

Country-by-Country Report 2017

In line with the Norwegian Accounting Act and Norwegian Securities Trading Act, the Company has prepared a country-by-country report for its activities in the extractive industries, including information on investments, revenue, production, cost and the number of employees in each country of operation by subsidiary. Among other requirements, total payments to governmental bodies during the financial year must be broken down by country and by payment type.

Additional information regarding the Company's performance in each country of operation can be found in Note 2 of DNO ASA's 2017 Annual Report and Accounts. Additional information regarding how the Company recognizes revenues in the Kurdistan region of Iraq can be found in Note 1. A full list of the Company's license portfolio is included in Note 26.

USD million License and country	Royalty ¹	Revenues ²	CWI production ³	Corporate tax ⁴	Special tax ⁵	Inter- company interest ⁶	Invest- ments ⁷	Expenditure ⁸	Contractual bonuses ⁹	Contractual social con- tributions ¹⁰	Land owner compen- sation ¹¹	Area fee ¹²	Number of employees ¹³
Tawke (DNO Iraq AS)	112.3	331.0	71,436.0	-	682.5	-	543.1	177.6	0.7	0.1	0.8	-	
Erbil (DNO Iraq AS)	-	-	-	-	-	-	8.8	3.5	0.6	0.0	0.1	-	
Total Kurdistan	112.3	331.0	71,436.0	-	682.5	-	551.9	181.0	1.3	0.1	0.9	-	658
Block 8 (DNO Oman Block 8 Ltd)	-	16.3	2,242.0	1.8	3.0	-10.8	41.7	22.6	0.1	-	-	-	
Total Oman	-	16.3	2,242.0	1.8	3.0	-10.8	41.7	22.6	0.1	-	-	-	43
Block 47 (DNO Yemen AS)	-	-	-	-	-	-	-	4.5	-	-	-	-	
Total Yemen	-	-	-	-	-	-	-	4.5	-	-	-	-	5
Saleh (DNO Al Khaleej Ltd)	-	-	-	-	-	-	-	0.1	-	-	-	-	
RAK Onshore (DNO Al Khaleej Ltd)	-	-	-	-	-	-	-	0.2	-	-	-	-	
Total United Arab Emirates	-	-	-	-	-	-	-	0.3	-	-	-	-	-
Hammamet (DNO Tunisia AS)	-	-	-	-	-	-	-	0.0	-	-	-	-	
Sfax (DNO Tunisia AS)	-	-	-	-	-	-	-	5.7	-	-	-	-	
Total Tunisia	-	-	-	-	-	-	-	5.7	-	-	-	-	30
Block SL 18 (DNO Somaliland AS)	-	-	-	-	-	-	-	1.9	0.3	0.2	-	-	
Total Somaliland	-	-	-	-	-	-	-	1.9	0.3	0.2	-	-	7
DNO Norge AS	-	-	-	-10.6	-22.6	-	-	26.1	-	-	-	0.3	
Total Norway	-	-	-	-10.6	-22.6	-	-	26.1	-	-	-	0.3	21
DNO Exploration UK Ltd	-	-	-	-	-	-	-	5.0	-	-	-	-	
Total United Kingdom	-	-	-	-	-	-	-	5.0	-	-	-	-	3
Other *	-	-	-	-	-	10.8	-	-	-	-	-	-	144
GRAND TOTAL	112.3	347.4	73,678.0	-8.8	662.9	-	593.6	247.1	1.6	0.3	0.9	0.3	911

* Other includes DNO ASA and DNO Technical Services AS.

- 1 Royalty is a fee payable to the government before distribution of cost oil and profit oil.
- 2 Revenues in accordance with financial statement.
- 3 Company Working Interest production in barrels of oil equivalent per day (boepd).
- 4 Corporate tax paid/-received.
- 5 In Kurdistan, special tax and corporate tax together comprise government take. In Norway, the special tax and corporate tax relate to a refund of exploration costs.
- 6 Intercompany interest expense/-income to/from group companies incorporated in another jurisdiction.
- 7 Investments include changes in estimated asset retirement obligations and recognition of an asset following the Kurdistan Receivables Settlement Agreement.
- 8 Expenditure includes cost of goods sold, administrative expenses, other operating expenses and exploration costs expensed.
- 9 Contractual bonuses include environment funds, training funds and rental fees.
- 10 Contractual social contributions and committed community support.
- 11 Land owner compensation.
- 12 Area fee in relation to the Norwegian Continental Shelf.
- 13 Number of employees per location at the end of the year.