

DET NORSKE

Report Q3 2012

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Table of contents

Summary	3
Summary of financial results and operating performance	3
Production per field	4
Field performance and oil prices	4
Health, safety and the environment	4
Projects	4
Exploration activity	5
Business development	5
Financials	6
Events after the quarter	6
Outlook	6
Financial Statements	9

Summary

Contingent resources grew significantly in the third quarter as a result of the Geitungen oil discovery, which is believed to be an extension to the Johan Sverdrup field. The operator's resource estimate for this new discovery is between 140 and 270 million barrels of recoverable oil.

Good progress has been made on the Ivar Aasen project. The Environmental Impact Assessment was published in September and a Plan for Development and Operation (PDO) is scheduled to be submitted in December this year.

As a result of the previously reported drilling challenges on the Jette development project, a revised development plan was outlined in August. The plan has been executed. A reduction in drainage area has led to that the estimated recoverable reserves have been reduced, while capital costs have been increased. This has resulted in a pre tax non-cash impairment in the third quarter of NOK 1 881 million, which translates into a net after tax impact of NOK 477 million.

Key events in the third quarter 2012

- **August 13th**: The Ulvetanna exploration well in PL 356 was announced to be dry.
- **August 27th**: A large oil discovery on the Geitungen prospect in PL 265 was announced.
- **September 7th**: Det norske reported indications of hydrocarbons in the Garantiana prospect in PL 554. The preliminary results from the production tests of the discovery show an oil rate of around 4 000 barrels per day.
- **September 7th**: A gas discovery was announced on the Salina prospect in PL 533, located south of the Skrugard discovery in the Barents Sea. Preliminary volume estimates indicate that the discovery is too small to be commercially viable given the current infrastructure in the Barents Sea.
- **September 21st**: Det norske published the Environmental Impact Assessment report for Ivar Aasen as part of the compulsory consultation procedure that must be carried out prior to submitting of a Plan for Development and Operations (PDO) to the Norwegian authorities.

Summary of financial results and operating performance

MNOK= NOK million	Q3 12	Q2 12	Q1 12	Q4 11	Q3 11	1Q-3Q12	1Q-3Q 11
Oil and gas production (Kboe)	72	95	123	138	120	290	410
Oil price achieved (USD/barrel)	111	107	121	111	115	115	112
Operating revenues (MNOK)	49	70	97	92	82	216	280
Cash flow from production	2	22	50	47	36	74	134
Exploration expenses (MNOK)	403	417	595	105	120	1 414	907
Total exploration expenditures (profit & loss and balance sheet)	536	189	555	178	548	1 280	1 636
Operating profit/loss (MNOK)	-2 318	-571	-596	-226	-119	-3 485	-965
Profit/loss for the period (MNOK)	-589	-217	-104	-125	-40	-910	-334
No of licences (operatorships)	67(26)	70 (27)	65 (28)	67 (28)	73 (30)	67(26)	73 (30)

Production per field

Barrels of oil equivalent per day	Share	Q3 12	Q2 12	Q1 12	Q4 11	Q3 11	2011	2010
Varg	5 %	481	556	801	885	701	846	1,240
Glitne	10 %	95	243	286	326	301	329	440
Enoch	2 %	0	0	15	46	41	48	80
Jotun Unit	7 %	206	243	251	237	266	281	332
Total production		782	1,042	1,352	1,495	1,309	1,505	2,092

Field performance and oil prices

Det norske produced 71 978 (120 438) barrels of oil equivalent in the third quarter, corresponding to 782 (1 309) barrels of oil equivalent per day (boepd). The decline relative to the second quarter was caused by a reduction in the number of producing wells on Glitne and scheduled maintenance work on the Jotun field.

On average, the realised oil price was USD 111 (USD 115) per barrel. This compares to the average market price for Brent crude in the third quarter of USD 110 (USD 113) per barrel.

Although production from Varg is in decline, it continues to produce better than expected. The jack up drilling rig Rowan Stavanger arrived at the field in September. The rig has started on a new infill drilling campaign that will comprise two or possibly three new production wells.

Glitne saw a sharp decline in production from the second quarter, as only two production wells were onstream, A-1 and A-3. Well A-4, which has the best potential, remains shut-in as the operational life of some of the equipment has come to an end.

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

Production from the Jotun field was stable during July and August, but reduced in September due to scheduled maintenance.

Health, safety and the environment

The main offshore activities operated by Det norske during the quarter were the drilling of production wells on Jette and exploration drilling on the Ulvetanna prospect in PL 356 and the Geite prospect in PL 497.

The company recorded one high potential accident related to pressure testing of Blow-Out Preventor at Ulvetanna. This incident has been

investigated and corrective actions have been identified and implemented.

Projects

Johan Sverdrup – PL 265 (20 % partner)

In August a large oil discovery was made on the Geitungen prospect on the Utsira High in the North Sea. The operator, Statoil, has estimated recoverable resources for this discovery to be between 140 and 270 mmboe, yielding a mid-point estimate of 205 mmboe. Exploration well 16/2-12, proved a 35 metre oil column in a high quality reservoir dating from the Jurassic age.

