



# Fourth quarter 2011 presentation

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TICKER –DET NOR

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- **Highlights**
- Financials
- Exploration
- Development projects
- Outlook



# Det norske - well funded growth

Listed on OSE • USD 2bn Market Cap • 74 licences • 31 operatorships

## Exploration

- Discovered between 400 and 550 million boe through the drill bit
- 20 pct in Sverdrup West
- 35 pct in Draupne
- Participating in 10-13 wells in 2012

## Production

- Targeting production of more than 10,000 boepd by early 2013
- Filed PDO for the Atla and Jette fields in 2011
- P50 Reserves 67.9 Mboe

## Financing

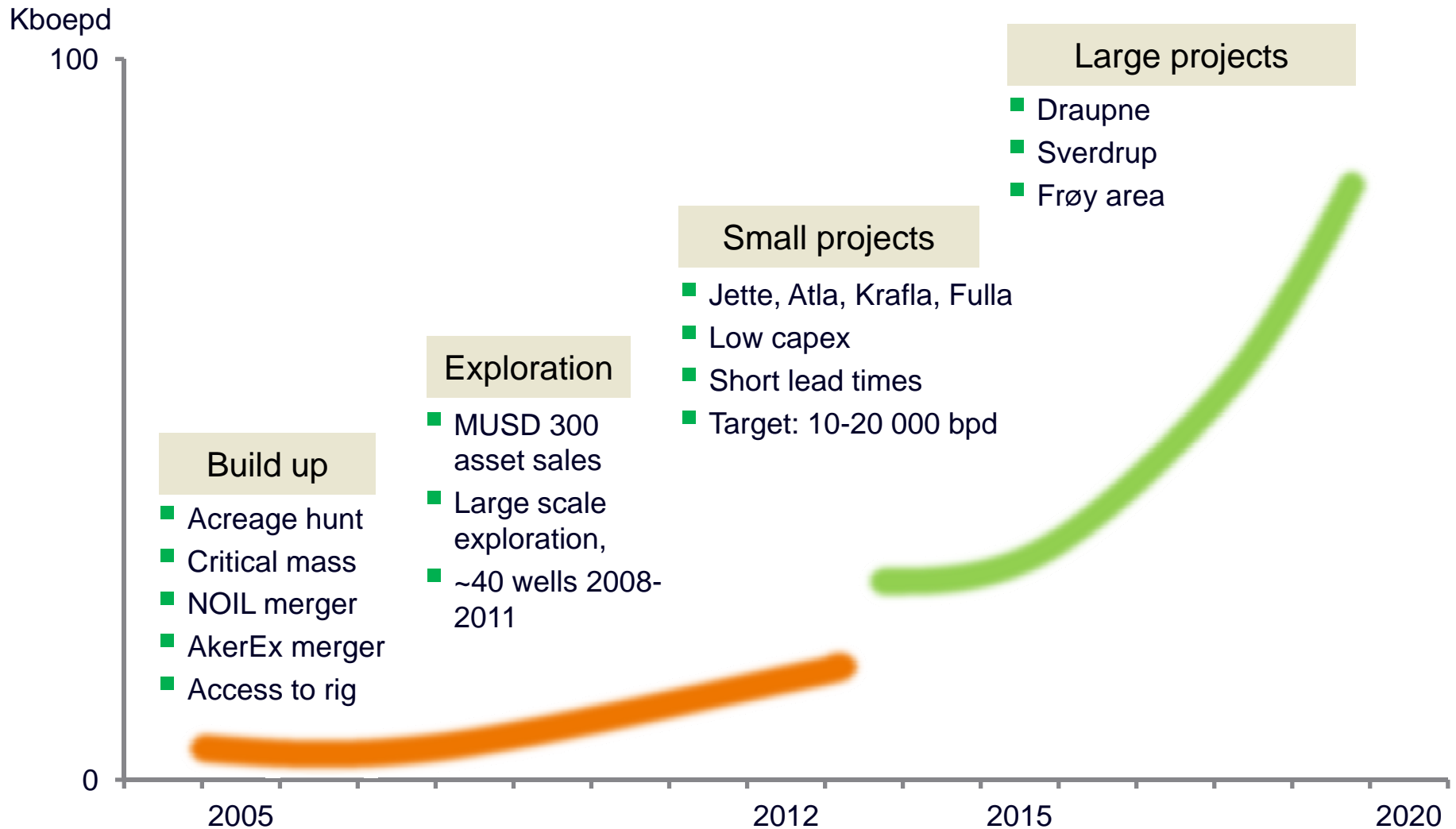
- MUSD 500 underwritten bank facility in place
- MUSD 300 liquidity on balance sheet
- MUSD 600 exploration facility

An organic growth strategy, backed by profitable development projects, a balanced exploration portfolio and MUSD 800 in development financing

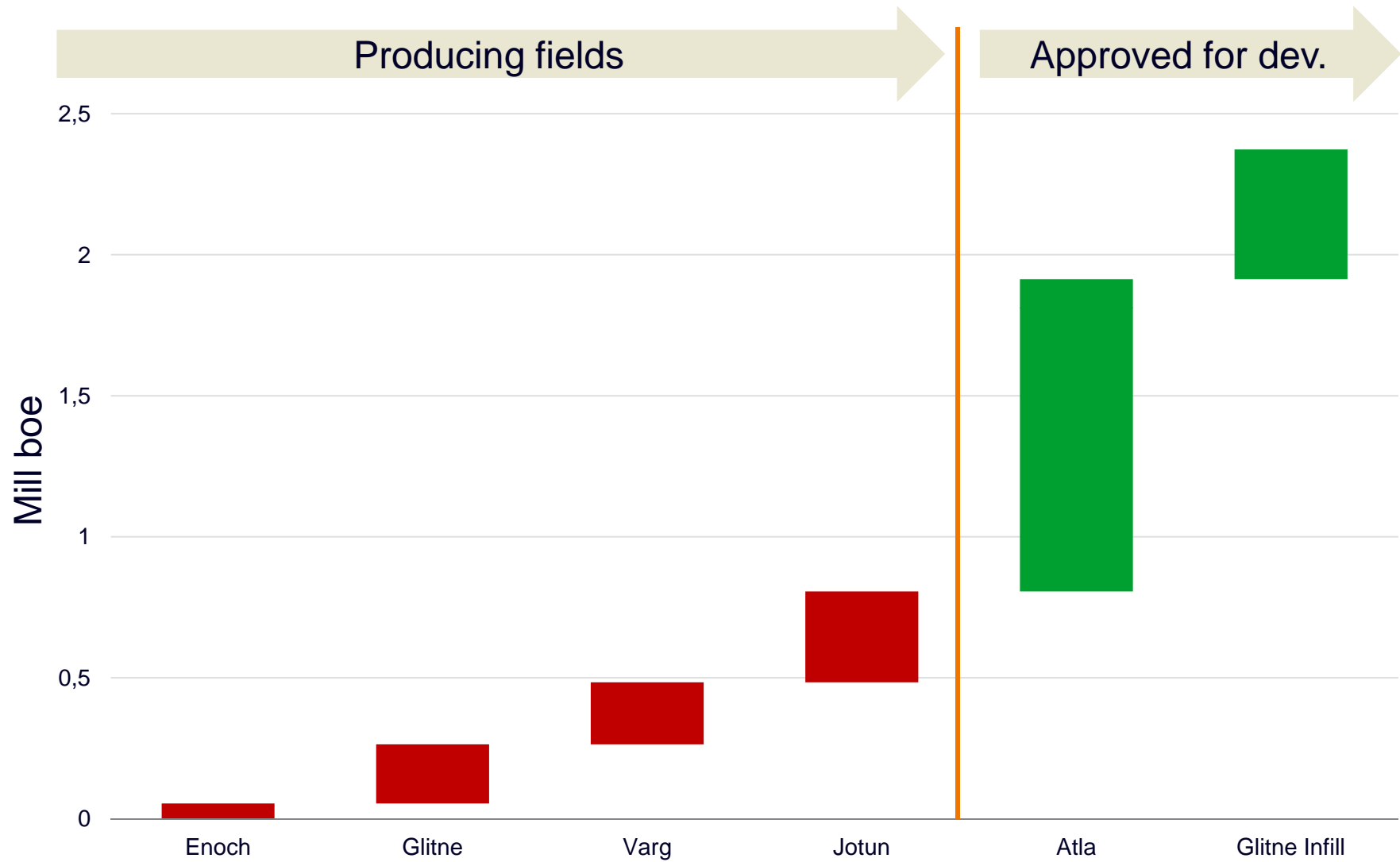
# Headlines since the third quarter

- Funding in place
  - MUSD 500 corporate credit facility
  - MNOK 451.5 equity increase from bond conversion at NOK 79.3/share
  
