

THIRD QUARTER 2008 RESULTS

Rocksource aims to be an innovative, fast growing E&P company. Our vision is to deliver amongst the highest exploration success rates in the industry by appropriate application of technology. Our strategy is to build an early cash flow position in the US, while at the same time building a sustainable exploration-led portfolio in the North Sea. In the longer term the Company aims to build further reserves and production in basins where we can leverage our CSEM and reservoir technology.

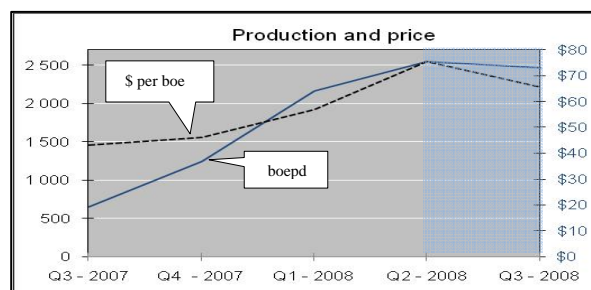
KEY FINANCIAL FIGURES

(Quarter and YTD unaudited)

NOK '000					
	Q3 2008	Q3 2007	YTD 2008	YTD 2007	2007
Operating income	79 876	15 436	229 794	33 412	66 708
Exploration costs	(45 536)	(68 844)	(105 101)	(124 345)	(147 712)
EBITDA ⁽¹⁾	847	(74 148)	47 800	(163 118)	(174 986)
Income tax	35 038	63 828	88 935	106 350	182 825
Net profit/(loss)	21 907	(27 098)	67 879	(90 111)	(45 358)
Investment ⁽²⁾	15 505	33 048	59 242	105 282	171 634
Net production boepd	2 473	650	2 396	460	656

⁽¹⁾Earnings before interest, taxes, depreciation and amortisation

⁽²⁾Investments in assets – cash effect



FINANCIAL HIGHLIGHTS

All figures in million NOK (m)

Strong cash position

- Operating income in the quarter was NOK 79.9m, up from NOK 15.4m same quarter 2007. Net profit in third quarter was NOK 21.9m, up from negative NOK 27.1m same quarter last year.
- Average production in third quarter was 2 473 boepd. Average price per boe in the quarter was \$65.4, down from \$75.3 previous quarter.
- EBITDA was NOK 0.9m in the quarter, up from negative NOK 74.2m same quarter 2007.

High focus on NCS exploration continues

- External exploration cost, before the tax refund, was NOK 45.5m in the quarter, up from NOK 36.6m previous quarter. Exploration cost is mainly driven by considerable work as a preparation for the 20th licensing round and the APA 2008.
- A CSEM data acquisition on the Cyclops prospect in the PL 456 license, together with maturing of other owned licenses, represents the majority of the remaining exploration costs in the quarter.
- Income tax of NOK 35.0m in the quarter relates to Norwegian Continental Shelf ("NCS") exploration. This will be refunded December 2009.
- Cash at end of the quarter was NOK 211.4m, up from NOK 163.1m previous quarter.

Investments and financing

- The third drilling campaign in US spud in October. Capital expenditure related to the well program in third quarter was NOK 11.5m, down NOK 7.0m from previous quarter. Total investment was NOK 15.5m in the quarter.
- On the 16 September a successful completion of a bank loan facility of NOK 250m with DnBNOR bank to finance exploration on the NCS was announced.

OPERATIONAL HIGHLIGHTS

Onshore production US

- Average production in September was 2 290 boepd, giving an average for the quarter of 2 473 boepd.
- The production was effected by Hurricane Ike. Production was maintained throughout the hurricane, though at lower rates due to operational challenges.
- The first production well in the new drilling campaign, originally planned for July, reached target depth late October with expected results. The next production well spud the first week of November.
- The second rig contracted for the exploration drilling is expected to spud late November/early December.
- An average production target for 2009 will be announced when information from the new wells have been incorporated into the field models. As previously announced, given success in the two exploration wells drilled in 2008/09, a field development will be undertaken to double reserves to 10m boe with a production of 5 000 boepd by end of 2010.

