



## Det norske – Q3 2009 presentation

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OSE ticker : "DETNOR"

- CEO

*Erik Haugane*

- CFO

*Finn Øistein Nordam*

# Agenda

- **Operations**
- **Financials**
- **Exploration**
- **Outlook and Summary**



# Since second quarter

## Exploration

- Field development emerging in PL 442 east of Frigg, following successful Delta well
- Oil discovered in Jetta (PL027D), sidetrack ongoing
- Two dry wells in the Norwegian Sea – Trolla and Fongen

## Production/HSE

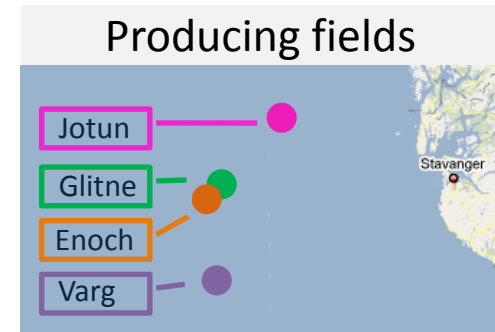
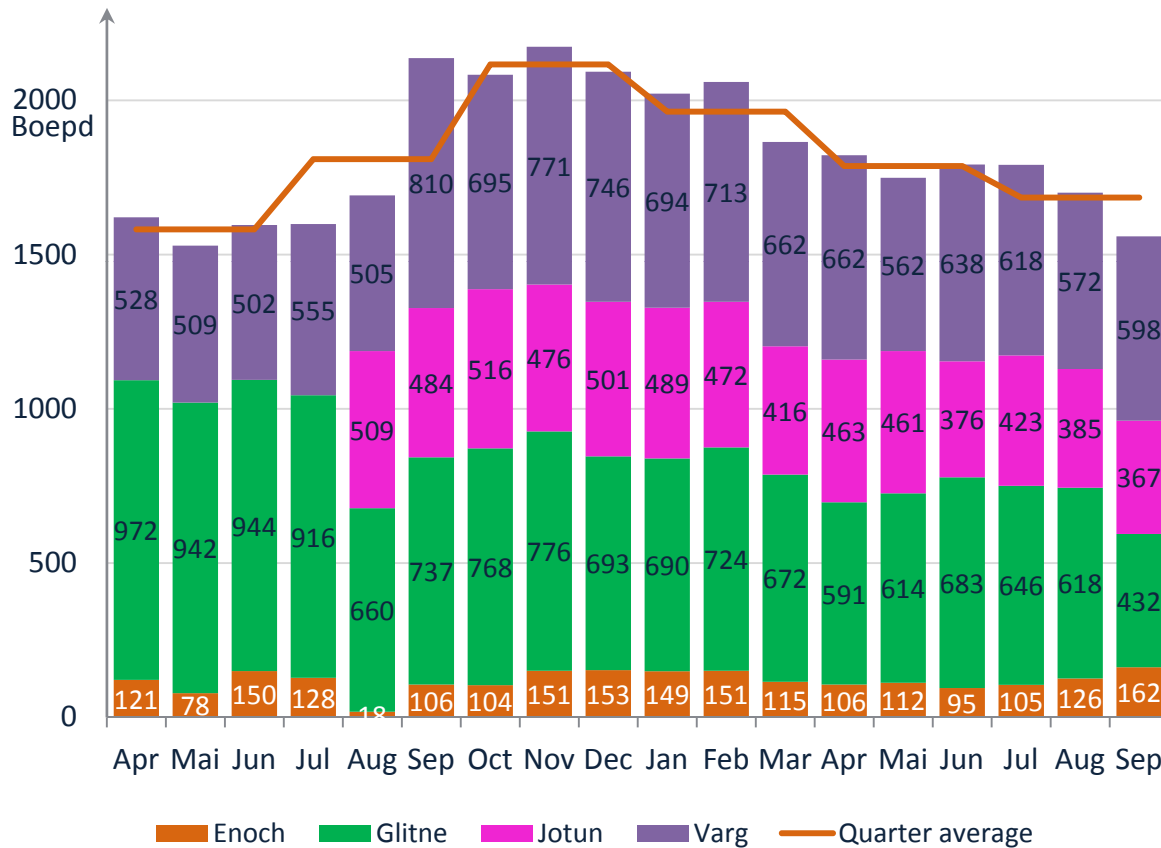
- Good performance from all four producing fields during third quarter
- One incident on partner operated field
- HSE – our main focus on Aker Barents

## Q3 Key financials (NOKM)

■ Revenues	67,4
■ Exploration expenses	334,5
■ Net profit	-71,6
■ Net cash/tax refund	2 155

Merger with Aker Exploration approved by EGM - will strengthen Det norske and create shareholder values

