

A complex collage of images related to the oil and gas industry. It includes a worker in a hard hat and safety vest, industrial storage tanks, a control room with various panels and screens, a large wrench, a map, a sun, and an offshore oil rig. The background is a mix of blue and yellow tones with abstract patterns.

1st Quarter 2002

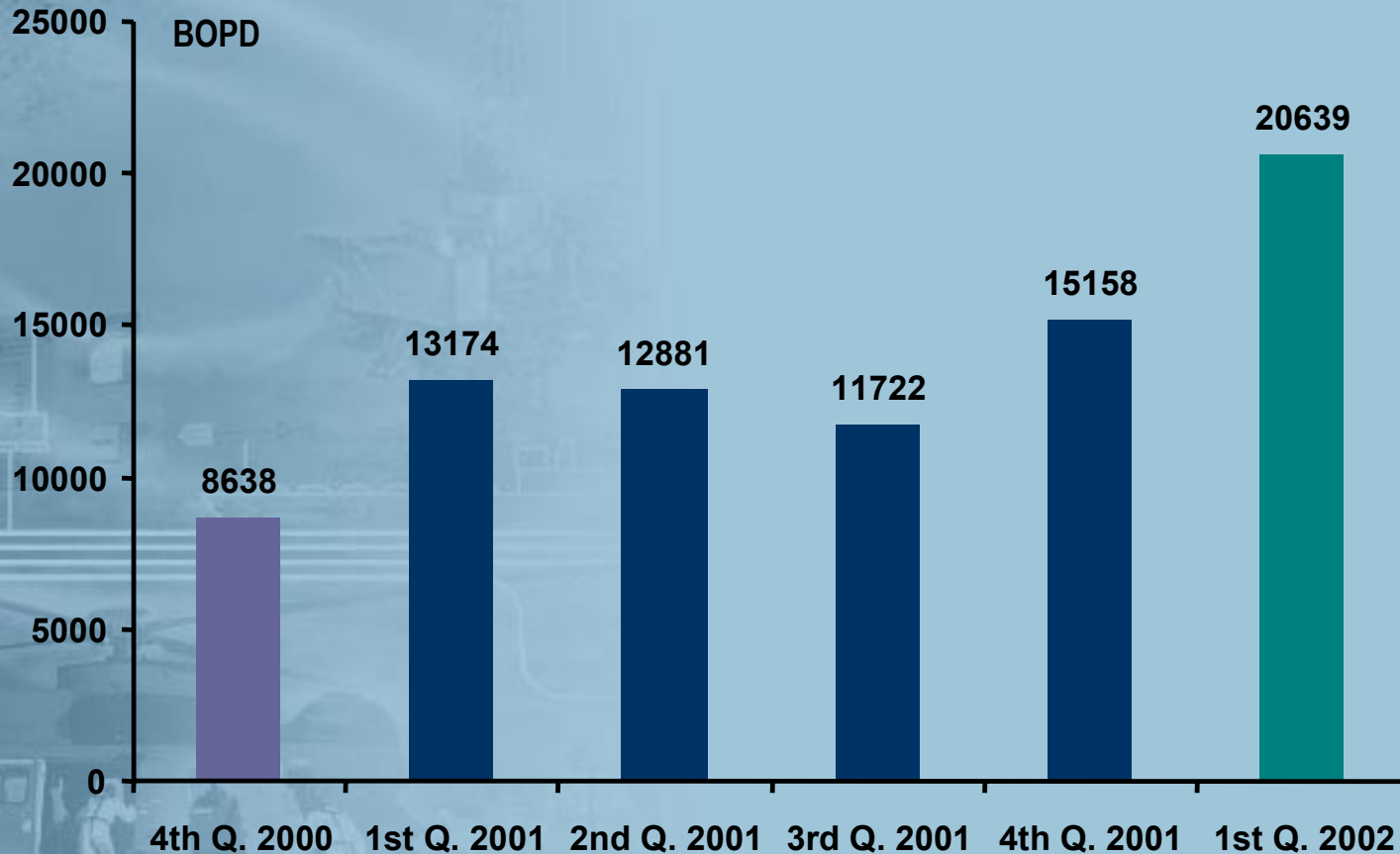
DNO ASA

23 May 2002

Operations

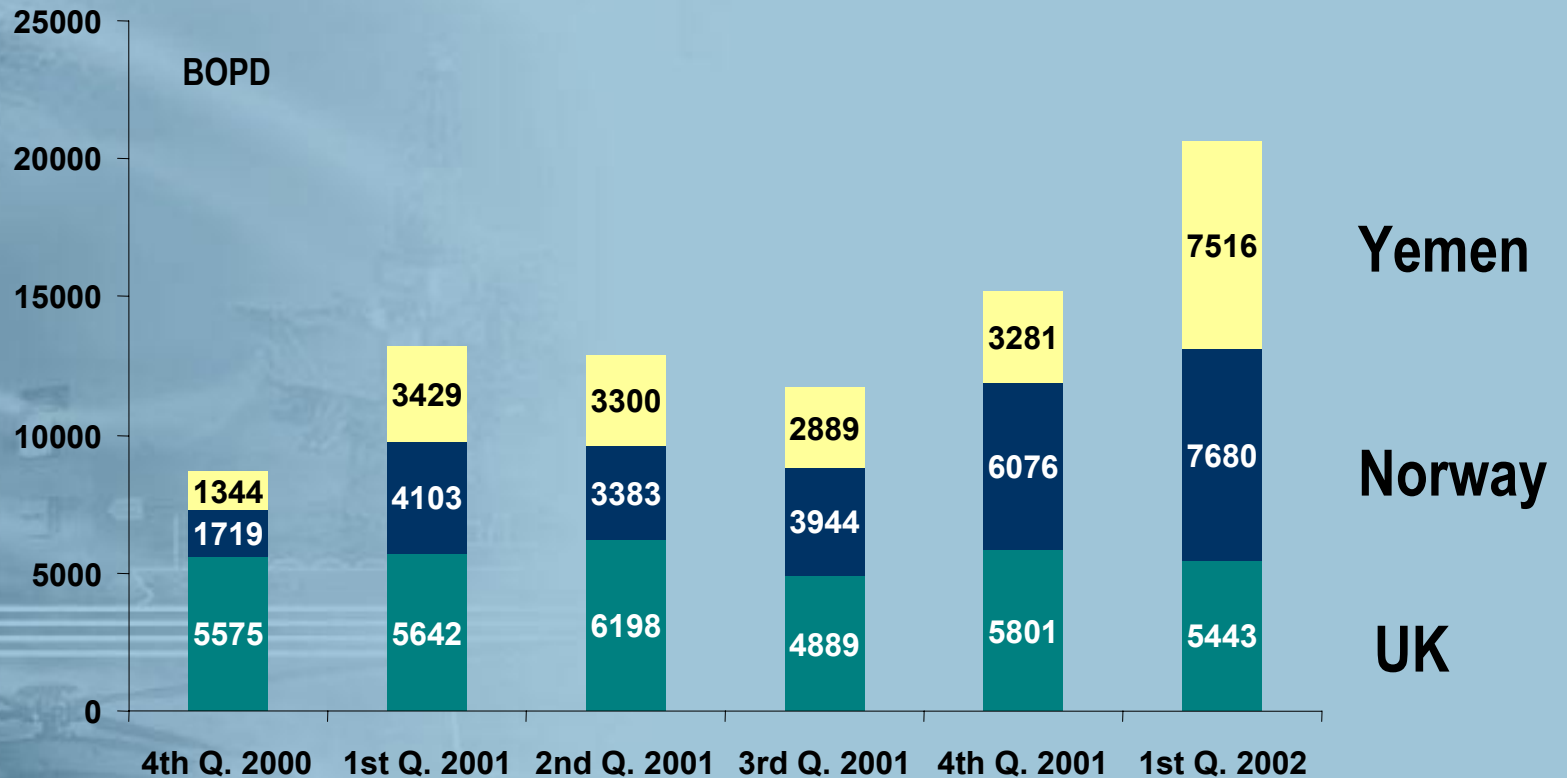
- **Achieved record production > 20.000 BOPD**
- **Yemen production up 100 % due to Sharyoof**
