DETNORSKE

Report Q4 2011

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Fourth quarter summary

Many positive events happened for the company in the fourth quarter. Det norske oljeselskap ASA strengthened the financial capacity in the quarter through a four-year MUSD 500 corporate credit facility as well as a MNOK 451 increase in equity through conversion of bonds. The company is financially well prepared for the ongoing field development projects and for an extensive exploration program in 2012. An appraisal well on the Johan Sverdrup field (prev.: Aldous Major South) in PL 265, confirmed the magnitude of the discovery.

Key events in the fourth quarter 2011

- **October 7th:** The Norwegian Ministry of Petroleum and Energy requested the Draupne and Luno licensees to find and agree on a coordinated development solution for the area.
- **October 21th:** PL 265, operator Statoil, announced the results from appraisal well 16/2-10 on the Johan Sverdrup oilfield (previously known as Aldous Major South in PL 265 and Avaldsnes in PL 501). Based on the results from the well, the gross resource estimate, within PL 265, was lifted to between 900 and 1500 million barrels of oil, with a most likely estimate of 1200 million barrels. Det norske holds 20 percent of this.
- **November 11th:** Det norske completed a MNOK 144.4 sale of convertible bonds (AKX01) held in treasury, making a MNOK 10.6 profit, booked in the fourth quarter accounts.
- **December 9th:** Operator Det norske, signed a Letter of Award with Maersk Drilling, on behalf of the Draupne partnership, for field development drilling. The three-year contract is for a CJ-70 design jack up drilling rig and the contract value is MUSD 413.
- **December 16th:** Det norske strengthened the equity position by issuing 5.693.564 shares as investors holding MNOK 451.5 million in the AKX01 convertible bond favoured conversion rather than cash settlement at redemption.
- **December 22nd:** Det norske announced a fully underwritten MUSD 500 Corporate credit facility, with an additional MUSD 100 accordion feature. DNB, Nordea and SEB are bookrunners and mandated lead arrangers.

Summary of financial results and operating performance

MNOK= NOK million	Q4 11	Q3 11	Q2 11	Q1 11	Q4 10	2011	2010
Oil and gas production (Kboe)	138	120	127	163	188	548	763
Oil price achieved (USD/barrel)	111	115	116	106	87	112	80
Operating revenues (MNOK)	92	82	96	102	100	372	366
Cash flow from production	47	36	41	56	59	180	207
Exploration expenses (MNOK)	105	120	178	609	657	1 012	1 777
Total exploration expenditures (profit & loss and balance sheet)	178	548	451	634	513	1 810	2 729
Operating profit/loss (MNOK)	-226	-119	-208	-638	-762	-1 191	-2 000
Profit/loss for the period (MNOK)	-125	-40	-42	-252	-331	-459	-690
No of licences (operatorships)	65 (28)	67 (28)	73 (30)	72 (30)	66 (30)	65 (28)	66 (30)

Production per field

Barrels of oil equivalent per day	Share	Q4 11	Q3 11	Q2 11	Q1 11	Q4 10	2011	2010
Varg	5 %	885	701	682	1,121	1,323	846	1,240
Glitne	10 %	326	301	375	318	347	329	440
Enoch	2 %	46	41	45	57	61	48	80
Jotun Unit	7 %	237	266	297	315	310	281	332
Total production		**1,495**	**1,309**	**1,399**	**1,811**	**2,041**	**1,505**	**2,092**

Field performance and oil prices

Det norske produced 137,550 (187,643) barrels of oil equivalent in the fourth quarter, corresponding to 1,495 (2,041) barrels a day. On average, the oil was sold for USD 110.8 (87) per barrel.

All four producing fields performed satisfactorily in the quarter, with only minor operational issues.

Bad weather with heavy seas forced Glitne to shut down for a few days in November and December. A new infill production well has been sanctioned by the Glitne partnership with drilling operations expected to commence in a few months. If successful, this well could extend the life of field into 2014. A new agreement has been reached for lease of FPSO Petrojarl 1. (See Important events after the quarter).

Production from Varg is depending on the output from two of the production wells, which combined provide a majority of the output. Therefore new targets are continuously being matured, and it is expected that two new infill production wells will be drilled early in 2013.

The Jotun field experienced a hydraulic leak in December which led to a short period with reduced production.

Health, safety and the environment

Det norske did not drill any exploration wells on operated licenses during the period. A majority of the operational activity was related to the Aker Barents drilling rig, which was on sublet to other operators, but with Det norske providing drilling management.

An update of the company's governing system was carried out in the period in order to include experiences made from the 2011 activities and in preparation for new activities, such as field development projects and operations.

Det norske is in the planning phase for both the Jette and Draupne developments. Incorporating HSE as a key element in every aspect and activity related to these projects, from planning phase to production, is important and something the company currently is investing resources in.

The company is committed to avoiding any environmental impact on marine habitat during exploration drilling. As an example, several pre drilling investigations of the sand eal habitat was undertaken in relation to the upcoming exploration well on the PL 356 Ulvetanna prospect. The company spent considerable resources on this project and concluded that there is no stock of sand eal in this area. Still, the company decided to postpone the Ulvetanna drilling programme to avoid any potential conflict with the drilling ban period, which spans from April to the end of June for this license.

Development projects

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

PDO for Jette has been submitted to the Ministry of Petroleum and Energy. Total gross investment is estimated at around NOK 2.5 billion. Jette is scheduled to come on stream early in 2013.

The Ministry for Petroleum and Energy is expected to approve the Plan for Development and Operations of Jette shortly.