- Changed guidelines for resource reporting from NPD to SPE standards
  - P50 reserves at year-end 2011 of 68 mmboe
  
- Exploration
  - Appraisal well confirmed that Sverdrup is a large discovery
  - Dry well on Kalvklumpen
  - Major exploration campaign - 10 to 13 wells launched in 2012
  
- Development projects
  - Glitne extension until 2014 – new well and renegotiated Petrojarl 1 contract
  - Jette – PDO submitted
  - Atla project progressing according to plan
  - Draupne - In negotiations with Luno-license for a coordinated area development
  - Sverdrup - In negotiations for pre-unitisation agreement

# A step-by-step strategy



# Reserves



# Reserves cont.





- Highlights
- **Financials**
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- Development projects
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# Q4 2011 – Financial Highlights

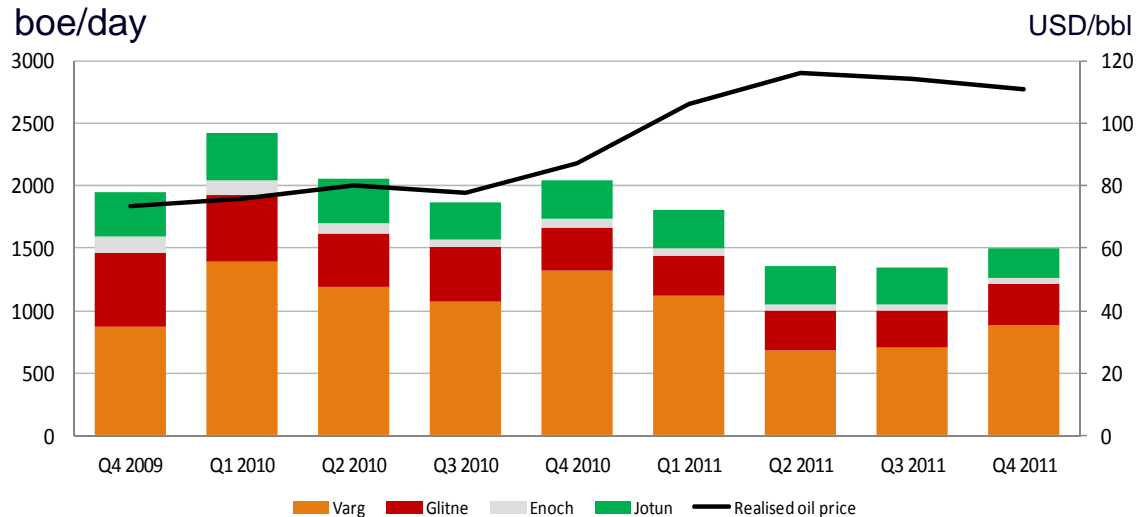
- Secured development financing of up to MUSD 600
  - MUSD 500 corporate credit facility + MUSD 100 accordion feature
- Convertible bond with face value of MNOK 457.5 matured
  - NOK 451.5 million converted into equity
- Exploration facility reduced from MNOK 4,500 to MNOK 3,500
- Received MNOK 2,369 in Exploration tax refund, incl. interest, on 22 December 2011
- Solid balance sheet with equity ratio of 48%
- Medium term development projects funded with committed credit lines plus cash of MUSD 800 (MNOK 4800) available

# Financial Highlights

	Q4 2011	Q3 2011	Q4 2010	Q4 11 vs Q4 10	FY 2011	FY 2010	% change
Production boe/day	1495	1309	2041	-27%	1505	2092	-28%
Achieved Oil Price (USD/bbl)	110.8	114.5	87.1	27%	111.9	80.2	40%
Cashflow from Production, MNOK	46.6	36.2	58.6	-21%	179.9	207.2	-13%
Expensed Exploration, MNOK	105.3	119.9	657	-84%	1012.2	1777.3	-43%
Net Profit, MNOK	-125.4	-40	-331	62%	-459.3	-690.4	33%
Exploration Spend (Pre-tax), MNOK	178	548	513	-71%	1810	2729	-34%

# Continued high oil price, output stabilised

## Historical Oil Production



## Producing assets

- Four producing fields:
  - Varg 5 %
  - Jotun Unit 7 %
  - Glitne 10 %
  - Enoch 2 %

Net back Margin	Q4 2010	Q1 2011	Q2 2011	Q3 2011	Q4 2011	Comment
Oil Revenue \$/boe	87.1	106.1	116.3	114.5	110.8	Based on lifted volumes
3rd Party Tariff Income \$/boe	4.3	3.9	8.5	5.7	7.2	Based on produced volumes
Operating Cost \$/boe	40.6	47.2	74.9	63.5	53.2	Based on produced volumes
Cash Tax \$/boe	0.0	0.0	0.0	0.0	0.0	
Op CF \$/boe	50.8	62.8	49.9	56.7	64.8	
<b>Op CF (MNOK)</b>	<b>58.6</b>	<b>56.0</b>	<b>41.1</b>	<b>36.2</b>	<b>46.6</b>	

