

Report for the fourth quarter 2010

Norwegian Energy Company ASA

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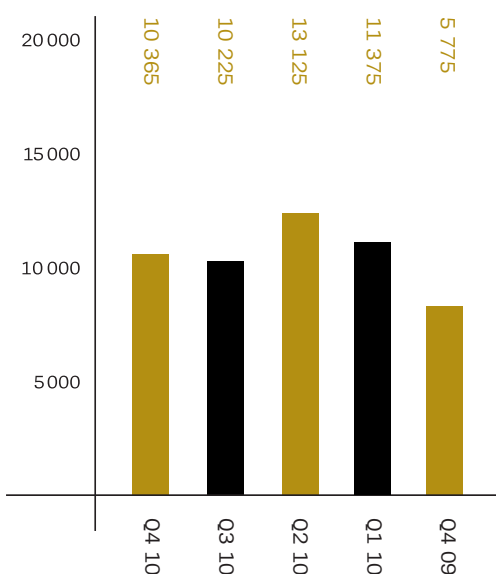
HIGHLIGHTS

- Two developments approved – Huntington and South Arne Phase III
- Two dry exploration wells – Dalsnuten and Barchan
- Average production in fourth quarter 2010 was 10,365 boe per day
- Oil price realized at USD 83.9 per boe
- Total revenues of NOK 474 million, EBITDA of NOK -66 million and a net result of NOK -135 million
- Successful placement of new NOK 700 million bond loan
- Initiated strategic review

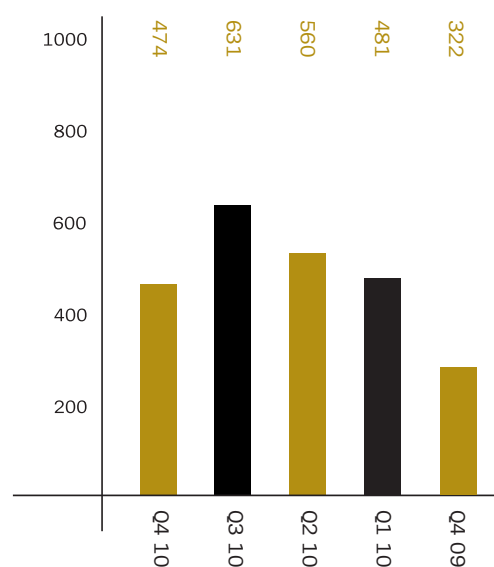
KEY FIGURES

	Q410	Q310	Q210	Q110	Q409	Q309
Net realised oil price (USD/boe)	83.9	74.4	75.4	74	68.5	65
EBITDA (NOK million)	-66	327	269	170	134	-51
Net results (NOK million)	-135	167	-6	-21	-87	-134
Total assets (NOK billion)	12.7	12.6	12.4	12.2	11.9	11.8

Production (boed)



Total revenues (NOK million)



GROUP FINANCIALS

The Noreco Group had revenues of NOK 474 million in fourth quarter 2010, an increase of 47 percent compared to fourth quarter 2009. The increase was driven by higher production and higher oil price achieved. Production in the quarter was 10,365 barrels of oil equivalents per day (boed), up from 5,775 boed for the same period the previous year. The achieved oil, gas and NGL prices adjusted for the cost and income from the put options expiring in the quarter were USD 83.9 per boe, compared to USD 68.5 per boe in fourth quarter 2009.

Production expenses were NOK 143 million, up 41 percent from the same quarter in the previous year due to the higher production. Exploration costs amounted to NOK 303 million as two dry wells, Dalsnuten and Barchan, were completed during the fourth quarter. Payroll expenses were NOK 46 million, reflecting an increased number of employees during the year. Other operating expenses were NOK 49 million, and were impacted by termination of an office rental contract and legal and consulting costs totaling NOK 17 million.