Bridge Energy and Dana Petroleum, holding 6.0 percent and 19.2 percent, respectively, have decided not to participate in this development. The remaining partners are in discussions with respect to the final ownership stake in the license. Det norske's interest could be up to a maximum of 88 percent.

All key contracts have been awarded, and Det norske is closely monitoring progress on key deliveries, such as subsea christmas trees, manifolds and control systems.

Atla PL 102C (10 %)

A PDO for Atla was approved by the Norwegian authorities in November. Total investment for

Det norske is estimated to MNOK 140. First gas is scheduled for late in 2012. The Atla development project evolves according to plan.

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

During the fourth quarter, the Draupne partnership entered into an agreement with Maersk for the lease of a jack up rig, which will drill the production and injection wells on Draupne.

The Draupne partnership is in negotiations with the partners in the Luno field, to the south of Draupne, about a coordinated development in the area. An agreement has not yet been concluded. Joint technical studies have been carried out with the Luno-group in parallel with the commercial negotiations.

(See important events after the quarter.)

PL 364 Frøy (50 % and operator)

Frøy is being evaluated for development in an area perspective together with PL 460 (Storklakken, 100% and operator) and PL 442 (Frigg GammaDelta, 20%) and potentially other undeveloped discoveries in the greater Frøy-Frigg area.

Exploration activity

PL 265 Johan Sverdrup appraisal well (20 %)

Appraisal well 16/2-10 on Johan Sverdrup (new joint name for the Aldous Major South/Avaldsnes discovery) found light oil in 65 meters of the same high quality reservoir rocks as discovered in the first well 16/2-8. The operator estimates that Johan Sverdrup could hold between 900-1500 million barrels of oil within PL 265 on a gross basis, with a most likely estimate of 1,200 million barrels. This volume estimate does not include potential volumes in PL 502. Three to four additional exploration/appraisal wells are scheduled in this area during 2012, three in PL 265 and one in PL 502, where Det norske holds 22.2 percent.

Financials

The company issued 5,693,564 new shares on the 16th of December, increasing total outstanding shares from 122,222,222 to 127,915,786. The new shares constitute 4.45 percent of the total share capital.

The new shares were issued, as investors in the convertible bond AKX01 decided to convert more than 98 percent of the outstanding bonds into shares at a price of NOK 79.3 per share. In total, convertible bonds with face value of MNOK 451.5 were converted. The total size of the convertible bond, with ISIN-number: NO0010346117, was MNOK 457.5.

In December 2011, Det norske entered into an agreement with DNB, Nordea and SEB for a fully underwritten MUSD 500 corporate credit facility. The facility holds an accordion extension for an additional MUSD 100. The facility also provides Det norske with an option to issue a convertible bond of up to MUSD 200.

Operating revenues in the fourth quarter amounted to MNOK 92.4 (99.5). The achieved oil price in the fourth quarter was USD 110.8 (87) per barrel, representing an increase of 27 percent relative to the same period last year. This positive price movement was however offset by a 27 percent drop in production from 2 041 barrels per day in the fourth quarter 2010, down to 1 495 this quarter.

The company made an operating loss of MNOK 225.8 (762.5). The loss can largely be attributed to exploration expenses of MNOK 105.3 (656.8). Total exploration expenditures, both expensed and capitalised, amounted to MNOK 177.6 (513.0). The loss for the period was MNOK 125.4 (331.1) after a tax income of MNOK 141.8 (496.7). Net cash flow from operational activities amounted to MNOK 1 949.3 (1 981.0). These figures are high because they include tax refund from exploration activities, received in the fourth quarter.

Net cash flow from investment activities in the fourth quarter amounted to MNOK -283.4 (-449.0), largely as a result of exploration expenses and investments in fields in operation or under development. Net cash flow from financing activities in the fourth quarter totalled MNOK 1 661.6 (1 843.3) and relates substantially to repayment of debt drawn under the exploration facility.

The company's liquid assets amounted to MNOK 841.6 (789.3) as of 31. December 2011. Tax receivables for disbursement in December 2012 amount to MNOK 1,397.4 (2,344.8).

The equity ratio is 47.6 % (40.7 %). Total assets amounted to MNOK 7,716.0 (7,719.6) as of 31st December. The company expect continued high exploration, but at a relatively lower level than in 2010. Thus, the total commitments in the exploration credit facility have been reduced from MNOK 4,500 to MNOK 3,500, of which MNOK 400 has been drawn as of end 2011.

Important events after the quarter

Awards in Predefined Areas 2011

Det norske oljeselskap was offered interests in nine licenses in the 2011 APA round, of which three were operatorships. Det norske is particularly pleased with the operatorship in PL 659, located in the Barents Sea.

Operatorships offered to Det norske, are: PL 659 (30 percent), PL 626 (50 percent), PL 414B (40 percent). A participating interest has been offered in: PL 652 (20 percent), PL 627 (20 percent), PL 619 (30 percent), PL 494C (30 percent), PL 102D (10 percent) and PL 035C (25 percent).

PL 001B Draupne

With a joint development, Draupne will be developed with a new jacket platform with first stage separation. The oil and gas stream from Draupne is to be transported to the Luno platform for final processing and exports to the markets. The coordinated development solution with final processing of the Draupne output on the Luno platform, is expected to reduce Draupne capital investments, whereas the operational costs at Draupne will increase due to processing tariffs. Draupne will gain access to processing capacity on the Luno platform from the fourth quarter 2016. The PDO for Draupne is planned submitted late in 2012.