- **Maintaining good operating margins**
- **Reduced direct unit production costs per barrel**
- **Completed two exploration wells – no oil discovery**

Group Oil Production Per Quarter



- Record production in Q 1 2002
- Meets production target set in 2000

Production by Business Area



- More diversified portfolio of producing assets

Financials

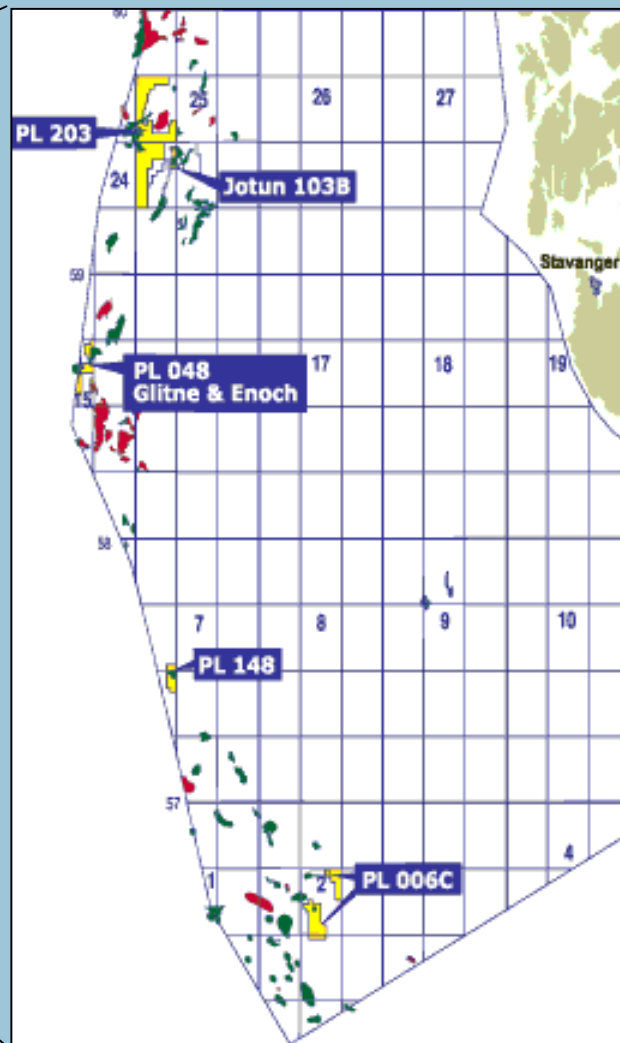
- Operating Revenue MNOK 368
- EBITDA MNOK 191 (MNOK 224) *
- EBIT MNOK 93 (MNOK 126) *
- Net Profit MNOK 24
- Total Assets MNOK 2500
- Equity Ratio 39 %

