator of these fields. Furthermore, the Company has limited influence on operational risk related to exploration success and development of industry cost. In the US, the Company's current production is based on its continued successful development of the emerging Herkimer play which continues to carry exploration risk.

Outlook

In the US, after reaching the 2009 production target at year end, the Company was unable to sustain this level into Q1-10. Based upon current projections for a 30 well Herkimer drilling program during 2010, the Company continues to anticipate achieving the 2010 goal of 24,000 Mcf (4,275 BOE) per day by year's end.

As the NYDEC moves toward implementation of the SGEIS and industry prepares for commencement of commercial shale development in New York, Norse has likewise continued to advance its shale resource potential and expand its expertise and organizational capacity. Through integration of core and log data combined with completion and development planning, the Company realized a two-fold increase in third-party certified shale contingent resource estimates. From 2008 to 2009 US contingent resource estimates increased from 346MMBOE to 697 MMBOE, mainly attributed to continued geologic and engineering evaluation of Marcellus and Utica shales.

In Brazil, Manati will continue to provide the Company with strong cash flow in 2010. Along with the continued efforts to prepare a revised integrated development plan for the BS-3 area, the focus for 2010 will be on interpretation of 3D seismic on the Company's exploration blocks in the Santos basin.

The demerger of the Company will create two distinct business cases, positioned to take advantage of substantial growth opportunities going forward. The two-month creditor period will end April 1, 2010 and the Company aims to list the Brazilian entity on the Oslo Stock Exchange during the second quarter. The Company is working hard to build substantiality into each separate entity.

The Board of Directors
Norse Energy Corp. ASA

Oslo, February 25, 2010

Dag Erik Rasmussen
Chairman

Bjarte Bruheim
Board member

Katherine H. Støvring
Board member

Odd Næss
Board member

Kathleen Arthur
Board member

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Condensed Consolidated Statement of Comprehensive Income

Q4 2008	Q3 2009	Q4 2009		Note #	YTD 2009	YTD 2008
USD Thousands					USD Thousands	
45 959	18 116	25 440	Marketing revenue		98 219	213 706
13 650	12 937	14 208	Oil and Gas revenue		48 717	84 018
1 375	457	640	Fair value adjustments and other income		2 499	36 784
60 984	***31 510***	***40 288***	***Total revenues and other income***	***2,6***	***149 435***	***334 508***
43 464	18 020	22 521	Marketing purchases		91 269	206 500
8 286	1 428	1 711	Production costs		5 960	27 949
7 102	7 226	3 816	Exploration and dry-hole costs	4	18 853	27 225
8 906	7 513	6 410	General and administrative costs		25 935	31 605
-6 774	***-2 677***	5 831	***EBITDA***		***7 418***	***41 229***
5 024	4 528	5 396	Depreciation	3	18 770	16 719
25 911	12 598	948	Impairment		15 311	25 911
98 693	***51 313***	***40 802***	***Total operating expenses***		***176 099***	***335 909***
-37 709	***-19 803***	***-514***	***EBIT - Operating income/(loss)***		***-26 664***	***-1 401***
-5 092	-5 441	-9 690	Net interest income/(costs)		-25 809	-23 771
-5 379	-498	-4 052	Net foreign exchange gain/(loss)		24 649	5 828
11 170	-1 425	1 297	Warrants effect - gain/(loss)		707	8 096
1 106	-18	-62	Other financial income/(costs)		-227	-382
1 805	-7 382	-12 506	***Net financial items***		-680	-10 229
-35 904	***-27 186***	***-13 020***	***Income/(loss) before tax***		***-27 344***	***-11 630***
10 942	6 263	4 645	Income tax benefit/(expense)		5 036	1 090
-24 962	***-20 923***	***-8 375***	***Net income/(loss) for the period***		***-22 308***	***-10 540***
7 314	14 442	-6 502	Exchange differences arising from translation of foreign operations		20 620	-6 089
-	-2	-	Other comprehensive income		181	26
7 314	***14 440***	***-6 502***	***Other comprehensive income/(loss) for the period (net of tax)***		***20 801***	***-6 063***
-17 648	***-6 483***	***-14 877***	***Total comprehensive income/(loss) for the period***		***-1 507***	***-16 603***
			Total Comprehensive income/(loss) attributable to:			
-17 648	-8 705	-11 216	Shareholders of the parent company		-68	-16 603
-	2 223	-3 661	Non-controlling interests		-1 438	-
-17 648	***-6 483***	***-14 877***	***Total***		***-1 507***	***-16 603***
			Earnings per share:			
-0,07	-0,05	-0,02	Earnings per share (USD) (1)		-0,06	-0,03
-0,07	-0,05	-0,02	Diluted earnings per share (USD) (1)		-0,06	-0,03

1) Calculated using Net income for the period less net income attributable to non controlling interests.