Ownership

Aker has reduced the shareholder stake to 49.99 percent in January.

PL 035 Dagny

Statoil as operator, together with the partners of the Dagny field, have decided to develop the field with a fixed platform and work out a plan for development and operation (PDO). The Dagny field is estimated to hold about 230 million barrels of recoverable oil and gas. Dagny extends into PL 029B, where Det norske holds 20 percent. Det norske's net share in the field, will be decided through unitization negotiations in parallel with the PDO project, planned to be completed by December 2012. First oil and gas from Dagny is scheduled for late 2016.

Exploration drilling

Det norske is as operator about to complete drilling operations on the Kalvklumpen prospect in PL 414. The well was dry. Drilling operations are ongoing on the Storebjørn prospect in PL 450.

Rig contracts

In a tight rig market on the Norwegian Continental Shelf, Det norske has secured sufficient rig capacity for its operations. The company has entered into letter of award for lease of the jack-up rig Mærsk Giant for 150 days in 2013. The contract value is MUSD 52.2. The Transocean Barents (prev. Aker Barents) has a full program throughout the duration of the contract. The rig is on contract to July 2014, with options for two additional years. A Maersk rig has also been secured for development drilling on Draupne.

Increased reserves

The company has increased proved reserves from 1.34 million boe by the end of 2010, to 67.9 million boe by the end of 2011. The estimates for 2010 were calculated on the basis of the Norwegian Petroleum Directorates classification system, while the 2011 estimates have been calculated on the basis of Society of Petroleum Engineers' (SPE) classification system. The 2011 figures include 50.2 million boe from the Draupne field.

Outlook

The board believes the company is well positioned. Its asset portfolio has the potential to lift production significantly both in the short and the longer term. The Jette and Atla-developments are progressing well, and Det norske plans to submit a plan for development and operations of Draupne in late 2012.

Achieving near term production growth will improve cash flow at a time when we expect to begin investing significantly in our larger field developments.

Additionally, Det norske has an extensive exploration program scheduled for 2012, with firm plans for participation in 10 - 13 exploration wells.

Following the raising of a MUSD 500 corporate credit facility, and the conversion of MNOK 451.5 from debt to equity, the Board is satisfied with Det norske's financial position.

Det norske oljeselskap - group

STATEMENT OF INCOME (Unaudited)

(All figures in NOK 1,000)	Note	Q4 2011	Q4 2010	01.01. - 31.12 2011	01.01. - 31.12 2010
Petroleum revenues		89 172	98 699	361 774	362 115
Other operating revenues		3 212	819	10 332	3 855
Total operating revenues		**92 384**	**99 518**	**372 106**	**365 971**
Exploration expenses	2	105 329	656 841	1 012 191	1 777 337
Production costs		42 621	40 109	181 888	154 960
Payroll and payroll-related expenses		9 061	4 723	31 732	14 763
Depreciation	4	21 532	22 408	78 518	159 049
Net impairment losses	3	127 117	97 323	197 673	170 508
Other operating expenses		12 554	40 628	60 771	88 977
Total operating expenses		**318 214**	**862 031**	**1 562 774**	**2 365 593**
Operating profit/loss		**-225 830**	**-762 513**	**-1 190 668**	**-1 999 623**
Interest income	5	17 502	9 890	69 900	51 255
Other financial income	5	14 798	5 007	26 825	89 431
Interest expenses	5	66 920	68 615	273 824	218 647
Other financial expenses	5	6 808	11 586	23 111	105 844
Net financial items		**-41 429**	**-65 304**	**-200 209**	**-183 805**
Profit/loss before taxes		**-267 259**	**-827 817**	**-1 390 877**	**-2 183 427**
Taxes (+)/tax income (-)	6	-141 846	-496 723	-931 607	-1 493 075
Net profit/loss		**-125 413**	**-331 095**	**-459 270**	**-690 352**
Weighted average no. of shares outstanding		123 150 520	111 111 111	115 058 944	111 111 111
Weighted average no. of shares fully diluted		123 150 520	111 111 111	115 058 944	111 111 111
Earnings/(loss) after tax per share (adjusted for split)		-1,02	-2,98	-3,99	-6,21
Earnings/(loss) after tax per share (adjusted for split) fully diluted		-1,02	-2,98	-3,99	-6,21

TOTAL PROFIT/LOSS FOR THE PERIOD (Unaudited)

(All figures in NOK 1,000)	Q4 2011	Q4 2010	01.01. - 31.12 2011	01.01. - 31.12 2010
Profit/loss for the period	-125 413	-331 095	-459 270	-690 352
Total profit/loss for the period	**-125 413**	**-331 095**	**-459 270**	**-690 352**
Break-down of total profit/loss:				
Majority interests	-125 413	-331 095	-459 270	-690 352
Total profit/loss for the period	**-125 413**	**-331 095**	**-459 270**	**-690 352**

Det norske oljeselskap - group

STATEMENT OF FINANCIAL POSITION

(All figures in NOK 1,000)	Note	(Unaudited) **31.12.2011**	(Audited) **31.12.2010**
ASSETS			
Intangible assets			
Goodwill	4	525 870	596 506
Capitalised exploration expenditures	4	2 387 360	1 802 234
Other intangible assets	4	905 726	1 107 693
Tangible fixed assets			
Property, plant, and equipment	4	902 071	406 834
Financial fixed assets			
Other financial fixed assets		18 423	18 210
Long-term prepayments	7		106 269
Total fixed assets		**4 739 450**	**4 037 746**
Inventories			
Inventories		37 039	10 249
Receivables			
Trade receivables	11	146 188	60 719
Other short term receivables	8	532 538	448 221
Short-term deposits		21 750	22 568
Derivatives			6 033
Calculated tax receivables	6	1 397 420	2 344 753
Cash and cash equivalents			
Cash and cash equivalents	9	841 599	789 330
Total current assets		**2 976 534**	**3 681 872**
TOTAL ASSETS		**7 715 984**	**7 719 619**