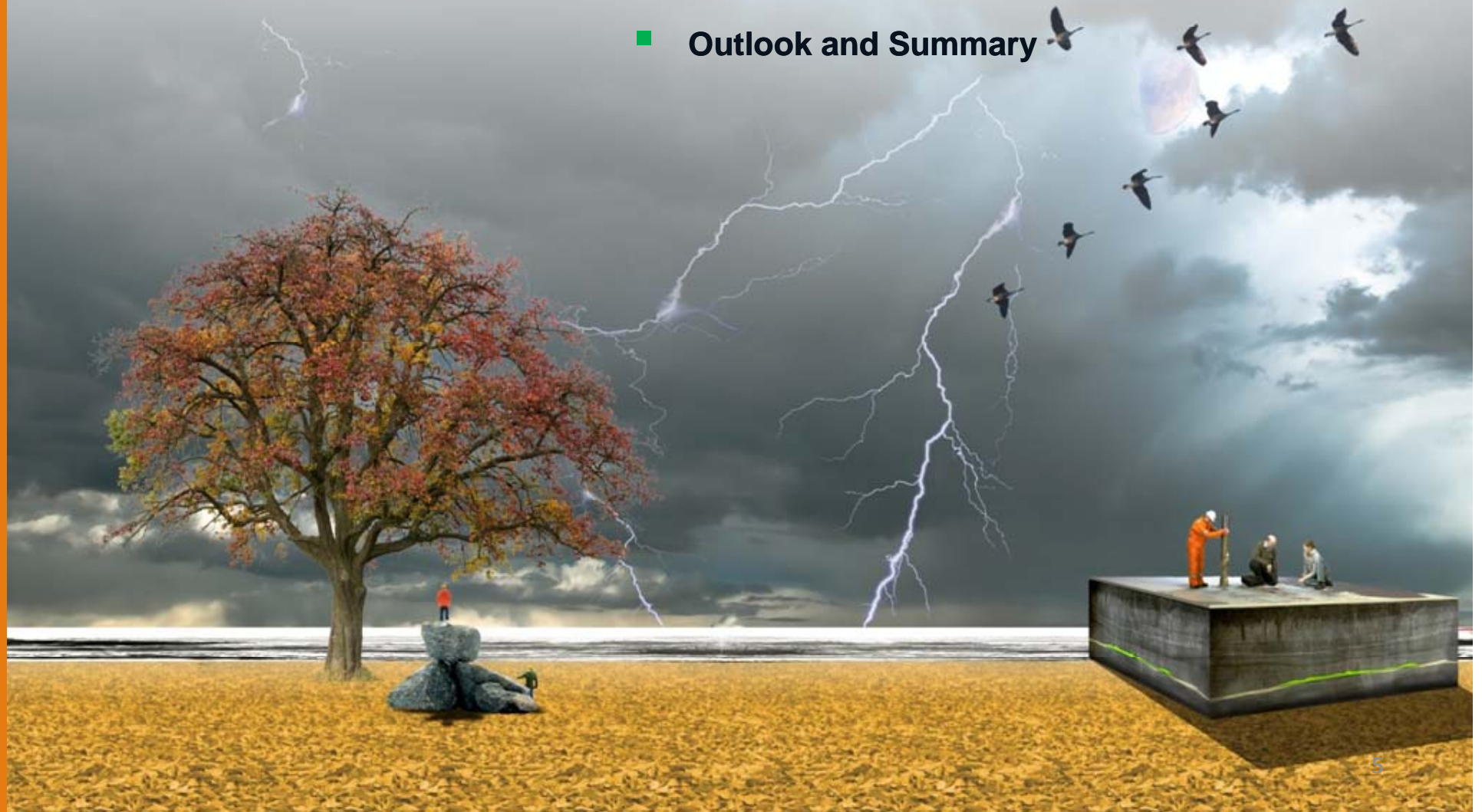
# Production



- Successful infill wells drilled on Varg. Additional reserves discovered to the east. Awaiting assessment from Operator
- Reduced production from Glitne in September due to planned maintenance
- Average oil price achieved in Q3 was USD 67/bbl

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# Profit & Loss Q3 2009

MNOK	Q3 2009	Q3 2008	Comment
Operating revenues	67.4	102.2	Lower volumes – higher oil prices
Exploration expenses	334.5	146.4	Exploration wells and seismic
Change in inventories	-0.3	0.1	
Production cost	35.8	34.5	Same level as previous quarter (Q2-09)
Payroll expenses	2.3	2.0	Excl. salaries reclassified as exploration expenses
Depreciation	13.6	29.1	Lower base due to write downs in Q4 2008
Other expenses	11.7	-1.5	ASA costs not reclassified
Operating profit/EBIT	<b>-330.2</b>	<b>-108.3</b>	
Net financial items	-5.8	32.2	Interest income, currency agio and disagio
Pre-tax profit	-336.0	-76.1	
Tax cost	-264.5	-81.7	Tax refund due to exploration and change in deferred tax
<b>Net profit</b>	<b>-71.6</b>	<b>5.6</b>	

Not audited

# Exploration Expenses Q3 2009

MNOK	Q3 2009	Q3 2008	Comment
Seismic, well data, field studies, etc.	41.0	6.1	Regional seismic, studies and license work
Exploration expenses from license participation	38.5	125.3	
Expensed capitalized exploration wells previous years	7.1	0	Fongen and Trolla
Expensed dry wells this quarter	233.1		Fongen and Trolla wells expensed
Share of salaries and other operating costs	8.4	10.1	
Research and development expenses related to exploration activities	6.5	4.9	
<b>Exploration expenses</b>	<b>334.5</b>	<b>146.4</b>	

Not audited

# Balance Sheet 30.09.2009

Assets (MNOK)	Q3 2009	Q3 2008	Comment
Goodwill	864.3	1 742.9	Reduced goodwill due to write down in Q4 2008
Capitalized exploration expenditures	682.8	543.6	
Other intangible assets	1 318.1	2 480.4	Reduction due to write down in Q4 2008, sale of Goliat
Property, plant and equipment	308.2	543.6	Sale of Yme
Other financial assets	62.2	27.6	
Calculated tax receivable	985.1	165.2	Det norske will receive this cash in Q4 10
<b>Total Fixed Assets</b>	<b>4 221.3</b>	<b>5 503.1</b>	
Inventories	15.7	11.7	
Trade receivables	33.3	31.5	
Other short term receivables	189.8	172.1	
Short-term deposits	19.4	0	
Calculated tax receivable	213.2	632.1	Det norske will receive this cash in Q4 09
Cash / cash equivalents	957.4	326.6	
<b>Total Current Assets</b>	<b>1 428.8</b>	<b>1 174.1</b>	
<b>Total assets</b>	<b>5 650.1</b>	<b>6 677.2</b>	