Condensed Consolidated Statement of Financial Position

	Note #	Q4 2009	Q3 2009	Q4 2008
		USD Thousands		
Non-current assets				
Licenses and exploration assets	3	148 984	158 283	132 386
Goodwill and other intangible assets		5 719	5 728	5 755
Deferred tax assets		22 564	21 469	10 105
Production assets and equipment	3	205 140	182 661	150 218
Other financial assets		6 666	10 032	13 763
Other non-current assets		5 680	5 179	6 252
Total non-current assets		***394 753***	***383 353***	***318 479***
Current assets				
Inventory		-	-	290
Accounts receivables and other short-term assets		19 517	26 059	31 602
Other financial assets		5 383	5 800	12 485
Other current assets		12 728	15 565	3 015
Cash and cash equivalents		37 303	43 610	32 207
Total current assets		***74 931***	***91 034***	***79 599***
Total assets		***469 684***	***474 386***	***398 078***
Equity				
Paid-in capital		143 603	143 603	120 844
Other equity		-54 649	-43 310	-53 095
Total equity attributable to shareholders of the parent		88 954	***100 293***	***67 749***
Non-controlling interests		30 084	33 745	-
Total equity		***119 037***	***134 037***	***67 749***
Long-term liabilities				
Long-term interest-bearing debt	5	94 750	94 023	145 360
Deferred tax liabilities		223	6 848	11 788
Liabilities related to warrants		11 295	12 592	12 002
Other financial liabilities		645	1 049	236
Other long- term liabilities		21 435	13 411	13 317
Total long-term liabilities		***128 348***	***127 923***	***182 703***
Short-term liabilities				
Short-term interest-bearing debt	5	158 160	153 793	84 007
Other financial liabilities		1 231	1 120	3 488
Accounts payable, accrued liabilities and other		62 907	57 512	60 131
Total short-term liabilities		***222 299***	***212 425***	***147 626***
Total liabilities		***350 647***	***340 348***	***330 329***
Total Equity and Liabilities		***469 684***	***474 386***	***398 078***

Condensed Consolidated Statement of Cash flows

	YTD Q4 2009	YTD Q4 2008
	USD Thousands	
Cash flows from operating activities		
Net income/(loss) for the period	***-22 308***	***-10 540***
Adjusted for:		
Depreciation	18 770	16 719
Impairment and non cash items of dry-hole and exploration	23 790	16 600
Market adjustments (including warrants effect)	-30 015	-27 158
Gain on sale of assets	-1 547	-27 981
Net interest costs	25 809	23 744
Share of net loss in associate	99	58
Other adjustments	-4 302	14 482
Net cash flows from operating activities	***10 296***	***5 924***
Cash flows from investing activities		
Proceeds from sale of assets	1 949	66 652
Investment in fixed assets	-46 660	-74 728
Net cash flows from investing activities	***-44 711***	***-8 076***
Cash flows from financing activities		
Net proceeds from issuance of shares	22 759	349
Proceeds from sale of non-controlling interest	30 000	-
Proceeds from issuance of short-term debt	19 082	42 061
Proceeds from issuance of long-term debt	2 409	50 796
Net interests paid	-19 234	-13 674
Repayment of debt	-20 098	-101 969
Net proceeds from settlement of derivatives	-	14 853
Net cash flows from financing activities	34 918	***-7 584***
Effects of foreign currency and translation of foreign operations on cash balances	4 593	-1 804
Change in cash and cash equivalents during the period	***5 096***	***-11 540***
Cash and cash equivalents at the beginning of the period	32 207	43 747
Cash and cash equivalents and the end of the period	***37 303***	***32 207***

Condensed Consolidated Statement of Changes in Equity

	2009 YTD			2008 YTD		
USD Thousands	*Shareholders of the parent company*	*Non-controlling interests*	*Total*	*Shareholders of the parent company*	*Non-controlling interests*	*Total*
Opening balance, January 1	***67 749***	***-***	***67 749***	***83 423***	***-***	***83 423***
Net income/(loss) for the period	-18 475	-3 832	-22 308	-10 540	-	-10 540
Exchange differences arising from translation of foreign operations	18 226	2 394	20 620	-6 089	-	-6 089
Other comprehensive income and other changes	181	-	181	26	-	26
Total comprehensive income/(loss) for the period	***-68***	***-1 438***	***-1 507***	***-16 603***	***-***	***-16 603***
Proceeds from issuance of shares	22 759	-	22 759	349	-	349
Increase in non-controlling interests*	-1 522	31 522	30 000	-	-	-
Employee share options	36	-	36	580	-	580
Closing balance period end	***88 954***	***30 084***	***119 037***	***67 749***	***-***	***67 749***

*The non-controlling interests sold in second quarter was recognized as an equity transaction, in which the difference between the fair value of the consideration received and the net book value of the non-controlling interests sold is recognized in equity attributable to the shareholders of the parent company.