Det norske oljeselskap - group

STATEMENT OF FINANCIAL POSITION

(All figures in NOK 1,000)	Note	(Unaudited) 31.12.2011	(Audited) 31.12.2010
EQUITY AND LIABILITIES			
Paid-in capital			
Share capital	10	127 916	111 111
Share premium		2 083 271	1 167 312
Other paid in capital			17 715
Total paid-in equity		**2 211 187**	**1 296 138**
Retained earnings			
Other equity		1 465 364	1 864 035
Total Equity		**3 676 551**	**3 160 174**
Provisions for liabilities			
Pension obligations		46 944	32 070
Deferred taxes		2 042 051	1 757 481
Abandonment provision		285 201	268 227
Deferred income and provisions for commitments		1 643	2 429
Non current liabilities			
Bonds	15	587 011	
Current liabilities			
Bonds	14		421 668
Short-term loan	12	379 550	1 110 652
Trade creditors		274 308	219 984
Accrued public charges and indirect taxes		18 568	20 013
Other current liabilities	13	404 156	726 921
Total liabilities		**4 039 432**	**4 559 446**
TOTAL EQUITY AND LIABILITIES		**7 715 984**	**7 719 619**

Det norske oljeselskap - group

STATEMENT OF CHANGES IN EQUITY (Unaudited)

(All figures in NOK 1,000)	Note	Share capital	Premium reserve	Other paid-in capital	Retained earning	Total equity
Equity as of 31.12.2009		**111 111**	**1 167 312**	**33 463**	**2 538 638**	**3 850 524**
Profit/loss for the period 01.01.2010-31.12.2010				-15 748	-674 604	-690 352
Equity as of 31.12.2010		**111 111**	**1 167 312**	**17 715**	**1 864 035**	**3 160 173**
Private placement		**11 111**	470 153			481 264
Conversion of bond to shares	14	**5 694**	445 806			451 500
Effect on equity related to the liquidation of subsidiary	17				42 884	42 884
Profit/loss for the period 01.01.2011-31.12.2011				-17 715	-441 555	-459 270
Equity as of 31.12.2011		**127 916**	**2 083 271**		**1 465 364**	**3 676 551**

Det norske oljeselskap - group

STATEMENT OF CASH FLOW (Unaudited)

(All figures in NOK 1,000)	Note	Q4 2011	Q4 2010	01.01-31.12. 2011	01.01-31.12. 2010
Cash flow from operating activities					
Profit/loss before taxes		-267 259	-827 817	-1 390 877	-2 183 427
Taxes paid during the period		-5 195		-5 489	-1 390
Tax refund during the period		2 323 865	2 048 448	2 323 865	2 048 448
Depreciation	4	21 532	22 408	78 518	159 049
Net impairment losses	3	127 117	97 653	197 673	160 488
Expensing of excess/shortfall value of purchase			-331		101 575
Reversal of tax item related to shorfall value of purchase price allocation (PPA)	2	-6 000	-52 406	-17 988	-79 259
Gain on sale of convertible bonds		-10 583		-10 583	
Losses on sale of license			19 724		19 724
Changes in derivatives			3 915	6 033	-27 838
Amortisation of interest expenses		11 161	7 767	59 438	51 518
Expensed capitalised dry wells	2, 4	-6 770	571 545	534 639	1 239 257
Changes in abandonment liabilities		4 459	3 244	17 009	12 358
Changes in inventories, accounts payable and receivables		100 462	90 761	-57 935	-51 264
Changes in net current capital and in other current balance sheet items		-343 487	-3 940	-281 653	82 533
NET CASH FLOW FROM OPERATING ACTIVITIES		**1 949 303**	**1 980 972**	**1 452 652**	**1 531 771**
Cash flow from investment activities					
Payment for removal and decommissioning of oil fields		-11	-765	-35	-765
Disbursements on investments in fixed assets	4	-215 762	-18 714	-388 160	-102 915
Disbursements on investments in capitalised exploration expenditures and other intangible assets	4	-85 753	-438 191	-1 440 812	-2 162 660
Sale of licenses		18 141	8 700	110 574	8 700
NET CASH FLOW FROM INVESTMENT ACTIVITIES		**-283 386**	**-448 970**	**-1 718 433**	**-2 257 640**
Cash flow from financing activities					
Sale of convertible bond		144 433		144 433	
Arrangement fee	15			-16 145	-61 350
Private placement		-50		481 164	
Repayment of loan		-2 406 000	-2 043 335	-2 539 850	-2 613 075
Short-term loan		600 000	200 000	2 248 448	2 615 338
NET CASH FLOW FROM FINANCING ACTIVITIES		**-1 661 617**	**-1 843 335**	**318 050**	**-59 088**
Net change in cash and cash equivalents		**4 301**	**-311 334**	**52 268**	**-784 957**
Cash and cash equivalents at start of period		837 298	1 100 663	789 330	1 574 287
CASH AND CASH EQUIVALENTS AT END OF PERIOD		**841 599**	**789 330**	**841 598**	**789 330**
Specification of cash equivalents at end of period:					
Bank deposits, etc.		828 772	775 924	828 772	775 924
Restricted bank deposits		12 827	13 405	12 827	13 405
CASH AND CASH EQUIVALENTS AT END OF PERIOD	9	**841 599**	**789 330**	**841 599**	**789 330**

NOTES

(All figures in NOK 1,000)

This interim report has been prepared in accordance with international standards for financial reporting (IFRS), issued by the board of IASB, and in accordance with IAS 34 "Interim financial reporting". The quarterly report is unaudited.

