3RD QUARTER
SDFI

09

1ST QUARTER 2009 / NOK 31 246 000 000

2ND QUARTER 2009 / NOK 55 110 000 000

3RD QUARTER 2009 / NOK 75 185 000 000

petoro

PROJECT POSTPONEMENTS: THREAT OF SHORT-TERM INVESTMENT DECLINE – COST PRESSURES IN THE LONGER RUN

Income after financial items from the State's Direct Financial Interest (SDFI) on the Norwegian continental shelf for the first nine months of 2009 totalled NOK 75.2 billion. Net cash flow to the government was NOK 77.5 billion, down by NOK 41.4 billion from the same period of 2008 – which was a record year. This decline primarily reflects lower prices. The contribution to the Treasury during the third quarter was NOK 20.4 billion. Petoro fears a short-term decline in investment, but sees opportunities for a revival of activity after 2013.

Operating income for the third quarter came to NOK 21.1 billion, compared with NOK 35.6 billion in the same period of 2008. Net cash flow for the quarter was NOK 20.4 billion as against NOK 38.3 billion last year. Total oil and gas production for the third quarter averaged 911 000 barrels of oil equivalent per day (boe/d), compared with 947 000 for the same period of 2008.

Total production for the first nine months averaged 1 068 000 barrels of oil equivalent per day (boe/d), compared with 1 107 000 for the same period of 2008. Gas production was five per cent higher than in the first nine months of last year, while output of oil and natural gas liquids (NGL) fell by 10 per cent – primarily as a result of declining production from mature fields in the SDFI portfolio. Increased deliveries from new fields such as Ormen Lange and Snøhvit offset some of the overall production fall.

FINANCIAL RESULTS

Operating revenue totalled NOK 117.2 billion for the first nine months, compared with NOK 156.4 billion in the same period of last year. Income from oil sales declined by 44 per cent from the first nine months of 2008, reflecting lower prices. The average oil price for the first nine months was USD 55.78 per barrel compared with USD 112.66 in the same period of last year. In Norwegian kroner, the price was 38 per cent down at NOK 364 per barrel as against NOK 586 in 2008.

THIRD QUARTER

	THIRD QUARTER		FIRST NINE MONTHS		FULL YEAR
(All amounts in NOK mill)	2009	2008	2009	2008	2008
Operating revenue	33 555	49 851	117 215	156 359	214 585
Total operating expenses	12 472	14 268	39 094	41 431	56 742
Operating income	21 082	35 583	78 121	114 928	157 843
Net financial items	(1 008)	855	(2 937)	(733)	2 063
Income after financial items	20 074	36 438	75 185	114 195	159 906
Total investment	6 314	5 912	18 401	15 303	21 320
Net cash flow	20 378	38 333	77 484	118 913	155 420
Average oil price (USD/bbl)	67.80	120.55	55.78	112.66	97.99
NOK/USD exchange rate	6.19	5.17	6.53	5.20	5.39
Average oil price (NOK/bbl)	420	624	364	586	528
Oil/NGL production (1 000 b/d)	484	557	543	605	607
Gas production (mill scm/d)	68	62	84	80	86
Total production (1 000 boe/d)	**911**	**947**	**1 068**	**1 107**	**1 148**

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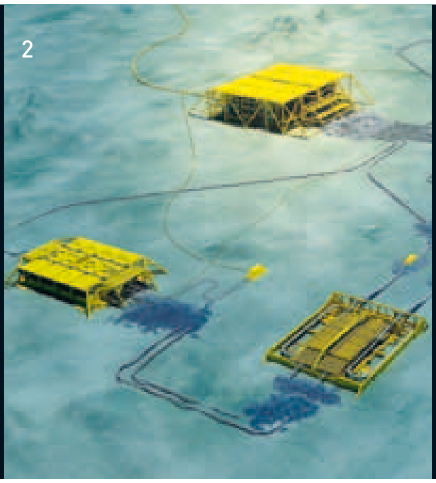


| 1 | Greater activity on Heidrun accounted for the biggest increases in capital spending.