* Before MNOK 33 expensed exploration costs

Other activities

- Reduced shareholder base to ca. 11.000
- De-merger of Offshore & Services (currently on hold)

Overview Norway



		<u>Operator</u>
• PL 103B Jotun	7%*	Exxon/Mobil
• Glitne Field	10%	Statoil
• PL 203	15%	Hydro
• PL 148	30%	A. Hess
• PL 006C	10%	A. Hess

* 3.75% of this interest is pending the authorities approval and would imply operatorship in PL 103b

Production from Norway



- Jotun production as projected.
- Glitne exceeding forecast.

2002 Outlook - Norway

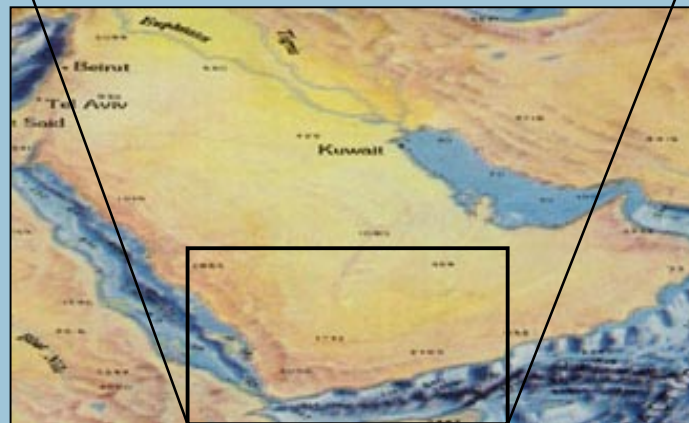


- Annual production 6.500 - 7.500 BOPD
- Accelerated infill drilling on Jotun
- Harvest production from Glitne
- PUD on PL 203
- Evaluate new acquisitions

Overview Yemen



- Block 32 Tasour (Operator) 41.0%
- Block 53 Sharyoof 32.6%
- Block 43 (Operator) 73.0%



License Interests - Yemen



Block 32:

Cost Oil = **41 %**

Profit Oil = **38.95 %**

Pre-tax share= **40.6 %**
through-out field-life

Block 53:

Cost Oil = **32.6 %**

Profit Oil = **24.45 %**

Pre-tax share= **30.7 %** - reduced
towards **24.45 %** when past exploration &
development costs are re-paid

Production from Yemen



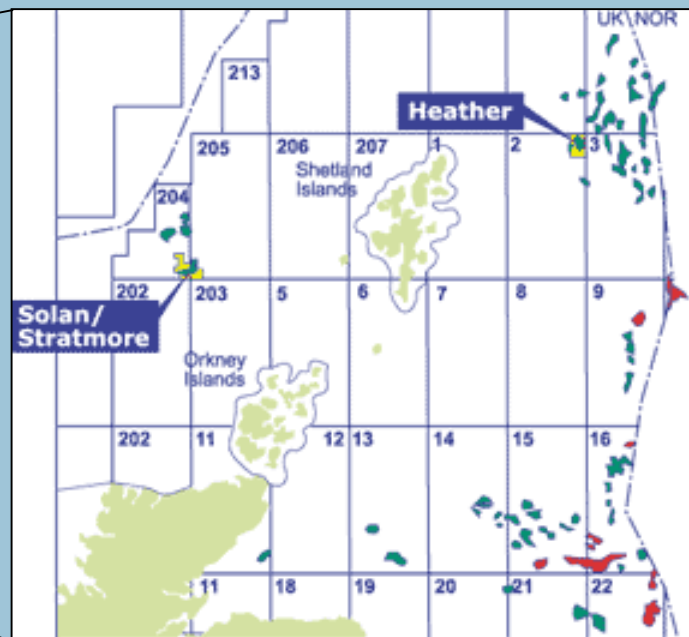
- Sharyoof Field on stream – 100 % production increase
- Overall production exceeds expectations