Not audited

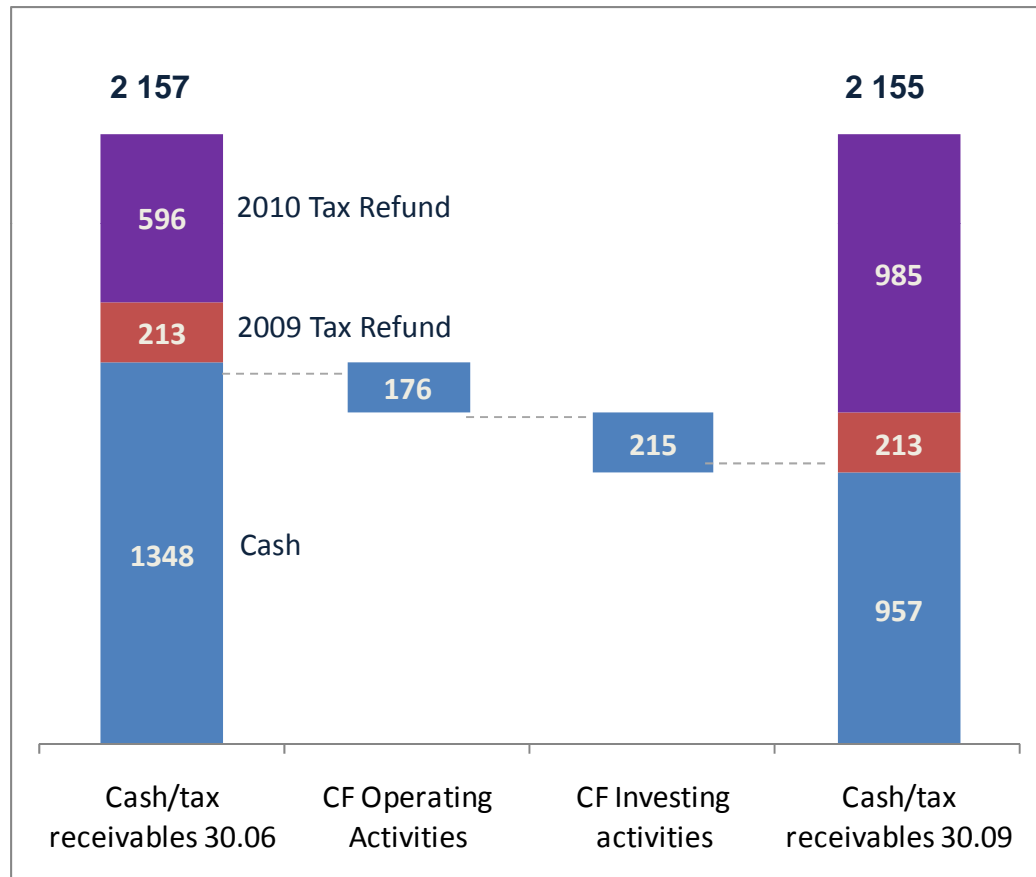
# Balance Sheet 30.09 2009 (cont.)

Equity and Liabilities (MNOK)	Q3 2009	Q3 2008	Comment
<b>Equity</b>	<b>3 549.8</b>	<b>3 522.5</b>	MNOK 3,519 from share premium fund to other equity
Pension obligations	22.3	9.9	
Deferred taxes	1 255.5	2 186.7	
Abandonment provision	142.6	115.1	
Deferred revenues	5.6	24.9	
<b>Total Provisions</b>	<b>1 426.0</b>	<b>2 336.5</b>	
Short-term loan	0	494.6	No interest bearing debt
Trade creditors	76.8	73.3	
Taxes withheld and public duties payable	8.7	7.9	
Deferred revenues	47.7	0	
Other current liabilities	541.1	242.4	
<b>Total Current Liabilities</b>	<b>674.3</b>	<b>818.2</b>	
<b>TOTAL LIABILITIES</b>	<b>2 100.3</b>	<b>3 154.7</b>	
<b>Total equity and liabilities</b>	<b>5 650.1</b>	<b>6 677.2</b>	