Licensing round status

- On 2 October 2008 applications for the APA 2008 on NCS was submitted. Awards are expected in Q1 2009.
- Considerable work to mature applications for the 20th NCS licensing round has been undertaken and applications were submitted 7 November. Awards are expected early in Q2 2009.

International activities

- Farm-in agreement with Ophir Energy for a staged entry in the AGC Profond Production Sharing Contract offshore Senegal and Guinea Bissau was completed 7 September.
- Farm-in on block CY-DWN-2001/1 with ONGC for a 10% stake was completed 15 September. The first well out of three in the work programme has been completed without encountering moveable hydrocarbons. The CSEM anomaly is yet to be tested.

International growth with solid financial results

The third quarter 2008 was a solid quarter for the company where net profit, as well as cash from operations, were positive in the period. This was driven by high realised oil and gas prices, and positive impact from currency exchange rate. The Group successfully farmed in to prospective acreages in India and West Africa during the quarter. Exploration activity on NCS remains high with applications submitted for the 20th licensing round and APA 2008 round in Norway, and completion of the acquisition of CSEM data on PL 456, which is the 100 % owned license on NCS. In addition, evaluation of further inorganic international growth is ongoing.

FINANCIAL HIGHLIGHTS

Total turnover in the quarter of NOK 79.9m, compared to NOK 15.4m in same quarter 2007, and down NOK 10.1 from previous quarter. The decline from previous quarter is due to lower production and falling oil and gas prices. At the same time the turnover was positively affected by the significant strengthening of the US dollar compared to NOK.

Exploration cost in the third quarter was NOK 45.5m, up from NOK 36.6m previous quarter. Exploration cost is mainly driven by considerable work in preparation for the 20th licensing round and APA 2008 on the NCS. In addition acquisition of CSEM data on the Cyclops prospect in PL 456, the 100 % owned license on the NCS, was completed in the quarter. The successful completion of the farm-in agreements in India and Senegal/Guinea Bissau has required considerable attention, and is a confirmation of our business model. Total exploration cost, including internal cost, was NOK 56.1m in the third quarter.

EBITDA in the quarter was NOK 0.9m, showing that the revenue from the production covered all G&A, operational and exploration costs. EBITDA was lower compared to previous quarters, though in line with expectations as the EBITDA fluctuate with production, oil and gas prices, as well as exploration activity levels.

Positive income tax relates to the tax refund on NCS exploration. The income tax in the third quarter was NOK 35.0m, up from NOK 32.5m previous quarter. The income tax originates from a continued focus on NCS due to APA 2008 and 20th licensing round preparations, as well as a CSEM data acquisition on Cyclops. The processing of CSEM data has been undertaken in the 100% owned subsidiary Rocksource Geotech AS.

Rocksource ASA has unique access to the subsidiary's proprietary software and processing skills, which are vital to the Rocksource group's exploration programme.

The Rocksource group ("Group") had a positive cash effect of NOK 48.3m in third quarter. This includes NOK 50.0m drawdown on the DnBNOR bank loan facility. Cash flow from operations was NOK 11.4m, down from NOK 26.4m in previous quarter. Investment in the well program onshore US was NOK 11.5m. Most of the investments in US relates to rig cost in addition to mineral interests cost. There has been no cash impact or result effect from operations in India or West-Africa.

The net profit for the quarter was NOK 21.9m. Cash balance at the end of the quarter was NOK 211.4 m.

The Group's working capital at the end of the quarter was NOK 239.0m, up NOK 25.4m from the previous quarter. Equity was NOK 467.7m, up NOK 31.9m from the previous quarter, giving the Group an equity ratio of 52.8%, slightly down from 53.3% previous quarter.

The Group views its financial situation to be healthy. The cash flow from the US covers all running costs in the Group, and has also covered exploration costs in the last quarters. The total level of capital commitments is matched by the combinations of current cash flow and available financing capabilities.

OPERATIONAL HIGHLIGHTS

The business development activities undertaken in previous quarters have materialised in the third quarter with the completion of two international farm-in agreements. The cooperation with national- and multinational oil companies, proves Rocksource's business model. The very exciting international exploration potential fits well in the Group's current offshore portfolio, as well as the low risk, cash generating onshore production in the US.

