



Oslo, 18 November 2010

Completed Private Placement of Equity

Reference is made to the stock exchange notice dated 17 November 2010 regarding a contemplated private placement of up to 45 million new shares in DNO directed towards Norwegian and international institutional investors. The Board of Directors (the "Board") of DNO is pleased to announce that the Private Placement has been successfully subscribed for and allocated.

The book-building period for the private placement closed on 17 November 2010 at 19:30 CET and the Board has resolved to allocate 45 million new shares at a subscription price of NOK 8 per share. Gross proceeds amount to approximately NOK 360 million. The private placement was more than 100 per cent oversubscribed at the subscription price. Allocation notices will be sent today, 18 November 2010. Payment of shares and delivery is expected to be 23 November 2010.

Use of proceeds from the private placement will be exploration and appraisal drilling beyond the current investment plans, new license entries and general corporate purposes. The Board of DNO resolved to waive preemptive rights for existing shareholders in the private placement to utilize an opportunity to capitalize the Company in the current capital market based on an accelerated book building process.

- DNO is entering an exciting period and has earlier announced at least five exploration wells to be drilled over the next year. Through this placement we are providing sufficient cash for exploration and appraisal drilling beyond the previously communicated investment plans. Additionally, the placement further strengthens the balance sheet, allowing us also to actively seek new license entries going forward, says Managing Director Helge Eide.

The Private Placement was managed by ABG Sundal Collier Norge ASA as Lead Manager and sole bookrunner and DnB NOR Markets as Co-Manager.

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