Not audited

# Cash Flow – Key Figures (MNOK)

## Strong cash position



## Exploration financing

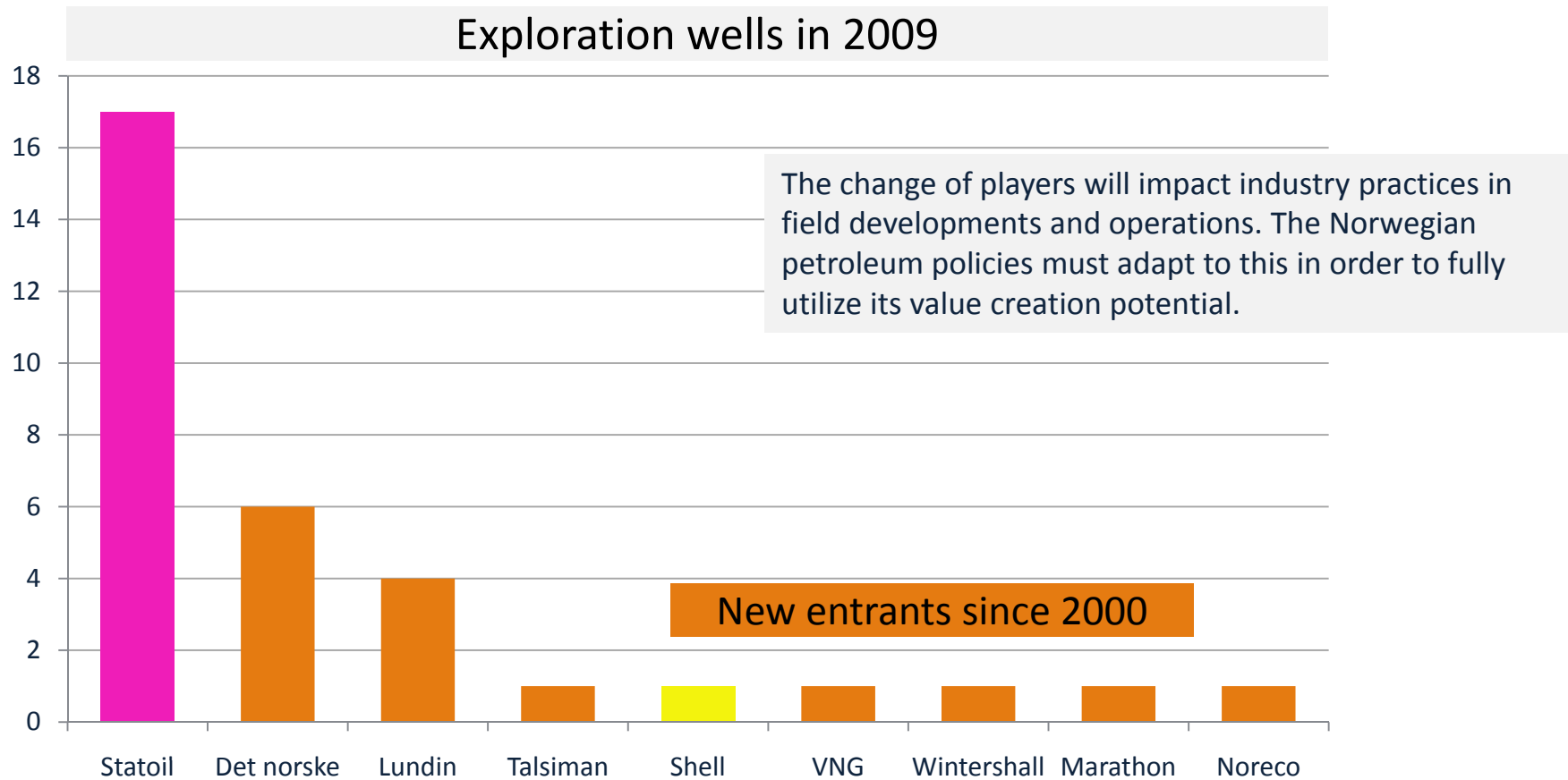
- A group of banks have committed to a new MNOK 4,500 exploration facility for the merged company
- Det norske expects higher exploration expenses in Q4 09 than in previous periods this year

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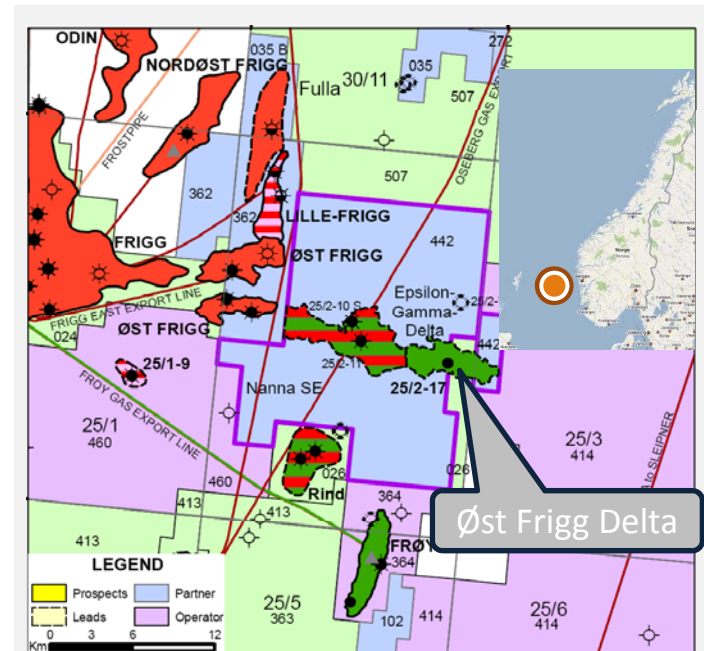
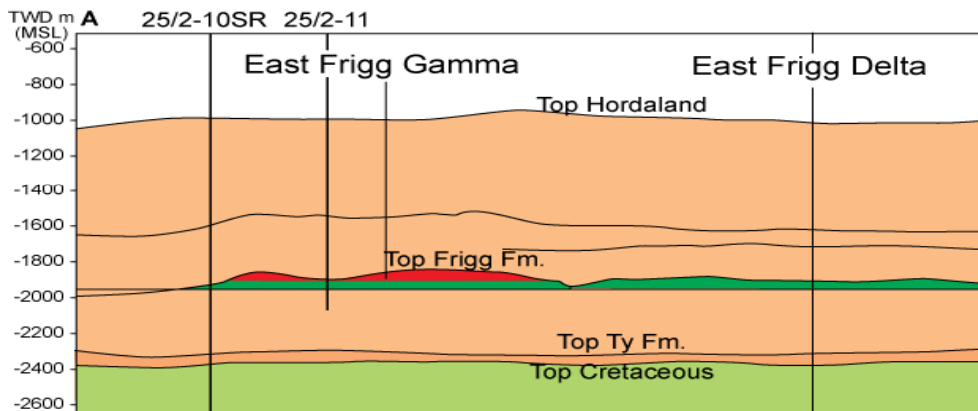


