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Prospectus

Norse Energy Corp. ASA

(Registration number: 979 441 002)
www.NorseEnergy.com

Subsequent Offering of up to 14,117,647 Subsequent Offering Shares with preferred allocation to Eligible Shareholders as of 11 January 2010 at a subscription price of NOK 4.25 per Subsequent Offering Share, raising up to NOK 60 million in gross proceeds.

Subscription Period from and including 17 February 2010 to 17.30 CET on 8 March 2010.

THE SUBSEQUENT OFFERING SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED. SEE "RISK FACTORS" IN SECTION 2 FOR A DISCUSSION OF CERTAIN MATTERS THAT SHOULD BE CONSIDERED IN CONNECTION WITH AN INVESTMENT IN THE SUBSEQUENT OFFERING SHARES.

Listing of 70,588,235 New Shares on Oslo Børs ASA, each with a nominal value of NOK 0.88 placed in the Private Placement at a subscription price of NOK 4.25 raising total gross proceeds of NOK 300,000,000.

Joint-Lead Managers

Pareto Securities AS

Carnegie

Sales Agent

Handelsbanken Capital Markets

15 February 2010

Important information

This Prospectus has been prepared in order to provide information about Norse Energy Corp. ASA (“Norse” or the “Company”) and its business in connection with (i) the listing of 70,588,235 New Shares issued in the private placement completed in January 2010 (the “Private Placement”), and (ii) the subsequent offering directed to existing shareholders as of 11 January 2010 who were not given the opportunity to subscribe in the Private Placement (“Eligible Subscribers”) of up to 14,117,647 Subsequent Offering Shares in Norse (the “Subsequent Offering”) as described in this Prospectus.

For the definitions of terms used throughout this Prospectus, see Section 17 “Definitions and Glossary of Terms”.

The Company has furnished the information in this Prospectus. The Managers makes no representation or warranty, expressed or implied, as to the accuracy or completeness of such information, and nothing contained in this Prospectus is, nor shall be relied upon as, a promise or representation by the Managers. This Prospectus has been prepared to comply with the Norwegian Securities Trading Act and the Norwegian Regulation on Contents of Prospectuses, which implements the Prospectus Directive (EC/2003/71), including the Commission Regulation EC/809/2004, in Norwegian law. Oslo Børs has reviewed and approved this Prospectus in accordance with the Norwegian Securities Trading Act section 7-7. This Prospectus has been published in an English version only.

All inquiries relating to this Prospectus should be directed to the Company or the Managers. No other person has been authorised to give any information about, or make any representation on behalf of, the Company in connection with the Subsequent Offering, and, if given or made, such other information or representation must not be relied upon as having been authorised by the Company or the Managers.

The information contained herein is as of the date hereof and subject to change, completion or amendment without notice. There may have been changes affecting the Company or its subsidiaries subsequent to the date of this Prospectus. Any new material information and any material inaccuracy that might have an effect on the assessment of the Shares arising after the publication of this Prospectus and before the listing of the New Shares and the Subsequent Offering Shares on Oslo Børs, will be published and announced promptly as a supplement to this Prospectus in accordance with section 7-15 of the Norwegian Securities Trading Act. Neither the delivery of this Prospectus nor the completion of the listing of the New Shares or the Subsequent Offering at any time after the date hereof will, under any circumstances, create any implication that there has been no change in the Company’s affairs since the date hereof or that the information set forth in this Prospectus is correct as of any time since its date.

The distribution of this Prospectus and the offering of the Subsequent Offering Shares in the Subsequent Offering may in certain jurisdictions be restricted by law. Persons in possession of this Prospectus are required to inform themselves about and to observe any such restrictions. This Prospectus does not constitute an offer of, or a solicitation of an offer to purchase or subscribe, any of the Subsequent Offering Shares in any jurisdiction or in any circumstances in which such offer or solicitation would be unlawful. No one has taken any action that would permit a public offering of Subsequent Offering Shares to occur outside of Norway.

The Subsequent Offering Shares have not been and will not be registered under the U.S. Securities Act of 1933 as amended, or with any securities authority of any state of the United States. The Subsequent Offering Shares may not be offered or sold in or into the United States, Canada, Japan, Australia or any other jurisdiction in which such offering would be unlawful.

The contents of this Prospectus shall not to be construed as legal, business or tax advice. Each reader of this Prospectus should consult its own legal, business or tax advisor as to legal, business or tax advice. If you are in any doubt about the contents of this Prospectus, you should consult your stockbroker, bank manager, lawyer, accountant or other professional adviser.

In the ordinary course of their respective businesses, the Managers and certain of its affiliates have engaged, and may continue to engage, in investment and commercial banking transactions with the Company and its subsidiaries.

Without limiting the manner in which the Company may choose to make any public announcements, and subject to the Company’s obligations under applicable law, announcements relating to the matters described in this Prospectus will be considered to have been made once they have been received by Oslo Børs and distributed through its information system.

Investing in the Company's Shares involves risks. See Section 2 "Risk Factors" of this Prospectus.

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APPENDICES

1. SUMMARY

The following summary should be read as an introduction to the Prospectus and in conjunction with, and is qualified in its entirety, by the more detailed information and the Appendices appearing elsewhere in this Prospectus. Any decision to invest in the Shares should be based on a consideration of the Prospectus as a whole by the investor.

In case a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff Investor might, under the national legislation, have to bear the cost of translating the Prospectus before legal proceedings are initiated. Civil liability attaches to those persons who have tabled the summary including any translation thereof, and applied for its notification, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus.

1.1 DESCRIPTION OF NORSE

1.1.1 Introduction

The Company's legal and commercial name is Norse Energy Corp. ASA. The Company is a Norwegian Public Limited Company organised under Norwegian law. The Company's registered organization number is 979 441 002. The Company was incorporated on 2 December 1997 under the name Northern Offshore ASA.

The Company's registered office is at Strandveien 50, 1366 Lysaker, Norway. The Company's telephone number is +47 23 01 10 00 and the web-address is: www.NorseEnergy.com .

1.1.2 History and development

The Company's legal and commercial name is Norse Energy Corp. ASA. The Company is a Norwegian Public Limited Company organised under Norwegian law. The Company's registered organization number is 979 441 002.

In 2005, the two companies Northern Oil ASA and NaturGass (USA) AS merged and the Company changed its name to Norse Energy Corp. ASA. On 13 July, 2005 the Company was listed on the Oslo Stock Exchange under the ticker symbol "NEC".

Northern Oil was incorporated on 2 December, 1997 under the name Northern Offshore ASA. In the beginning of the year 2000, Northern Offshore ASA acquired a controlling interest in two Canadian oil companies, Naftex and Petrolex Corporation. Naftex owned all the shares in Coplex which, in turn, owned 27.5% interests in the Coral, Estrela-do-Mar and Cavalo Marinho fields offshore Brazil. Subsequent to this acquisition, a decision was made to split the business of Northern Offshore ASA into two parts. The original investments in drilling units and production platforms were transferred to a new company; Northern Offshore Ltd. The oil related assets represented by the shareholdings in Naftex and Petrolex remained in the ownership of Northern Offshore ASA. Following these transactions Northern Offshore ASA was renamed to Northern Oil ASA and continued its original listing on the Oslo Stock Exchange under the new name. Northern Oil focused its activities on the exploration and production of oil. In 2002, Naftex sold its interest in Egypt to Lukoil. Petrolex Energy Corporation also sold its interests in Columbia.

NaturGass (USA) AS was an upstream energy company focusing on natural gas drilling, production, gathering and transportation, which activities were conducted through Strata Management, located in Houston. NaturGass dates back to 1991 when key members of NaturGass' board of directors and management acquired Norse Finans AS, which had a controlling interest in the Norwegian oil- and gas company Norse Petroleum AS, which was established in 1973 to participate in offshore fields outside Norway. Norse Petroleum AS sold all the US offshore assets to the NASDAQ pink sheet listed Bounty Group Inc. in exchange for 53% ownership in the latter. Subsequent to the transaction Bounty Group Inc sold all its offshore assets and was delisted from NASDAQ after a reverse split, which gave Norse Petroleum AS a 100% ownership of Bounty Group Inc. After these transactions, Bounty Group Inc. owned approximately 60 gas producing wells in the Appalachian Basin. Bounty Group Inc later changed its name to Strata Management Corporation, and sold the gas wells to its subsidiary Nornew. Strata Management is the parent company of the US operations, and has later changed its name to Norse Energy Corp. USA and is today known as Norse Energy Holdings Inc. NaturGass owned 32.66% of the shares in Northern Oil prior to the merger in 2005.

Since the merger in 2005, the various operating segments have developed their individual businesses. In Brazil, the Manati gas field came online with all six planned wells during 2007. This has contributed to the record average production the company has seen in 2007 and 2008. The Company has also carried out extensive exploration drilling in Brazil, and seen a significant increase in certified contingent resources. In the US, the Company made a strategic decision during 2007 to shift focus from the Shallow Medina gas wells to potentially higher-impact gas plays. By the end of 2007, the Company entered into an agreement to divest the Medina properties for USD 67 million. Since then, the Company has actively drilled in various formations, with main production now coming from the Herkimer play. On a corporate level, the Company has raised significant funds. Bond loans totalling NOK 500 million and USD 75 million were raised from 2005 to 2007.

Today, the Company's main offices are in Rio de Janeiro, Brazil, where the Brazilian operations that originated in Northern Oil are concentrated, and in Buffalo, New York and Pittsburgh, Pennsylvania where the US operations are located. In addition, the Company has a corporate office in Oslo, Norway.

1.1.3 Business overview

The Company has operations offshore Brazil in the Camamu-Almada and Santos Basins and onshore US in the Appalachian basin. In Brazil, the company has one business segment, E&P offshore Brazil. In the US, the company has three business segments: Exploration and Production of natural gas ("E&P"), Gathering and Transmission of natural gas ("G&T") and Energy Marketing ("EM").

This is not regarded as an optimal structure for operational and financial purposes. There are limited synergies between the business areas and significantly different investment return horizons, and a separation of the business areas will optimise the capital structure and provide considerable growth potential in the respective markets.

The demerger was approved by an Extraordinary General Meeting on January 28, 2010, and an application will be made to list the shares of Brazil Holding on the Oslo Stock Exchange. The application will be sent to Oslo Stock Exchange within 25 February 2010 in order to facilitate an approval of listing of the shares at the Oslo Stock Exchange board meeting scheduled 25 March 2010.

1.1.4 Research and development, patents and licenses etc.

The Company holds no patents or licences (other than the petroleum licences described below) that are business critical or any other significant patents. The Company has not had any material expenses related to research and development for 2006, 2007 or 2008.

The Company has certain licenses and authorizations customary for an oil and gas operating company.
In order to operate in Brazil, the Company is dependent on certain exploration and production licenses. The Company currently holds the following eight licenses offshore Brazil:

License	NEdB Interest
BCAM-40/Manati (including Camarão Norte)	10 %
Sardinha	20 %
Cavalo Marinho	50 %
Estrela-do-Mar	65 %
Coral	35 %
S-M 1035	50 % (Operator)
S-M 1036	50 % (Operator)
S-M 1100	50 % (Operator)

The Company also holds approximately 180,000 acres in the Appalachian Basin in the US. About 5,000 of these acres are owned 100% by the Company, while the remaining acreage is leased with a landowner royalty (usually 12.5%). Maintaining these leases is critical to the Company in order to produce and sell the natural gas.

The Company also holds certain right-of-way needed to construct the pipeline to transport the natural gas to the markets in the North East US.

1.2 PURPOSE AND BACKGROUND FOR THE OFFERINGS

The gross proceeds from the Private Placement and the Subsequent Offering, which amount to NOK 360,000,000 (if the Subsequent Offering is fully subscribed) will be used to strengthen the Company's financial position and for general corporate purposes.

1.3 DESCRIPTION OF THE OFFERINGS

1.3.1 The Private Placement

Due to the continuing challenging market situation for the Company's business activities and the desire to improve the liquidity of the Company, the Board of Directors, on 11 January 2010, resolved to carry out a placement of 70,588,235 shares (the "New Shares") and engaged the Managers in this respect. The rationale to conduct the equity offering as a Private Placement was to secure that the necessary equity was obtained in a swift and satisfactory manner.

The 70,588,235 New Shares in the Private Placement were placed by the Managers to selected investors on 11 January 2010.

Announcement of the contemplated Private Placement was made by the Board of Directors through a stock exchange notification on 11 January 2010, and the subscription result of the Private Placement was announced through a stock exchange notification on 12 January 2010.

1.3.2 The Subsequent Offering

The shareholders as of 11 January 2010 who were not invited to participate in the Private Placement (the "Eligible Shareholders") will be given non-transferable Subscription Rights providing the right to subscribe for and, as far as possible with the maximum number of Subsequent Offering Shares to be issued, be allocated Subsequent Offering Shares to the extent necessary to enable said shareholders the ability to maintain their relative ownership as of 11 January 2010 following the Private Placement. Consequently, the pre-emptive rights of the shareholders are waived in accordance with Section 10-5 of the Norwegian Public Limited Liability Companies Act.

The Subscription Period for the Subsequent Offering will commence on 17 February 2010 and expires at 17:30 hours (CET) on 8 March 2010. The Subscription Period may not close earlier or be extended.

The Subscription Price in the Subsequent Offering is NOK 4.25 per Subsequent Offering Share, which is equal to the subscription price in the Private Placement. For a description of the basis for determining the subscription price in the Private Placement, see Section 5.3 "The Terms of the Private Placement" herein.

1.4 CONDITIONS AND TIME TABLE FOR THE SUBSEQUENT OFFERING

Below is a brief overview of the terms and time table for the Subsequent Offering:

Last day of trading in the Shares including subscription rights........	11 January 2010
Subscription Period commences..	17 February 2010
Subscription Period ends	17:30 hours CET, on 8 March 2010
Allocation of the Subsequent Offering Shares.................................	Expected on or about 10 March 2010
Distribution of allocation letters	Expected on or about 11 March 2010
Payment date	15 March 2010
Registration of the share capital increase in the Norwegian Register of Business Enterprises	Expected on or about 22 March 2010
Delivery date for the Subsequent Offering Shares	Expected on or about 22 March 2010
Listing and commencement of trading in the Subsequent Offering Shares on Oslo Børs...	Expected on or about 23 March 2010

Subscriptions for Subsequent Offering Shares must be made on a Subscription Form in the form attached as Appendix 2 hereto. Eligible Shareholders will receive Subscription Forms, which include information on shareholdings as of 11 January 2010, the number of received non-transferable Subscription Rights, and certain other matters relating to the relevant Eligible Shareholders.

Accurately completed Subscription Forms must be received by the Manager by 17:30 hours CET on 8 March 2010. Neither the Company nor the Manager may be held responsible for delays in the mail system, busy facsimile lines or for non-receipt of Subscription Forms forwarded by facsimile or otherwise to the Manager.

Allotment of the Subsequent Offering Shares is expected to take place on or about 10 March 2010. The Board reserves the right to round off, cancel or reduce any subscription.

The following allocation criteria will be used in the Subsequent Offering:

1) All Eligible Shareholders who subscribe in the Subsequent Offering will be allocated 0.072 Subsequent Offering Share per Share owned as of 11 January 2010 (rounded up to the next whole number)
2) In the event all Eligible Shareholders does not utilize their pre-emptive right according to criteria 1 above, those Eligible Shareholders who have over-subscribed, will have a right to be allocated remaining shares not subscribed for on a pro rata basis. In the event a pro rata allocation is not applicable due to few remaining shares, the Company will determine the allocation by drawing lots or applying similar mechanisms through the automated procedure applicable through the VPS.

To the extent the Subsequent Offering is not fully subscribed and allocated in accordance with criterias 1 and 2 above, allocation will be made to other Subscribers not being Eligible Shareholders, at the Board's discretion.

The number of Subsequent Offering Shares to be issued is limited to 14,117,647. Consequently, if the total amount of subscriptions based on Subscription Rights in the Subscription Period exceeds the total number of Subsequent Offering Shares to be issued, the maximum number of Subsequent Offering Shares to be allocated to each Eligible Shareholder will have to be reduced in order not to exceed the maximum number of Subsequent Offering Shares. Allocation will then be made in accordance with the Eligible Shareholders' pro rata ownership interest as of 11 January 2010.

Publication of information related to any changes in the Subsequent Offering and the amount subscribed is expected to be published on or about 10 March 2010 in the form of a stock exchange release through the Oslo Børs information system and will also be available on the Company's website www.NorseEnergycorp.com. All Subscribers being allotted Subsequent Offering Shares will receive a letter from VPS confirming the number of Subsequent Offering Shares allotted to the Subscriber and the corresponding amount to be paid. This letter is expected to be mailed on or about 11 March 2010.

Each Subscriber must provide a one-time authorization to the Manager to debit a specified bank account with a Norwegian bank for the amount (in NOK) payable for the Subsequent Offering Shares allotted to such Subscriber by signing the Subscription Form when subscribing for Subsequent Offering Shares. The amount will be debited on or about 15 March 2010. Subscribers not having a Norwegian bank account must ensure that payment for their Subsequent Offering Shares with cleared funds is made on or before 12:00 (CET) on 12 March 2010 and should contact the Managers in this respect.

1.5 THE LISTING AND ADMISSION TO TRADING

The Subsequent Offering Shares will be listed on Oslo Børs as soon as the share capital increase pertaining to the Subsequent Offering Shares has been registered with the Norwegian Register of Business Enterprises and the Subsequent Offering Shares have been registered with the VPS. Subject to timely and full payment by all subscribers in the Subsequent Offering, the Company expects that the registration of the share capital increase pertaining to the Subsequent Offering will occur on or about 22 March 2010.

1.6 EXPENSES IN CONNECTION WITH THE OFFERINGS

Costs attributable to the Private Placement and the Subsequent Offering will be borne by the Company. The total costs are expected to amount up to approximately NOK 15 million, which include cost related to fees to Pareto Securities AS, Carnegie ASA and Handelsbanken Capital Markets and Oslo Børs, printing and distribution of this Prospectus, costs to legal advisor and the Company's auditor. The net proceeds to the Company from the Private Placement and the Subsequent Offering will, assuming full subscription of the Subsequent Offering, be NOK 345 million, which will be used to strengthen the Company's financial position and for general corporate purposes.

1.7 SUMMARY OF RISK FACTORS

A number of risk factors may adversely affect the Company. Below is a brief summary of some of the most relevant risk factors described in the Section 2 “Risk Factors”. The risks outlined in Section 2 are not exhaustive, and other risks not discussed herein may also adversely affect the Company. Prospective investors should consider carefully the information contained in this Prospectus and make an independent evaluation before making an investment decision.

The risk factors the Company and its Shares are subject to are inter alia; competition, availability of drilling equipment and access restrictions, the Company’s oil and natural gas production, new reserves, technical risk, estimates for abandonment costs, permits and licenses, governmental regulations, title to properties, commodity price volatility, environmental risks, key personnel, liquidity risk, credit risk, exchange risk, interest rate risk, commodity price risk and possible tax event for US shareholders.

1.8 DIRECTORS, MANAGEMENT AND EMPLOYEES

1.8.1 Board of directors

The Company’s Board of Directors consists of the following members: Dag Erik Rasmussen (Chairman), Bjarte Henry Bruheim, Kathleen Arthur, Katherine H. Støvring and Odd Næss.

1.8.2 Management

The executive management of the Company currently consists of the following members: Øivind Risberg (CEO), Anders Kapstad, Mark Dice, Richard Boughrum and Kjetil Solbrække.

1.8.3 Employees

As of the date of this Prospectus, the Company’s operations involves’ about 83 people.

1.9 ADVISORS AND AUDITORS

1.9.1 Managers

The Joint Lead Managers and bookrunners for the Private Placement are Pareto Securities AS and Carnegie ASA. Handelsbanken Capital Markets acted as Sales Agent in connection with the Private Placement.

The Manager in the Subsequent Offering is Pareto Securities AS.

1.9.2 Legal counsel

The legal advisor to the Company is Advokatfirmaet Wiersholm.

1.9.3 Independent Auditor

The Company's auditor is Deliotte AS.

1.10 SUMMARY OF OPERATING AND FINANCIAL INFORMATION

The following tables present data extracted from selected financial information for the Company as of and for each of the three years ended 31 December 2008, 2007 and 2006 and as of and for the nine months ended 30 September 2009 and 2008.

1.10.1 Summary of consolidated income statement

NEC ASA Consolidated Financial Statements	Q3 YTD 2009 Unaudited	Q3 2009 Unaudited	Q3 YTD 2008 Unaudited	Q3 2008 Unaudited	2008 Audited	2007 Audited	2006 Audited
Marketing revenue	72 779	18 116	167 747	61 587	213 706	148 398	138 988
Oil and gas revenue	34 509	12 937	70 368	27 185	84 018	61 171	39 945
Fair value adjustments and other income	1 859	457	35 408	9 816	36 784	5 142	8 580
Total revenues and other income	109 147	31 510	273 523	98 588	334 508	214 711	186 664
Marketing purchases	68 748	18 020	163 036	59 454	206 500	141 588	135 329
Production costs	4 249	1 428	19 663	6 856	27 949	25 802	20 550
Exploration and dry-hole costs	15 037	7 226	20 123	4 857	27 225	2 629	1 660
General and administrative costs	19 526	7 513	22 699	7 186	31 605	17 870	13 261
Depreciation	13 374	4 528	11 695	4 039	16 719	28 901	15 124
Impairment	14 363	12 598	0	0	25 911	26 159	0
Total operating expenses	135 297	51 313	237 216	82 392	335 909	242 949	185 924
Operating profit /(loss)	-26 150	-19 803	36 307	16 196	-1 401	-28 238	740
Net interest income/(costs)	-16 119	-5 441	-18 679	-6 051	-23 771	-16 062	-8 490
Net foreign exchange gain/(loss)	28 701	-498	11 207	5 770	5 828	4 146	1 354
Warrants effect - gain/(loss)	-590	-1 425	-3 074	30 709	8 096	3 311	0
Other financial income/(costs)	-165	-18	-1 488	-191	-382	401	-6 801
Net financial items	11 827	-7 382	-12 034	30 237	-10 229	-8 204	-13 937
Net profit/(loss) before tax	-14 324	-27 185	24 273	46 433	-11 630	-36 442	-13 197
Income tax benefit/(expense)	391	6 263	-9 852	3 907	1 090	7 737	876
Net profit/(loss) for the period	-13 933	-20 922	14 421	50 340	-10 540	-28 705	-12 321
Net profit/(loss) attributable to:							
Shareholders of the parent company	-11 823	-18 812	14 421	50 340	10 540	-28 705	-12 265
Non-controlling interests	-2 110	-2 110	0	0	0	0	-56
Total	-13 933	-20 922	14 421	50 340	10 540	-28 705	-12 321

1.10.2 Summary of consolidated balance sheet

NEC ASA Consolidated Statements of Financial position	Q3 2009 Unaudited	Q3 2008 Unaudited	2008 Audited	2007 Audited	2006 Audited
Non-current assets					
Intangible assets					
Licenses and exploration assets	158 283	139 917	132 386	119 117	129 131
Goodwill and other intangible assets	5 728	5 746	5 755	5 790	5 826
Deferred tax assets	21 469	0	10 105	0	0
Total intangible assets	185 480	145 663	148 246	124 907	134 957
Properties and field investments					
Field investment and equipment	182 661	175 941	150 218	159 160	164 323
Other fixed assets	5 179	4 648	6 252	4 459	3 815
Total properties and field investments	187 840	180 589	156 470	163 619	168 138
Other non-current assets	10 032	12 532	13 763	20 180	7 330
Total Non-current assets	383 352	338 784	318 479	308 706	310 425
Current assets					
Inventory	0	2 019	290	3 051	3 237
Accounts receivables and other short-term assets	47 424	66 619	47 102	43 523	32 297
Assets held for sale	0	0	0	36 568	0
Cash and cash equivalents	43 610	45 169	32 207	43 747	55 739
Total current assets	91 034	113 807	79 599	126 889	91 273
Total assets	474 386	452 591	398 078	435 595	401 698
Equity					
Total equity attributable to shareholders of the parent company	100 293	85 284	67 749	83 423	105 215
Non-controlling interests	33 745	0	0	0	0
Total equity	134 038	85 284	67 749	83 423	105 215
Long-term liabilities					
Long-term interest bearing debt	94 023	197 240	145 360	194 660	158 758
Deferred tax liabilities	6 848	22 129	11 788	14 460	29 943
Other long- term liabilities	27 052	43 864	25 555	42 161	21 608
Total long-term liabilities	127 923	263 233	182 703	251 281	210 309
Short-term liabilities					
Short-term interest bearing debt	153 793	46 252	84 007	48 764	21 861
Accounts payable, accrued liabilities and other short term liabilities	58 632	57 822	63 619	52 127	64 313
Total short-term liabilities	212 425	104 074	147 626	100 891	86 174
Total liabilities	340 348	367 307	330 329	352 172	296 483
Total equity and liabilities	474 386	452 591	398 078	435 595	401 698

1.10.3 Summary of consolidated cash flow

Consolidated Statement of Cash flows	Q3 YTD 2009 Unaudited	Q3 YTD 2008 Unaudited	2 008 Audited	2 007 Audited	2 006 Audited
Cash flows from operating activities					
Net income/(loss) for the period	**-13 933**	**14 421**	**-10 540**	**-28 705**	**-12 377**
Adjusted for:					
Depreciation	13 374	11 695	16 719	28 901	15 124
Impairment and non cash items of dry- hole costs & exploration	21 713	13 787	16 600	26 159	0
Market adjustments (including warrants effect)	-28 386	-3 855	-27 158	-2 516	6 565
Gain on sale of assets	-1 701	-29 750	-27 981	-1 470	0
Net interest costs	27 485	18 729	23 744	16 062	5 474
Other adjustments	-16 731	-3 736	14 540	-35 618	17 539
Net cash flows from operating activities	**1 822**	**21 291**	**5 924**	**2 813**	**32 325**
Cash flows from investing activities					
Investments net of cash, in aquired business				-5 087	-72 753
Proceeds from sale of assets	1 949	63 151	66 652	4 000	0
Investment in fixed assets	-30 174	-73 007	-74 728	-59 214	-58 801
Net cash flows from investing activities	**-28 225**	**-9 856**	**-8 076**	**-60 301**	**-132 953**
Cash flows from financing activities					
Net proceeds from issuance of shares	22 759	344	349	-	17 888
Proceeds from sale of non-controlling interest	30 000	-			0
Proceeds from issuance of short-term debt	-	26 436	42 061		0
Proceeds from issuance of long-term debt	14 239	29 558	50 796	112 335	147 464
Net interests paid	-17 956	-18 634	-13 674	-14 375	-6 229
Repayment of debt	-15 455	-58 392	-101 969	-59 964	-42 239
Net proceeds from settlement of derivatives		14 853	14 853		
Net cash flows from financing activities	**33 587**	**-5 835**	**-7 584**	**37 996**	**116 884**
Effects of foreign currency and translation of foreign operations on cash balances	4 219	-4 178	-1 804	7 499	97
Change in cash and cash equivalents during the period	**11 403**	**1 422**	**-11 540**	**-11 993**	**16 353**
Cash and cash equivalents at the beginning of the period	32 207	43 747	43 747	55 740	39 387
Cash and cash equivalents and the end of the period	**43 610**	**45 169**	**32 207**	**43 747**	**55 740**

1.10.4 Significant changes to the Company’s financial or trading position since 30 September 2009

The Company is not aware of any significant changes in the financial or trading position of Norse which has occurred since the end of 30 September 2009, except as described below.

Subsequent to 30 September 2009, the Company proposed on 9 December 2009 a full restructuring of its bond portfolio by putting forward a joint proposal to restructure all of the outstanding bonds. The debt obligations will be separated between the US and Brazil entities following a demerger of Norse Energy Corp. ASA. For more details on the demerger process, please see section 7.4 “The Demerger Process”.

The Company has reached an agreement with the largest bondholders for a complete restructuring of its bond portfolio. In general terms, the Company proposes to extend the bonds' maturity by 1-2 years and obtain the bondholders' unconditional acceptance for a demerger of Norse Energy Corp. ASA. In return, the bondholders are compensated with (amongst others) security by pledge over shares in subsidiaries and intercompany loans, early repayment of 15% of all outstanding bonds, new warrants in the US entity and increased interest coupon.

The original schedule for principal repayments was approximately USD 59 million in 2010, USD 75 million in 2011 and USD 23 million in 2012 (see section 11.4 “Borrowings” for details on the current structure of the loans). After early repayment of approximately USD 24 million, the new proposed schedule will have no further principal repayments in 2010, approximately USD 25 million in 2011, USD 57 million in 2012, USD 42 million in 2013 and USD 10 million in 2014. This reduces principal repayments in 2010 with approximately USD 36 million and USD 50 million in 2011, hence greatly improving the near term financial flexibility.

A bondholders meeting was called for and subsequently held on 17 December 2009 to vote for the proposed changes to the Loan Agreement. All changes were accepted by the bondholders. The restructuring proposal will become effective upon the completion of the condition precedents stated therein including a successful completion of a demerger and will enable the two companies to pursue independent and distinctive growth strategies.

The company also successfully completed a NOK 300 million equity issue directed towards Norwegian and international institutional investors on 12 January 2010. The share issue was substantially oversubscribed and the price in the book-building was set at NOK 4.25 per share, and 70,588,235 New shares will be issued. This equity issue and the subsequent repair issue, improves the financial position of the company.

1.11 SUMMARY OF CAPITALISATION AND INDEBTEDNESS

The following table shows the actual capitalisation and indebtedness as per 30 September 2009.

	Unaudited
Total capitalization	
A. Share capital	49 007
B. Legal reserve	17 627
C. Other reserves	33 659
D. Non controlling interest	33 745
E. Total equity (A+B+C+D)	134 038
F.Long-term borrowings (secured/ unguaranteed)	4 433
G.Long-term borrowings (unsecured/ unguaranteed)	89 590
H.Total long-term borrowing (F+G)	94 023
I. Current debt (secured/unguaranteed)	96 512
J. Current debt (unsecured/unguaranteed)	57 281
K. Total current debt (I+J)	153 793
L.Total capitalization (E+H+K)	381 854
Net indebtedness	
A. Cash	43 610
B. Cash equivalent	0
C. Trading securities	0
D. Liquidity (A+ B+C)	43 610
E. Current financial receivable	0
F. Current bank debt	96 512
G. Current portion of non current debt	0
H. Other current financial debt	57 281
I. Current financial debt (F+G+H)	153 793
J. Net current financial indebtedness(I+E+D)	110 183
K. Non current bank loans	4 433
L. Bond issued	89 590
M. Other non current loans	0
N. Non current financial indebtedness (K+L+M)	94 023
O. Net financial indebtedness (J+N)	204 206

There have been no material changes to the Company’s capitalization and indebtedness since 30 September 2009, except for the Private Placement.

