



First Quarter 2018

Interim results presentation



Corporate overview and operational highlights

Corporate overview – Q1 2018 and year-to-date

- Expanding and accelerating Kurdistan operations while building up North Sea exposure
- Added third operated license in Kurdistan following government and partner approvals of previously announced Baeshiqa transaction with ExxonMobil
- Three new wells drilling or about to undergo testing at Peshkabir field
- Three monthly Kurdistan export payments received in Q1 2018 totaling USD 138 million net to DNO, marking record quarter since independent exports commenced in 2014
- Received further net payment of USD 48 million in April
- Acquired 28.71 percent shareholding in North Sea-focused Faroe Petroleum plc in April
- Current cash balance of USD 356 million plus USD 280 million in treasury shares and marketable securities

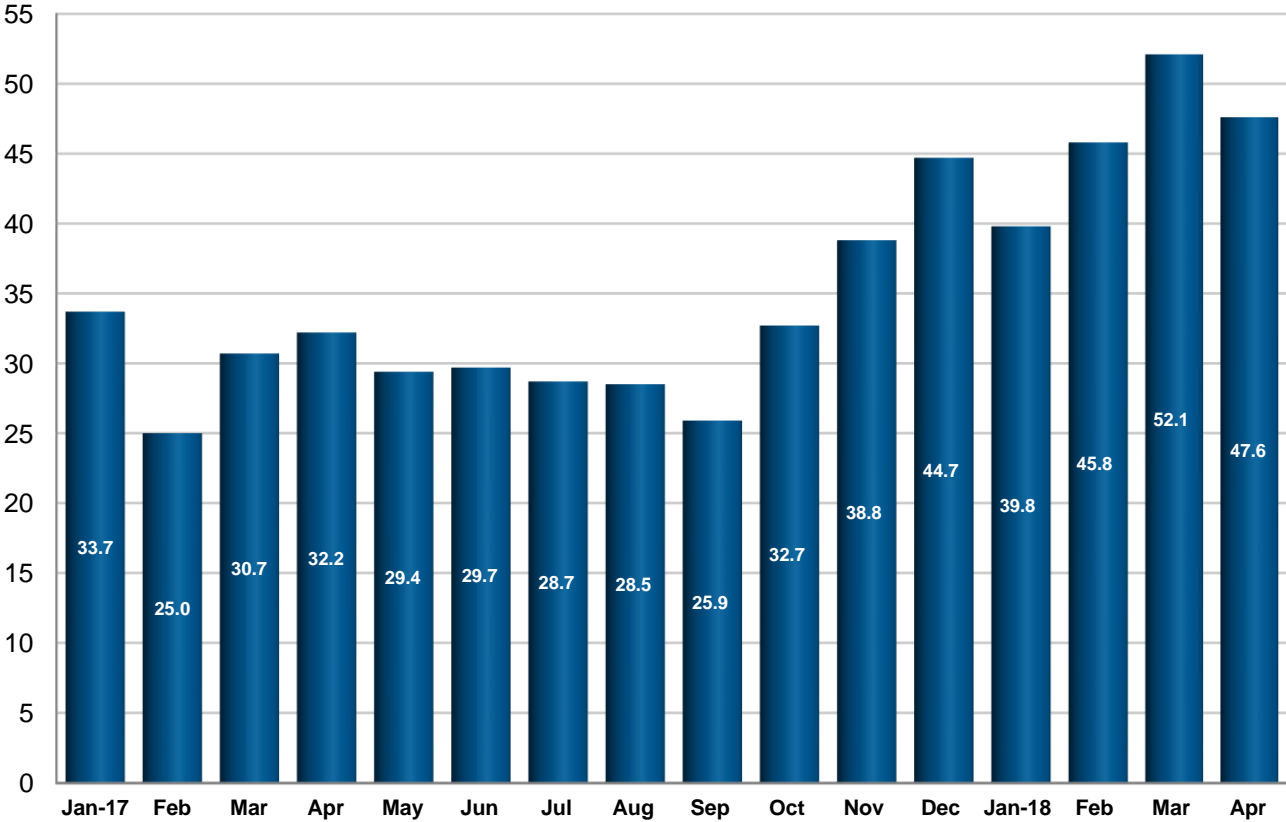
Q1 2018 operational highlights

- Operated production in Q1 2018 averaged 114,000 barrels of oil equivalent per day (boepd), up from 110,800 boepd in Q4 2017
- Of which Kurdistan represented 109,400 barrels of oil per day (bopd) and Oman 4,600 boepd
- Company Working Interest (CWI) production averaged 79,100 boepd in Q1 2018 and entitlement production averaged 30,500 boepd
- Three drilling rigs active in Kurdistan with plans to add at least one more
- Cumulative Tawke field production since inception approaching 235 million barrels
- Peshkabir field production steady at 15,000 bopd with 3 million barrels produced since startup