Farm-in India

Farm-in on block CY-DWN-2001/1 offshore India with ONGC, for a 10% stake, was completed 15 September. This block covers exploration acreage similar in size to 30 blocks on the Norwegian Continental Shelf. The first well out of three in the work programme has been completed without encountering moveable hydrocarbons. The CSEM anomaly is yet to be tested. Government approval is required before Rocksource is formally a partner in the license. This is expected to be granted within 6 months. Rocksource will pay 10% of accumulated costs on the license when final approval from Indian authorities is secured. No cost is reflected in the third quarter accounts.

Farm-in West Africa

Rocksource has signed a farm-in agreement with Ophir Energy plc, allowing Rocksource to complete a staged entry into the AGC Profond Production Sharing Contract covering the deepwater area administered by the Agence de Gestion et de Cooperation entre la Guinee-Bissau et le Senegal ("AGC"). This is the joint commission established by Senegal and Guinea Bissau to manage their joint maritime zone. Rocksource's business model has been established to test exploration prospectivity using our proprietary CSEM technology prior to taking on larger capital commitments, such as well commitments. This agreement fits well with our strategy and is another verification of Rocksource's CSEM-led exploration strategy.

Onshore Production

The average production in the quarter was 2 473 barrels of oil equivalents per day (boepd), bringing the average production for the nine first month of 2008 to 2 396 boepd. Rocksource aims to grow the production to 5 000 boepd by 2010.

Licensing round status

The 20th licensing round in Norway comprises of 79 new blocks or parts of blocks. As preparation for the 20th licensing round applications Rocksource has tested extensive acreage with CSEM, with an aim to secure the best acreage for drilling CSEM based wells. Rocksource has submitted high quality, competitive applications for the 20th licensing round that can secure top quality acreage for drilling CSEM based wells in the forthcoming years. Awards are expected in early Q2 2009.

In October, Rocksource submitted applications for the NCS APA 2008 licensing round. Awards are expected in Q1 2009.

On 12 November Rocksource was awarded 4 exploration licenses in the UKCS 25th licensing round.

Exploration

The major activities in the third quarter were purchasing and processing of seismic data in preparation for applications in the 20th licensing round and APA 2008 on NCS. In addition Rocksource has purchased multi-client CSEM data covering 20th round blocks.

Rocksource has acquired CSEM data over the 100 % owned and operated Cyclops prospect in PL 456 on the NCS. The prospect is estimated to contain 100 million barrels of recoverable oil. The CSEM data will now be processed and interpreted using Rocksource's proprietary software. The result will be integrated with other geological and geophysical data to support the decision to move on to the next phase of the work programme.

Rig capacity

Rocksource announced on 8 August that the company had secured rig capacity by participating in a consortium of operators that had entered into a contract for the semi- submersible drilling rig 'Borgland Dolphin' for operation on NCS. The final contract was signed on 28 August. The estimated contract value between Dolphin AS, a subsidiary of Fred Olsen Energy ASA, and the consortium is approx. USD 775m covering a period of 4 years. Rocksource has secured a total of 92 days of the contract period.

This rig capacity will strengthen the applications for new licenses in Norway, and gives Rocksource the ability to mature further current licenses and potential new commercial opportunities.

Outlook

The Group has initiated a well campaign onshore Texas, where a three well production program is currently being drilled. In addition two exploration wells, adjacent to the currently producing fields, have been sanctioned and are scheduled to be drilled in December and January.

If successful, a field development plan with the aim to increase production to 5 000 boepd and reserves to 10m boe by 2010, will be initiated. The investments will be funded by cash flow from operations, based on the current production levels. The Group has a solid financial base and has during the quarter secured a NOK 250 million credit facility from DnBNOR at favourable terms. The Group is comfortable with the status of its balance sheet, but will also in the future continuously monitor the macroeconomic fundamentals before taking on additional material commitments.

