

**DNO INTERNATIONAL ASA**  
**INTERIM REPORT SECOND QUARTER 2010**



REVENUES NOK MILLION

284.7

NETBACK NOK MILLION

140.6

TOTAL PRODUCTION BOPD

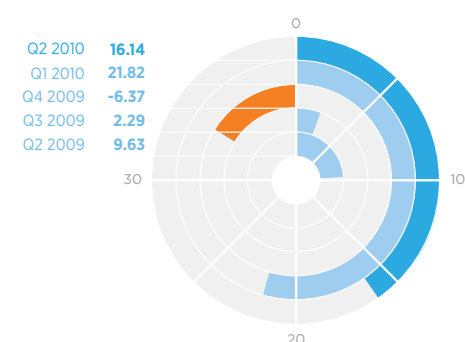
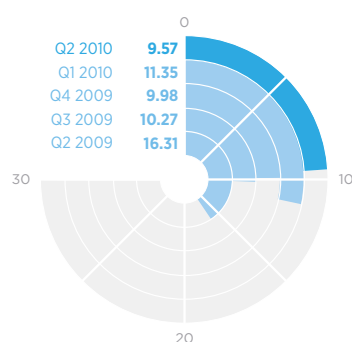
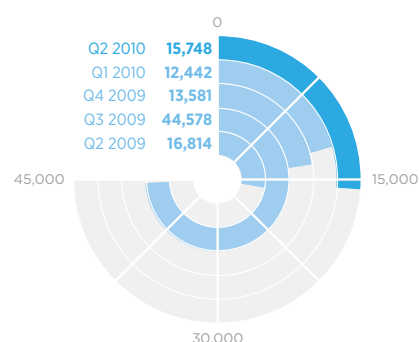
15,748

LIFTING COST USD/BBL

9.57

NETBACK USD/BBL

16.14



Working interest production including export from Tawke in Q2 and Q3 in 2009.

## Key figures

	Q2 2010	Q1 2010	Q4 2009	Q3 2009	Q2 2009	Q2 2010	Q2 2009
				(Restated)	(Restated)	Year to date	
<b>Key financials <sup>1)</sup> (NOK million)</b>							
Sales	284.7	258.6	225.9	235.5	223.9	543.2	407.6
Profit/(loss) from operating activities	99.0	94.5	-75.2	-28.6	1.9	193.5	-75.3
Net profit/(loss) <sup>2)</sup>	-121.1	14.9	-384.5	-138.2	115.2	-106.3	253.1
EBITDA	171.2	155.6	-8.7	45.6	79.5	326.8	85.0
Netback	140.6	138.7	-44.2	16.7	62.8	279.3	57.2
Acquisitions and development cost	36.5	69.5	34.5	485.8	75.4	106.1	152.5
Exploration cost expensed	11.1	16.6	15.1	60.5	22.0	27.7	80.2
<b>Price and production</b>							
Working interest production (mboe)	1.433	1.120	1.250	1.234	1.030	2.553	1.688
Working interest production per day (boe)	15,748	12,442	13,581	13,413	11,316	14,104	9,324
Net entitlement production (mboe)	0.896	0.740	0.793	0.828	0.736	1.637	1.442
Net entitlement production per day (boe)	9,849	8,225	8,622	9,003	8,091	9,042	7,968
Achieved sales price, (USD/bbl) net entitlement	51.88	61.55	51.44	49.15	48.65	56.23	44.10
<b>Key performance indicators</b>							
Lifting cost, (USD/bbl)	9.57	11.35	9.98	10.27	16.31	10.36	19.57
DD&A, (USD/bbl)	13.03	14.39	15.01	15.35	16.69	13.66	17.11
Netback (USD/bbl)	16.14	21.82	-6.37	2.29	9.63	18.61	3.50

<sup>1)</sup> As stated in the Q4 2009 report, export revenues from the Tawke field in Kurdistan during Q3 and Q2 2009 have been excluded in the key figures.

<sup>2)</sup> After impairment of financial assets (mainly DETNOR) of NOK 199 million in Q2 2010.

**“The higher oil production and improved cashflow from operations enable us to plan for new project developments and increased exploration drilling going forward. ”**



Helge Eide, Managing Director

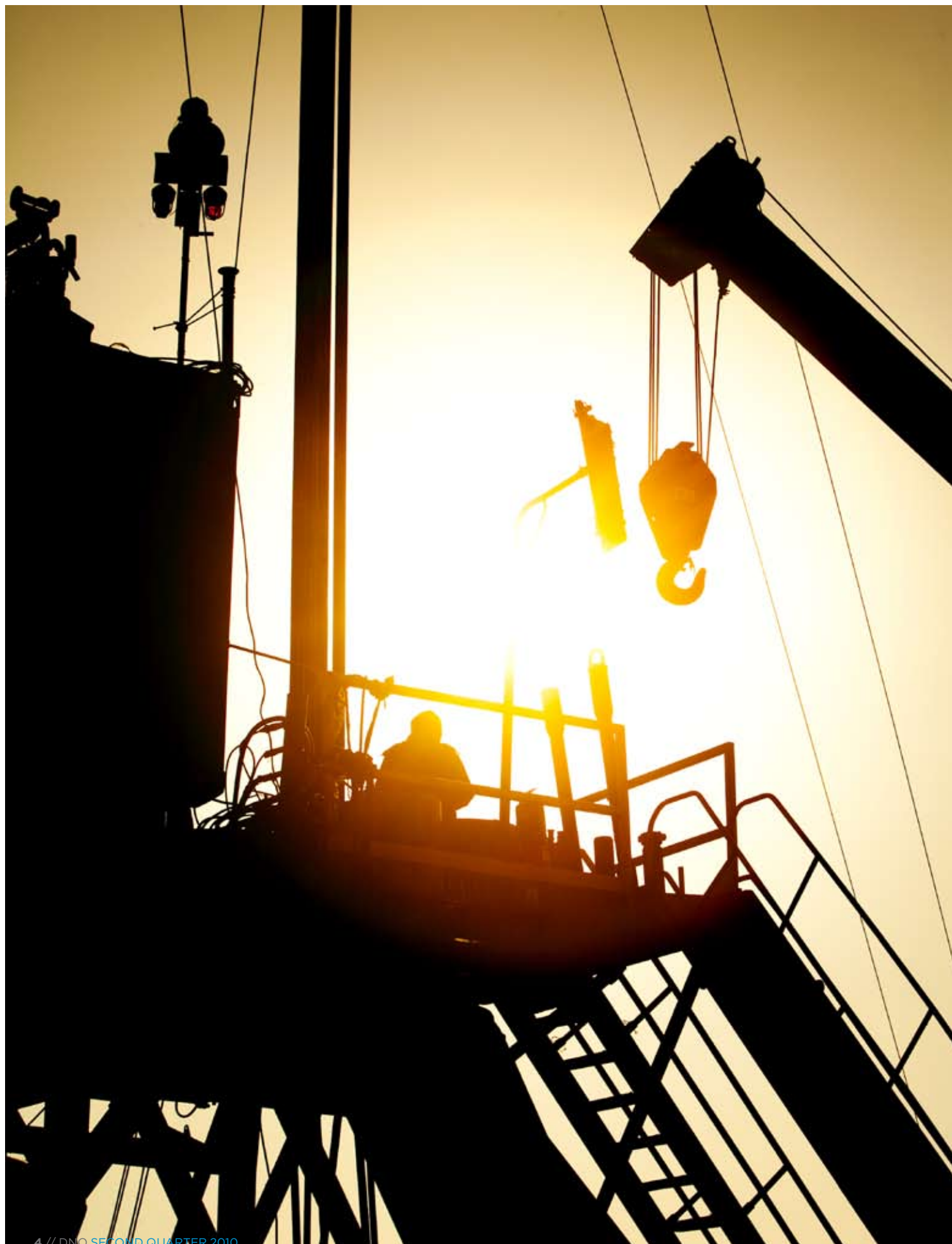
## Highlights

- ➔ **In the second quarter, DNO's working interest production increased to 15,748 bopd, which is up 39% compared to last year.**
- ➔ **The Company's quarterly revenues and operating profit strengthened further to NOK 285 million and NOK 99 million, respectively.**
- ➔ **Net profit was negatively influenced by NOK 199 million in impairment loss, mainly related to lower share price in Det norske oljeselskap.**
- ➔ **Second quarter cash flow from operations increased to NOK 183 million, covering all investments and increasing the cash position by NOK 151 million to NOK 822 million.**
- ➔ **DNO is now preparing for new field development and increased exploration activity aimed at further increasing its reserves and resources at low costs.**

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# Increased production

The increased oil production in the second quarter is a result of higher crude oil deliveries to the local market in Kurdistan, which more than compensated for the lower oil production from the Yemen fields.

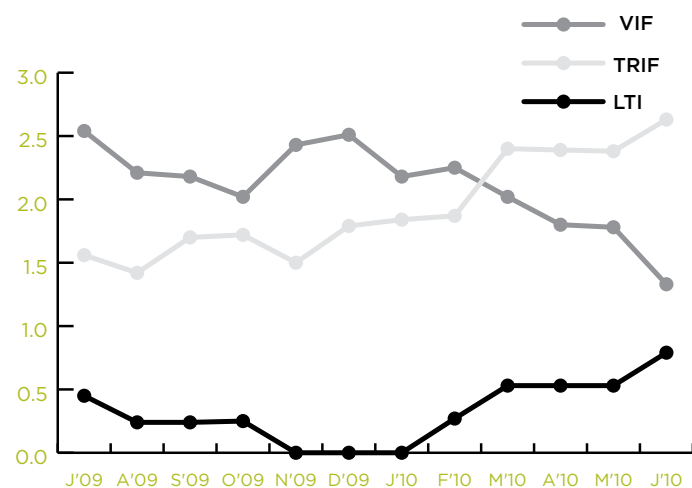
## HSE

DNO continues to focus on quality management in day to day operations. During the second quarter DNO has suffered from one lost time incident. The individual involved has now fully recovered from a minor injury. Our statistics this quarter otherwise mainly reflect issues related to small leaks on freight tankers and minor incidents and conditions. We appreciate the positive effects of our safe driving programs as the declining vehicle incident trend continues.

By the end of the second quarter the status was as follows (incident frequency per one million man hours):

Vehicle incident frequency (VIF):	1.3
Total recordable incident frequency (TRIF):	2.6
Lost time incident frequency (LTI):	0.8

## HSE Performance Trends (Jul 09 – Jun 10)



## PRODUCTION

DNO's total working interest (WI) production in the second quarter was 15,748 bopd compared to 11,316 bopd in the second quarter of 2009 (excluding Kurdistan export). The total net entitlement (NE) production was 9,849 bopd in the quarter, at an average realized oil price of 51.9 USD/bbl, versus 8,091 bopd and 48.7 in the same quarter the previous year.