Q1 2018 financial highlights

- Q1 2018 revenues of USD 142 million (USD 77 million in Q1 2017) including Kurdistan export payments of USD 138 million (USD 89 million in Q1 2017)
- Exited Q1 2018 with cash balances of USD 518 million (USD 430 million at year-end 2017) plus USD 76 million in treasury shares and marketable securities (USD 58 million at year-end 2017)
- Average pipeline access fee, transportation tariff and quality discount to Brent of USD 13.15 per barrel retroactive to August 2017 applied to the January 2018 payment received in April 2018

Kurdistan export payments net to DNO by month received
 January 2017 - April 2018
 USD million



Pressing foot on accelerator in Kurdistan

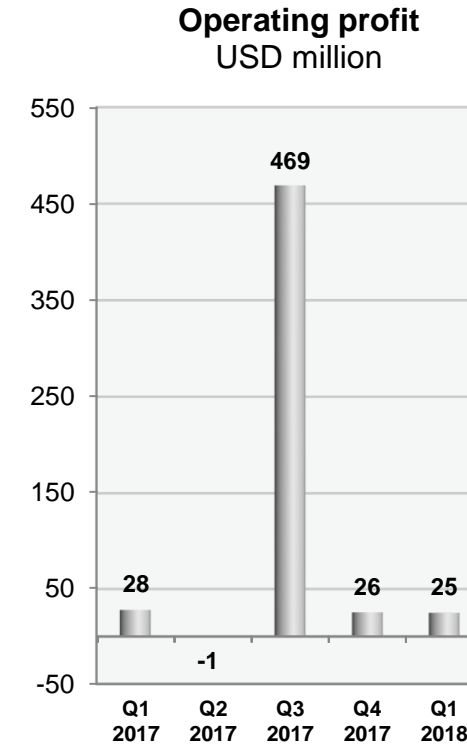
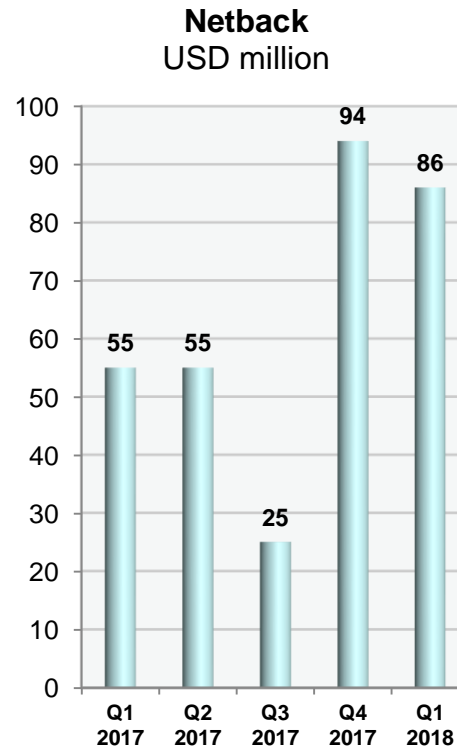
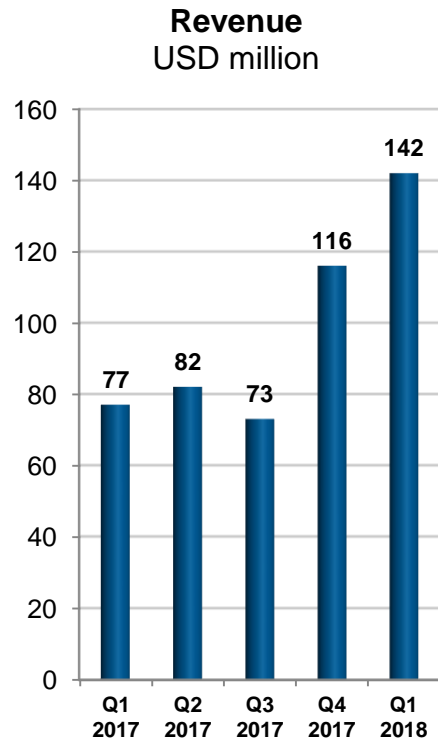
- Assumed operatorship of Baeshiqa license with a 40 percent (32 percent participating) interest alongside ExxonMobil, Turkish Energy Company and Kurdistan Regional Government effective 10 April 2018
- Tawke-48 Cretaceous well brought onstream earlier this month at more than 5,000 bopd
- Mobilizing fourth rig to drill additional Tawke development wells in 2018
- Peshkabir-4 well completed and preparing to test
- Peshkabir-5 well drilling ahead at 2,250 meters
- Peshkabir-6 spudded last week as a development well but will also explore deeper Triassic formation
- Commissioned pipeline connecting Peshkabir field to export hub at Fish Khabur
- Commenced long-term test production at Hawler-1A well at Benenan heavy oil field in Erbil license