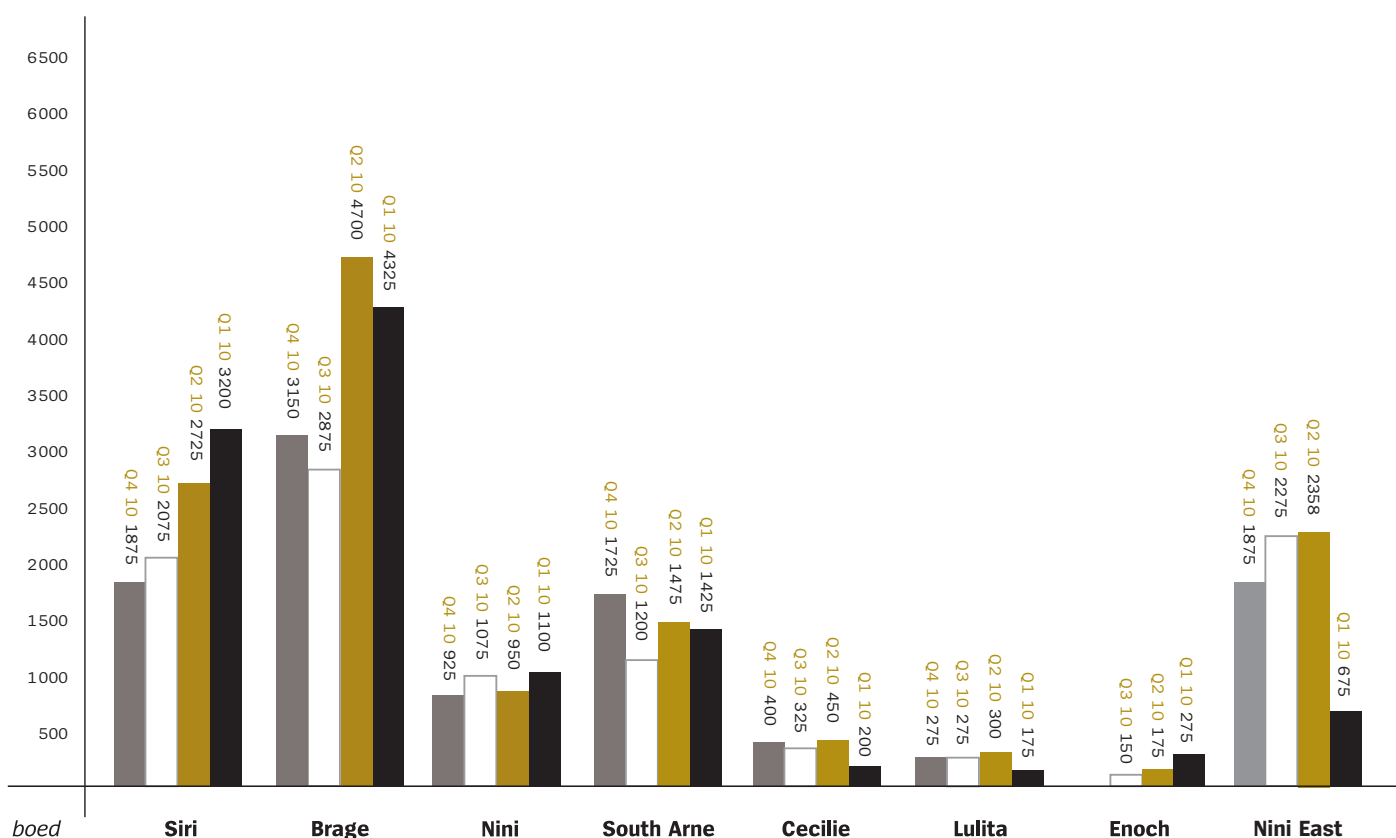
EBITDA (earnings before interests, tax, depreciation and amortization) in fourth quarter was NOK -66 million, compared to NOK 134 million in fourth quarter 2009. Depreciation amounted to NOK 144 million.

Net financial items came in at NOK 117 million for the quarter, of which interest cost amounted to NOK 102 million. Tax expenses amounted to NOK -192 million. Net result for the quarter was NOK -135 million, compared to NOK -87 million in fourth quarter 2009.

Assets and liabilities related to Oselvar and Enoch are presented under the line "assets held for sale" and "liabilities held for sale".

The company issued a new NOK 700 million bond in December, named Nor 05. The bond matures in December 2013 and has a floating coupon of NIBOR + 8.0% p.a. At the same time the company repurchased existing ALX002 bonds for a face value of NOK 146 million. The remaining balance of NOK 154 million for the ALX002 bond was settled upon maturity on 9 February 2011.

Noreco uses oil put options to protect its cash flow against downside risk in the oil price. The company has secured parts of its expected production volume against oil prices below USD 75 and USD 60 per barrel. Fair value of these put options as of 31 December 2010 was NOK 9 million, recorded as other current receivables in the balance sheet.



GROUP STRUCTURE

Siri Holdings Ltd and Altinex ASA are guarantors for two of the bond loans issued by Noreco (Nor 03 and Nor 04). Siri Holdings Ltd's only purpose is to hold part of Noreco's ownership in the Siri license, and the description herein related to the Siri field is therefore of key importance for Siri Holdings Ltd. Altinex ASA serves as a sub-holding company for all of Noreco's activities, except what is held through Siri Holdings Ltd, and exploration activities on the UKCS and NCS, which are held in Norwegian Energy Company (UK) Ltd and Norwegian Energy Company ASA respectively. Consequently, with the exception that the description of the Noreco group's exploration activity and certain elements related to financial income and expenses (which are relevant only for Norwegian Energy Company ASA), the description of highlights and risk elements apply substantially similarly to Altinex ASA.