2002 Outlook - Yemen



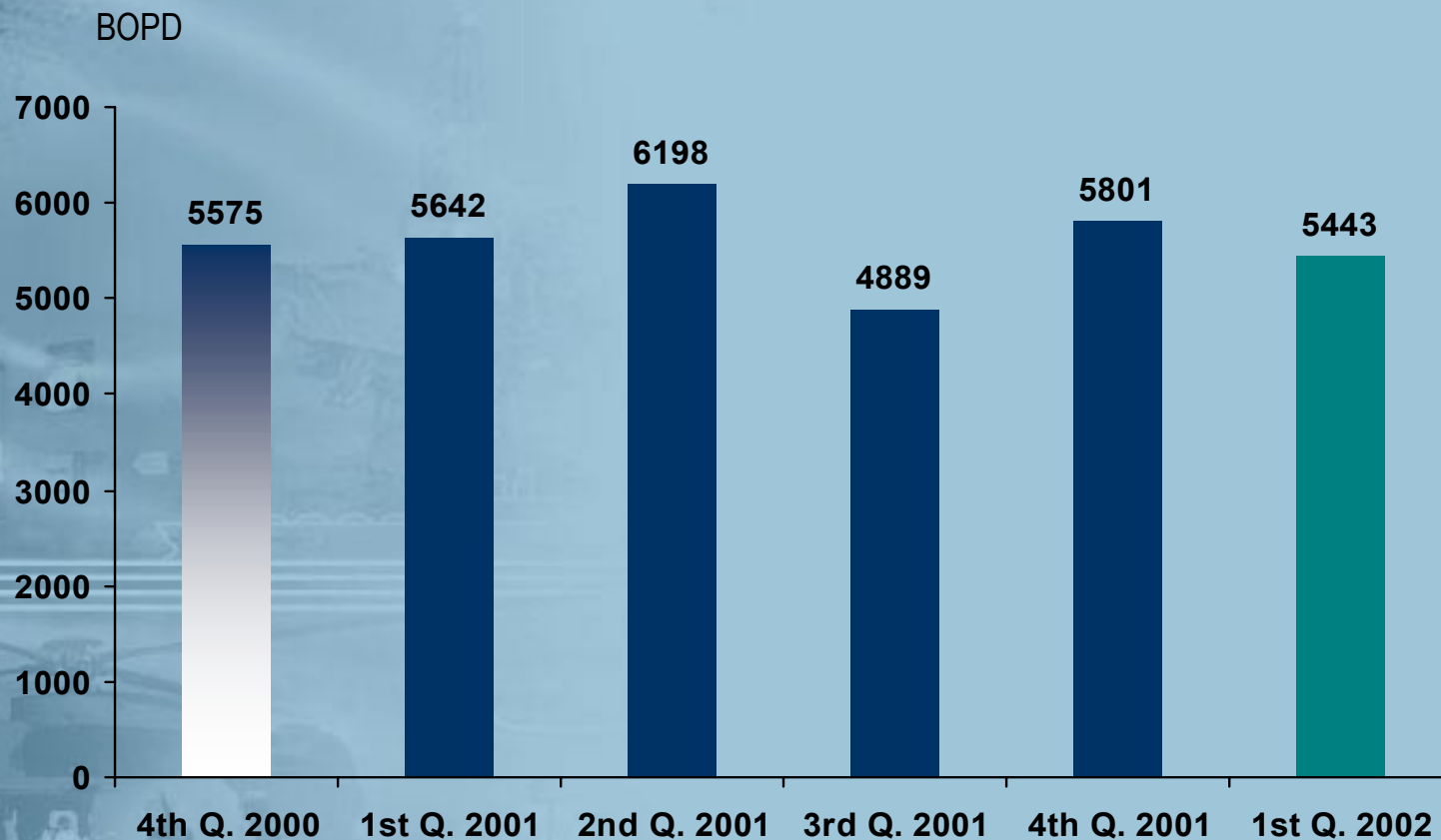
- Annual net production 7.000 - 8.000 BOPD
- Sharyoof plateau production of 25.000 BOPD during Q 2
- Harvest production from Tasour
- Commence work in Block 43

Overview UK



- Heather + West Heather (Operator) 100%
- Solan / Stratmore 3.7%

Production from UK



- Maintaining Q 1 2002 Heather production > 5.000 BOPD

- **Annual production - 5.000 BOPD**
- **Progress West Heather Development Plan**
- **Bring in Partner on West Heather**
- **Evaluate Thistle Field**
- **Evaluate New Acquisitions**