Note 1 Accounting principles

The accounting principles used for this interim report are in accordance with the principles used in the Financial statement for 2010. Note 1.37 to the annual accounts, stated that the company planned to implement some changes to the accounting standards as from 1. January 2011. Based on the company's activities, none of these have significant effect on the Financial statement for fourth quarter 2011.

Note 2 Exploration expenses

	Q4		01.01. - 31.12	
Specification of exploration expenses:	**2011**	**2010**	**2011**	**2010**
Seismic costs, well data, field studies and other exploration expenses	26 055	13 233	100 384	229 483
Recharged rig costs	1 734		-49 661	
Share of exploration expenses from license participation incl. seismic	69 520	91 469	267 291	318 350
Expensed capitalised wells previous years	5 473	10 536	13 675	20 355
Expensed capitalised wells this year	-12 242	561 010	520 965	1 218 902
Share of payroll and other operating expenses classified as exploration	11 384	33 070	142 926	108 561
Research and development costs related to exploration activities	9 406	-70	34 600	22 341
Rig contract warranty recognised in the income statement				-61 397
Reversal of tax item related to shorfall value of purchase price allocation	-6 000	-52 406	-17 988	-79 259
Total exploration expenses	**105 329**	**656 841**	**1 012 191**	**1 777 337**

Note 3 Impairments

An impairmenttest of goodwill and pertaining licences was carried out in the fourth quarter in accordance with the company's accounting principles. The test was carried out as of 31.12. Goodwill is capitalised as a consequence of the requirement in IFRS 3 to make provision for deferred tax in connection with a business combination, even if the transactions are made on an "after-tax" basis as a result of a section 10 decision in line with applicable petroleum taxation. The offsetting entry to deferred tax is goodwill.

The valuation unit used for assessment of impairment will depend on the lowest level at which it is possible to identify cash flows that are independent of cash flows from other groups of fixed assets. For oil and gas assets, this is carried out at the field or licence level. The loss in value for capitalised exploration costs is assessed for each well. Impairment are recognised when the book value of an asset or a cash flow-generating unit exceeds the recoverable amount. The recoverable amount is the higher of the asset's net sales value and utility value. In the assessment of the value in use, the expected future cash flow is discounted to the net present value by applying a discount rate before tax that reflects the current market valuation of the time value and the specific risk related to the asset.

For producing licenses and licenses in the development phase, recoverable amount is estimated based on discounted future after tax cash flows. Input to the calculations are reports from operators to the Revised National Budget 2012 (RNB). Future cash flows are calculated in the various licenses on the basis of expected production profiles and estimated proven and probable remaining reserves. The discount rate applied is 10.7 percent nominal after tax. The company has used a long term inflationary expectation of 2.5 percent, and a long term exchange rate expectation of NOK/USD 6.00.

The following oil price assumptions are applied:

Year	Average USD
2012	101,8
2013	98,6
2014	94,6
2015	90,8
2016	87,7
2017	84,9

Oil prices are based on forward curve, source: ICE Brent Crude 31.12.2011.

As of 31.12.2010 one of the company's producing fields was impaired. The impairment was mainly due to the increase in the estimate of the abandonment provision. An impairment has also been recorded as of 31.12.2011, mainly due to reduced estimate of reserves.

Based on the thorough evaluations, the following impairments have been accounted as of 31.12:

	Q4		01.01.-31.12.	
	2011	2010	2011	2010
Impairment of tangible fixed assets	30 308	37 949	30 308	37 949
Impairment of other intangible assets/licence rights	121 677	67 817	235 278	134 967
Impairment of capitalised expenditures				4 866
Impairment of goodwill	27 677	48 255	70 636	76 523
Impairment of deferred tax	-52 545	-56 698	-138 548	-83 798
	127 117	**97 323**	**197 673**	**170 508**

When a license is sold and the company previously has accounted for deferred taxes and goodwill from a business combination, both goodwill and deferred taxes will be included in the calculation of gains and losses. In assessing a potential writedown due to impairment, a similar assumption is made and goodwill and deferred taxes are evaluated together with the value of the corresponding license.

Note 4 Tangible assets and intangible assets

Tangible fixed assets	Fields under development	Production plant, including wells	Fixtures and fittings, office machinery etc.	Total
Balance-sheet value 31/12/10	**250 205**	**98 517**	**58 113**	**406 834**
Acquisition cost 31/12/2010	**250 205**	**432 090**	**90 291**	**772 586**
Additions	144 067	20 625	9 751	174 443
Disposals			981	981
Reclassification			-1 064	-1 064
Acquisition cost 30/09/2011	394 272	452 715	97 997	944 984
Accumulated depreciation and impairments 30/09/2011		365 793	46 472	412 265
Balance-sheet value 30/09/2011	**394 272**	**86 922**	**51 525**	**532 719**
Acquisition cost 30/09/2011	**394 272**	**452 715**	**97 997**	**944 984**
Additions	207 048	4 374	4 340	215 762
Reclassification	202 031			202 031
Acquisition cost 31/12/2011	803 352	457 089	102 337	1 362 778
Accumulated depreciation and impairments 31/12/2011		409 250	51 456	460 706
Balance-sheet value 31/12/2011	**803 352**	**47 839**	**50 881**	**902 071**

Depreciation Q4 2011		13 149	4 983	18 132
Depreciation 1.1.- 31.12.2011		45 369	19 280	64 649
Impairments in Q4 2011		30 308		30 308
Impairments 1.1 - 31.12.2011		30 308		30 308

Fields under development are reclassified and depreciated from start of production. Production facilities, including wells, are depreciated in accordance with the Unit of Production Method. Office machinery, fixtures and fittings etc. are depreciated using the straight-line method over their useful life, i.e. 3-5 years. Removal and decommisioning costs for production facilities are included in the table above.