DNO's WI production from the Tawke field in Kurdistan was 8,940 bopd and the NE production was 5,960 bopd in the quarter. The deliveries from Tawke include both crude oil to the local market as well as to the Tawke refinery. The sales to the domestic market increased during June as a result of new sales contracts with local buyers. As the current production volumes from Tawke are based on short-term delivery arrangements, local sales in Kurdistan may continue to show significant fluctuations going forward.

The second quarter WI production from Yemen was 6,808 bopd and the NE production 3,890 bopd. There was a reduction in the Yemen production from the previous quarter mainly due to workovers on the Tasour field in Block 32 and on Sharyoof and Bayoot in Block 53. In addition, one producer at the Nabrajah field was shut down for 12 days for equipment repair.

## Production working interest

The tables reflect DNO's total working interest production including diesel. For information purposes, Kurdistan export volumes in 2009 are shown in the table below, but excluded in all financial figures.

Year to date							
mboe	Q2 '10	Q1 '10	Q4 '09	Q3 '09	Q2 '09	Q2'10	Q2'09
Yemen	0.620	0.669	0.704	0.694	0.717	1.289	1.430
Kurdistan local prod	0.814	0.450	0.545	0.540	0.313	1.264	0.257
Kurdistan export	-	-	-	2.867	0.500	-	0.813
<b>Total</b>	<b>1.433</b>	<b>1.120</b>	<b>1.249</b>	<b>4.101</b>	<b>1.530</b>	<b>2.553</b>	<b>2.501</b>

Year to date							
bopd	Q2 '10	Q1 '10	Q4 '09	Q3 '09	Q2 '09	Q2'10	Q2'09
Yemen	6,808	7,437	7,655	7,542	7,878	7,121	7,901
Kurdistan local prod	8,940	5,003	5,926	5,871	3,438	6,983	1,422
Kurdistan export	-	-	-	31,165	5,498	-	4,493
<b>Total</b>	<b>15,748</b>	<b>12,442</b>	<b>13,581</b>	<b>44,578</b>	<b>16,814</b>	<b>14,104</b>	<b>13,817</b>

## Production net entitlement

Year to date							
bopd	Q2 '10	Q1 '10	Q4 '09	Q3 '09	Q2 '09	Q2'10	Q2'09
Yemen	3,890	4,889	4,738	4,987	5,788	4,386	5,862
Kurdistan local prod	5,960	3,337	3,884	4,016	2,303	4,655	2,107
Kurdistan export	-	-	-	20,780	3,662	-	1,841
<b>Total</b>	<b>9,849</b>	<b>8,225</b>	<b>8,622</b>	<b>29,783</b>	<b>11,753</b>	<b>9,042</b>	<b>9,809</b>

## APPRAISAL AND FIELD DEVELOPMENT

At the conclusion of the first appraisal extension year of the Erbil PSC in Kurdistan, DNO submitted an appraisal report to the KRG on 25 June. The report concluded that further appraisal work is required to assess commerciality of the Benenan structure. A notice letter of a second year appraisal/exploration extension was therefore submitted to the Ministry of Natural Resources (MNR). An additional exploration well is planned to be drilled in the Bastora structure during the second extension year.

In Block 43 in Yemen, the Nabrajah-10S/S2 tests indicate that the productivity of the carbonate reservoir in the well is restricted and high water cut implies that the well is located in an area already flooded by formation water. The well has now been completed for gas injection as a pilot project to investigate the effect on production in well Nabrajah-5, which is draining oil from the same oil pool.

Drilling of the Yaalen-3 appraisal well in Block 47 commenced on 24 March. The first test in the Qishn S3-reservoir proved an oil-rate of 1,352 bopd whilst the second test delivered 2,655 bopd. No water was observed during the tests and the flow rates achieved were restricted by the equipment used during the test. It is anticipated that the combined flow capacity from these two intervals is in the order of 8,000-10,000 bopd.

The drilling of the appraisal well Sharnah-2 in Block 47 took place from 22 June to 16 July. The well penetrated the reservoir 20 meters deeper than prognosis, and even though oil shows were observed while drilling through the target reservoir, subsequent logging and fluid sampling proved the reservoir sands to be water bearing. The well is now suspended while possible sidetrack locations are being evaluated. DNO is currently working to file a development plan with the Yemen authorities for the Yaalen/Sharnah development by the end of 2010.

Drilling of Bayoot-9 in Block 53 commenced on 7 May and the well was brought on production in early July. The plan is to drill two additional wells on the Bayoot field this year.

In Block 32, the Godah-11 infill well has been approved by the license partners and drilling is expected to commence mid August.

## EXPLORATION

In Kurdistan, the rig seconded to another operator is now expected to be returned to DNO in November. The rig will thereafter commence drilling of the Summail-1 exploration well in the Dohuk PSC towards the end of the year. Following drilling of this commitment well, the current plan is to move the rig to the Tawke PSC area to drill the exploration well Peshkhabir-1.

In Yemen, the exploration well Ansas-1 was drilled in Block 52 with spud 4 June. The Qishn target reservoir was found water-bearing with some minor gas in the cuttings. This was the last well in the committed program, and the block area will be relinquished and handed back to the authorities. In Block 72, Total Yemen will farm-in taking a 36% participating interest in the PSA. The farm-in is subject to Ministry approval. DNO remains operator with 18% participating interest, and the current plan is to drill an exploration well in the block in the fourth quarter.

In Mozambique, evaluation of the new seismic acquired last year continued in preparation for drilling in the fourth quarter. In addition, geochemical sampling from the concession has been carried out. This sampling commenced early July as a measure to reduce the prospectivity risk.

DNO has completed a farm-out process assigning a 5% interest in the Inhaminga Block to the seismic contractor Harmattan Uruguay S.A. and a 41% interest to New Age (African Global Energy). DNO will retain a 54% interest in the license following these farm-outs. Drilling of an exploration well in the Inhaminga Block is currently planned to commence in the fourth quarter.

## OTHER

### General meeting

At the Annual General Meeting on 17 June, two new board members were elected; Shelley Watson and Zalmay Khalilzad – both representatives from RAK Petroleum PCL. Elin Karfjell and Trygve Bruvik resigned from the Board accordingly. In August, DNO was informed that Zalmay Khalilzad was not taking up the position as member of the Board. The new Board thereby consists of 4 members and is in compliance with the Company's Articles of Association.

# Improved financial results from operations

Strong cashflow from operations, backed by higher local production in Kurdistan.

## REVENUES, PROFITS AND CASHFLOW

In the second quarter, the total operating revenues increased to NOK 285 million compared to NOK 224 million in the same quarter of 2009. The increase is due both to higher achieved oil prices and to higher production in Kurdistan. The second quarter operating profit increased to NOK 99 million, up from NOK 2 million in the second quarter 2009. Net loss for the second quarter was NOK 121 million, compared to a net profit of NOK 115 million in the same quarter last year. The net loss was affected by an impairment of financial assets this year whilst a reversal of impairment of assets was undertaken in the same period last year.

The impairment loss this year is related to the reduction in market value of the shares in Det norske oljeselskap ASA (DETNOR) and Petrolia Drilling ASA. The shares are classified as Available-For-Sale (AFS) with changes in fair value recorded directly in other comprehensive income. In line with IFRS accounting standard IAS 39, an impairment loss will be recorded when there has been a significant or prolonged decline in fair value. Accordingly, a non-cash impairment loss of NOK 199 million has been recorded in the second quarter related to the shares in DETNOR (NOK 195 million) and Petrolia Drilling ASA (NOK 4 million), in order to reflect the significant decrease in fair value compared to original cost price. Any future increase in the fair value will be recovered through other comprehensive income.

Backed by higher operating profit, operational cash flow strengthened in the second quarter. Netback for the quarter was NOK 141 million, compared to NOK 63 million in 2009.

### Netback Variance Analysis (NOK million)

	Variation
<b>Netback second quarter 2009</b>	<b>62.8</b>
Production	54.9
Oil price	18.4
Exchange rates	-12.6
Operating expenses	30.9
Taxes paid	-13.9
<b>Netback second quarter 2010</b>	<b>140.6</b>
<b>Netback year-to-date 2009</b>	<b>57.2</b>
Production	64.0
Oil price	129.4
Exchange rates	-57.8
Operating expenses	106.3
Taxes paid	-19.8
<b>Netback year-to-date 2010</b>	<b>279.3</b>

Netback is calculated as EBITDA adjusted for paid taxes.

## COSTS OF GOODS SOLD

High focus on operational cost control continues in DNO's business units.

In the second quarter, the cost of goods sold were NOK 156 million compared to NOK 184 million in the same period last year. The cost reduction is mainly due to lower production and cost control measures in Yemen.

### Lifting costs

Lifting costs were NOK 83 million in the second quarter, compared to NOK 106 million in the second quarter of 2009. The lifting costs per barrel show positive development, as unit costs were reduced in the second quarter to USD 9.6, versus USD 16.3 the year before. The reduced unit cost is supported by increased production from the Tawke field in Kurdistan.

### Lifting cost

	Year to date						
NOK mill	Q2'10	Q1 '10	Q4 '09	Q3 '09	Q2 '09	Q2'10	Q2'09
Yemen	63.0	51.2	43.2	47.7	85.5	114.2	170.8
Kurdistan	20.4	21.0	26.1	27.4	20.9	41.3	43.2
<b>Total</b>	<b>83.4</b>	<b>72.2</b>	<b>69.3</b>	<b>75.1</b>	<b>106.4</b>	<b>155.5</b>	<b>214.0</b>

USD/bbl	Q1 '10	Q4 '09	Q3 '09	Q2 '09	Q1 '09	Q2'10	Q2'09
Yemen	17.03	13.51	11.20	11.72	19.04	15.23	18.54
Kurdistan	4.06	8.17	8.46	8.45	10.28	5.50	25.07
<b>Total</b>	<b>9.57</b>	<b>11.35</b>	<b>9.98</b>	<b>10.27</b>	<b>16.31</b>	<b>10.36</b>	<b>19.57</b>

## Depreciation, Depletion and Amortisation (DD&A)

Total DD&A costs were NOK 71 million in the second quarter compared to NOK 77 million the year before. Lower depreciation charges in Yemen were offset by increased DD&A from higher production in Kurdistan.