1.12 MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

As of 8 February 2010, the 20 largest shareholders are shown in the table below:

	Name of shareholder	Number of Shares	Percentage (%)
1	PNC INTERNATIONAL BANK LTD.	61 521 400	15.84
2	PNC INTERNATIONAL BANK LTD.	18 918 300	4.87
3	PNC INTERNATIONAL BANK LTD.	15 947 919	4.11
4	NORDEA BANK NORGE ASA	14 723 926	3.79
5	PNC INTERNATIONAL BANK LTD.	12 498 813	3.22
6	BRUHEIM BJARTE HENRY	11 300 000	2.91
7	VIKSUND AS	8 050 500	2.07
8	DNB NOR SMB VPF	7 495 000	1.93
9	SOLODDEN AS	6 561 394	1.69
10	WESTCAP A/S	5 190 200	1.34
11	NESTOR SHIPPING AS	4 389 000	1.13
12	FARSTAD JAN HENRY	3 900 616	1.00
13	PACTUM AS	3 500 000	0.90
14	DANSKE BANK A/S	3 476 558	0.89
15	SAF INVEST AS	3 000 000	0.77
16	WILHELMSEN LINES SHIPOWNING AS	3 000 000	0.77
17	NORDNET BANK AB	2 852 775	0.73
18	CITIBANK N.A. (LONDON BRANCH)	2 820 100	0.73
19	TYRHOLM & FARSTAD A/S	2 529 616	0.65
20	MP PENSJON	2 489 600	0.64
	Total 20 largest shareholders	**194 165 717**	**49.95**
	Others	194 315 264	50.05
	Total	**388 480 981**	**100.0%**

1.12.1 Major shareholders

The major shareholders of the Company are defined as shareholders holding more than 5% of the share capital in the Company. The major shareholder is PNC International Bank Ltd. (15.84%).

1.12.2 Related party transactions

The Company has undertaken several transactions with related parties in the period from 2006 and up until the date of this Prospectus. All transactions are entered into in the ordinary course of business of the Company and the agreements pertaining to the transactions are all entered into on market terms and in accordance with provisions in the Norwegian Public Limited Companies Act.

Below is a summary of each transaction entered into between the Company and a related party. In addition, there are two loans in place to management of the company (see section 12.6.5).

2009 and up to the date of this Prospectus:

During 2009, the company's Brazilian subsidiaries retained Kathleen Arthur, a board member of Norse Energy Corp. ASA, as a consultant. Total remuneration in 2009 was approximately CAD$ 100.000, and in 2010 Ms. Arthur has a monthly retainer of CAD$ 30.000.

During 2009, the parent company retained board member Katherine Støvring as a consultant. Total remuneration in 2009 was approx. NOK 148,000. There is no consultancy agreement in place with Ms. Støvring in 2010.

In Q2 2009, NEC ASA sold 30% of the shares in its subsidiary Norse Energy do Brasil for a cash consideration of USD 30 million. The buyer was Sector Speculare (Private Equity) IV, a fund managed by Sector Omega ASA ("Sector"). Funds managed by Sector are also the largest shareholder in Norse Energy Corp. ASA. The transaction valued Norse Energy do Brasil at enterprise value USD 210 million. This resulted in a book gain for the group of USD 3.0 million, as well as a minority interest of USD 27.0 million for the group included in the total equity in the balance sheet. The USD 10 million loan from clients of Sector Asset Management early in the second quarter was repaid with proceeds from the sale of shares.

2008

The parent company leases offices spaces from Eitzen Holding AS – a company controlled by Axel C. Eitzen, the former chairman of the Board of Norse Energy. For 2008 the company was invoiced NOK 679,547 in lease expenses. No liabilities were outstanding per the end of 2008.

In early 2007, the company received 200,000 shares in Biofuel Energy ASA ("Biofuel") as payment for services rendered. The previous chairman of the Board in Norse Energy, Petter Mannsverk Andresen, was at the time also the CEO of Biofuel Energy ASA. During 2008, the company purchased another 300,000 shares in Biofuel in a public offering for NOK 11 per share. Following the public offering, the company sold all 500,000 shares to Øivind Risberg, the CEO of Norse Energy, at the same price – NOK 11 per share.

2007

The parent company leases offices spaces from Eitzen Holding AS – a company controlled by Axel C. Eitzen, the largest shareholder and former chairman of the Board of Norse Energy. For 2007 the company was invoiced NOK 510 592 in lease expenses, and per year-end no outstanding liabilities were recorded.

In early 2007, the company received 200 000 shares in Biofuel Energy ASA as payment for services rendered. The chairman of the Board in Norse Energy, Petter Mannsverk Andresen, is also the CEO of Biofuel Energy ASA.

2006

The parent company leases offices spaces from Eitzen Holding AS – a company controlled by Axel C. Eitzen, the largest shareholder and chairman of the Board of Norse Energy. For 2006 the company was invoiced NOK 467 518 in lease expenses, and per year-end no outstanding liabilities were recorded.

MarchFirst AS, where Norse Energy's Board member Petter Mannsverk Andresen is a partner, invoiced the company NOK 258 000 in 2006 for various consultancy services. Per year-end no outstanding liabilities were recorded. Greylock Management AS, owned by Norse Energy's Board member Joey S. Horn, invoiced the company NOK 26 000 for various consultancy services during the year. Per year-end no outstanding liabilities were recorded

1.12.3 Trend information

During 2009, the Company has seen significantly lower revenues than in the previous year. YTD Q3 2009 revenues were down 60% compared to the same period in 2008. This is mainly due to the fact that 2008 revenues include a gain on the Medina assets sold early in that year, a decrease in activity for the Energy Marketing division in the US and the fact that the Coral oil field in Brazil ceased production at the end of 2008.

At the close of the third quarter 2009, the New York Department of Environmental Conservation (NYDEC) released for public comment the long awaited proposal for new environmental rules and regulations for shale gas development; the Supplemental Generic Environmental Impact Statement (SGEIS). Prior to issuance of final document there is a public comment period, ending 31 December, 2009, and a series of scheduled regional hearings where the Company is participating. The comprehensive document should provide an effective roadmap for shale development, if and when SGEIS approves factorable for the oil and gas industry suggested new legilation.

The bondholder approved refinancing will upon implementation following the completion of the conditions precedents improve the cash flow in 2010 and 2011 as the principal payments are postponed. Interest costs will increase as the interest coupon will be higher, and the amortization of the bond loans will increase due to the issuance of new associated warrants.

1.13 ADDITIONAL INFORMATION

1.13.1 Share capital and shareholder matters

The Company is a Norwegian Public Limited Company organised under the laws of Norway in accordance with the Public Limited Companies Act. The Company's registered organization number is 979 441 002.

As of 31 December 2009 and the date of this Prospectus, the Company's registered share capital post the Private Placement is NOK 341,863,263.28 divided into 388,480,981 Shares with a nominal value of NOK 0.88 per Share. All the Shares are authorised and fully paid.

The dilutive effect in connection with the Private Placement and the Subsequent Offering will be 18%, assuming full subscription of the Subsequent Offering.

	Prior to Private Placement and Subsequent Offering	**Prior to Subsequent Offering**	**Subsequent both offerings**
No of Shares	388,480,981	459,069,216	473,186,863
Number of Shares pre Private Placement and Subsequent Offering in % of new number of Shares	100.0%	85%	82%

All issued Shares in the Company are issued in accordance with Norwegian law, and vested with equal shareholder rights in all respects. There is only one class of shares. The Company's Articles of Association do not contain any provisions imposing any limitations on the ownership or the tradability of the Shares.

The Shares have been created under the Norwegian Public Limited Liability Companies Act and registered in book-entry form in the VPS under the international securities identification number ISIN NO 0003095507.

The registrar for the Shares with the VPS is Nordea Bank Norge ASA, Verdipapirservice, P.O.Box 1166 - Sentrum, N-0107 Oslo, Norway.

1.13.2 Articles of Association

The Articles of Association of the Company are included as Appendix 1 to this Prospectus. According to Section 1 of the Articles of Association, the Company's business shall consist of exploration, production, transportation and marketing of oil and natural gas and exploration and/or development of other energy forms, sale of energy as well as other related activities. The business might also involve participation in other similar activities through contribution of equity, loans and/or guarantees.

1.13.3 Documents on display

Copies of the following documents will be available for inspection at the Company's registered office during normal business hours from Monday to Friday each week (excluding public holidays) for a period of 12 months from the date of this Prospectus:

- The incorporation documents of the Company;
- The Articles of Association (may also be inspected in Appendix 1 to this Prospectus);
- The audited financial statements of the Company for the three years ended 31 December 2008, 2007 and 2006;
- The unaudited interim financial statements of the Company for the three and nine months periods ended 30 September 2009 and 2008;
- Historical financial information for the Company's subsidiaries
- Information Memorandum dated 27 January 2010
- This Prospectus

1.13.4 Third party statements

The Company confirms that when information in this Prospectus has been sourced from a third party it has been accurately reproduced and as far as the Company is aware and is able to ascertain from the information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

2. RISK FACTORS

2.1 MARKET RISKS

2.1.1 The Company experiences strong competition

The natural oil and natural gas industry is capital intensive and the Company operates in an environment in which many other companies have greater financial and technical resources than the Company. These other companies include major integrated oil and natural gas producers and numerous other independent oil and natural gas companies and individual producers and operators.

In the US, there is intense competition for the acquisition of resource properties considered to have commercial potential. The marketability and price of oil and natural gas which may be acquired or discovered will be affected by numerous factors beyond the control of the Company. The ability of the Company to market its oil and natural gas may be dependent upon its ability to acquire space on pipelines which deliver natural gas to commercial markets. Prices paid for and natural gas produced are subject to market fluctuations which will directly affect the profitability of producing any crude oil or oil and natural gas reserves which may be acquired or developed by the Company. The market prices for natural gas are volatile and subject to fluctuation. Any material declines in these prices could result in a reduction of any future net production revenue. The economics of producing from wells acquired or drilled by the Company may change as a result of lower commodity prices, which could result in a reduction in the economically recoverable volumes of the reserves of the Company. The Company may elect not to produce from certain existing wells at lower commodity prices. All of these factors may result in a material decrease in future net production revenue of the Company, causing a reduction in cash flow from operations which may be used to fund the Company’s natural gas acquisition and development activities.

The Company’s ability to successfully bid on and acquire additional property rights, to discover reserves, to participate in drilling opportunities and to identify and enter into commercial arrangements with customers will be dependent upon developing and maintaining close working relationships with its future industry partners and joint operators and its ability to select and evaluate suitable properties and to consummate transactions in a highly competitive environment.

2.1.2 Availability of drilling equipment and access restrictions

Oil and natural gas exploration and development activities in the US are dependent on the availability of drilling and related equipment, which the Company outsources in the particular areas where such activities will be conducted. Demand for such limited equipment or access restrictions may affect the availability of such equipment to the Company and may delay exploration and development activities.

2.2 OPERATIONAL RISKS

2.2.1 The Company's oil and natural gas production could vary significantly from the reports from independent reserve engineer firms

The Company’s oil and natural gas reserves are based on reserve reports, prepared by the independent reserve engineer firms Gaffney Cline & Associates for reserves in Brazil, and Schlumberger Data & Consulting Services for reserves in the US. Such reports are obtained at least annually to establish the expected production profiles for the fields in production, and the expected economic lifetime of the fields. Any reduction in reserves might lead to a write down of field investments due to impairment tests and increases in future depreciations.

2.2.2 The Company may not be able to discover new reserves

The Company’s future oil and gas reserves, production, and cash flows in both the US and Brazil are highly dependent on the Company successfully acquiring new reserves or making new discoveries. Without the addition of new reserves, any existing reserves the Company may have at any particular time and the production there from will decline over time through production and distribution into the market. A future increase in the Company’s reserves will depend not only on the Company’s ability to develop any properties it may have from time to time, but also on its ability to select and acquire suitable producing properties or prospects. There can be no assurance that the Company’s future exploration and development efforts will result in the discovery and development of additional commercial accumulations of oil and gas. Should the Company not discover additional reserves, current operations may not be sustainable.

2.2.3 Technical risk in development of Brazilian oil fields and oil production

The development of the Brazilian oil fields in which NEC indirectly participates in is associated with significant technical risk and uncertainty with regards to production start. The risk costs include – but are not limited to -

cost overruns, production disruptions and delays compared to initial plans established by the Operator. Some of the most important risk factors are related to the determination of reserves and their recoverability, and the planning of a cost efficient and suitable production method. There are also technical risks present in the production which may cause cost overruns, failed investment, and destruction of wells and reservoirs.

2.2.4 Technical risk in development of US natural gas fields and production

The development of US natural gas fields in which NEC participates in is associated with significant technical risk and uncertainty. Production history from the Herkimer formation is short. The most significant risks associated with developing this formation include, but are not limited to, earlier than expected pressure decline, collapse of open hole completions, encroachment of formation water and drilling induced formation damage.

2.2.5 Estimates for abandonment costs

When the production from an oil field in Brazil cease, the Company is obliged to shut in wells and remove installations. Provisions are based on the best available estimates from the Operator, based on today's technology and today's prices for equipment and manpower.

2.2.6 Permits and licenses

Significant parts of the Company's operations in both the US and Brazil require licenses and permits from various governmental authorities. There can be no assurance that the Company will be able to obtain all necessary licenses and permits that may be required to carry out exploration and development at its projects. If the present permits and licenses are terminated or withdrawn, such event could have material negative effect of the Company's operations.

2.2.7 Governmental regulations

The oil and gas industry in general is subject to extensive government policies and regulations, which result in additional cost and risk for industry participants. Environmental concerns relating to the oil and gas industry's operating practices are expected to increasingly influence government regulation and consumption patterns which favor cleaner burning fuels such as natural gas. The Company is uncertain as to the amount of operating and capital expenses that will be required to comply with enhanced environmental regulation in both the US and Brazil in the future. . In the US, efficient drilling and completion of shale formations in New York State requires approval of new Supplemental Generic Environmental Impact Statement (SGEIS) regulations. Delay in the SGEIS approvals will delay development of the company's New York shale assets.These risks are mitigated by the Company, to the extent possible, by adherence to focused exploration and development strategies and the business acumen, experience and expertise of the Company's management. In Brazil the Company is dependent on necessary E&P regulations, such as ANP.

2.2.8 Title to properties

The Company has not obtained legal opinions as to the title to its US properties and leases and cannot guarantee or certify that a defect in the chain of title may not arise to defeat the Company's interest in certain of its properties. Remediation of title problems could result in additional costs and litigation. If title defects are unable to be remedied, the Company may lose some of its interest in the disputed properties resulting in reduced production.

The Company conducts title reviews in connection with its principal properties as it believes are commensurate with the values of such properties. These reviews may not be sufficient to conclusively determine title.

2.2.9 Commodity price volatility

The oil and gas industry has been subject to considerable price volatility, over which companies have little control, and a material decline in prices could result in a decrease in the Company's production revenue. The oil and gas industry has inherent business risks and there is no assurance that products can continue to be produced at economical rates or that produced reserves will be replaced. Fluctuations in prices and currency exchange rates, as well as changes in production volumes, are daily risks in the industry.

2.2.10 Environmental risks

All phases of the oil and natural gas business present environmental risks and hazards and are subject to environmental regulation pursuant to a variety of international conventions and state and municipal laws and regulations. Environmental legislation provides for, among other things, restrictions and prohibitions on spills, releases or emissions of various substances produced in association with oil and gas operations. The legislation also requires that wells and facility sites be operated, maintained, abandoned and reclaimed to the satisfaction of applicable regulatory authorities. Compliance with such legislation can require significant expenditures and a breach may result in the imposition of fines and penalties, some of which may be material. Environmental legislation is evolving in a manner expected to result in stricter standards and enforcement, larger fines and liability and potentially increased capital expenditures and operating costs. The discharge of oil, natural gas or other pollutants into the air, soil or water may give rise to liabilities to foreign governments and third parties and may require the Company to incur costs to remedy such discharge. No assurance can be given that environmental laws will not result in a curtailment of production or a material increase in the costs of production, development or exploration activities or otherwise adversely affect the Company's financial condition, results of operations or prospects.

2.2.11 Reliance on operations and key personnel

To the extent that the Company is not the operator of its properties, it will be dependent upon other guarantors or third parties operations for the timing of activities and will be largely unable to control the activities of such operators. In addition, the Company's success depends, to a significant extent, upon management and key employees. The loss of key employees could have a negative effect on the Company. Attracting and retaining additional key personnel will assist in the expansion of the Company's business. The Company will face significant competition for skilled personnel. There is no assurance that the Company will successfully attract and retain personnel required to continue to expand its business and to successfully execute its business strategy.

2.3 FINANCIAL RISKS

2.3.1 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they fall due. Prudent liquidity risk management includes maintaining sufficient cash and marketable securities, the availability of funding from an adequate amount of committed credit facilities, and the ability to close out market positions. Due to the dynamic nature of the Company's underlying business, parent company management maintains flexibility in funding by maintaining availability under committed credit lines and through the bond market.

In addition, management obtains funding through reserve based lending in the US and assets based lending in both the US and Brazil.

2.3.2 Credit risk

The Company is exposed to credit risk that arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables and committed transactions.

For banks and financial institutions, only independently rated parties with a minimum rating of ["A"] are accepted. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control in the operating units assesses the credit quality of the customer, taking into account its financial position, past experience and other factors.

The utilization of credit limits is regularly monitored and kept within approved budgets. The credit risk of the buyer of the natural gas in Brazil (Petrobras) to default on the payment is considered to be very low. The credit risk for the sale of natural gas, and sale and purchase of natural gas via the subsidiary Mid American Natural Resources ("MANR") and from the US G&T business segment is similarly considered to be low as historically the amount of default of receivables has been very low and the Company has implemented routines to screen the customers. In the US the Company has secured significant guarantees from customers of MANR.

2.3.3 Foreign exchange risk

The Company operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the Norwegian Kroner (NOK), the US dollar (USD) and the Brazilian Real (BRL). Management has set up a policy where group companies are required to manage their foreign exchange risk against their functional currency. Foreign exchange risk arises when future commercial transactions or recognized assets or liabilities are denominated in a currency that is not the entity's functional currency.

In Brazil the Company has investments in foreign operations, whose net assets are exposed to foreign currency translation risk. However, the Company has obtained loans in BRL to mitigate the currency risk arising from the subsidiaries net assets.

The Company seeks to be mainly exposed to US dollars, and will from time to time utilize financial instruments such as cross currency interest rate swaps to hedge the forward foreign currency risk associated with certain foreign currency denominated bond loans.

2.3.4 Interest rate risk

The Company has interest rate risk exposure arising from changes in USD, BRL(Brazil only) and NOK interest rates on long-term borrowings. Borrowings issued at variable rates expose the Company to cash flow interest rate risk. Borrowings issued at fixed-rates expose the Company to fair value interest rate risk.

To manage interest rate risk, management retains a proportion of fixed to floating rate borrowings within limits approved by the Board of Directors. The Company will achieve this through obtaining a mix of fixed and floating rate term debt, and by entering into interest rate swaps.

2.3.5 Commodity price risk

The nature of the Company's industry is subject to considerable price volatility, over which the Company holds little control, and a material decline in commodity prices could result in a decrease in our production revenue. To manage this risk, the Company strives to keep a balance between fixed and floating price contracts. This is mainly a risk in the US only as the Company has entered into a fixed price contract with the purchaser in Brazil (Petrobras).

2.3.6 Possible taxable event for US shareholders

The demerger may result in a taxable realization of the Norse shares exchanged with New Brazil shares for Norse's shareholders resident in the USA. This may result in a dividend, return of capital or capital gain for affected shareholders. The relevant shareholders are requested to seek independent legal advice on this matter.

3. RESPONSIBILITY FOR THE PROSPECTUS

3.1 The Board of Directors of Norse Energy Corp. ASA

The Board of Directors of the Company accepts responsibility for the information contained in this Prospectus. The Board of Directors hereby declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is, to the best of our knowledge, in accordance with the facts and contains no omissions likely to affect its import.

Oslo, 15 February 2010

The Board of Directors of Norse Energy Corp. ASA

Dag-Erik Rasmussen *Chairman*	Odd Næss *Board member*	Katherine Hatlen Støvring *Board member*
Bjarte Henry Bruheim *Board member*		Kathleen Ruth Arthur *Board member*

4. NOTICE REGARDING FORWARD-LOOKING STATEMENTS

This Prospectus includes “forward-looking” statements, including, without limitation, projections and expectations regarding the Company’s future financial position, business strategy, plans and objectives. When used in this document, the words “anticipate”, “believe”, “estimate”, “expect”, “seek to” and similar expressions, as they relate to the Company, its subsidiaries or its management, are intended to identify forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the actual results, performance or achievements of the Company and its subsidiaries, or, as the case may be, the industry, to materially differ from any future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Company’s present and future business strategies and the environment in which the Company and its subsidiaries will operate. Factors that could cause the Company’s actual results, performance or achievements to materially differ from those in the forward-looking statements include but are not limited to:

- the competitive nature of the markets in which the Company operates,
- global and regional economic conditions,
- government regulations,
- changes in political events, and
- force majeure events

Some important factors that could cause actual results to differ materially from those in the forward-looking statements are, in certain instances, included with such forward-looking statements and in the section entitled “Risk Factors” (Section 2) in this Prospectus.

Given the aforementioned uncertainties, prospective investors are cautioned not to place undue reliance on any of these forward-looking statements.

5. THE COMPLETED PRIVATE PLACEMENT

5.1 BACKGROUND FOR THE PRIVATE PLACEMENT

Due to the continuing challenging market situation for the Company's business activities and the desire to improve the liquidity of the Company, the Board of Directors, on 11 January 2010, resolved to carry out a placement of 70,588,235 shares (the "New Shares") and engaged the Managers in this respect. The rationale to conduct the equity offering as a Private Placement was to secure that the necessary equity was obtained in a swift and satisfactory manner.

The 70,588,235 New Shares in the Private Placement were placed by the Managers to selected investors on 11 January 2010 as described in Section 5.3 "The terms of the Private Placement" below. The New Shares are expected to be issued on 12 February 2010.

Announcement of the contemplated Private Placement was made by the Board of Directors through a stock exchange notification on 11 January 2010, and the subscription result of the Private Placement was announced through a stock exchange notification on 12 January 2010.

The gross proceeds from the Private Placement, which amount to NOK 300,000,000 will be used to strengthen the Company's financial position and for general corporate purposes.

5.2 RESOLUTIONS REGARDING THE PRIVATE PLACEMENT

On 2 February 2010, the Extraordinary General Meeting of Norse passed the following resolution (translated from Norwegian):

> *(i) The share capital in Norse Energy Corp. ASA is increased by NOK 62,117,646 by issuance of 70,588,235 new shares with nominal value NOK 0.88 per share*
>
> *(ii) The shares are subscribed at a price of NOK 4.25 per share. The lowest subscription and allotment amount shall be EUR 50,000*
>
> *(iii) The shares are allotted to the investors who ordered and were allocated shares in the bookbuilding on January 11, 2010. The investors' names and the amount of shares allotted to each shall be provided in Appendix 1 to the minutes. The preemptive right of the shareholders pursuant to section 10-4 of the Public Limited Companies Act is thus waived*
>
> *(iv) Subscription of the new shares shall take place in the minutes of the extraordinary general meeting.*
>
> *(v) Payment of allotted shares shall take place within February 3, 2010 to the following bank account No 1202.32.13816*
>
> *(vi)The new shares shall carry a right to dividend as from the registration of the new shares in the Register of Business Enterprises*
>
> *(vii) Article 4 of the Articles of Association shall be amended in accordance with the above.*

5.3 THE TERMS OF THE PRIVATE PLACEMENT

Based on the subscriptions in the Private Placement, the Company placed a total of 70,588,235 New Shares to the subscribers, each with a nominal value of NOK 0.88.

In order to ensure a swift and successful completion of the Private Placement, it was considered necessary to set aside the shareholders preferential rights to subscribe for new shares pursuant to Section 10-5 of the Norwegian Public Limited Liability Companies Act. However, to mitigate the negative effects thereof, the Board decided to propose the implementation of the Subsequent Offering further described in Section 6 "The Subsequent Offering" below.

The subscription price for the New Shares was, after consultation with the Managers, set to NOK 4.25 per New Share.

The minimum application and allocation amount in the Private Placement was set to the number of New Shares that had an aggregate subscription price of at least EUR 50,000.

The subscription period opened on 17:30 CET on 11 January 2010. The Board of Directors resolved to close the book at 20:00 CET on 11 January 2010 after being informed by the Managers in the Private Placement that the book was more than fully covered. On 12 January 2010, the subscribers in the Private Placement were notified of their allotment.

5.4 THE NEW SHARES

The New Shares are ordinary Shares in the Company each having a nominal value of NOK 0.88 and are issued electronically in accordance with the regulations set forth in the Norwegian Public Limited Liability Companies Act. The New Shares were issued in the Norwegian Register of Business Enterprises 11 February 2010.

The registrar for the Shares with the VPS is Nordea Bank Norge ASA, Verdipapirservice, P.O.Box 1166 - Sentrum, N-0107 Oslo, Norway.

The New Shares rank pari passu, with the other outstanding Shares. For a further description of the rights and tradability of the Shares, see Section 13 ("Share Capital and Shareholder Matters").

5.5 SHARE CAPITAL FOLLOWING THE PRIVATE PLACEMENT

Following the registration of the share capital increase pertaining to the Private Placement in the Norwegian Register of Business Enterprises, the Company's issued share capital is NOK 403,980,909 consisting of 459,069,216 Shares with a nominal value of NOK 0.88 each.

5.6 DILUTION EFFECT

The dilutive effect in connection with the Private Placement and prior to the Subsequent Offering will be 15%.

	Prior to Private Placement and Subsequent Offering	**Prior to Subsequent Offering**
No of Shares	388,480,981	459,069,216
Number of Shares pre Private Placement and Subsequent Offering in % of new number of Shares	100.0%	85%

6. THE SUBSEQUENT OFFERING

6.1 BACKGROUND FOR THE SUBSEQUENT OFFERING

As stated in Section 5.1 “Background for the Private Placement” above, the rationale for conducting the equity offering as a Private Placement was to secure that the necessary equity was obtained in a swift and successful manner. At the same time, it has been important for the Company to avoid that none of the Company’s shareholders, to the extent avoidable, receive an unreasonable advantage compared to other shareholders through the Company’s chosen model for the completion of the equity offering. Thus, it has been resolved to conduct a Subsequent Offering of up to 14,117,647 Subsequent Offering Shares with the objective of giving the shareholders an equal right to maintain their relative ownership compared to the shareholders participating in the Private Placement subject to the further description set out below in Section 6.4 “The Subsequent Offering”.

6.2 RESOLUTION REGARDING THE SUBSEQUENT OFFERING

On 2 February 2010, the Extraordinary General Meeting of Norse passed the following resolution (translated from Norwegian):

> *(i)The board is granted the authority to increase the company's share capital by up to NOK 12,423,529 by issuance of up to 14,117,647 shares of a nominal value of NOK 0.88 per share*
>
> *(ii) The authority shall be effective until, and including April 15, 2010. The authority shall only be exercised if the share capital increase mentioned in item 5 above is carried out*
>
> *(iii) The subscription price of shares issued in accordance with the authority shall be NOK 4.25 per share*
>
> *(iv) The shares shall be allotted to those of the company's shareholders as of January 11, 2010 who were not offered to participate in the private placement mentioned in item 5, and who subscribe in line with the prospectus. In the event of oversubscription, the shares shall be distributed in proportion to ownership as of January 11, 2010. The shareholders' preemptive right pursuant to section 10-4 of the Public Limited Companies Act is waived*
>
> *(v) The board shall lay down the other terms and conditions for the subscription*
>
> *(vi) The authority only covers a capital increase through payment in cash*
>
> *(vii) The authority does not give right to resolve a merger pursuant to section 13-5 of the Public Limited Companies Act.*

The Board resolved on 12 February 2010 the terms and conditions in the Subsequent Offering described in section 6.4 below.

6.3 OVERVIEW OF THE SUBSEQUENT OFFERING

The Subsequent Offering comprises an offering of up to 14,117,647 Subsequent Offering Shares, to be issued in accordance with the regulations set forth in the Norwegian Public Limited Company Act after expiry of the Subscription Period. The shareholders of Norse as of 11 January 2010 may subscribe for Subsequent Offering Shares in the Subsequent Offering (see Section 6.4.6 “Allotment” below).

The shareholders as of 11 January 2010 who were not invited to participate in the Private Placement (the “Eligible Shareholders") will be given non-transferable Subscription Rights providing the right to subscribe for and, as far as possible with the maximum number of Subsequent Offering Shares to be issued, be allocated Subsequent Offering Shares to the extent necessary to enable said shareholders the ability to maintain their relative ownership as of 11 January 2010 following the Private Placement. Consequently, the pre-emptive rights of the shareholders are waived in accordance with Section 10-5 of the Norwegian Public Limited Liability Companies Act.

The Subsequent Offering is not subject to any conditions.

6.4 THE SUBSEQUENT OFFERING

6.4.1 Timetable

The timetable below provides certain indicative key dates for the Subsequent Offering, subject to timely payment of the entire proceeds for the Subsequent Offering Shares to the Company by all of the Subscribers.

Last day of trading in the Shares including subscription rights......	11 January 2010
Subscription Period commences..	17 February 2010
Subscription Period ends	17:30 hours CET, on 8 March 2010
Allocation of the Subsequent Offering Shares...............................	Expected on or about 10 March 2010
Distribution of allocation letters	Expected on or about 11 March 2010
Payment date	15 March 2010
Registration of the share capital increase in the Norwegian Register of Business Enterprises	Expected on or about 22 March 2010
Delivery date for the Subsequent Offering Shares	Expected on or about 22 March 2010
Listing and commencement of trading in the Subsequent Offering Shares on Oslo Børs...	Expected on or about 23 March 2010

6.4.2 Eligible Shareholders

The shareholders of Norse as of 11 January 2010, as registered in the VPS on the morning of 14 January 2010, except for (i) those shareholders who were given the opportunity to subscribe for New Shares in the Private Placement and their respective affiliates and (ii) shareholders restricted from participating due to laws and regulations in their home country jurisdiction, will, to the extent possible, be given non-transferable Subscription Rights providing a right to subscribe for and be allocated Subsequent Offering Shares.

Each non-transferable Subscription Right will give the Eligible Shareholders the right to subscribe for and, as far as possible with the maximum number of Subsequent Offering Shares to be issued, be allocated one Subsequent Offering Share.

The non-transferable Subscription Rights will be distributed free of charge to the Eligible Shareholders, and the Eligible Shareholders receiving such Subscription Rights will not be debited any costs.