2002 Outlook – DNO Group



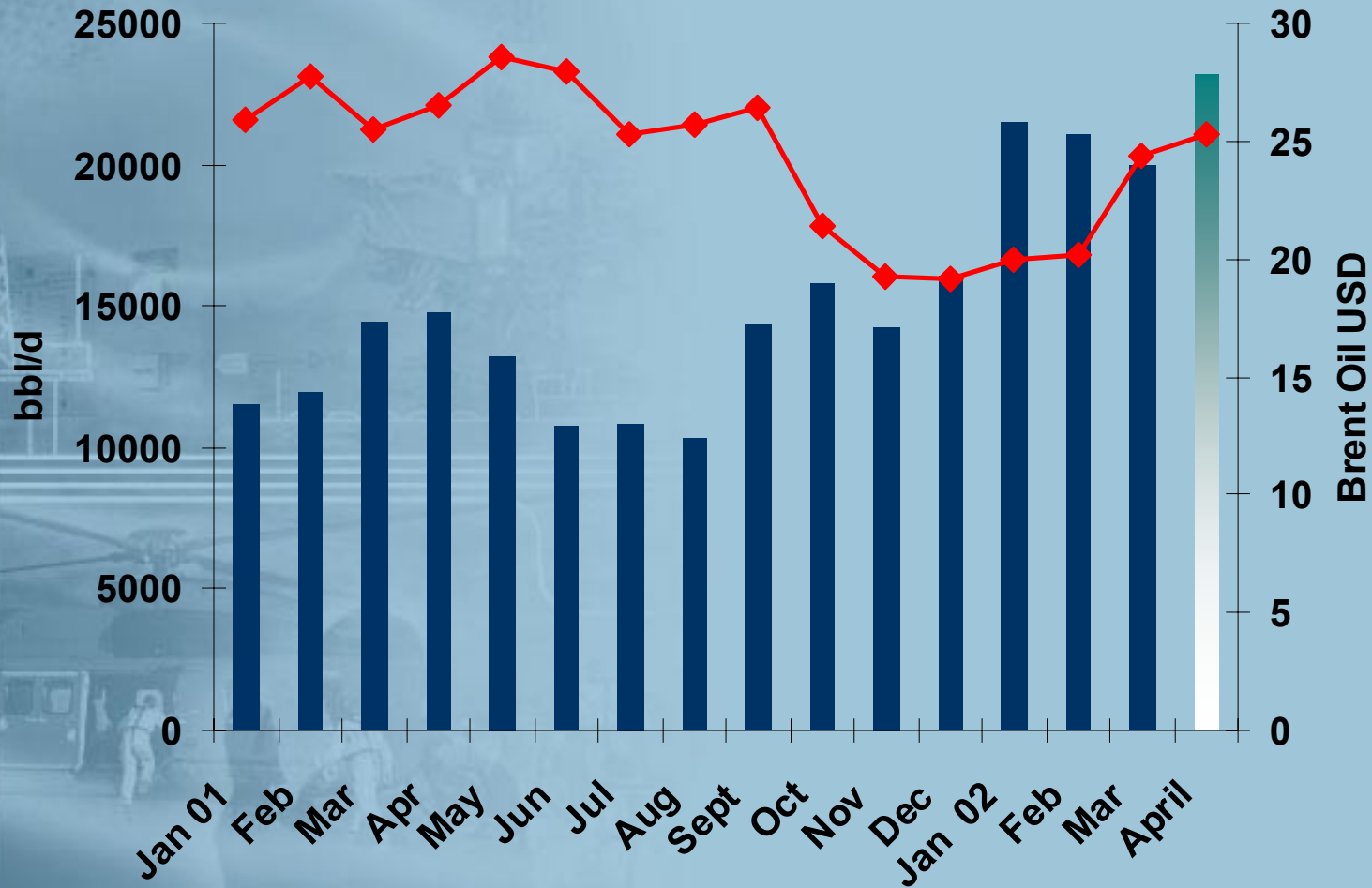
- **Annual Production 18.500 – 20.500 Bopd**
- **Increased production from Norway and Yemen**
- **Progress plans for exploiting the undeveloped reserves**
- **Explore for new acquisitions and investment opportunities**



Key Financials

1st Quarter 2002

DNO Production vs. Brent Oil Price



Income Statement 1Q 2002



- Strong Increase in Revenues and EBITDA
- NOK 33 mill. in Exploration Costs

GROUP (NOK mill.)	1Q02	4Q01	3Q01	2Q01	1Q01	Yr 01	Yr 00
Operating Revenues	368	271	327	314	287	1.199	673
Operating Expenses, excl DD&A	-178	-153	-144	-136	-130	-564	-429
EBITDA *	191	118	183	178	157	635	244
EBITDAX **	224	119	186	181	159	645	266
DD&A	-92	-96	-51	-51	-53	-250	-77
Abandonment Provisions, Write-down	-6	-2	-7	-4	-5	-18	-45
Operating Profit	93	20	125	123	99	367	121
Earnings in Associated Companies	-4	-13	-0	-13	-7	-33	-31
Net Financial Items	-13	-4	-14	-17	9	-26	4
Profit (loss) before Tax	75	3	112	93	100	308	94
Taxes	-51	29	-69	-70	-63	-174	-44
Profit (loss) after Tax	24	31	42	23	37	134	50