Intangible assets	Other intangible assets	Software	Total	Exploration expenses	Goodwill
Balance-sheet value 31/12/10	**1 100 153**	**7 540**	**1 107 693**	**1 802 234**	**596 506**
Acquisition cost 31/12/2010	**1 565 439**	**40 710**	**1 606 149**	**1 802 234**	**1 006 347**
Additions	2 571	3 327	5 897	1 349 404	
Disposals	409 870	61	409 931	633 843	284 732
Reclassification	682	-182	500	-682	
Acquisition cost 30/09/2011	1 158 822	43 794	1 202 616	2 517 114	721 615
Accumulated depreciation and impairments 30/09/2011	175 306	37 351	212 657		168 069
Balance-sheet value 30/09/2011	**983 517**	**6 442**	**989 959**	**2 517 114**	**553 547**
Acquisition cost 30/09/2011	**1 158 822**	**43 794**	**1 202 616**	**2 517 114**	**721 615**
Additions	48 980	195	49 175	85 543	
Disposals	99 372		99 372	11 371	73 277
Reclassification	1 894		1 894	-203 925	
Acquisition cost 31/12/2011	1 110 325	43 989	1 154 313	2 387 360	648 338
Accumulated depreciation and impairments 31/12/2011	210 252	38 335	248 587		122 468
Balance-sheet value 31/12/2011	**900 072**	**5 654**	**905 726**	**2 387 360**	**525 870**

Depreciation Q4 2011	2 417	983			
Depreciation 1.1.- 31.12.2011	8 705	5 164			
Impairments in Q4 2011	121 677				27 677
Impairments 1.1 - 31.12.2011	235 278				70 636

Reconcilliation of depreciation in the income statement:	Q4 2011	01.01. - 31.12 2011
Depreciation of tangible fixed assets	18 132	64 649
Depreciation of intangible assets	3 400	13 870
Total depreciation in the income statement	**21 532**	**78 518**

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

Reconcilliation of write-downs in the income statement:	Q4 2011	01.01. - 31.12 2011
Impairment of tangible fixed assest	30 308	30 308
Impairment of intangible assets	121 677	235 278
Impairment of goodwill	27 677	70 636
Impairment of deferred tax related to impairment of goodwill	-52 545	-138 548
Total impairment in the income statement	**127 117**	**197 673**

Note 5 Financial items

	Q4		01.01. - 31.12	
	2011	2010	2011	2010
Interest income	**17 502**	**9 890**	**69 900**	**51 255**
Return on financial investments	10 583	518	10 731	1 093
Currency gains	4 215	4 489	16 094	51 395
Change in value of derivatives				36 944
Total other financial income	**14 798**	**5 007**	**26 825**	**89 431**
Interest expenses	61 287	63 502	219 913	198 197
Capitalizing interest costs Jette*	-5 528		-5 528	
Amortisation of loan costs	11 161	5 113	59 439	20 451
Sum rentekostnader	**66 920**	**68 615**	**273 824**	**218 647**
Currency losses	6 423	7 671	15 163	40 854
Expensed excess value, identified in connection with acquisition				60 555
Change in value of derivatives		3 915	6 983	3 915
Decline in value of financial investments	385		966	520
Total other financial expenses	**6 808**	**11 586**	**23 111**	**105 844**
Net financial items	**-41 429**	**-65 304**	**-200 209**	**-183 805**

* Capitalization rate 8,13%

Note 6 Taxes

	Q4		01.01. - 31.12	
Taxes for the period appear as follows:	**2011**	**2010**	**2011**	**2010**
Calculated tax receivable due to exploration-related costs	-161 857	-475 138	-1 397 420	-2 276 417
Estimated tax income as a result of discontinued business		-68 336		-68 336
Reversal of tax item related to shorfall value of purchase price allocation (PPA), accounted as exploration expenses	6 000	52 406	17 988	79 259
Changes in prior years tax returns	3 678	7 745	3 678	9 625
Change in deferred taxes	11 352	-13 397	444 872	803 929
Corrections of differences between financial statement and tax assessment per 01/01	-1 018		-724	
Tax on excess-/shortfall values expensed in the period				-41 135
Total taxes (+) / tax income (-)	**-141 846**	**-496 720**	**-931 607**	**-1 493 075**

A full tax calculation has been carried out in accordance with the accounting principles described in the annual report for 2010. The calculated tax receivable as a result of exploration activities in 2011 is recognised as a current assets in the balance sheet. The tax refund for this item is expected to be paid in December 2012.

Note 7 Pre-payments and chartering of drilling rig - long term

	31.12.2011	31.12.2010
Pre-payments relating to upgrades, rig intake and mobilisation		157 112
Shortfall value of rig charterparties in connection with acquisition		-50 843
Total pre-payments and chartering of drilling rigs		

Det norske oljeselskap ASA has signed a charterparty for a sixth generation drilling rig (Transocean Barents) for a fixed period of three years with an option to extend the charter period by up to two years. The charter period started to run in July 2009. In Q3 2010 the company signed a new lease agreement for two more years, with an option for an additional period of two years. The charterparty is classified as an operational lease.