Operating segments - Production figures

Q4 2008	Q3 2009	Q4 2009		YTD Q4 2009	YTD Q4 2008
			Group production BOE/day		
214	-	-	Coral - net to our interest	40	986
3 362	3 296	3 517	Manati - net to out interest	3 102	3 437
647	1 045	1 026	US E&P - net to our interest	1 075	417
4 223	4 341	4 543	**Group total BOE/day**	4 217	4 840
			Production		
			Oil production (BOE)		
19 714	-	-	*Brazil - net to our interest*	7 228	360 037
			Natural gas production (MMBtu)		
334 298	565 349	555 292	*US - net to our interest*	2 307 647	881 360
1 789 307	1 723 360	1 840 437	*Brazil - net to our interest*	6 406 116	7 223 807
			Pipeline Throughput (MMBtu)		
1 476 406	1 501 216	1 336 000	*US*	5 790 000	5 376 000
			Price per unit		
			Oil price (USD/Bbl - before royalties and taxes)		
$ 50,26	$ -	$ -	*Brazil*	41,23	$ 106,58
			Estimated gas price (USD/MMBtu before royalties and taxes)		
$ 5,04	$ 7,47	$ 8,02	*Brazil*	7,19	$ 6,98
$ 8,28	$ 5,98	$ 5,62	*US*	6,10	$ 9,08

Operating segments - Revenues, EBITDA and EBIT

Q4 2008	Q3 2009	Q4 2009		YTD Q4 2009	YTD Q4 2008
USD Thousands				USD Thousands	
			Brazil E&P		
2 307	19	-	Oil revenues	298	36 141
6 503	9 540	11 088	Natural gas revenues	34 352	37 410
-	-	-	Revenues within the Group	-	
-7 142	82	7 920	EBITDA	9 193	19 766
-31 391	-13 950	4 664	EBIT - Operating income/(loss)	-11 265	-17 358
228 940	295 300	292 889	Total segment assets	292 889	228 940
			USA E&P		
4 580	3 378	3 120	Natural gas revenues and others	14 067	10 744
2 409	-1 124	193	Fair value adjustment unrealized forward contracts	-1 540	2 263
-1 769	-	-	Gain on sale of Medina Assets	-	27 981
-	197	69	Other income/(losses)	2 730	-
-120	-	-	Revenues within the Group		-120
-594	-9	-2 238	EBITDA	3 432	25 874
-2 749	-2 758	-4 561	EBIT - Operating income/(loss)	-8 335	21 768
99 890	114 145	118 825	Total segment assets	118 825	99 890
			USA Gathering and Transmission		
1 255	956	615	Gathering and transmission revenue and other income	3 767	5 007
-1 467	-	-	Revenues within the Group	-	-1 467
1 041	577	162	EBITDA	2 160	3 060
670	322	-381	EBIT - Operating income/(loss)	821	2 086
19 825	21 578	18 157	Total segment assets	18 157	19 825
			USA Energy Marketing		
51 071	20 567	27 717	Oil and natural gas trading revenue and other income	105 179	225 216
-3 785	-1 844	-2 444	Revenues within the Group	-8 841	-8 667
1 686	-78	1 950	EBITDA	2 471	6 250
1 674	-83	1 910	EBIT - Operating income/(loss)	2 409	6 216
45 044	26 297	32 996	Total segment assets	32 996	45 044
			Corporate Overhead and Eliminations		
	-179	-70	Revenue and other income	-577	-
-1 765	-3 249	-1 963	EBITDA	-9 838	-13 721
-5 913	-3 334	-2 146	EBIT - Operating income/(loss)	-10 294	-14 113
4 379	17 066	6 817	Total segment assets	6 817	4 379
			Group		
60 984	31 510	40 288	Revenue and other income	149 435	334 508
-6 774	-2 677	5 831	EBITDA	7 418	41 229
-37 709	-19 803	-514	EBIT - Operating income/(loss)	-26 664	-1 401
398 078	474 386	469 684	Total segment assets	469 684	398 078

NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Note 1 – Basis of Preparation and Accounting Principles

The condensed consolidated financial statements have been prepared using historical cost, except for derivatives that in accordance with International Financial Reporting Standards (IFRS) have been measured at fair value.

The condensed consolidated financial statements of Norse Energy have been prepared in accordance with IAS 34, *Interim Financial Reporting* and IFRS standards effective at the date of reporting.

The accounting principles are in accordance with the accounting principles described in the Company's 2008 annual report.