# The New Entrants drives exploration



# Øst Frigg Delta (PL 442) – a new discovery

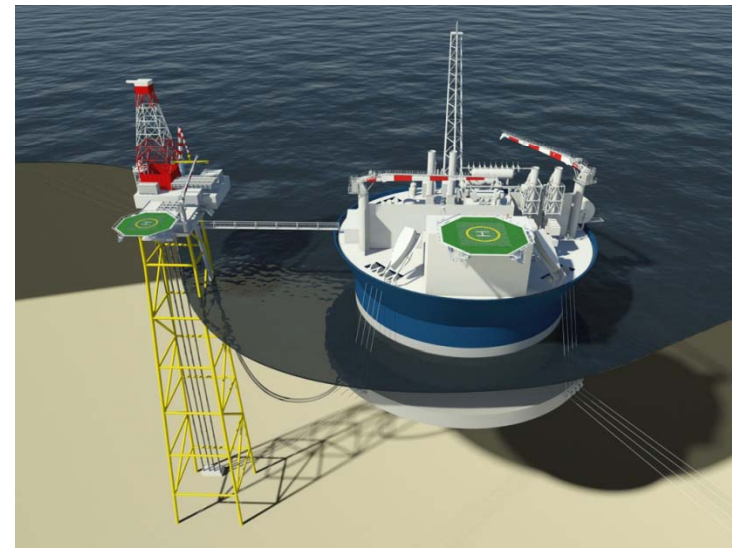
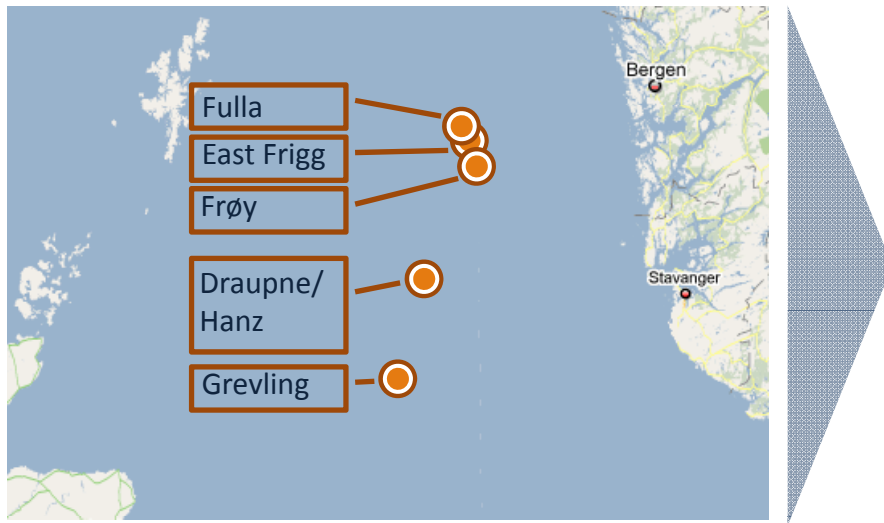
- Exploration well 25/2-17 proved 19 to 35 MBOE
- Operator Statoil: The discovery is commercially interesting, potentially in combination with other oil resources in the area
- Total Øst Frigg resource potential 60 to 190 MBOE
  - 12 to 38 MBOE net to Det norske
  - Previously booked 5,7 MBOE in reserve statement
  - Good quality reservoir, relatively high viscosity oil
- Frøy (15 km) to the South, Heimdal (36 km)



<b>License ownership</b>	<b>(PL 442)</b>
Statoil (O)	40 percent
Det norske	20 percent
Svenska Petroleum	40 percent