Based on the operator's volume estimate of 140 to 270 million barrels, Geitungen is a large discovery in its own right and, given its location, will be developed as part of the Sverdrup field.

Currently, the semi-submersible rig Ocean Vanguard is drilling an appraisal well (16/2-14) on the Espevær high segment. Two additional appraisal wells are planned in PL 265, one on Kvitsøy high and another well near the western basement boundary fault. An additional exploration well will be drilled in PL 502 where Det norske is a 22 percent partner.

The Johan Sverdrup field extends over both PL 265 and PL 501. Before the discovery at Geitungen, reserves were estimated at between 900 and 1 500 mmboe, with a mid-point estimate of 1 200 mmboe.

Det norske holds 20 percent in PL 265. Statoil has been appointed the pre-unit operator and a unitisation agreement is expected to be in place before the partners submit a PDO to Norwegian authorities before the end of 2014.

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

The Ivar Aasen project is scheduled for PDO submission in the fourth quarter this year. During the third quarter, Det norske published the

Environmental Impact Assessment report for the development as part of the consultation procedure prior to submittal of the PDO. In this report, the development costs of the field are estimated to be NOK 24.3 billion (100 percent), of which approximately 75 percent will take place before first oil. This estimate will be subject to a final risk assessment prior to the PDO submission.

Front End Engineering Design (FEED) for Engineering, Procurement and Construction (EPC) of the platform topside is being performed by Aker Solutions. Kvaerner and Heerema have carried out a FEED study for the jacket, while IKM Ocean Design has undertaken the FEED work on the pipeline project.

Tenders for the topside, jacket and transportation and heavy lift, will be received this year. Det norske plans to issue Letter of Intent before year end, with final awards for the main contracts to follow in 2013.

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

The Norwegian authorities have approved the license transaction with Petoro, which has reduced Det norske's ownership from 88 percent to 70 percent in the field.

The company experienced technical challenges with the completion of the first production well due to well bore instability in the complex reservoir section. As a result, the company revised the development drilling plan. The original plan was to drill one long horizontal well into the southern segment and another well in the northern segment. The revised plan, announced in August, was to drill two shorter horizontal wells into the southern segment. These wells have been drilled and sand screens covering respectively 600 meter and 1200 meter have been installed. These two wells are expected to recover between five and nine mmbbl. The northern segment, which was in the original plan, may drain another 4-6 mmbbl in a potential later IOR project. Higher drilling costs, in combination with the reduction in estimated recoverable reserves, have reduced the profitability of the field. Consequently, Det norske has performed an impairment assessment and has recorded an impairment charge in the third quarter of NOK 1 881 million before tax. The net after tax effect of this charge is NOK 477 million.

Despite these challenges, the Jette field is still expected to commence production by the end of the first quarter 2013.

Atla - PL 102C (10 % partner)

Good progress has been made on the Atla field, and final commissioning and testing was conducted during the quarter. The gas field came onstream on October 7th 2012 (see Events after the quarter).

Dagny Unit - PL 029B

The Dagny field extends into PL 029B, where Det norske holds a 20 percent interest. Det norske's net share in the field will be determined under a unit agreement and negotiations are ongoing.

Exploration activity

PL 265 Geitungen (20 % partner)

See Johan Sverdrup under Projects.

PL 554 Garantiana (20 % partner)

In September, Det norske announced that hydrocarbons had been encountered in the Total-operated Garantiana prospect.

PL 533 Salina (20 % partner)

On September 7th, Det norske announced a gas discovery in the Salina prospect in PL 533, operated by Eni. Well 7220/10-1 confirmed the existence of gas in two reservoir units; in the Cretaceous Knurr formation, and in the Jurassic Stø formation. The operator's estimate of recoverable gas volumes is between six and eight billion cubic meters (40-50 mmbbl). Due to lack of existing infrastructure for gas processing and transportation in the Barents Sea, these volumes are not considered to be commercially viable by Det norske.

Business development

As part of a continuous program to high-grade its exploration portfolio, Det norske relinquishes, and farms in and out of licenses on a regular basis. During the third quarter, Det norske farmed out 10 percent of PL 492 to Noreco. This agreement is pending final approval by Norwegian authorities. As already mentioned, Det norske transferred 18 percent of the Jette development to Petoro during the quarter.

Financials

Third quarter accounts

Operating revenues in the third quarter fell to NOK 49 million from NOK 82 million in the same quarter in 2011, due to reduced production. The realised oil price for the third quarter was USD 111 per barrel (USD 115 per barrel), representing a decrease of 3 percent relative to the same period last year. Production fell by 40 percent from 1 309 boepd in the third quarter 2011, down to 782 boepd this quarter.

The company generated an operating loss of NOK 2 318 million (NOK 119 million). This was mainly due to the impairment charge of NOK 1 881 million related to the Jette field. In addition, exploration expenses amounted to NOK 403 million (NOK 120 million) and were mainly related to dry wells on Ulvetanna, Salina and Geite. The loss for the period was NOK 589 million (NOK 40 million) after a tax income of NOK 1 775 million (NOK 115 million), whereof NOK 1 404 million relates to the impairment charge on the Jette field.

