Northern Oil ASA

Report for the 3rd Quarter of 2001

The Business of Northern Oil ASA
Northern Oil ASA ("NOI" or the "Company") is involved in the exploration and production of oil and gas. Its main focus is on the acquisition, development and production of proven reserves.

As of September 30th, 2001, the Company's main assets were 79,400,000 shares in Naftex Energy Corporation ("Naftex"), representing 84.2% of all outstanding shares, and 42,687,098 shares in Petrolex Energy Corporation ("Petrolex"), representing 62.92% of all outstanding shares. In October the Company increased its interest in Naftex by purchasing additional 3,500,000 shares.

Results for the third quarter of 2001
The results for the third quarter of 2001 show a loss of USD 355,000 before minority interest, and USD 328,000 after adjustment for minority interests. The proceeds from the sale of oil from the Rubiales field in Colombia (approximately USD 904,000), have, net of cost of sales and operating expenses, been credited towards the Company's petroleum properties, thus reducing the carrying amount of the properties, and is not booked as oil sales revenue.

Financial matters
In October the Company raised NOK 6 million in equity through a private placement of 1,500,000 shares at NOK 4.00 each. A total of 96,525,000 shares are presently outstanding in the Company.

Operations
Petrolex
In July Ryder Scott Company of Houston, Texas ("Ryder Scott") prepared on the Company's request an updated reserve report for the Rubiales Oil Field in Colombia taking into account the new definitions of reserves as set forth in the US Securities and Exchange Commission's Regulation S-X Part 210.4-10 (the "SEC-terms").

Ryder Scott's findings were based on in-place reserves of approximately 1.5 billion barrels and rates of recovery of oil from the wells of 14.2%. Recoverable reserves calculations were further adjusted to take into account commerciality and license terms.

Based on the SEC-terms, Ryder Scott has updated their forecast of future production. The results of the findings are:

Proven undeveloped reserves: 11.6 million barrels (Phase I)
Probable undeveloped reserves: 160 million barrels (Phase II)

Average daily production throughout the quarter was 1,494 barrels compared to 1,557 barrels in the second quarter. The oil was sold FOB the field for the local fuel oil market. Prices were depressed due to high import of heavy Venezuelan crude oils competing in Rubiales' market segment. During the quarter, a total of 134,000 barrels of oil were produced and sold from the field. Petrolex's share of net sales revenue was USD 904,000.

In May a drilling program in Rubiales was started with the spudding of one horizontal well followed by a vertical well. The first well reached targeted depth and deviation in mid-June. The well penetrated more than 600 feet of oil-bearing sands in the horizontal section. However, during completion of the well the production liner became stuck in a down-hole dogleg and, despite complicated and time consuming efforts, the Operator was unable to release the down-hole equipment. Alternative methods for cleaning up the well are being considered. A second, vertical production well was drilled and successfully completed during the quarter and put on production by the end of August.

USD 3 million was made available by NOI to finance the drilling campaign. The loan was fully drawn by the end of the quarter. NOI has also continued to cover Petrolex' ongoing general and administrative costs and expenses throughout the quarter. By the end of the quarter, US$1,850,000 had been provided by NOI under a loan agreement at market terms.

On October 23, Petrolex announced that Auburn Argyle Ltd had entered into heads of agreement for the purchase of all of the shares in its indirect wholly-owned subsidiary, Petrolex Colombia for US$ 60 million. Petrolex Colombia holds, through its subsidiaries, all of Petrolex' 80% interest in the Rubiales Oilfield in Colombia. The contemplated sale is subject to among other things the buyer raising a bond financing, negotiating a definitive purchase and sale agreement and due diligence. On November 22, Petrolex agreed to extend the time limit for execution of the definitive purchase and sale agreement and deposit of US$ 3 million in escrow to November 30, 2001 and the time limit for depositing the balance of the US$60 million purchase price in escrow to December 10, 2001. In light of these developments, Petrolex has postponed implementation of its proposed rights offering of approximately US$ 3 million.

Naftex
Block BS-3 Santos Basin, Brazil
On April 6, 2001 an exploration well was spudded in water depths of 200 meters. The targets were structures about 4.800-5.200 meters below sea level. In July, the operator Petrobras notified the Brazilian Petroleum Agency ("ANP") of a Declaration of Discovery of hydrocarbons in this well. The notification included the upper zones of the Guaruja formation where the logs indicated the presence of oil.