A Subscription Right may only be used by the person/entity with the Subscription Right registered on his/her/its VPS securities account and will not be tradable. Subscription Rights not used to subscribe for Subsequent Offering Shares before the end of the Subscription Period will have no value and will lapse without compensation to the holder.

The offering of the Subsequent Offering Shares and the issue of Subscription Rights in the Subsequent Offering may in certain jurisdictions be restricted by law. Persons in possession of this Prospectus are required to inform themselves about and to observe any such restrictions. This Prospectus does not constitute an offer of, or a solicitation of an offer to purchase, any of the Subsequent Offering Shares in any jurisdiction or in any circumstances in which such offer or solicitation would be unlawful. No one has taken any action that would permit a public offering of the Subsequent Offering Shares to occur outside of Norway.

The Subsequent Offering is not being and will not be made, directly or indirectly, in or into, or by use of mails or any means or instrumentality (including, without limitation, facsimile transmission, telephone and internet) of interstate or foreign commerce of, or any facilities of a national securities exchange of, the United States of America, its territories and possessions, any State of the United States of America and the District of Columbia (collectively, the “United States”) and the Subsequent Offering will not be capable of acceptance by any such use, means, instrumentality or facilities or from within the United States. In addition, persons located in the United States will not be able to exercise rights to subscribe for the Subsequent Offering Shares pursuant to the Subsequent Offering.

The Subsequent Offering Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “Securities Act”), nor under any laws of any state of the United States. Such securities may not be offered, sold, resold or delivered, directly or indirectly, in or into the United States absent registration under the Securities Act or an exemption from registration.

6.4.3 Subscription Period

The Subscription Period for the Subsequent Offering will commence on 17 February 2010 and expires at 17:30 hours (CET) on 8 March 2010. The Subscription Period may not be closed earlier or extended.

6.4.4 The Subscription Price

The Subscription Price in the Subsequent Offering is NOK 4.25 per Subsequent Offering Share, which is equal to the subscription price in the Private Placement. For a description of the basis for determining the subscription price in the Private Placement, see Section 5.3 "The Terms of the Private Placement" herein.

6.4.5 Subscription Procedures

Subscriptions for Subsequent Offering Shares must be made on a Subscription Form in the form attached as Appendix 2 hereto. Eligible Shareholders will receive Subscription Forms, which include information on shareholdings as of 11 January 2010, the number of received non-transferable Subscription Rights, and certain other matters relating to the relevant Eligible Shareholders.

Accurately completed Subscription Forms must be received by the Manager by 17:30 hours CET on 8 March 2010. Neither the Company nor the Manager may be held responsible for delays in the mail system, busy facsimile lines or for non-receipt of Subscription Forms forwarded by facsimile or otherwise to the Manager.

Properly completed and signed Subscription Forms must be faxed, mailed or delivered to the address set out below:

Pareto Securities AS
Dronning Mauds gate 5
P.O. Box 1411 Vika
0115 Oslo
Norway
Facsimile: +47 22 83 43 09
www.pareto.no

By signing the Subscription Form, each Subscriber represents and warrants that it has read this Prospectus and is eligible to subscribe for the Subsequent Offering Shares according to the terms set forth herein.

The Board and the Manager may at their sole discretion refuse any improperly completed, delivered or executed Subscription Form or any subscription, which may be unlawful. A subscription for Subsequent Offering Shares is irrevocable and may not be withdrawn, cancelled or modified once it has been received by the Managers.

There is no minimum subscription amount in the Subsequent Offering. Subscription without subscription rights is not permitted. Multiple subscriptions are not allowed. In the event the Eligible shareholder submits one or more identical Subscription Forms (the same VPS account and same subscription amount), only the first Subscription Form will be registered. The other Subscription Forms will be rejected without further notice.

6.4.6 Allotment

Allotment of the Subsequent Offering Shares is expected to take place on or about 10 March 2010. The Board reserves the right to round off, cancel or reduce any subscription.

The following allocation criteria will be used in the Subsequent Offering:

1) All Eligible Shareholders who subscribe in the Subsequent Offering will be allocated 0.072 Subsequent Offering Share per Share owned as of 11 January 2010 (rounded up to the next whole number)
2) In the event all Eligible Shareholders does not utilize their pre-emptive right according to criteria 1 above, those Eligible Shareholders who have over-subscribed, will have a right to be allocated remaining shares not subscribed for on a pro rata basis. In the event a pro rata allocation is not applicable due to few remaining shares, the Company will determine the allocation by drawing lots or applying similar mechanisms through the automated procedure applicable through the VPS.

To the extent the Subsequent Offering is not fully subscribed and allocated in accordance with criterias 1 and 2 above, allocation will be made to other Subscribers not being Eligible Shareholders, at the Board's discretion.

The number of Subsequent Offering Shares to be issued is limited to 14,117,647. Consequently, if the total amount of subscriptions based on Subscription Rights in the Subscription Period exceeds the total number of Subsequent Offering Shares to be issued, the maximum number of Subsequent Offering Shares to be allocated to each Eligible Shareholder will have to be reduced in order not to exceed the maximum number of Subsequent Offering Shares. Allocation will then be made in accordance with the Eligible Shareholders' pro rata ownership interest as of 11 January 2010.

No fractional Subsequent Offering Shares will be allocated. In the event a Subscriber subscribes for fractional Subsequent Offering Shares, the subscription will be rounded up to the nearest whole number of Subsequent Offering Shares.

Publication of information related to any changes in the Subsequent Offering and the amount subscribed is expected to be published on or about 10 March 2010 in the form of a stock exchange release through the Oslo Børs information system and will also be available on the Company's website www.NorseEnergycorp.com. All Subscribers being allotted Subsequent Offering Shares will receive a letter from VPS confirming the number of Subsequent Offering Shares allotted to the Subscriber and the corresponding amount to be paid. This letter is expected to be mailed on or about 11 March 2010.

6.4.7 Payment

Each Subscriber must provide a one-time authorization to the Manager to debit a specified bank account with a Norwegian bank for the amount (in NOK) payable for the Subsequent Offering Shares allotted to such Subscriber by signing the Subscription Form when subscribing for Subsequent Offering Shares. The amount will be debited on or about 15 March 2010. Subscribers not having a Norwegian bank account must ensure that payment for their Subsequent Offering Shares with cleared funds is made on or before 12:00 (CET) on 12 March 2010 and should contact the Manager in this respect.

If there are insufficient funds on a Subscriber's bank account, or it is impossible to debit a bank account for the amount the Subscriber is obligated to pay, or if payment is not received by the Manager according to other instructions, the allotted Subsequent Offering Shares will be withheld. Interest will in such event accrue at the applicable rate according to the Norwegian Act on Interest on Overdue Payments of 1976, currently 8.75% per annum.

The Manager reserves the right to make up to three debits in the period up to mid March 2010 if there are insufficient funds on the account on the debiting date. If payment for the allotted Subsequent Offering Shares is not received when due, the Subsequent Offering Shares will not be delivered to the Subscriber, and the Board reserves the right, at the risk and cost of the Subscriber, to cancel the subscription in respect of the Subsequent Offering Shares for which payment has not been made, or to sell or otherwise dispose of the Subsequent Offering Shares, and hold the Subscriber liable for any loss, cost or expense suffered or incurred in connection therewith. The original Subscriber remains liable for payment of the entire amount due, including interest, costs, charges and expenses accrued, and the Managers may enforce payment of any such amount outstanding.

6.5 DELIVERY OF SUBSEQUENT OFFERING SHARES

All Subscribers subscribing for Subsequent Offering Shares must have a valid VPS account (established or maintained by an investment bank or Norwegian bank that is entitled to operate VPS accounts) to receive Subsequent Offering Shares.

Assuming that full payment from all Subscribers are made when due, delivery of the Subsequent Offering Shares is expected to take place on or about 22 March 2010. It is expected that the share capital increase from the Subsequent Offering will be registered in the Norwegian Register of Business Enterprises on or about 22 March 2010.

6.6 LISTING OF THE SUBSEQUENT OFFERING SHARES

The Subsequent Offering Shares will be listed on Oslo Børs as soon as the share capital increase pertaining to the Subsequent Offering Shares has been registered with the Norwegian Register of Business Enterprises and the Subsequent Offering Shares have been registered with the VPS. Subject to timely and full payment by all subscribers in the Subsequent Offering, the Company expects that the registration of the share capital increase pertaining to the Subsequent Offering will occur on or about 22 March 2010.

The Subsequent Offering Shares will in every respect be equal to the already listed Shares, including the ISIN number (ISIN NO 0003095507). The Shares of the Company are only listed on Oslo Børs, and no application has been made for listing, on any other stock exchange or regulated market than Oslo Børs.

The registrar for the Subsequent Offering Shares with the VPS is Nordea Bank Norge ASA, Verdipapirservice, P.O.Box 1166 - Sentrum, N-0107 Oslo, Norway.

6.7 TRANSFERABILITY OF THE SUBSEQUENT OFFERING SHARES

A Subscriber will not under any circumstances be entitled to sell or transfer its Subsequent Offering Shares until these Subsequent Offering Shares have been paid in full by such Subscriber and registered in VPS.

6.8 SHARE CAPITAL FOLLOWING THE SUBSEQUENT OFFERING

The final number of Subsequent Offering Shares to be issued in the Subsequent Offering will depend on the number of subscriptions received. The maximum number of Subsequent Offering Shares to be issued is 14,117,647 with a nominal value of NOK 0.88 per Share. The Subsequent Offering Shares will be issued in accordance with Norwegian law pursuant to the resolution by the Extraordinary General Meeting. See Section 13 "Share Capital and Shareholder Matters" for a further description of the Company's authorised and issued share capital.

6.9 SHAREHOLDERS' RIGHTS RELATING TO THE SUBSEQUENT OFFERING SHARES

The Subscribers being allotted Subsequent Offering Shares in the Subsequent Offering will have full shareholders' rights in respect of their Subsequent Offering Shares once such Subsequent Offering Shares are credited to their VPS account, expected on or about 22 March 2010. The Subsequent Offering Shares will be issued electronically in accordance with the regulations set forth in the Norwegian Public Limited Company Act and will rank pari passu in all respects with the Company's other outstanding Shares, including the right to dividends with a record date after Subsequent Offering Shares are issued, see also Section 13.6.10 regarding the dividend rights. See also Section 13 "Share Capital and Shareholder Matters" for a further description of the rights and tradability of the Subsequent Offering Shares.

6.10 TIMELINESS, VALIDITY, FORM AND ELIGIBILITY OF SUBSCRIPTIONS

All questions concerning the timeliness, validity, form and eligibility of any subscription for Subsequent Offering Shares will be determined by the Board, whose determination will be final and binding. The Board, or the Managers upon being authorised by the Board, may in its or their sole discretion waive any defect or irregularity in the Subscription Forms, permit such defects or irregularity to be corrected within such time as the Board or the Managers may determine, or reject the purported subscription for any Subsequent Offering Shares. It cannot be expected that Subscription Forms will be deemed to have been received or accepted until all irregularities have been cured or waived within such time as the Board or the Managers shall determine. Neither the Board, the Company nor the Managers will be under any duty to give notification of any defect or irregularity in connection with the submission of a Subscription Form or assume any liability for failure to give such notifications. Further, neither the Board, the Company, nor the Managers are liable for any action or failure to act by a financial intermediary through whom any shareholder holds his/her/its Shares or by the Manager in connection with any subscriptions or purported subscriptions.

6.11 REGISTRATION WITH THE NORWEGIAN CENTRAL SECURITIES DEPOSITORY (VPS)

The Subsequent Offering Shares will be registered with the VPS under the International Securities Identification Number (ISIN) NO 0003095507.

6.12 EXPENSES AND NET PROCEEDS

Costs attributable to the Private Placement and the Subsequent Offering will be borne by the Company. The total costs are expected to amount up to approximately NOK 15 million, which include cost related to fees to Pareto Securities AS, Carnegie ASA and Handelsbanken Capital Markets and Oslo Børs, printing and distribution of this Prospectus, costs to legal advisor and the Company's auditor. The net proceeds to the Company from the Private Placement and the Subsequent Offering will, assuming full subscription of the Subsequent Offering, be NOK 345 million, which will be used to strengthen the Company's financial position and for general corporate purposes.

6.13 MANAGERS

The Managers for the Private Placement are:

- Pareto Securities AS, Dronning Maudsgate 3, P.O. Box 1411 Vika, 0115 Oslo, Norway
- Carnegie ASA, PO Box 684 Sentrum, NO-0106 Oslo, Norway
- Handelsbanken Capital Markets, Rådhusgaten 27, Postboks 1249 Vika, 0110 Oslo

Pareto Securities AS is the Manager in the Subsequent Offering.

6.14 DILUTIVE EFFECT

The dilutive effect in connection with the Private Placement and the Subsequent Offering will be 18%, assuming full subscription of the Subsequent Offering.

	Prior to Private Placement and Subsequent Offering	**Prior to Subsequent Offering**	**Subsequent both offerings**
No of Shares	388,480,981	459,069,216	473,186,863
Number of Shares pre Private Placement and Subsequent Offering in % of new number of Shares	100.0%	85%	82%

6.15 WITHHOLDING TAX ON DIVIDENDS PAID

Please refer to Section 14 “Taxation”

6.16 GOVERNING LAW AND JURISDICTION

The terms and conditions of the Private Placement and the Subsequent Offering as set out in this Prospectus shall be governed by, and construed in accordance with, Norwegian law.

The courts of Norway, with Oslo District Court as legal venue, shall have the exclusive jurisdiction to settle any dispute which may arise out of or in connection with the Private Placement, the Subsequent Offering and/or this Prospectus.

7. PRESENTATION OF NORSE ENERGY CORP. ASA

7.1 INCORPORATION, REGISTERED OFFICE, AND REGISTRATION NUMBER

The Company's legal and commercial name is Norse Energy Corp. ASA. The Company is a Norwegian Public Limited Company organised under the laws of Norway in accordance with the Public Limited Companies Act. The Company's registered organization number is 979 441 002. The Company was incorporated on 2 December 1997 under the name Northern Offshore ASA.

The Company's registered office is at Strandveien 50, 1366 Lysaker, Norway. The Company's telephone number is +47 23 01 10 00 and the web-address is: www.NorseEnergy.com.

7.2 HISTORY AND DEVELOPMENT

In 2005, the two companies Northern Oil ASA and NaturGass (USA) AS merged and the Company changed its name to Norse Energy Corp. ASA. On 13 July, 2005 the Company was listed on the Oslo Stock Exchange under the ticker symbol "NEC".

Northern Oil was incorporated on 2 December, 1997 under the name Northern Offshore ASA. In the beginning of the year 2000, Northern Offshore ASA acquired a controlling interest in two Canadian oil companies, Naftex and Petrolex Corporation. Naftex owned all the shares in Coplex which, in turn, owned 27.5% interests in the Coral, Estrela-do-Mar and Cavalo Marinho fields offshore Brazil. Subsequent to this acquisition, a decision was made to split the business of Northern Offshore ASA into two parts. The original investments in drilling units and production platforms were transferred to a new company; Northern Offshore Ltd. The oil related assets represented by the shareholdings in Naftex and Petrolex remained in the ownership of Northern Offshore ASA. Following these transactions Northern Offshore ASA was renamed to Northern Oil ASA and continued its original listing on the Oslo Stock Exchange under the new name. Northern Oil focused its activities on the exploration and production of oil. In 2002, Naftex sold its interest in Egypt to Lukoil. Petrolex Energy Corporation also sold its interests in Columbia.

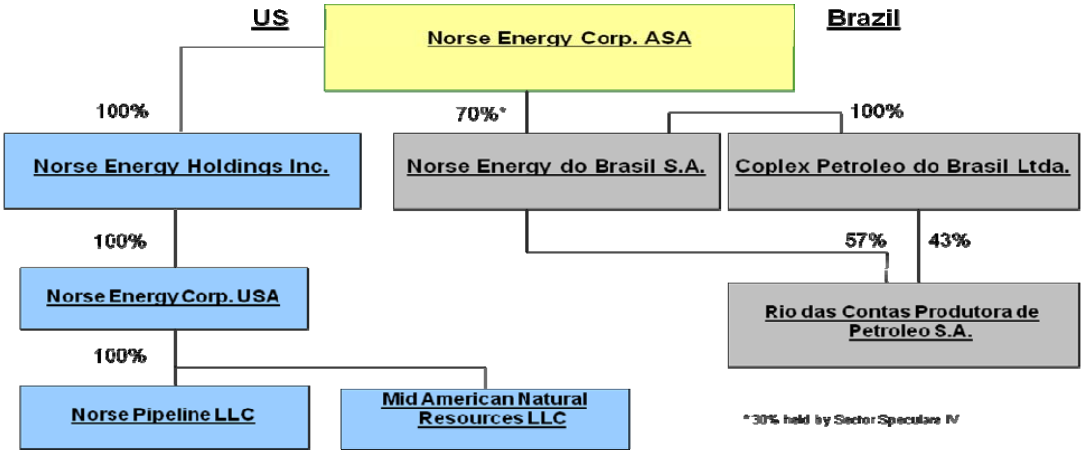
NaturGass (USA) AS was an upstream energy company focusing on natural gas drilling, production, gathering and transportation, which activities were conducted through Strata Management, located in Houston. NaturGass dates back to 1991 when key members of NaturGass' board of directors and management acquired Norse Finans AS which had a controlling interest in the Norwegian oil- and gas company Norse Petroleum AS, which was established in 1973 to participate in offshore fields outside Norway. Norse Petroleum AS sold all the US offshore assets to the NASDAQ pink sheet listed Bounty Group Inc. in exchange for 53% ownership in the latter. Subsequent to the transaction Bounty Group Inc sold all its offshore assets and was delisted from NASDAQ after a reverse split, which gave Norse Petroleum AS a 100% ownership of Bounty Group Inc. After these transactions, Bounty Group Inc. owned approximately 60 gas producing wells in the Appalachian Basin. Bounty Group Inc later changed its name to Strata Management Corporation, and sold the gas wells to its subsidiary Nornew. Strata Management is the parent company of the US operations, and has later changed its name to Norse Energy Corp. USA and is today known as Norse Energy Holdings Inc. NaturGass owned 32.66% of the shares in Northern Oil prior to the merger in 2005.

Since the merger in 2005, the various operating segments have developed their individual businesses. In Brazil, the Manati gas field came online with all six planned wells during 2007. This has contributed to the record average production the company has seen in 2007 and 2008. The Company has also carried out extensive exploration drilling in Brazil, and seen a significant increase in certified contingent resources. In the US, the Company made a strategic decision during 2007 to shift focus from the Shallow Medina gas wells to potentially higher-impact gas plays. By the end of 2007, the Company entered into an agreement to divest the Medina properties for USD 67 million. Since then, the Company has actively drilled in various formations, with main production now coming from the Herkimer play. On a corporate level, the Company has raised significant funds. Bond loans totalling NOK 500 million and USD 75 million were raised from 2005 to 2007.

Today, the Company's main offices are in Rio de Janeiro, Brazil, where the Brazilian operations that originated in Northern Oil are concentrated, and in Buffalo, New York and Pittsburgh, Pennsylvania where the US operations are located. In addition, the Company has a corporate office in Oslo, Norway.

7.3 LEGAL STRUCTURE

Norse is the holding company in the Norse Group. The Norse Group has currently the following structure:



The following subsidiaries are incorporated in the US:

- Norse Energy Holdings Inc, 200 Northpointe Circle, Suite 200, Seven Fields, Pennsylvania 16046, USA
- Norse Energy Corp. USA, 3556 Lake Shore Road, Suite 700, Buffalo, New York 14219, USA
- Norse Pipeline LLC, 200 Northpointe Circle, Suite 200, Seven Fields, Pennsylvania 16046, USA
- Mid American Naural Resources LLC, 200 Northpointe Circle, Suite 200, Seven Fields, Pennsylvania 16046, USA

The following subsidiaries are incorporated in the Brazil:

- Norse Energy do Brasil S.A, Praia de Botafogo No 228, Sala 801, Rio de Janeiro - RJ-Brasil, Brazil
- Coplex Petroleo do Brasil Ltda, Praia de Botafogo No 228, Sala 801, Rio de Janeiro - RJ-Brasil, Brazil
- Rio das Contas Produtora de Petroleo SA, Praia de Botafogo No 228, Sala 801, Rio de Janeiro – RJ Brasil, Brazil

7.4 THE DEMERGER PROCESS

Norse owns assets within two completely separate business areas in Brazil and the US respectively. This is not regarded as an optimal structure for operational and financial purposes. There are limited synergies between the business areas and significantly different investment return horizons, and a separation of the business areas will optimise the capital structure and provide considerable growth potential in the respective markets.

The Board of Directors is therefore proposing that Norse is divided into two parts, with ownership of the Company's mainland business, i.e., the business in the US and its associated assets, while the ownership of the business in Brazil and its associated assets is transferred to New Brazil Holding ASA ("Brazil Holding").

The process will be carried out as a demerger-merger, where Brazil Holding is a newly incorporated private limited company wholly owned by Norse, which has been converted into a public limited company prior to the Transaction before being spun-off. Brazil Holding will not have any business activities or assets and liabilities prior to the Transaction, apart from a bank deposit of NOK 1 million.

The demerger was approved by an Extraordinary General Meeting on January 28, 2010, and an application will be made to list the shares of Brazil Holding on the Oslo Stock Exchange. The application will be sent to Oslo Stock Exchange within 25 February 2010 in order to facilitate an approval of listing of the shares at the Oslo Stock Exchange board meeting scheduled 25 March 2010.

In connection with the demerger process the Company prepared pro forma financial information included in the issued Information Memorandum 27 January 2010.

Please see the following link to the pro forma financial information included in the Information Memorandum 2010:

http://feed.ne.cision.com/wpyfs/00/00/00/00/00/10/6E/AD/wkr0013.pdf

7.5 BUSINESS OVERVIEW

7.5.1 Overview of the Company's operations

The Company has operations offshore Brazil in the Camamu-Almada and Santos Basins and onshore US in the Appalachian basin. In Brazil, the company has one business segment, E&P offshore Brazil. In the US, the company has three business segments: Exploration and Production of natural gas ("E&P"), Gathering and Transmission of natural gas ("G&T") and Energy Marketing ("EM").

An overview of the total revenues is provided in the table below, and the three business segments are also described below.

Year	Period	E&P (in USD thousand)	G&T (in USD thousand)	EM (in USD thousand)	Corporate & eliminations (in USD thousand)	Consolidated (in USD thousand)
2009	Year to date Q3	11,875	3,152	77,462	-6,904	85,585
2008	Year to date Q3	35,914	3,752	174,145	-5,029	208,782
2008	Full year	40,988	5,007	225,216	-10,254	260,957
2007	Full year	14,407	6,646	158,247	-11,210	168,090
2006	Full year	11,572	4,392	148,339	-6,547	157,756

7.5.2 US operations

The E&P business segment, known as Norse Energy Corp. USA, operates principally in central New York in the Herkimer, Utica and Marcellus formations, and additionally holds acreage in western New York. The Company operates ~80 wells and owns an interest in 60 non-operated wells, and creates revenues from selling the natural gas produced. The subsidiary's land, geological and geophysical activities are located in Buffalo, NY. Included with this subsidiary are 67 miles of a midstream gathering system that provides the ability to transport gas to major pipelines.

The G&T business is comprised of the operations of Norse Pipeline, LLC and Nornew Energy Supply. Together these entities own and operate a 348 miles gathering and transmission system, and create revenue from transporting the natural gas. Norse Pipeline, LLC consists of about 320 miles of high-pressure steel pipeline capable of gathering natural gas from over 6,500 gas wells located in western New York and North Western Pennsylvania. The gathering system has delivery points into major interstate pipelines, as well as to local end users. Nornew Energy Supply is comprised of a 28 mile gathering system that includes a form contract until 2020 to a municipal utilities facility.

The EM business segment consists of Mid American Natural Resources, an established energy marketing and trading company in the Appalachian region. The focus of the EM subsidiary is to add value to the Company's business by attracting gas flow to its proprietary pipelines and by optimizing the value of Norse Energy's gas production and that of the other local Appalachian producers. The EM business offers a full range of services to the natural gas producers, commercial and industrial consumers, and pipeline companies from the Ohio Valley to the East Coast of the US.

The US operations hold significant property, plant and equipment, as well as intangible assets. The main assets are related to intangible assets such as licenses and other exploration assets, and production assets and pipeline fixtures.

7.5.3 Brazil operations

The Company currently participates in petroleum exploration and production via its Brazilian subsidiaries Norse Energy do Brasil S.A, Coplex Petroleo do Brasil Ltda. ("Coplex") and Rio das Contas Produtora de Petroleo Ltda. ("Rio das Contas"). The Company is active in two geological basins with a total of eight licenses: two in the Camamu-Almada basin offshore in the state of Bahia and six licenses offshore in the Santos basin. Revenues for this business segment are derived from selling the oil and natural gas produced.

In the Camamu-Almada basin, the Company participates in the development and production of the Manati gas field. The field has been in production since 2007 and average production in 2009 per September 30 was 2.962 BOE/day (net to the Company's 10% interest). The Company also holds a 10% interests in the Camarão Norte discovery (part of BCAM-40). This field was discovered in 2001, 9 km south of the Manati field and extends to the south into the BM-CAL-4 block which is 100% owned by El Paso. In addition, the Company holds 20% interest in the Sardinha field. This field is located 50 km's south of the Manati gas field and the field has been defined by 11 exploration wells supported with 2D and 3D seismic prior to the Company's acquisition of the field. Economic feasibility studies have been conducted by the operator to analyze the optimal development of the field, and the partners continue to evaluate conceptual solutions for a development.

In the Santos basin, the Company participates in the development of the BS-3 Integrated Project, which includes the Cavalo Marinho (50% interest), Estrela-do-Mar (65% interest), Coral re-development (35% interest), Caravela (100% Petrobras) and a pipeline to shore. The Company is currently working to optimize the field development plan for the BS-3 area. In addition, the Company was the successful bidder on three offshore blocks in the 9th ANP Bid Round – the S-M 1035, S-M 1036 and S-M 1100 (50% interest in all blocks). The Company is the operator of these fields, and a 3D seismic acquisition covering the 725 square kilometres area has been concluded.

7.5.4 Reserves

The Company has adopted a policy of regional Reserve Reporting using external third party companies to audit its work and certify reserves and resources according to the guidelines established by the Oslo Stock Exchange (OSE). Reserve and Contingent Resource estimates comply with the definitions set by the Petroleum Resources Management System (PRMS) issued by the Society of Petroleum Engineers (SPE), the American Association of Petroleum Geologists (AAPG), the World Petroleum Council (WPC) and the Society of Petroleum Evaluation Engineers (SPEE) in March 2007. The Company has a long-standing relation with its certification agents; Schlumberger Technology Corporation in the US and Gaffney, Cline & Associates (GCA) in Brazil.

As of 31 December 2008, the company had 1P reserves of 22.81 MMBOE, 2P reserves of 43.77 MMBOE and 3P reserves of 54.05 MMBOE. Furthermore, best estimate contingent resources (2C) as of end 2008 amounted to 377 MMBOE.

Norse Energy's 2008 reserve reports are summarized in the table below;

Reserves (certified volumes reflecting approved development plans):

Division	1P reserves (MMBOE)	*	2P reserves (MMBOE)	*	3P reserves (MMBOE)	*
Total US	**4.35**	↓	**7.25**	↓	**8.32**	↓
Estrela-do-Mar	0.00	=	5.70	=	6.80	=
Cavalo Marinho	5.66	↑	14.17	↑	20.29	↑
Manati	12.80	↓	16.65	↓	18.64	↓
Total Brazil	**18.46**	↓	**36.52**	↑	**45.73**	↑
NEC TOTAL	**22.81**	↓	**43.77**	↓	**54.05**	↓

* *Compared to the 2007 reserve report*

The grand total of 43.77 MMBOE of 2P reserves represents a decrease of 9 % compared to last year's certified reserves, mainly as a consequence of the disposals of the US Medina assets. The company 1P reserves of 22.81 MMBOE correspond with a reserve replacement ratio of 1.84 considering a production of 1.85 MMBOE and asset sales of 7.93 MMBOE in 2008.

Best estimate Contingent Resources (certified volumes but without approved development plans):

US Division	2C Contingent Resources (MMBOE)	*
Herkimer	26.18	↑
Oneida	4.39	↑
Vernon Shale	1.11	↑
Marcellus Shale	130.89	↑
Utica Shale	182.76	↑
Others	0.88	↑
Total US	**346.21**	↑

Brazil Division	2C Contingent Resources (MMBOE)	*
Coral	3.43	↑
Estrela-do-Mar	6.20	↑
Cavalo Marinho	15.07	↑
Caravela Sul	0.40	=
Sardinha	4.47	=
BAS-131	0.93	↑
Total Brazil	**30.50**	↑

According to the SPE definitions, categorization of volumes as reserves are only permitted when approved development plans demonstrating acceptable economics are available. For Brazil, GCA was this year asked to review ongoing work undertaken by the Norse Energy and partners in order to improve development solutions for assets currently pending approved development plans. These assets have been categorized as Contingent Resources and reflect GCA's assessments of best recoverable volumes.

Best estimate (2C) Contingent Resources shows an increase of 860 % from 39.24 MMBOE to 376.71 MMBOE at the end of 2008. For Brazil the increase from 6.65 MMBOE in 2007 to 30.50 MMBOE in 2008 is mainly attributable to introducing revisions to the BS-3 Development Plans by integrating more fields, sharing common infrastructure, as documented by studies conducted by Norwegian based consultancy company AGR.

For the US the increase is attributed the success in the Herkimer play and the addition of a large number of locations in the Marcellus and Utica shale. In 2008, the company invested time to evaluate the potential resources contained in some of the shale formations underlying the current lease positions. The company is actively planning for development of this resource when opportunity permits.

<u>During 2008, the company had the following reserves development:</u>

Reserves Development	2P reserves (MMBOE)
Balance (previous ASR) as of December 31, 2007	48.12
Production 2008	-1.85*
Acquisitions/disposals since previous ASR	-9.72
Extensions and discoveries since previous ASR	-
New developments since previous ASR	3.88
Revisions of previous estimates	3.34
Balance (current ASR) as of December 31, 2008	**43.77**

* *Brazil 1.69 MMBOE, US 0.16 MMBOE*

The most significant changes compared to last year's report are mainly attributable to:

<u>Brazil:</u>

- Reduced Manati reserves over the year partly reflect the produced volumes, partly a redistribution of reserves between categories reflecting effects of observed production performance. Work is in progress by the Operator to review the geological understanding of the Manati field, including a possible northern extension requiring a 7th well. Results of these studies were not available for this report.
- As in 2007, the 2008 GCA review considers only the actual gas sales contract volume of 23 billion m3 as 1P recoverable volume
- Manati reserves are based on a six wells field development and reserves estimates are based on the contracted volume to the gas purchaser, Petrobras. The field is anticipated to have a much larger ultimate recovery as reported by the operator of the field, Petrobras. The field has produced for two years and reached a cumulative gas production of 3.2 billion m3 (100 %). Acquired production and pressure data, in each one of the producing wells, support reservoir model forecasted volumes.