ROCKSOURCE GROUP
01.01 - 30.09.08

CONSOLIDATED INCOME STATEMENTS

NOK '000

	Q3 2008 IFRS	Q3 2007 IFRS	01.01 - 30.09.08 IFRS	01.01 - 30.09.07 IFRS	2007 IFRS
Operating income					
Revenue	79 876	15 436	229 794	33 412	66 708
Total operating income	79 876	15 436	229 794	33 412	66 708
Operating expenses					
Operating costs oil and gas	(11 654)	(4 328)	(28 597)	(11 498)	(18 085)
Payroll and related costs	(15 924)	(11 848)	(39 161)	(35 685)	(58 178)
Depreciation and amortisation	(18 231)	(4 914)	(54 012)	(12 877)	(25 120)
Exploration costs	(45 536)	(68 844)	(105 101)	(124 345)	(147 712)
Other operating expenses	(5 915)	(4 564)	(9 136)	(25 002)	(17 718)
Total operating expenses	(97 259)	(94 498)	(236 006)	(209 407)	(266 813)
Operating profit/(loss)	(17 384)	(79 062)	(6 212)	(175 995)	(200 106)
Financial income/(expenses)					
Financial income	1 749	1 928	4 098	4 196	6 747
Foreign currency profit/(loss)	11 346	(8 029)	3 979	(15 370)	(18 650)
Financial expenses	(8 842)	(5 764)	(22 921)	(9 292)	(16 174)
Net financial income/(expense)	4 253	(11 864)	(14 845)	(20 466)	(28 077)
Profit/(loss) before taxes	(13 131)	(90 926)	(21 057)	(196 461)	(228 183)
Income tax	35 038	63 828	88 935	106 350	182 825
Net profit/(loss)	21 907	(27 098)	67 879	(90 111)	(45 358)
Attributable to:					
Equity holders of the parent	21 387	(27 139)	66 396	(90 212)	(45 533)
Minority interest	520	41	1 483	101	175
Basic earnings per share (NOK)	0,037	(0,047)	0,114	(0,159)	(0,079)
Diluted earnings per share (NOK)	0,036	(0,047)	0,111	(0,159)	(0,079)

CONSOLIDATED BALANCE SHEETS

NOK '000	30.09.2008 IFRS	30.09.2007 IFRS	31.12.2007 IFRS
ASSETS			
NON-CURRENT ASSETS			
Intangible non-current assets			
Deferred tax assets	7 829	-	7 998
Patents and development costs	1 670	2 497	2 290
Seismic library	9 364	14 715	13 377
Goodwill	154 563	154 563	154 563
Capitalised exploration and acquisition costs	71	40 216	-
Total intangible non-current assets	173 497	211 991	178 229
Tangible non-current assets			
Oil- and gas properties	205 280	86 837	183 938
Furniture, fixtures and office machines	8 565	4 636	4 928
Tax-receivable NCS	89 104	106 350	-
Total tangible non-current assets	302 949	197 822	188 866
Total non-current assets	476 446	409 813	367 095
CURRENT ASSETS			
Accounts receivable	19 002	5 534	22 659
Tax-receivable NCS	171 108	17 087	171 108
Other receivables	8 107	11 157	7 823
Cash and cash equivalents	211 399	148 362	86 996
Total current assets	409 616	182 140	288 586
Total assets	886 062	591 953	655 681
EQUITY AND LIABILITIES			
EQUITY			
Share capital	146 635	145 686	145 711
Treasury shares	(25)	(25)	(25)
Share premium reserve	105 338	102 665	105 338
Additional paid in capital	147 366	356 898	134 760
Total paid in capital	399 313	605 224	385 785
Retained earnings			
Retained earnings/(loss carried forward)	66 396	(272 902)	-
Total equity attributable to equity holders of the parent	465 709	332 323	385 785
Minority interest	1 950	172	467
Total equity	467 659	332 494	386 251
LIABILITIES			
Non-current liabilities			
Deferred tax	-	4 873	-
Bond loan	195 194	194 139	194 393
NCS credit facility	49 946	-	-
Other long-term liabilities	2 618	-	-
Total non-current liabilities	247 758	199 012	194 393
Current liabilities			
NCS credit facility	99 848	-	-
Accounts and other payables	36 410	26 293	44 208
Tax payable	10 101	-	10 101
Other current liabilities	24 286	34 153	20 728
Total current liabilities	170 645	60 446	75 037
Total liabilities	418 403	259 459	269 430
Total equity and liabilities	886 062	591 953	655 681