# P&L and Balance Sheet

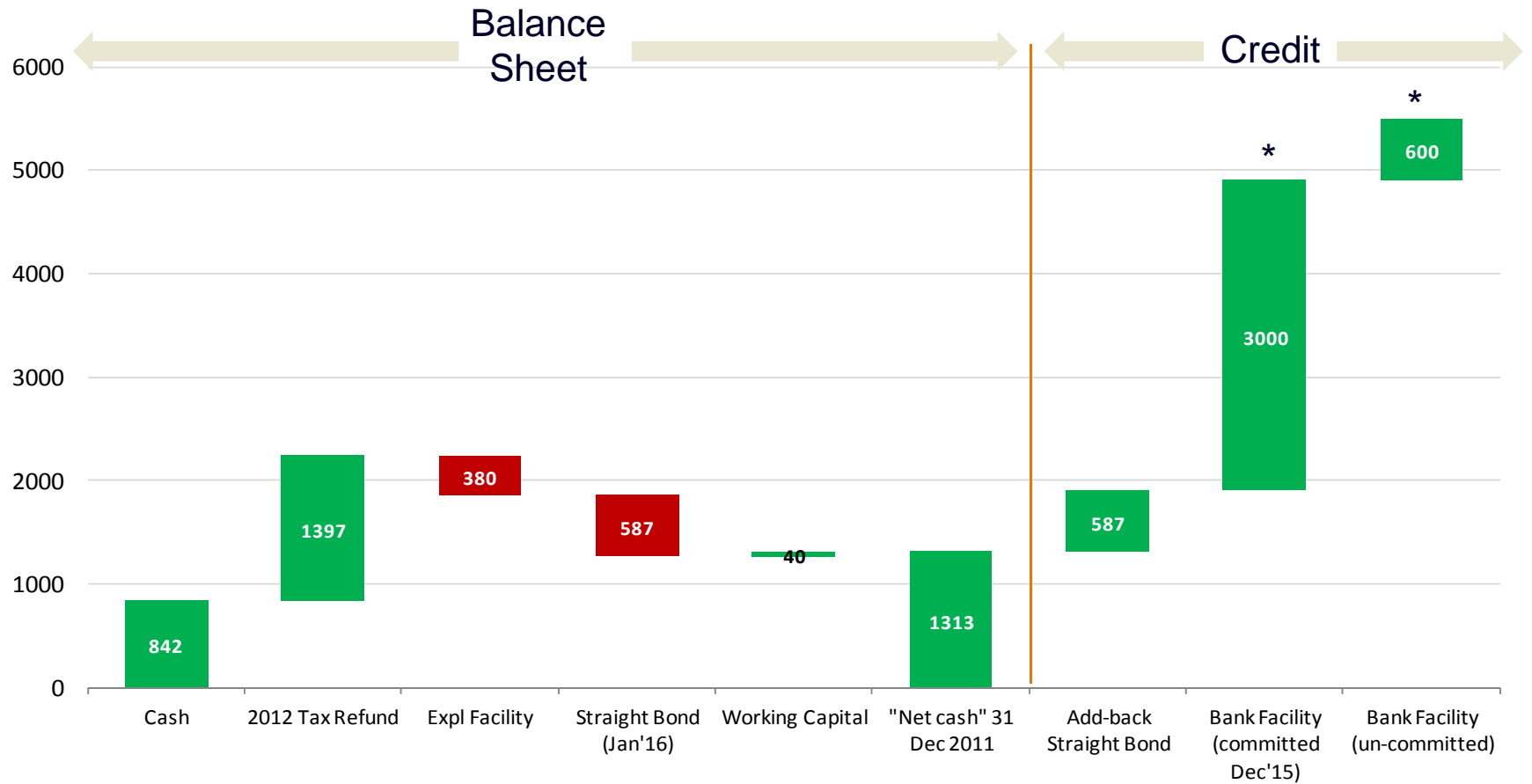
P&L (MNOK)	Q4 2011	Q4 2010	Comment
Revenues	92.4	99.5	High sales prices in Q4'11 offset by weaker USD, lower production and underlift on Varg
Production cost, G&A	51.7	44.8	3 <sup>rd</sup> party tariff income (MNOK 5.7) reclassified to income for Q4 2011.
EBITDAX	40.7	54.7	
Exploration expenses	105.3	656.8	Including MNOK 15.8 on Kalvklumpen.
DD&A, Impair, Other costs	161.2	160.4	Jotun Impairment. PL341, PL523 & PL538 relinquished
Operating profit/EBIT	-225.8	-762.5	
Net financial items	-41.4	-65.3	Q4'11 includes MNOK 10.4 gain on sale of AKX01
Pre-tax profit	-267.3	-827.8	
Tax charge	-141.8	-496.7	Low tax rate (53 %) due to impairment and financial items (28 %)
<b>Net Post Tax Profit</b>	<b>-125.4</b>	<b>-331.1</b>	

Assets (MNOK)	31.12.11	31.12.10	Comment
Total Fixed and intangible Assets	4 739.5	4 037.7	Cap Expl: Krafla, Krafla West, Skalle, Norvarg, Sverdrup West and Skaugumsaasen. Dev: Jette, Atla, Varg
Total Current Assets	2 976.5	3 681.9	Cash, Receivables and Tax refunds
<b>Total assets</b>	<b>7 716.0</b>	<b>7 719.6</b>	

Equity and Liabilities (MNOK)	31.12.11	31.12.10	Comment
Equity	3 676.6	3 160.2	Q4'11: AKX01 Convrt bond MNOK 451
Deferred Taxes and Total Provisions	2 375.8	2 060.2	
Total Debt and Current Liabilities	1 663.6	2 499.2	Bond (detnor01), Expl Facility, Creditors
<b>Total equity and liabilities</b>	<b>7 716.0</b>	<b>7 719.6</b>	

# Net Cash & Liquidity

Net Cash and Liquidity position as of 31 December 2011 (MNOK)



