



Oslo, 3 November 2011

PRESS RELEASE

RAK Petroleum and DNO merger on track to close in early 2012 following positive shareholder votes at EGMs

RAK Petroleum Public Company Limited and DNO International ASA announced today that both companies' shareholders have now approved the merger and the transaction is on schedule to close in early 2012. RAK Petroleum shareholders voted overwhelmingly in favour of the merger at a specially convened meeting in Ras Al Khaimah, UAE, after DNO shareholders voted in favour with a 76.5 percent majority in Oslo, Norway on 1 November.

"I am pleased that both sets of shareholders recognize the synergy in this transaction and have voted to combine operations," said Bijan Mossavar-Rahmani, Chairman and Chief Executive Officer of RAK Petroleum Public Company Limited and Executive Chairman of DNO International ASA. "We can now get back to the business of growing the combined entity and creating shareholder value."

"The enlarged DNO International will have a diversified MENA portfolio with significant working interest reserves and production as well as regional roots and an experienced team of international management to help realize value," he added.

The transaction values RAK Petroleum's MENA operating subsidiaries at USD 250 million and DNO International at USD 1.64 billion, corresponding to NOK 9.50 per share. As RAK Petroleum already has a 30 percent stake in DNO, the additional 153,422,343 consideration shares will increase RAK Petroleum's holding in DNO to 42.8 percent. However, RAK Petroleum has agreed to return its holding to 30 percent in a manner at its discretion before the end of 2012.

The number of shares to be issued was determined through a relative valuation process based on an independent assessment of the two companies' oil and gas assets by international petroleum consultants DeGolyer & MacNaughton and preparation of Competent Person's Reports. Based on 30 June 2011 working interest basis figures provided by DeGolyer & MacNaughton, DNO International's net remaining proven and probable reserves consisted of 355 million barrels of oil equivalent in the Kurdistan Region of Iraq and Yemen, while RAK Petroleum's net remaining proven and probable reserves consisted of 52 million barrels of oil equivalent in Oman and the United Arab Emirates.

The normal Norwegian creditor notification period of two months will follow and on successful completion of the transaction, expected in January 2012. In the meantime, an integration committee has been formed to prepare the program for migrating RAK Petroleum's staff, assets and operating subsidiaries to DNO International.

The combined entity will have approximately 630 staff and offices in Oslo, London, Erbil, Sana'a, Dubai, Ras Al Khaimah, Muscat and Tunis.

The transaction has been structured as the merger of two Norwegian companies in accordance with Chapter 13 of the Norwegian Public Companies Act. NORAK Holding AS, containing all RAK Petroleum's oil and gas assets, will merge into DNO MENA AS, a subsidiary of DNO International.

The Board of Directors of RAK Petroleum has received a fairness opinion on the transaction from Macquarie Capital (Europe) Limited and a legal due diligence investigation of DNO International conducted by Thommessen AS, while DNO International's Board has received a fairness opinion from Arctic Securities. Legal advice to DNO and due diligence on RAK Petroleum has been provided by Vogt & Wiig and Allen & Overy.

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About RAK Petroleum

RAK Petroleum Public Company Limited (www.rakpetroleum.ae) is registered in the Free Trade Zone of the Emirate of Ras Al Khaimah and is operator of seven blocks in the Sultanate of Oman and the United Arab Emirates, of which one is in the production phase, three are in the exploration phase and three are undergoing appraisal for possible development/redevelopment. RAK Petroleum also has a non-operating 30 percent interest in the Hammamet Offshore license in the Republic of Tunisia and a 30 percent shareholding in the publicly-traded Norwegian oil and gas company DNO International ASA.

About DNO International

DNO International ASA (www.dno.no) is a fast track, full-scale exploration and production company. The company serves as operator and active joint venture partner in several oil and gas licenses, predominately in Yemen and the Kurdistan Region of Iraq. The company's growth comes through smart exploration, cost effective and fast track development, efficient operating techniques and strategic acquisitions. Founded in 1971, DNO International is listed on the Oslo Stock Exchange.

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DNO International ASA
RAK Petroleum Public Company Limited

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