Total assets amounted to NOK 8 228 million (NOK 9 556 million). Non-current assets decreased to NOK 5 294 million from NOK 5 847 million the same quarter last year, mainly due to the impairment charge on Jette, which was only partially offset by investments in development projects of NOK 1 043 million. Of this, tax receivables for disbursement in December 2013 amount to NOK 988 million (NOK 1 236 million). The book value of the company's liquid assets was NOK 734 million (NOK 837 million) as of September 30th. Tax receivables for disbursement in December 2012 amount to NOK 1 427 million (NOK 2 378 million).

During the quarter, the company drew down NOK 771 million from its loan facilities. Deferred taxes were reduced by NOK 1 404 million due to tax effects related to the Jette impairment charge. Total equity at the end of the third quarter was NOK 2 767 million (NOK 3 308 million), and the company's equity ratio was 34 percent (35 percent).

Net cash flow from operational activities amounted to NOK -65 million (NOK 165 million). Net cash flow from investment activities in the third quarter amounted to NOK -1 086 million (NOK -575 million), largely as a result of exploration expenses and investments in fields

under development. This was only partially offset by the reduction from 88 to 70 percent in the Jette field. Net cash flow from financing activities in the third quarter totalled NOK 771 million (NOK 481 million) and reflects the increased utilization of the company's exploration facility and revolving credit facility.

Tax and other

During the second quarter, the company announced that it had received a notice of reassessment from the Norwegian Oil Taxation Office (OTO) in respect of 2009 and 2010. At the end of the third quarter, the company responded to the notice of reassessment by submitting detailed comments.

Financing considerations

After the close of the quarter, the company has received commitments for a renewed exploration facility. Closing is pending final documentation and signing of loan documents. This is expected within November.

Events after the quarter

On 31st of October, it was announced that CEO Erik Haugane will resign from his position during 2013.

In October, Det norske reported that the Geite exploration well 7/11-13 in PL 497 was dry.

Production of gas and condensate from Atla commenced on October 7th. Initial production from the well has been good.

Also in October, the preliminary results from the production tests of the Garantiana discovery showed an oil rate of 4 050 barrels per day. The license has decided to drill a sidetrack down the flank of the structure to find the oil-water contact. Resource volume estimates are pending further analyses of the results.

In October, Det norske announced that core samples from the Espevær High in PL 265 had been recovered, containing oil.

Outlook

Over the next few months, Det norske will receive results from further appraisal drilling on Johan Sverdrup. This should provide information that will lead to greater precision on the recoverable reserves of the field. The results from the Geitungen discovery are positive for the

company and are expected to add significant value to the company and its shareholders.

The company is continuously high grading its exploration portfolio and plans to participate in about ten exploration wells next year.

After a year of decline in production, output is set to grow following completion of the Atla development where higher than expected initial rates have been recorded. Jette is expected to come on stream early next year, albeit at a lower rate than initially expected and the revised development plan for the field has resulted in additional development expenditure. The Board is monitoring the progress of this development closely.

Det norske has a significant investment program ahead, including large development projects such as Ivar Aasen and Johan Sverdrup. The Board is confident that these projects will create significant value for the shareholders.

Det norske oljeselskap

STATEMENT OF INCOME (Unaudited)

(All figures in NOK 1,000)	Note	Q3 2012	2011	01.01. - 30.09	
				2012	2011
Petroleum revenues		47 534	79 118	211 147	272 602
Other operating revenues		1 480	2 725	4 500	7 120
Total operating revenues		49 014	81 843	215 647	279 722
Exploration expenses	2	402 635	119 927	1 414 390	906 862
Production costs		45 515	42 894	136 935	139 267
Payroll and payroll-related expenses		1 280	5 905	10 733	22 672
Depreciation	3	15 056	17 044	55 182	56 986
Net impairment losses	3,4	1 880 953		2 022 497	70 556
Other operating expenses		21 140	14 785	60 804	48 217
Total operating expenses		2 366 579	200 555	3 700 541	1 244 560
Operating profit/loss		-2 317 565	-118 711	-3 484 894	-964 838
Interest income	5	10 594	21 568	41 367	52 399
Other financial income	5	25 291	7 881	41 731	12 028
Interest expenses	5	31 277	63 732	93 166	206 904
Other financial expenses	5	50 392	1 956	82 074	16 303
Net financial items		-45 784	-36 239	-92 142	-158 780
Profit/loss before taxes		-2 363 349	-154 950	-3 577 036	-1 123 618
Taxes (+)/tax income (-)	6	-1 774 462	-114 957	-2 667 049	-789 761
Net profit/loss		-588 887	-39 992	-909 987	-333 857
Weighted average no. of shares outstanding		127 915 786	114 734 299	127 915 786	112 332 112
Weighted average no. of shares fully diluted		127 915 786	114 734 299	127 915 786	112 332 112
Earnings/(loss) after tax per share		-4,60	-0,35	-7,11	-2,97
Earnings/(loss) after tax per share fully diluted		-4,60	-0,35	-7,11	-2,97

TOTAL PROFIT/LOSS FOR THE PERIOD (Unaudited)