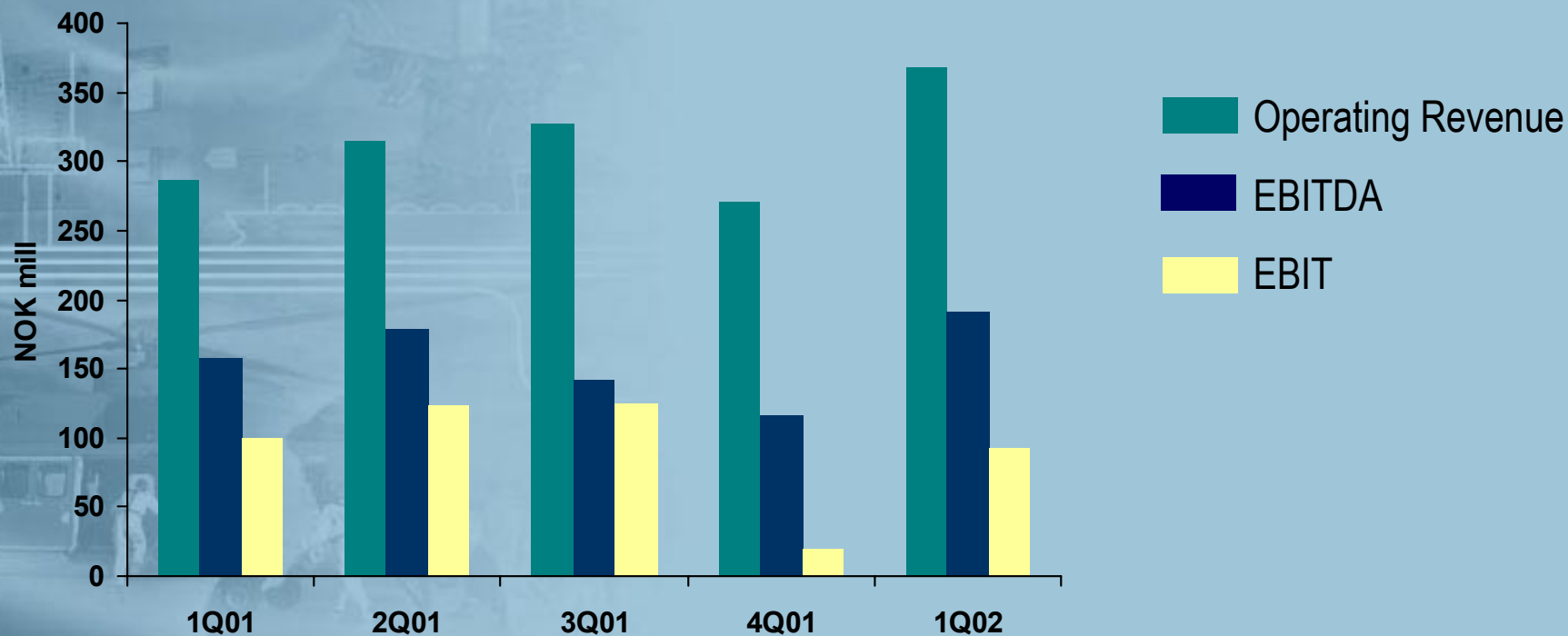
* EBIT adjusted for DD&A, abandonment provisions and write-downs

** EBITDA adjusted for G&G, exploration and dry hole expenses

Quarterly Performance



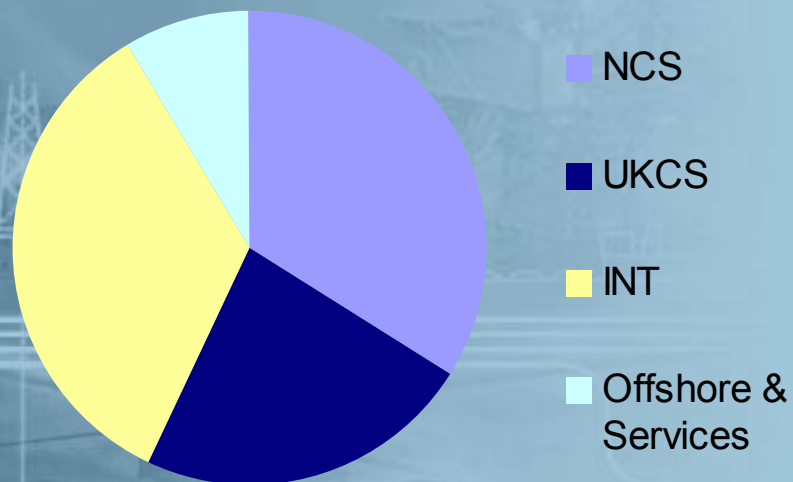
	1Q01	2Q01	3Q01	4Q01	1Q02
Production- and Transp. Cost (NOK mill.)	99	110	116	117	112
Production- and Transp. Cost per bbl. (USD)	9,33	10,16	11,88	9,35	6,75