### Depreciation, Depletion and Amortisation (DD&A)

	Year to date						
NOK mill	Q2'10	Q1 '10	Q4 '09	Q3 '09	Q2 '09	Q2'10	Q2'09
Yemen	32.7	40.8	46.3	53.4	66.1	73.5	138.4
Kurdistan	38.4	19.7	19.5	20.2	10.8	58.1	20.5
<b>Total</b>	<b>71.1</b>	<b>60.5</b>	<b>65.9</b>	<b>73.6</b>	<b>76.9</b>	<b>131.6</b>	<b>158.9</b>
USD/bbl	Q2'10	Q1 '10	Q4 '09	Q3 '09	Q2 '09	Q2'10	Q2'09
Yemen	15.42	16.37	19.84	20.26	20.31	15.88	20.52
Kurdistan	11.50	11.51	9.51	9.35	7.99	11.61	8.07
<b>Total</b>	<b>13.03</b>	<b>14.39</b>	<b>15.01</b>	<b>15.35</b>	<b>16.69</b>	<b>13.66</b>	<b>17.11</b>

## EXPLORATION AND CAPITAL EXPENDITURE

## Exploration cost expensed

Expensed exploration costs in the second quarter amounted to NOK 11 million. Dry well cost related to Ansas-1 in Block 52 in Yemen was NOK 11 million. DNO's license interest in Syria has been relinquished, and the final settlement contributed with NOK 10 million in repayment and reversal of previously estimated costs.

## Exploration cost expensed

Year to date

NOK mill	Q2'10	Q1 '10	Q4 '09	Q3 '09	Q2 '09	Q2'10	Q2'09
UK	0.8	0.2	0.0	0.3	0.6	1.0	0.4
Yemen	13.0	1.0	-2.1	48.1	14.8	14.0	64.1
Kurdistan	4.6	6.3	3.9	2.0	4.5	10.9	4.3
Africa	3.2	8.8	13.2	8.8	2.1	12.0	10.6
Other International Activities	-10.4	0.3	-	1.3	0.1	-10.1	0.8
<b>Total</b>	<b>11.1</b>	<b>16.6</b>	<b>15.1</b>	<b>60.5</b>	<b>22.0</b>	<b>27.7</b>	<b>80.2</b>

## Acquisition and Development costs (incl. intangible assets)

Total capital expenditure for the second quarter was NOK 37 million compared to NOK 75 million the previous year. The development costs in Yemen in the quarter consist mainly of completion of development and infill wells in the Bayoot field in Block 53 (NOK 16 million), capitalization of the appraisal wells in Block 47; Yaalen-3 (NOK 14 million) and Sharnah-2 (NOK 5 million), and disposal related to dry well expense in Block 52 (NOK 4 million). At Tawke, the development costs of NOK 5 million in the quarter consist of connection of flow lines, completion of sleepers for the Tawke pipeline and various technical studies and evaluations.

## Acquisition and Development cost

Year to date

NOK mill	Q2'10	Q1 '10	Q4 '09	Q3 '09	Q2 '09	Q2'10	Q2'09
Yemen	31.1	44.4	22.5	-23.2	20.1	75.4	40.2
Kurdistan	4.8	25.2	11.8	508.2	55.2	30.0	111.7
Africa	-	-0.2	0.1	0.8	-	-0.2	0.3
Other International Activities	0.7	0.1	-	-	0.1	0.7	0.4
<b>Total</b>	<b>36.5</b>	<b>69.5</b>	<b>34.5</b>	<b>485.8</b>	<b>75.4</b>	<b>106.1</b>	<b>152.5</b>



# Outlook

Preliminary figures for July shows a working interest production of around 27,000 bopd.

As the deliveries to the local market in Kurdistan are based on short term sales contracts, DNO expects significant fluctuations in production and deliveries going forward. All deliveries from DNO's production in Kurdistan are based on sales agreements which are approved by the local government, KRG. The price level is expected to continue in the range of 25-30 USD/barrel and the lifting cost is expected to remain at 4-8 USD/barrel dependent on production volumes.

DNO expects that the mature oil fields in Yemen will continue to show decline which will imply some reduction in production going forward. This trend is expected to continue until the completion of the Yaalen/Sharnah development late 2011.

Historically the oil produced in Yemen has been traded at +/- 1% deviation from the Brent reference oil price. Oil produced by DNO in Yemen has year-to-date 2010 been traded at 79.4 USD/barrel which is a minor premium to the Brent reference oil price. DNO is implementing cost reduction initiatives on the oil producing fields in Yemen, and the lifting cost is expected to continue in the range of 15-20 USD/barrel.

Investments in the first half of 2010 add up to NOK 134 million, and the planned investments in the second half of 2010 are forecasted at NOK 250-300 million. As for the first six months, DNO will seek to finance the remaining investments in 2010 from operational cash flow.

# Key priorities going forward

Increased production from the Company's strong reserve base combined with adding new reserves and resources at low cost, are the main priorities to DNO.

Full production capacity (gross) at the Tawke facilities is 50-60,000 barrels per day. The average utilization rate was around 20% in Q2 2010. Full production capacity can be utilized once export commences from Kurdistan, and this can be achieved without further investments.

DNO will now enter into a period of higher exploration activities, building on the Company's proven record of adding new reserves and resources at low cost. The present Kurdistan exploration program includes the Summail-1 well in the Dohuk license, the Bastora-1 well in the Erbil license and the Peshkabir-1 well in the Tawke license. In addition the Company is planning to drill the Chite-1 well in the Inhaminga license in Mozambique and the Block 72 basement prospect in Yemen.

Field development activity also continues with the aim of contributing to production growth. The full development of the new Yaalen/Sharnah field in Yemen will be the next development for DNO. In addition, the Company will continue to seek fast track developments of any new discoveries from its present exploration program.

DNO is also focused on new ventures and is at present, evaluating several new entries in the Middle East and East Africa regions by use of its strong sub surface expertise.

The increased activities going forward will require strong efforts from the DNO organization and the Company is likely to strengthen its capacity within drilling and other key technical disciplines.

*The above forward-looking statements reflect current views about future events and are, by their nature, subject to significant risks and uncertainties.*

# Responsibility statement

We confirm to the best of our knowledge that the condensed set of financial statements for the period 1 January to 30 June 2010 has been prepared in accordance with IAS 34 "Interim Financial Reporting" and gives a true and fair view of DNO's and the Group's assets, liabilities, financial position and result for the period viewed in their entirety,

and that the interim management report includes a fair review of any significant events that arose during the six-month period and their effect on the half-yearly report, any significant related parties' transactions, and a description of the significant risks and uncertainties for the remaining six months of the year.

Oslo, 18 August 2010

Berge Gerdt Larsen  
Chairman of the Board

Shelley Watson  
Deputy Chairman of the Board

Marit Instanes  
Board Member

Gunnar Hirsti  
Board Member

Helge Eide  
Managing Director



# Consolidated Statements of Comprehensive Income

NOK mill	Note	Q2 2010	Q1 2010	Q4 2009	(Restated)	(Restated)	Year to date		Full year	
					Q3 2009	Q2 2009	Q2 2010	Q2 2009	2009	2008
Sales	2, 3	284.7	258.6	225.9	235.5	223.9	543.2	407.6	869.0	1,376.2
Cost of goods sold	4	-155.6	-133.3	-135.8	-149.3	-184.0	-288.9	-374.2	-659.3	-745.5
<b>Gross profit</b>		<b>129.0</b>	<b>125.3</b>	<b>90.2</b>	<b>86.1</b>	<b>39.9</b>	<b>254.4</b>	<b>33.4</b>	<b>209.7</b>	<b>630.7</b>
Other operating income		0.1	2.1	-	0.9	0.1	2.2	7.2	8.1	0.1
Tariffs and transportation		-8.1	-7.8	-6.2	-7.9	-10.8	-15.9	-22.7	-36.9	-33.2
Administrative expense/ Other operating expenses	5	-10.8	-8.6	-144.1	-47.3	-5.2	-19.4	-12.9	-204.3	-34.0
Impairment oil and gas assets	9	-	-	-	-	-	-	-	-	-197.9
Exploration cost expensed	6	-11.1	-16.6	-15.1	-60.5	-22.0	-27.7	-80.2	-155.8	-356.8
Net gain/(loss) from sale of PP&E		-	0.1	-	-	-	0.1	-	-	-0.1
<b>Profit/(loss) from operating activities</b>		<b>99.0</b>	<b>94.5</b>	<b>-75.2</b>	<b>-28.6</b>	<b>1.9</b>	<b>193.5</b>	<b>-75.3</b>	<b>-179.1</b>	<b>8.8</b>
Share of profit/(loss) associates	7, 10	-	-	-29.7	-16.8	-18.2	-	-16.4	-62.9	83.3
Financial income	7	5.8	4.6	68.3	1.8	182.6	10.3	452.2	522.3	54.9
Financial expenses	7	-203.2	-48.6	-62.7	-91.9	-32.6	-251.8	-97.7	-252.4	-836.9
<b>Profit/(loss) before income tax</b>		<b>-98.4</b>	<b>50.5</b>	<b>-99.3</b>	<b>-135.6</b>	<b>133.6</b>	<b>-47.9</b>	<b>262.8</b>	<b>28.0</b>	<b>-689.9</b>
Income tax expense	8	-22.7	-35.6	-285.3	-2.6	-18.4	-58.3	-9.7	-297.6	-214.0
<b>Net profit/(loss)</b>		<b>-121.1</b>	<b>14.9</b>	<b>-384.5</b>	<b>-138.2</b>	<b>115.2</b>	<b>-106.3</b>	<b>253.1</b>	<b>-269.6</b>	<b>-903.9</b>
<b>Other comprehensive income</b>										
Currency translation differences		79.9	29.4	-38.4	-101.6	-82.7	109.3	-149.9	-289.8	609.6
Fair value changes available-for-sale financial assets	11	51.8	-41.6	-30.2	-1.9	20.0	10.2	21.2	-10.3	-54.7
<b>Total other comprehensive income</b>		<b>131.7</b>	<b>-12.2</b>	<b>-68.6</b>	<b>-103.5</b>	<b>-62.7</b>	<b>119.5</b>	<b>-128.8</b>	<b>-300.2</b>	<b>554.9</b>
<b>Total comprehensive income</b>		<b>10.6</b>	<b>2.7</b>	<b>-453.1</b>	<b>-241.7</b>	<b>52.5</b>	<b>13.3</b>	<b>124.3</b>	<b>-569.8</b>	<b>-349.0</b>
Net profit/(loss) attributable to:										
Equity holders of the parent		-121.1	14.9	-384.5	-138.2	115.2	-106.3	253.1	-269.6	-903.9
Total comprehensive income attributable to:										
Equity holders of the parent		10.6	2.7	-453.1	-241.7	52.5	13.3	124.3	-569.8	-349.0
Earnings per share, basic		-0.13	0.02	-0.28	-0.46	0.28	0.02	0.43	-0.31	-1.02
Earnings per share, diluted		-0.13	0.02	-0.28	-0.46	0.28	0.02	0.43	-0.31	-1.02