- Coral production was terminated December 25, 2008. However, studies indicate a possible future re-development in a larger area field integrated concept. This option is reflected in the shown Contingent Resources volumes.

- Cavalo Marinho reserves are marginally improved, following a revised formula for cost split in the approved development plan for integration of the Cavalo Marinho and Caravela fields. During 2009, the partners intend to revise this development concept with integration of further fields to the shared infrastructure as well as considering the introduction of more wells, different well solutions, artificial lift, and increased water handling capacity in order to further optimize the concept. The effects are indicated in the Contingent Resources table.

- For Estrela-do-Mar, lower oil price expectations have resulted in no 1P reserves for the stand-alone development concept that reflects the current development plan submitted to the authorities. As indicated above, work is in progress to expand the scope of the integrated development project including Estrela-do-Mar. As for Coral and Cavalo Marinho above the effects are indicated in the Contingent Resources table.

- In total, GCA revisions for the 2P category have added 3.34 MMBOE of reserves.

<u>USA:</u>

- The company transitioned from its Medina development focus (western New York State) to exploration and development in eastern New York State. As a consequence of the sale of the Medina assets, 2P reserves were reduced by 9.72 MMBOE. Despite this, our total US 2P reserves for the year were reduced by only approximately 6 MMBOE, while 2C increased from 32 MMBOE to 346 MMBOE.

- The first half of 2008 was spent drilling multiple areas in our eastern New York state leases to determine the potential. After delineating much of the field and confirming the observations obtained through seismic and geologic mapping, the focus shifted to replacing the production lost in the sale of the Medina assets. The majority of drilling activity was concentrated in the northern part of the field where the company had a fair amount of 3D seismic data and pipeline infrastructure. The access to this data and proximity to pipeline allowed for rapid identification of locations and reduced production lag. This focus allowed for significant growth in proven reserves.

- Excluding the sale of the Medina assets, the US 2P reserves increased by 3.88 MMBOE during 2008 with special emphasis on the contingent resources of 1.9 Tcf (346 MMBOE) providing a significant upside potential value to our shareholders. Economic conditions will determine development timing for these assets.

- The focus in the existing area limited the growth in the 2P and 3P reserve categories. As the company drills south into new areas the growth of the 2P and 3P values should also grow proportionally. With the reduction in gas prices and focus on the successful Herkimer play, much of the reserves from other zones such as the Oneida and Vernon Shale were moved to the contingent category.

- An extremely large jump in the contingent reserves can be observed. This can be attributed to the research and evaluation of the Marcellus and Utica shale deposits in the company’s acreage. That evaluation shows significantly large potential from the shale zones which is reflected in that number.

- The company spent USD 56 million in the US in 2008, drilling 37 wells of which 19 were horizontal Herkimer wells and built infrastructure to transport anticipated 2009 gas production.

- Infrastructure to flow all anticipated gas production in 2009 was built during 2008, and we are currently moving gas into two main pipeline systems

- The company drilled four successful exploration wells in the deeper formation Theresa, all these wells are still awaiting pipeline connection.

- In addition, 2.8 Bcf (0.5 MMBOE) of 1P reserves are still awaiting pipeline connection in central New York as of year-end.

The reserve and resource estimates are based on the following assumptions:

- All US numbers from Schlumberger are net to the company’s interest after royalties.

- All Brazil numbers from GCA include royalty, but the royalty is excluded in economical calculations (PV10).

7.6 RESEARCH AND DEVELOPMENT, PATENTS AND LICENCES

The Company holds no patents or licences (other than the petroleum licences described below) that are business critical or any other significant patents. The Company has not had any material expenses related to research and development for 2006, 2007 or 2008.

The Company has certain licenses and authorizations customary for an oil and gas operating company.
In order to operate in Brazil, the Company is dependent on certain exploration and production licenses. The Company currently holds the following eight licenses offshore Brazil:

License	**NEdB Interest**
BCAM-40/Manati (including Camarão Norte)	10 %
Sardinha	20 %
Cavalo Marinho	50 %
Estrela-do-Mar	65 %
Coral	35 %
S-M 1035	50 % (Operator)
S-M 1036	50 % (Operator)
S-M 1100	50 % (Operator)

The Company also holds approximately 180,000 acres in the Appalachian Basin in the US. About 5,000 of these acres are owned 100% by the Company, while the remaining acreage is leased with a landowner royalty (usually 12.5%). Maintaining these leases is critical to the Company in order to produce and sell the natural gas.

The Company also holds certain right-of-way needed to construct the pipeline to transport the natural gas to the markets in the North East US.

The 10% interest that Norse Energy do Brasil holds in the Manati license includes the infrastructure in place, including pipelines, gas plant and production platform. Production from the Manati field averaged 5.85 MMm3/day during the fourth quarter 2009. During the fourth quarter, the field reached an all time high of 7.71 MMm3/day. The Manati field, together with developed fields and related infrastructure in the US, make up the majority of the production assets for the company.

7.7 TREND INFORMATION

During 2009, the Company has seen significantly lower revenues than in the previous year. YTD Q3 2009 revenues were down 60% compared to the same period in 2008. This is mainly due to the fact that 2008 revenues include a gain on the Medina assets sold early in that year, a decrease in activity for the Energy Marketing division in the US and the fact that the Coral oil field in Brazil ceased production at the end of 2008.

At the close of the third quarter 2009, the New York Department of Environmental Conservation (NYDEC) released for public comment the long awaited proposal for new environmental rules and regulations for shale gas development; the Supplemental Generic Environmental Impact Statement (SGEIS). Prior to issuance of final document there is a public comment period, ending 31 December, 2009, and a series of scheduled regional hearings where the Company is participating. The comprehensive document should provide an effective roadmap for shale development.

The bondholder approved refinancing will if implemented improve the cash flow in 2010 and 2011 as the principal payments are postponed. Interest costs will increase as the interest coupon will be higher, and the amortization of the bond loans will increase due to the issuance of new associated warrants.

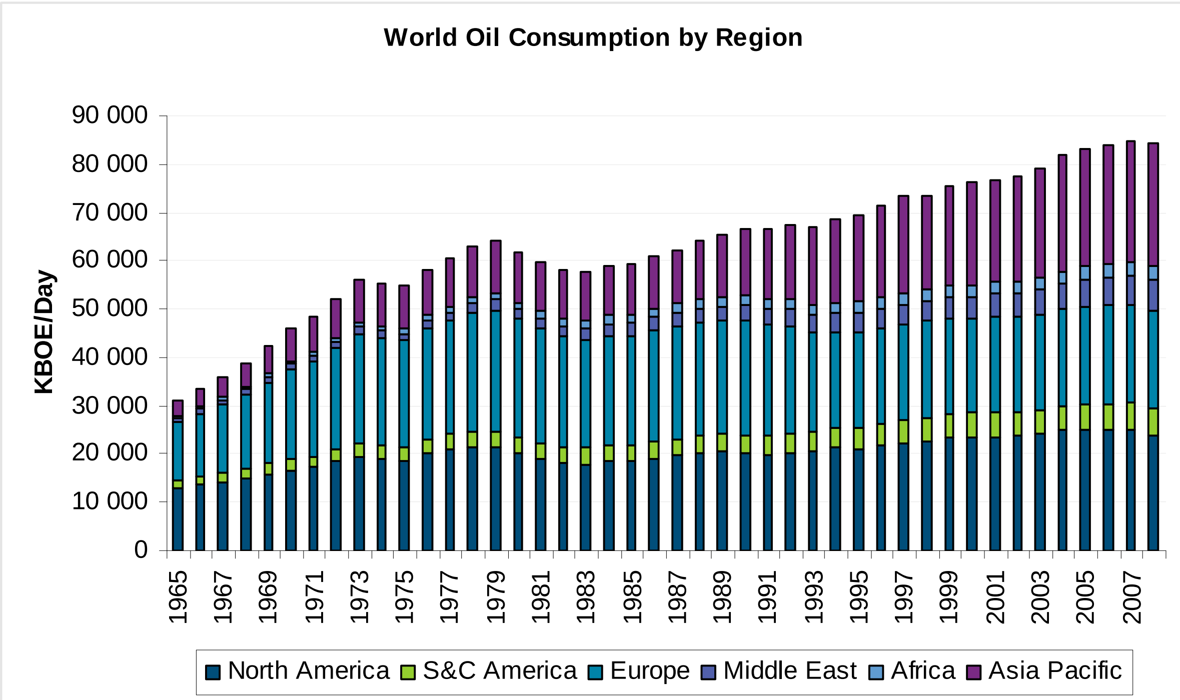
For further trend information and comparison of financial information, reference is made to Norse Energy Corp. ASA’s Third Quarter Report 2009 available on www.NorseEnergy.com.

8. MARKET OVERVIEW

This Section may include "forward-looking" statements. See further presentation of such statements in Section 4 "Notice regarding forward-looking statements". Some important factors that could cause actual results to differ materially from those in the forward-looking statements are, in certain instances, included with such forward-looking statements and in the Section 2 "Risk Factors" in this Prospectus. Given the aforementioned uncertainties, prospective investors are cautioned not to place undue reliance on any forward-looking statements.

8.1 THE ENERGY MARKET

The oil market is an integral part of the world economy and the world's energy consumption has increased more or less constantly up to 2007 when the financial crisis started. The growth has been driven by the strong economic development in the Asian Pacific countries, and has primarily been related to the consumption of oil, together with natural gas and coal. The use of nuclear energy and hydroelectric energy has however stagnated. The oil market is an integral part of the world economy, where demand moves in line with the general economy. This could be seen in 2008 when the consumption of oil decreased by 0.5% in the wake of the downturn in the world economy. The International Monetary Fund (IMF) estimates world economic growth at 3.1% in 2010 driven by a 9% growth in China and 6.4% growth in India's economies (October 2009 estimate). Due to the close correlation between economic growth and oil demand, the International Energy Agency (IEA) estimates growth in oil demand to 86.3 Mbd in 2010 (growing 1.44 Mbd in 2010). Long-term the world's demand for oil is expected to grow to 121 Mbd in 2030 according to IEA which represents an annual growth rate of 1.6%.



Source: BP databases, Statistical Review of World Energy 2009 (http://www.bp.com/subsection.do?categoryId=9023761&contentId=7044545)

8.2 OPEC'S ROLE IN THE OIL MARKET

OPEC is an international organization of twelve countries, which are heavily reliant on oil revenues as their main source of income. Membership is open to any country which is a substantial net exporter of oil and shares the ideals of the organization. The current members are Algeria, Angola, Indonesia, Iran, Iraq, Kuwait, Libya, Nigeria, Qatar, Saudi Arabia, the United Arab Emirates and Venezuela.

Twice a year, or more frequently if required, the Oil and Energy Ministers of the OPEC countries meet to decide on the organization's output level and consider whether any action to adjust output is necessary in the light of recent and anticipated oil market developments. During the period in 2005-2008 with strongly increasing energy prices it was questioned whether OPEC had the control over the price setting in the oil market. Regardless, it is clear that OPEC has regained more control over prices as the cartel has reduced output and is currently having in excess of 5% spare production capacity compared to close to no spare capacity in 2007-08.

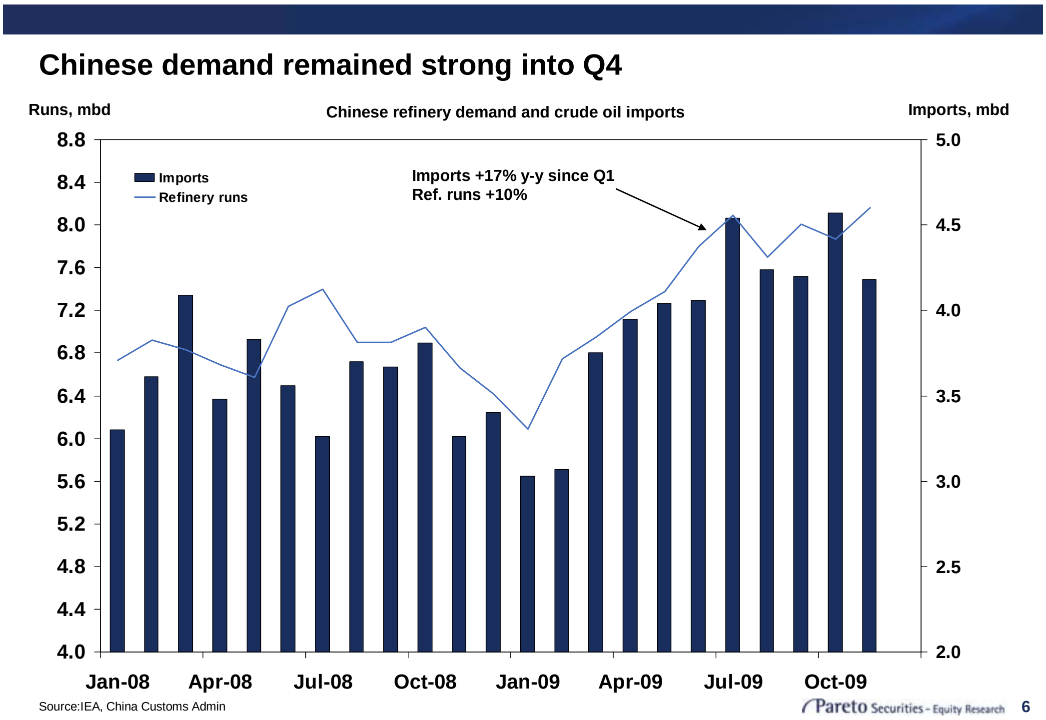
8.3 THE OIL PRICE

Currently (January 2010) the oil price is around USD 80 per barrel (Brent) which is approximately double the prices seen in early 2009 in the midst of the financial crisis that started in 2007/2008. The oil price reached an all time high in the first half of 2008 at USD ~145 per barrel on shortage in supply and a strong demand side yet to be impacted by the evolving financial crisis. Strong demand for energy combined with limited supply, limited spare production capacity in OPEC, supply disruption in key regions like Russia, the Middle East and West Africa, and the risk of gas shortage in North America were the main reasons for the record-high prices in 2008. The collapse of major financial institutions and general slow-down in activity spreading throughout the economy in 2008 pulled oil prices down more than USD 100 per barrel. Since then the oil price has rebounded sharply on back of “contango trade” whereby oil has been bought and held in storage and sold at higher forward prices (effectively taking oil supply off the market) in addition to the very effective cuts in OPEC production. This coupled with a rebound in the economic activity and continued growth in China are believed to be the main reasons for oil prices moving up to its current level around USD 80 per barrel.

Development in oil price last 10 years (Brent Crude current month USD/barrel)

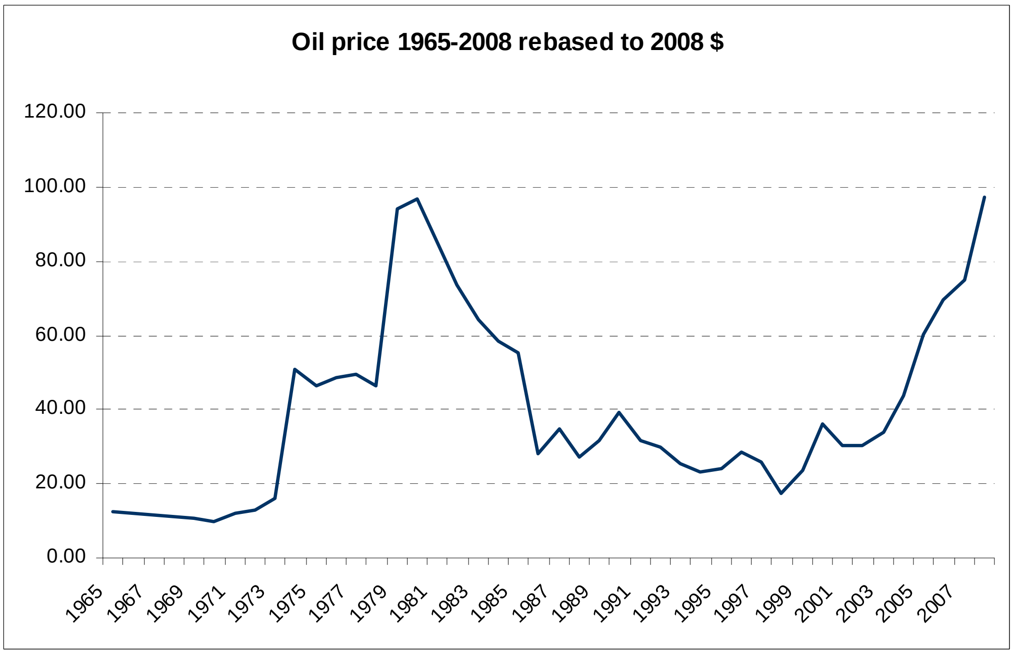
Source: Datastream 2010 (Nominal prices) (subscription software)

Chinese demand supporting the current oil price:



Source: Pareto Securities AS Equity Research 2010: Energy Information Agency (http://tonto.eia.doe.gov/dnav/pet/pet_pnp_wiup_dcu_nus_w.htm), China Customs Administrations 2010 (http://www.uschina.org/info/index.php#trade).

The graph below shows the oil price adjusted for inflations rebased to 2008 $ and we see that the high oil prices seen recently is actually in line with the previous peak in the early 1980's.



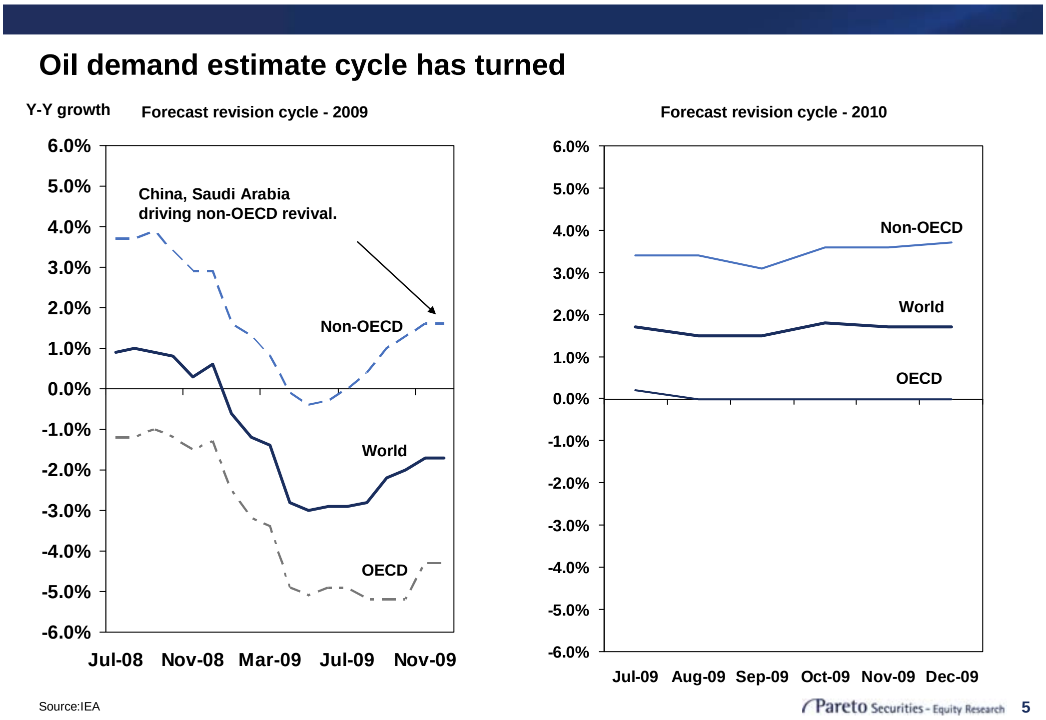
Source: BP statistical review 2008, Statistical Review of World Energy (http://www.bp.com/subsection.do?categoryId=9023761&contentId=7044545)

The oil price is affected by a number of factors including changes in supply and demand, OPEC regulations, weather conditions, US dollars compared to other currencies, regulations from domestic and foreign authorities, political and economic conditions and the price of substitutes.

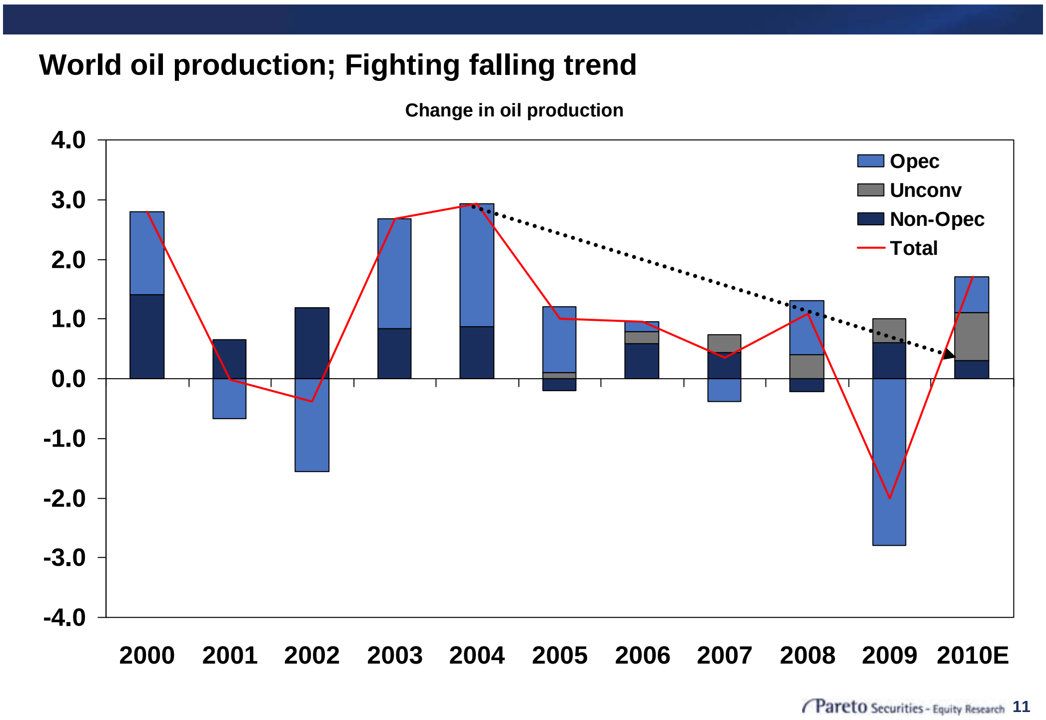
The use of oil with respect to the total energy consumption has also increased, but it must be noted that the market is dynamic and that means that the demand for oil is inversely linked to the price. Longer periods of high oil prices can therefore lead to increased use of alternative energy sources at the cost of oil demand.

8.4 THE BALANCE IN THE OIL MARKET

The International Energy Agency (IEA) has started upward revisions of their oil demand forecast as indicated by the graph below. Since 2Q 2009 the expected global demand for oil is revised up from -3% to only -1% for the whole year 2009. For 2010 the agency expects a 2% demand growth for oil and this estimate has remained more or less stable throughout the period. Continued long-term growth in demand for energy, and especially oil, has been difficult to meet for the oil market that characterized by gradual depletion of old fields and continued decline in supply as shown on the second graph below.



Source: International Energy Agency (IEA)2010 (http://www.iea.org/stats/index.asp)



Source: Pareto Securities AS Equity Research 2010

8.5 THE NATURAL GAS MARKET

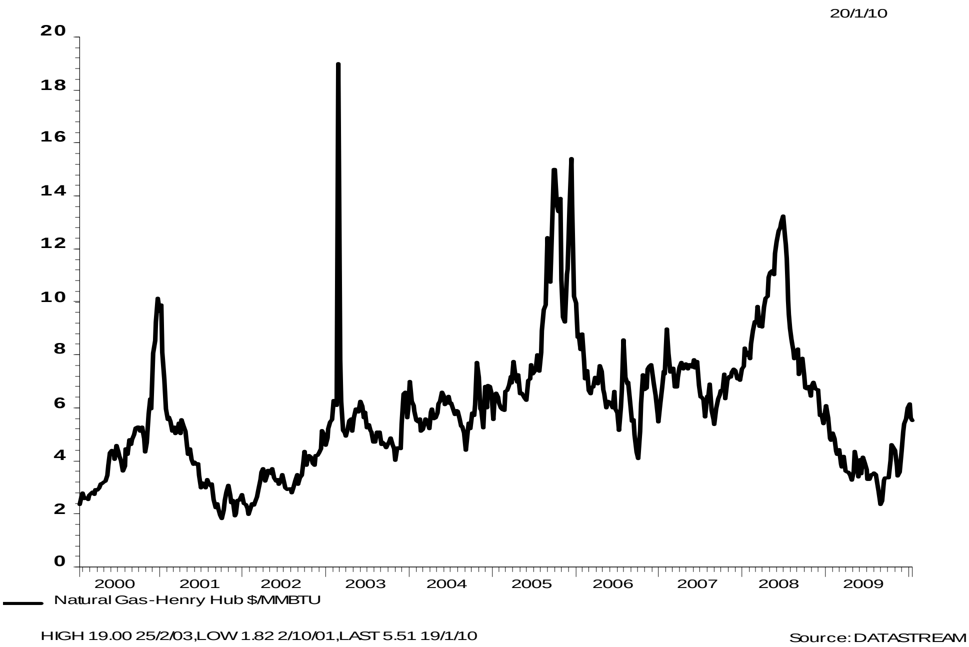
8.5.1 Overview

World's resources of natural gas are enormous, while estimates of its size continue to grow as a result of innovations in exploration and extraction techniques. Natural gas resources are widely and plentifully distributed around the globe. It is estimated that a significant amount of natural gas remains to be discovered. Global energy prices collapsed in 2008/09 and the natural gas price was no exception; from a peak of almost USD 14/mcf summer 2008 (Henry Hub) the price hit a low of USD 2.40/mcf in September 2009, a stunning drop of more than 80%. Although crude oil prices also collapsed (72%), the trough was reached December 2008 and the oil market has made a much more profound rebound. The major difficulty in the use of natural gas is transportation and storage because of its low density. Natural gas pipelines are economical, but are impractical across oceans, and gas field developments distant from the end user is typically contingent on a gas sales contract which secures an export solution and last but not least a price for the gas. Hence gas prices may vary widely across regions due to the difficulty of transportation but in the long term it will be linked to the price of substitutes (oil).

8.5.2 The gas prices

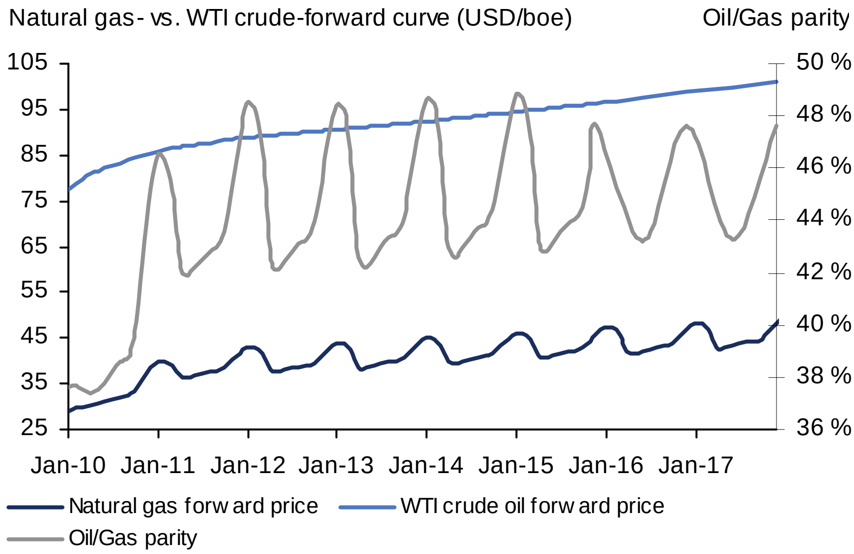
There is intense competition between natural gas and other fuels on the energy market. As the competitive price level is subject to constant fluctuations, supply contracts contain price adjustment clauses that maintain a balance between the gas price and the price of competing energies for the entire duration of the contract. In most cases, price adjustment clauses are referred to fuel oil, reflecting the competitive situation. Such fuel oil clauses peg the development of gas prices to the development of fuel oil prices. This explains why, both nationally and internationally, gas price developments must always be seen in the context of oil price developments.

The Henry Hub in southern Louisiana is the principal pricing point in the US natural gas network and typically the price quoted for natural gas. Currently (19 January 2010) NYMEX Henry Hub is quoted at USD 5.6/mmcf. Below is an overview of the development in the natural gas prices last 10 years:



Source: Datastream 2010 (subscription software)

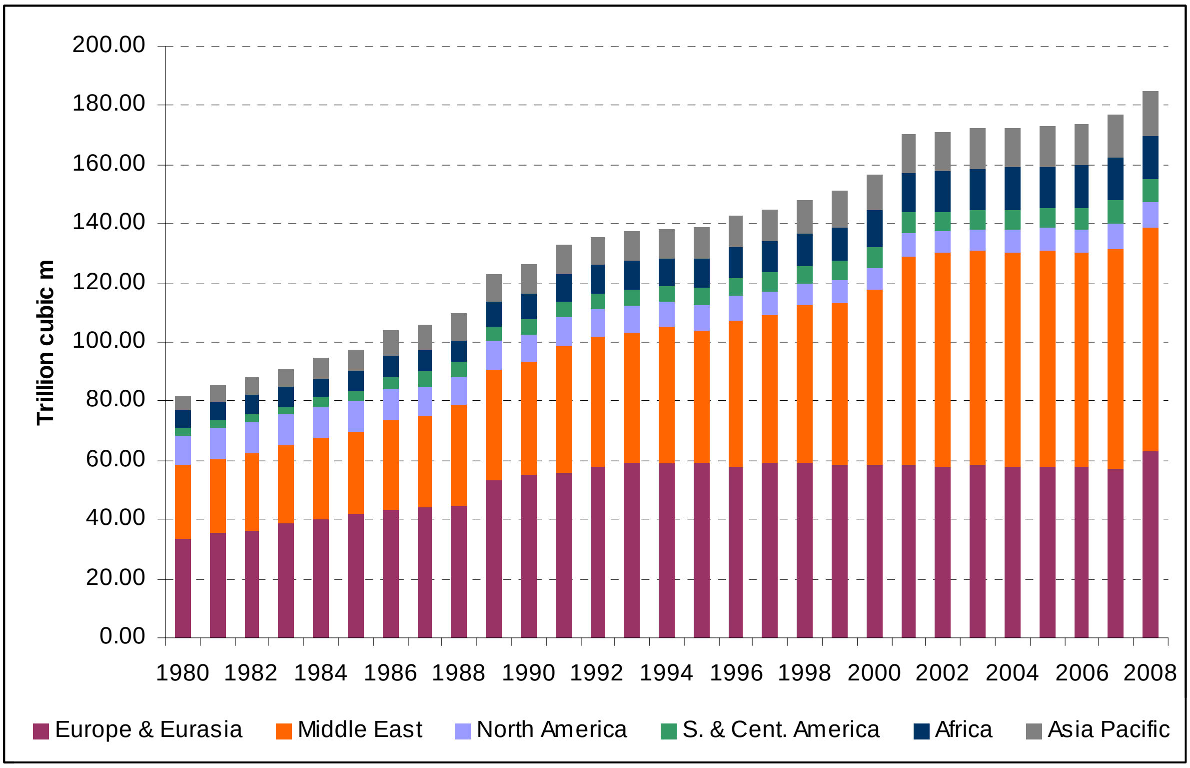
The graph below is showing the relationship between the Natural Gas forward price, the oil price (WTI) and the parity between the two adjusted for energy content. The prices of these two energy sources have historically correlated significantly (correlation coefficient of 0.81), mainly as a result of substitution possibilities between the two in electric power generation and industrial usage. The current low parity (~40%) is a result of the fact that the US natural gas market has been hit particularly hard by the global recession.