PRODUCING FIELDS

The Noreco Group's production in fourth quarter 2010 was on average 10,365 barrels of oil equivalents per day (boed). The graph on page 3 shows the net production to Noreco from each of the eight producing fields in the portfolio.

The average gross production from the Brage field (Noreco 12.26/13.2 percent) in fourth quarter was approximately 25,800 boed. The gas compressor was repaired during a shut down from 22 September to 3 October, after which higher regularity and production from high gas production have been restored. A new Fensfjord well was put on production at the end October. This well contributes significantly to the Brage production. Drilling of well A-14 A (Arran), which is a combined exploration and production well in the Brent formation, started in December 2010 and is still ongoing.

Enoch (Noreco 4.36 percent) had an average gross production in fourth quarter of approximately 3,150 boed. Noreco is awaiting approval by Norwegian authorities of the sale of its interest in Enoch to Marubeni Corporation.

Gross production from the Siri area fields (Siri 50 percent, Nini East 30 percent, Nini 30 percent and Cecilie 61 percent) averaged 13,750 boed in the fourth quarter. The SCB-1 subsea production well has been shut-in since late April 2010 awaiting repair of the subsea safety valve. Several attempts to repair the valve have been made with no success so far, and the likely solution is a full work-over with a rig later in 2011. The upgrade of the centrifugal compressor at Siri was successfully completed in January 2011, and has resulted in a significant increase of the high pressure gas capacity at Siri. Water injection into Nini East was successfully increased during fourth quarter 2010, which has impacted the gas oil ratio trend on Nini East positively. A water injector is currently being drilled at Nini East. The well is expected to be finalised in the second quarter 2011 and will help increase the production from Nini East.

On the South Arne field (Noreco 6.56 percent) the average gross production in fourth quarter was approximately 25,550

boed. The high production level is partly explained by two new production wells which were brought on stream in October. The Field Development Plan for the South Arne Phase III development project was approved by Danish authorities in September and sanctioned by the partners in the fourth quarter. The development comprises drilling and completion of 11 new producers and injectors as well as installation of two new unmanned well-head platforms and interfield pipelines controlled from the South Arne processing and export platform.

On the Lulita field (Noreco 28.2 percent) the average gross production was stable except for planned maintenance and upgrade operations on the host platform Harald. The average gross production was approximately 1,000 boed in fourth quarter with shut-in periods mostly counterbalanced by flush production and periods with higher than expected production.

DEVELOPMENTS AND DISCOVERIES

Noreco is a 20 percent partner in the Huntington field development in the UK. The field is operated by E.ON Ruhrgas UK. In fourth quarter 2010 E.ON Ruhrgas and Sevan Marine ASA finalized the commercial negotiations for the lease of the FPSO Sevan Voyageur for operation on the Huntington field. Additional contracts required for the development were signed and UK authorities approved the Field Development Plan in November 2010. Production start on Huntington is expected first quarter 2012.

The Oselvar field in license PL274 is currently being developed, with first oil expected late 2011. Noreco currently owns 15 percent of Oselvar, but is awaiting approval by Norwegian authorities of the sale of its interest to Marubeni Corporation.

The Nemo discovery in license PL148 is progressing towards a development decision in 2011. The development concept comprises a subsea tie-back to the Pierce field in UK. Noreco owns 20 percent of the license, and Lundin Norway is the operator.

Statoil is operator for the Gygrid discovery in PL348, and is pursuing a development option comprising a subsea tieback to the Njord field. New seismic data acquired during 2010 will be used to further map the exploration potential in the license. The partnership is planning to submit a Plan for Development and Operations (PDO) to Norwegian authorities in first half 2011, and production startup is expected in 2013. Noreco owns 17.5 percent of the license.

At the Gita discovery in Denmark (Noreco 12 percent), a seismic re-processing campaign, involving four different surveys and aiming at pre-stack depth migration to improve depth imaging is underway. This will reduce depth uncertainty and give a better foundation for placing appraisal wells.

EXPLORATION

The exploration activity in fourth quarter was focused on the Dalsnuten well in PL392, the Barchan well in PL400, and the submission of applications for the 21st licensing round in Norway.