The well incurred mechanical problems while drilling the last phase and was then side-tracked to also permit investigation of the hydrocarbon potential in the underlying zones. By the end of October the side-track had reached total depth of 5340 m proving oil in two more zones.

Prior to August 6th, the deadline to claim additional areas to be retained under the BS-3 concession terms, a discovery Evaluation Plan was proposed to the ANP. This plan, which is now approved, retains some 340 km2 in the southern part of Block BS-3, and commits the partners to complete evaluations of the discovery well, collect and interpret a new 3D seismic program of some 160 km2 and drill a new delineation well within August 6th 2003.

The present development plan for the Coral and Estrela-do-Mar fields involves the drilling and completion of one new well in the Coral Field, the re-entering and side-track drilling and completion of an existing well in the same field, and the re-entry and completion of a well in the Estrela-do-Mar field.

It is presently anticipated that the three wells will be equipped with sub-sea horizontal-wet-christmas trees and tied back with flow lines and risers to a semi-submersible production platform to be anchored at the Coral field.

Coplex Brasil's share of the budgeted development costs will be approximately US$ 34 million. The Company has guaranteed the obligations of Coplex Brasil under the joint venture. Management of the Company is currently considering various alternatives to finance these obligations, including project financing.

In October, Petrobras presented results of a reservoir re-evaluation of all available data for the Coral field, building a new reservoir simulation model. This work indicates an upside reserve potential in the BS-3 block, Coral and Estrela-do-Mar.

This work by Petrobras is currently being evaluated by an independent consulting company and their findings are expected to be released by year end.

WEEM License, Egypt
Gross oil sales from the WEEM license were approximately 222,000 barrels during the nine months ended September 30, 2001. This compares with 245,461 barrels for the equivalent period of 2000.

In the second quarter, Naftex commenced negotiations with Bitech Petroleum Corporation, which acquired all of the shares of Vanguard, to settle a dispute between Naftex, Coplex Egypt, Vanguard, and Cabre, concerning, among other things, their respective interests in the WEEM Concession.

The negotiations between Naftex and Bitech were concluded in June but were followed in July by an offer from LUKOIL Oil Company to acquire all the outstanding shares in Bitech. This has led to a continued delay in the conclusion of the parties' settlement relating to the WEEM Concession.

Oslo, 29th November 2001
The Board of Directors of Northern Oil ASA.

Northern Oil

Income Statement (USD 1,000)	3rd Quarter 2001	3rd Quarter 2000	YTD Sept. 30, 2001	YTD Sept. 30, 2000	Dec. 31, 2000
Oil sales net of royalties	307	528	1,083	1,074	1,719
Operating Expenses	394	277	1,190	1,044	1,732
General and admin. expenses	419	624	1,656	1,182	1,507
Depletion, depreciation and amort.	28	98	83	303	59
Operating loss	-534	-453	-1,846	-1,458	-1,579
Net financial income	90	16	247	67	223
Net currency gain -loss	89	-57	-19	-65	400
Results from continued operations	-355	-494	-1,618	-1,454	-956
Results from discontinued operations	-	-3,976	-	28,122	18,559
Net -loss/ profit	-355	-4,470	-1,618	26,669	17,603
Minorities interests portion of losses	27	135	336	439	498
Net –loss/ profit after minorities interests	-328	-4,335	-1,282	27,108	18,101

Balance Sheet (USD 1,000)	30th Sept. 2001	30th Sept. 2000	31st Dec. 2000
Property and equipment	35,278	22,202	22,583
Other current assets	7,451	6,639	1,285
Cash and cash equivalents	6,552	2,351	14,575
Total assets	49,281	31,192	38,443
Equity	21,441	6,191	17,687
Minority interests	15,650	22,844	17,636
Long term debt	-	217	217
Current liabilities	12,190	1,940	2,903
Total liabilities and equity	49,281	31,192	38,443

Basis for presentation of financial statements
NOI is reporting financial results in USD based on accounting principles generally accepted in Norway. The offshore activities owned by NOI when trading under the name Northern Offshore, were disposed of in October 2000. As a consequence, these assets are presented in the balance sheet as "Operations to be disposed of". The net results of these activities in prior periods are presented as "Results of discontinued operations".