Source: Pareto Securities AS Equity Research 2010, NYMEX Henry Hub and WTI 2010 (Bloomberg – subscription software)

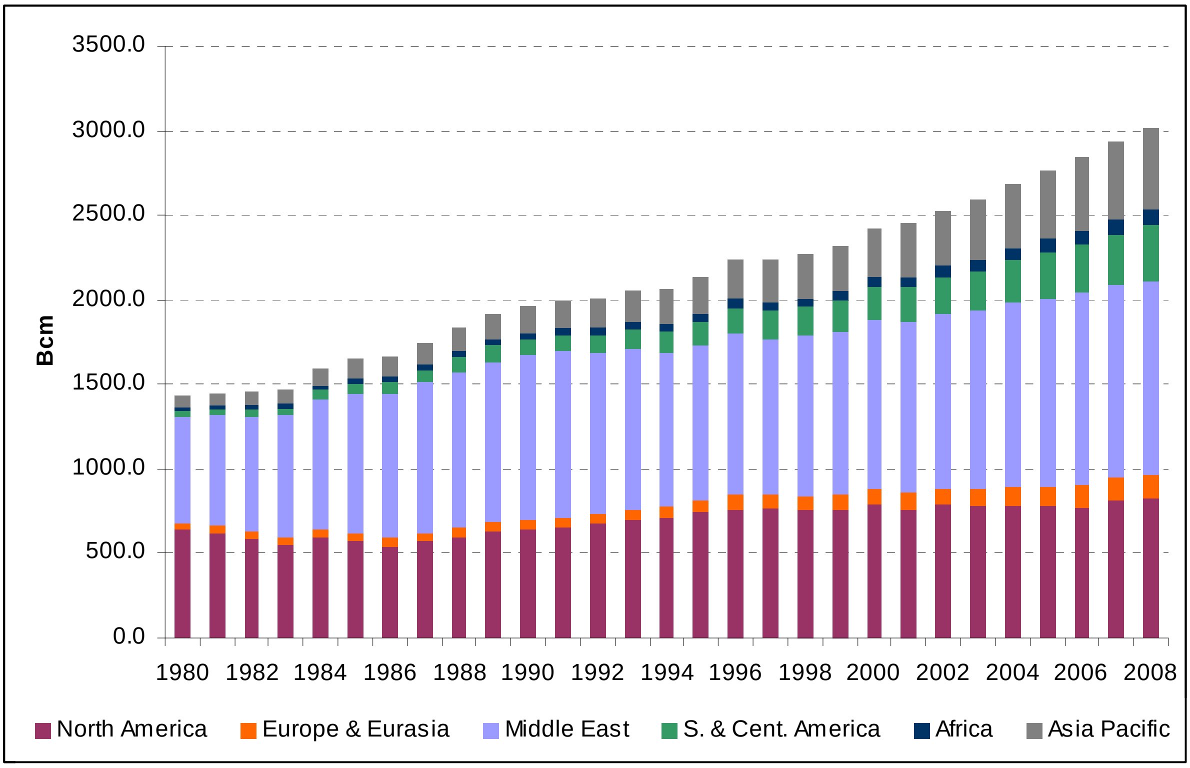
8.5.3 Reserves and consumption

As of 1 January 2008, proved world natural gas reserves were estimated at 185 trillion cubic meters (Tcm) - 8 Tcm (4.5%) higher than the estimate for 2007. In general, world natural gas reserves have trended upward since the mid-1970s. Currently natural gas accounts for 24% of the world's energy consumption which is the highest on record. The global gas market has seen a tremendous growth primarily driven by so-called unconventional resources such as shale gas in the US. In addition have huge gas fields in the Middle East (Qatar) increased output for industrial use to i.e. provide energy to new alumina plants in the area. Below is the global development in gas reserves starting in 1980:



Source: BP Statistical Review of World Energy 2009 (http://www.bp.com/subsection.do?categoryId=9023762&contentId=7044550)

World natural gas demand 1980-2008:



Source: BP Statistical Review of World Energy 2009 (http://www.bp.com/subsection.do?categoryId=9023762&contentId=7044550)

8.6 GEOGRAPHICAL MARKETS

8.6.1 Brazil

Brazil is a bright spot in the world of energy exploration and production today, having one of the world's largest anticipated untapped resource bases. Brazil is developing an oil exporting nation with its recent discoveries of the deep sub-salt oil fields offshore the coast of Brazil. Currently Brazil has 12.6 billion barrels of oil reserves and 365 Bcm of gas reserves (source: CIA world fact book *https://www.cia.gov/library/publications/the-world-factbook/geos/br.html*). Brazil is currently undertaking one of the world's largest exploration programs to map the extent of discoveries such as Tupi. The state controlled oil major Petrobras is the leading oil and gas company in the region and is also partner with Norse in its licenses. As an early entrant since oil deregulation in 1997, Norse Energy Corp. established a significant presence through its acquisitions of proven reserves, as well as building productive relationships with the Brazilian authorities, financial institutions and Petrobras.

8.6.2 The US

The densely populated Northeast is the largest energy consumer of any US region while enjoying a robust economy despite the recent financial turmoil globally. In 2008 the US accounted for 19% of the world's gas production which is second only to Russia. The US is a net importer of oil and gas and has the most developed gas market in the world. Despite falling gas prices and weak economic activity, the development of onshore shale gas has revitalized the growth ambition of the domestic US gas market. Norse' assets in the Appalachian basin are focused on development of the conventional Herkimer sands which produced 12,000 mmscf/day at year-end 2009. In addition there is a tremendous potential in the "unconventional" Marcellus shale gas fairway stretching through Norse's acreage. Recently ExxonMobile made an offer to acquire XTO Energy for USD 41 billion due to its strong presence in the US shale gas development. Norse's acreage is adjacent to major shale gas developers such as XTO and Chesapeake (which is partly owned by Statoil). Development of the Marcellus shale in New York State where Norse is operating is expecting to commence as soon as new legislation for testing with hydraulic fraccing is in place.

9. CONSOLIDATED FINANCIAL INFORMATION

The Company reports are available at the Company's website www.NorseEnergyCorp.com and at www.newsweb.no under the ticker NEC.

9.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU. The IFRS principles have been applied consistently for 2008, 2007 and 2006. The consolidated financial statements have been audited for 2008, 2007 and 2006.

Please see the following link to the Company's significant accounting policies:

http://feed.ne.cision.com/wpyfs/00/00/00/00/00/0E/B1/90/wkr0010.pdf

9.2 HISTORICAL FINANCIAL ACCOUNTS

The following tables present data extracted from selected financial information for the Company as of and for each of the three years ended 31 December 2008, 2007 and 2006 and as of and for the nine months ended 30 September 2009 and 2008.

Please see the following link to the Company's historical financial accounts for 2006, 2007 and 2008:

http://feed.ne.cision.com/wpyfs/00/00/00/00/00/0C/31/47/wkr0009.pdf

http://feed.ne.cision.com/wpyfs/00/00/00/00/00/0C/42/66/wkr0010.pdf

http://feed.ne.cision.com/wpyfs/00/00/00/00/00/0E/B1/90/wkr0010.pdf

Please see the following link to the Company's financial information for the nine months ended 30 September 2008 and 2009:

http://feed.ne.cision.com/wpyfs/00/00/00/00/00/0F/FC/33/wkr0013.pdf

http://feed.ne.cision.com/wpyfs/00/00/00/00/00/0F/FC/33/wkr0013.pdf

Please see the following link to the Company's Auditor's report for 2006, 2007 and 2008:

http://feed.ne.cision.com/wpyfs/00/00/00/00/00/0C/31/47/wkr0009.pdf

http://feed.ne.cision.com/wpyfs/00/00/00/00/00/0C/42/66/wkr0010.pdf

http://feed.ne.cision.com/wpyfs/00/00/00/00/00/0E/B1/90/wkr0010.pdf

9.2.1 Consolidated Financial Statements

NEC ASA Consolidated Financial Statements	Q3 YTD 2009 Unaudited	Q3 2009 Unaudited	Q3 YTD 2008 Unaudited	Q3 2008 Unaudited	2008 Audited	2007 Audited	2006 Audited
Marketing revenue	72 779	18 116	167 747	61 587	213 706	148 398	138 988
Oil and gas revenue	34 509	12 937	70 368	27 185	84 018	61 171	39 945
Fair value adjustments and other income	1 859	457	35 408	9 816	36 784	5 142	8 580
Total revenues and other income	109 147	31 510	273 523	98 588	334 508	214 711	186 664
Marketing purchases	68 748	18 020	163 036	59 454	206 500	141 588	135 329
Production costs	4 249	1 428	19 663	6 856	27 949	25 802	20 550
Exploration and dry-hole costs	15 037	7 226	20 123	4 857	27 225	2 629	1 660
General and administrative costs	19 526	7 513	22 699	7 186	31 605	17 870	13 261
Depreciation	13 374	4 528	11 695	4 039	16 719	28 901	15 124
Impairment	14 363	12 598	0	0	25 911	26 159	0
Total operating expenses	135 297	51 313	237 216	82 392	335 909	242 949	185 924
Operating profit /(loss)	-26 150	-19 803	36 307	16 196	-1 401	-28 238	740
Net interest income/(costs)	-16 119	-5 441	-18 679	-6 051	-23 771	-16 062	-8 490
Net foreign exchange gain/(loss)	28 701	-498	11 207	5 770	5 828	4 146	1 354
Warrants effect - gain/(loss)	-590	-1 425	-3 074	30 709	8 096	3 311	0
Other financial income/(costs)	-165	-18	-1 488	-191	-382	401	-6 801
Net financial items	11 827	-7 382	-12 034	30 237	-10 229	-8 204	-13 937
Net profit/(loss) before tax	-14 324	-27 185	24 273	46 433	-11 630	-36 442	-13 197
Income tax benefit/(expense)	391	6 263	-9 852	3 907	1 090	7 737	876
Net profit/(loss) for the period	-13 933	-20 922	14 421	50 340	-10 540	-28 705	-12 321
Net profit/(loss) attributable to:							
Shareholders of the parent company	-11 823	-18 812	14 421	50 340	10 540	-28 705	-12 265
Non-controlling interests	-2 110	-2 110	0	0	0	0	-56
Total	-13 933	-20 922	14 421	50 340	10 540	-28 705	-12 321

9.2.2 Consolidated Statements of Financial Position

NEC ASA Consolidated Statements of Financial position	Q3 2009 Unaudited	Q3 2008 Unaudited	2008 Audited	2007 Audited	2006 Audited
Non-current assets					
Intangible assets					
Licenses and exploration assets	158 283	139 917	132 386	119 117	129 131
Goodwill and other intangible assets	5 728	5 746	5 755	5 790	5 826
Deferred tax assets	21 469	0	10 105	0	0
Total intangible assets	185 480	145 663	148 246	124 907	134 957
Properties and field investments					
Field investment and equipment	182 661	175 941	150 218	159 160	164 323
Other fixed assets	5 179	4 648	6 252	4 459	3 815
Total properties and field investments	187 840	180 589	156 470	163 619	168 138
Other non-current assets	10 032	12 532	13 763	20 180	7 330
Total Non-current assets	383 352	338 784	318 479	308 706	310 425
Current assets					
Inventory	0	2 019	290	3 051	3 237
Accounts receivables and other short-term assets	47 424	66 619	47 102	43 523	32 297
Assets held for sale	0	0	0	36 568	0
Cash and cash equivalents	43 610	45 169	32 207	43 747	55 739
Total current assets	91 034	113 807	79 599	126 889	91 273
Total assets	474 386	452 591	398 078	435 595	401 698
Equity					
Total equity attributable to shareholders of the parent company	100 293	85 284	67 749	83 423	105 215
Non-controlling interests	33 745	0	0	0	0
Total equity	134 038	85 284	67 749	83 423	105 215
Long-term liabilities					
Long-term interest bearing debt	94 023	197 240	145 360	194 660	158 758
Deferred tax liabilities	6 848	22 129	11 788	14 460	29 943
Other long- term liabilities	27 052	43 864	25 555	42 161	21 608
Total long-term liabilities	127 923	263 233	182 703	251 281	210 309
Short-term liabilities					
Short-term interest bearing debt	153 793	46 252	84 007	48 764	21 861
Accounts payable, accrued liabilities and other short term liabilities	58 632	57 822	63 619	52 127	64 313
Total short-term liabilities	212 425	104 074	147 626	100 891	86 174
Total liabilities	340 348	367 307	330 329	352 172	296 483
Total equity and liabilities	474 386	452 591	398 078	435 595	401 698

9.2.3 Consolidated Cash-flow statement

Presented below is the cash-flow statement for Norse for the quarters ending 30 September 2009, 30 September 2008, together with the statement for the year ending 31 December 2008, 2007 and 2006:

Consolidated Statement of Cash flows	Q3 YTD 2009	Q3 YTD 2008	2 008	2 007	2 006
	Unaudited	Unaudited	Audited	Audited	Audited
Cash flows from operating activities					
Net income/(loss) for the period	**-13 933**	**14 421**	**-10 540**	**-28 705**	**-12 377**
Adjusted for:					
Depreciation	13 374	11 695	16 719	28 901	15 124
Impairment and non cash items of dry- hole costs & exploration	21 713	13 787	16 600	26 159	0
Market adjustments (including warrants effect)	-28 386	-3 855	-27 158	-2 516	6 565
Gain on sale of assets	-1 701	-29 750	-27 981	-1 470	0
Net interest costs	27 485	18 729	23 744	16 062	5 474
Other adjustments	-16 731	-3 736	14 540	-35 618	17 539
Net cash flows from operating activities	**1 822**	**21 291**	**5 924**	**2 813**	**32 325**
Cash flows from investing activities					
Investments net of cash, in aquired business				-5 087	-72 753
Proceeds from sale of assets	1 949	63 151	66 652	4 000	0
Investment in fixed assets	-30 174	-73 007	-74 728	-59 214	-58 801
Net cash flows from investing activities	**-28 225**	**-9 856**	**-8 076**	**-60 301**	**-132 953**
Cash flows from financing activities					
Net proceeds from issuance of shares	22 759	344	349	-	17 888
Proceeds from sale of non-controlling interest	30 000	-			0
Proceeds from issuance of short-term debt	-	26 436	42 061		0
Proceeds from issuance of long-term debt	14 239	29 558	50 796	112 335	147 464
Net interests paid	-17 956	-18 634	-13 674	-14 375	-6 229
Repayment of debt	-15 455	-58 392	-101 969	-59 964	-42 239
Net proceeds from settlement of derivatives		14 853	14 853		
Net cash flows from financing activities	**33 587**	**-5 835**	**-7 584**	**37 996**	**116 884**
Effects of foreign currency and translation of foreign operations on cash balances	4 219	-4 178	-1 804	7 499	97
Change in cash and cash equivalents during the period	**11 403**	**1 422**	**-11 540**	**-11 993**	**16 353**
Cash and cash equivalents at the beginning of the period	32 207	43 747	43 747	55 740	39 387
Cash and cash equivalents and the end of the period	**43 610**	**45 169**	**32 207**	**43 747**	**55 740**

9.2.4 Consolidated changes in equity

2006, 2007 and 2008 annual changes in equity is audited. Ytd Q3 2009 and Ytd Q3 2008 is unaudited.

Annual changes in equity

	Nominal share capital	Share premium reserve	Treasury shares	Other paid in capital	Retained earnings	Other Equity	Total
At January 1, 2006	**39 309**	**63 312**	**(14)**	**(4 481)**	**(1 653)**	**1 575**	**98 048**
Cash flow hedges, amount recognized in income	-	-	-	-	(455)	-	(455)
Cash flow hedges, amount recognized in equity	-	-	-	-	3 262	-	3 262
Employee share options	-	-	-	-	928	-	928
Currency translation and other adjustments	-	-	-	-	(31)	-	(31)
Other income and expenses for the year recognized directly in equity	-	-	-	-	(47)	-	(47)
Net loss for the year	-	-	-	(12 377)	-	-	(12 377)
Total income and expenses for the year	-	-	-	(12 377)	3 657	-	(8 720)
Share issue net of cost	4 217	13 671	-	-	-	-	17 888
Acquisition of minority	-	-	-	-	(426)	(1 575)	(2 001)
At December 31, 2006	**43 526**	**76 983**	**(14)**	**(16 858)**	**1 578**	**-**	**105 215**
At January 1, 2007	**43 526**	**76 983**	**-14**	**-**	**-16 858**	**1 578**	**105 215**
Cash flow hedges amount recognized in income	-	-	-		-	-564	-564
Cash flow hedges amount recognized in equity	-	-	-		-	-749	-749
Employee share options						768	768
Currency translation and other adjustments					-41	7 499	7 458
Net profit/(loss) for the year					-28 705		-28 705
Total income and expense for the year	-	-	-	-	-28 746	6 954	-21 792
At December 31,2007	**43 526**	**76 983**	**-14**	**-**	**-45 604**	**8 532**	**83 423**
At January 1, 2008	**43 526**	**76 983**	**-14**	**-**	**-45 604**	**8 532**	**83 423**
Share premium reserve reduction (not formally registered)		-76 983		76 983			-
Share issue	88	261					349
Cash flow hedges amount recognized in income						26	26
Cash flow hedges amount recognized in equity						-	-
Employee share options						580	580
Currency translation and other adjustments						-6 089	-6 089
Net profit/(loss) for the year					-10 540		-10 540
Total income and expense for the year	-	-	-	-	-10 540	-5 483	-16 023
At December 31,2008	**43 614**	**261**	**-14**	**76 983**	**-56 144**	**3 049**	**67 749**

Quarterly changes in equity

	Q3 2009 YTD			Q3 2008 YTD		
	Shareholders of the parent company	Non-controlling interests	Total	Shareholders of the parent company	Non-controlling interests	Total
Opening balance, January 1	**67 749**	**-**	**67 749**	**83 423**	**-**	**83 423**
Net income/(loss) for the period	-11 823	-2 110	-13 933	14 421	-	14 421
Exchange differences arising from translation of f	22 789	4 333	27 122	-13 403	-	-13 403
Other comprehensive income and other changes	181		181	-	-	-
Total comprehensive income/(loss) for the period	**11 148**	**2 223**	**13 370**	**1 018**	**-**	**1 018**
Proceeds from issuance of shares	22 759	-	22 759	344	-	344
Increase in non-controlling interests*	-1 522	31 522	30 000	-	-	-
Employee share options	159	-	159	499	-	499
Closing balance period end	**100 293**	**33 745**	**134 037**	**85 284**	**-**	**85 284**

9.2.5 Significant changes to the Company’s financial or trading position since 30 September 2009

The Company is not aware of any significant changes in the financial or trading position of Norse which has occurred since the end of 30 September 2009, except as described below.

Subsequent to 30 September 2009, the Company proposed on 9 December 2009 a full restructuring of its bond portfolio by putting forward a joint proposal to restructure all of the outstanding bonds. The debt obligations will be separated between the US and Brazil entities following a demerger of Norse Energy Corp. ASA. For more details on the demerger process, please see section 7.4 “The Demerger Process”.

The Company has reached an agreement with the largest bondholders for a complete restructuring of its bond portfolio. In general terms, the Company proposes to extend the bonds' maturity by 1-2 years and obtain the bondholders' unconditional acceptance for a demerger of Norse Energy Corp. ASA. In return, the bondholders are compensated with (amongst others) security by pledge over shares in subsidiaries and intercompany loans, early repayment of 15% of all outstanding bonds, new warrants in the US entity and increased interest coupon.

The original schedule for principal repayments was approximately USD 59 million in 2010, USD 75 million in 2011 and USD 23 million in 2012 (see section 11.4 “Borrowings” for details on the current structure of the loans). After early repayment of approximately USD 24 million, the new proposed schedule will have no further principal repayments in 2010, approximately USD 25 million in 2011, USD 57 million in 2012, USD 42 million in 2013 and USD 10 million in 2014. This reduces principal repayments in 2010 with approximately USD 36 million and USD 50 million in 2011, hence greatly improving the near term financial flexibility.

A bondholders meeting was called for and subsequently held on 17 December 2009 to vote for the proposed changes to the Loan Agreement. All changes were accepted by the bondholders. The restructuring proposal will become effective upon a successful completion of a demerger and will enable the two companies to pursue independent and distinctive growth strategies.

The company also successfully completed a NOK 300 million equity issue directed towards Norwegian and international institutional investors on 12 January 2010. The share issue was substantially oversubscribed and the price in the book-building was set at NOK 4.25 per share, and 70,588,235 shares will be issued. This equity issue and the subsequent repair issue, improves the financial position of the company.

9.3 STATUTORY AUDITORS

The Company’s auditor is Deloitte AS, Karenslyst allé 20, P.O. Box 347 Skøyen, 0213 Oslo, Norway. Deloitte has been the Company’s auditor since 2008. The auditor is a member of the Norwegian Auditor Association (Den Norske Revisorforening).

Deloitte AS conducted the audit in accordance with laws, regulations and auditing standards and practices generally accepted in Norway, including the auditing standards adopted by the Norwegian Institute of Public Accountants.

Prior to Deloitte the Company’s auditor was Ernst & Young AS, Christian Frederiks plass 6, P.O. Box 20, Oslo, Norway. Ernst & Young is a member of the Norwegian Auditor Association (Den Norske Revisorforening).

The annual financial statements for 2007 and 2006 have been audited by Ernst & Young AS.

The Auditor’s report for 2008, 2007 and 2006 were issued without qualifications.

10. OPERATING AND FINANCIAL REVIEW

You should read the following discussion of the financial condition and results of operations in conjunction with the financial statements included in this Prospectus. The following discussion may contain forward-looking statements that are based on current assumptions and estimates by the Company's management regarding future events and circumstances. The Company's actual results could differ materially from those expressed or implied by the forward-looking statements as a result of many factors, including those described in Section 2 "Risk factors".

10.1 COMPARISON FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2009 AND 2008

10.1.1 Management's discussions and analysis of financial conditions and results of operations the nine month period ended 30 September 2009

P&L Accounts

For the first nine months of 2009, EBITDA was USD 1.6 million. This compares to USD 48.0 million in the same period in 2008, when EBITDA included a USD 30 million divestment gain from sale of the Medina properties.

Exploration and dry hole costs were USD 15.0 million and depreciation USD 13.4 million. This compares to USD 20.1 million and USD 11.7 million respectively, in the same period in 2008.

In September 2009 the Company recorded an impairment charge of USD 12.5 million related to the relinquishment of the BCAM-40 exploration license in Brazil.

Net loss for the first nine months of 2009 was USD 13.9 million, compared to a net profit of USD 14.4 million in the same period in 2008. The positive result in the first nine months of 2008 was significantly impacted by the sale of the Medina assets.

Capital

On 15 September 2009 Norse Energy completed a private placement for a total of 35,316,453 new shares, representing approximately 10% of the registered share capital. The private placement generated gross proceeds of approximately NOK 136 million.

Combined with the company's sale of shares in Norse Energy do Brasil to Sector Asset management during the second quarter of 2009, the recent share issue has strengthened the company's balance sheet and provided improved financial flexibility.

The credit line in the US stands at USD 21.75 million as per budget, with USD 16.3 million utilized at the end of the quarter.

Interest-bearing debt totals USD 247.8 million as of 30 September 2009, compared to USD 243.4 million at the end of third quarter 2008. Cash deposit was USD 43.6 million, compared to USD 45.1 million at the end of third quarter 2008. The interest cover ratio was -1.3 as of 30 September 2009.

Book equity 30 September 2009 was USD 100.3 million, compared to USD 85.3 million at the end of third quarter 2008. Equity ratio was 28 % compared to 19 % at the end of third quarter 2008.

10.1.2 Management's discussions and analysis of financial conditions and results of operations the nine month period ended 30 September 2008

P&L Accounts

For the first nine months of 2008, EBITDA was USD 48.1 million. This compares to USD 14.7 million in the same period in 2007.

Exploration and dry hole costs were USD 20.1 million and depreciation USD 11.7 million. This compares to USD 1.2 million and USD 19.5 million respectively, in the same period in 2007.

Net profit for the first nine months of 2008 was USD 14.6 million, compared to a net loss of USD 2.5 million in the same period in 2007. The positive result in the first nine months of 2008 was significantly impacted by the sale of the Medina assets.

Capital
In July 2008, the Company settled a currency swap in the amount of USD 82 million back into NOK 500 million and realized a gain of approx. USD 14.9 million.

Interest-bearing debt totals USD 243.4 million as of 30 September 2008. Cash deposit was USD 45.1 million, Book equity 30 September 2008 was USD 85.3 million and the equity ratio was 19%.

Cash flow

The Company's net cash flow from operating activities was USD 1,8 million Q3 2009 YTD compared to USD 21,3 million for Q3 2008 YTD. Net cash flow from investing activities was USD- 28, 2 compared to USD -9,9 for 2008. The variation is mainly explained by proceeds from sale of assets in 2008 that financed higher investments in fixed assets. Proceeds from issuance of shares and the sale of a non controlling interest in Brazil combined with lower repayment of debt explains the positive net cash flow of USD 33,6 million from financing activities Q3 2009 YTD compared to same period for 2008.

10.2 COMPARISON FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2008, 2007 AND 2006

10.2.1 Management's discussions and analysis of financial conditions and results of operations 2008

P&L Accounts
The divestment of assets and increased production sold at high oil and natural gas prices, contributed to a record high EBITDA of USD 41 million for the year.

Norse Energy capital expenditure for 2008, net of impairment and dry hole costs, resulted for accounting purposes in capitalization of assets totaling USD 71 million. Adjusted for dry hole cost, the gross amount spent in 2008, was about USD 100 million. In addition, assets in the Brazilian division were significantly affected by changes in foreign exchange rates, decreasing the book value of the assets by approximately USD 33 million.

Total sales revenues were USD 334.5 million, an increase of approximately 56% from USD 214.7 million in the previous year. A significant portion of the sales revenue relates to Norse Energy's Marketing division in the US which contributed with revenues of USD 225.2 million in 2008, compared to USD 158.2 million in 2007 – an increase of 42%. In accordance with IFRS, revenues from the Marketing division are booked on a gross basis. Additionally, the gain on the sale of Medina assets of approximately USD 28 million and the 100% increase in Manati gas sales from USD 18.7 million to USD 37.4 million, contributed to the increase in revenues.

Production costs increased by 8% from USD 25.8 million to USD 27.9 mainly due to higher volumes from oil production in Brazil.

Exploration and dry hole costs increased significantly in 2008 and totaled USD 27.2 million for the year, most of this relating to the Brazil division.

Depreciation decreased by 42% from USD 28.9 million in 2007 to USD 16.7 million in 2008. This decrease is mainly related to the Coral field, which for accounting purposes was written down to USD 0 per December 2007 and was therefore not depreciated in 2008 although it was still producing. An impairment charge of USD 25.9 million was booked in 2008 compared to USD 26.2 million in 2007. The impairment for 2008 relates to the license for the BM-CAL 5 & 6 blocks in Brazil as well as an increased abandonment charge for the Coral field.

Operating loss for 2008 was USD 1.4 million compared to an operating loss of USD 28.2 million in 2007.

During 2006, Norse Energy entered into two loans with detachable warrants. The decline in the share price contributed to a non-cash financial income of USD 8.1 million in 2008 compared to a financial expense of USD 3.3 million in 2007.

Capital
Norse Energy's total assets decreased by USD 38 million in 2008, which was mainly due to a reduction in short term assets following the sale of Medina assets previously classified as assets held for sale and impairment charges. The asset balance was USD 398 million at the end of the year with a book equity ratio of 17%, compared to 19% at the end of 2007.

During 2008, the only share issue that took place was related to an exercise of stock options by one of our employees.

In the second half of 2008, the company extended the maturity date for a total of NOK 153 million of its bond loans from July 2010 to September 2012.

Interest-bearing debt totals USD 229.4 million, compared to USD 243.4 million at the end of 2007. Cash deposit was USD 32.2 million, compared to USD 43.7 million at the end of 2007.

Book equity at year end was USD 43.6 million, compared to USD 43.5 million at the end of 2007. Equity ratio was 17 % compared to 19 % at the end of 2007.

Cash flow

The Company's net cash flow from operating activities was USD 5,9 million in 2008 compared to USD 2,8 million 2007. Net cash flow from investing activities was USD 1 compared to USD -56, 8 for 2007. The variation is mainly explained by proceeds from sale of assets in 2008 of USD 66,7 and interest on short term placements of USD 9 million that financed the higher investments in fixed assets. The materially higher repayment of debt in 2008 compared to 2007 explains the negative cash flow from financing activities of USD 16,6 compared to a positive cash flow from financing of USD 34,5 for 2007.

10.2.2 Management's discussions and analysis of financial conditions and results of operations 2007

P&L Accounts

The financial results for 2007 were significantly affected by increased production and large capital expenditures, as well as impairment on Coral carried out in the fourth quarter. In 2007, total sales revenues were USD 214.7 million, an increase of approximately 15 % from USD 186.7 million in the previous year. A significant portion of the sales revenue relates to Norse Energy's Marketing division in the US which contributed with revenues of USD 158.2 million in 2007, compared to USD 148.3 million in 2006.

EBITDA for the year 2007 was USD 26.8 million, up from USD 15.9 million in 2006.

Net loss for 2007 was USD 28.7 million, compared to a net loss of USD 12.4 million in 2006. A significant part of the net loss is related to non-cash financial charges. Norse Energy's result for 2007 was negatively affected by significant Coral depreciations and an impairment charge in the fourth quarter, and several other financial entries also impacted the 2007 financials.