CONSOLIDATED CASH FLOW STATEMENTS

NOK '000	Q3 2008 IFRS	Q3 2007 IFRS	01.01 - 30.09.08 IFRS	01.01 - 30.09.07 IFRS	2007 IFRS
Cash flow from operating activities					
Profit/(loss) from operations before exploration costs	28 152	(10 218)	98 889	(51 651)	(52 393)
- Exploration costs	(45 536)	(68 844)	(105 101)	(124 345)	(147 712)
Operating profit/(loss)	(17 384)	(79 062)	(6 212)	(175 995)	(200 106)
Adjustments for:					
Tax refund NCS exploration cost	-	-	-	-	22 064
Depreciation and amortisation	18 231	4 914	54 012	12 877	25 120
Share-based remuneration	845	1 007	1 565	5 255	11 976
Interest received	4	88	11	367	6 625
Interest paid	(5 965)	(5 205)	(14 875)	(5 366)	(11 055)
Foreign currency profit/(loss)	11 346	(8 029)	3 979	(15 370)	(18 650)
Changes in accounts receivable	25 576	3 920	3 657	(3 661)	(20 786)
Changes in accounts and other payables	(27 420)	(11 895)	(7 798)	7 667	25 582
Changes in other current balance sheet items	6 125	21 512	(3 207)	55 085	45 011
Net cash from operating activities	11 359	(72 750)	31 132	(119 141)	(114 218)
Cash flows from investing activities					
Purchase of property, plant and equipment	(15 505)	(33 048)	(59 242)	(105 282)	(171 634)
Proceeds from sales of property, plant and equipment	48	-	48	-	-
Net cash flow from investing activities	(15 457)	(33 048)	(59 194)	(105 282)	(171 634)
Cash flow from financing activities					
Net capital increase	248	-	923	73 788	73 813
Proceeds from issuance of long-term debt	50 000	-	50 000	194 321	194 321
Proceeds from issuance of short-term debt	-	-	100 000	-	-
Net cash flow from financing activities	50 248	-	150 923	268 109	268 134
Effect of changes in exchange rates on cash and cash equivalents	2 194	(884)	1 542	(1 130)	(1 090)
Net change in cash and cash equivalents	48 344	(106 682)	124 402	42 557	(18 809)
Cash and cash equivalents at beginning of the period	163 054	255 044	86 996	105 805	105 805
Cash and cash equivalents at the end of the period	211 399	148 362	211 399	148 362	86 996

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

NOK '000	Share capital	Treasury shares	Share premium reserves	Additional paid in capital	Retained earnings	Currency translation differences	Total majority	Minority interest	Total equity
Equity 1 January 2008	145 711	(25)	105 338	125 111	-	9 649	385 785	467	386 251
Net capital increase	923	-	-	-	-	-	923	-	923
Share-based remuneration	-	-	-	1 565	-	-	1 565	-	1 565
Currency translation differences	-	-	-	-	-	11 041	11 041	-	11 041
Total transactions recognised directly in equity	146 635	(25)	105 338	126 676	-	20 690	399 313	467	399 780
Net profit/(loss) for the period	-	-	-	-	66 396	-	66 396	1 483	67 879
Equity 30 September 2008	146 635	(25)	105 338	126 676	66 396	20 690	465 709	1 950	467 659
Number of shares a NOK 0,25	Ordinary	Weighted acc⁽¹⁾	Weighted Q3 2008⁽¹⁾						
Issued on 1 January 2008 in 1.000	582 845	582 845	582 845						
- Treasury shares in 1.000	(100)	(100)	(100)						
Issued on 10 March 2008 in 1.000	1 160	860	1 160						
Issued on 14 May 2008 in 1.000	1 539	781	1 539						
Issued on 22 August 2008 in 1.000	994	33	97						
Total number of shares in 1.000	586 439	584 418	585 542						

⁽¹⁾ Weighted average number of outstanding ordinary shares are used in calculations of basic earnings per share.

