

Northern Oil ASA

Report for the 3rd Quarter of 2003

Results for the third quarter of 2003

Northern Oil ASA's Board has in a meeting on November 28th reviewed the Company's 3rd quarter results. The results for the third quarter of 2003 (comparative numbers for Q3 2002 in brackets) show a net operating gain of USD 2.1 million (loss of USD 0.3 million), and a net gain after minorities of USD 1.4 million (loss USD 0.3 million).

Oil production started from the Coral oil field on February 3rd, where Northern Oil via its subsidiary Coplex Brazil is participating with a 27.5 % share.

During the third quarter the production from the Coral field has been approximately 792,000 barrels from two wells, averaging a daily production of approximately 8,600 barrels, of which 27.5 % is Coplex' share. The average sales price for the oil has been approximately USD 28.20 per barrel.

The production has not yet reached the originally planned level, since the production from the third well is still delayed due to technical problems.

Further details regarding the activities in Brazil

While the initial production from the two wells in the second quarter exceeded the expectations for the B-3 zone, the production late in the third quarter dropped faster than expected. In October the production averaged approximately 8,300 bpd. The reason for this drop is likely to be asphaltenes building up in the production tubing. This is normally handled by injecting asphaltene inhibitors. However, Petrobras (the Operator) for a period in September tested alternative asphaltene inhibitors, which resulted in a further loss of production capacity. The production from

the two wells in November has been somewhat in excess of 7,100 bpd.

The plan is to work over these wells to restore production capacity as soon as the drilling rig is released from the third well.

The planned work over is likely to bring the combined production potential for the two wells back to 9-10,000 barrels a day.

Work to repair the third well is progressing and the Operator has now succeeded in retrieving all the tubing (production string). Currently the Operator is in the final stages of cleaning up the well prior to re-completion. The re-completion would likely take place after the two wells that are in production have been worked over, which means that the re-completion of the third well would not be finalized before over the yearend.

The Brazilian petroleum directorate ANP has recently approved the Evaluation Plan and the Commerciality Declaration of Cavalo Marinho (formerly known as "Caravela Sul"). The reserves in this field are expected to be at least in the same range as the Coral field, but might be significantly higher. A plan for the development of the field is now in progress. Until the development plan has been finalized and approved by ANP, it is not possible to give any timeframe for the production start, but this is unlikely to happen before 2006.

For the Cavalo Marinho field the dispute with Petrobras is still unsettled. The Brazilian courts are currently dealing with the situation.

As Coplex has a considerable counterclaim towards Petrobras for Petrobras' handling of the initial exploration drilling at Cavalo Marinho, Northern Oil believes that any further payments on the BS-3 license should be related to the arbitration case.

Coplex Brasil is meanwhile preparing for the arbitration proceedings that will commence shortly.

Coplex Brazil's negotiations with the Brazilian development bank BNDES for a USD 10-12 million loan is still pending. Due to the new political management in this bank after the Brazilian elections last year, the negotiations have dragged out

Northern Oil is currently renegotiating the repayment dates of the 8.8 million USD loan from the major shareholder. The loan should have been repaid by the end of this year, the negotiations aim to have the repayment delayed until the spring of 2004.

Corporate Matters

On August 15th the Company issued 9 million new shares in a private placement at NOK 3.00 per share, raising approximately NOK 27 million in new equity.

Total outstanding shares in Northern Oil ASA are - after this share issue -

130,416,936 shares.

Outlook

Regrettable as it is, the Board still regards the delayed re-completion of the third well and the asphaltene issue as only temporary setbacks.

There are, however, challenges, mainly linked to the technical operation of the field and the dispute with the Operator on the Cavalo Marinho field.

The operational cash flow from the field after investment is expected to be positive from the Q4 – 2003. This will likely improve the company's financial situation significantly. The work over and the completion of the third well should improve this situation further.

Oslo, November 28th 2003.