In August 2010, Noreco entered a farm-in agreement with BG Norge to acquire a 10 percent interest in the PL392 license with the Dalsnuten prospect. The license is located in the Vøring Basin, approximately 40 kilometres northwest of the Gro gas discovery. Exploration well 6603/5-1 targeting the Dalsnuten prospect was spudded on 6 September 2010, and was designed to be the first well to test Jurassic reservoirs in the Vøring Basin. The well was plugged and abandoned 22 December 2010 after failing to reach the Jurassic interval. The well was drilled with the semi submersible Aker Barents drilling unit to a total depth of 5254 metres in Early Cretaceous rocks. Although disappointing, the well has provided key data for further exploration of the Vøring Basin, and significant remaining potential is mapped in the license although re-evaluation is needed prior to further drilling.

Exploration well 3/8-1 targeting the Barchan prospect in license PL400 was spudded 2 November. The well was designed to test the Permian Rotliegendes Formation on a structural closure in Block 3/8 in the Norwegian Central Graben. The well was drilled to a total depth of 4020 metres, and proved the presence of a reservoir interval with poorer than expected reservoir properties, no hydrocarbons were encountered, and the well has been plugged and abandoned.

One seismic acquisition campaign was conducted in fourth quarter on license PL563 in the Barents Sea. Operator is Lundin. Due to bad weather it was not possible to complete the survey and acquisition was stopped early November after acquiring about 80 percent of the planned survey. The rest will be acquired in 2011.

Noreco in fourth quarter finalized the planning of an extensive exploration program for 2011 and expects to participate in ten exploration wells in Mid Norway and the North Sea. The first of these wells, 17/6-1 on the Svaneøgle prospect in license PL545, was completed beginning of February 2011. The well encountered minor amounts of oil in Middle Jurassic reservoir rocks which is not of commercial interest. The results will be analyzed and interpreted in order to plan the way forward in license PL545. Next in the programme is well 6507/8-8 on the Ronaldo prospect in license PL434, expected to be spudded in February.

Awards in Predefined Areas 2010 were announced 18 January 2011. Noreco was offered three licenses, two of which were extensions to existing licenses PL348 and PL360. The third award was a 40 percent equity in license PL591 on blocks 6507/8, 9, and 11. Spring is operator with 60 percent equity, and the work commitment is to purchase and reprocess existing 3D seismic and perform geological studies.

BUSINESS DEVELOPMENT

In September 2010, Noreco entered into an agreement to sell its shares in license PL274/PL274CS containing the Oselvar development and PL048D with the Enoch field to Marubeni Corporation. The agreement with Marubeni is still awaiting authority approval.

As previously announced, in October 2010 Noreco appointed Bank of America Merrill Lynch and SEB Enskilda AS to conduct a broad review of its strategic alternatives to enhance shareholder value. This process is ongoing and Noreco will provide further updates as and when appropriate or required.

The company cautions shareholders and other stakeholders that there is no assurance that the strategic review will result in any specific strategic or financial transaction and no timetable has been set for its completion.

HEALTH, SAFETY AND ENVIRONMENT

Noreco had no operated activity in the fourth quarter 2010. The preparations for the Noreco operated exploration well Svaneøgle in license PL545 was finalized and consents from the authorities received. The company maintained and developed the emergency preparedness systems while waiting for the drilling unit to be available. The HSEQ Program and QA Plan for 2010 was finalised according to plan and a HSEQ Program with QA Plan and KPIs for 2011 was established and approved. The Noreco HSEQ Program and objectives for 2011 will continue to address Culture, Quality, Business Improvement and prevention of Major Accidents.

HUMAN RESOURCES

Noreco has increased its competence base by a net recruitment of 24 highly qualified people in 2010. Today Noreco has 101 employees and approximately 25 consultants, reflecting the necessary capacity to deliver value creation from existing assets and to carry through the planned exploration activities ahead.

Noreco has a stable workforce with about three percent turnover in 2010 and less than four percent over the last three years. Approximately 33 percent of the employees are female, and 12 nationalities are represented in the workforce.

Income statement

Statement of comprehensive income

All figures in NOK 1 000	Note	4. quarter - 10	4. quarter - 09	2010	2009
Revenue	1	474 381	206 646	1 909 909	1 431 203
Other revenue	1	0	115 313	236 552	115 313
Total revenues	1	474 381	321 959	2 146 462	1 546 516
Production expenses	2	142 535	100 941	539 919	451 981
Exploration and evaluation expenses	3	303 176	34 653	615 772	525 054
Payroll expenses		45 918	30 540	158 457	125 687
Other operating expenses		49 104	21 746	133 287	103 572
Loss on sale of licenses		0	0	0	55 594
Total operating expenses		540 733	187 880	1 447 435	1 261 888
Operating results before depreciation and amortization (EBITDA)		-66 352	134 079	699 026	284 628
Depreciation	6	143 664	70 997	601 310	514 026
Write-down goodwill	5	0	0	36 500	125 700
Net operating result (EBIT)		-210 016	63 082	61 217	-355 098
Net financial items	4	-117 333	-210 918	-485 032	-580 774
Ordinary result before tax (EBT)		-327 349	-147 836	-423 814	-935 872
Income tax expenses		-191 976	-61 017	-428 339	-567 883
Net result for the period		-135 373	-86 819	4 525	-367 989
Net result for the period		-135 373	-86 819	4 525	-367 989
Other comprehensive income:					
Value adjusted financial instruments		-10 910	-52 558	-34 441	-285 913
Currency translation difference		-1 684	19 452	2 394	-55 505
Total comprehensive net result for the period		-147 967	-119 925	-27 523	-709 407
Earnings per share					
Basic		-0,56	-0,38	0,02	-2,17
Diluted		-0,56	-0,38	0,02	-2,17