ROCKSOURCE Group - Notes third quarter 2008

Principles and reporting

These financial statements are the unaudited interim consolidated financial statements of Rocksource ASA and its subsidiaries (hereafter "the Group") for the nine-month period ended 30 September 2008. The Interim Financial Statements are prepared in accordance with the International Accounting Standard 34 (IAS 34). These Interim Financial Statements should be read in conjunction with the Consolidated Financial Statements for the year ended 31 December 2007, as they provide an update of previously reported information. The accounting policies used in the Interim Financial Statements are consistent with those used in the Annual Financial Statements. The presentation of the Interim Financial Statements is consistent with the Annual Financial Statements.

Note 1: Segment information

The Group's main business segments are:

1. Onshore oil & gas activities
2. Offshore oil & gas activities
3. Geo-technical activities

The transactions between the segments include internal project and administrative support.

Reporting segments

NOK '000	Onshore - Oil & Gas activities		Offshore Oil & Gas activities		Geo-technical activities		Non-allocated		Total	
	01.01.-30.09. 2008		01.01.-30.09. 2007		01.01.-30.09. 2008		01.01.-30.09. 2007		01.01.-30.09. 2008	
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
Revenue	228 798	34 736	-	5	30 369	25 917	(29 373)	(27 247)	229 794	33 412
Operating costs oil and gas	(28 597)	(13 123)	-	-	-	-	-	1 624	(28 597)	(11 498)
Payroll and related costs	(10 094)	(8 389)	(25 124)	(9 800)	(3 943)	(17 495)	-	-	(39 161)	(35 685)
Depreciation and amortisation	(47 106)	(5 502)	(3 296)	(790)	(3 610)	(6 586)	-	-	(54 012)	(12 877)
Exploration costs	(9 927)	(609)	(95 174)	(123 735)	-	-	-	-	(105 101)	(124 345)
Other operating expenses	(3 862)	(3 268)	(25 157)	(26 350)	(5 044)	(14 957)	24 926	19 573	(9 136)	(25 002)
Operating profit/(loss)	129 213	3 845	(148 751)	(160 670)	17 773	(13 121)	(4 447)	(6 050)	(6 212)	(175 995)
Net financial income/(expense)	(16 406)	(4 600)	1 703	(15 740)	(141)	(126)	-	-	(14 845)	(20 467)
Profit/(loss) before taxes	112 807	(756)	(147 048)	(176 410)	17 631	(13 246)	(4 447)	(6 050)	(21 057)	(196 462)
Income tax	-	-	88 935	106 350	-	-	-	-	88 935	106 350
Net profit/(loss)	112 807	(756)	(58 112)	(70 060)	17 631	(13 246)	(4 447)	(6 050)	67 879	(90 111)

Total assets	311 322	145 877	725 010	264 052	187 992	182 024	(338 263)	-	886 062	591 953
Capital expenditures	54 761	104 063	4 427	47	54	1 171	-	-	59 242	105 282

NOK '000	Onshore - Oil & Gas activities		Offshore Oil & Gas activities		Geo-technical activities		Non-allocated		Total	
	Q3 2008		Q3 2007		Q3 2008		Q3 2007		Q3 2008	
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
Revenue	79 876	15 436	-	5	11 568	25 855	(11 568)	(25 860)	79 876	15 436
Operating costs oil and gas	(11 654)	(5 384)	-	-	-	-	-	1 056	(11 654)	(4 328)
Payroll and related costs	(3 645)	(4 003)	(10 513)	(2 087)	(1 766)	(5 758)	-	-	(15 924)	(11 848)
Depreciation and amortisation	(15 792)	(2 814)	(2 127)	(263)	(312)	(1 836)	-	-	(18 231)	(4 914)
Exploration costs	(5 401)	(423)	(40 135)	(68 421)	-	-	-	-	(45 536)	(68 844)
Other operating expenses	(1 328)	(1 414)	(16 485)	(17 493)	(1 204)	(4 413)	13 102	18 756	(5 915)	(4 564)
Operating profit/(loss)	42 056	1 398	(69 260)	(88 260)	8 285	13 848	1 535	(6 048)	(17 384)	(79 062)
Net financial income/(expense)	(5 380)	(1 945)	9 464	(10 245)	169	326	-	-	4 253	(11 864)
Profit/(loss) before taxes	36 676	(547)	(59 796)	(98 505)	8 454	14 174	1 535	(6 048)	(13 131)	(90 926)
Income tax	-	-	35 038	63 828	-	-	-	-	35 038	63 828
Net profit/(loss)	36 676	(547)	(24 759)	(34 677)	8 454	14 174	1 535	(6 048)	21 907	(27 098)