Not audited

\*assumed NOK6.0:USD

- Highlights
- Financials
- Exploration
- Development projects
- Outlook



# APA 2011- Awards

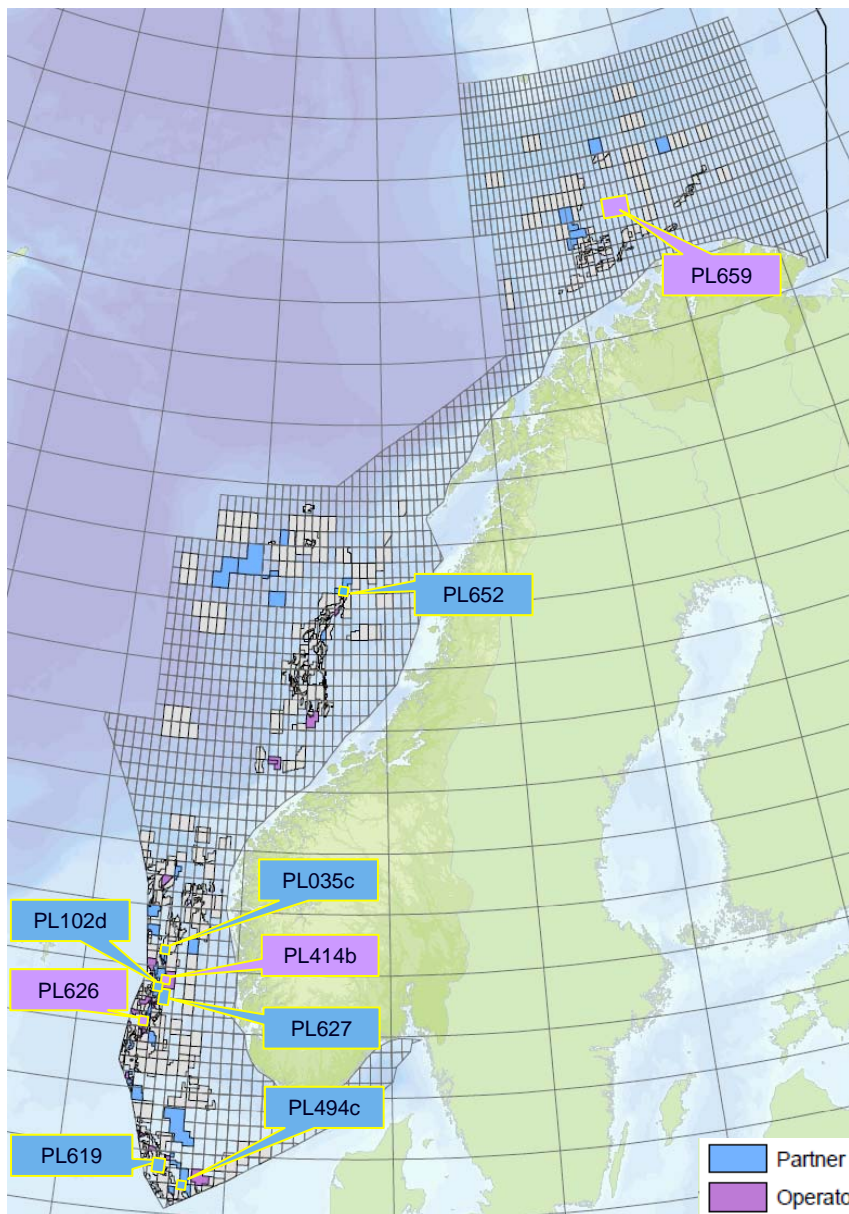
## ■ Awarded nine licenses

## ■ Operated

- PL626 50%
- PL659 30%
- PL414b 40%

## ■ Partner

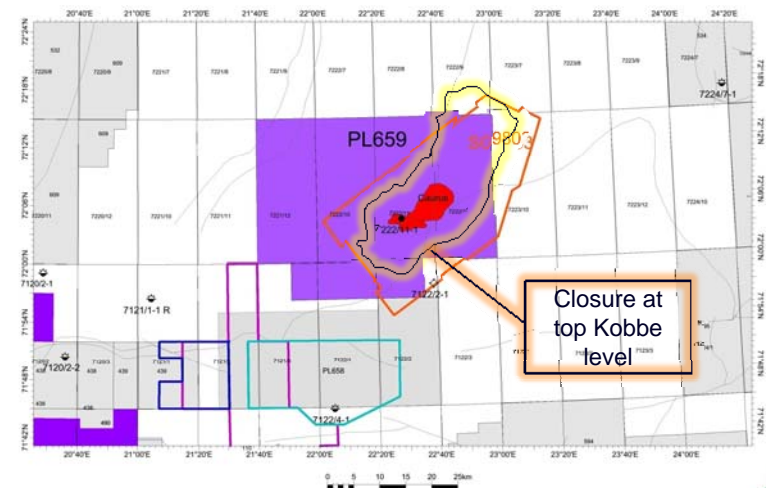
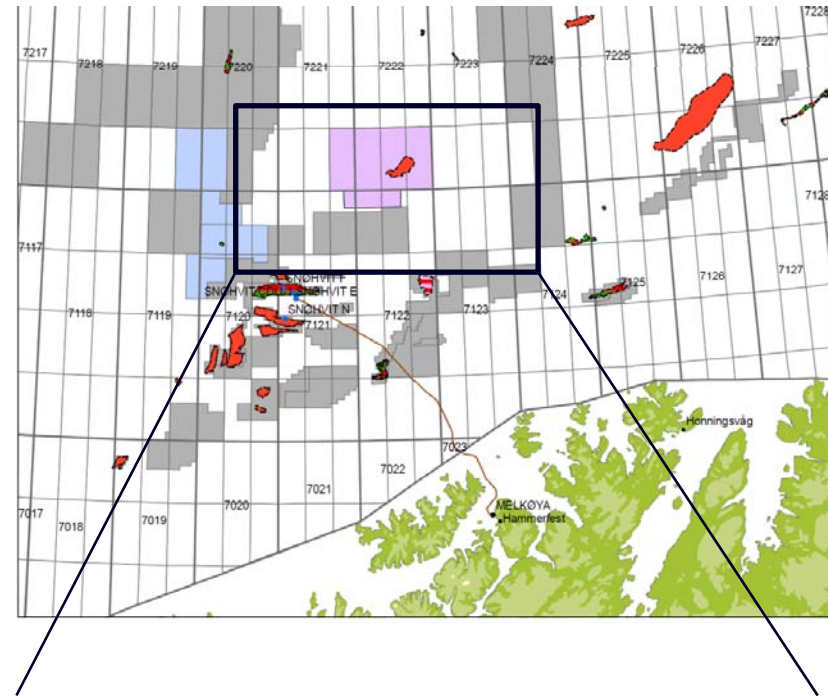
- PL619 30%
- PL627 20%
- PL652 20%
- PL035c 25%
- PL102d 10%
- PL494c 30%





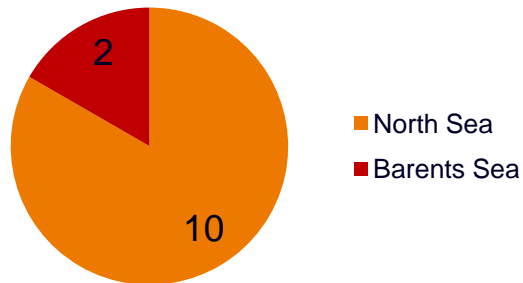
# PL 659 Caurus

- Location – Barents Sea
- Frontier play
- Work program
  - 3D acquisition
  - Firm well
- Main challenge
  - Kobbe reservoir properties
- Water depth is 350 meters
- Det norske is the operator
  - Det norske 30 percent
  - Petoro 30 percent
  - Lundin 20 percent
  - Rocksource 10 percent
  - Spring 10 percent

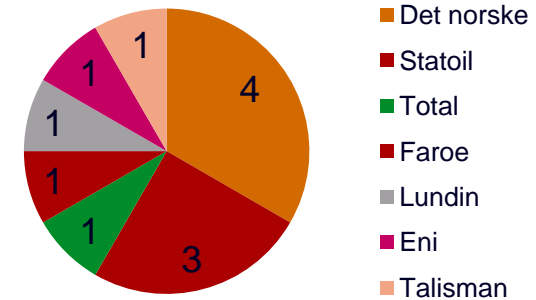


# 2012 Drilling schedule\*

## North Sea dominated program



## Operator distribution



PL	Prospect	Net %	Paying %	Start	Gross Mboe	Operator	Rigg
414	Kalvklumpen	40	40	Dry	75-180	Det norske	Songa Delta
450	Storebjørn	60	~45	29.Jan	90-160	Det norske	Maersk Guardian
440S	Clapton	10	~0	Q2	25-105	Faroe	Partner
554	Guarantiana	20	~10	Q2	25-60	Total	Partner
497	Geite	35	35	Q2	80-300	Det norske	Maersk Guardian
533	Salina	20	20	Q2	30-110	Eni	Partner
265	Geitungen	20	20	Q2	100-300	Statoil	Partner
265	Espeværhøgda	20	20	Q3	App.**	Statoil	Partner
265	Kvitsøyhøgda	20	20	Q4	App.**	Statoil	Partner
356	Ulvetanna	50	50	Q3	70-250	Det norske	Maersk Guardian
453S	Ogna	25	25	Q3	20-190	Lundin	Partner
568	Isbjørn	20	20	Q4	10-170	Talisman	Partner

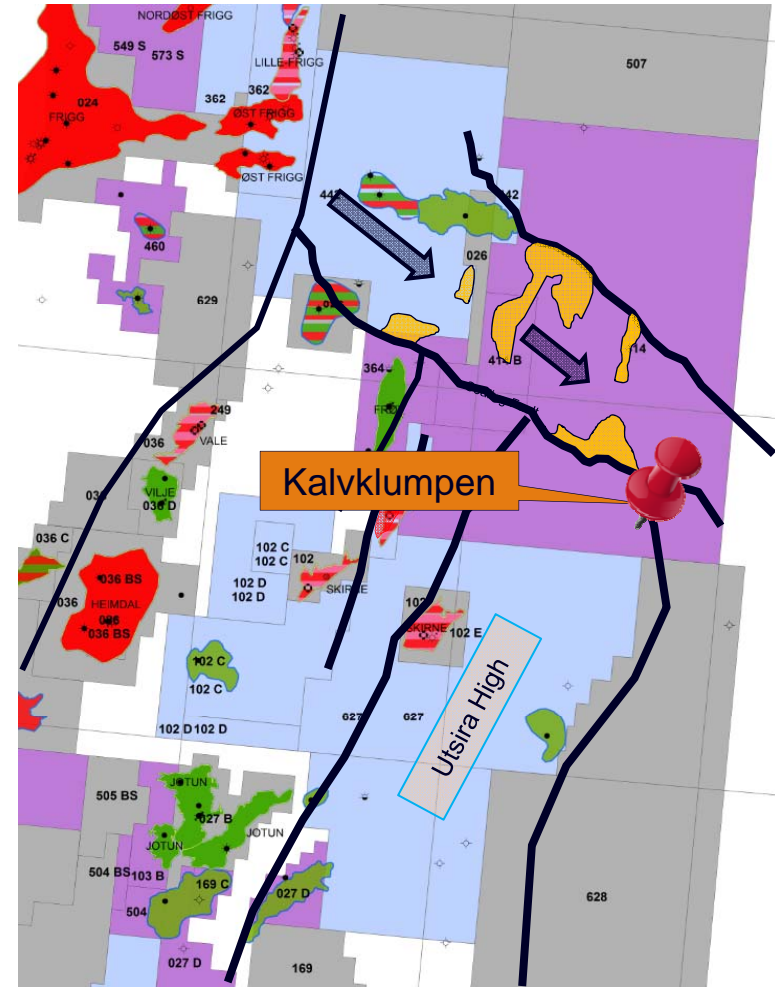
DET**NORSKE**

\*There are frequent changes to the drilling schedule. It should therefore only be viewed as a guideline.