(All figures in NOK 1,000)	Q3	01.01. - 30.09		
	2012	2011	2012	2011
Profit/loss for the period	-588 887	-39 992	-909 987	-333 857
Total profit/loss for the period	-588 887	-39 992	-909 987	-333 857
Break-down of total profit/loss:				
Majority interests	-588 887	-39 992	-909 987	-333 857
Total profit/loss for the period	-588 887	-39 992	-909 987	-333 857

Det norske oljeselskap

STATEMENT OF FINANCIAL POSITION

(All figures in NOK 1,000)	Note	(Unaudited)		(Audited)
		30.09.2012	30.09.2011	31.12.2011
ASSETS				
Intangible assets				
Goodwill	3	388 879	553 547	525 870
Capitalised exploration expenditures	3	1 995 280	2 517 114	2 387 360
Other intangible assets	3	676 698	989 960	905 726
Tangible fixed assets				
Property, plant, and equipment	3	1 077 996	532 719	902 071
Financial assets				
Calculated tax receivables	6	987 944	1 235 563	
Other financial fixed assets		166 911	18 174	18 423
Total non-current assets		5 293 708	5 847 075	4 739 450
Inventories				
Inventories		39 244	37 474	37 039
Receivables				
Trade receivables	11	74 164	52 275	146 188
Other short term receivables	7	636 869	381 303	532 538
Short-term deposits		22 750	22 135	21 750
Calculated tax receivables		1 426 905	2 377 990	1 397 420
Cash and cash equivalents				
Cash and cash equivalents	8	733 957	837 298	841 599
Total current assets		2 933 889	3 708 475	2 976 534
TOTAL ASSETS		8 227 597	9 555 550	7 715 984

Det norske oljeselskap

STATEMENT OF FINANCIAL POSITION

(All figures in NOK 1,000)	Note	(Unaudited)		(Audited)
		30.09.2012	30.09.2011	31.12.2011
EQUITY AND LIABILITIES				
Paid-in capital				
Share capital	9	127 916	122 222	127 916
Share premium		2 083 271	1 637 415	2 083 271
Other paid in capital			3 385	
Total paid-in equity		2 211 187	1 763 022	2 211 187
Retained earnings				
Other equity		555 377	1 544 507	1 465 364
Total Equity		2 766 564	3 307 529	3 676 551
Provisions for liabilities				
Pension obligations		56 713	42 801	46 944
Deferred taxes		140 101	2 104 089	2 042 051
Abandonment provision		432 889	280 752	285 201
Deferred income and provisions for commitments		1 192	1 841	1 643
Non current liabilities				
Bonds	15	585 114	586 461	587 011
Other interest-bearing debt	16	796 028		
Derivatives	10	44 179		
Current liabilities				
Bonds	14		318 152	
Short-term loan	12	1 794 887	2 174 438	379 550
Trade creditors		507 266	80 368	274 308
Accrued public charges and indirect taxes		13 649	15 516	18 568
Other current liabilities	13	1 089 014	643 603	404 156
Total liabilities		5 461 032	6 248 021	4 039 432
TOTAL EQUITY AND LIABILITIES		8 227 597	9 555 550	7 715 984

Det norske oljeselskap

STATEMENT OF CHANGES IN EQUITY (Unaudited)

(All figures in NOK 1,000)	Share capital	Premium reserve	Other paid-in capital	Retained earning	Total equity
Equity as of 31.12.2010	111 111	1 167 312	17 715	1 864 035	3 160 173
Profit/loss for the period 01.01.2011 - 30.09.2011			-14 330	-319 527	-333 857
Private placement	11 111	470 153			481 264
Equity as of 30.09.2011	122 222	1 637 465	3 385	1 544 507	3 307 579
Conversion of bond to shares	5 694	445 806			451 500
Effect on equity related to the liquidation of subsidiary				42 884	42 884
Profit/loss for the period 01.07.2011 - 31.12.2011			-3 385	-122 028	-125 413
Equity as of 31.12.2011	127 916	2 083 271		1 465 364	3 676 551
Profit/loss for the period 01.01.2012 - 30.09.2012				-909 987	-909 987
Equity as of 30.09.2012	127 916	2 083 271		555 377	2 766 564

Det norske oljeselskap

STATEMENT OF CASH FLOW (Unaudited)