In October 2006, Norse Energy entered into a forward contract to purchase 12 % of the shares in the Norwegian listed company Revus Energy ASA. For 2006, this contributed to an unrealized loss of USD 2 million at year-end due to a lower share price of Revus. The company sold the shares in February 2007 and settled the forward contract at a net profit of about USD 5 million. The positive contribution for the year was thus USD 7 million.
During 2006, Norse Energy entered into two loans with detachable warrants. The warrants are separately listed on the OSE, and the fair value of the warrants is estimated at each reporting date with any change in the fair value being recorded in the income statement. This contributed to a financial expense of USD 3.3 million in 2007.

Capital

At the end of the second quarter of 2007, the company raised NOK 100 million in a 3-year bond issue yielding 3 months NIBOR plus 4.25 %. On August 14, 2007, the company raised another NOK 100 million under this facility on the same terms and conditions. The company has swapped the bond loan into USD at 3 months LIBOR plus 4.40 %.

Norse Energy's total assets increased by USD 34 million in 2007, which was mainly due to foreign exchange effects and increased investments in property and equipment in Brazil, partially offset by increased depreciation and impairment on the Coral field.

The asset balance was USD 402 million at the beginning of the year, whereas the asset balance was USD 436 million at the end of the year. Of this, current assets amounted to USD 126.9 million, including USD 36.6 million in assets held for sale related to the Medina field assets.

Long-term liabilities amounted to USD 231.2 million. Short-term liabilities were USD 121.0 million, representing 34 % of total liabilities. At the end of 2007 the book equity ratio was 19 %, compared to 26 % at the end of 2006.

10.2.3 Management's discussions and analysis of financial conditions and results of operations 2006

P&L Accounts

In 2006, total sales revenues were USD 186.7 million compared to USD 124.3 million in the previous year, an increase of about 50 %. The weakness of the financial results was mainly attributable to the reduced production and higher work over costs on the Coral oil field in Brazil. However, the US division reported steady growth and showed increased profitability. A significant portion of the sales revenue relates to Norse Energy's marketing division in the US which contributed revenues of USD 148.3 million in 2006, compared to USD 85.3 million for the six months in 2005.

EBITDA for the year 2006 ended at USD 15.9 million, down from USD 19.8 million in 2005. Cash flow from operations was USD 26.1 million in 2006, up from a negative USD 6.3 million in 2005.

Net loss for 2006 was USD 12.4 million, compared to a net profit of USD 1.9 million in 2005. Norse Energy's result for 2006 was negatively affected by net financial items mainly in the fourth quarter of 2006. In addition to increased interest-bearing debt, the company also had several non-cash financial entries that negatively impacted the financials

In October 2006, Norse Energy entered into a forward contract to purchase 12 % of the shares in the Norwegian listed company Revus Energy ASA. For 2006, this contributed to an unrealized loss of USD 2.0 million at year-end due to a lower share price of Revus. The company has sold these shares and settled the forward contract at a net profit of about USD 5 million in February 2007.

During 2006, Norse Energy entered into two loans with detachable warrants. The warrants are separately listed on the OSE, and the fair value of the warrants is estimated at each reporting date with any change in the fair value being recorded in the income statement. This contributed to a financial expense of USD 2.3 million.

Capital

On January 25, 2006 the company issued 32 million shares raising NOK 124.8 million in an equity issue.

In July the company issued a bond loan in the amount of USD 50 million and in November another USD 75 million in bonds. The bonds mature on July 14, 2011, and are listed on OSE under the ticker symbol "NEC02." The bond loan is unsecured and carries a fixed interest rate of 6.5 % p.a. In addition, each bond subscriber was allotted 1 000 warrants per bond as part of the value. The warrants give the holder the right to subscribe for one new share in the company at an exercise price of NOK 6.10 per share. The warrant component has been classified as a liability, and any change in the fair value of the warrants is recorded in the income statement based on the price of the NECJ warrants. An increase in the fair value of the warrant will cause a charge to the income statement and a corresponding increase in the liability and vice versa.

A milestone in Brazil was the approval of BNDES financing related to the company's Manati investment program.

The asset balance was USD 235 million at the beginning of the year, whereas the ending asset balance was USD 399 million. As of December 31, 2006, current assets amounted to USD 91.3 million. Long-term liabilities amounted to 210.3 million. Short-term liabilities were 83.6 million, representing 28 % of total liabilities.

At the end of the 2006 the book equity ratio was 26 % compared to 41 % at the end of 2005.

11. CAPITAL RESOURCES

11.1 CASH FLOWS

The table below is derived from the combined historical information as presented in Section 9.2 "Consolidated financial information" above.

Consolidated Statement of Cash flows	Q3 YTD 2009 Unaudited	Q3 YTD 2008 Unaudited	2 008 Audited	2 007 Audited	2 006 Audited
Cash flows from operating activities					
Net income/(loss) for the period	**-13 933**	**14 421**	**-10 540**	**-28 705**	**-12 377**
Adjusted for:					
Depreciation	13 374	11 695	16 719	28 901	15 124
Impairment and non cash items of dry- hole costs & exploration	21 713	13 787	16 600	26 159	0
Market adjustments (including warrants effect)	-28 386	-3 855	-27 158	-2 516	6 565
Gain on sale of assets	-1 701	-29 750	-27 981	-1 470	0
Net interest costs	27 485	18 729	23 744	16 062	5 474
Other adjustments	-16 731	-3 736	14 540	-35 618	17 539
Net cash flows from operating activities	**1 822**	**21 291**	**5 924**	**2 813**	**32 325**
Cash flows from investing activities					
Investments net of cash, in aquired business				-5 087	-72 753
Proceeds from sale of assets	1 949	63 151	66 652	4 000	0
Investment in fixed assets	-30 174	-73 007	-74 728	-59 214	-58 801
Net cash flows from investing activities	**-28 225**	**-9 856**	**-8 076**	**-60 301**	**-132 953**
Cash flows from financing activities					
Net proceeds from issuance of shares	22 759	344	349	-	17 888
Proceeds from sale of non-controlling interest	30 000	-			0
Proceeds from issuance of short-term debt	-	26 436	42 061		0
Proceeds from issuance of long-term debt	14 239	29 558	50 796	112 335	147 464
Net interests paid	-17 956	-18 634	-13 674	-14 375	-6 229
Repayment of debt	-15 455	-58 392	-101 969	-59 964	-42 239
Net proceeds from settlement of derivatives		14 853	14 853		
Net cash flows from financing activities	**33 587**	**-5 835**	**-7 584**	**37 996**	**116 884**
Effects of foreign currency and translation of foreign operations on cash balances	4 219	-4 178	-1 804	7 499	97
Change in cash and cash equivalents during the period	**11 403**	**1 422**	**-11 540**	**-11 993**	**16 353**
Cash and cash equivalents at the beginning of the period	32 207	43 747	43 747	55 740	39 387
Cash and cash equivalents and the end of the period	**43 610**	**45 169**	**32 207**	**43 747**	**55 740**

11.2 WORKING CAPITAL STATEMENT

In the opinion of the Company, its working capital is sufficient to cover the Company s present requirements, that is, for a period of at least 12 months from the date of this Prospectus.

11.3 CAPITALISATION AND INDEBTEDNESS

The Company has set out certain policies and procedures when it comes to funding and treasury activities.

Please see the following link to the funding and treasury activities described in the 2008 Annual Report:

http://feed.ne.cision.com/wpyfs/00/00/00/00/00/0E/B1/90/wkr0010.pdf

The following table shows the actual capitalisation and indebtedness as per 30 September 2009.

	Unaudited
Total capitalization	
A. Share capital	49 007
B. Legal reserve	17 627
C. Other reserves	33 659
D. Non controlling interest	33 745
E. Total equity (A+B+C+D)	134 038
F.Long-term borrowings (secured/ unguaranteed)	4 433
G.Long-term borrowings (unsecured/ unguaranteed)	89 590
H.Total long-term borrowing (F+G)	94 023
I. Current debt (secured/unguaranteed)	96 512
J. Current debt (unsecured/unguaranteed)	57 281
K. Total current debt (I+J)	153 793
L.Total capitalization (E+H+K)	381 854
Net indebtedness	
A. Cash	43 610
B. Cash equivalent	0
C. Trading securities	0
D. Liquidity (A+ B+C)	43 610
E. Current financial receivable	0
F. Current bank debt	96 512
G. Current portion of non current debt	0
H. Other current financial debt	57 281
I. Current financial debt (F+G+H)	153 793
J. Net current financial indebtedness(I+E+D)	110 183
K. Non current bank loans	4 433
L. Bond issued	89 590
M. Other non current loans	0
N. Non current financial indebtedness (K+L+M)	94 023
O. Net financial indebtedness (J+N)	204 206

There have been no material changes to the Company's capitalization and indebtedness since 30 September 2009, except for the Private Placement described in section 5.

11.4 BORROWINGS

The table below shows a statement of net indebtedness in the short term and the long term as of 30 September 2009:

	2009 Q3		Total interest
	Short term	Long term	bearing debt
Norway			
USD denominated loans	8 767	84 952	93 719
NOK denominated loans	48 514	4 638	53 152
USA			
USD denominated loans	17 049	4 433	21 482
Brazil			
USD denominated loans	21 617	0	21 617
BRL denominated loans	57 846	0	57 846
Total	***153 793***	***94 023***	247 816
Cash and cash equivalents			43 610
Net interest bearing debt			**204 206**

Norway

NOK 286.5 million bond loan ("NEC01")

The company issued a 5-year senior unsecured bond loan in 2005, with a total borrowing limit of NOK 300 million. NOK 200 million was issued in July 2005, while the final tranche of NOK 100 million was issued in November 2005. The loan will mature on July 13, 2010, and is listed on the Oslo Stock Exchange (OSE) under the ticker "NEC01". The bond is a fixed 5-year bullet loan, is unsecured and has an annual coupon of 10%.

The main covenants for the bond loan are as follows:

- Maintain book equity of minimum USD 50 million in the parent company.
- Within a calendar year from when the loan was issued, Norse Energy cannot make any dividend payments; shares repurchases, or make any other distributions that constitutes more than 50% of net profits after taxes.
- Total equity shall constitute at least 30% of "Capital employed" in the parent company. "Capital employed" is defined as Norse Energy's total equity plus interest bearing debt, including financial instruments that have the commercial effect of borrowing, including guarantees and leasing commitments.

The company was in compliance with the covenants of the financing agreement per Q3 2009.

USD 75 million bond loan ("NEC02")

On July 13, 2006 the company issued 50,000 bonds at a nominal value of USD 1,000 per bond for a total of USD 50 million and on November 30, 2006 another 25,000 bonds was issued at a nominal value of USD 1,000 per bond, bringing the total bond loan to USD 75 million. The bonds mature on July 14, 2011, and are listed on OSE under the ticker code "NEC02". The bond loan is unsecured and carries a fixed interest rate of 6.5%. Effective interest is about 12% as the value of the warrants and the transaction costs are amortized over the life of the bonds.

Each bond subscriber was allotted 1,000 warrants per bond free of charge. Each warrant gives the holder the right to subscribe for one new share in the company at an exercise price of NOK 6.10 per share. The warrants are listed separately on OSE under the ticker code "NECJ".

IAS 39 requires that the proceeds from the issue of the bond loans are split between the long term loan element and the embedded derivative – in this case the fair value of the option to convert to shares (the warrant). The long term loan element is amortized to the full value of the loan (USD 75 million) over the life of the loan, based on the effective interest method. As USD is the functional currency of Norse Energy Corp. ASA and the warrants are denominated in NOK, IFRS requires that the warrants are recorded as a liability – not as a component of equity.

At each reporting date, any change in the fair value of the warrants is recorded in the income statement based on the price of the NECJ warrants. An increase in the fair value of the warrant will cause a charge to the income statement and a corresponding increase in the liability. A drop in the warrant price will lead to the opposite. However, it is important to notice that this income statement impact in no instance will affect the total loan to be paid to the loan holders at the maturity date.

At September 30, 2009, no warrants were converted to shares. The company holds own bonds totalling USD 0.9 million per September 30, 2009.

USD 8.8 million bond loan ("NEC03")
In June 2007, the company raised NOK 100 million in a 3-year bond issue yielding 3 months NIBOR plus a margin of 4.25%. In August 2007, the company raised another NOK 100 million under this facility at the same terms. The bond issue is unsecured and it is listed on the Alternative Bond Market (ABM) as "FRN Norse Energy Corp. 07/10 CALL".

During 2008, bondholders representing NOK 139 million exchanged their bonds for bonds in NEC04, thereby reducing the loan balance to NOK 61 million. Towards the end of the year, bondholders representing NOK 60.5 million converted their bonds into USD, accepting the company's offer and a new bond issue named NEC03 of USD 8.8 million was established using an exchange rate USD/NOK of 6.92. NOK 0.5 million remained under the original loan facility. Norsk Tillitsmann ASA ("Norwegian Trustee") is representing the various bond holders.

The main covenants for the bond loan are the same as the NOK 286.5 million bond loan.

The company was in compliance with the covenants of the financing agreement per Q3 2009.

NOK 27 million and USD 17.8 million bond loan ("NEC04PRO" and "NEC04")
The new NEC04 bond loan was established during 2008 upon the exchange of bonds from NEC01 and NEC03 for a total of NOK 153 million. This is a 4-year bond issue yielding fixed interest of 11.5% with semi-annual payments. Next, bondholders representing NOK 126 million converted their bonds into USD, accepting the company's offer and a new bond issue NEC04 of USD 17.8 million was established using an exchange rate of USD/NOK 7.08. NOK 27 million remained under the original loan facility. Norsk Tillitsmann ASA ("Norwegian Trustee") is representing the various bondholders.

The main covenants for the bond loan are the same as the NOK 286 million bond loan.

The company was in compliance with the covenants of the financing agreement per Q3 2009.

USA
Revolving credit line
Norse Energy Corp. USA has a revolving credit line initially agreed in 1999 with a borrowing base of USD 21.75 million. The borrowing base is based on net proven production and reserves. As reserves and production increase, funds are made available for lending purposes.

The credit agreement carries an interest ranging from prime to prime plus 0.375% depending on the utilization of the credit line.

The credit agreement requires the company to maintain certain financial covenants. As of September 30, 2009, the company was not in compliance with certain of these covenants. A waiver for this was obtained; however, as the grace period did not extend beyond 12 months after the balance sheet date, the loan has been reclassified to short-term debt. The credit agreement also includes restrictions as to payment of dividend, or other kind of distribution for payment of inter-company debt, further indebtedness or contingent liabilities, further encumbrances, sales of assets, investments, corporate restructuring, transactions with affiliates, engagement in other parts of business, change of ownership of the borrowers as well as further lending from the borrowers. The credit agreement includes normal default provisions, including a cross-default provision related to other defaulted agreements in excess of USD 50,000.

Norse Pipeline Note
In conjunction with the acquisition of the Norse Pipeline system in June 1999, the company entered into a financing agreement with Colombia Gas Transmission Corporation for USD 18.8 million. This financing agreement was restructured in December 2002. The face amount of the restructured financing agreement was USD 11 million with a stated interest rate of 5% on USD 6.3 million of the balance and 0% on USD 4.7 million of the balance. The effective interest rate on the USD 11 million face value was approximately 1%. As the restructured debt was issued at a below-market interest rate, the company determined the fair value of the debt to be USD 9.6 million per December 31, 2002 by imputing interest at 4.25%. The loan is subject to quarterly repayments and matures September 30, 2015.

The financing agreement is secured by the physical pipeline assets of Norse Pipeline. In addition, Norse Energy Corp. USA has entered into a Limited Guaranty and Surety Agreement with the seller for the first payments due in the amount of USD 6.3 million. After this amount has been repaid, no obligations by Norse Energy Corp. USA are due to seller.

As of September 30, 2008, USD 5.2 million was booked as outstanding under the note, of which USD 0.8 million is due in the next 12 months and therefore classified as short-term.

The Company was in compliance with the covenants of the financing agreement.

Brazil financing
In January 2006, Coplex entered into two financing agreements through an on-lending transaction in U.S. Dollars for the development and production of natural gas in the Manati field in the amount of USD 20.0 million. The loans are payable over 72 months, and mature on October 15, 2010. The interest rates are LIBOR plus 5.5% and LIBOR plus 4.75% respectively. The main loan conditions include pledging of the shares in Coplex, oil production in Estrela do Mar as well as pledge in the gas production in B-CAM 40. The financial covenants require the Company to keep an equity ratio at a minimum of 30%, and maintaining a debt service coverage ratio in excess of 1.4. Further, it is a condition that Coplex maintains its license rights in Brazil. The agreements also have a cross default covenants, meaning that any default of other material agreements for Coplex will lead to a default under these loan agreements.

In April 2007, Norse Energy do Brasil entered into a loan agreement through an on-lending transaction of USD 9.8 million, for the acquisition of interests in the Cavalo Marinho and Estrela do Mar fields. The loan is payable over 66 months, and matures in October 2012. The interest is fixed at 9.55%. The main loan condition is pledging the oil production from Cavalo Marinho. The financial covenants require the company to keep an equity ratio at a minimum of 30 %, and maintaining a debt service ratio in excess of 1.3. Further, it is a condition that Norse Energy do Brasil maintains its license rights in Brazil. The agreements also have cross default covenants, meaning that any defaults of other material agreements for Norse Energy do Brasil will lead to default under these loan agreements.

In November 2006, Rio das Contas entered into a credit agreement for investment in production and transport of natural gas and condensate from the Manati field in the amount of BRL 82.7 million. The amount was divided into four tranches; (i) BRL 6.7 million; (ii) BRL 60.2 million; (iii) BRL 1.6 million; and (iv) BRL 14.2 million. Tranches (i) and (ii) are amortized over 72 months, and carry an interest rate of currency basket or TJLP plus a fixed rate. Tranches (iii) and (iv) are amortized over 51 months, and also carry an interest rate of either a currency basket or TJLP plus a fixed rate.

In July 2007, Rio das Contas entered into loan agreements through an on-lending transaction in USD at the amount of USD 7.7 million, for the development of natural gas and condensate in the Manati field. The loans are payable over 53 months, and mature in December of 2011.

In September 2008, Rio das Contas entered into a loan agreement for a USD 21.4 (BRL 40 million) bridge-loan facility. The loan is part of a BRL 100 million exploration and development facility to be supported by BNDES (Brazilian State Development Bank). The bridge loan is expected to be replaced with BNDES Reais financing during 2009. The company is working to secure the remaining balance of the loan, and the financing will primarily be used to fund Manati development activities.

The credit agreements described above require pledging of the shares in Rio das Contas, and the gas revenues from BCAM-40. The financial covenants require the Company to keep an equity ratio at a minimum of 30%, and maintain a debt service ratio in excess of 1.3. Further, the agreement requires Rio das Contas to maintain its license rights in Brazil. The agreements also have cross default covenants, similar to those described above.

The Company was not in compliance with the loan covenants as of Q3 2009. As a consequence all loans have been classified as short term interest bearing debt in line with IFRS requirements.

In Brazil, a debt restructuring has been finalized, although some last formalities are still remaining. BNDES-supported loan documents are being drafted and the BNDES loan tranche will cover existing loans as well as future planned capital expenditures related to upgrade of the Manati compressor station. However, the consortium is looking into the possibility to lease the new compressor unit, which will reduce the working capital requirement. A new compressor will not likely be installed or expensed before 2011. With the continued strengthening of the Brazilian Real ("BRL"), the conversion of our USD denominated loan into BRL continues to work in our favour. All formalities are expected to be settled, and the new final BRL loans amounts set, in early 2010.

11.5 INVESTMENTS

11.5.1 Historical investments

2006
In early 2006 NEC acquired the companies Rio das Contas and Morro do Barro. Rio das Contas holds a 10 % interest in the BCAM 40-block offshore Brazil, which includes the Manati field.
Morro do Barro holds an 18.3 % interest in both BM-CAL 5 and BM-CAL 6 blocks, also offshore Brazil. The total gross consideration for these interests was USD 74 million.

Norse Energy purchased a 15 % interest in Cavalo Marinho and 30 % interest in Estrela-do-Mar from Queiroz Galvão Perfuração SA in November 2005. The company received ANP approval of the acquisition in July 2006. The purchase price was USD 14 million and it is conditional upon certain milestones. USD 9 million was booked for the interest in Cavalo Marinho and USD 5 million was booked to Estrela-do-Mar

In May 2006 NEC purchased an additional 7,5% participating interest in the BS 3 project (includes Coral, Cavalo Marinho and Estrela-do-Mar offshore Brazil.) As of December 31, 2006 USD 16 million was booked for this acquisition.

In addition to the USD 104 million investments via business acquisitions described above, NEC made field and equipment investments of USD 31 million in the Manati field, USD 7 million in the BS 3 project and USD 19 million regarding US Natural Gas properties. This gives a total investment in oil and gas assets of USD 161 million for the year.

2007
In 2007 NEC ASA made field investments (including abandonment costs) in Manati for around USD 22 million, Coral USD 4 million and USD 26 million in US Natural Gas Properties. In addition investments of USD 5.5 million were made in the BS3 fields and USD 3.6 million in BCAM 40

2008 and 2009
In 2008 NEC ASA invested USD 53.4 million in licences and exploration assets. USD 38.9 million here off were made in the Brazilian existing BM CAL 5& 6, BS 3 and 9th bid round blocks. The remaining USD 14.6 million was invested in US natural gas properties.

A further USD 50 million of investments in; US Natural Gas properties (USD 29,5 million), US pipelines (USD 9 million), Manati (USD 5.3 million) and Coral (USD 5.7 million) were classified as production assets.

From 1 January and as per date of this prospectus the Company has invested USD 16.7 million in licences and other exploration assets. This consists of USD 8.9 million in Brazil (mainly BCAM-40 and BS-3) and USD 7.8 million in US Licences and exploration assets. A further USD 12.4 million was invested in production assets and equipment in the US.

The table below summarizes the Company's investments in 2006- 2009:

	2006	2007	2008	YTD Q3 2009	Total
Licenses and exploration assets	45 595	2 265	53 491	16 688	118 039
Field Investment and equipment	115 484	59 121	50 006	12 399	237 010
Deferred tax asset			10 105	11 364	21 469
Total principal investments	161 079	61 386	113 602	40 451	376 518

11.5.2 Investments in progress

From the end of the third quarter and to the date of this prospectus, there are no ongoing significant investments outside the normal course of business.

The Company has no material future investment commitments, and there are no firm commitments on new bond or bank loans.

12. BOARD OF DIRECTORS, MANAGEMENT AND EMPLOYEES

12.1 BOARD OF DIRECTORS

12.1.1 Overview

The Board is responsible for administering the Company's affairs and for ensuring that the Company's operations are organized in a satisfactory manner.

The following table sets forth, as the date of this Prospectus, the number of options and shares beneficially owned by each of the Company's directors:

Name	Position	Has served since	Term expires	Options held	Shares held
Dag Erik Rasmussen	Chairman	May 2009	2011	-	-
Bjarte Henry Bruheim	Board member	May 2008	2010	-	25,300,000 (11,300,000 shares + 14,000,000 forwards)
Kathleen Arthur	Board member	May 2008	2010	-	-
Katherine H. Støvring	Board member	May 2009	2011	-	-
Odd Næss	Board member	May 2009	2011	-	7,565,000

12.1.2 Description of the board members

The Company's Board of Directors consists of the following members:

Dag Erik Rasmussen, Chairman of the Board, born 1961. Dag Erik Rasmussen is Candidate in Jurisprudence from the University of Oslo (1989). Rasmussen has been partner with Advokatfirmaet Selmer DA since year 2000. Before joining Selmer he was Secretary of the Board and Head of Legal Department at the Oslo Stock Exchange (1998-2000) and Legal Counsel at the Oslo Stock Exchange from 1994. Rasmussen's professional background also includes positions as associate at Wiersholm, Mellbye & Bech (1993-94), Legal Counsel for the Lillehammer Olympic Organization Committee (1993-94), Associate at Hauge & Stange Lund (1992-93), Deputy Judge in Nedre Romerike Municipal Court (1990-93) and Public Prosecutor at Larvik Police Authority (1989-90). Mr Rasmussen has served as a board member for companies listed on the Oslo Stock Exchange (Rem Offshore ASA and Wavefield Inseis ASA) and holds several board positions within the Sector Asset Management Group. Rasmussen is a lecturer in securities and corporate law. He is a Norwegian citizen living in Bærum, outside of Oslo.
Business address: Advokatfirmaet Selmer DA, Tjuvholmen allé 1, PO Box 1324 Vika, 0112 Oslo, Norway

Bjarte Henry Bruheim, Non-Executive Director, born 1955. Mr. Bruheim is a graduate of the Norwegian University of Science and Technology with an MSc in physics and electronics. Mr. Bruheim has considerable business and operational experience, and he is one of the founders of Petroleum Geo-Services ASA. Mr. Bruheim served as President and Chief Operating Officer in PGS until 2001, and he currently holds multiple board positions, among others in Electromagnetic Geoservices ASA and Odim ASA. Mr. Bruheim is a Norwegian citizen and resides in Houston, USA.
Business address: c/o Norse Energy Corp. ASA, Dronning Maudgate 1-3, PO Box 1885 Vika, 0124 Oslo, Norway

Kathleen Arthur, Non-Executive Director, born 1953. Ms Arthur is a former Vice President Exploration and Production in Chevron Corporation. Ms. Arthur has considerable operational experience, in addition to various board positions. Ms. Arthur is a Canadian citizen and resides on Vancouver Island, Canada.
Business address: c/o Norse Energy Corp. ASA, Dronning Maudgate 1-3, PO Box 1885 Vika, 0124 Oslo, Norway

Katherine H. Støvring, Non-Executive Director. Ms Støvring is a former Vice President International Exploration and Production in Statoil, and prior to this worked with Planning and Performance Management in the Gas, Power and Renewables division of BP plc in London. Ms Støvring graduated from London Business School (Sloan Programme) in 2001. In addition she is a member of the Norwegian Bar and a Solicitor Admitted to the Rolls of England and Wales. Ms Støvring is a Norwegian and US citizen and resides in Oslo, Norway.

Business address: Advokat Stovring, Arbinsgate 1, 0253 Oslo, Norway

Odd Næss, Non-Executive Director. Mr Næss is a former banking executive with the Offshore and Shipping department in DnC, serving six out of seventeen years as head of the department. Furthermore, Mr Næss has considerable business and operational experience and has since 1988 run his own business. Mr Næss has conducted numerous management consulting projects, investment projects and served as a BOD member and chairman in several companies. Mr Næss was from 1990-2003 the Chairman of the Board of Naturgass, the US entity of the predecessor to Norse Energy Corp ASA. Mr Næss was instrumental in helping to build the US part of the business in Norse Energy under Naturgass before the merger with Northern Oil in 2005. Mr Næss holds a Master's degree in Business Administration from Nürnberg University, Germany. Mr Næss is a Norwegian citizen and resides in Oslo, Norway.
Business address: Odd Næss, Lilleakerveien 5, 0283 Oslo, Norway

12.2 MANAGEMENT

12.2.1 Overview

The senior management is responsible for the daily management and the operations of the Company.

The following table sets forth, as the date of this Prospectus, the number of options and shares beneficially owned by each of the Company's management:

Name	Position in the Company	Options held	Shares held
Øivind Risberg	CEO	4,000,000	14,611,894
Anders Kapstad	CFO	1,000,000	408,500
Mark Dice	COO and President US Operations	2,500,000	400,000
Richard Boughrum	CFO US Operations	1,000,000	10,000
Kjetil Solbrække	CEO Brazil Operations	-	-

Per 31 December 2008, the management held the following options in the Company:

Name	Exercising period	Options held	Option price
Øivind Risberg	June 1, 2007 – May 31, 2012	4,000,000	NOK 4.04
Anders Kapstad	August 1, 2007 – June 29, 2012	1,000,000	NOK 3.82
Mark Dice	n/a	-	-
Richard Boughrum	n/a	-	-
Kjetil Solbrække	n/a	-	-

Øivind Risberg holds in addition to the above 1,445,218 warrants.

12.2.2 Description of the management

Øivind Risberg, Chief Executive Officer of the Norse Group since 1991, born 1958. He was the cofounder and CEO of the US activity and has lived in Houston, Texas since 1993. Mr. Risberg divested most all of the US natural gas business in 1997 and focused on building Norse Energy's US future in the Appalachian Basin. Mr. Risberg has been the Chairman of the Board, CEO and President of Norse Energy Corp. Holdings Inc. since 1993. Mr. Risberg is Chairman of the Board of Norse Energy do Brasil. He holds a Bachelor of Science degree from the University of Oslo, Norway and a Bachelor of Business Administration degree from the Norwegian School of Management. Mr. Risberg is Norwegian citizen and resides in Oslo, Norway.
Business address : Norse Energy Corp USA, 3556 Lake Shore Road, Suite 700, Buffalo, New York 14219, USA

Anders Kapstad. Chief Financial Officer, born 1964. Mr. Kapstad joined Norse Energy Corp in August 2005. Mr. Kapstad holds a Bachelor of Science degree from the University of San Francisco and an MBA from SDA Bocconi in Milan, Italy. Mr. Kapstad has 15 years of investment banking experience, holding positions within equity sales, portfolio management, private banking and corporate finance. Mr. Kapstad is a Norwegian citizen and resides in Oslo, Norway.
Business address: Norse Energy Corp. ASA, Dronning Maudgate 1-3, PO Box 1885 Vika, 0124 Oslo, Norway

Mark Dice, President and Chief Operating Officer, born 1957. Mr. Dice joined Norse Energy Holdings Inc. in June 2009. Mr. Dice holds an MBA from the Kellogg Graduate School of Management at Northwestern University, an M.S. in Geology from Kent State University and a B.S. in Geology from Muskingum College. He has over 28 years of diverse international oil and gas industry experience having held positions in BP and

Amoco including Exploration Manager, Commercial Manager, Performance Unit Leader in the Deepwater Gulf of Mexico and Vice President of Petrotechnical Development. He has previously lived in Houston, Chicago, London and Hong Kong. Mr. Dice is a citizen of the United States and currently maintains residences in Houston, Texas and Orchard Park, New York.
Business address : Norse Energy Corp USA, 3556 Lake Shore Road, Suite 700, Buffalo, New York 14219, USA

Richard Boughrum, Chief Financial Officer of Norse Energy Holdings Inc., born 1950. Mr. Boughrum has extensive capital markets experience with more than 20 years of investment banking experience, primarily in the energy sector with Goldman Sachs in New York. He has been the CFO of a public energy marketing company and a private multi-national telecom marketing company before joining Norse Energy in the US. Mr. Boughrum has a BS in Journalism and an MS in Communications from the University of Illinois and an MBA in Finance and Accounting from the University of Illinois. Mr. Boughrum is a citizen of the United States and is planning to relocate from North Carolina.
Business address : Norse Energy Corp USA, 3556 Lake Shore Road, Suite 700, Buffalo, New York 14219, USA

Kjetil Solbrække. Chief Executive Officer Norse Energy do Brasil Ltda., born 1962. In 1989 he completed his degree in Economics at the University of Oslo. After graduation he worked for the Ministry of Petroleum and Energy in Norway for six years. Mr. Solbrække joined Hydro in 1998, where he held many different positions including Chief Financial Officer and Senior vice President of International Business Development. In 2005 Mr. Solbrække became the Country manager for Hydro Brazil, responsible for establishing Hydro Oil and Energy within Brazil. On October 1st 2007, after the Statoil and Hydro merger, Mr. Solbrække was appointed Senior Vice President for the South Atlantic Region, with responsibility for Latin America and Africa in the Department of International Exploration and Production in the newly formed Norwegian oil and gas giant StatoilHydro, based in Oslo. He joined Norse in early 2008 as Chief Executive Officer. Mr. Solbrække is a Norwegian citizen and resides in Rio de Janeiro, Brazil.
Business address : Norse Energy do Brasil Ltda., Praia de Botafogo No 228, Sala 801, Rio de Janeiro 22250-040, Brazil

12.3 THE NOMINATION COMMITTEE

The Board has a nomination Committee, acting as a sub committee of the Board, comprising Wollert Hvide (Shareholder) and Odd Næss (Board member). The members are independent of the executive management of the Company.