Strategic shareholding in Faroe Petroleum

- Acquired 28.71 percent of Faroe Petroleum plc at price of GBP 1.25 per share through four separate transactions during April 2018
- At year-end 2017, Faroe Petroleum had stated proven and probable (2P) reserves of 97.7 million barrels of oil equivalent (MMboe) and contingent (2C) resources of 78.6 MMboe; 2017 net daily production averaged 14,300 boe
- Faroe Petroleum has announced plans to reach net 35,000 boepd by 2021 through development of existing asset base
- Adds to DNO's existing portfolio of 19 exploration licenses offshore Norway and United Kingdom
- Actively pursuing additional exposure to Norwegian Continental Shelf, including exploration, development and production assets

Financial review

DNO financial results – key figures



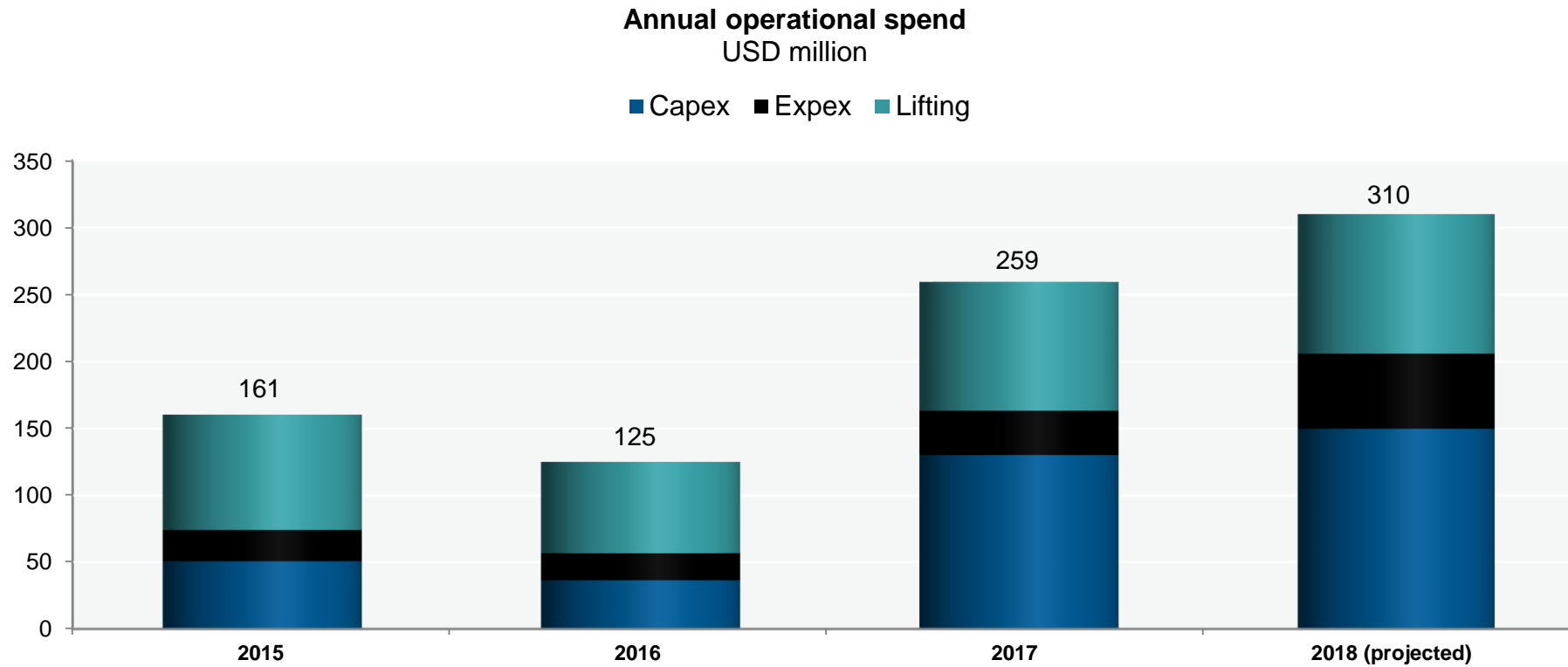
- Q1 2018 revenues stood at highest level in nearly four years
- Kurdistan receivables settlement reflected in operating profit in Q3 2017