# Condensed Consolidated Statements of Financial Position

## Assets

					(Restated)	(Restated)	Full year	
NOK mill	Note	Q2 2010	Q1 2010	Q4 2009	Q3 2009	Q2 2009	2009	2008
<b>Non-current assets</b>								
Deferred income tax assets		-	-	-	226.1	240.9	-	256.0
Other intangible assets	9	983.2	896.1	851.0	868.2	482.7	851.0	595.3
Property, plant and equipment	9	2,645.1	2,480.7	2,402.4	2,418.1	2,812.0	2,402.4	3,119.6
Investment in associates	10	-	-	-	804.5	821.3	-	697.5
Available for sale investments	11	285.9	436.8	478.4	47.4	49.3	478.4	36.8
Derivative financial instruments	7	0.1	-	0.8	4.9	4.8	0.8	20.2
<b>Total non-current assets</b>		<b>3,914.2</b>	<b>3,813.6</b>	<b>3,732.6</b>	<b>4,369.3</b>	<b>4,411.0</b>	<b>3,732.6</b>	<b>4,725.4</b>
<b>Current assets</b>								
Inventories	4	165.3	157.3	157.4	155.5	43.2	157.4	50.7
Trade and other receivables	12	244.0	255.0	197.2	158.6	192.4	197.2	174.1
Derivative financial instruments		-	-	-	-	-	-	8.0
Other financial assets at fair value through P&L	7	2.3	2.4	1.8	2.5	2.2	1.8	1.1
Cash and cash equivalents	13	821.6	671.1	303.4	282.1	210.0	303.4	176.1
<b>Total current assets</b>		<b>1,233.2</b>	<b>1,085.8</b>	<b>659.8</b>	<b>598.7</b>	<b>447.8</b>	<b>659.8</b>	<b>410.1</b>
<b>TOTAL ASSETS</b>		<b>5,147.5</b>	<b>4,899.4</b>	<b>4,392.4</b>	<b>4,968.0</b>	<b>4,858.8</b>	<b>4,392.4</b>	<b>5,135.5</b>

## Equity and liabilities

					(Restated)	(Restated)	Full year	
NOK mill	Note	Q2 2010	Q1 2010	Q4 2009	Q3 2009	Q2 2009	2009	2008
<b>Equity</b>								
Share capital		226.2	226.2	213.7	223.7	223.7	213.7	225.2
Other reserves	14	435.2	435.2	80.6	71.4	74.1	80.6	42.6
Retained earnings	14	1,297.7	1,287.1	1,284.4	1,736.9	1,978.6	1,284.4	1,854.2
<b>Total equity</b>		<b>1,959.1</b>	<b>1,948.5</b>	<b>1,578.7</b>	<b>2,032.1</b>	<b>2,276.4</b>	<b>1,578.7</b>	<b>2,122.0</b>
<b>Non-current liabilities</b>								
Interest-bearing liabilities	15	1,949.9	1,831.9	1,785.3	1,785.1	1,918.3	1,785.3	2,052.6
Deferred income tax liabilities		110.0	108.2	94.2	93.6	127.6	94.2	160.8
Provisions for other liabilities and charges	16	820.2	751.0	685.8	662.9	130.8	685.8	128.9
<b>Total non-current liabilities</b>		<b>2,880.2</b>	<b>2,691.2</b>	<b>2,565.3</b>	<b>2,541.7</b>	<b>2,176.6</b>	<b>2,565.3</b>	<b>2,342.3</b>
<b>Current liabilities</b>								
Trade and other payables	17	231.7	191.3	191.0	183.8	215.3	191.0	388.9
Income taxes payable		7.7	8.3	-	6.9	10.2	-	7.3
Current interest-bearing liabilities	15	-	-	-	-	-	-	54.5
Provisions for other liabilities and charges	16	68.8	60.1	57.3	203.6	180.2	57.3	220.5
<b>Total current liabilities</b>		<b>308.2</b>	<b>259.8</b>	<b>248.4</b>	<b>394.2</b>	<b>405.7</b>	<b>248.4</b>	<b>671.2</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>5,147.5</b>	<b>4,899.4</b>	<b>4,392.4</b>	<b>4,968.0</b>	<b>4,858.8</b>	<b>4,392.4</b>	<b>5,135.5</b>

# Condensed Consolidated Cash Flow Statements

		(Restated) (Restated)					Year to date		Full year	
NOK mill	Note	Q2 2010	Q1 2010	Q4 2009	Q3 2009	Q2 2009	Q2 2010	Q2 2009	2009	2008
Operating activities										
Profit/(loss) from operations before exploration expenses		110.1	111.1	-60.1	31.9	23.9	221.2	5.0	-23.2	365.7
- Exploration cost expensed	6	-11.1	-16.6	-15.1	-60.5	-22.0	-27.7	-80.2	-155.8	-356.8
Profit/(loss) from operations		99.0	94.5	-75.2	-28.6	1.9	193.5	-75.2	-179.1	8.8
Adjustments for:										
Income taxes paid		-30.5	-16.9	-35.5	-28.9	-16.7	-47.4	-27.8	-92.2	-197.9
Depreciation of PP&E	4	72.2	61.1	66.5	74.3	77.6	133.3	160.2	300.9	443.8
Impairment loss on PP&E		-	-	-	-	-	-	-	-	197.9
(Gain)/loss on on sale of PP&E		-	-0.1	-	-	-	-0.1	-	-	0.1
Fair value gain/(loss) on financial assets	7	-0.1	-0.1	-4.9	0.4	-7.9	-0.2	-8.0	-12.4	38.8
Other financial income/(expenses)		-3.6	-37.1	-2.9	-27.4	-4.4	-40.7	-13.1	-43.4	-26.4
Share of profit/(loss) from associates		-	-	-29.7	-16.8	-18.2	-	-16.4	-62.9	83.3
Exchange gains/(losses)		31.1	15.6	71.8	-28.9	24.7	46.7	22.2	65.1	149.4
Interest paid		-26.4	-28.2	-22.0	-25.0	-26.1	-54.7	-66.1	-113.1	-194.8
Changes in working capital:										
- Inventories		-8.1	0.2	-2.6	-1.0	2.4	-7.9	24.6	20.8	-50.7
- Trade and other receivables		11.0	-57.9	-38.6	33.8	40.3	-46.9	-18.3	-23.1	88.8
- Other fin assets at fair value through P&L		0.1	-0.6	0.8	-0.4	-0.6	-0.5	-	0.4	68.1
- Trade and other payables		49.0	3.1	-9.2	-18.3	-39.0	52.1	-175.6	-203.1	283.6
Other		-11.1	31.9	-33.2	167.4	48.0	20.8	154.7	288.9	-147.4
Net cash from operating activities		182.6	65.5	-114.8	100.6	82.0	248.1	-38.7	-53.3	745.4
Investing activities										
Purchases of tangible and intangible assets		-36.5	-69.5	-36.7	-26.4	-75.4	-106.1	-152.6	-215.7	-1,250.3
Proceeds from sale of tangible and intangible assets		-	0.1	-	-	-	0.1	-	-	-
Purchases of available-for-sale financial assets		-	-	-	-	-	-	-	-	-
Proceeds from sale of available-for-sale financial assets		4.8	-	303.0	-	51.4	4.8	297.8	600.8	28.5
Interest received		3.1	2.1	1.8	1.1	-3.3	5.2	4.3	7.2	36.5
Other investing activities, net		-	-	-	-	-	-	-	-	-0.9
Net cash used in investing activities		-28.7	-67.3	268.0	-25.4	-27.4	-96.0	149.5	392.1	-1,186.2
Financing activities										
Proceeds from borrowings		-	-	-	-	-	-	-	-	-
Repayment of borrowings		-	-1.4	-1.4	-	-54.5	-1.4	-54.5	-55.9	-50.0
Purchase of treasury shares, including options		-	-	-130.2	-276.3	-493.3	-	-753.1	-1,159.6	-939.6
Proceeds from sale of treasury shares		-	367.1	-	283.6	572.8	367.1	748.5	1,032.1	946.2
Net cash (used in)/from financing activities		-	365.8	-131.6	7.2	25.0	365.8	-59.1	-183.5	-43.4
Net increase/(decrease) in cash and cash equivalents										
		154.0	364.0	21.6	82.4	79.6	517.9	51.7	155.5	-484.2
Cash and cash equivalents at beginning of the period		671.1	303.4	282.1	210.0	142.7	303.4	176.1	176.1	691.7
Exchange gain/(losses) on cash and cash equivalents		-3.4	3.7	-0.3	-10.3	-12.3	0.3	-17.6	-28.2	-31.7
Cash and cash equivalents at end of the period										
		821.6	671.1	303.4	282.1	210.0	821.6	210.4	303.4	176.1

## Condensed Consolidated Statements of Changes in Equity

NOK mill	Note	Share Capital	Other Reserves	Retained Earnings	Total Equity
<b>Balance at 1 January 2009</b>		<b>225.2</b>	<b>42.6</b>	<b>1,854.2</b>	<b>2,122.0</b>
Other comprehensive income/-loss		-	-	-128.8	-128.8
Profit for the period		-	-	253.1	253.1
<b>Total comprehensive income</b>		<b>-</b>	<b>-</b>	<b>124.3</b>	<b>124.3</b>
<i>Share option scheme:</i>					
- value of services provided		-	-	-	-
- proceeds from shares issued		-	-	-	-
Issue of share capital		-	-	-	-
Purchase of treasury shares		-38.0	-973.7	-	-1,011.7
Sale of treasury shares		36.5	842.3	-	878.8
Derivative contracts treasury shares		-	162.9	-	162.9
Transferred to retained earnings		-	-	-	-
		<b>-1.5</b>	<b>31.5</b>	<b>-</b>	<b>30.0</b>
<b>Balance at 30 June 2009</b>	14	<b>223.7</b>	<b>74.1</b>	<b>1,978.6</b>	<b>2,276.4</b>

NOK mill	Note	Share Capital	Other Reserves	Retained Earnings	Total Equity
<b>Balance at 1 January 2010</b>		<b>213.7</b>	<b>80.6</b>	<b>1,284.4</b>	<b>1,578.7</b>
Other comprehensive income /-loss		-	-	119.5	119.5
Profit for the period		-	-	-106.3	-106.3
<b>Total comprehensive income</b>		<b>-</b>	<b>-</b>	<b>13.3</b>	<b>13.3</b>
<i>Share option scheme:</i>					
- value of services provided		-	-	-	-
- proceeds from shares issued		-	-	-	-
Issue of share capital		-	-	-	-
Purchase of treasury shares		-	-	-	-
Sale of treasury shares		12.5	354.6	-	367.1
Derivative contracts treasury shares		-	-	-	-
Transferred to retained earnings		-	-	-	-
		<b>12.5</b>	<b>354.6</b>	<b>-</b>	<b>367.1</b>
<b>Balance at 30 June 2010</b>	14	<b>226.2</b>	<b>435.2</b>	<b>1,297.7</b>	<b>1,959.1</b>

# Notes to the Interim Condensed Consolidated Financial Accounts

## Note 1 || Basis of Preparation and Accounting Policies

The condensed consolidated financial statements have been prepared in accordance with International Accounting Standard (IAS) 34, Interim Financial Reporting and IFRS standards issued and effective at date of reporting as adopted by the EU. The interim report has also been prepared in accordance with Stock Exchange regulations.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 31 December 2009. The interim financial information for 2009 and 2010 is unaudited.