Pre-paid mobilisation expenses and investments in the rig will be amortised over the three-year charter period. The agreed rig rate on the contract date was USD 520,000 per day, including operating expenses of NOK 900,000, which will be adjusted for inflation during the charter period. Rig costs are charged to income on a running basis and reversed when invoicing the licences that use the rig.The group has split these costs into a long-term and a short-term component, according to when the licences will be invoiced. The long-term component is described in this note, while the short-term component is described in Note 8.

Note 8 Other short-term receivables

	31.12.2011	31.12.2010
Pre-payments, including rigs	53 405	47 446
VAT receivable	9 314	15 113
Underlift (recognised income)	44 028	19 839
Guarantee account, unsecured pension scheme		6 356
Other receivables, including operator licences	312 763	202 942
Pre-payments relating to upgrades, rig intake and mobilisation	155 189	240 878
Shortfall value of rig charterparties in connection with acquisition	-42 160	-84 353
Total pre-payments, Aker Barents	*113 029*	*156 525*
Total other short-term receivables	**532 538**	**448 221**

Note 9 Cash and cash equivalents

The item 'Cash and cash equivalents' consists of bank accounts and short-term investments that constitute parts of the company's transaction liquidity.

Specification of cash and cash equivalents:	31.12.2011	31.12.2010
Cash	2	21
Bank deposits	828 771	775 903
Restricted funds (tax withholdings)	12 827	13 405
Total cash and cash equivalents	**841 599**	**789 330**
Unused revolving credit facility, exploration facility loan	903 094	946 166

Note 10 Share capital

	31.12.2011	31.12.2010
Share capital	127 916	111 111
Total number of shares (in 1.000)	127 916	111 111
Nominal value per share in NOK	1,00	1,00

Det norske oljeselskap ASA has completed a NOK 489 million private placement directed towards Norwegian and International investors. The private placement is equal to 10 percent of the shares in Det norske. The net flow of MNOK 481 after flotation costs, is added to Det norske. After the private placement increases the number of shares in Det norske to 122,222,222. In fourth quarter the unsecured convertible bond AKX01 was converted to equity, cf. note 14. After the convertion the number of share rose to 127,915,786.

Note 11 Accounts receivables

	31.12.2011	31.12.2010
Receivables related to sale of oil and gas	32 292	41 626
Invoicing related to rigs etc.	112 641	19 876
Unrealized exchange rate losses	1 254	-784
Total account receivable	**146 188**	**60 719**

Note 12 Short-term loans

	31.12.2011	31.12.2010
Exploration facility in DnB NOR	400 000	1 151 552
Accrued loan costs	-20 450	-40 900
Total short-term loans	**379 550**	**1 110 652**

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

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

For information about the unused part of the credit facility for exploration purposes, see Note 9 - "Cash and cash equivalents".

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

Note 13 Other current liabilities

	31.12.2011	31.12.2010
Current liabilities related to overcall in licences	60 731	203 588
Share of other current liabilities in licences	155 766	265 004
Other current liabilities	187 658	258 329
Total other current liabilities	**404 156**	**726 921**

Note 14 Convertible bond

	31.12.2011	31.12.2010
Principal, convertible loan Norsk Tillitsmann	457 500	457 500
Equity part of convertible loan on initial inclusion	-98 991	-98 991
Accumulated amortisation of equity part of convertible loan	98 991	74 388
Excess value on acquisition		-11 228
Payment of loan	-6 000	
Converted to share's	-451 500	
Total long-term convertible bond		**421 668**

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

Note 15 Bond

	31.12.2011	31.12.2010
Principal, new bond Norsk Tillitsmann	600 000	
Establishment costs	-16 145	
Amortisation of establishment costs	3 156	
Total bond	**587 011**	

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

Note 16 Uncertain commitments

There is a disagreement between the partners in one of the company's operating licenses, related to the cost of drilling an exploration well. Det norske disagrees with the presented claim, and has not made provision in the accounts of this controversy.

During the normal course of its business, Det norske oljeselskap ASA will be involved in disputes, and there are currently some unresolved claims. The Group has provided accruals in its financial statements for probable liabilities related to litigation and claims based on the Group's best judgement. Det norske does not expect that the financial position, results of operations or cash flows will be materially affected by the resolution of these disputes.

Note 17 Effect on equity related to the liquidation of subsidiary

The parent company has in fourth quarter liquidated its subsidiary Det norske oljeselskao AS, and due to this the group ceases to exist. This causes a positive effect on the financial statement regarding the company’s equity and other intangible assets with NOK 42,9 million.