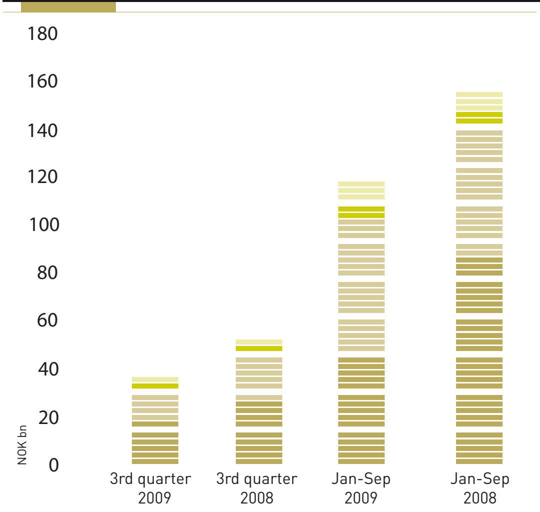
| 2 | Continued field development on Ormen Lange.

Revenues from equity gas sales for the first nine months were on a par with the same period of 2008. A decline in prices from 2008 was counteracted by an increased volume of gas. Gas revenues for the first nine months totalled NOK 52.4 billion, on a par with the same period of last year. The volume of equity gas production sold during the first nine months was 22.8 billion standard cubic metres (scm), compared with 21.9 billion in the corresponding period of 2008.

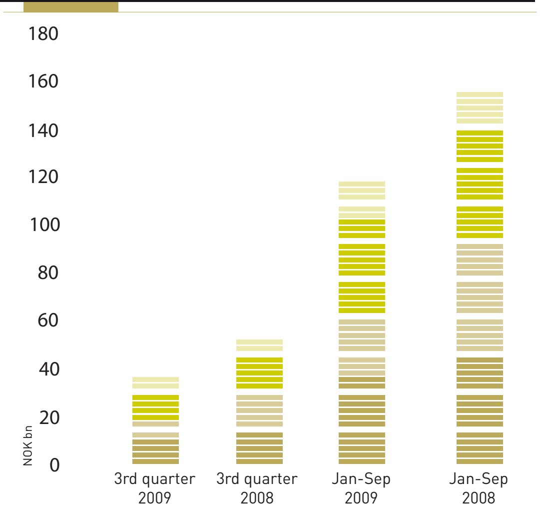
Operating expenses amounted to NOK 39.1 billion, compared with NOK 41.4 billion in the first nine months of 2008. The cost of buying gas for onward sale has been lower this year, reflecting reduced prices for buying third-party gas in Europe and the USA as well as a decline in replacement gas requirements related to Snøhvit. Operating costs for fields and plants rose by four per cent from the first nine months of last year. This reflected higher costs for well workovers. Exploration spending increased from NOK 1.4 billion to NOK 2 billion over the same period. This reflected the drilling of more wells and higher expenditure on testing discoveries.

Investment in the first nine months rose by 20 per cent from the same period of last year to NOK 18.4 billion. Continued field development on Ormen Lange, projects initiated on Troll Oil and greater activity on Heidrun accounted for the biggest increases in capital spending.

REVENUE BY PRODUCT



REVENUE BY BUSINESS AREA



ACTIVITIES IN THE THIRD QUARTER

PROFITABLE TO DEVELOP NEW PROJECTS IN THE SHORT TERM

Continued uncertainty in the market and the need for financial flexibility mean that some oil companies are postponing investment projects on the NCS. Petoro fears that this could contribute to a decline in activity and an excessive reduction in supplier capacity in the short term, and thereafter to further rounds of cost increases and weakened value creation when investment recovers from 2013.

The Rystad Energy analysis agency has been commissioned by Petoro to study future investment and costs on the NCS. This study shows that overall procurement for the offshore sector will expand substantially and steadily towards 2020.

According to the study, operational, drilling and well workover costs are set to rise consistently throughout the period up to 2020. Development investment, on the other hand, looks likely to experience a relatively sharp decline over the next couple of years. Activity related to development will then rise sharply again.

Estimates for future capital spending are open to considerable question in an unstable and uncertain market. The new figures must also be viewed from such a perspective. Petoro has itself identified opportunities for substantial investment over the next 10 years in projects which are economic but have yet to be sanctioned.

The Petoro board is concerned that the industry must maintain a good balance between the short-term need to reduce the level of costs on the NCS and the long-term requirement for a steady development of profitable projects which can help to meet an expected increase in demand for oil and gas. To fulfil such a long-term development requirement, sufficient capacity must be ensured in the supplies industry.

As a licensee on the NCS, Petoro will also keep up the pressure to mature profitable projects in the short term in order to take advantage of opportunities for pursuing developments at a time when reduced activity offers the possibility of lower costs. The board considers it important that Petoro and the other partners in the licences get involved in managing investment and progress in these projects.

Stavanger, November 2009
The board of directors of Petoro AS