# Pushing towards 20,000 boepd in five years

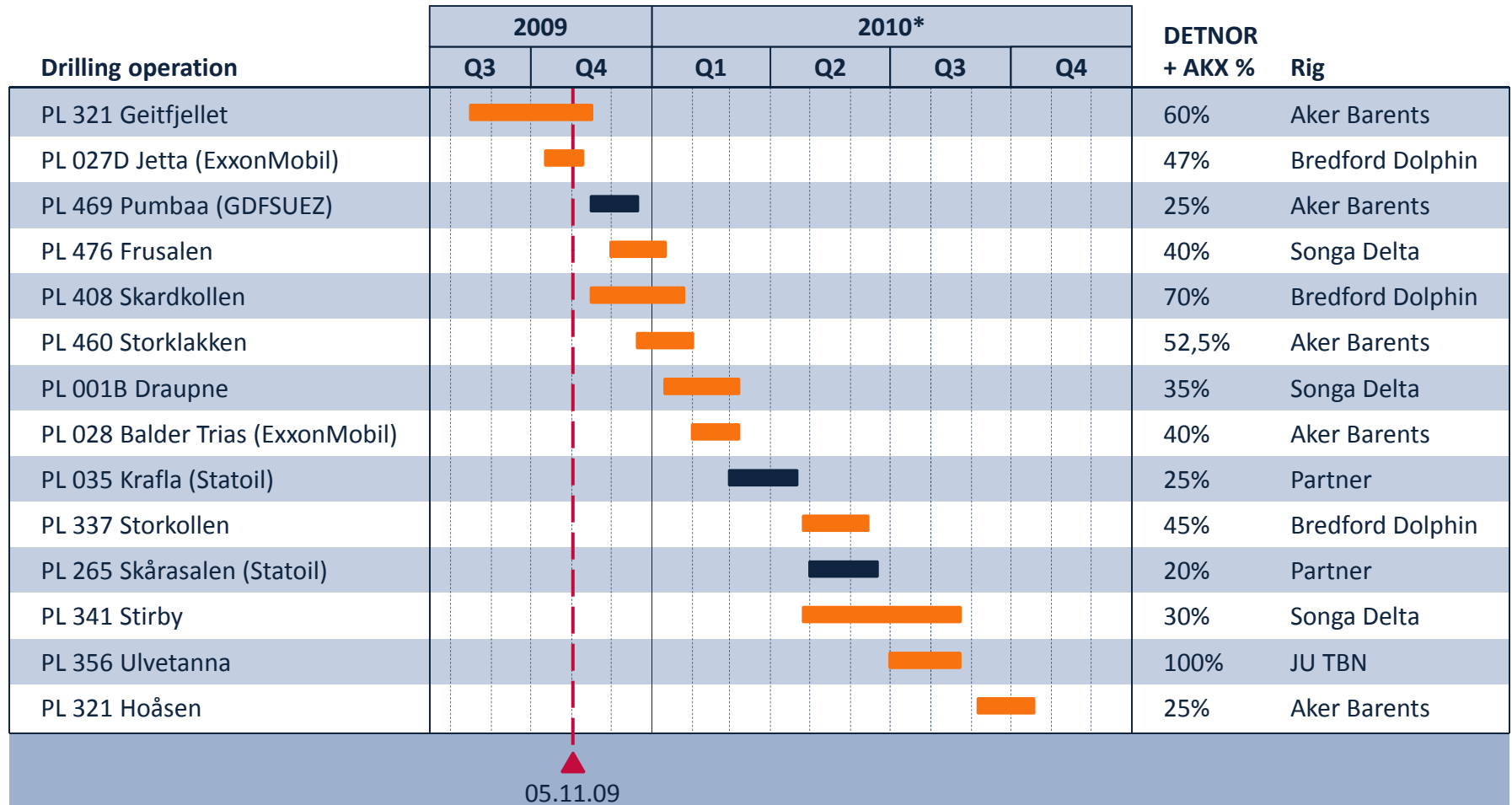
## Discoveries



Project	Mill boe (Gross)	Net boepd to Det norske	Possible concept	First Oil/Gas	Det norske's work programme
Frøy	56	15,000	Floater/jack-up and jacket	2013	Concept screening ongoing Revised PDO in 2010
Draupne/Hanz	115	10,000	Floater	2013/14	Result from app. well in Q1 2010 Aiming at commercial declaration in 2010
East Frigg	60-190	5,000	Area development	2014/15	Support fast track development
Grevling	40-130	Too early	Area development	2014/15	Talisman working on final well report Result from Skardkollen well expected Q4
Fulla	60-105	Too early	Tie-back Heimdal		Await Statoil's plan for development studies

# Drilling schedule for merged company

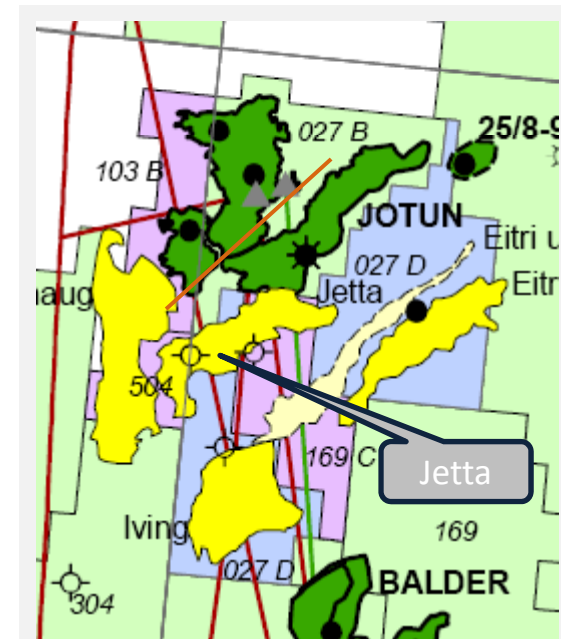
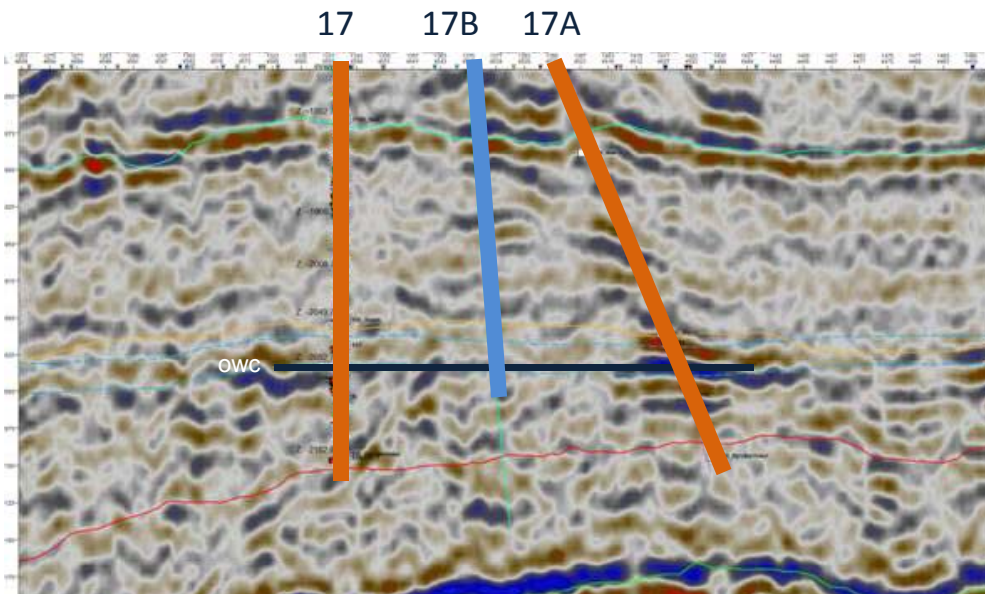
■ Det norske operated    
 ■ Partner operated



