

# *COMPANY PRESENTATION*

## **DNO ASA**

# **Pareto Oil and Offshore Seminar**

**September 2nd 1999**



# ***DNO CORE BUSINESS***

**TAIL-END PRODUCTION**

**TIME CRITICAL OIL RESERVES**

**SMALL OIL FIELDS**



# *INTERNATIONAL ACTIVITIES*

**NW RUSSIA**

**U.K.**

**REPUBLIC OF YEMEN**



# HEATHER AREA

# *HEATHER FIELD SUMMARY*

*Location - Northern North Sea*

*Start of Production - 1978*

*Peak Production - 35.000 bbl per day*

*Current Produced Reserves - 120 mill. bbls*

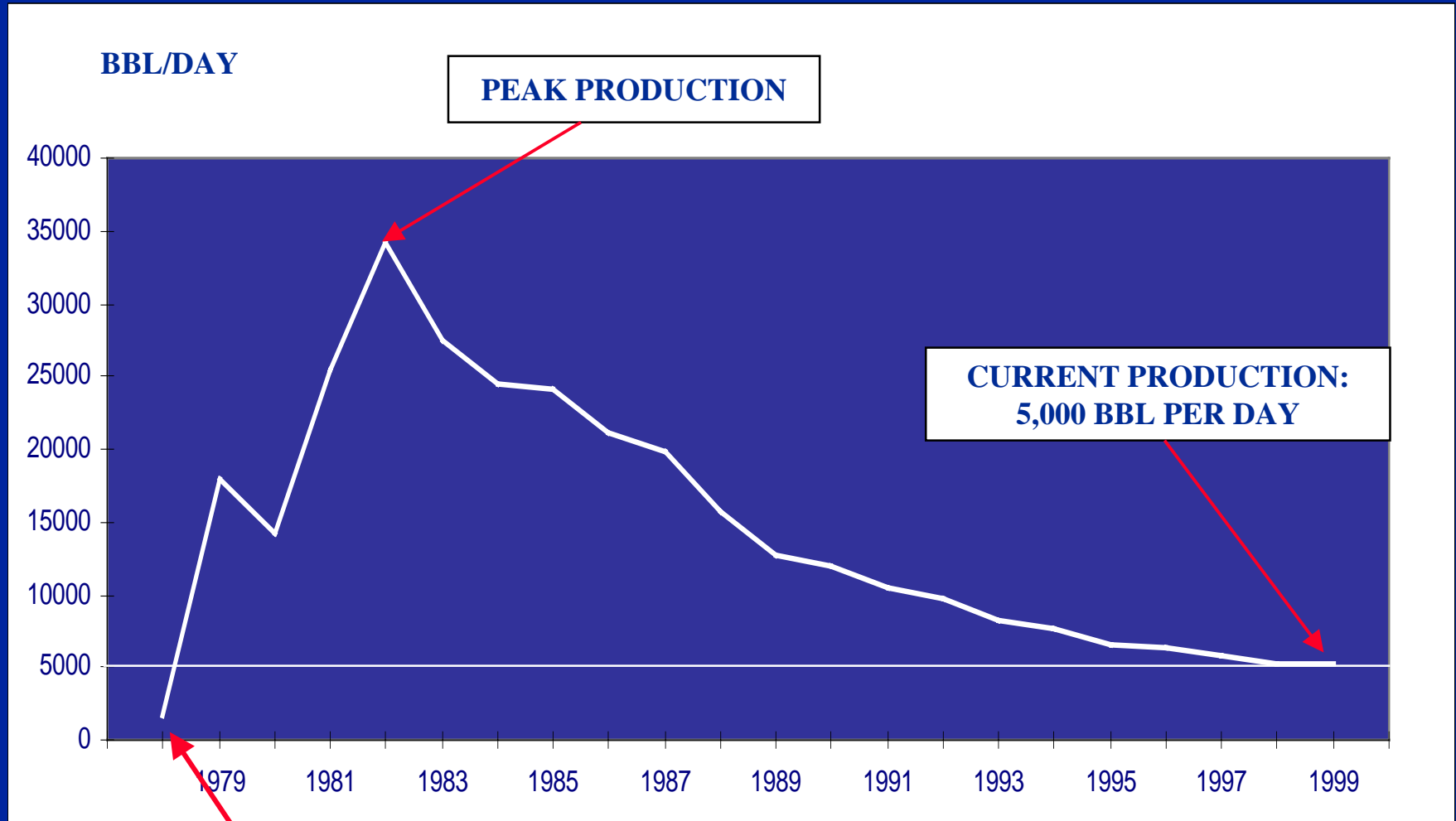
*Current Production: 5.000 bbl per day*

*Operator: DNO (Unocal until 1997)*

*Partners: British Gas, Texaco*



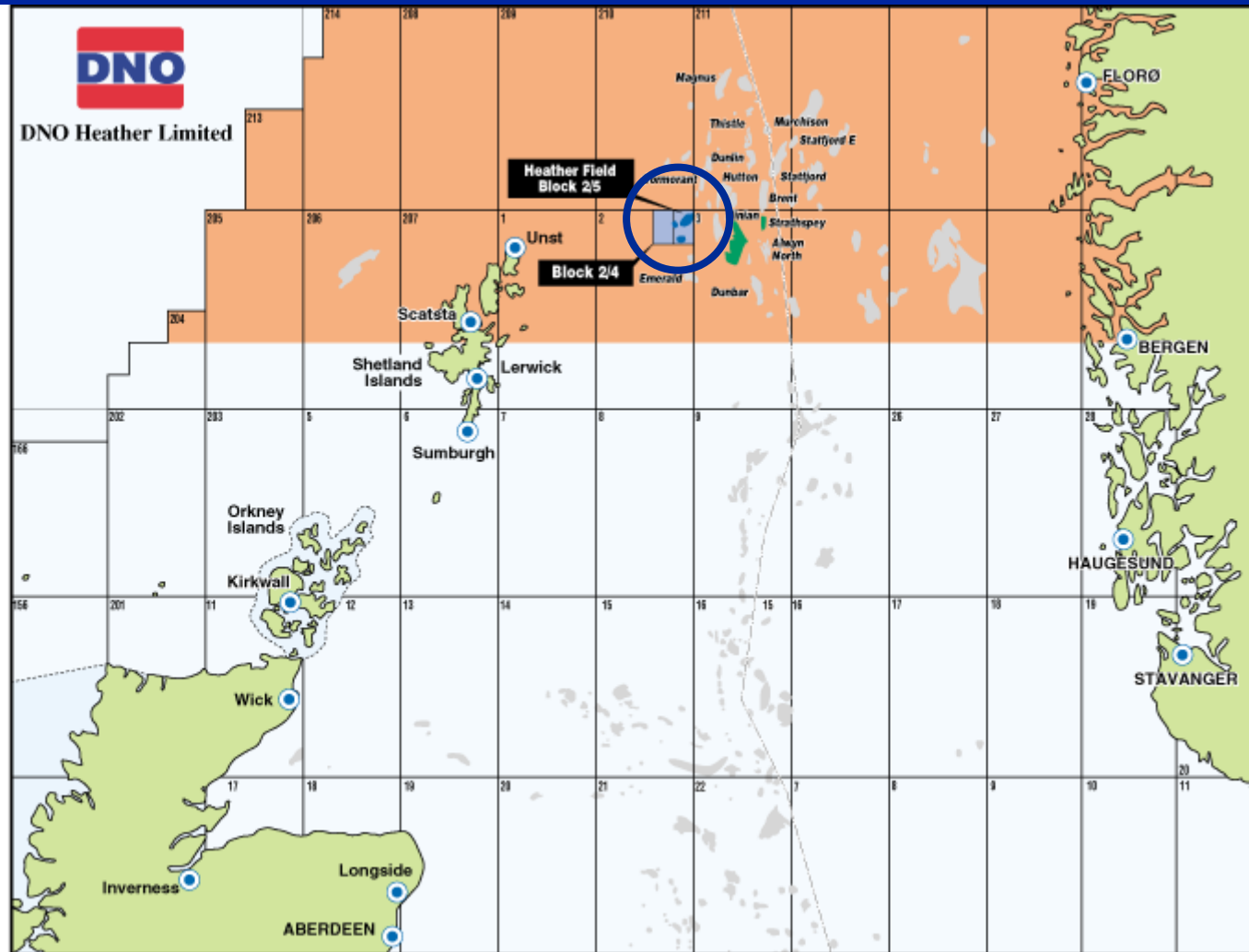
# HEATHER PRODUCTION HISTORY



**START OF PRODUCTION: 