Note 18: Investments in jointly controlled assets

Operatorships:

Licence	31.12.2011	31.12.2010
PL 001B	35,0 %	35,0 %
PL 027D	60,0 %	60,0 %
PL 028B	35,0 %	35,0 %
PL 103B	70,0 %	70,0 %
PL 169C	70,0 %	70,0 %
PL 242	35,0 %	35,0 %
PL 337	45,0 %	45,0 %
PL 341	30,0 %	30,0 %
PL 356	60,0 %	60,0 %
PL 364	50,0 %	50,0 %
PL 369*	0,0 %	60,0 %
PL 414	40,0 %	40,0 %
PL 447*	0,0 %	80,0 %
PL 450	75,0 %	75,0 %
PL 460	100,0 %	100,0 %
PL 463S*	0,0 %	100,0 %
PL 468	95,0 %	95,0 %
PL 468B**	95,0 %	0,0 %
PL 476*	0,0 %	40,0 %
PL 482	65,0 %	65,0 %
PL 491*	0,0 %	50,0 %
PL 497	35,0 %	35,0 %
PL 497B	35,0 %	35,0 %
PL 500	35,0 %	35,0 %
PL 504	58,5 %	58,5 %
PL 504BS	58,5 %	58,5 %
PL 512	30,0 %	30,0 %
PL 542	60,0 %	60,0 %
PL 548S	40,0 %	40,0 %
PL 549S	35,0 %	35,0 %
PL 553	40,0 %	40,0 %
PL 573S**	35,0 %	0,0 %
PL 593**	60,0 %	0,0 %
Number	28	30

Partner-operated:

Licence	31.12.2011	31.12.2010
PL 028S	40,0 %	40,0 %
PL 029B	20,0 %	20,0 %
PL 035	25,0 %	25,0 %
PL 035B	15,0 %	15,0 %
PL 038	5,0 %	5,0 %
PL 038D	30,0 %	30,0 %
PL 048B	10,0 %	10,0 %
PL 048D	10,0 %	10,0 %
PL 102C	10,0 %	10,0 %
PL 265	20,0 %	20,0 %
PL 272	25,0 %	25,0 %
PL 283*	0,0 %	25,0 %
PL 332	40,0 %	40,0 %
PL 362	15,0 %	15,0 %
PL 392	10,0 %	10,0 %
PL 416	15,0 %	15,0 %
PL 438****	10,0 %	0,0 %
PL 440S	10,0 %	10,0 %
PL 442	20,0 %	20,0 %
PL 451*	0,0 %	40,0 %
PL 453S	25,0 %	25,0 %
PL 462S*	0,0 %	30,0 %
PL 469*	0,0 %	25,0 %
PL 485*	0,0 %	15,0 %
PL 490	0,0 %	30,0 %
PL 492	30,0 %	30,0 %
PL 494	30,0 %	30,0 %
PL 494B**	30,0 %	0,0 %
PL 502	22,2 %	22,2 %
PL 508S	30,0 %	30,0 %
PL 522****	10,0 %	20,0 %
PL 523	20,0 %	20,0 %
PL 533	20,0 %	20,0 %
PL 535	0,0 %	20,0 %
PL 538	30,0 %	30,0 %
PL 554****	20,0 %	40,0 %
PL 554B**/****	20,0 %	0,0 %
PL 558	20,0 %	20,0 %
PL 561	20,0 %	20,0 %
PL 563	30,0 %	30,0 %
PL 567**	40,0 %	0,0 %
PL 568**	20,0 %	0,0 %
PL 571**	40,0 %	0,0 %
PL 613***	35,0 %	0,0 %
Number	37	37

* Relinquished license

** Annual licencing round, APA 2010. The formal transaction took place in January 2011

*** Annual licensing round, 21. round

**** License transactions

Det norske will withdraw from licenses PL 500 and PL 028S. License PL 468 og PL 468B is applied relinquished. Det norske has enteres into farm-out agreement with North Energy to acquire 15% in PL 450.

In the annual licensing round, APA 2011, Det norske was offered operatorship in PL 659 (30%), 626 (50%) and PL 414B (40%). As partner, Det norske has been awarded interest in PL 652 (20%), PL 627 (20%), PL 619 (30%), PL 494C (30%), PL 102D (10%) og PL 035C (25%). The formal transaction took place in January 2012.

Det norske oljeselskap - group

Note 19 Results from previous interim reports

	2011				2010				2009
	4Q	3Q	2Q	1Q	4Q	3Q	2Q	1Q	4Q
Operating revenues	**92 384**	**81 843**	**96 293**	**101 586**	**99 518**	**80 643**	**88 671**	**97 138**	**73 714**
Exploration expenses	105 329	119 927	177 791	609 143	656 841	209 065	367 219	544 211	409 945
Production costs	42 621	42 894	52 336	44 037	40 109	36 505	38 035	40 311	31 220
Payroll and payroll-related expenses	9 061	5 905	10 133	6 634	4 723	7 548	1 412	1 080	-4 054
Depreciation and amortisation	21 532	17 044	20 618	19 324	22 408	41 749	44 121	50 772	16 587
Write-downs	127 117		28 045	42 511	97 323	24 442	32 748	15 995	213 304
Other operating expenses	12 554	14 785	15 222	18 210	40 628	14 447	14 476	19 426	32 903
Operating expenses	**318 214**	**200 555**	**304 146**	**739 859**	**862 032**	**333 756**	**498 011**	**671 795**	**699 905**
Operating profit/loss	**-225 830**	**-118 712**	**-207 853**	**-638 273**	**-762 514**	**-253 113**	**-409 340**	**-574 657**	**-626 193**
Net financial items	-41 429	-36 239	-51 758	-70 784	-65 304	-55 696	7 952	-70 757	5 164
Pre-tax profit/loss	**-267 259**	**-154 951**	**-259 611**	**-709 057**	**-827 818**	**-308 808**	**-401 387**	**-645 414**	**-621 029**
Taxes	-141 846	-114 957	-217 450	-457 354	-496 723	-228 684	-296 566	-471 102	-241 725
Net profit/loss	**-125 413**	**-39 993**	**-42 161**	**-251 703**	**-331 095**	**-80 124**	**-104 821**	**-174 312**	**-379 304**


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