\* The drilling schedule is dynamic and frequent changes may occur

# Well 25/8-17 Jetta (PL 027D, 504, 169C)

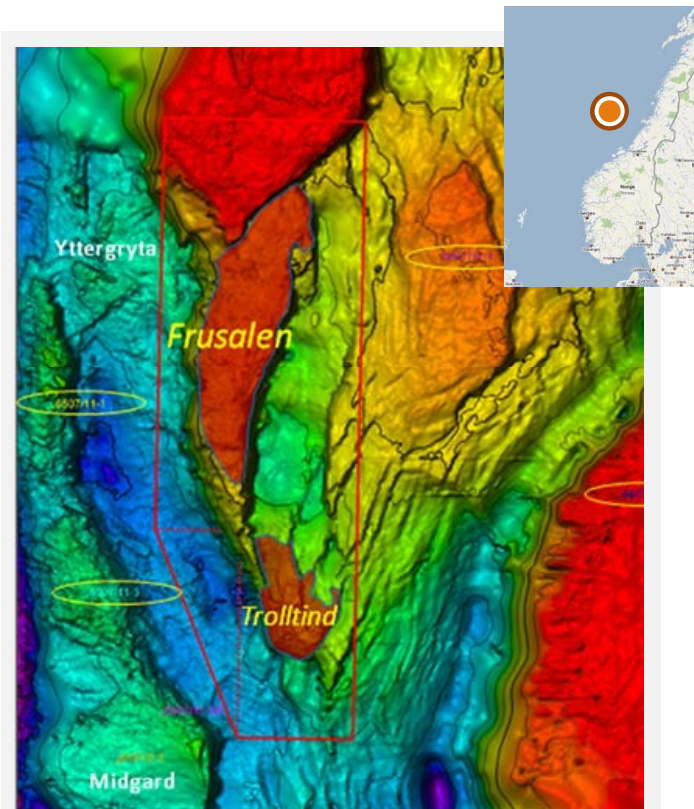
- Exploration well 25/8-17 proved oil in reservoir sands
  - Thin sand layers in oil but thicker sands in the water zone
  - Thinner than expected sands may be anomalous
- Presently drilling sidetrack (17A) 1.2 km towards Jotun
  - Objective: Clarify commercial potential
  - If successful, second sidetrack (17B) between the two wells



## Cost sharing agreement:

- 3 licences
- Det norske 47% to 58,5% and drilling service provider
- Partners: Dana, ExxonMobil, Petoro, Bridge

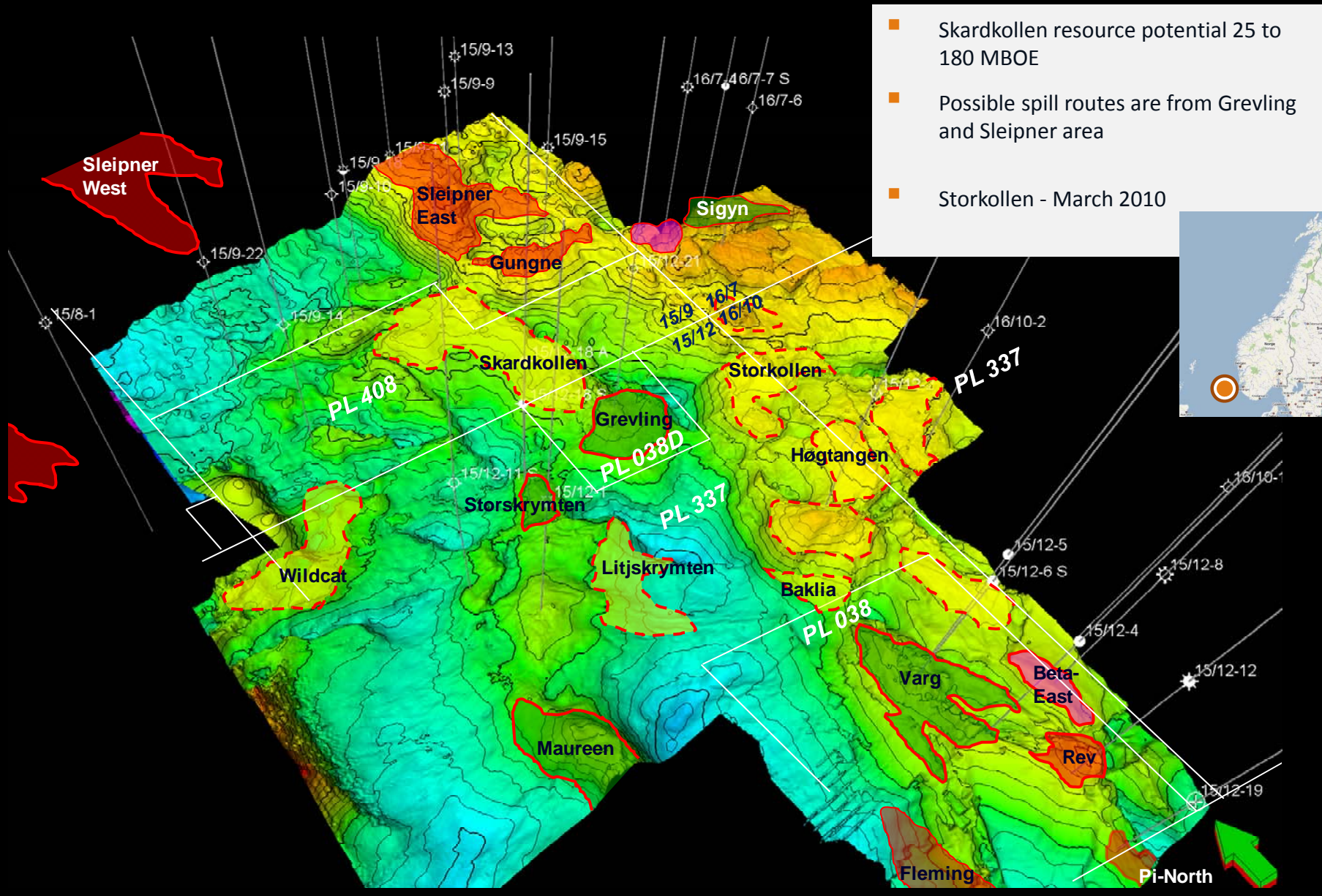
# Frusalen - gas/condensate play next to Midgard