Financial summary

USD million	Q1 2018	Q4 2017	Q1 2017	2017
Revenue	142.3	116.0	76.7	347.4
Cost of goods sold	-75.4	-57.1	-30.0	-202.2
Gross profit	66.9	58.9	46.7	145.2
Expensed exploration	-23.3	-24.1	-1.6	-33.0
Administrative expenses	-13.4	-9.3	-5.0	-33.2
Other operating income/expenses	-3.7	-0.2	-1.7	557.5
Impairment of oil and gas assets	-1.5	0.0	-10.6	-108.4
Profit/-loss from operating activities	25.0	25.7	27.8	521.1
Net finance	-10.5	-10.8	-12.1	-46.1
Profit/-loss before income tax	14.6	14.9	15.7	475.1
Tax income/-expense	3.8	15.7	-1.0	20.0
Net profit/-loss	18.4	30.6	14.7	495.0

- Higher revenues driven by oil prices, increased stake in Tawke license to 75 percent and override payments
- Val d'Iserre dry well (UK) and provisions related to Tunisia led to USD 23.3 million in expensed exploration

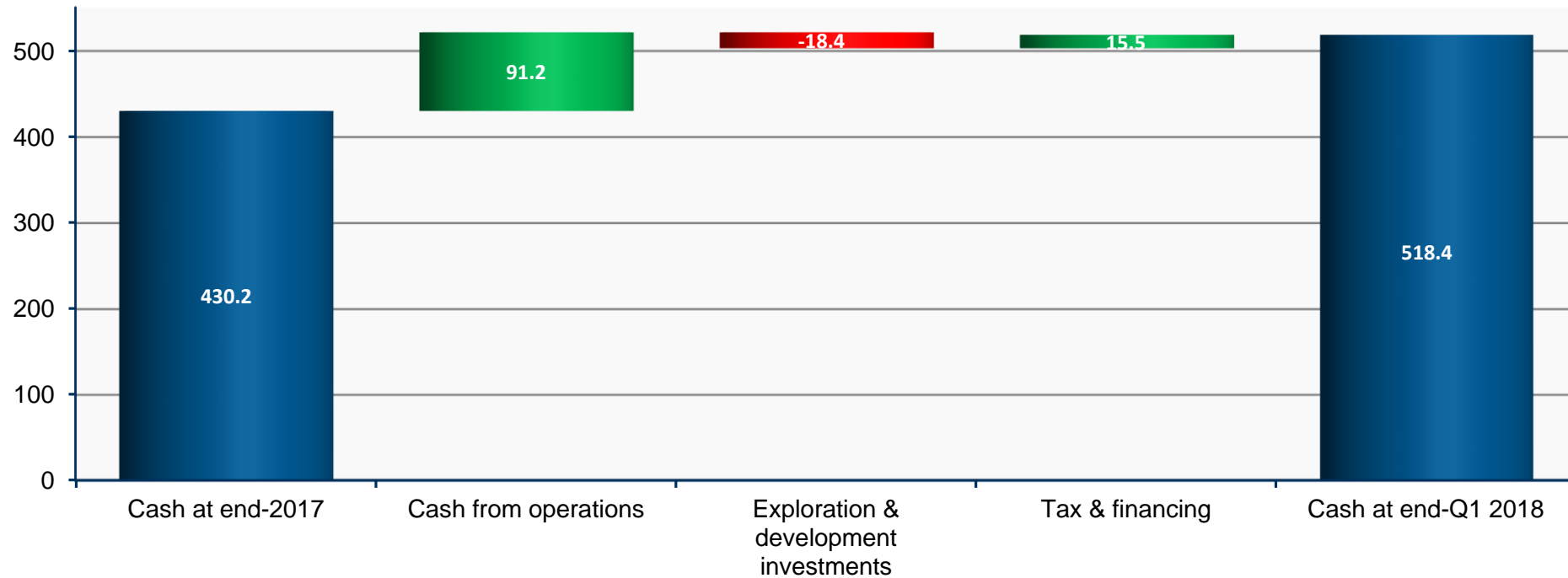
Investment program



- Projected 2018 capex of USD 150 million
- Projected 2018 operational spend (capex, expex and lifting costs) of USD 310 million

Q1 2018 cash flow

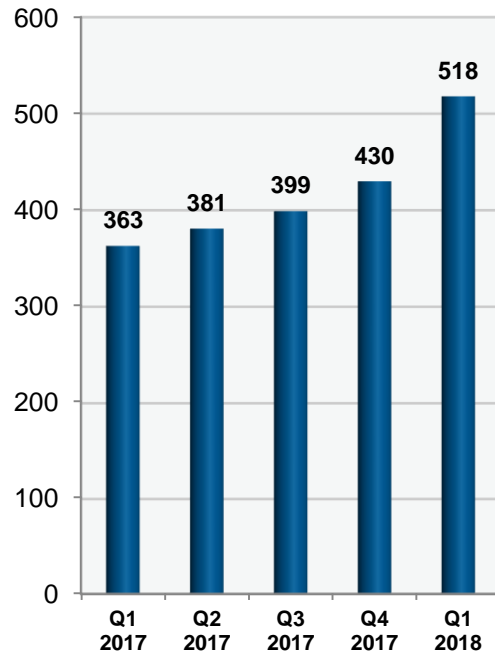
USD million



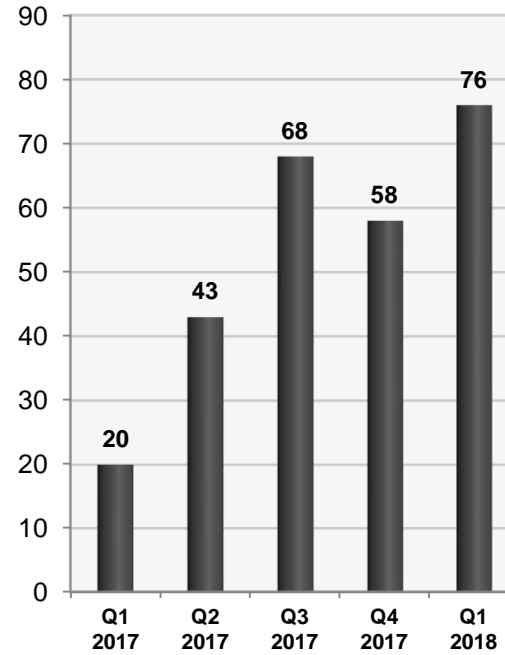
- Strong Q1 2018 operational cash flow of USD 91.2 million
- Further increase in cash balances to USD 518.4 million at end-Q1 2018

Capital structure

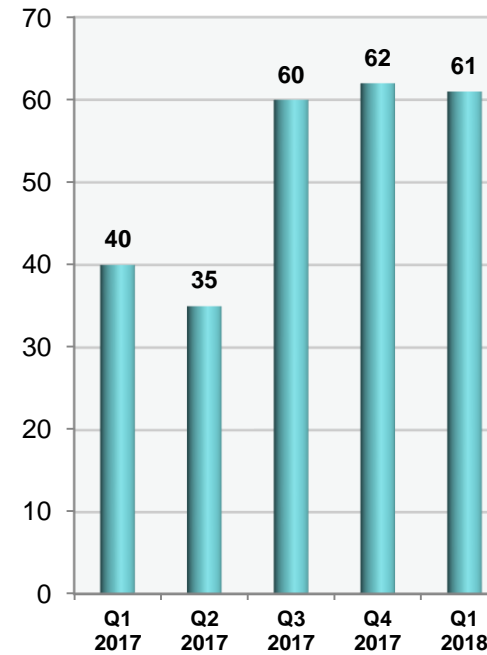
Cash deposits
USD million



Financial assets
USD million



Equity ratio
Percent



- Solid balance sheet with low leverage
- Strong equity ratio of 61 percent

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