Balance sheet

Statement of financial position

All figures in NOK 1 000	Note	31-12-10	31-12-09
Non-current assets			
License and capitalised exploration expenses	5	3 976 833	3 849 233
Deferred tax assets		594 800	429 521
Goodwill	5	1 492 598	1 540 798
Production facilities	6	3 601 016	4 099 708
Total non-current assets		9 665 248	9 919 260
Current assets			
Assets held for sale		590 389	0
Accounts receivable		208 455	133 619
Tax refund		730 891	631 261
Other current receivables	7	579 684	504 247
Bank deposits, cash and cash equivalents		892 482	659 812
Total current assets		3 001 901	1 928 939
Total assets		12 667 149	11 848 199
Equity			
Share capital		753 418	751 545
Other equity		2 959 734	2 970 678
Total equity		3 713 152	3 722 223
Provisions and other non-current liabilities			
Deferred tax		2 393 085	2 495 232
Provisions for other liabilities and charges		833 553	739 202
Convertible bond loan	8	205 951	196 539
Bond loan	8	2 658 582	2 261 391
Other interest bearing debt	8	943 612	1 026 595
Total provisions and other non-current liabilities		7 034 783	6 718 959
Current liabilities			
Liabilities held for sale		231 539	0
Other interest bearing debt	8	1 085 304	906 957
Trade payables		86 060	35 943
Current tax payable		105 504	208 543
Public duties payable		22 760	34 285
Other current liabilities	9	388 047	221 288
Total current liabilities		1 919 214	1 407 016
Total liabilities		8 953 997	8 125 975
Total equity and liabilities		12 667 149	11 848 199

Statement of cash flow

All figures in NOK 1 000	2010	2009
Ordinary result before tax	-423 814	-935 872
Tax refund/Tax paid	150 750	-121 615
Depreciation	601 310	639 726
Dry wells	396 433	0
(Gain)/Loss on sale of licenses	-199 082	55 594
Effect of changes in exchange rates/other effects equity	38 613	-519 931
Financial instruments at fair value	34 441	488 443
Amortisation of borrowing expenses	44 329	95 512
Calculated interest on abandonment provision	68 564	66 997
Other items with no cash impact	158	3 548
Changes in trade receivable	-74 836	85 869
Changes in trade payables	50 117	-102 115
Changes in other current balance sheet items	378 228	262 250
Net cash flow from operations	1 065 211	18 407
Cash flows from investing activities		
Proceeds from sale of intangible fixed assets	265 545	27 272
Purchase of tangible assets	-622 589	-799 645
Purchase of intangible assets	-553 777	-189 683
Net cash flow from investing activities	-910 821	-962 056
Cash flows from financing activities		
Issue of share capital	11 322	1 427 268
Proceeds from issuance of long term debt	497 616	2 109 160
Repayment of long term debt	0	-2 240 000
Proceeds from issuance of short term debt	634 755	519 104
Repayment of short term debt	-695 573	-534 971
Interest paid	-370 199	-521 154
Net cash flow from (used in) financing activities	77 921	759 407
Net change in cash and cash equivalents	232 310	-184 242
Cash and cash equivalents at start of the year	659 812	867 349
Effects of changes in exchange rates on cash and cash equivalents	360	-23 295
Cash and cash equivalents at end of the quarter	892 482	659 812

Statement of changes in equity

All figures in NOK 1 000	31-12-10	31-12-09
Equity at the beginning of period	3 722 223	2 996 486
Capital increase	11 322	1 427 268
Share-based incentive program	7 130	7 855
Value adjusted financial instruments	-34 441	-285 913
Translation differences foreign exchange	2 393	-55 485
Net results for the period	4 525	-367 989
Equity at the end of period	3 713 152	3 722 223

Notes

to the quarterly consolidated financial statements

ACCOUNTING PRINCIPLES

Basis for preparation

The consolidated interim financial statements for the fourth quarter of 2010 comprises Norwegian Energy Company ASA (NORECO) and its subsidiaries.