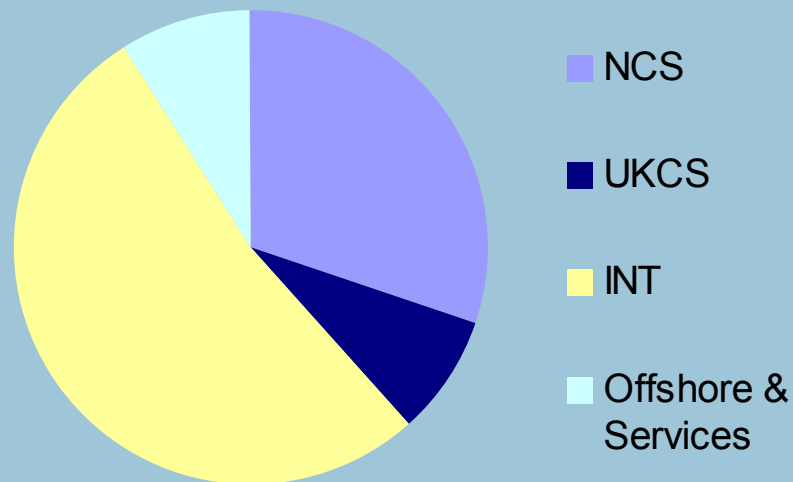
Business Unit Revenue and EBITDA in 1Q 2002