The Company has previously not found a need to establish an independent nomination committee elected by the General Meeting, but in 2009, the Board appointed a nomination committee as a sub committee of the Board. At the Annual General Meeting in 2010, a nomination committee will be elected by the shareholders.

12.4 AUDIT COMMITTEE AND COMPENSATION COMMITTEE

The Board has an Audit Committee, comprising Petter Mannsverk Andresen and Katherine Støvring (Board Member). The members are independent of the executive management. The purpose of the committee is to assist the Board of Directors to serve as an independent, objective check and balance in the Company's financial reporting and internal control.
Its responsibilities include:

- The integrity of the financial statements of the Company, including the audited annual and the unaudited quarterly financial statements.
- The independence, qualifications, performance and compensation of the Company's independent auditors.
- The performance of the Company's internal audit function.
- The Company's compliance with legal and regulatory policies

The Board has appointed a Compensation Committee, comprising Bjarte Bruheim, Kathleen Arthur and Dag Erik Rasmussen. The members are independent of the executive management. The Compensation Committee meets regularly, and the objective of the committee is to determine the remuneration of the compensation structure and levels of the Company's CEO. The CC will present its recommendations to the Board, whereby the Board of Directors will decide upon the remuneration of the CEO. Remuneration to the CEO shall be at market terms and decided by the Board and made official at the AGM every year. Options must be approved by AGM.

12.5 CONFLICTS OF INTERESTS ETC.

No potential conflict of interest between senior management and the directors duties to the Company and their private interests and or other duties have been identified.

During the last five years preceding the date of this document, no member of the Board or the senior management has:

- any convictions in relation to indictable offences or convictions in relation to fraudulent offences;
- received any official public incrimination and/or sanctions by any statutory or regulatory authorities (including designated professional bodies) or ever been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of a company or from acting in the management or conduct of the affairs of any company; or
- been declared bankrupt or been associated with any bankruptcy, receivership or liquidation in his capacity as a founder, director or senior manager of a company.

Over the five years preceding the date of this document, the member of the Board and the senior management hold or have held the following directorships (apart from their directorships of the Company and its subsidiaries) and/or partnerships:

Board of Directors:	**Current directorships/partnerships**	**Previous directorships/partnerships**
Dag Erik Rasmussen	Board Member Sector ASA	None
	Board Member Rem Offshore ASA	
	Deputy Board Member Brocade Norway AS	
Bjarte Bruheim	Chairman EMGS	Chairman Odim
	Board Member Neptune Offshore	
Kathleen Arthur	None	Board Member TGS Nopec ASA
Katherine H. Støvring	None	Salah Gas Services (Jersey)
Odd Næss	Chairman Nestor Shipping AS	Chairman Borgstein AS
	Chairman Kisteviga AS	Chairman Norwell AS
	Chairman Måsøybruket AS	Chairman Fjord Halibut AS
	Chairman Skjånesbruket AS	Board Member Bergshav Shipholding AS
	Chairman Skjånes Invest AS	Board Member Genomar AS
	Chairman Bernh Botolfsen Import AS	Board Member Spon Fish AS
	Chairman Frukt-Import AS	
	Chairman Per Holm AS	
	Chairman Lier Frukt og Grønt AS	
	Chairman Pure Nature AS	
	Chairman Pure Nature Ltd., Sri Lanka	
	Board Member Ulrik Qvale & Partners AS	
	Board Member Bergshav Holding AS	
	Board Member Laxen AS	
	Board Member Olymp AS	
	Board Member Skrim Rederiaksjeselskap	
	Board Member Eitzen Foundation	
	Board Member North-South Partnership AS	

Management:	**Current directorships/partnerships**	**Previous directorships/partnerships**
Øivind Risberg	Chairman and owner Solodden AS	Chairman and owner Risbergskogene AS
	Chairman and owner Viksund AS	Board Member Umoe Biofuel ASA
Anders Kapstad	Chairman La Barra Capital AS	Board Member Primera Management AS
		Chairman La Barra Capital AS
Mark Dice	None	None
Richard Boughrum	None	None
Kjetil Solbrække	None	None

12.6 REMUNERATION AND BENEFITS

12.6.1 Remuneration of the Board

The remuneration of the members of the Board is determined on a yearly basis by the Company in its annual general meeting. The directors may also be reimbursed for, inter alia, travelling, hotel and other expenses incurred by them in attending meetings of the directors or in connection with the business of the Company. A director who has been given a special assignment, besides his normal duties as a director of the Board, in relation to the business of the Company may be paid such extra remuneration as the directors may determine.

The following table outlines the remuneration structure for the Board of Directors in 2009:

Position	NOK 1,000
Chairman	350
Director...	300

12.6.2 Remuneration of the executive management

The table below sets forth the total remuneration to the members of the executive management for the year 2008.

Figures in NOK 1,000	Position	Salary	Bonus	Benefits	Pension costs	Value of options issued	Total
Øivind Risberg	CEO	2 981	1 127	242	118	682	5 151
Anders Kapstad	CFO	1 460	197	152	51	259	2 119
Mark Dice	COO and President US Operations	0	0	0	0	0	0
Richard Boughrum	CFO US Operations	0	0	0	0	0	0
Kjetil Solbrække	CEO Brazil Operations	1 832	0	0	0	0	1 832

Mar k Dice and Richard Boughrum joined the company in 2009, and as such did not receive any remuneration in 2008.

12.6.3 Benefits upon termination of employment

The CEO of the Company has an agreement of two year’s salary in case of resignation. The CEO of Norse Energy do Brasil S.A. has an agreement of two years’ salary in case of resignation, and the CFO of Norse Energy do Brasil S.A. has an agreement of six months’ salary in case of resignation. No other members of the administrative, management or supervisory bodies’ have entered into any service contracts with the Company or any of its subsidiaries providing for benefits upon termination of their employment.

12.6.4 Pension obligations

Norse Energy does not have any pension plans in place for employees in Brazil and the US. The parent company is required to have an occupational pension scheme in accordance with the Norwegian law on required occupational pension (“Lov om obligatorisk tjenestepensjon”). The Company established a pension scheme in 2006 that meets the requirements of this law. In June 2007, the Company changed the pension scheme to a defined contribution scheme. Subsequent to this change, no pension liability is recognized in the balance sheet. The total expense booked under the pension scheme was USD 67,000 and USD 30,000 for 2008 and 2007, respectively.

12.6.5 Loans and Guarantees

The Company has a long term note receivable to the CEO, Øivind Risberg, of USD 50,000. The note has no stated maturity date, is due on demand and bears an interest rate of Prime plus 0.5%.

The Company has a long term note receivable to Kjetil Solbrække, CEO Brazilian operations, of USD 856,000. The note principal is due in March 2013 and carries an interest of 3%. In addition, Kjetil Solbrække has 700,000 synthetic options in the subsidiary Norse Energy do Brasil.

12.7 EMPLOYEES

As of the date of this Prospectus, the Norse operation involves about 83 people. The table below illustrates the development in number of employees over the last years, as per the end of each calendar year from 2006 and as of date of this Prospectus.

Year	As of date	Norway	USA	Brazil	Total
2010		3	68	12	83
2009	31 December	3	68	15	86
2008	31 December	5	80	25	110
2007	31 December	5	68	21	94
2006	31 December	3	55	19	77

13. SHARE CAPITAL AND SHAREHOLDER MATTERS

The following description includes certain information concerning the Company's share capital, a brief description of certain provisions contained in the Company's Articles of Association and Norwegian law in effect as of the date of this Prospectus. Any change in the Articles of Association is subject to approval by a general meeting of shareholders. This summary does not intend to be complete and is qualified in its entirety by the Company's Articles of Association and Norwegian law.

13.1 SHARE CAPITAL AND SHARES

13.1.1 Share capital

As of 31 December 2009 and the date of this Prospectus, the Company's registered share capital post the Private Placement is NOK 341,863,263.28 divided into 388,480,981 Shares with a nominal value of NOK 0.88 per Share. All the Shares are authorised and fully paid.

As of the date of this Prospectus the Company owns 104 605 treasury shares with a nominal and book value of NOK 92 052.

13.1.2 Shares

All issued Shares in the Company are issued in accordance with Norwegian law, and vested with equal shareholder rights in all respects. There is only one class of shares and all shares in the Company have equal voting rights. Consequently, none of the major shareholders has different voting rights. The Company's Articles of Association do not contain any provisions imposing any limitations on the ownership or the tradability of the Shares.

The Shares have been created under the Norwegian Public Limited Liability Companies Act and registered in book-entry form in the VPS under the international securities identification number ISIN NO 0003095507.

The registrar for the Shares with the VPS is Nordea Bank Norge ASA, Verdipapirservice, P.O.Box 1166 - Sentrum, N-0107 Oslo, Norway.

13.1.3 Outstanding authorisations

As of the date of this Prospectus the Company has not any authorizations to acquire treasury shares or authorization to increase the share capital.

Issue of warrants:

An extraordinary general meeting decided 28 January 2010 that the Company shall issue a total of 55,430,000 warrants, each warrant giving the warrant holder on the terms explained below, the right to subscribe for one share in the Company with nominal value NOK 0,264. The warrants will be issued on a pro rata basis to the holders of bonds in the NEC02, NEC03, NEC04, and NEC05 bond loans on the date when the demerger is set in force. Accordingly, the shareholders' pre-emptive right according to the Public Limited Liability Companies Act Section 11-13, cf. Section 10-4 is set aside.
The warrants must be subscribed for no later than 30 June 2010. A holder of the warrants may in the exercise period exercise any of its warrants by requiring the Company to issue new shares against its payment of the exercise price. The exercise period runs from the date when the demerger is set in force until, and including, 25 January 2015. The exercise price per share shall be the lower of (a) the volume weighted average price of the Company's shares on the Oslo Stock Exchange for the five days immediately following the demerger date multiplied by 1.30 and (b) an issue of shares take place within 30 days of listing of the warrants on the Oslo Stock Exchange, such issue price multiplied by 1.30.

The warrants are freely transferable and may be traded separately from the bonds. The warrants shall be adjusted as provided for in the warrant agreement upon certain corporate events in the Company as described therein.

Shares issued upon exercise of the warrants give right to dividends from the date that the capital increase is registered in the Register of Business Enterprises.

Board proxy for repair issue:

The extraordinary general meeting decided on 2 February to issue up to NOK 12,423,529 by issue of 14,117,647 new shares for the Subsequent Offer. The proxy is effective until 15 April 2010.

13.1.4 Transferability and foreign ownership

There are no restrictions on trading in the Company's Shares and no restrictions on foreign ownership of the Company's Shares.

13.1.5 Legislation and rights attached to the Shares

Reference is made to the review of legislation and rights attached to the Company's Shares in Section 13.4 "The Articles of Association and general shareholder matters".

13.1.6 Mandatory offers

Section 13.6.12 "Mandatory offer requirement" outlines the legislation on mandatory offers applicable to Norwegian companies listed on Oslo Børs. The Company has not been subject to any public take-over bids the last 12 months.

13.1.7 Withholding tax

Section 14.2 of this Prospectus provides information concerning withholding tax for foreign shareholders.

13.2 HISTORICAL DEVELOPMENT IN SHARE CAPITAL AND NUMBER OF SHARES

Below is a table showing the development in the number of Shares and the share capital of the Company since 2005 until the date of the Prospectus.

Year	Type of change in share capital	Change in issued share capital (NOK)	Change in number of shares	Par value per share (NOK)	Total issued share capital (NOK)
2005	Starting capital after merger			0,88	223 798 042
2005	Write-down of treasury shares	-40 929 191	-46 510 444	0,88	182 868 851
2005	Private placements	46 904 000	53 300 000	0,88	229 772 851
2005	Conversion of loan	11 482 744	13 048 573	0,88	241 255 595
2005	Sale of reasury shares	40 929 191	46 510 444	0,88	282 184 786
2006	Private placement	28 160 000	32 000 000	0,88	310 344 786
2008	Excercise of stock options	440 000	500 000	0,88	310 784 786
2009	Private placement	31 078 477	35 316 451	0,88	341 863 263

13.3 MAJOR SHAREHOLDERS

As of 8 February 2010, the 20 largest shareholders are shown in the table below:

	Name of shareholder	Number of Shares	Percentage (%)
1	PNC INTERNATIONAL BANK LTD	61 521 400	15.84
2	PNC INTERNATIONAL BANK LTD	18 918 300	4.87
3	PNC INTERNATIONAL BANK LTD	15 947 919	4.11
4	NORDEA BANK NORGE ASA	14 723 926	3.79
5	PNC INTERNATIONAL BANK LTD	12 498 813	3.22
6	BRUHEIM BJARTE HENRY	11 300 000	2.91
7	VIKSUND AS	8 050 500	2.07
8	DNB NOR SMB VPF	7 495 000	1.93
9	SOLODDEN AS	6 561 394	1.69
10	WESTCAP A/S	5 190 200	1.34
11	NESTOR SHIPPING AS	4 389 000	1.13
12	FARSTAD JAN HENRY	3 900 616	1.00
13	PACTUM AS	3 500 000	0.90
14	DANSKE BANK A/S	3 476 558	0.89
15	SAF INVEST AS	3 000 000	0.77
16	WILHELMSEN LINES SHIPOWNING AS	3 000 000	0.77
17	NORDNET BANK AB	2 852 775	0.73
18	CITIBANK N.A. (LONDON BRANCH)	2 820 100	0.73
19	TYRHOLM & FARSTAD A/S	2 529 616	0.65
20	MP PENSJON	2 489 600	0.64
	Total 20 largest shareholders	**194 165 717**	**49.95**
	Others	194 315 264	50.05
	Total	**388 480 981**	**100.0%**

The major shareholders of the Company are defined as shareholders holding more than 5% of the share capital in the Company. The major shareholder is PNC International Bank Ltd. (15.84%).

In accordance with the disclosure obligations under the Norwegian Securities Trading Act, shareholders acquiring ownership to or control over more than 5% of the share capital of a company listed on Oslo Børs must notify the stock exchange immediately. The table above shows the percentage held by such notifiable shareholders. See also Section 13.5.9 “Disclosure Obligations” below for a detailed description of the disclosure obligations under the Norwegian Securities Trading Act.

13.4 THE ARTICLES OF ASSOCIATION AND GENERAL SHAREHOLDER MATTERS

13.4.1 The Company’s objects and purpose

The Articles of Association of the Company are included as Appendix 1 to this Prospectus. According to Section 1 of the Articles of Association, the Company's business shall consist of exploration, production, transportation and marketing of oil and natural gas and exploration and/or development of other energy forms, sale of energy as well as other related activities. The business might also involve participation in other similar activities through contribution of equity, loans and/or guarantees.

13.4.2 The Shares

The share capital of the Company is NOK 170,931,632 divided on 388,480,981 shares each with a nominal value of NOK 0.44, fully paid and payable to registered owner.

The Company’s shares shall be registered in the Norwegian Registry of Securities, Verdipapirsentralen (VPS).

13.4.3 The General Meeting of shareholders

The following matters will be considered and decided by the annual general meeting:

1. Approval of the profit and loss statement and balance sheet, including application of the profit for the year or coverage of the loss for the year.

2. Election of board of directors and auditor, and determination of their remuneration.

3. Other issues which pursuant to law or the articles of association are to be decided by the annual general meeting.

If documents that shall be considered at the general meeting are made available to the shareholders on the company's website, the Companies Act request to send these documents to shareholders does not apply. This shall also apply for documents that, pursuant to law or regulations, shall be included in or attached to the notice of the general meeting. A shareholder may nevertheless upon request to the company have the documents that shall be considered at the general meeting sent free of charge by mail.

The annual general meeting and the extraordinary general meeting is called with a three week notice period. Registrations for the company's general meetings must be received at least five calendar days before the meeting is held.

13.4.4 The Board of Directors

The board of directors consists of 5 to 8 members.

13.4.5 The Nomination Committee

The company shall have a nomination committee consisting of 2 to 3 members to be elected by the annual general meeting for a two year period. The majority of the nomination committee shall be independent of the board of directors and the day-today management. The nomination committee's duties are to propose to the general meeting shareholder elected candidates for election to the board of directors, and to propose remuneration to the board. The annual general meeting may adopt procedures for the nomination committee.

13.4.6 Voting rights and other shareholder rights

The Company's shares have one vote per share at the general meeting. The Articles of Association do not contain stricter restrictions for changing of the rights of the holders of the shares than those which follow from the Public Limited Liability Companies Act.

As a general rule, resolutions that shareholders are entitled to make pursuant to Norwegian law or the Company's Articles of Association, requires approval by a simple majority of the votes cast. In the case of election of directors to the Board, the person who obtains the most votes is elected to fill the vacant position. However, as required under Norwegian law, certain decisions, including resolutions to waive pre-emptive rights in connection with any issue of shares, convertible bonds, warrants etc., to approve a merger or demerger, to amend the Company's Articles of Association, to authorise an increase or reduction in the share capital, to authorise an issuance of convertible loans or warrants or to authorise the Board to purchase the Company's own Shares or to dissolve the Company, must receive the approval of at least two-thirds of the aggregate number of votes cast as well as at least two-thirds of the share capital represented at a shareholders' meeting. Further, Norwegian law requires that certain decisions, which have the effect of substantially altering the rights and preferences of any shares or class of shares, receive the approval of all the holders of such shares or class of shares as well as the majority required for amendments of the Company's Articles of Association. Decisions that (i) would reduce any existing shareholder's right in respect of dividend payments or other rights to the assets of the Company or (ii) restrict the transferability of the shares require a majority vote of at least 90% of the share capital represented at the general meeting in question as well as the majority required for amendments to the Company's Articles of Association. Certain types of changes in the rights of shareholders require the consent of all shareholders affected thereby as well as the majority required for amendments to the Company's Articles of Association. The Articles of Association of the Company do not contain conditions that are more significant than required by the Norwegian Public Limited Liability Companies Act, including with regard to (i) what action is necessary to change the rights of holders of the Shares, and (ii) changes in capital.
In general, in order to be entitled to vote, a shareholder must be registered as the beneficial owner of Shares in the share register kept by the VPS. Beneficial owners of Shares that are registered in the name of a nominee are generally not entitled to vote under Norwegian law, nor are any persons who are designated in the register as holding such Shares as nominees.

Readers should note that there are varying opinions as to the interpretation of Norwegian law in respect of the right to vote nominee-registered shares. For example, Oslo Børs has in a statement on 21 November 2003 held that in its opinion "nominee-shareholders" may vote in general meetings if they prove their actual shareholding prior to the general meeting.

13.4.7 Mandatory offer requirement

The current mandatory offer regulations are included in chapter 6 of the Securities Trading Act, which came into force on 1 January 2008. The mandatory offer regulations are in compliance with EU's Take-Over-Directive (Directive 2004/25/EF).

Chapter 6 of the Norwegian Securities Trading Act requires any person, entity or group acting in concert that acquires more than 1/3 of the voting rights of a Norwegian company listed on a Norwegian regulated market to make an unconditional general offer for the purchase of the remaining shares in the company. A mandatory offer obligation may also be triggered where a party acquires the right to become owner of shares which together with the party's shareholding represent more than 1/3 of the voting rights in the company and Oslo Børs decides that this must be regarded as an effective acquisition of the shares in question.

The offer is subject to approval by Oslo Børs before submission of the offer to the shareholders. The offer price per share must be at least as high as the highest price paid or agreed by the offeror in the six-month period prior to the date the 1/3 threshold was exceeded, but equal to the market price if the market price was higher when the 1/3 threshold was exceeded. In the event that the acquirer thereafter, but prior to the expiration of the bid period acquires, or agrees to acquire, additional shares at a higher price, the acquirer is obliged to restate its bid at that higher price. A mandatory offer must be in cash or contain a cash alternative at least equivalent to any other consideration offered. A shareholder who fails to make the required offer must within four weeks dispose of sufficient shares so that the obligation ceases to apply (i.e. to reduce the ownership to a level below 1/3). Otherwise, Oslo Børs may cause the shares exceeding the 1/3 limit to be sold by public auction. Until the mandatory bid is given or the shares exceeding the 1/3 threshold are sold, the shareholder may not vote for shares exceeding the 1/3 threshold, unless a majority of the remaining shareholders approve. The shareholder can, however, exercise the right to dividends and preferential rights in the event of a share capital increase. Oslo Børs may impose a daily fine upon a shareholder who fails to make the required offer or sell down below 1/3.

A shareholder or consolidated group that owns shares representing more than 1/3 of the votes in a Norwegian company listed on a Norwegian regulated market, and that has not made an offer for the purchase of the remaining shares in the Company in accordance with the provisions concerning mandatory offers (e.g., due to available exemptions), is, in general, obliged to make a mandatory offer in the case of each subsequent acquisition that increases his proportion of the voting rights. There are, however, exceptions to this rule. Furthermore, the rule does not apply for a shareholder or a consolidated group that, upon admission of the company to listing on a regulated market, owns shares representing more than 1/3 of the voting rights in the Company. However, if such shareholder or consolidated group acquires shares representing more than 40% or 50% of the voting rights in the Company, a mandatory offer obligation is, in general, triggered.

The obligation to make a mandatory offer will be repeated at acquisition of shares representing 40% or more and 50% or more of the voting rights in the Company.

The Company has not received any takeover bids or bids to acquire controlling interest during the last 12 months.

13.4.8 Compulsory Acquisition

In accordance with Section 4-25 of the Norwegian Public Limited Liability Companies Act (cf. Section 6-22 of the Norwegian Securities Trading Act), a shareholder who, directly or via subsidiaries, acquires shares representing more than 90% of the total number of issued shares in a Norwegian public limited liability company, as well as more than 90% of the total voting rights attached to such shares, has a right (and each remaining minority shareholder of the company have a right to require such majority shareholder) to effect compulsory acquisition for cash of the shares not already owned by the majority shareholder. Such compulsory acquisition would imply that the majority shareholder has become owner of the thus acquired shares with immediate effect. If a majority shareholder holding 90% of the shares and votes has not completed a mandatory offer, he/she/it will have to do so simultaneously with the compulsory acquisition under the current legislation. Upon effecting the compulsory acquisition, the majority shareholder shall offer the minority shareholders a specific price per share, the determination of which will be at the discretion of the majority shareholder. However, pursuant to Section 6-22 of the Norwegian Securities Trading Act, in the event such compulsory acquisition is commenced within three months after expiry of a mandatory offer period as described in Section 13.4.7 "Mandatory offer requirement" and there are no particulate reasons that call for another price to be set, the price offered by the majority shareholder shall be equal to the mandatory offer price. Should any minority shareholder not accept the offered price, such minority shareholder may, within a fixed two months' deadline, request that the price be set by the Norwegian courts. Minority shareholders who have not submitted such request, or other objection to the price being offered, will be deemed to have accepted the price offered by the majority shareholder upon expiration of the two months' period. The cost of such court procedure would, as a general rule, be on the account of the majority shareholder, and the courts would have full discretion in respect of the valuation of the shares as per the effectuation of the compulsory acquisition.

13.4.9 Disclosure Obligations

Pursuant to the Norwegian Securities Trading Act, a person, entity or group acting in concert that acquires shares, options for shares or other rights to shares resulting in its beneficial ownership, directly or indirectly, in the aggregate meeting or exceeding the respective thresholds of 5%, 10%, 15%, 20%, 25%, 1/3, 50%, 2/3 and 90% of the share capital and/or the voting rights in the Company has an obligation under Norwegian law to notify Oslo Børs and the Company immediately. The same applies to disposals of shares (but not options or other rights to shares) resulting in a beneficial ownership, directly or indirectly, in the aggregate meeting or falling below said thresholds. A change in ownership level due to other circumstances may also trigger the notification obligations when said thresholds are passed, e.g. changes in the Company's share capital.

13.4.10 Insolvency/Liquidation

According to the Norwegian Public Limited Liability Companies Act, the Company may be liquidated by a resolution in a general meeting of the Company passed by a two-thirds majority of the aggregate votes cast as well as two thirds of the aggregate share capital represented at such meeting. The Shares rank pari passu in the event of a return on capital by the Company upon a liquidation or otherwise.

In the event a resolution to liquidate the Company has been made, the Company's assets shall be transformed to cash in order to cover the Company's contractual obligations and for distribution to the shareholders as long as the shareholders have not accepted to receive the dividends in kind.

13.5 SHAREHOLDER AND DIVIDEND POLICY

13.5.1 Shareholder policy

Norse Energy has one class of shares representing one vote at the Annual General Meeting. The Articles of Association contains no restriction regarding the right to vote.

Any acquisition of own shares will be at market price, and the Company will not deviate from the principle of equal treatment of all shareholders.

13.5.2 Dividend policy

Norse Energy's objectives are to create lasting values and provide competitive returns to its shareholders through profitability and growth.

Long-term returns to shareholders should reflect the value created in Norse Energy in the form of increased share price as well as dividends.

Dividends should arise in line with the growth in the Company's results while at the same time recognizing the need for financial preparedness for cyclical market movements, as well as opportunities for adding value through new profitable investments.

Over time, value added will be reflected to a greater extent by an increased share price, rather than through dividend distributions.

The Company paid no dividend for the years 2008, 2007 and 2006.

13.6 SHAREHOLDER AGREEMENTS

The Company is not aware of any shareholder agreements among its investors.

13.7 CORPORATE GOVERNANCE

The Company endeavours to be in compliance with the Norwegian corporate governance regime, as detailed in the Norwegian Code of Practice for Corporate Governance published on 21 October 2009 by the Norwegian Corporate Governance Board (the "Corporate Governance Code") The Company provides the market with an annual statement concerning compliance and non-compliance with the various recommendation of the Corporate Governance Code.

Other than as set out below, the Company is in compliance with the Corporate Governance Code.

The Board has a nomination Committee, acting as a sub committee of the Board, comprising Wollert Hvide (Shareholder) and Odd Næss (Board member). The members are independent of the executive management of the Company.

The *C*ompany has previously not found a need to establish an independent nomination committee elected by the General Meeting, but in 2009, the Board appointed a nomination committee as a sub committee of the Board. At the Annual General Meeting in 2010, a nomination committee will be elected by the shareholders.

The Board has appointed a Compensation Committee, comprising Bjarte Bruheim, Kathleen Arthur and Dag Erik Rasmussen. The members are independent of the executive management. The Compensation Committee meets regularly, and the objective of the committee is to determine the remuneration of the compensation structure and levels of the Company's CEO. The CC will present its recommendations to the Board, whereby the Board of Directors will decide upon the remuneration of the CEO. Remuneration to the CEO shall be at market terms and decided by the Board and made official at the AGM every year. Awarded options must be approved at the AGM.

14. TAXATION

Set out below is a summary of certain Norwegian tax matters related to investments in the Company. The summary is based on Norwegian laws, rules and regulations applicable as of the date of this Prospectus, which may be subject to any changes in law occurring after such date. Such changes could possibly be made on a retroactive basis. The summary does not address foreign tax laws.

The summary is of a general nature and does not purport to be a comprehensive description of all the Norwegian tax considerations that may be relevant for a decision to acquire, own or dispose of Shares. Shareholders who wish to clarify their own tax situation should consult with and rely upon their own tax advisers. Shareholders resident in jurisdictions other than Norway and shareholders who ceases to be resident in Norway for tax purposes (due to domestic tax law or tax treaty) should consult with and rely upon their own tax advisers with respect to the tax position in their country of residence and the tax consequences related to ceasing to be resident in Norway for tax purposes.

Please note that for the purpose of the summary below, a reference to a Norwegian or foreign shareholder refers to the tax residency rather than the nationality of the shareholder.

14.1 NORWEGIAN SHAREHOLDERS

14.1.1 Taxation of dividends

Norwegian Personal Shareholders

Dividends received by shareholders who are individuals resident in Norway for tax purposes ("**Norwegian Personal Shareholders**") are taxable as ordinary income for such shareholders at a flat rate of 28% to the extent the dividend exceeds a tax-free allowance.

The allowance is calculated on a share-by-share basis. The allowance for each share is equal to the cost price of the share multiplied by a determined risk free interest rate based on the effective rate after tax of interest on treasury bills (Norwegian: "statskasseveksler") with three months maturity. The allowance is calculated for each calendar year, and is allocated solely to Norwegian Personal Shareholders holding shares at the expiration of the relevant calendar year. Norwegian Personal Shareholders who transfer shares will thus not be entitled to deduct any calculated allowance related to the year of transfer. Any part of the calculated allowance one year exceeding the dividend distributed on the share ("excess allowance") may be carried forward and set off against future dividends received on, or gains upon realisation, of the same share. Any excess allowance will also be included in the basis for calculating the allowance on the same share the following years.

Norwegian Corporate Shareholders

Dividends received by shareholders who are limited liability companies (and certain similar entities) resident in Norway for tax purposes ("**Norwegian Corporate Shareholders**") are included in the calculation of the shareholders' net income from shares qualifying for the participation exemption, including dividends received from the Company. Only 3% of net income from shares qualifying for the participation exemption shall be included in the calculation of ordinary income. Ordinary income is subject to tax at a flat rate of 28 %, implying that net income from shares is effectively taxed at a rate of 0.84%.

14.1.2 Capital Gains Tax

Norwegian Personal Shareholders

Sale, redemption or other disposal of shares is considered a realisation for Norwegian tax purposes. A capital gain or loss generated by a Norwegian Personal Shareholder through a realisation of shares is taxable or tax deductible in Norway. Such capital gain or loss is included in or deducted from the shareholder's ordinary income in the year of disposal. Ordinary income is taxable at a rate of 28%. The gain is subject to tax and the loss is tax-deductible irrespective of the duration of the ownership and the number of shares disposed of.