The condensed consolidated financial statements have been prepared on a historical cost basis, with the following exemption:

\* All derivatives, all financial assets and liabilities held for trading, liabilities related to share-based payments and all financial assets that are classified as available-for-sale, are recognized at fair value.

The accounting policies adopted are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2009.

## Note 2 || Segment Information

Three months ended 30 June 2010, NOK million	Note	NE	YEM	KUR	AFR	Total report. segm.	Unalloc./ elimin.	GROUP
<b>Income statement information</b>								
External sales	3	-	159.6	115.0	-0.6	274.1	10.6	<b>284.7</b>
Inter-segment sales		-	3.4	0.8	0.1	4.3	-4.3	<b>-</b>
Cost of goods sold	4	-0.6	-95.8	-59.1	-	-155.5	-0.2	<b>-155.6</b>
<b>Gross profit</b>		<b>-0.6</b>	<b>73.4</b>	<b>60.6</b>	<b>-</b>	<b>133.5</b>	<b>-4.5</b>	<b>129.0</b>
<b>Segment result</b>		<b>-1.4</b>	<b>93.2</b>	<b>54.4</b>	<b>-3.1</b>	<b>143.1</b>	<b>-217.9</b>	<b>-74.8</b>
Interest - net								<b>-24.4</b>
Gain/(loss) on sale of shares								<b>0.8</b>
Income tax expense								<b>-22.7</b>
<b>Net profit/(loss)</b>								<b>-121.1</b>
<b>Segment assets</b>		<b>15.7</b>	<b>739.4</b>	<b>3,231.2</b>	<b>64.0</b>	<b>4,050.4</b>	<b>1,097.1</b>	<b>5,147.5</b>

## Note 2 || Segment Information forts.

Three months ended 30 June 2009, NOK million	Note	NE	YEM	KUR	AFR	Total report. segm.	Unalloc./ elimin.	GROUP
<b>Income statement information</b>								
External sales	3	-	183.8	27.1	-	210.9	12.9	<b>223.9</b>
Inter-segment sales		-	2.7	3.2	2.0	7.9	-7.9	-
Cost of goods sold	4	-	-151.7	-32.2	-	-183.9	-0.1	<b>-184.0</b>
<b>Gross profit</b>		-	<b>42.7</b>	<b>3.1</b>	<b>2.0</b>	<b>47.9</b>	<b>-8.1</b>	<b>39.9</b>
<b>Segment result</b>		<b>-1.2</b>	<b>12.3</b>	<b>-5.5</b>	<b>-0.1</b>	<b>5.7</b>	<b>166.9</b>	<b>172.6</b>
Share of profit/(loss) associates	10	-18.2	-	-	-	-18.2	-	<b>-18.2</b>
Interest - net								<b>-29.4</b>
Gain/(loss) on sale of shares								<b>8.6</b>
Income tax expense								<b>-18.4</b>
<b>Net profit/(loss)</b>								<b>115.2</b>
<b>Segment assets</b>		<b>62.7</b>	<b>787.3</b>	<b>2,655.3</b>	<b>73.7</b>	<b>3,579.1</b>	<b>1,038.8</b>	<b>4,617.9</b>

Six months ended 30 June 2010, NOK million	Note	NE	YEM	KUR	AFR	Total report. segm.	Unalloc./ elimin.	GROUP
<b>Income statement information</b>								
External sales	3	-	365.4	177.9	-	543.2	-	<b>543.2</b>
Inter-segment sales		-	6.5	2.7	0.4	9.6	-9.6	-
Cost of goods sold	4	-0.6	-187.8	-100.2	-	-288.6	-0.3	<b>-288.9</b>
<b>Gross profit</b>		<b>-0.6</b>	<b>184.1</b>	<b>80.4</b>	<b>0.3</b>	<b>264.3</b>	<b>-9.9</b>	<b>254.4</b>
<b>Segment result</b>		<b>-2.0</b>	<b>206.4</b>	<b>69.0</b>	<b>-11.7</b>	<b>261.7</b>	<b>-224.5</b>	<b>37.2</b>
Interest - net								<b>-85.9</b>
Gain/(loss) on sale of shares								<b>0.8</b>
Income tax expense								<b>-58.3</b>
<b>Net profit/(loss)</b>								<b>-106.3</b>
<b>Segment assets</b>		<b>15.7</b>	<b>739.4</b>	<b>3,231.2</b>	<b>64.0</b>	<b>4,050.4</b>	<b>1,097.1</b>	<b>5,147.5</b>

Six months ended 30 June 2009, NOK million	Note	NE	YEM	KUR	AFR	Total report. segm.	Unalloc./ elimin.	GROUP
<b>Income statement information</b>								
External sales	3	-	342.5	65.1	-	407.6	-	<b>407.6</b>
Inter-segment sales		-	6.7	5.7	2.0	14.4	-14.4	-
Cost of goods sold	4	-	-309.2	-64.6	-	-373.9	-0.3	<b>-374.2</b>
<b>Gross profit</b>		-	<b>39.9</b>	<b>6.2</b>	<b>2.0</b>	<b>48.1</b>	<b>-14.7</b>	<b>33.4</b>
<b>Segment result</b>		<b>-2.0</b>	<b>-55.0</b>	<b>-0.1</b>	<b>-8.6</b>	<b>-65.6</b>	<b>374.3</b>	<b>308.7</b>
Share of profit/(loss) associates	10	-16.4	-	-	-	-16.4	-	<b>-16.4</b>
Interest - net								<b>-61.9</b>
Gain/(loss) on sale of shares								<b>32.4</b>
Income tax expense								<b>-9.7</b>
<b>Net profit/(loss)</b>								<b>253.1</b>
<b>Segment assets</b>		<b>62.7</b>	<b>787.3</b>	<b>2,655.3</b>	<b>73.7</b>	<b>3,579.1</b>	<b>1,038.8</b>	<b>4,617.9</b>

## Note 3 || Sales

DNO is presenting its operations governed by Production Sharing Agreements (PSA) according to the net entitlement method. A reconciliation between working interest (gross) and net entitlement presentation is shown in a separate table below.

				(Restated)	(Restated)		Year to date		Full year	
NOK mill	Note	Q2 2010	Q1 2010	Q4 2009	Q3 2009	Q2 2009	Q2 2010	Q2 2009	2009	2008
Sale of petroleum products *		284.7	258.6	225.9	235.5	223.9	543.2	407.6	869.0	1,362.0
Other income **		-	-	-	-	-	-	-	-	14.2
<b>Total sales</b>		<b>284.7</b>	<b>258.6</b>	<b>225.9</b>	<b>235.5</b>	<b>223.9</b>	<b>543.2</b>	<b>407.6</b>	<b>869.0</b>	<b>1,376.2</b>

\* The export sale from Kurdistan of NOK 714 million in Q3 2009 and NOK 135 million in Q2 2009 was reversed in Q4 2009. See Q4 report for further information.

\*\* Other income is related to final payment by Lundin in connection with sale of UK assets in 2003/2004.

### Reconciliation sales - working interest/net entitlement

				(Restated)	(Restated)		Year to date		Full year	
NOK mill	Note	Q2 2010	Q1 2010	Q4 2009	Q3 2009	Q2 2009	Q2 2010	Q2 2009	2009	2008
Sale of petroleum products working interest		464.7	389.7	365.3	360.9	313.3	854.4	566.9	1,293.1	2,154.1
Government share of production before income tax payable		-180.0	-131.1	-139.4	-125.4	-89.4	-311.1	-159.3	-424.1	-792.1
<b>Sale of petroleum products net entitlement</b>		<b>284.7</b>	<b>258.6</b>	<b>225.9</b>	<b>235.5</b>	<b>223.9</b>	<b>543.2</b>	<b>407.6</b>	<b>869.0</b>	<b>1,362.0</b>

## Note 4 || Cost of Goods Sold

				(Restated)	(Restated)		Year to date		Full year	
NOK mill	Note	Q2 2010	Q1 2010	Q4 2009	Q3 2009	Q2 2009	Q2 2010	Q2 2009	2009	2008
Lifting costs *		-83.4	-72.2	-69.3	-75.1	-106.4	-155.5	-214.0	-358.3	-292.8
Depreciation, depletion and amortisation		-72.2	-61.1	-66.5	-74.3	-77.6	-133.4	-160.2	-300.9	-452.7
<b>Total cost of goods sold</b>		<b>-155.6</b>	<b>-133.3</b>	<b>-135.8</b>	<b>-149.3</b>	<b>-184.0</b>	<b>-288.9</b>	<b>-374.2</b>	<b>-659.3</b>	<b>-745.5</b>

\* Lifting costs consist of expenses relating to the production of oil and gas, including operation and maintenance of installations, well intervention and workover activities, insurances, CO2 taxes, royalties to the state and costs in own organisation.

Lifting costs of NOK 15.2 million and Depreciation, depletion and amortisation of NOK 127.7 million related to the exported volumes in Kurdistan in Q3 and Q2 in 2009 were capitalized as inventory as a result of the reversal of export revenues. See Q4 report for further information.

The depreciation related to the Water Purification Project (WPP) in Kurdistan in Q2 2010 amounts to NOK 6.1 million.

## Note 5 || Administrative/Other Expenses

							Year to date		Full year	
NOK mill	Note	Q2 2010	Q1 2010	Q4 2009	Q3 2009	Q2 2009	Q2 2010	Q2 2009	2009	2008
Salaries and social expenses *		-1.9	-1.8	-9.0	-5.9	1.6	-3.7	2.1	-12.7	-19.5
General and administration expenses **		-9.1	-6.8	-131.9	-40.2	-6.8	-15.9	-15.0	-187.2	-13.9
Other operating expenses		0.2	-	-3.2	-1.2	-	0.2	-	-4.3	-0.7
<b>Total administrative/other expenses</b>		<b>-10.8</b>	<b>-8.6</b>	<b>-144.1</b>	<b>-47.3</b>	<b>-5.2</b>	<b>-19.4</b>	<b>-12.9</b>	<b>-204.3</b>	<b>-34.0</b>

\* Salaries and social expenses directly attributable to operations are reclassified to lifting cost and exploration cost in the statement of comprehensive income.