These consolidated interim financial statements have been prepared in accordance with IAS 34 and The Norwegian Securities Trading Act § 5 – 6.

The interim financial statements do not include all information required for annual financial statements and should for this reason be read in conjunction with Norecos's 2009 annual report. The accounting principles applied are prepared in accordance with International Financial Reporting Standards (IFRS) as approved by the European Union and interpretations by the International Accounting Standard Board (IASB).

Share capital

The Groups share capital as per 31.12.2010 is NOK 753,4 million unchanged from 30.09.2010.

Exploration and development costs for oil and gas assets

Exploration costs are accounted for in accordance with the successful effort method. This means that all exploration costs including pre-operating costs (seismic acquisitions, seismic studies, internal man hours, etc.) are expensed as incurred. Exceptions are costs related to acquisition of licenses and drilling of exploration wells. These costs are temporarily capitalized pending an evaluation of the economics of the exploration drilling findings. If hydrocarbons are discovered, the costs remain capitalized. If no hydrocarbons are found or if the discoveries are not commercially profitable, the drilling costs are expensed. All costs of developing oil and gas fields are capitalized.

Depreciation and amortization

Depreciation of production equipment is calculated in accordance with the unit of production method. The excess value allocated to producing fields arising from recent acquisitions will be amortized in accordance with the unit of production method.

Taxes

Income tax expenses for the period are calculated based on the tax rate applicable to the expected total annual earnings. The ordinary income tax is 25% in Denmark and 28 % in Norway and United Kingdom. In addition, there is an extra petroleum tax of 50% related to exploration and production on the Norwegian Continental Shelf. In Denmark there is a petroleum tax of 70%, but at current oil price levels the Danish subsidiary will not be in a position where they have to pay the extra petroleum tax.

The deferred tax liabilities and tax assets are based on the difference between book value and tax value of assets and liabilities.

Goodwill – Deferred tax liabilities

The acquisitions of Altinex ASA and Talisman Oil Denmark AS has been treated in accordance with IFRS 3 – Business Combinations. The acquisition prices are allocated to assets and liabilities at the estimated fair values at the acquisition dates. The tax base of the acquired assets and liabilities is not affected by the acquisitions. As all acquisitions are treated as Business Combinations, the difference between new fair values and booked values prior to the acquisitions result in a change in the deferred tax liability. The change in deferred tax liability in turn affects Goodwill. Goodwill is, according to IFRS, not amortized, but will be subject to impairment testing.

Subsequent events

Pursuant to the incentive scheme for the employees in Noreco, a capital increase of 804.867 shares at a market price of NOK 17.89 was carried out in January 2011. A total of NOK 14.399.070,63 was paid in. The new share capital is NOK 755.913.033,40 split on 243.842.914 shares. The capital increase has been registered in the Register of Business Enterprise.

In February 2010, the exploration well Svanøgle (PL 545) was completed. The discovery is not of commercial interest. Noreco held a 50% interest in the license.

1 Revenue

(NOK 1 000)	Q4 - 10	Q4 - 09	2010	2009
Sale of oil	463 817	199 558	1 874 621	1 247 859
Sale of gas and NGL	15 401	11 897	57 307	61 825
Revenue from oil price hedging	0	1 687	896	150 166
Cost from oil price hedging 1)	-4 837	-6 496	-22 915	-28 646
Other revenue	0	115 313	236 552	115 312
Total revenue	474 381	321 959	2 146 462	1 546 516

1) Part of the group's oil sales are hedged against price reductions with the use of options. Costs relating to hedging are recognised as reduction in revenue, gains are recognised as revenue.

2 Production expenses

(NOK 1 000)	Q4 - 10	Q4 - 09	2010	2009
Direct production expenses	114 114	89 732	423 296	362 528
Duties, tariffs, royalties	19 859	7 625	83 349	60 105
Other expenses	8 562	3 585	33 273	29 347
Total production expenses	142 535	100 941	539 919	451 981

3 Exploration and evaluation costs

(NOK 1 000)	Q4 - 10	Q4 - 09	2010	2009
Acquisition of seismic data, analysis and general G&G costs	6 844	10 480	185 264	449 166
Exploration wells capitalised in previous years	13 711	0	21 230	6 537
Dry exploration wells this period	267 567	0	338 703	0
Other exploration and evaluation costs	15 054	24 173	70 575	69 352
Total exploration and evaluation costs	303 176	34 653	615 772	525 054