(All figures in NOK 1,000)	Note	Q3 2012	Q3 2011	01.01-30.09.		01.01-31.12. 2011
				2012	2011	
Cash flow from operating activities						
Profit/loss before taxes		-2 363 349	-154 951	-3 577 036	-1 123 618	-1 390 877
Taxes paid during the period			-294		-294	-5 489
Tax refund during the period						2 323 865
Depreciation	3	15 056	17 044	55 182	56 986	78 518
Net impairment losses	3,4	1 880 953		2 022 497	70 556	197 673
Reversal of tax item related to shortfall value of purchase price allocation (PPA)	2	-15 000		-57 000	-11 988	-17 988
Gain on sale of convertible bonds						-10 583
Losses on sale of license		9 277		15 961		
Changes in derivatives	10	29 074		43 673	6 033	6 033
Amortization of interest expenses and arrangement fee		11 306	7 979	24 813	48 278	59 438
Expensed capitalized dry wells	2,3	320 496	35 660	990 056	541 409	534 640
Changes in abandonment liabilities		78 237	4 248	160 999	12 550	17 009
Changes in inventories, accounts payable and receivables		343 878	101 698	302 776	-158 397	-57 935
Changes in net current capital and in other current balance sheet items		-374 960	153 673	417 632	61 835	-281 653
NET CASH FLOW FROM OPERATING ACTIVITIES		-65 032	165 058	399 553	-496 650	1 452 652
Cash flow from investment activities						
Payment for removal and decommissioning of oil fields		-13 160	-13	-13 310	-24	-35
Disbursements on investments in fixed assets	3	-1 042 713	-110 167	-2 285 183	-173 816	-388 160
Disbursements on investments in capitalised exploration expenditures and other intangible assets	3	-439 174	-476 178	-805 118	-1 272 090	-1 440 812
Sale of licenses		408 627	10 883	411 761	10 883	110 574
NET CASH FLOW FROM INVESTMENT ACTIVITIES		-1 086 420	-575 475	-2 691 850	-1 435 048	-1 718 433
Cash flow from financing activities						
Sale of convertible bond						144 433
Arrangement fee	16			-85 294	-16 145	-16 145
Private placement			481 214		481 214	481 164
Repayment of short-term debt	12			-200 000	-133 850	-2 539 850
Proceeds from issuance of long-term debt	16	570 785		869 950		
Proceeds from issuance of short-term debt	12	200 000		1 600 000	1 648 448	2 248 448
NET CASH FLOW FROM FINANCING ACTIVITIES		770 785	481 214	2 184 656	1 979 666	318 050
Net change in cash and cash equivalents		-380 667	70 796	-107 641	47 968	52 270
Cash and cash equivalents at start of period		1 114 624	766 502	841 599	789 330	789 330
CASH AND CASH EQUIVALENTS AT END OF PERIOD		733 957	837 298	733 957	837 298	841 599
Specification of cash equivalents at end of period:						
Bank deposits, etc.		724 595	825 864	724 595	825 864	828 772
Restricted bank deposits		9 361	11 433	9 361	11 433	12 827
CASH AND CASH EQUIVALENTS AT END OF PERIOD	8	733 957	837 298	733 957	837 298	841 599

Det norske oljeselskap

NOTES

(All figures in NOK 1,000)

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

Note 1 Accounting principles

The accounting principles used for this interim report are in accordance with the principles used in the Financial statement for 2011.

Note 2 Exploration expenses

Specification of exploration expenses:	Q3		01.01. - 30.09	
	2012	2011	2012	2011
Seismic costs, well data, field studies and other exploration expenses	69 714	18 255	260 092	86 317
Recharged rig costs	-11 322	-52 830	29 204	-63 383
Share of exploration expenses from license participation incl. seismic	760	71 313	102 048	197 771
Expensed capitalized wells previous years	12 576		250 567	8 202
Expensed capitalized wells this year	307 920	35 660	739 490	533 207
Share of payroll and other operating expenses classified as exploration	32 756	37 908	73 514	131 542
Research and development costs related to exploration activities	5 230	9 621	16 475	25 194
Reversal of tax item related to shortfall value of purchase price allocation	-15 000		-57 000	-11 988
Total exploration expenses	402 635	119 927	1 414 390	906 862

Note 3 Tangible assets and intangible assets

Tangible fixed assets	Production facilities			Total
	Fields under development	including wells	Fixtures and fittings, office machinery etc.	
Balance-sheet value 31/12/11	803 352	47 839	50 881	902 071
Acquisition cost 31/12/2011	803 352	457 089	102 337	1 362 778
Additions	1 111 034	124 696	6 741	1 242 470
Reclassification	200 926			200 926
Acquisition cost 30/06/2012	2 115 312	581 785	109 078	2 806 175
Accumulated depreciation and impairments 30/06/2012		478 669	60 408	539 077
Balance-sheet value 30/06/2012	2 115 312	103 116	48 670	2 267 097
Acquisition cost 30/06/2012	2 115 312	581 785	109 078	2 806 175
Additions	968 437	66 974	7 302	1 042 713
Disposals	417 904			417 904
Acquisition cost 30/09/2012	2 665 845	648 758	116 380	3 430 984
Accumulated depreciation and impairments 30/09/2012	1 799 650	488 453	64 885	2 352 988
Balance-sheet value 30/09/2012	866 195	160 305	51 495	1 077 996
Depreciation Q3 2012		9 784	4 477	14 261
Depreciation 1/1.- 30/09/2012		39 003	13 428	52 432
Impairments in Q3 2012	1 799 650			1 799 650
Impairments 1/1 - 30/09/2012	1 799 650	40 200		1 839 850

Capitalized exploration expenditures are classified as "Fields under development" when the field enters into the development phase. Fields under development are classified as "Production facilities" from start of production. Production facilities, including wells, are depreciated in accordance with the Unit of Production Method. Office machinery, fixtures and fittings etc. are depreciated using the straight-line method over their useful life, i.e. 3-5 years. Removal and decommissioning costs for production facilities are included as "Production facilities".