\*\* App – appraisal well

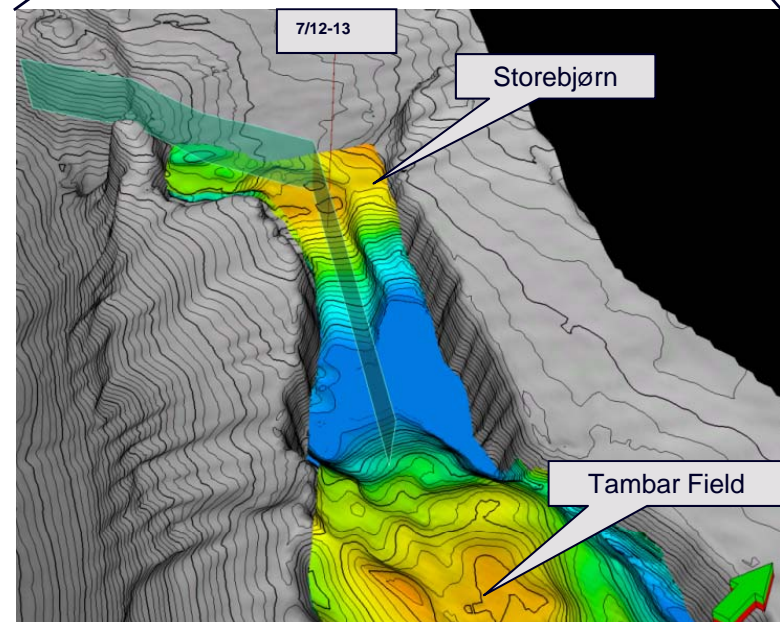
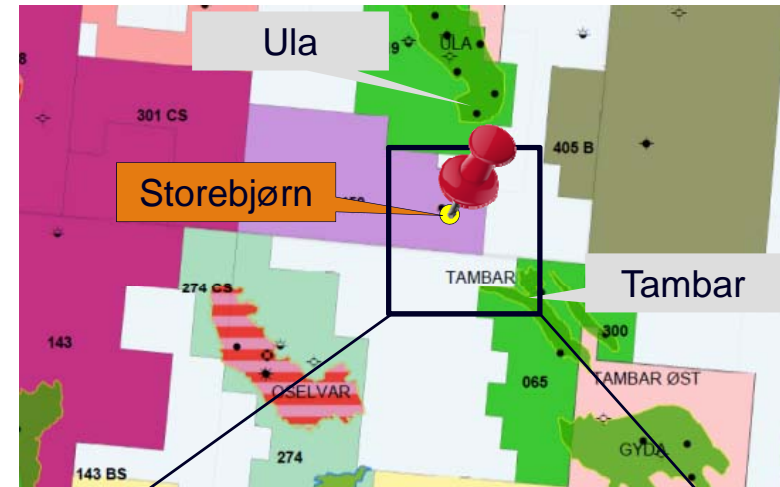
# PL 414 Kalvklumpen

- Located east of the Frøy Field
- Dry
- Results
  - Good, but water bearing reservoir sands
  - Possibly more drilling to test migration path
- Water depth 110 metres
- Operator Det norske
  - Det norske 40 percent
  - Noreco 20 percent
  - Bayerngas 20 percent
  - Faroe 20 percent



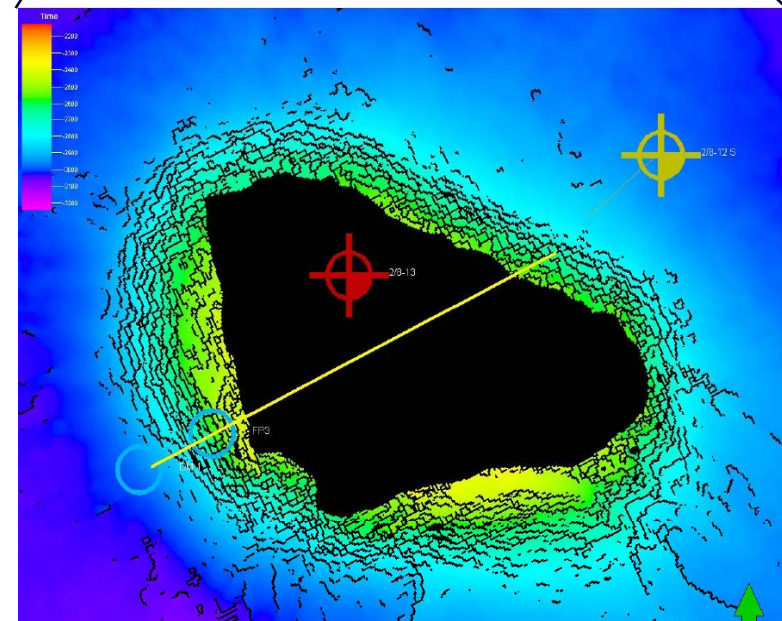
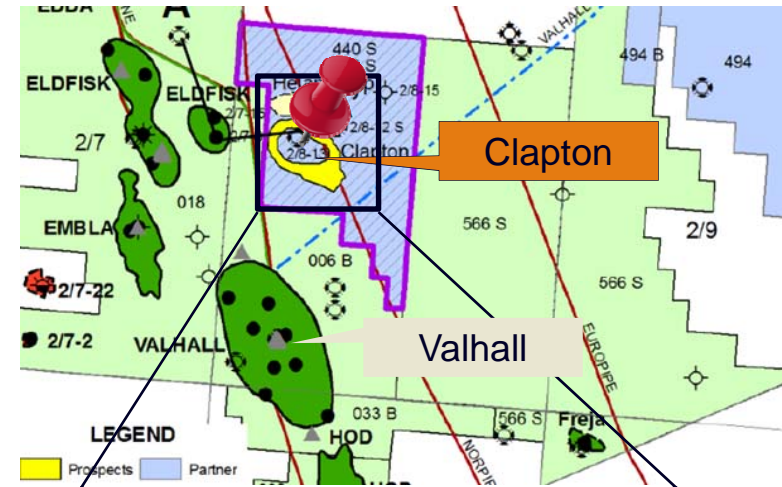
# PL 450 Storebjørn

- Location - Southern North Sea
- Established petroleum region
- Drilling commenced January 29th
- Prospect size and main risks:
  - 90 to 160 Mboe gross unrisked
  - Migration and seal are main risks
- Water depth is 70 meters
- Det norske is the operator
  - Det norske 60 percent (~45% of cost)
  - Dana 25 percent
  - North 15 percent



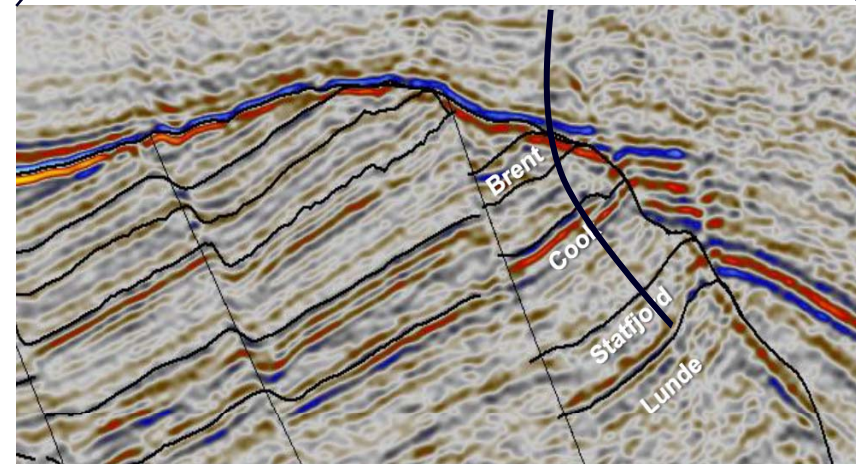
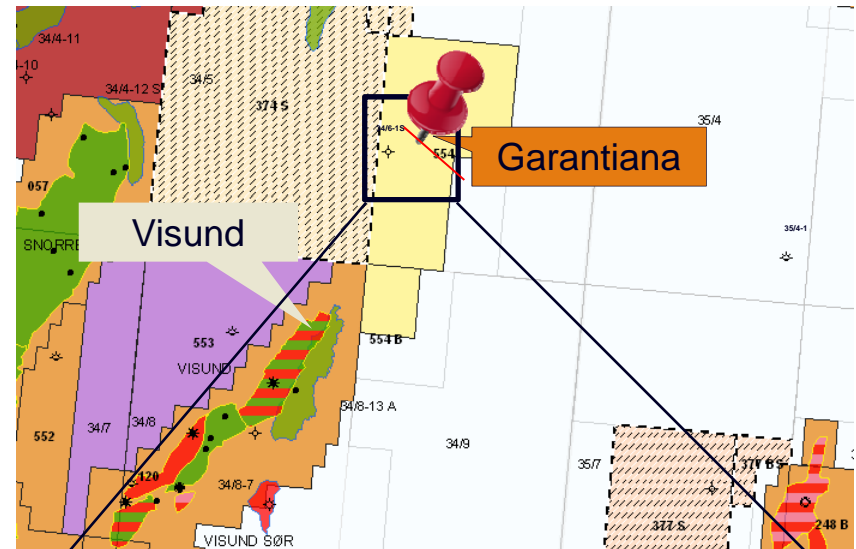
# PL 440S Clapton