Total assets	311 322	145 877	725 010	264 052	187 992	182 024	(338 263)	-	886 062	591 953
Capital expenditures	12 294	33 048	3 157	-	54	-	-	-	15 505	33 048

Note 2: Related parties /share-based remuneration

Reference is made to detailed information disclosed in the Annual Report for 2007 regarding related parties transactions.

Option costs awarded under the share-based remuneration program, as approved by the Annual General Meeting 7 May 2008, are recognised in the financial statements from the grant dates. Expensed share-based remuneration for the third quarter 2008 (including employer's social security contributions) is NOK 0.9m (third quarter 2007 NOK 1.2m).

Note 3: Tax

Companies operating on the Norwegian Continental Shelf (NCS) can claim a 78% refund of their exploration costs limited to the taxable losses for the year. In the third quarter the Group has accounted a positive income tax of NOK 35.0m (third quarter 2007 NOK 63.8). Deferred tax assets of NOK 7.8m relates to deferred taxation from NCS activities.

<i>NOK '000</i>	Q3 2008	Q3 2007	1.1 - 30.9.08	1.1 - 30.9.07	2007
Tax refund this year, NCS	37 982	63 828	89 104	106 350	171 108
Tax refund from prior year, NCS	-	-	-	-	4 977
Deferred income tax, NCS	(2 945)	-	(169)	-	6 050
Deferred income tax from acquisition	-	-	-	-	10 790
Payable taxes, onshore activities	-	-	-	-	(10 101)
Total income tax in PL	35 038	63 828	88 935	106 350	182 825
Tax refund paid	-	-	-	-	22 064

Note 4: Purchase of Sandhawk Energy LLC

Following the success in the drilling campaign initiated after the purchase of Sandhawk Energy LLC in 2006, success earn-outs to the former owners have been triggered. In addition to the original purchase price of USD 2.5m, USD 2.0m has in total been paid following sustained production in excess of 500 boepd from each of the two Morian areas. These earn-outs are booked in the balance sheet and depreciated. Additional earn-outs of USD 1.0m is payable upon annual average production rate in excess of 3 000 boepd from these two areas. These additional earn-outs have not been accrued in the financial statements.

Note 5: Exploration costs

Internal exploration costs are from Q3 2007 and onwards included in "Payroll and related cost" and "Other operating expenses". In previous periods these costs have been included in the exploration line.

<i>NOK '000</i>	Q3 2008	Q3 2007	1.1 - 30.9.08	1.1 - 30.9.07	2007
Exploration cost, external	(45 536)	(68 844)	(105 101)	(124 345)	(147 712)
Exploration cost, internal	(10 518)	(18 400)	(30 475)	(20 128)	(87 548)
Total exploration cost	(56 054)	(87 244)	(135 576)	(144 473)	(235 260)

Note 6: Interest and currency swap

Profit/loss from changes in the fair value of the interest and currency swap has been included in "foreign currency profit/(loss)" in the income statement. Changes in fair value of the interest and currency swap in third quarter gave a loss of NOK 16.9m. Total fair value of the swap was negative NOK 3.8m as of 30 September 2008.

Note 7: Subsequent events

As announced earlier the partnership in block CY-DWN-2001/1, consisting of ONGC (45%), Oil India (20%), Petrobras (25%) and Rocksource (10%, subject Indian Authority approval), has completed the first of three wells in the work programme on the block. The well did not encounter moveable hydrocarbons. However, the well was drilled on a location that did not test the controlled source electromagnetic (CSEM) anomaly. This means that the initial CSEM prospectivity of the block remains intact.

On 12 November Rocksource was awarded 5 blocks on the UKCS in the 25th licensing round. These blocks have been awarded without well commitments, but give the company excellent opportunities to high-grade prospectivity using CSEM technology and to make drilling decisions based on this.