Disposal is related to Jette transaction as described in note 18. This transaction has no material impact on the income statement.

Det norske oljeselskap

Intangible assets	Other intangible assets		Total	Exploration expenditures	Goodwill
	Licenses	Software			
Balance-sheet value 31/12/11	900 072	5 654	905 726	2 387 360	525 870
Acquisition cost 31/12/2011	1 110 324	43 989	1 154 314	2 387 360	648 338
Additions	181	461	642	365 302	
Disposals /Expensed dry wells	6 232		6 232	675 114	3 768
Reclassification				-200 926	
Acquisition cost 30/06/2012	1 104 274	44 450	1 148 725	1 876 622	644 570
Accumulated depreciation and impairments	318 459	39 962	358 420		199 204
Balance-sheet value 30/06/2012	785 815	4 488	790 303	1 876 622	445 366
Acquisition cost 30/06/2012	1 104 274	44 450	1 148 725	1 876 622	644 570
Additions		24	24	439 150	
Disposals /Expensed dry wells	34		34	320 492	
Acquisition cost 30/09/2012	1 104 240	44 474	1 148 714	1 995 280	644 570
Accumulated depreciation and impairments	431 376	40 639	472 016		255 691
Balance-sheet value 30/09/2012	672 864	3 835	676 698	1 995 280	388 879
Depreciation Q3 2012	118	678			
Depreciation 1/1.- 30/09/2012	446	2 304			
Impairments in Q3 2012	112 800				56 487
Impairments 1/1 - 30/09/2012	222 331				133 735

Reconciliation of depreciation in the income statement:	01.01. - 30.09	
	Q3 2012	2012
Depreciation of tangible fixed assets	14 261	52 432
Depreciation of intangible assets	796	2 751
Total depreciation in the income statement	15 056	55 182

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

Note 4 Impairment

The company experienced technical challenges with the completion of the first production well on the Jette field. As a result, the company revised the development drilling plan. The revised plan results in higher drilling costs and reduced estimated recoverable reserves compared to the original plan. This causes reduced profitability of the field. Consequently, Det norske has performed an impairment assessment and has recorded an impairment charge in the third quarter of NOK 1 881 million before tax. The net after tax effect of this charge is NOK 477 million.

For producing licenses and licenses in the development phase, recoverable amount is estimated based on discounted future after tax cash flows. Future cash flows are calculated on the basis of expected production profiles and estimated proven and probable remaining reserves. The following assumptions have been applied:

- * discount rate of 10.7 percent nominal after tax
- * a long term inflation of 2.5 percent
- * a long term exchange rate of NOK/USD 6.00
- * oil prices are based on forward curve

Based on the above mentioned evaluations, the following impairments have been accounted:

Reconciliation of impairments in the income statement:	01.01. - 30.09	
	Q3	2012
Impairment of tangible fixed assets	1 799 650	1 839 850
Impairment of intangible assets	112 800	222 331
Impairment of goodwill	56 487	133 735
Impairment of deferred tax related to impairment of goodwill	-87 984	-173 418
Total impairment in the income statement	1 880 953	2 022 497

All impairment in Q3 2012 is related to Jette. The remaining impairments for 2012 is related to other producing licences, or exploration licences that have been or are in the process of being relinquished.

Det norske oljeselskap

Note 5 Financial items

	Q3		01.01. - 30.09	
	2012	2011	2012	2011
Interest income	10 594	21 568	41 367	52 399
Return on financial investments			763	148
Currency gains	27 977	7 881	41 681	11 879
Change in value of derivatives	-2 686		-712	
Total other financial income	25 291	7 881	41 731	12 028
Interest expenses	59 430	55 753	148 630	158 626
Capitalizing interest costs development projects	-39 458		-80 278	
Amortization of loan costs	11 306	7 979	24 813	48 278
Total interest expenses	31 277	63 732	93 166	206 904
Currency losses	24 480	1 466	39 351	8 740
Change in value of derivatives	26 389		42 960	6 983
Decline in value of financial investments	-478	490	-238	581
Total other financial expenses	50 392	1 956	82 074	16 303
Net financial items	-45 784	-36 239	-92 142	-158 780

Note 6 Taxes

	Q3		01.01. - 30.09	
	2012	2011	2012	2011
Taxes for the period appear as follows:				
Calculated tax receivable due to exploration-related costs	-427 837	-409 858	-987 944	-1 235 563
Change in deferred taxes	-1 449 609	294 607	-1 886 108	433 520
Reversal of tax item related to shortfall value of purchase price allocation (PPA), accounted as exploration expenses	15 000		57 000	11 988
Changes in prior years tax returns		294	-26 986	294
Impairment of deferred tax related to impairment of goodwill	87 984		176 989	
Total taxes (+) / tax income (-)	-1 774 462	-114 957	-2 667 049	-789 761

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

Det norske oljeselskap

Note 7 Other short-term receivables

	30.09.2012	30.09.2011	31.12.2011
Pre-payments, including rigs	51 168	22 288	53 405
VAT receivable	11 610	11 211	9 314
Underlift/ overlift (-)	-1 972	55 334	44 028
Guarantee account, unsecured pension scheme		7 076	
Receivables related to licence transactions	316 529		
Other receivables, including operator licences	259 534	150 577	312 763
Pre-payments relating to upgrades, rig intake and mobilisation		213 933	155 189
Shortfall value of rig charterparties in connection with acquisition		-79 116	-42 160
<i>Total pre-payments, Transocean Barents</i>		<i>134 817</i>	<i>113 029</i>
Total other short-term receivables	636 869	381 303	532 538

Receivables related to licence transactions is related to jette transactions as described in note 3 and 18.