\*\* The increase in General and administration expenses in Q4 2009 was mainly due to provisions for the potential liability and legal costs related to the ongoing arbitration proceedings, refer to Q4 report for further information.

## Note 6 || Exploration Cost Expensed

NOK mill	Note	Year to date					Full year			
		Q2 2010	Q1 2010	Q4 2009	Q3 2009	Q2 2009	Q2 2010	Q2 2009	2009	2008
Exploration expenses (G&G and field surveys)		-13.9	-8.0	-11.4	-15.6	-14.1	-22.0	-25.9	-52.9	-195.7
Seismic costs **		3.9	-6.8	4.0	-4.4	-2.9	-2.9	-32.1	-32.6	-
Exploration costs capitalised in previous years carried to cost		-	-	-	-	-	-	-	-	-7.6
Exploration costs capitalised this year carried to cost		-11.0	-	1.2	-43.9	-4.5	-11.0	-13.4	-56.2	-150.7
Impairment of capitalised exploration costs		-	-	-	-	-	-	-	-	-
Other exploration cost expensed		9.9	-1.7	-8.8	3.4	-0.6	8.2	-8.8	-14.1	-2.9
<b>Total exploration cost expensed *</b>		<b>-11.1</b>	<b>-16.6</b>	<b>-15.1</b>	<b>-60.5</b>	<b>-22.0</b>	<b>-27.7</b>	<b>-80.2</b>	<b>-155.8</b>	<b>-356.8</b>

\* For details on geographic spread of exploration cost expensed, see the Financial review section.

\*\* Positive seismic costs in Q2 2010 are mainly due to reversal and repayment of previous cost estimates for the block in Syria. The seismic costs in Q4 2009 were positive due to a correction of previous estimated costs.

Dry well costs of NOK 11 million in Q2 2010 are related to the Ansas-1 well in Block 52. Other exploration costs expensed are positive with NOK 9.9 million in Q2 due mainly to the reversal and repayment of previous estimated costs for the block in Syria, and reversal of capitalized signature bonus on Block 84 in Yemen.

## Note 7 || Net Finance

NOK mill	Note	(Restated)					Year to date		Full year	
		Q2 2010	Q1 2010	Q4 2009	Q3 2009	Q2 2009	Q2 2010	Q2 2009	2009	2008
Interest received		3.1	2.1	1.8	1.1	-3.3	5.2	4.2	7.1	36.5
Other financial income		0.8	0.6	27.1	-	8.6	1.4	32.4	59.5	13.9
Interest expense		-26.4	-28.2	-22.0	-25.0	-26.1	-54.7	-66.1	-113.1	-194.8
Capitalised interest		-	-	-	-	-	-	-	-	2.6
Share of profit/(loss) associates		-	-	-29.7	-16.8	-18.2	-	-16.4	-62.9	83.3
Exchange rate gain/(loss), realised items		0.7	-6.4	-0.2	-1.2	-0.8	-5.6	-0.8	-2.3	3.6
Exchange rate gain/(loss), unrealised items		26.9	25.7	71.7	-38.0	13.2	52.6	5.4	39.1	114.1
Fair value gain/(loss) on financial instruments <sup>1)</sup>		-0.1	-0.1	-4.9	0.4	-7.9	-0.2	-7.9	-12.4	38.9
Impairment of financial assets *		-198.8	-	-	-	-	-198.8	-8.7	-8.7	-765.4
Reversal impairment of financial assets **		-	-	-	0.1	170.6	-	409.2	409.2	-
Other financial expenses ***		-3.6	-37.8	-67.7	-27.5	-4.4	-41.4	-13.2	-108.4	-31.3
<b>Net finance</b>		<b>-197.4</b>	<b>-44.0</b>	<b>-24.1</b>	<b>-106.9</b>	<b>131.8</b>	<b>-241.4</b>	<b>338.1</b>	<b>207.1</b>	<b>-698.7</b>

\* Impairment of financial assets in Q2 2010 is related to the investments in Det norske oljeselskap ASA and Petrolia Drilling ASA. See Note 19 for further details.

\*\* Reversal impairment of financial assets relates to the investment in Det norske oljeselskap ASA.

\*\*\* Included in Other financial expenses is calculated interest related to the Water Purification Project liability in Kurdistan with NOK 1.1 million in Q2 2010.

### <sup>1)</sup> Fair value gain/(loss) on financial instruments

NOK mill	Note	Year to date					Full year			
		Q2 2010	Q1 2010	Q4 2009	Q3 2009	Q2 2009	Q2 2010	Q2 2009	2009	2008
Interest rate derivatives		-	-	-	-	4.3	-	6.3	6.3	23.6
Oilprice derivatives		-	-0.7	-4.2	0.1	-12.7	-0.7	-15.3	-19.4	19.0
Other financial assets at fair value through profit or loss		-0.1	0.6	-0.8	0.4	0.6	0.5	1.1	0.7	-3.8
<b>Fair value gain/(loss) on financial instruments, net</b>		<b>-0.1</b>	<b>-0.1</b>	<b>-4.9</b>	<b>0.4</b>	<b>-7.9</b>	<b>-0.2</b>	<b>-7.9</b>	<b>-12.4</b>	<b>38.9</b>

Carrying value for oil price derivatives at 30 June 2010 is NOK 0.05 million. Interest rate derivatives were settled in the second quarter of 2009. Other financial assets at fair value through profit or loss are shares in Nordic Mining ASA, valued at NOK 2.3 million at 30 June 2010.

## Note 8 || Taxes

NOK mill	Note	Year to date					Full year			
		Q2 2010	Q1 2010	Q4 2009	Q3 2009	Q2 2009	Q2 2010	Q2 2009	2009	2008
Taxes payable		-	-	-	-	-	-	-	-	-
Deferred taxes		7.2	-10.4	-256.6	23.0	-0.8	-3.2	20.9	-212.7	-48.5
Income taxes payable related to production sharing agreements (PSAs)		-29.9	-25.3	-28.7	-25.6	-17.6	-55.2	-30.6	-84.9	-165.5
<b>Total income tax expense</b>		<b>-22.7</b>	<b>-35.6</b>	<b>-285.3</b>	<b>-2.6</b>	<b>-18.4</b>	<b>-58.3</b>	<b>-9.7</b>	<b>-297.6</b>	<b>-214.0</b>

The interim period income tax expense is calculated by applying the tax rate applicable to the expected total annual earnings. According to the net entitlement method, income taxes payable related to PSAs consist of the corporate tax rate applicable under the agreements.

The deferred tax asset of NOK 256 million was written off in Q4 2009 as the criteria for recognizing this asset were not present at year-end.

DNO has applied for credit deduction (kreditfradrag) for the operations in Kurdistan region of Iraq similar as for the operations in Yemen. To date, DNO has not received confirmation from the authorities on this matter.

## Note 9 || Property, Plant and Equipment/Intangible Assets

		(Restated)					Year to date		Full year	
NOK mill	Note	Q2 2010	Q1 2010	Q4 2009	Q3 2009	Q2 2009	Q2 2010	Q2 2009	2009	2008
Acquisitions of PP&E *		20.9	51.7	48.3	26.4	70.3	72.6	140.9	215.7	844.5
Acquisitions of Intangible assets **		15.7	17.8	-13.8	459.4	5.0	33.5	11.6	457.2	409.0
<b>Net book amount PP&amp;E</b>		<b>2,645.1</b>	<b>2,480.7</b>	<b>2,402.4</b>	<b>2,418.1</b>	<b>2,812.0</b>	<b>2,645.1</b>	<b>2,812.0</b>	<b>2,402.4</b>	<b>3,119.6</b>
<b>Net book amount Intangible assets</b>		<b>983.2</b>	<b>896.1</b>	<b>851.0</b>	<b>868.2</b>	<b>482.7</b>	<b>983.2</b>	<b>482.7</b>	<b>851.0</b>	<b>595.3</b>
<i>Sale of PP&amp;E</i>										
Proceeds		-	-	-	-			-	-	-
Carrying value		-	-	-	-			-	-	-
Net gain/(loss)										
Impairment/reversal of impairment of PP&E		-	-		-			-		-197.9

\* Acquisitions related to development assets, assets in operation and other PP&E

\*\* Acquisitions related to capitalised exploration costs and license interest

The total acquisitions for the second quarter were NOK 36.5 million, whereof NOK 19 million relates to the drilling of Sharnah-2 (NOK 5 million) and Yaalen-3 (NOK 14 million) in Block 47. NOK 16 million relates to the completion of development and infill wells in the Bayoot field (Block 53) in addition to the disposal of NOK 4 million related to dry well cost in Block 52. In Kurdistan, development costs of NOK 4.8 million relates to connection of flow lines, completion of sleepers for export and studies/evaluations.

The capitalization of the Water Purification Project (WPP) in Kurdistan was recorded as intangible asset in Q3 2009. See Note 16 for further details on the WPP.

## Note 10 || Investment in Associate

Up to November 2009, DNO had a 23,46% interest in Det norske oljeselskap ASA (DETNOR), which is a Norwegian independent E&P company. Following the sale of 5 million shares in November 2009, DNO's shareholding in DETNOR decreased below 20% and DNO no longer had significant influence. The investment was revalued to market price according to IAS 28, and classified as Available-for-sale (AFS) from December 2009 (see Note 11).

Share of the associate's balance sheet:

							Year to date		Full year	
NOK mill	Note	Q2 2010	Q1 2010	Q4 2009	Q3 2009	Q2 2009	Q2 2010	Q2 2009	2009	2008
Current assets		-	-	-	335.2	435.1	-	435.1	-	922.4
Non-current assets		-	-	-	990.3	853.5	-	853.5	-	1,006.8
Current liabilities		-	-	-	-158.2	-124.9	-	-124.9	-	-156.4
Non-current liabilities		-	-	-	-334.5	-314.1	-	-314.1	-	-385.3
<b>Net assets</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>832.8</b>	<b>849.6</b>	<b>-</b>	<b>849.6</b>	<b>-</b>	<b>1,387.5</b>

Share of the associate's revenue and profit:

							Year to date		Full year	
NOK mill	Note	Q2 2010	Q1 2010	Q4 2009	Q3 2009	Q2 2009	Q2 2010	Q2 2009	2009	2008
Revenues		-	-	-	15.8	15.7	-	30.0	45.8	234.4
Profits		-	-	-29.7	-16.8	-18.2	-	-16.4	-62.9	83.3

NOK mill	Note	Q2 2010	Q1 2010	Q4 2009	Q3 2009	Q2 2009	Q2 2010	Q2 2009	2009	2008
Impairment of the investment		-	-	-	-	-	-	-	-	707.3
Reversal of impairment		-	-	-	-	170.6	-	409.2	409.2	-
<b>Carrying amount of the investment</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>804.5</b>	<b>821.3</b>	<b>-</b>	<b>821.3</b>	<b>-</b>	<b>697.5</b>

## Note 11 || Available-for-Sale Financial Assets

Available-for-sale financial assets are revalued at fair value (market price, where available) at the end of each period, with changes charged to other comprehensive income.