- Location - Northeast of the Valhall Field
- Drilling expected to commence in Q2
- Prospect size and main risks
  - 25-105 Mboe gross unrisks
  - Main risk is the presence of a top seal
- Water depth is 70 metres
- Faroe Petroleum is the operator
  - Det norske 10 percent (0% of cost)
  - Faroe Petr. 40 percent
  - Dana 20 percent
  - Lundin 18 percent
  - Noreco 12 percent



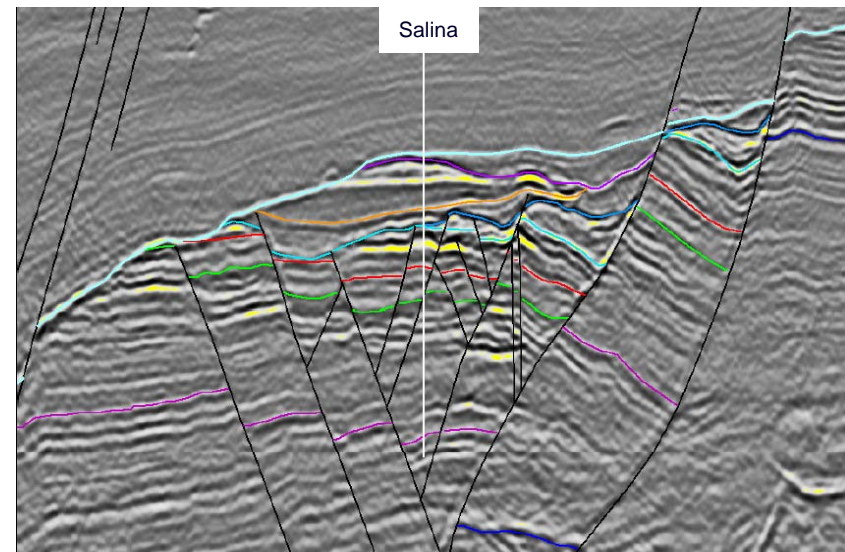
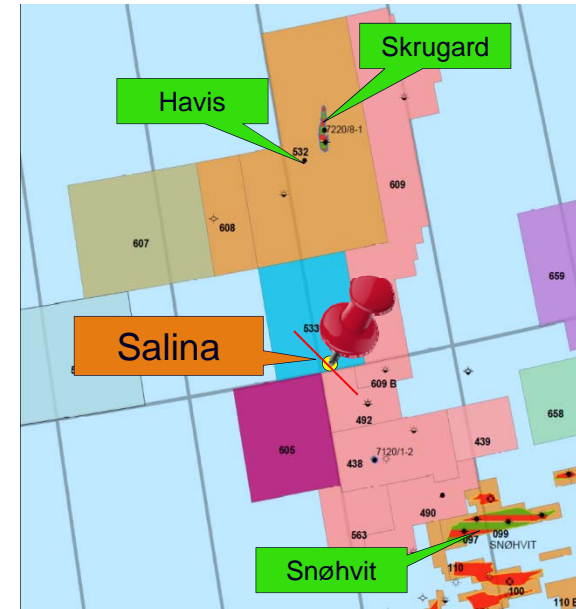
# PL 554 Garantiana

- Location - Northeast of the Visund Field
- Drilling to commence in Q2
- Prospect size and type
  - Gross unrisked resources 25-60 MBOE
  - Rotated fault block down-dip from Visund
- Water depth is 125 metres
- Total is the operator
  - Det norske 20 percent (10% of cost)
  - Total 40 percent
  - Bridge 20 percent
  - Svenska 20 percent



# PL 533 Salina

- Location - south of the Skrugard/Havis
- Prospect size and main risk
  - 30-110 Mboe gross unrisks resources (Cretaceous)
  - Additional potential in the Jurassic
  - Main risks are the reservoir quality and hydrocarbon phase
- Water depth is 340 metres
- ENI is the operator
  - Det norske 20 percent
  - Eni (O) 40 percent
  - Lundin 20 percent
  - RWE Dea 20 percent



# Secured drilling capacity

- Rig secured for Draupne development wells
  - Maersk CJ-70 design (new build)
  - Three year fixed contract
  - Options for additional four years
  
- Maersk Guardian in 2012
  - Three slots – Storebjørn, Geite and Ulvetanna
  
- Aker Barents
  - First class operations
  - High uptime
  - Will drill Jette wells for Det norske
  - Programme in place through fixed contract
  - Options to extend up to 2016
  
- Additional jack-up capacity
  - Exploring for additional capacity in 2013



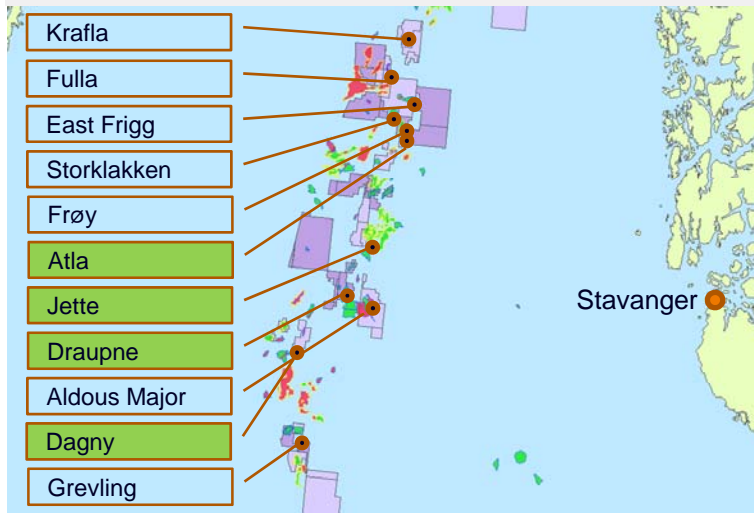


- Highlights
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# Development portfolio