The taxable gain/deductible loss is calculated per share, as the difference between the consideration for the share and the Norwegian Personal Shareholder's cost price of the share, including any costs incurred in relation to the acquisition or realisation of the share. From this capital gain, Norwegian Personal Shareholders are entitled to deduct a calculated allowance, provided that such allowance has not already been used to reduce taxable dividend income. See "Norwegian Personal Shareholders" under Section 13.1.1 "Taxation of Dividends" above for a description of the calculation of the allowance. The allowance may only be deducted in order to reduce a taxable gain, and cannot increase or produce a deductible loss, i.e. any unused allowance exceeding the capital gain upon the realisation of a share will be annulled.

If the Norwegian Personal Shareholder owns shares acquired at different points in time, the shares that were acquired first will be regarded as the first to be disposed of, on a first-in first-out basis.

Norwegian Corporate Shareholders

Sale, redemption or other disposal of shares is considered a realisation for Norwegian tax purposes. Capital gains derived from the realisation of shares qualifying for the participation exemption method are included in the calculation of net income from such shares. Losses incurred upon realisation of such shares may be deducted in order to reduce net taxable income from shares in the same fiscal year. Only 3% of net income from shares qualifying for the participation exemption method shall be as ordinary income at a flat rate of 28%, implying that net income from shares is effectively taxed at a rate of 0.84%. Negative net income from shares does not reduce ordinary income.

14.1.3 Taxation of Subscription Rights

Norwegian Personal Shareholders

A Norwegian Personal Shareholder's subscription for shares pursuant to a subscription right is not subject to taxation in Norway. Costs related to the subscription for shares will be added to the cost price of the shares.

Sale and other transfer of subscription rights is considered a realisation for Norwegian tax purposes. For Norwegian Personal Shareholders, a capital gain or loss generated by a realisation of subscription rights is taxable or tax deductible in Norway. Such capital gain or loss is included in or deducted from the shareholder's ordinary income in the year of disposal. Ordinary income is taxable at a rate of 28%.

Norwegian Corporate Shareholders

A Norwegian Corporate Shareholder's subscription for shares pursuant to a subscription right is not subject to taxation in Norway. Costs related to the subscription for shares will be added to the cost price of the shares.

Sale and other transfer of subscription rights is considered a realisation for Norwegian tax purposes. Capital gains derived from the realisation of subscription rights to shares in limited liability companies resident in Norway for tax purposes are included in the calculation of net income from shares qualifying for the participation exemption method, see "Norwegian Corporate Shareholders" under Section 14.1.2 above. .Losses incurred upon realisation of such subscription rights may be deducted in order to reduce net taxable income from shares in the same fiscal year. Only 3% of net income from shares qualifying for the participation exemption method is included in the calculation of ordinary income for Norwegian Corporate Shareholders which is taxed at a flat rate of 28%, implying that such net income are effectively taxed at a rate of 0.84%. Negative net income from Subscription Rights does not reduce ordinary income.

14.1.4 Net Wealth Tax

The value of shares is included in the basis for the computation of wealth tax imposed on Norwegian Personal Shareholders. Currently, the marginal wealth tax rate is 1.1% of the value assessed. The value for assessment purposes for shares listed on the Oslo Stock Exchange is the listed value as of 1 January in the year of assessment.

Norwegian Corporate Shareholders are not subject to wealth tax.

14.2 FOREIGN SHAREHOLDERS

14.2.1 Taxation of dividends

Foreign Personal Shareholders

Dividends distributed to shareholders who are individuals not resident in Norway for tax purposes ("**Foreign Personal Shareholders**"), are as a general rule subject to withholding tax at a rate of 25%. The withholding tax rate of 25% is normally reduced through tax treaties between Norway and the country in which the shareholder is resident. The withholding obligation lies with the company distributing the dividends.

Foreign Personal Shareholders resident within the EEA for tax purposes may apply individually to Norwegian tax authorities for a refund of an amount corresponding to the calculated tax-free allowance on each individual share (see above).

If a Foreign Personal Shareholder is carrying on business activities in Norway and the shares are effectively connected with such activities, the shareholder will be subject to the same taxation of dividends as a Norwegian Personal Shareholder, as described above.

Foreign Personal Shareholders who have suffered a higher withholding tax than set out in an applicable tax treaty may apply to the Norwegian tax authorities for a refund of the excess withholding tax deducted.

Foreign Corporate Shareholders

Dividends distributed to shareholders who are limited liability companies not resident in Norway for tax purposes ("**Foreign Corporate Shareholders**"), are as a general rule subject to withholding tax at a rate of 25%. The withholding tax rate of 25% is normally reduced through tax treaties between Norway and the country in which the shareholder is resident.

Dividends distributed to Foreign Corporate Shareholders resident within the EEA for tax purposes are exempt from Norwegian withholding tax provided that the shareholder is the beneficial owner of the shares and that the shareholder is genuinely established and performs genuine economic business activities within the relevant EEA jurisdiction.

Foreign Corporate Shareholders who have suffered a higher withholding tax than set out in an applicable tax treaty may apply to the Norwegian tax authorities for a refund of the excess withholding tax deducted.

Nominee registered shares will be subject to withholding tax at a rate of 25% unless the nominee has obtained approval from the Norwegian Tax Directorate for the dividend to be subject to a lower withholding tax rate. To obtain such approval the nominee is required to file a summary to the tax authorities including all beneficial owners that are subject to withholding tax at a reduced rate.

The withholding obligation in respect of dividends distributed to Foreign Corporate Shareholders and on nominee registered shares lies with the company distributing the dividends.

14.2.2 Capital Gains Tax

Foreign Personal Shareholders

Gains from the sale or other disposal of shares by a Foreign Personal Shareholder will not be subject to taxation in Norway unless the Foreign Personal Shareholder holds the shares in connection with business activities carried out or managed from Norway.

Foreign Corporate Shareholders

Capital gains derived by the sale or other realisation of shares by Foreign Corporate Shareholders are not subject to taxation in Norway.

14.2.3 Taxation of Subscription Rights

Foreign Personal Shareholders

A Foreign Personal Shareholder's subscription for shares pursuant to a subscription right is not subject to taxation in Norway.

Gains from the sale or other transfer of subscription rights by a Foreign Personal Shareholder will not be subject to taxation in Norway unless the Foreign Personal Shareholder holds the subscription rights in connection with business activities carried out or managed from Norway.

Foreign Corporate Shareholders

A Foreign Corporate Shareholder's subscription for shares pursuant to a subscription right is not subject to taxation in Norway

Capital gains derived by the sale or other transfer of subscription rights by Foreign Corporate Shareholders are not subject to taxation in Norway.

14.2.4 Net Wealth Tax

Shareholders not resident in Norway for tax purposes are not subject to Norwegian net wealth tax. Foreign Personal Shareholders can, however, be taxable if the shareholding is effectively connected to the conduct of trade or business in Norway.

14.3 INHERITANCE TAX

When shares are transferred by way of inheritance or gift, such transfer may give rise to inheritance or gift tax in Norway if the decedent, at the time of death, or the donor, at the time of the gift, is a resident or citizen of Norway, for inheritance tax purporses, or if the shares are effectively connected with a business carried out through a permanent establishment in Norway. However, in the case of inheritance tax, if the decedent was a citizen but not a resident of Norway, Norwegian inheritance tax will not be levied if inheritance tax or a similar tax is levied by the decedent's country of residence.

Inheritance tax will be applicable to gifts if the donor is a citizen of Norway at the time the gift was given. However, for taxes paid in the donor's country of residence a credit will be given in the Norwegian gift taxes.

The basis for the computation of inheritance tax is the market value at the time the transfer takes place. The rate is progressive from 0% to 15%. For inheritance and gifts from parents to children, the maximum rate is 10%.

14.4 DUTIES ON TRANSFER OF SHARES

No stamp or similar duties are currently imposed in Norway on the transfer or issuance of shares in Norwegian companies.

15. LEGAL MATTERS

15.1 LEGAL AND ARBITRATION PROCEEDINGS

The Company and its subsidiaries will from time to time be involved in disputes in the ordinary course of its business activities. Below is a description of the claims which are of a certain extent. A vast majority of the claims are covered by insurance. In the event the final outcome of the disputes should be that the Company must pay all claims, the Company's financial position or profitability would thus be scarcely affected.

Other than the existing and possible claims and proceedings listed below, the Company is not aware of any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened), which may have, or have had during the last twelve months, significant effects on the Company's financial position or profitability.

- Two separate lawsuits on the docket involve injury to an employee of a drilling services company who was purported injured during drilling operations. In each respective case, the drilling company was under contract to the subsidiary Norse Energy Corp. USA. In each lawsuit, Norse Energy Corp. USA is contractually indemnified by the drilling company from liability for any damages awarded pursuant to these causes of action, thus Norse Energy Corp. USA does not anticipate any liability resulting from these causes of action.
- In May 2008, a lawsuit was brought against Norse Energy Corp. USA related to damages suffered to certain real property. The owner of the property contends that Norse Energy Corp. USA trespassed onto her property and harvested and removed timber from it. She seeks damages of USD 85.000 for the timber and USD 255.000 for a treble damage award. The case is in the early stages and it is too difficult to determine the likelihood of an unfavorable outcome. No accrual has been made related to this claim.
- Norse Energy do Brazil is a party in a lawsuit filed by the Municipality of Cairu- Bahia, against ANP – Brazilian Petroleum Agency, Petrobras, Queiroz Galvão Oleo & Gas and Brasoil Manati Exploração Petrolífera, June 12th, 2008. The Municipality of Cairu is demanding that the concession agreement is declared invalid and that the royalty is increased from the current level of 7.5% to 10%. In addition the municipality claims that the difference of 2.5% is paid with retroactive effect from the startup date. Brazil Holding legal advisors in the process evaluate the risk of financial liabilities associated with this lawsuit as remote. No accrual has been made related to this issue.
- The Association of Petrobras Engineers (AEPET) filed a lawsuit against The Brazilian Petroleum Agency (ANP) and all companies that bid on concessions in the ANP 3rd Round. The purpose of this lawsuit was to annul the 3rd Bid Round as well as all the concession contracts signed as a result of this bid round. Since the company's subsidiary Rio das Contas acquired the concessions in BM-CAL 5 & 6 that was granted to Petroserv in this bid round, the company was summoned to reply to the lawsuit. The Company evaluates the risk related to this lawsuit to be remote as the arguments used to annul the 3rd Bid Round and signed concession contracts are inconsistent, and are against previous jurisprudences of the Court of the State of Rio de Janeiro. No accrual has been made related to this lawsuit.
- The subsidiary Rio das Contas is a party in a lawsuit filed by the Fishermen Association in the Manati Project region demanding indemnification for environmental damages as a result of alleged non-implementation of the compensatory measures established on the Environmental studies and reports part of the Environmental Licensing Process. There was a subsidiary request for an injunction to suspend the activities of implementation of the platform, pipeline and all infrastructure related to the project, which was not granted by the Court. Brazil Holding evaluates the risk associated with this law suit as remote since the basic argument is that the implementation of the Manati project has caused environmental damages, but throughout the petition there was no indication of a concrete damage. The issuance of the IBAMA Operation License further strengthens the company's case. No accrual has been made related to this lawsuit.
- The subsidiary Coplex Petróleo do Brasil Ltda is under an administrative proceeding with the tax authorities regarding PIS (Social Integration Program) and COFINS (Social Securities on Revenues) levied on financial revenues, which on December 31, 2008, totaled approximately USD 1 million. On a first-degree judgment the decision was favourable to Coplex, however a second level judgment is ongoing in order to receive a final decision Based on the opinion of the Company's legal advisors, we believe the risk of loss is considered remote. Accordingly, no accrual has been made in the financial statement related to this administrative proceeding.

15.2 MATERIAL CONTRACTS

The Company has not entered into any material contracts outside the ordinary course of business.

15.3 RELATED PARTY TRANSACTIONS

The Company has undertaken several transactions with related parties in the period from 2006 and up until the date of this Prospectus. All transactions are entered into in the ordinary course of business of the Company and the agreements pertaining to the transactions are all entered into on market terms and in accordance with provisions in the Norwegian Public Limited Companies Act.

Below is a summary of each transaction entered into between the Company and a related party. In addition, there are two loans in place to management of the company (see section 12.6.5).

<u>2009 and up to the date of this Prospectus</u>
During 2009, the company's Brazilian subsidiaries retained Kathleen Arthur, a board member of Norse Energy Corp. ASA, as a consultant. Total remuneration in 2009 was approximately CAD$ 100.000, and in 2010 Ms. Arthur has a monthly retainer of CAD$ 30.000.

During 2009, the parent company retained board member Katherine Støvring as a consultant. Total remuneration in 2009 was approx. NOK 148,000. There is no consultancy agreement in place with Ms. Støvring in 2010.

In Q2 2009, NEC ASA sold 30% of the shares in its subsidiary Norse Energy do Brasil for a cash consideration of USD 30 million. The buyer was Sector Speculare (Private Equity) IV, a fund managed by Sector Omega ASA ("Sector"). Funds managed by Sector are also the largest shareholder in Norse Energy Corp. ASA. The transaction valued Norse Energy do Brasil at enterprise value USD 210 million. This resulted in a book gain for the group of USD 3.0 million, as well as a minority interest of USD 27.0 million for the group included in the total equity in the balance sheet. The USD 10 million loan from clients of Sector Asset Management early in the second quarter was repaid with proceeds from the sale of shares.

<u>2008</u>
The parent company leases offices spaces from Eitzen Holding AS – a company controlled by Axel C. Eitzen, the former chairman of the Board of Norse Energy. For 2008 the company was invoiced NOK 679,547 in lease expenses. No liabilities were outstanding per the end of 2008.

In early 2007, the company received 200,000 shares in Biofuel Energy ASA ("Biofuel") as payment for services rendered. The previous chairman of the Board in Norse Energy, Petter Mannsverk Andresen, was at the time also the CEO of Biofuel Energy ASA. During 2008, the company purchased another 300,000 shares in Biofuel in a public offering for NOK 11 per share. Following the public offering, the company sold all 500,000 shares to Øivind Risberg, the CEO of Norse Energy, at the same price – NOK 11 per share.

<u>2007</u>
The parent company leases offices spaces from Eitzen Holding AS – a company controlled by Axel C. Eitzen, the largest shareholder and former chairman of the Board of Norse Energy. For 2007 the company was invoiced NOK 510 592 in lease expenses, and per year-end no outstanding liabilities were recorded.

In early 2007, the company received 200 000 shares in Biofuel Energy ASA as payment for services rendered. The chairman of the Board in Norse Energy, Petter Mannsverk Andresen, is also the CEO of Biofuel Energy ASA.

<u>2006</u>
The parent company leases offices spaces from Eitzen Holding AS – a company controlled by Axel C. Eitzen, the largest shareholder and chairman of the Board of Norse Energy. For 2006 the company was invoiced NOK 467 518 in lease expenses, and per year-end no outstanding liabilities were recorded.

MarchFirst AS, where Norse Energy's Board member Petter Mannsverk Andresen is a partner, invoiced the company NOK 258 000 in 2006 for various consultancy services. Per year-end no outstanding liabilities were recorded. Greylock Management AS, owned by Norse Energy's Board member Joey S. Horn, invoiced the company NOK 26 000 for various consultancy services during the year. Per year-end no outstanding liabilities were recorded

16. ADDITIONAL INFORMATION

16.1 DOCUMENTS ON DISPLAY

Copies of the following documents will be available for inspection at the Company's registered office during normal business hours from Monday to Friday each week (excluding public holidays) for a period of 12 months from the date of this Prospectus:

- The incorporation documents of the Company;
- The Articles of Association (may also be inspected in Appendix 1 to this Prospectus);
- The audited financial statements of the Company for the three years ended 31 December 2008, 2007 and 2006;
- The unaudited interim financial statements of the Company for the three and nine months periods ended 30 September 2009 and 2008;
- Historical financial information for the Company's subsidiaries, see Section 7.3 "Legal Structure" for further description.
- Information Memorandum dated 27 January 2010
- This Prospectus.

16.2 INCORPORATED BY REFERENCE

The information incorporated by reference in this Prospectus shall be read in connection with the cross-reference list set out in the table below. Except as provided in this section, no information is incorporated by reference in this Prospectus.

The Company incorporates the Board of Director's third quarter 2009 report and the unaudited interim financial report as of and for the three and nine months ended 30 September 2009, with comparable figures for the same period in 2008, the audited consolidated financial statements, Board of Director's report and audit reports for the years ended 31 December 2008, 2007 and 2006 and its accounting policies.

All the relevant information can be found on the Company's webpage www.NorseEnergy.com

Section in Prospectus	Disclosure requirements of the Information Memorandum	Reference document and link	Page (P) in reference document
Section 9, 10	Audited historical financial information (Annex I, Section 20.1)	Norse – financial statements 2008: http://feed.ne.cision.com/wpyfs/00/00/00/00/00/0E/B1/90/wkr0010.pdf	P 25-87
		Norse - Director's report 2008: http://feed.ne.cision.com/wpyfs/00/00/00/00/00/0E/B1/90/wkr0010.pdf	P 14-20
		Norse – financial statements 2007: http://feed.ne.cision.com/wpyfs/00/00/00/00/00/0C/42/66/wkr0010.pdf	P 19-84
		Norse – Director's report 2007: http://feed.ne.cision.com/wpyfs/00/00/00/00/00/0C/42/66/wkr0010.pdf	P 12-17
		Norse – financial statements 2006: http://feed.ne.cision.com/wpyfs/00/00/00/00/00/0C/31/47/wkr0009.pdf	P 19-68
		Norse – Director's report 2006: http://feed.ne.cision.com/wpyfs/00/00/00/00/00/0C/31/47/wkr0009.pdf	P 14-17
Section 9, 10	Audit report (Annex I, Section 20.4.1)	Norse – Auditor's report 2008: http://feed.ne.cision.com/wpyfs/00/00/00/00/00/0E/B1/90/wkr0010.pdf	P 88
		Norse – Auditor's report 2007: http://feed.ne.cision.com/wpyfs/00/00/00/00/00/0C/42/66/wkr0010.pdf	P 85
		Norse – Auditor's report 2006: http://feed.ne.cision.com/wpyfs/00/00/00/00/00/0C/31/47/wkr0009.pdf	P 69
Section 9, 10	Accounting policies (Annex I, Section 20.1)	Norse – Accounting principles: http://feed.ne.cision.com/wpyfs/00/00/00/00/00/0E/B1/90/wkr0010.pdf	P 30-36
Section 9, 10	Interim financial information (Annex I, Section 20.6.1)	Norse – third quarter financial statements 2009, with comparable figures for the same period in 2008: http://feed.ne.cision.com/wpyfs/00/00/00/00/00/0F/FC/33/wkr0013.pdf	P 9-16
		Norse – Director's report third quarter 2009: http://feed.ne.cision.com/wpyfs/00/00/00/00/00/0F/FC/33/wkr0013.pdf	P 4-8

Section in 7 in Information Memorandum	Pro Forma Financial Information (Annex I, Section 20.2)	http://feed.ne.cision.com/wpyfs/00/00/00/00/00/10/6E/AD/wkr0013.pdf	P 29-33
Section 11	Funding and treasury activities	http://feed.ne.cision.com/wpyfs/00/00/00/00/00/0E/B1/90/wkr0010.pdf	P 67

16.3 STATEMENT REGARDING SOURCES

The Company confirms that when information in this Prospectus has been sourced from a third party it has been accurately reproduced and as far as the Company is aware and is able to ascertain from the information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

16.4 STATEMENT REGARDING EXPERT OPINIONS

This Prospectus does not refer to any expert opinions.

17. DEFINITIONS

Board of Directors or Board:	The Board of Directors of Norse Energy Corp. ASA
CEO:..	Chief Executive Officer.
CFO:	Chief Financial Officer.
CET:	Central European Time.
Company:	Norse Energy Corp. ASA, or when the context so requires, including its subsidiaries.
Corporate Governance Code.............	The Norwegian Code of Practice for Corporate Governance of 21 October 2009.
EGM:	The Company's extraordinary General Meeting held on 2 February2010
EIA..	Energy Information Agency
Eligible Shareholders:.......................	The shareholders of Norse as of 11 January 2010, appearing as shareholders in the VPS on 14 January 2010, except for those shareholders who were given the opportunity to subscribe for New Shares in the Private Placement, their respective affiliates and those shareholders that are restricted from participating due to laws and regulations in their home country jurisdiction.
EUR:..	The currency introduced at the start of the third stage of the Economic and Monetary Union to the Treaty establishing the European Economic Community, as amended by the Treaty on the European Union.
Foreign Corporate Shareholders	Shareholders who are limited liability companies not resident in Norway for tax purposes
Foreign Personal Shareholders	Shareholders who are individuals not resident in Norway for tax purposes
Henry Hub..	US quoted gas price at a point on the natural gas pipeline system in Erath, Louisiana traded on NYMEX
IEA:	International Energy Agency
IFRS:	International Financing Reporting Standards, issued by the International Financial Reporting Interpretations Committee (IFRIC) (formerly, the "Standing Interpretations Committee" (SIC)).
Interest Cover Ratio:	The interest coverage ratio is calculated by dividing a company's earnings before interest and taxes (EBIT) of one period by the company's interest expenses of the same period
ISIN:	International Securities Identification Number.
Joint Lead Managers:	Pareto Securities AS and Carnegie ASA
KBOE/day:	Thousand Barrels of Oil Equivalents per day
Manager:	Pareto Securities AS
New Shares:.....................................	The new shares in the Company in the Private Placement.
NOK:	Norwegian Kroner, the lawful currency of the Kingdom of Norway.
Norse:	Norse Energy Corp. ASA, or when the context so requires, including its subsidiaries.
Norwegian Corporate Shareholders..	Shareholders who are limited liability companies (and certain similar entities) resident in Norway for tax purposes
Norwegian Personal Shareholders	Shareholders who are individuals resident in Norway for tax purposes
Norwegian Public Limited Liability Companies Act:	The Norwegian Public Limited Liability Companies Act of 13 June 1997 no. 45 ("Allmennaksjeloven").
Norwegian Securities Trading Act:...	The Securities Trading Act of 29 June 2007 no. 75 ("Verdipapirhandelloven").
NYMEX..	New York Mercantile Exchange
OPEC..	Organization of Petroleum Exporting Countries
Oslo Børs:..	Oslo Børs ASA (translated "the Oslo Stock Exchange").
Private Placement:	The completed private placement of a total of 70,588,235 new shares, as further described in Section 5 in this Prospectus.
Prospectus:	This Prospectus dated 15 February 2010.
Sales Agent:	Handelsbanken Capital Markets

Share(s):..	"Shares" means the common shares in the capital of Norse each having a nominal value of NOK 0.88 and "Share" means any one of them.
Subscriber:..	Legal and physical persons applying for Subsequent Offering Shares in the Subsequent Offering.
Subscription Form:	The Subscription form to be used to apply for Subsequent Offering Shares.
Subscription Period:..........................	The subscription period in which Subscription Forms may be submitted to the Managers in respect of the Subsequent Offering, being from and including 17 February 2010, to and including 17:30 (CET) on 8 March 2010.
Subscription Right............................	Subscription rights granted to the Eligible Shareholders providing the right for allocation of Subsequent Offering Shares at the Subscription Price.
Subsequent Offering:	The offering of Subsequent Offering Shares to Eligible Shareholders in the Company, as further described in Section 6 in this Prospectus.
Subsequent Offering Shares:.............	Up to 14,117,647 new shares in the Company offered in the Subsequent Offering.
Tcm:	Trillion cubic meters
USD:..	United States Dollar, the lawful currency of the United States of America.
VPS account:	An account with VPS for the registration of holdings of securities.
VPS:..	Verdipapirsentralen (Norwegian Central Securities Depository), which organizes a paperless securities registration system.
WTI:	West Texas Intermediate oil price is a benchmark in oil pricing and the underlying commodity of NYMEX' oil futures contracts.

Appendix 1: Articles of Association

§ 1 The name of the company
The name of the company shall be Norse Energy Corp. ASA. The company is a public limited liability company.

§ 2 The business of the company
The company's business shall consist of exploration, production, transportation and marketing of oil and natural gas and exploration and/or development of other energy forms, sale of energy as well as other related activities. The business might also involve participation in other similar activities through contribution of equity, loans and/or guarantees.

§ 3 Registered office
The company's registered office is in the municipality of Oslo

§ 4 Share capital and shares
The share capital of the company is NOK 170,931,632 divided on 388,480,981 shares each with a nominal value of NOK 0.44, fully paid and payable to registered owner.
The company's shares shall be registered in the Norwegian Registry of Securities, Verdipapirsentralen (VPS).

§ 5 Board of directors
The board of directors consists of 5 to 8 members.

§ 6 Signature
The power to sign for the company is exercised by the chairman of the board alone or by two board members jointly.

§ 7 Annual general meeting
The following matters will be considered and decided by the annual general meeting:
1. Approval of the profit and loss statement and balance sheet, including application of the profit for the year or coverage of the loss for the year.
2. Election of board of directors and auditor, and determination of their remuneration.
3. Other issues which pursuant to law or the articles of association are to be decided by the annual general meeting.

If documents that shall be considered at the general meeting are made available to the shareholders on the company's website, the Companies Act request to send these documents to shareholders does not apply. This shall also apply for documents that, pursuant to law or regulations, shall be included in or attached to the notice of the general meeting. A shareholder may nevertheless upon request to the company have the documents that shall be considered at the general meeting sent free of charge by mail. Registrations for the company's general meetings must be received at least five calendar days before the meeting is held

§ 8 Nomination committee
The company shall have a nomination committee consisting of 2 to 3 members to be elected by the annual general meeting for a two year period. The majority of the nomination committee shall be independent of the board of directors and the day-today management. The nomination committee's duties are to propose to the general meeting shareholder elected candidates for election to the board of directors, and to propose remuneration to the board. The annual general meeting may adopt procedures for the nomination committee.

§ 9 Other regulations
In all other matters of the company, the Public Limited Liabilities Companies Act will apply.

Appendix 2: Subscription form for the Subsequent Offering

Norse Energy Corp. ASA
Subsequent Offering
February 2010

SUBSCRIPTION FORM

SUBSCRIPTION GUIDELINES
Subscription of shares may take place in the period from and including 17 February to 17:30 hours (CET) on 8 March 2010. The shareholders of Norse Energy Corp. ASA ("NEC") as of 11 January 2010, as appearing as shareholders in the Norwegian Central Securities Depository (the "VPS") on 14 January 2010 except for those shareholders who were given the opportunity to subscribe for new shares in the private placement (the "**Private Placement**"), their respective affiliates and those shareholders that are restricted from participating due to laws and regulations in their home country jurisdiction (the "**Eligible Shareholders**"), will, to the extent possible, be given preferred allocation in the Subsequent Offering to maintain their approximate relative ownership following the Private Placement within the limit of 14,117,647 Subsequent Offering Shares. Over-subscription is allowed. The subscription rights will not be transferable and will not be listed on Oslo Børs. The subscription price for each Subsequent Offering Shares is set to NOK 4.25. The allocation criterias are set out in the prospectus dated 15 February 2010 (the "**Prospectus**"). The Subsequent Offering Shares will give the right to dividends from the date the shares are registered in the Norwegian Register for Business Enterprises and will be equal in all respects to the existing shares in NEC.
Properly completed subscription forms must be received by Pareto Securities AS, Dronning Maudsgate 3, P.O.Box 1411 Vika, 0115 Oslo, Norway, phone +47 22 87 87 00, fax +47 22 83 43 09, on or before 8 March 2010 at 17:30 hours (CET).

PAYMENT FOR ALLOCATED SHARES
Each subscriber provides by signature on this subscription form Pareto Securities AS a one-time irrevocable authorisation to debit a bank account for payment of the allocated new shares. Debit of the accounts will take place after allocation, on or about 15 March 2010 (see below for the specification of the bank account). Should the subscriber have insufficient funds on the account, the board of directors of NEC retains the right to after 3 days to annul or sell the allocated shares at the subscribers risk and cost. The allocated Subsequent Offering Shares cannot be transferred before fully paid and registered on each subscribers VPS account. Such registration is expected to take place on or about 22 March 2010.
Notification of allocation will be sent out on or about 10 March 2010.

Subscribers VPS account no.	No. of subscription rights	No. of new shares subscribed (incl. over-subscription):	(For official use: Serial no.)

1 SUBSCRIPTION RIGHT GIVES THE RIGHT TO BE ALLOCATED 1 NEW SHARE

Amount to be paid for each share	Total amount to be paid
NOK 4.25	NOK

Pursuant to the terms and conditions set out in the Prospectus, I/we hereby irrevocable subscribe for the above number of new shares.

I/We hereby give a one-time irrevocable authorisation to Pareto Securities AS for the direct debiting from my Norwegian bank account for the allotted amount (no. of allotted shares x subscription price).

(Bank account number 11 digits)

NB! If the bank account number for debit is not specified, the subscription form cannot be registered.

Subscription place and date
Must be dated in the subscription period

Binding signature. The subscriber must be of age.
When signing per procura, documentation in form of company certificate or power of attorney must be enclosed.

SPECIFICATION OF THE SUBSCRIBER

Subscriber details	PLEASE NOTIFY THE REGISTRAR OF ANY CHANGES:
Subscribers VPS account no.	
Subscribers first and last name/firm etc.	
Street address etc. (private subscribers: state home)	
Postal code and area	
Date of birth/ national ID number (11 digits) MUST BE COMPLETED	
Telephone number./E-mail	

This subscription form must be read and may only be delivered together with the Prospectus dated 15 February 2010 for Norse Energy Corp. ASA. In the event of any discrepancies between the contents in this subscription form and the Prospectus, the Prospectus shall prevail.

Appendix 3: Consent of independent registered public accounting firm

Deloitte.

Deloitte AS
Karenslyst allé 20
Postboks 347 Skøyen
N-0213 Oslo
Norway

Tlf: +47 23 27 90 00
Faks: +47 23 27 90 01
www.deloitte.no

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in this Prospectus of our report dated 27 January 2010, relating to the unaudited pro forma financial information of Norse Energy Corp ASA and subsidiaries ("the Company") consisting of the unaudited pro forma balance sheet of the Company as of 30 September 2009, the unaudited profit and loss accounts of the Company for the periods ended 31 December 2008 and 30 September 2009 and the accompanying notes and description to the unaudited pro forma financial information, which is set out in section 7 of the Company's information memorandum dated 27 January 2010.

Oslo, 12 February 2010
Deloitte AS

Ingebret G. Hisdal
State authorized public accountant

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