Revenue Per Business Unit



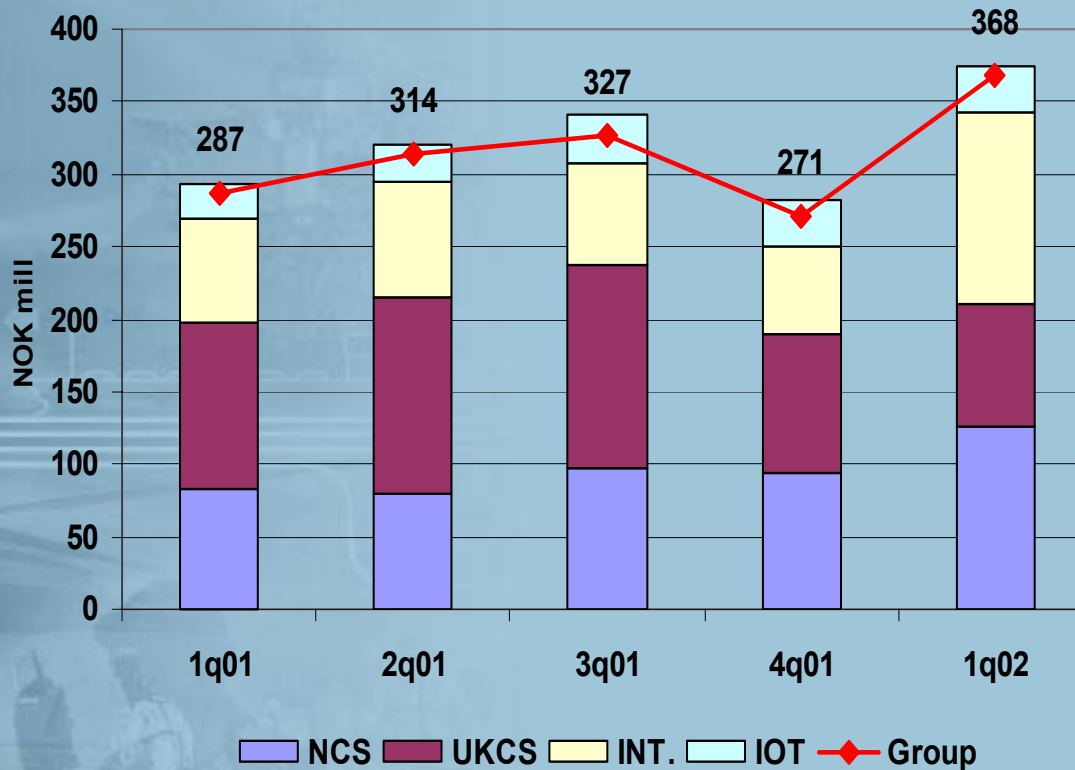
EBITDA Per Business Unit



Operating Revenue Per Business Area



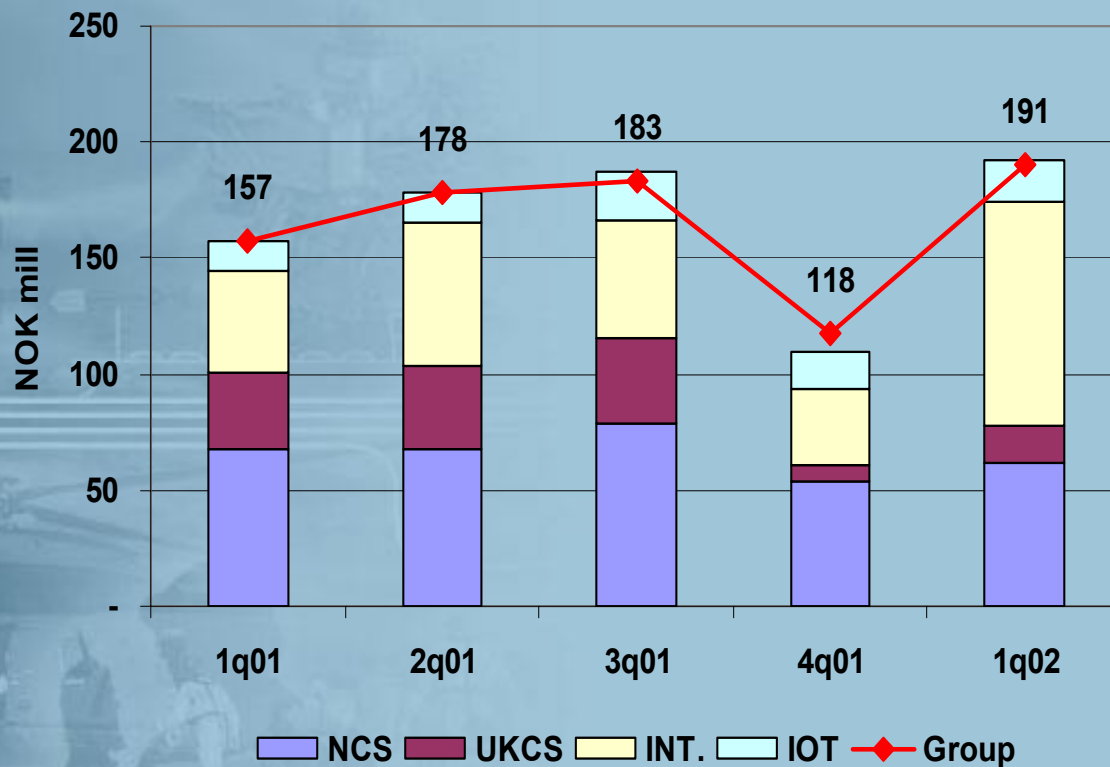
Operating Revenue Per Quarter



EBITDA Per Business Area



EBITDA Per Quarter



Balance Sheet 1Q 2002 - Assets

- Further Investments in Norway and Yemen

GROUP Assets	Q1 2002	YE 2001	YE 2000
(NOK mill.)			
Fixed Assets	1.453	1.372	632
Financial Fixed Assets	475	485	495
Intangible Assets	148	150	128
Total Fixed Assets	2.076	2.006	1.254
Cash and Cash Equiv.	156	164	88
Other Current Assets	245	184	255
Total Current Assets	400	347	343
Total Assets	2.477	2.353	1.597

Balance Sheet 1Q 2002 – Shareholders' Equity and Liabilities



- Increase in Liabilities due to Jotun Acquisition
- Reduction of Short-Term Debt

GROUP Shareholders' Equity and Liabilities	Q1 2002	YE 2001	YE 2000
(NOK mill.)			
Shareholders' Equity	962	942	797
Interest-Bearing Long-Term Debt	738	651	158
Provisions for Liabilities and Charges	553	441	316
Total Long-Term Liabilities	1.291	1.092	474
Interest-Bearing Short-Term Debt	0	0	104
Other Short-Term Debt	223	320	222
Total Short-Term Debt	223	320	326
Total Debt and Shareholders' Equity	2.477	2.353	1.597

Cash Flow 1Q 2002



- Working Capital Build-Up Reduces Op. Cash Flow
- Lower Investments in 1Q02

(NOK mill.)	1Q02	4Q01	3Q01	2Q01	1Q01	Yr 01	Yr 00
Cash Flow from Operations	-17	145	154	153	182	634	150
Cash Flow from Investing	-66	-170	-371	-98	-244	-884	-460
Cash Flow from Financing	76	-33	-36	360	34	325	297
Net Change in Cash	-8	-59	-252	415	-29	76	-13
Cash at beginning of Period	164	222	475	59	88	88	102
Cash at end of Period*	156	164	222	475	59	164	88

* Net of Removal Deposit

Key Figures 1Q 2002

- Strengthening of EBITDA Based Figures

GROUP		1Q02	4Q01	3Q01	2Q01	1Q01	Yr 01	Yr 00
Earnings per Share	NOK	0,42	0,61	0,83	0,46	0,74	2,64	1,15
EBITDA per Share	NOK	3,78	2,28	2,76	3,45	3,13	11,64	5,57
EBITDA Margin	%	51,8	43,3	43,5	56,7	54,8	49,6	36,2
EBIT Margin	%	25,2	7,5	38,3	39,1	34,3	30,6	18
ROACE*	%	9,0	11,1	15,5	10,8	14,8	13,9	7,2
CROGI*	%	21,8	23,4	18,5	18,9	19,0	20,8	21,0
Equity Ratio	%	38,8	40,0	39,4	38,5	43,3	40,0	49,9
Debt/EBITDA*	x	1,0	1,4	1,1	1,0	1,0	1,1	1,1
EBITDA/Interest Expense	x	12,8	8,2	8,2	10,8	64,8	10,7	14,5

* Annualized

DNO Production vs. Brent Oil Price