## Discoveries



## Project portfolio – key features

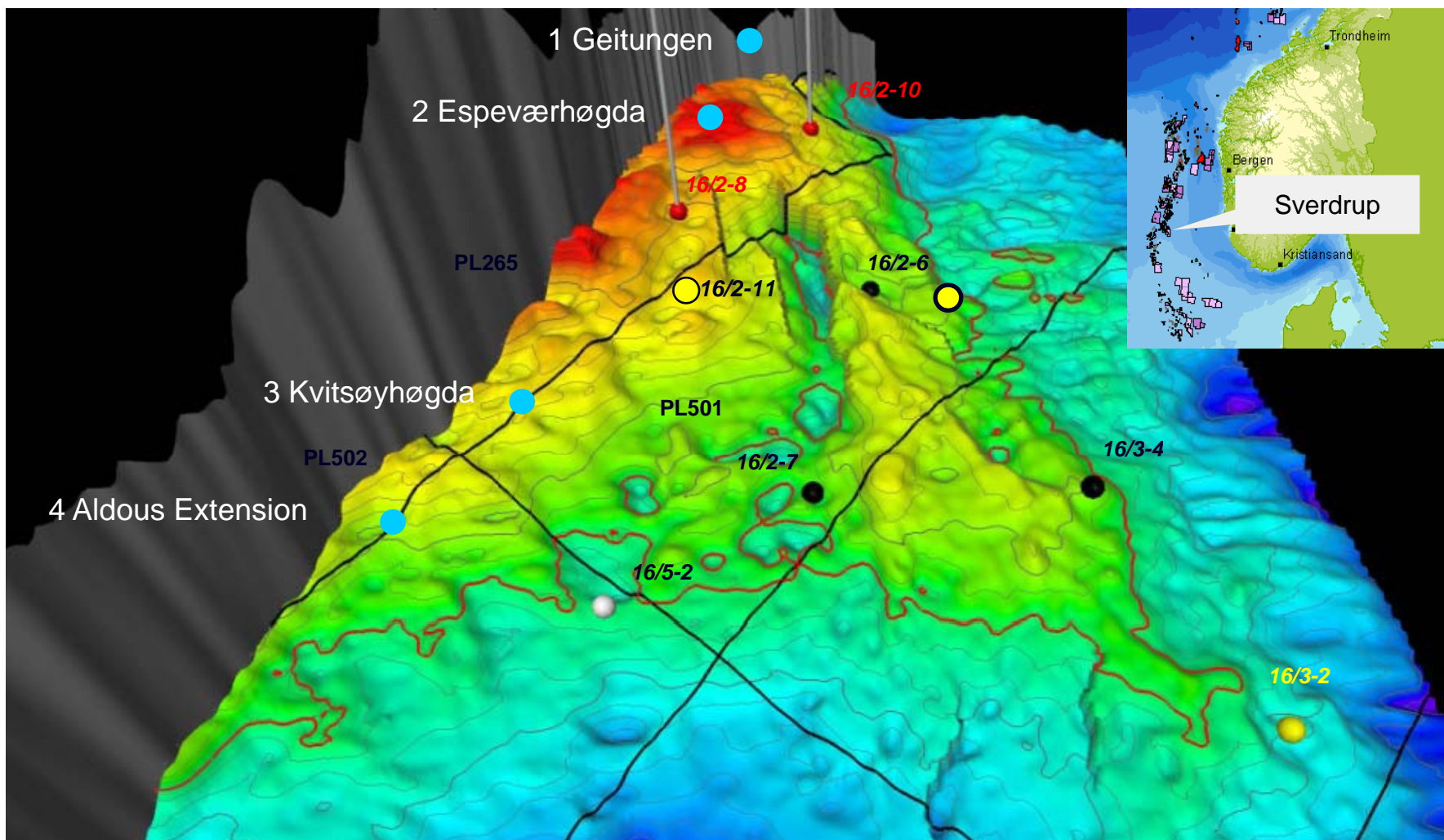
- North Sea projects only
- Strong joint ventures in all the projects
- A good step-up programme with gradually larger projects

Discovery	Det Norske's equity	Mill boe (Gross)	Net boe/day Det norske	Possible concept	Operator	Earliest first production
Atla (David)	10%	11	~1,000	Tie-back to Heimdal, via Skirne	Total	2012
Jette	88%	13	~12,500	Tie-back to Jotun	Det norske	2013
Krafla/Krafla West	25%	36-84	~6,000	Tie-back to Oseberg	Statoil	2015->
Fulla	15%	40-55	TBD	Tie-back Heimdal or Bruce	Statoil*	2015->
Draupne	35%	143	~20,000	Coordinated Draupne - Luno dev.	Det norske	2016
Dagny	2-4%	198	TBD	Stand alone – jacket platform	Statoil	2016
Sverdrup	20%	900-1500	TBD	Stand alone , phased	Statoil	2017->
Frøy	50%	50-85	~20,000	Area development	Det norske	2017->
Storklakken	100%	8-12	TBD	Area development	Det norske	2017->
East Frigg GD	20%	50-150	TBD	Area development	Statoil*	2017->
Grevling	30%	40-95	TBD	?	Talisman	2018->

\* Centrica from April 1st 2012

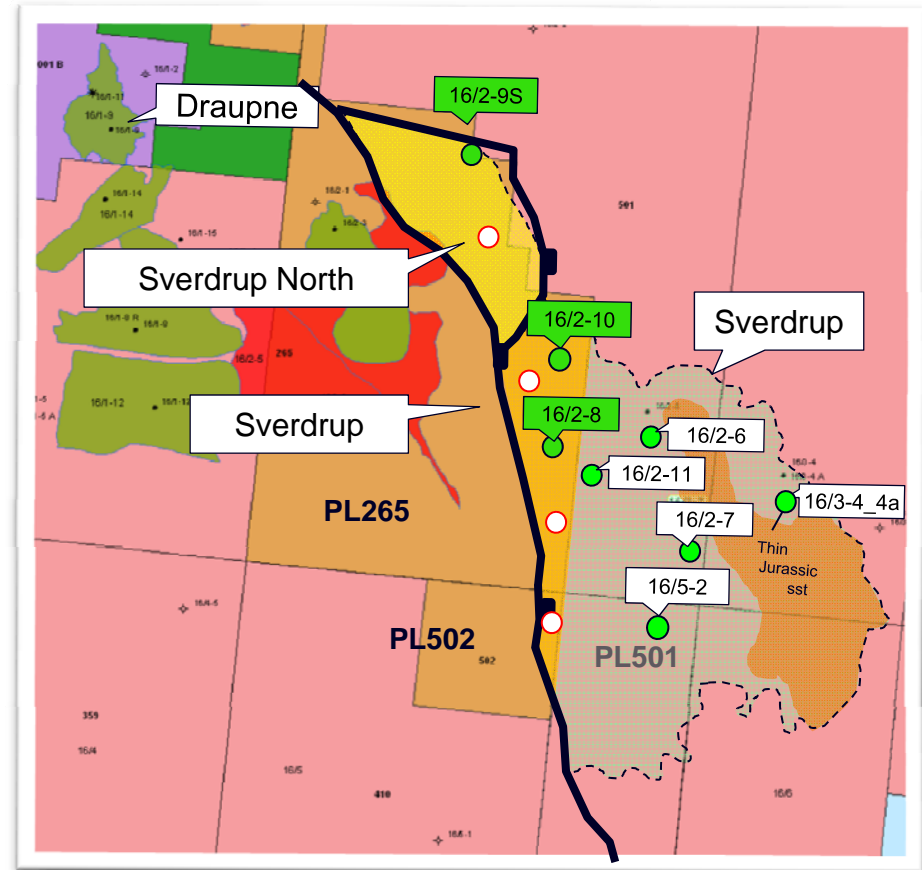
# Johan Sverdrup - Planned wells 2012-13