NOK mill	Q2 2010	Q1 2010	Q4 2009	Q3 2009	Q2 2009	Year to date		Full year	
						Q2 2010	Q2 2009	2009	2008
Beginning of the period	436.8	478.4	47.4	49.3	29.3	478.4	36.8	36.8	165.0
Additions *	-	-	460.6	-	-	-	-	460.6	-
Sales **	-4.0	-	-	-	-	-4.0	-	-	-15.3
Revaluation surplus/deficit transfer to equity	51.9	-41.6	-29.6	-1.9	20.2	10.2	21.4	-10.1	-54.7
Impairment***	-198.8	-	-	-	-0.2	-198.8	-8.9	-8.9	-58.0
Exchange differences	-	-	-	-	-	-	-	-	-
<b>End of the period <sup>1)</sup></b>	<b>285.9</b>	<b>436.8</b>	<b>478.4</b>	<b>47.4</b>	<b>49.3</b>	<b>285.9</b>	<b>49.3</b>	<b>478.4</b>	<b>36.8</b>
Non-current portion	285.9	436.8	478.4	47.4	49.3	285.9	49.3	478.4	36.8
Current portion	-	-	-	-	-	-	-	-	-

\* Additions in Q4 2009 were related to the investment in Det norske oljeselskap (DETNOR), which previously was classified as investment in associated company. After DETNOR merged with Aker Exploration in December 2009, DNO's shareholding in DETNOR was 11.66% and thereby classified as Available-for-sale investment.

\*\* Sales in Q2 2010 relate to sale of shares in Rocksource ASA.

\*\*\* Impairment of NOK 198.8 million relates to the shares in DETNOR (NOK 195.1 million) and Petrolia Drilling ASA (NOK 3.7 million). See Note 19 for further details.

<sup>1)</sup> Available-for-sale financial assets include the following:

NOK mill	Q2 2010	Q1 2010	Q4 2009	Q3 2009	Q2 2009	Year to date		Full year	
						Q2 2010	Q2 2009	2009	2008
- Det norske oljeselskap ASA	265.6	387.3	437.9	-	-	265.6	-	437.9	-
- Petrolia Drilling ASA	5.0	7.7	8.9	12.2	10.3	5.0	10.3	8.9	12.7
- Rocksource ASA	15.3	41.7	31.6	35.2	38.9	15.3	38.9	31.6	24.1
<b><sup>1)</sup> Total available-for-sale financial assets</b>	<b>285.9</b>	<b>436.8</b>	<b>478.4</b>	<b>47.4</b>	<b>49.3</b>	<b>285.9</b>	<b>49.3</b>	<b>478.4</b>	<b>36.8</b>

## Note 12 || Trade and Other Receivables

NOK mill	Q2 2010	Q1 2010	Q4 2009	Q3 2009	Q2 2009	(Restated) (Restated) Year to date		Full year	
						Q2 2010	Q2 2009	2009	2008
Trade receivables	78.6	99.6	68.1	64.5	101.1	78.6	101.1	68.1	74.4
Less: provisions for impairment of receivables	-	-	-	-	-	-	-	-	-
Trade receivables - net	78.6	99.6	68.1	64.5	101.1	78.6	101.1	68.1	74.4
Prepayments	10.2	3.8	9.4	6.1	8.9	10.2	8.9	9.4	6.5
Underlift, entitlement method	29.3	34.7	8.1	12.6	19.3	29.3	19.3	8.1	13.9
VAT receivable	3.2	3.6	3.0	2.4	2.4	3.2	2.4	3.0	3.4
Amortised short-term receivables	-	-	-	-	1.0	-	1.0	-	-
Other short-term receivables *	122.6	113.4	108.6	72.9	59.7	122.6	59.7	108.6	75.9
<b>Total trade and other receivables</b>	<b>244.0</b>	<b>255.0</b>	<b>197.2</b>	<b>158.6</b>	<b>192.4</b>	<b>244.0</b>	<b>192.4</b>	<b>197.2</b>	<b>174.1</b>

Trade receivables of approximately NOK 791 million for Q3 2009 and Q2 2009 were reversed in Q4 2009 together with the export revenue from Kurdistan. See Q4 report for further details.

\* Included in Other short-term receivables is working capital related to the participation in oil and gas licenses

## Note 13 || Cash and Cash Equivalents

NOK mill	Q2 2010	Q1 2010	Q4 2009	Q3 2009	Q2 2009	Year to date		Full year	
						Q2 2010	Q2 2009	2009	2008
Cash and cash equivalents, non-restricted	816.3	666.6	297.2	236.5	207.0	816.3	207.0	297.2	91.2
Cash and cash equivalents, restricted	5.3	4.6	6.2	45.6	3.0	5.3	3.0	6.2	84.9
<b>Total cash and cash equivalents</b>	<b>821.6</b>	<b>671.1</b>	<b>303.4</b>	<b>282.1</b>	<b>210.0</b>	<b>821.6</b>	<b>210.0</b>	<b>303.4</b>	<b>176.1</b>

## Note 14 || Equity

### Other reserves

NOK mill	Share premium/ Other paid-in capital	Hedging reserve	Available-for-sale investm.	Other reserves	Translation	Total
<b>Balance at 1 January 2009</b>	<b>796.8</b>	-	-	<b>-596.3</b>	<b>-157.8</b>	<b>42.6</b>
Correction of opening balance	29.5	-	-	-29.5	-	-
Treasury shares:						
- Sale of treasury shares	-386.2	-	-	1,228.5	-	842.3
- Purchase of treasury shares	-	-	-	-973.7	-	-973.7
Other paid in capital	-	-	-	-	-	-
Derivative contracts treasury shares	-	-	-	162.9	-	162.9
Transferred to retained earnings	-	-	-	-	-	-
<b>Balance at 30 June 2009</b>	<b>440.1</b>	-	-	<b>-208.1</b>	<b>-157.8</b>	<b>74.1</b>
<b>Balance at 1 January 2010</b>	<b>371.7</b>	-	-	<b>-133.2</b>	<b>-157.8</b>	<b>80.6</b>
Treasury shares:						
- Sale of treasury shares	8.2	-	-	346.4	-	354.6
- Purchase of treasury shares	-	-	-	-	-	-
Other paid in capital	-	-	-	-	-	-
Derivative contracts treasury shares	-	-	-	-	-	-
Share premium fund transfer	-	-	-	-	-	-
<b>Balance at 30 June 2010</b>	<b>379.9</b>	-	-	<b>213.2</b>	<b>-157.8</b>	<b>435.2</b>

### Retained earnings

NOK mill	Total
<b>Balance at 1 January 2009</b>	<b>1,854.2</b>
Profit/(loss) for the period	-269.6
Available-for-sale investments, revaluation net of tax	-10.3
Currency translation differences group	-289.8
Transferred from other reserves	-
<b>Balance at 31 December 2009</b>	<b>1,284.4</b>
Profit/(loss) for the period	-106.3
Available-for-sale investments, revaluation net of tax	10.2
Currency translation differences group	109.3
Transferred from other reserves	-
<b>Balance at 30 June 2010</b>	<b>1,297.7</b>

## Note 15 || Interest-Bearing Liabilities

NOK mill	Year to date					Full year			
	Q2 2010	Q1 2010	Q4 2009	Q3 2009	Q2 2009	Q2 2010	Q2 2009	2009	2008
<b>Non-current</b>									
Convertible loans	-	-	-	-	-	-	-	-	-
Bonds	1,949.9	1,831.9	1,785.3	1,785.1	1,918.3	1,949.9	1,918.3	1,785.3	2,052.6
<b>Total non-current interest-bearing liabilities</b>	<b>1,949.9</b>	<b>1,831.9</b>	<b>1,785.3</b>	<b>1,785.1</b>	<b>1,918.3</b>	<b>1,949.9</b>	<b>1,918.3</b>	<b>1,785.3</b>	<b>2,052.6</b>
<b>Current</b>									
Current portion of bonds	-	-	-	-	-	-	-	-	54.5
Liabilities to financial institutions	-	-	-	-	-	-	-	-	-
<b>Total current interest-bearing liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>54.5</b>
<b>Total interest-bearing liabilities</b>	<b>1,949.9</b>	<b>1,831.9</b>	<b>1,785.3</b>	<b>1,785.1</b>	<b>1,918.3</b>	<b>1,949.9</b>	<b>1,918.3</b>	<b>1,785.3</b>	<b>2,107.1</b>

## Note 15 || Interest-Bearing Liabilities continues

NOK mill	Currency	Amount	Interest	Maturity	Q2 2010	Q1 2010
Bond loan (ISIN NO0010270523)	USD	85.0	Libor + 3,5%	06/06/2012	552.2	508.5
Bond loan (ISIN NO0010283732)	NOK	177.0	Fixed 7,215%	12/10/2012	177.0	177.0
Bond loan (ISIN NO0010283724)	NOK	284.0	Nibor + 3,5%	12/10/2012	284.0	284.0
Bond loan (ISIN NO0010302649)	NOK	49.0	Nibor + 2,5%	02/03/2011	49.0	49.0
Bond loan (ISIN NO0010478027)	USD	41.8	Libor + 4%	12/10/2012	271.6	250.1
Bond loan (ISIN NO0010478019)	USD	62.4	Fixed 6,445%	12/10/2012	405.4	373.3
Bond loan (ISIN NO0010478001)	USD	35.6	Libor + 3%	02/03/2011	231.3	213.0
Borrowing issue costs					-20.6	-22.9
<b>Total non-current interest-bearing liabilities</b>					<b>1,949.9</b>	<b>1,831.9</b>

The foreign exchange rate used for translation of the USD nominated bond loans was 6.4970 at 30 June 2010 compared to 5.9826 at 31 March 2010.