Note 2 – Segment Information

Norse Energy has four segments:

- Exploration and Production of oil and natural gas in Brazil (Brazil E&P)
- Exploration and Production of natural gas in the US (USA E&P)
- Gathering and Transmission of natural gas in the US (USA G&T)
- Energy Marketing Division in the US (USA EM)

See separate table presented before the footnote disclosures for details on segment information.

Note 3 – Property, Plant and Equipment and Intangible Assets

Overview of oil & gas assets

Per the end of the quarter, the Company held the following oil and gas assets:

	Licenses & other exploration assets	Production Assets	Total
	USD Thousand		
Opening balance January 1, 2009	***132 386***	***150 218***	***282 604***
Additions/Capitalized exploration expenditures	19 803	25 375	45 178
Exploration costs expensed/Dry-hole costs	-9 645	-	-9 645
Depreciation	-	-18 755	-18 755
Impairment	-12 500	-353	-12 853
Currency translation adjustments and other changes	35 348	32 247	67 595
Transfers to/(from) other asset groups	-16 408	16 408	-
Closing balance December 31, 2009	***148 984***	***205 140***	***354 124***

Note 4 – Exploration costs

The Company had the following split on exploration costs:

USD Thousands	2009 Q4 YTD
Seismic acquisitions, G&G costs and general exploration costs	9 060
Dry-hole costs	9 645
Other exploration costs expensed	148
Total exploration costs charged to P/L	***18 853***
Exploration expenses capitalized during the period	5 434
Total exploration investments during the period	***24 287***

Note 5: Interest bearing debt*

USD Thousands	2009 Q4 Short-term	2009 Q4 Long-term	2009 Q3 Short-term	2009 Q3 Long-term
Norway				
USD denominated loans	8 778	85 875	8 767	84 952
NOK denominated loans	48 587	4 642	48 514	4 638
USA				
USD denominated loans	19 908	4 233	17 049	4 433
Brazil				
USD denominated loans	21 138	-	21 617	-
BRL denominated loans	59 749	-	57 846	-
Total	***158 160***	***94 750***	***153 793***	***94 023***

*Currency swaps linked to loans are considered when classifying the currency denomination in the above table.

Norse Energy Corp. ASA has received approval from the bondholders for a full restructuring of its bond portfolio by restructuring all of the outstanding bonds (The NEC01, NEC02, NEC03, NEC04PRO and NEC05PRO is the total of the "Norway" loans in the table above). The debt obligations will be separated between the US and Brazil entities. The bond debt restructuring proposal was accepted by bondholders in a bondholder's meeting in December 2009, and will become effective upon the completion of the condition precedents stated in the revised loan agreements, including execution of a number of amendment agreements by the parties thereto.

The principal repayments of the loan agreements will be changed to repayment of approximately USD 23 million in 2010, approximately USD 24 million in 2011, USD 56 million in 2012, USD 4 million in 2013 and USD 10 million in 2014. This reduces principal repayments in 2010 by approximately USD 34 million and USD 51 million in 2011. The bondholders are compensated with (amongst others) security by pledge over shares in subsidiaries and intercompany loans, early repayments of 15% of all outstanding bonds, new warrants in the US entity and increased interest coupon.

Note 6: Other financial items

The Company applied hedge accounting in 2008 as the hedging contracts were related to future cash flows for its gas production in the US E&P business. After the sale of the Medina assets in Q1 2008, qualification for hedge accounting under IAS 39 Financial Instruments: Recognition and Measurement, was no longer met. As a result, the 2008 comparable figures were adjusted in Q4 2008 to show the profit and loss impact of the mark-to-market adjustment of the US E&P derivatives. The adjustment had no impact on cash, equity, or total assets for 2008.

OTHER INFORMATION

Financial calendar

May 11, 2010	First quarter presentation and Annual General Meeting
August 17, 2010	Second quarter presentation
Nov. 9, 2010	Third quarter presentation

Glossary & definitions

Bbl	One barrel of oil, equal to 42 US gallons or 159 liters
Bcf	Billion cubic feet
Bm^3	Billion cubic meter
BOE	Barrel of oil equivalent
Btu	British Thermal Units, the energy content needed to heat one pint of water by one degree Fahrenheit
Dth	Decatherm, the approximate energy equivalent of burning 100 cubic feet of natural gas
IP	Initial production
Mcf	Thousand cubic feet
MMcf	Million cubic feet
MMBOE	Million barrels of oil equivalents
MMBtu	Million British thermal units
MMm^3	Million cubic meters
Tcf	Trillion cubic feet

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 we believe are appropriate under the circumstances. Although we believe that the expectations reflected in these forward-looking statements are 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. We caution you not to place undue reliance on these forward-looking statements, which speak only as of the date of this report, and we undertake no obligation to update or revise any of this information.

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