REPORT 4TH QUARTER 2000

Income Statement

(USD 1,000)	4th Q00	4th Q99	YTD00	YTD99
Oil sales net of royalties	645		1,719	
Operating Expenses	515		1,675	
General and admin. expenses	653		1,509	
Depletion, depr.and amort.	19		59	
Operating loss	-542		-1,524	
Financial income	158		247	
Financial expenses	-2		-24	
Net currency gain	465		400	
Results from continued operations	79		-901	
Results from discontinued operations	-	-45,754	17,385	-21,587
Net -loss/ profit	79	-45,754	16,484	-21,587
Minorities interests portion of losses	59		498	
Net ´loss/ profit after minorities interests	138	-45,754	16,982	-21,587

Balance Sheet

(USD 1,000)	31st Dec.00	31st Dec.99
Property and equipment	22,231	
Operations to be disposed of	-	13,781
Other current assets	3,309	
Cash and cash equivalents	14,575	
Total assets	40,115	13,781
Equity	17,732	13,781
Minority interests	17,636	
Long term debt	217	
Current liabilities	4,530	

The Business of Northern Oil ASA
Northern Oil ASA (`NOI` or the `Company`) represents the continuation of the oil exploration and production business acquired by the Company when it traded under the name Northern Offshore ASA. NOI is involved in the exploration and production of oil and gas. Its main focus is on the acquisition, development and production of proven reserves.

As of December 31st, 2000 the Company´s main assets were 70,000,000 shares in Naftex Energy Corporation (`Naftex`), representing 74.24% of all outstanding shares, and 42,687,098 shares in Petrolex Energy Corporation (`Petrolex`), representing 62.92% of all outstanding shares.

Basis for presentation of financial statements NOI is reporting financial results in USD based on accounting principles generally accepted in Norway. The offshore activities owned by NOI when trading under the name Northern Offshore, were disposed of through the distribution of shares in Northern Offshore Ltd. to the Company`s shareholders in October. As a consequence, net assets disposed of are presented in the balance sheet as `Operations to be disposed of`.

The net results of the offshore activities in prior periods are presented as `Results of discontinued operations`. The items included in the 2000 results from continued operations include the results of Naftex and Petrolex in the period from the acquisition of those companies in February/March 2000 in addition to remaining items in the Company not classified as discontinued operations.

Results for the fourth quarter of 2000

The results for the fourth quarter of 2000 show a gain before minority interests of USD 79,000, and a gain of USD 138,000 for the Company´s own account. The proceeds from the sale of oil from the Rubiales field in Colombia, have, net of cost of sales and operating expenses, been credited towards the Company`s petroleum properties by USD 800,000, thus reducing the carrying amount of the properties. When the Company`s development plan for Rubiales has been approved, and a Global Environmental License has been obtained, sales and operating expenses will be recorded in the income statement.

Results for the year 2000

Losses from continued operations for 2000 before minority interests are USD 901,000 of which USD 403,000 is for the Company´s own account. After recording USD 17.4 million in profit from discontinued operations, net profit is USD 17,0 million.

Financial matters

14,905,660 shares in Northern Offshore Limited held by NOI were sold to the shareholders of NOI for a price of NOK 3.75 per share in October, providing the Company with a gross capital injection of NOK 55.9 million (around USD 6 mill). In November, NOI completed an issue of 7,500,000 new ordinary shares in the Company at NOK 0.88 par value at a subscription price of NOK 7.50 per share, raising an additional NOK 56.25 million in gross proceeds (around USD 6 mill) to NOI. There are, as of the date hereof, 86,500,000 outstanding shares in the Company.

Operations - Petrolex

Based on the report of an independent consulting company, aggregate recoverable reserves for the Rubiales field in Colombia is estimated at more than 200 million barrels of oil. The field is operated under a technical assistance agreement with International Technical Solutions Inc. (`ITS`), whereby ITS now conditionally holds a 20% interest in the field.

Test production from the field commenced on September 25th. A total of 129,000 barrels of oil was produced during the year. The oil was sold for prices around USD 15.50 per barrel FOB the Rubiales field and transported by truck to local markets at purchasers´ risk and expense. Revenues for the year were USD 2.1 million. Test production for the fourth quarter went according to plan with only minor interruptions, mainly due to processing equipment failures and limited oil storage capacity.
The Company is satisfied with the results of the test production so far noting that it has confirmed the viability of regular production from the field. The field is presently producing around 1,500 barrels per day from five wells.

A full field development plan including an application for a Global Environmental License was filed with relevant Colombian authorities during the third quarter and is expected to be approved by the end of the first quarter of 2001. A major investment program is presently in preparation with the aim to boost production substantially and facilitate production at a considerably higher level than today.

Naftex

At the end of August, Coplex Petrolio do Brasil Ltda. (`Coplex Brazil`), a wholly-owned subsidiary of Naftex, and two joint venture partners, entered into a farm-out agreement with Petrobras pursuant to which Coplex Brazil will hold a 27.5% working interest in Block BS-3 offshore Brazil. The joint venture partners will advance Petrobras` interest through the development phase of the two fields and carry Petrobras´ interest in the exploration well. The agreement was subject to certain conditions, including receipt of necessary regulatory Brazilian National Petroleum Agency (`ANP`) approvals. Such approval was granted on February 13th, 2001.

Block BS-3 is located 170 kilometers off the coast of Santa Catarina State, Brazil in waters ranging from 100 to 250 meters.

The two fields, which are both within Block BS-3, are in waters of around 150 meters in depth. Based on the report of an independent consulting company, aggregate recoverable reserves for the two fields are estimated at 26.9 million barrels of oil.

The development of the Coral field commenced in the 4th quarter with the ordering of all major long lead-time equipment. Design capacity for the semi-submersible production unit to be installed is around 20,000 barrels per day. The oil will be stored on the field in a separate storage tanker and exported by shuttle tankers. The two development wells will be drilled and completed with the same rig as used for the exploration well. Total budget for the Coral field development is around USD 45-50 mill. Production start is estimated around year-end 2001. The Estrela do Mar field will be developed during 2002.

Drilling of the BS-3 exploration well is planned to start in March 2001. It is planned to drill the well to a total depth of around 5,000 meters to explore a separate geological structure believed by management to contain the same reservoirs as are already producing in the Caravela field around 15 kilometers away and as proven containing oil both in the Coral and the Estrela do Mar fields. The well is budgeted at around USD 15 mill and is to be completed during the 2nd quarter of 2001.

Naftex and the Company are currently in the process of arranging the financing of Coplex Brazil`s share of the development cost on the BS-3 block.

Gross oil sales from the WEEM license in Egypt were 117,407 barrels for the fourth quarter, up from 94,409 barrels the previous quarter. Production from the Tawoos-1 well commenced early August. The Tanan-1 well is not yet put on production due to technical problems.

Naftex, through its wholly owned subsidiary Coplex (Egypt) Limited (`Coplex Egypt`), commenced legal proceedings against its 50% partner in the WEEM license in November. Coplex Egypt contends that its partner has breached certain of its obligations under certain agreements with Coplex Egypt. In particular, it is Coplex Egypt´s position that the recently drilled Tawoos-1 and Tanan-1 wells do not constitute exploration wells within the meaning of these agreements and, accordingly, that the partner has not earned an additional 31% interest in the portion of the WEEM Concession outside the Rabeh area as set forth therein.

Outlook

The Board will continue optimizing the present assets of the Company, all having substantial upside in the Board`s view. The Board will also actively be pursuing new business opportunities.

Oslo, 26th February 2001 - The Board of Directors of Northern Oil ASA