- Four approved appraisal wells in PL 265 and PL 502- three in 2012



# Johan Sverdrup field

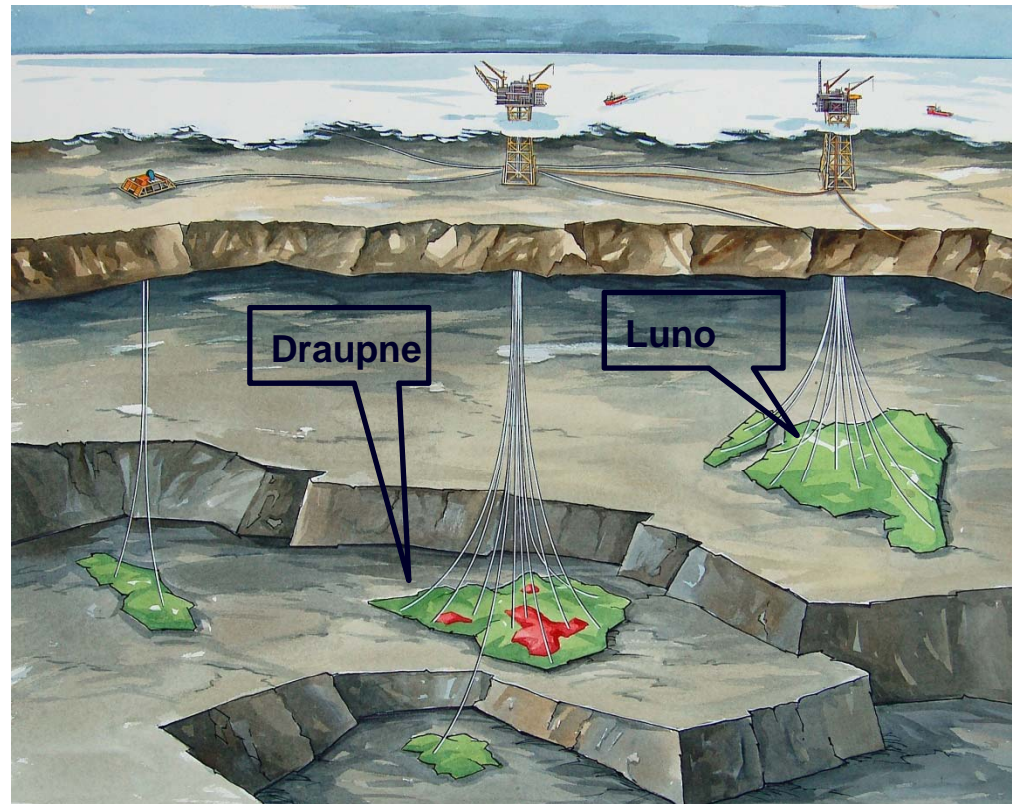
- Gross volumes
  - 900 to 1500 mill barrels in PL 265
  - Significant volumes also in PL 501
- Net volumes
  - 180 to 300 million barrels
- Sverdrup divided between PL 265 & 501
  - Unitization to be based on values of the reserves
- On stream in 2017 at the earliest
  - Phased development
- Appraisal wells
  - Four wells in PL 265/502



<b>265:</b>		<b>PL 502:</b>		<b>PL 501:</b>	
Det norske	20%	Det norske	22%	Lundin (Op)	40%
Statoil (Op)	40%	Statoil (Op)	45%	Statoil	40%
Petoro	30%	Petoro	33%	Mærsk	20%
Lundin	10%				

# Coordinated development for Draupne and Luno

- Development solution
  - Jacket platform
  - First phase separation at Draupne
  - Final processing at Luno
  - Joint oil and gas export
- Benefit – reduced capex
- Draupne - gross volumes
  - 143 million boe (P50)
- PDO submission 2012
- Draupne partnership
  - Det norske 35 percent (O)
  - Statoil 50 percent
  - Bayerngas 15 percent



# Jette PDO

- Production:
  - Plateau gross 14 000 boepd
  - Net 12 500 boepd
  - First oil in Q1 2013
  - Short plateau period
  
- Capital expenditures
  - Net ~ NOKM 1900 for 2012
  
- Development solution
  - Subsea tie-back to Jotun B
  - Two horizontal production wells
  
- Det norske is the operator
  - Det norske 88 percent
  - Petoro 12 percent\*

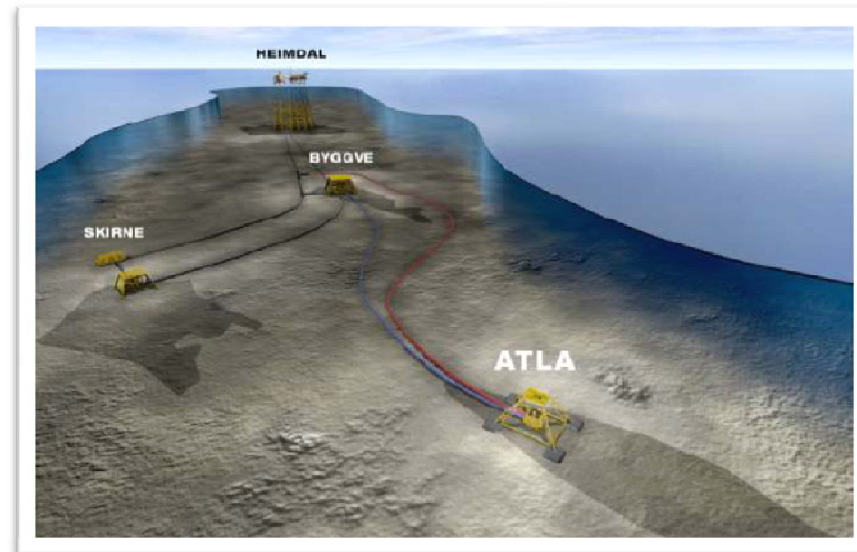
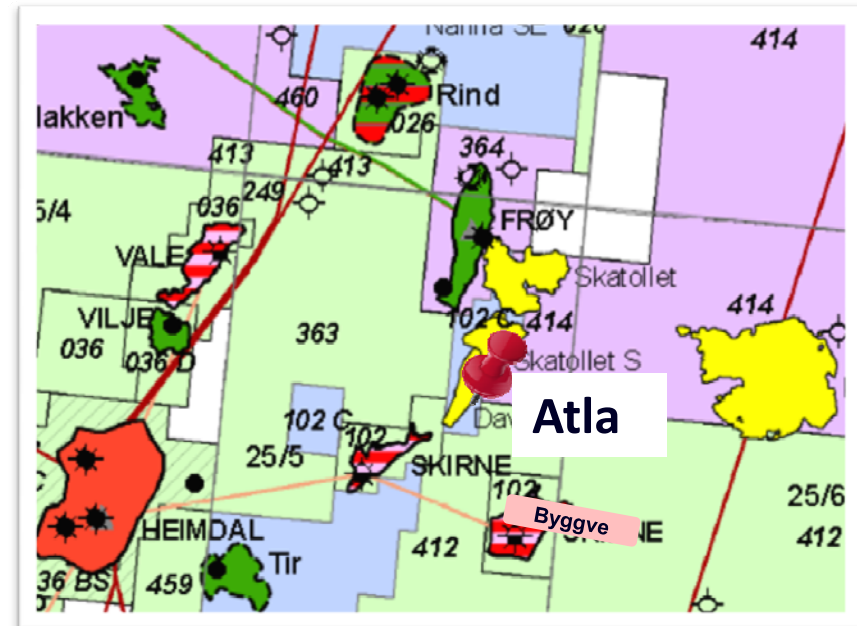
\* Final split under negotiations



Valve for the Jette subsea system

# Atla PDO

- Gas production
  - Gross ~ 10 000 boepd
  - Net ~ 1000 boepd
  - First gas in 2012
- Capital expenditures
  - Net ~ NOKM 100 for 2012
- Development Solution
  - Subsea tie-back via Skirne to Heimdal
- Total is the operator
  - Det norske 10 percent
  - Total (Op) 40 percent
  - Petoro 30 percent
  - Centrica 20 percent



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# Outlook and Summary

## ■ Outstanding exploration results in 2011

- Committed to a diversified exploration campaign in 2012
- Expect three to four wells on Johan Sverdrup in 2012
- Good awards in APA 2011 with 9 licenses (three operatorships)

## ■ Projects

- PDO approved for Atla
- PDO for Jette to be approved soon
- Atla and Jette could lift Det norske's production above 10 000 boepd in 2013
- Draupne – Luno coordinated development negotiations ongoing

## ■ Financials

- Development projects funded with MUS\$ 800 (MNOK 4800) in committed credit lines and available cash



**DET NORSKE**

NEST STØRST PÅ NORSK SOKKEL