Specification of cash flow concerning exploration and evaluation activities

(NOK 1 000)	Q4 - 10	Q4 - 09	2010	2009
Exploration and evaluation costs capitalised as intangible assets this period	-49 617	703	201 831	189 683
Exploration and evaluation costs directly expensed this period	289 465	34 653	594 542	518 519
Amount invested in exploration and evaluation activities this period	239 848	35 356	796 373	708 203

4 Financial income and expenses

(NOK 1 000)

Financial income	Q4 - 10	Q4 - 09	2010	2009
Interest income	14 402	19 976	20 788	28 309
Other financial income	9 881	18 236	55 858	123 562
Total financial income	24 282	38 212	76 645	151 872
Financial expenses	Q4 - 10	Q4 - 09	2010	2009
Interest expense from bond loans	71 784	136 357	274 240	339 809
Interest expense from convertible loan	3 277	3 277	13 110	13 110
Interest expense from other non-current liabilities	14 059	11 415	51 055	50 198
Interest expense from exploration loan	12 738	11 592	38 698	32 586
Capitalised interest expenses	-6 297	-2 136	-19 161	-2 136
Amortisation from loan costs	14 606	45 803	44 329	95 512
Imputed interest from abandonment provisions	8 582	15 533	68 564	66 997
Interest expenses current liabilities	4 177	11 131	6 386	12 591
Other financial expenses	18 689	16 156	84 456	123 979
Total financial expenses	141 615	249 129	561 677	732 645
Net financial items	-117 333	-210 918	-485 032	-580 774

5 Intangible fixed assets

(NOK 1 000)	Capitalised exploration and evaluation expenses	Goodwill	Total
Acquisition cost 01.01.10	3 974 933	1 540 798	5 515 731
Additions	553 777	0	553 777
Dry wells	-359 933	0	-359 933
Disposals	-65 926	0	-65 926
Transferred to assets held for sale	-1 033	-11 700	-12 733
Currency translations	715	0	715
Acquisition cost 31.12.10	4 102 533	1 529 098	5 631 632
Accumulated depreciation and write-downs			
Accumulated depreciation and write-downs 01.01.10	125 700	0	125 700
Depreciations	0	0	0
Write-downs	0	36 500	36 500
Accumulated depreciation and write-downs 31.12.10	125 700	36 500	162 200
Book value 31.12.10	3 976 833	1 492 598	5 469 432

6 Tangible non-current assets

(NOK 1 000)	Asset under construction	Production facilities	Machinery and equipment	Total
Acquisition cost 01.01.10	1 232 223	4 330 263	8 200	5 570 686
Additions	290 195	332 394	0	622 589
Transferred	-861 180	861 180	0	0
Transferred to assets held for sale	-542 526	-29 864	0	-572 390
Other additions	0	28 664	0	28 664
Currency translations	3 076	21 747	7	24 830
Acquisition cost 31.12.10	121 787	5 544 384	8 207	5 674 378
Accumulated depreciation and write-downs				
Accumulated depreciation and write-downs 01.01.10	0	1 463 434	7 550	1 470 984
Depreciation	0	600 763	547	601 310
Currency translations	0	1 067	2	1 069
Accumulated depreciation and write-downs 31.12.10	0	2 065 264	8 099	2 073 363
Book value at 31.12.10	121 787	3 479 120	108	3 601 015

7 Other current receivables

(NOK 1 000)	31-12-10	31-12-09
Receivables from operators relating to joint venture licenses	140 528	186 186
Underlift of oil/NGL	62 291	21 171
Financial instruments	8 831	58 227
Other receivables 1)	368 034	238 664
Total other current receivables	579 684	504 247

1) mNok 355 - estimated compensation from the shut down of the Siri area fields.

8 Interest bearing debt

Non-current interest bearing debt	Nominal value	Book value at 31.12.10
Bond loan Noreco ASA	1 250 000	1 231 562
Bond loan Noreco ASA	750 000	741 044
Bond loan Noreco ASA	700 000	685 976
Convertible bond loan Noreco ASA	218 500	205 951
Reserve-based loan Altinex Oil Denmark A/S	982 118	943 612
Total long-term interest bearing debt	3 900 618	3 808 145
Current interest bearing debt	Nominal value	Book value at 31.12.10
Exploration loan Noreco ASA	666 333	649 111
Bond loan Altinex Oil Norway AS	153 500	153 328
Reserve-based loan Altinex Oil Denmark A/S	282 864	282 864
Total short-term interest bearing debt	1 102 697	1 085 304

9 Other current liabilities

(NOK 1 000)	31-12-10	31-12-09
Liabilities to operators relating to joint venture licenses	207 766	88 461
Overlift of oil	340	17 458
Accrued interest	49 813	61 301
Other current liabilities	130 128	54 070
Total other current liabilities	388 047	221 289

10 Segment reporting

The Group's activities are entirely related to exploration and development of oil, gas and NLG. The Group's activities are considered to have a homogenous risk and rate of return before tax and are therefore considered as one operating segment.