Note 8 Cash and cash equivalents

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

Specification of cash and cash equivalents:	30.09.2012	30.09.2011	31.12.2011
Cash	5	2	2
Bank deposits	724 590	825 863	828 771
Restricted funds (tax withholdings)	9 361	11 433	12 827
Total cash and cash equivalents	733 957	837 298	841 599

Unused revolving credit facility, exploration facility loan	451 847	1 111 606	903 094
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Note 9 Share capital

	30.09.2012	30.09.2011	31.12.2011
Share capital	127 916	122 222	127 916
Total number of shares (in 1.000)	127 916	122 222	127 916
Nominal value per share in NOK	1.00	1.00	1.00

Note 10 Derivatives

	30.09.2012	30.09.2011	31.12.2011
Unrealized losses interest rate swaps	-43 467		
Unrealised gain/goss currency forward contracts	-712		
Total derivatives	-44 179		

Interest rate swaps

Det norske oljeselskap has entered into three interest rate swaps. The purpose is to swap floating rate loans to fixed rate.

Currency forward contracts

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

Det norske oljeselskap

Note 11 Accounts receivables

	30.09.2012	30.09.2011	31.12.2011
Receivables related to sale of oil and gas	15 767	21 762	32 292
Invoicing related to rigs etc.	58 707	28 723	112 641
Unrealized exchange rate	-310	1 791	1 254
Total account receivable	74 164	52 275	146 188

Note 12 Short-term loans

	30.09.2012	30.09.2011	31.12.2011
Exploration facility in DNB Bank ASA	1 800 000	2 200 000	400 000
To be amortized	-5 113	-25 563	-20 450
Total short-term loans	1 794 887	2 174 438	379 550

The company has a joint revolving exploration facility of NOK 3,500 million in DNB Bank ASA. Maximum utilization including interest is limited to 95 percent of tax refunds related to the exploration expenses. The company can draw on the facility until 31 December 2012 and the final repayment must take place in December 2013.

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

For information about the unused part of the credit facility for exploration purposes, see Note 8 - "Cash and cash equivalents".

Note 13 Other current liabilities

	30.09.2012	30.09.2011	31.12.2011
Current liabilities related to overcall in licences	156 910	22 404	60 731
Share of other current liabilities in licences	775 222	249 900	155 766
Other current liabilities	156 882	371 300	187 658
Total other current liabilities	1 089 014	643 603	404 156

Note 14 Convertible bond

	30.09.2012	30.09.2011	31.12.2011
Principal, convertible loan Norsk Tillitsmann		457 500	
Repurchase of bonds		-133 850	
Equity part of convertible loan on initial inclusion		-98 991	
Accumulated amortization of equity part of convertible loan		87 863	
Excess value on acquisition		-4 465	
Total long-term convertible bond		318 152	

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.

Det norske oljeselskap

Note 15 Bond

	30.09.2012	30.09.2011	31.12.2011
Principal, new bond Norsk Tillitsmann	600 000	600 000	600 000
Up-front fees to be amortized	-14 886	-13 539	-12 989
Total bond	585 114	586 461	587 011

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

Note 16 Other interest-bearing debt

	30.09.2012	30.09.2011	31.12.2011
Revolving credit facility	884 180		
Up-front fees to be amortized	-73 922		
Unrealized currency loss	-14 230		
Total other interest-bearing debt	796 028		

Det norske oljeselskap ASA has an agreement of a revolving credit facility of USD 500 million. The revolving credit facility can be increased with USD 100 million on certain future conditions.

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

Note 17 Uncertain commitments

During the second quarter, the company announced that it had received a notice of reassessment from the Norwegian Oil Taxation Office (OTO) in respect of 2009 and 2010. At the end of the third quarter, the company responded to the notice of reassessment by submitting detailed comments.