## Note 16 || Provisions for Other Liabilities and Charges

NOK mill	(Restated)					Year to date		Full year	
	Q2 2010	Q1 2010	Q4 2009	Q3 2009	Q2 2009	Q2 2010	Q2 2009	2009	2008
<b>Non-current</b>									
Asset retirement obligations	17.5	15.7	14.9	13.5	14.5	17.5	14.5	14.9	14.9
Other long-term obligations	802.7	735.3	670.9	649.5	116.2	802.7	116.2	670.9	114.0
<b>Total non-current provisions for other liabilities and charges</b>	<b>820.2</b>	<b>751.0</b>	<b>685.8</b>	<b>662.9</b>	<b>130.8</b>	<b>820.2</b>	<b>130.8</b>	<b>685.8</b>	<b>128.9</b>
<b>Current</b>									
Provisions, derivative contracts treasury shares	-	-	-	129.8	119.6	-	119.6	-	158.0
Other provisions and charges	68.8	60.1	57.3	73.8	60.6	68.8	60.6	57.3	62.5
<b>Total current provisions for other liabilities and charges</b>	<b>68.8</b>	<b>60.1</b>	<b>57.3</b>	<b>203.6</b>	<b>180.2</b>	<b>68.8</b>	<b>180.2</b>	<b>57.3</b>	<b>220.5</b>
<b>Total provisions for other liabilities and charges</b>	<b>889.0</b>	<b>811.2</b>	<b>743.2</b>	<b>866.5</b>	<b>311.0</b>	<b>889.0</b>	<b>311.0</b>	<b>743.2</b>	<b>349.4</b>

NOK mill	Asset retirem. oblig.	Other non-current	Prov. treasury shares	Other current	Total
<b>Balance at 31 December 2009</b>	<b>14.9</b>	<b>670.9</b>	<b>-</b>	<b>57.3</b>	<b>743.2</b>
<i>Charged to consolidated income statement:</i>					
- Additional provisions	2.6	132.1	-	11.4	146.2
- Unused amounts reversed or reclassified	-0.1	-	-	-	-0.1
<i>Charged to equity:</i>					
- Additional provisions	-	-	-	-	-
- Unused amounts reversed	-	-	-	-	-
- Contracts exercised	-	-	-	-	-
Exchange differences	-	-	-	-	-
Incurring and charged against the provision during the period	-	-0.3	-	-	-0.3
<b>Balance at 30 June 2010</b>	<b>17.5</b>	<b>802.7</b>	<b>-</b>	<b>68.8</b>	<b>889.0</b>

Included in Other long-term obligations is provision for Water Purification Project (WPP) in Kurdistan. The WPP is capitalized and depreciated over the period of production. The WPP liability will not be payable until export revenues have been received by DNO. The monthly instalments are contingent on defined gross revenue levels and will be fully recovered through cost oil.

Derivative contracts on treasury shares are recognised as liabilities unless they qualify as equity (option premium). Forward contracts and written put options are recognised as liabilities with a corresponding adjustment to equity

## Note 17 || Trade and Other Payables

NOK mill	Year to date					Full year			
	Q2 2010	Q1 2010	Q4 2009	Q3 2009	Q2 2009	Q2 2010	Q2 2009	2009	2008
Trade creditors	14.4	5.7	8.2	9.6	11.8	14.4	11.8	8.2	6.1
Public duties payable	3.8	2.8	6.0	1.6	3.6	3.8	3.6	6.0	5.7
Prepayment from customers	0.8	0.8	0.9	0.9	1.1	0.8	1.1	0.9	1.3
Other accrued expenses	210.9	182.0	176.0	171.7	198.9	210.9	198.9	176.0	375.8
<b>Total trade and other payables</b>	<b>231.7</b>	<b>191.3</b>	<b>191.0</b>	<b>183.8</b>	<b>215.3</b>	<b>231.7</b>	<b>215.3</b>	<b>191.0</b>	<b>388.9</b>

Other accrued expenses include provisions for the potential liability and legal costs related to the ongoing arbitration proceedings.

## Note 18 || Provisions

### Arbitration proceedings

As previously reported to the market, DNO Iraq AS, a subsidiary of DNO International ASA, is involved in arbitration proceedings related to certain third party interests in Kurdistan.

Based on our best time estimate when releasing the first quarter results, DNO International communicated a possible conclusion in this matter by the end of May 2010. At present, no final award has been reached and no new information is received.

DNO International will publish updated information regarding the arbitration proceedings as soon as such information is available.

## Note 19 || Impairment assessments

DNO has performed impairment assessments for its financial assets in the second quarter. The shares in Det norske oljeselskap ASA (DET NOR) and Petrolia Drilling ASA are classified as Available-For-Sale (AFS), with changes in fair value recorded directly in other comprehensive income. In line with IAS 39 and DNO's accounting principles, an impairment loss will be recorded when there has been a significant or prolonged decline in fair value. An impairment loss of NOK 198.8 million has been recorded in the second quarter related to the shares in DET NOR (NOK 195.1 million) and Petrolia Drilling ASA (NOK 3.7 million), in order to reflect the significant decrease in fair value compared to original cost price. A further decline in the share price of DET NOR and Petrolia Drilling ASA will be recorded as impairment loss, while increase in share price will be recorded in other comprehensive income.

## Note 20 || Contingencies and Events after the Balance Sheet Date

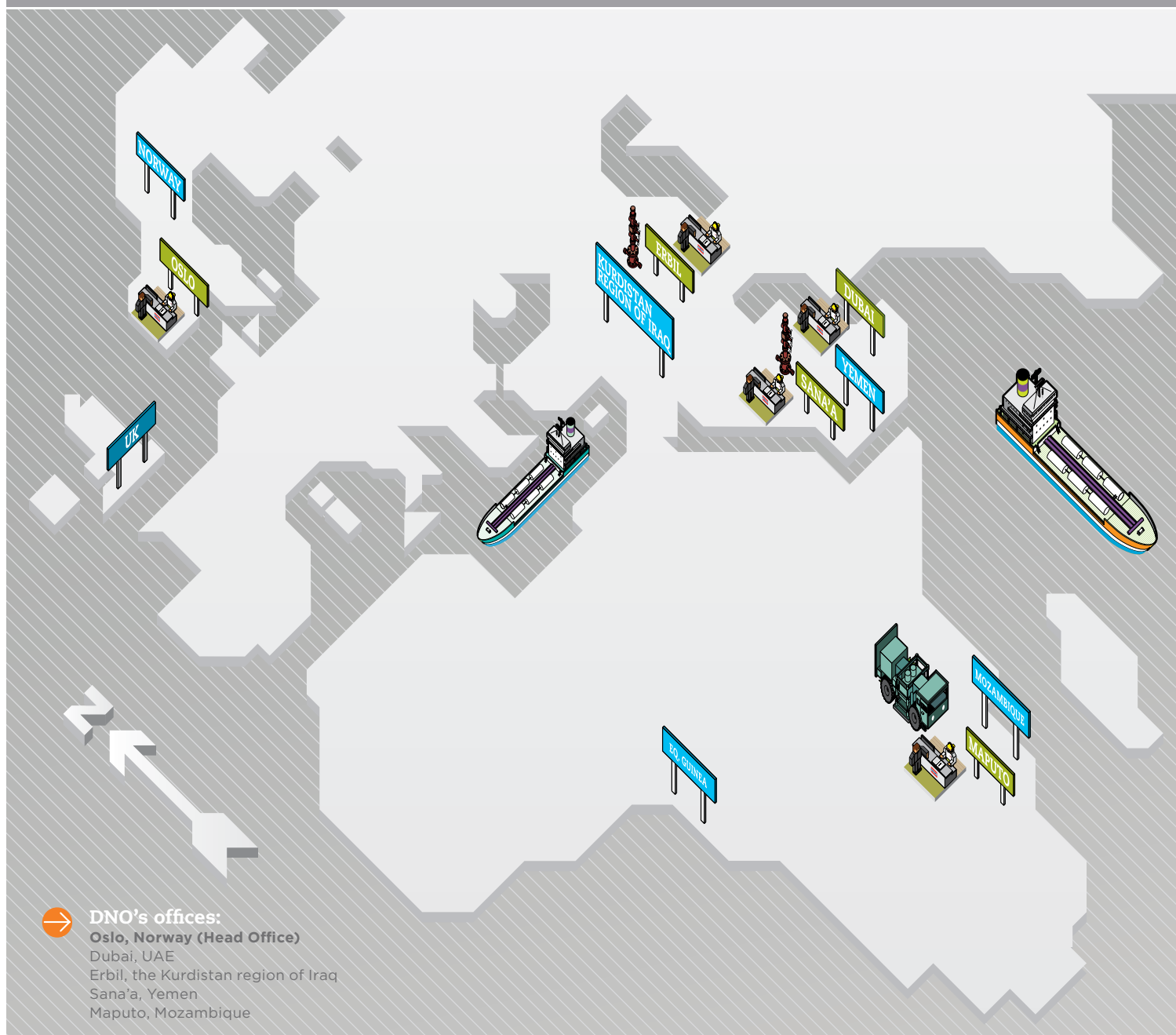
### Ongoing exploration drilling - Yemen

The drilling of the appraisal well Sharnah-2 in Block 47 took place from 22 June to 16 July. The drilling was part of the work program in preparation for a development of the Yaalen and Sharnah oil discoveries in the block. The well penetrated the reservoir 20 meters deeper than prognosis, and even though oil shows were observed while drilling through the target reservoir, subsequent logging and fluid sampling proved the reservoir sands to be water bearing. The well is now suspended while possible sidetrack locations are being evaluated.

Drilling of Bayoot-9 in Block 53 commenced on 7 May and the well was brought on production in early July. The plan is to drill 2 additional wells on the Bayoot field this year.

### Farm-in agreements Mozambique

On 16 July, New Age (African Global Energy) Ltd signed a farm-in agreement to acquire 41% of the Inhaminga Block, for a commitment to carry 82% of the next exploration well in the license. In addition, DNO has assigned a 5% interest to the seismic contractor Harmattan Uruguay S.A. DNO will hold 54% interest in the license following these farm-ins. Drilling of an exploration well in the Inhaminga Block is currently planned to commence in the fourth quarter.



- **DNO's offices:**  
**Oslo, Norway (Head Office)**  
 Dubai, UAE  
 Erbil, the Kurdistan region of Iraq  
 Sana'a, Yemen  
 Maputo, Mozambique

- **Yemen:**
- PSA interest in 6 blocks
  - Large scale operation and strong position

- **Kurdistan region of Iraq:**
- 3 PSCs
  - Tawke fast track development
  - Large scale operation and strong position

- **Mozambique:**
- 54% interest in the onshore Inhaminga block

- **United Kingdom:**
- 50% interest in exploration license P1067

- **Norway:**
- 11.66% equity interest in Det norske oljeselskap ASA (DET NOR)

- **Equatorial Guinea:**
- 5% interest in the offshore Block P

[www.dno.no](http://www.dno.no)

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