In each of the geographical segments, Norway, Denmark and UK the Group has established subsidiaries.

Transactions between the geographical segments are carried out at ordinary conditions, which would have been equivalent for independent parties.

Segment assets and liabilities are reflecting balance sheet items for the Group entities in respectively countries.

Excess value is allocated to the units expected to gain advantages by the acquisition. Investments in subsidiaries, loans, receivables and payables between the companies are included in segment assets and liabilities. These are eliminated in the consolidated balance sheet.

Geographically distribution as of 31.12.2010

(NOK 1 000)	Norway	Denmark	UK	Other/ elimination	Group
Total revenue	859 817	1 286 645	-		2 146 462
Net operating result	-237 915	340 434	-41 303		61 217
Net financial items					-485 032
Ordinary result before tax					-423 814
Income tax expenses					-428 339
Net result for the period					4 525
Assets	5 173 132	5 576 312	3 192 394	-1 274 689	12 667 149
Liabilities	5 361 237	3 155 242	1 712 206	-1 274 689	8 953 996
Capital expenditures production facilities	127 563	204 832			332 394
Capital expenditures asset under construction	231 747	721	57 727		290 195
Capital expenditures exploration and evaluations	545 163	8 614			553 777
Depreciations	174 259	463 551			637 810

Geographically distribution as of 31.12.2009

(NOK 1 000)	Norway	Denmark	UK	Other/ elimination	Group
Total revenue	595 366	951 150	-		1 546 516
Net operating result	-560 128	219 320	-14 291		-355 098
Net financial items					-580 774
Ordinary result before tax					-935 872
Income tax expenses					-567 883
Net result for the period					-367 989
Assets	4 350 998	5 325 815	3 141 794	-970 408	11 848 199
Liabilities	4 529 629	2 878 880	1 687 875	-970 408	8 125 975
Capital expenditures production facilities	107 273	257 639	-	-	364 912
Capital expenditures asset under construction	85 136	323 617	25 979		434 732
Capital expenditures exploration and evaluations	130 640	59 042			189 684
Depreciations and write-downs	286 841	352 886		-	639 727

Stavanger, 16 february 2011
The Board of Directors and Chief Executive Officer
Norwegian Energy Company ASA

Lars Takla
Chairman

Rebekka Herlofsen
Board Member

Therese Log Bergjord
Board Member

John Hogan
Board Member

Aasulv Tvetereld
Board Member

Ellen Sandra Bratland
Board Member

Bård Arve Lærum
Board Member

Scott Kerr
CEO

Noreco
Interim report
Q4 2010

INFORMATION ABOUT NORECO GROUP

Head office Noreco

Mailing address P.O. Box 550 Sentrum, 4005 Stavanger
Visiting address Nykirkebakken 2, Stavanger
Telephone +47 992 83 900
Internet www.noreco.com
Organisation number Register of Business Enterprises
NO 987 989 297 MVA

Board of Directors Noreco

Lars Takla, chairman
Aasulv Tveitereid
Rebekka Herlofsen
John Hogan
Therese Log Bergjord
Ellen Sandra Bratland
Bård Arve Lærum

Noreco Group management

Scott Kerr CEO
Einar Gjelsvik COO
Erik Borg Deputy CFO
Rune Martinsen Vice President Strategy & Investor Relations
Thor Arne Olsen Vice president, Commercial
Lars Fosvold Vice president, Exploration
Stig Frøysland Vice president, HSE/HR
Birte Borrevik Vice president, Projects & Drilling

Investor Relations

Rune Martinsen
Vice President Strategy & Investor Relations,
tel. +47 992 83 853 rm@noreco.com

Kjetil Bakken
Investor Relations, tel. +47 91 889 889 kjb@noreco.com

Erik Borg
Deputy CFO, tel. +45 41 38 19 09 eb@noreco.com

Tone K. Skartveit
tel. +47 992 83 882 tk@noreco.com

Financial calendar 2011

17 February 2011	Presentation of Q4 2010 report, Oslo
28 April 2011	Annual General Meeting, Stavanger
05 May 2011	Presentation of Q1 2011 report, Oslo
04 August 2011	Presentation of Q2 2011 report, Oslo
27 October 2011	Presentation of Q3 2011 report, Oslo

Other sources of information

Annual reports
Annual reports for the Noreco Group are available on noreco.com.

Quarterly publications

Quarterly reports and supplementary information for investors and analysts are available on noreco.com.
The publications can be ordered by sending an e-mail to tk@noreco.com

News releases

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