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

Det norske oljeselskap

Note 18 Investments in jointly controlled assets

Operatorships:			Partner-operated:		
Licence	30.09.2012	31.12.2011	Licence	30.09.2012	31.12.2011
PL 001B	35,0 %	35,0 %	PL 028S*	0,0 %	40,0 %
PL 027D	60,0 %	60,0 %	PL 029B	20,0 %	20,0 %
PL 028B	35,0 %	35,0 %	PL 035	25,0 %	25,0 %
PL 103B	70,0 %	70,0 %	PL 035B	15,0 %	15,0 %
PL 169C****	50,0 %	70,0 %	PL 035C**	25,0 %	0,0 %
PL 242	35,0 %	35,0 %	PL 038	5,0 %	5,0 %
PL 337	45,0 %	45,0 %	PL 038D	30,0 %	30,0 %
PL 341*	0,0 %	30,0 %	PL 048B	10,0 %	10,0 %
PL 356	50,0 %	60,0 %	PL 048D	10,0 %	10,0 %
PL 364	50,0 %	50,0 %	PL 102C	10,0 %	10,0 %
PL 414	40,0 %	40,0 %	PL 102D**	10,0 %	0,0 %
PL 414B**	40,0 %	0,0 %	PL 265	20,0 %	20,0 %
PL 450	60,0 %	75,0 %	PL 272	25,0 %	25,0 %
PL 460	100,0 %	100,0 %	PL 332	40,0 %	40,0 %
PL 468*	0,0 %	95,0 %	PL 362	15,0 %	15,0 %
PL 468B*	0,0 %	95,0 %	PL 392*	0,0 %	10,0 %
PL 482	65,0 %	65,0 %	PL 416*	0,0 %	15,0 %
PL 497	35,0 %	35,0 %	PL 438	10,0 %	10,0 %
PL 497B	35,0 %	35,0 %	PL 440S	10,0 %	10,0 %
PL 500*	0,0 %	35,0 %	PL 442	20,0 %	20,0 %
PL 504****	29,3 %	58,5 %	PL 453S	25,0 %	25,0 %
PL 504BS	58,5 %	58,5 %	PL 492	30,0 %	30,0 %
PL 512	30,0 %	30,0 %	PL 494	30,0 %	30,0 %
PL 542	60,0 %	60,0 %	PL 494B	30,0 %	30,0 %
PL 548S*	0,0 %	40,0 %	PL 494C**	30,0 %	0,0 %
PL 549S	35,0 %	35,0 %	PL 502	22,2 %	22,2 %
PL 553	40,0 %	40,0 %	PL 508S*	0,0 %	30,0 %
PL 573S	35,0 %	35,0 %	PL 522	10,0 %	10,0 %
PL 593	60,0 %	60,0 %	PL 523*	0,0 %	20,0 %
PL 626**	50,0 %	0,0 %	PL 531	10,0 %	0,0 %
PL 659**	30,0 %	0,0 %	PL 533	20,0 %	20,0 %
			PL 535	20,0 %	20,0 %
			PL 538*	0,0 %	30,0 %
			PL 550***	20,0 %	0,0 %
			PL 551***	20,0 %	0,0 %
			PL 554	20,0 %	20,0 %
			PL 554B	20,0 %	20,0 %
			PL 558	20,0 %	20,0 %
			PL 561	20,0 %	20,0 %
			PL 563	30,0 %	30,0 %
			PL 567	40,0 %	40,0 %
			PL 568	20,0 %	20,0 %
			PL 571	40,0 %	40,0 %
			PL 613	35,0 %	35,0 %
			PL 619**	30,0 %	0,0 %
			PL 627**	20,0 %	0,0 %
			PL 652**	20,0 %	0,0 %
Number	26	28	Number	41	38

* Relinquished licenses or Det norske has withdrawn from the license.

** Interest awarded in APA-round (Application in Predefined Areas) in 2011. Offers were announced in January 2012.

*** Acquired through license transaction

**** Farm out of Jette Unit with 18 % (29.23 % in PL 504 and 20 % in PL 169). Approved by authorities in Q3 2012 and recognised in Financial Statements in Q3 2012.

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Note 19 Results from previous interim reports

	2012			2011				2010	
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
Total operating revenues	49 014	69 603	97 031	92 384	81 843	96 293	101 586	99 518	80 643
Exploration expenses	402 635	417 140	594 616	105 329	119 927	177 791	609 143	656 841	209 065
Production costs	45 515	46 154	45 266	42 621	42 894	52 336	44 037	40 109	36 505
Payroll and payroll-related expenses	1 280	703	8 750	9 061	5 905	10 133	6 634	4 723	7 548
Depreciation	15 056	19 780	20 346	21 532	17 044	20 618	19 324	22 408	41 749
Impairments	1 880 953	140 669	875	127 117		28 045	42 511	97 323	24 442
Other operating expenses	21 140	16 050	23 614	12 554	14 785	15 222	18 210	40 628	14 447
Total operating expenses	2 366 579	640 497	693 467	318 214	200 555	304 146	739 859	862 032	333 756
Operating profit/loss	-2 317 565	-570 894	-596 436	-225 830	-118 712	-207 853	-638 273	-762 514	-253 113
Net financial items	-45 784	-23 065	-23 293	-41 429	-36 239	-51 758	-70 784	-65 304	-55 696
Profit/loss before taxes	-2 363 349	-593 959	-619 728	-267 259	-154 951	-259 611	-709 057	-827 818	-308 808
Taxes (+)/tax income (-)	-1 774 462	-376 558	-516 030	-141 846	-114 957	-217 450	-457 354	-496 723	-228 684
Net profit/loss	-588 887	-217 401	-103 698	-125 413	-39 993	-42 161	-251 703	-331 095	-80 124



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