The Board of Directors of Northern Oil ASA

Northern Oil ASA

2002 July-Sept	2003 July-Sept	Income statement (in USD 1,000)	2003 Jan-Sept	2002 Jan-Sept	2002 Jan-Dec
-	5 188	Oil sales net of royalties	6 688	-	-
-	-1 457	Production and transport expenses	-3 410	-	-
-	-61	Other operating expenses	-138	-	-
-329	-402	Administrative expenses	-1 375	-1 425	-1 709
-1	-1 128	Depletion and depreciation	-1 386	-5	-7
-330	2 140	Operating gain (loss)	379	-1 430	-1 716
95	297	Net financial income/-expenses	371	-31	26
-	-766	Interest costs	-1 816	-	-
-33	-176	Foreign exchange loss (gain)	-139	-115	-127
-268	1 495	Loss from continued operations	-1 205	-1 576	-1 817
-59	5	Result from discontinued operations	-15	2 319	8 283
-327	1 500	Net profit (loss) before minority interests	-1 220	743	6 466
9	-129	Minority interests' portion of results	80	22	-234
-318	1 371	Net profit (loss) after minority interests	-1 140	765	6 232

0,00	0,01	Earnings (loss) per share, USD	(0,01)	0,01	0,06
0,00	0,01	Diluted earnings (loss) per share, USD	(0,01)	0,01	0,06

**Northern
Oil ASA**

Balance Sheet (in USD 1,000)	2003 Sept 30	2002 Sept 30	2002 Dec 31
Property and equipment	48 195	30 751	31 869
Operations held for sale / discontinued operations	-	539	-
Other current assets	11 202	474	7 530
Cash and cash equivalents	4 695	733	779
Total assets	64 092	32 497	40 178
Paid-in capital	21 462	11 850	11 850
Retained earnings	4 930	3 040	6 007
Minority interests	228	34	320
Long term debt	10 044	-	-
Short term debt	12 828	-	18 417
Other current liabilities	14 600	17 573	3 584
Total liabilities and equity	64 092	32 497	40 178

The financial statement is following the same accounting principles as per the annual statement for 2002.
This quarterly reporting is following the accounting standard "NRS 11 – Interim reporting", where it is relevant.

Equity reconciliation (in 1 000 USD)	2003	2002
Equity per January 1:	17 857	12 255
Result for the period Jan-Sept:	-1 140	765
Other:	63	390
Share issues	9 612	1 480
Sum, equity per September 30:	26 392	14 890

Northern Oil ASA

2002 July-Sept	2003 July-Sept		2003 Jan-Sept	2002 Jan-Sept	2002 Jan-Dec
STATEMENT OF CASH FLOWS					
Cash flows from operating activities:					
(318)	1 371	Net profit/ (-) loss for the period	(1 140)	765	6 232
(9)	129	Minority interests	(80)	(22)	234
59	(5)	Profit/(-) loss from operations held for sale	15	(2 319)	(8 283)
(268)	1 495	Profit/(-) loss from operating activities	(1 205)	(1 576)	(1 817)
Adjustments to reconcile the loss with net cash from operating activities:					
1	1 129	Depreciation and depletion	1 386	5	7
2 057	169	Change in acc'ts receivable and other short-term receivables	(3 149)	1 479	2 079
-	(7)	Change in inventory	(523)	-	-
(250)	598	Change in accounts payable and other current liabilities	3 816	(3 809)	(1 990)
(55)	(1 050)	Change in other accruals and currency effects	(744)	(77)	47
1 485	2 334	Net cash flow from operating activities	(419)	(3 978)	(1 674)
(53)	-	Net cash flow from operations held for sale	-	2 185	8 933
Cash flows from investing activities:					
(4 256)	(3 133)	Field investments	(8 982)	(12 556)	(23 853)
(4 256)	(3 133)	Net cash flow from investing activities	(8 982)	(12 556)	(23 853)
Cash flow from financing activities:					
-	3 622	Proceeds from issuance of shares	9 675	-	-
2 647	3 284	Proceeds from loans obtained	18 518	13 675	15 966
-	(2 101)	Repayment of loans	(14 875)	-	-
2 647	4 805	Net cash flow from financial activities	13 317	13 675	15 966
(177)	4 006	Change in cash and cash equivalents during the period	3 916	(674)	(628)
910	690	Cash and cash equivalents at the beginning of the period	779	1 407	1 407
733	4 695	Cash and cash equivalents at the end of the period	4 695	733	779