<b>License ownership</b>	<b>(PL 476)</b>
Det norske	40 percent
Lundin Petroleum	30 percent
Noreco	30 percent

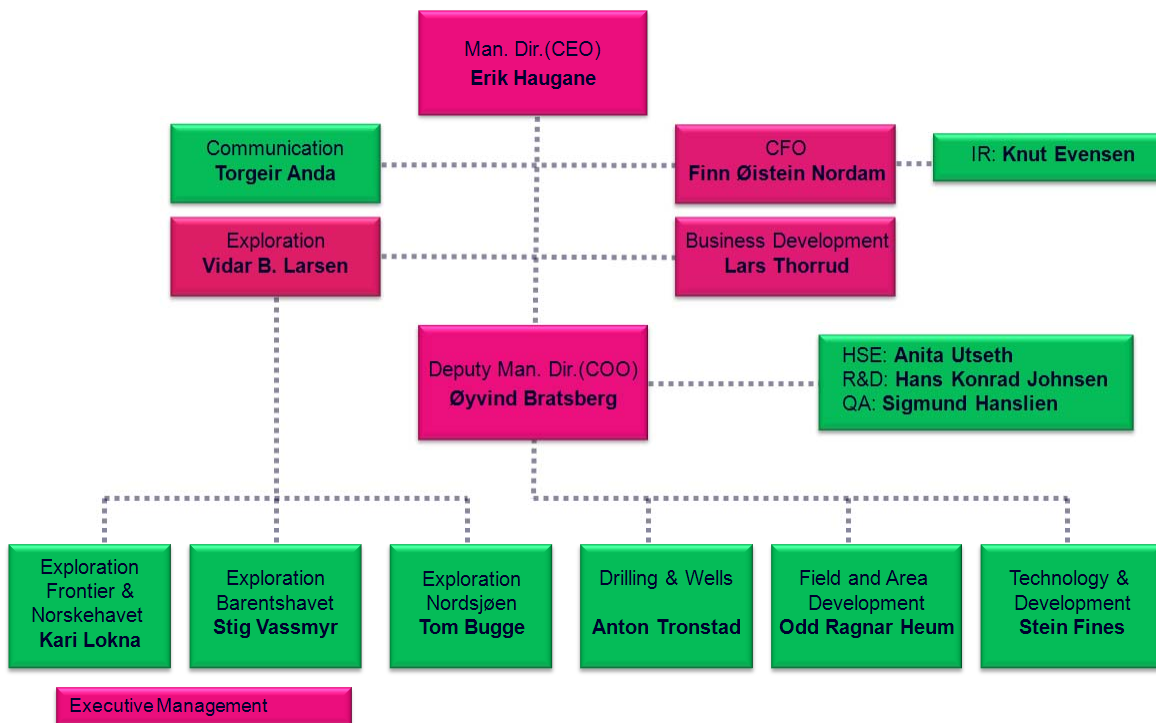
- Unrisked resources between xxxx MBOE and xxx MBOE
- Close to existing infrastructure
  - 5 km East of Midgard
  - Possible fast-track development
- Gas with low CO<sub>2</sub> content
  - Similar gas signature as in Midgard
- Reservoirs : Garn and Ile formations
- Key geological risk is migration of hydrocarbons

# Skardkollen to be spudded in 4Q 2009



# Det norske will operate 20-25% of the NCS exploration wells

## Strengthened Exploration Management



70 licenses and 32 operatorships enables Det norske to high-grade the exploration portfolio

Our ambitions beyond 2015 requires more attractive exploration acreage in the coming years

Det norske aims to acquire reserves by exploration at cost below 70 cent/bbl (a.t.)

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# Summary & Outlook

- Five North Sea field development projects
  - East Frigg - potentially a new field development
  - Draupne - appraisal well Q1 09 important to firm up volumes
  - Skardkollen - exploration well to clarify resource base and oil quality in Grevling-area
  - Frøy - Storklakken to be drilled as first possible tie-in candidate to Frøy
  - Fulla - project entering planning phase
  
- Financial robustness
  - 2.1 billion NOK in cash and tax receivable - no debt and consequently no refinancing challenges
  - MNOK 4,500 exploration facility committed, supports campaign through 2012
  
- Execution of major drilling campaign
  - 14 exploration wells over the next 12 months
  - Exploration portfolio optimisation following merger with Aker
  
- Merger between Det norske and Aker Exploration to be completed by year-end
  - Balanced portfolio and rig capacity
  - High grading exploration assets
  - Attractive growth opportunities

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