1978**



# HEATHER AREA LOCATION

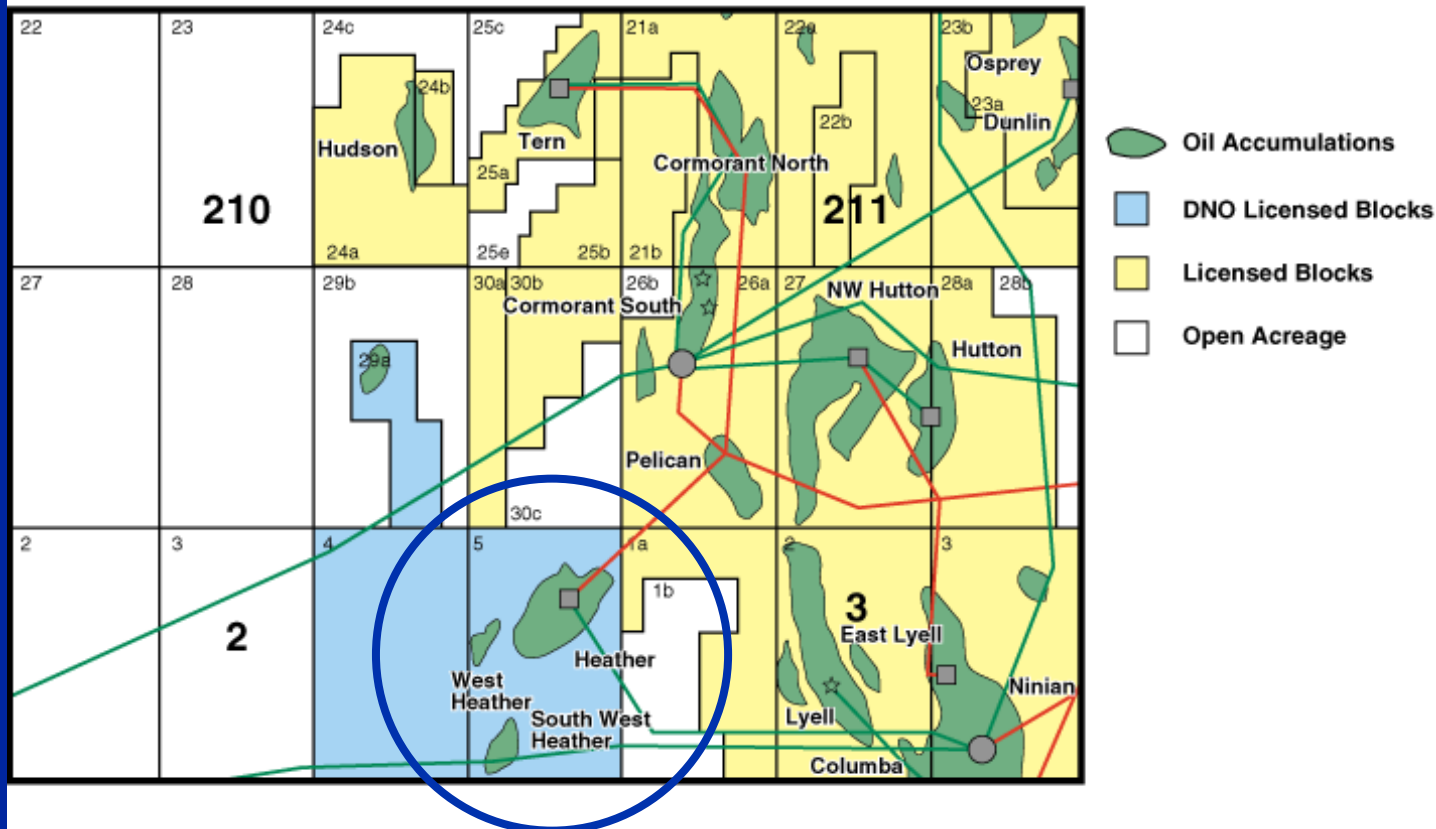


# HEATHER AREA INFRASTRUCTURE

## Location Map DNOH Licensed Blocks



DNO Heather Limited



08/005/01





# ***DNO TARGETS FOR HEATHER***

**1. BECOME OPERATOR**

**2. REDUCE COSTS**

**3. IDENTIFY MORE OIL RESERVES**

**4. EXTEND FIELD LIFE**

# ***DNO'S ACHIEVMENTS ON HEATHER***

## **OPERATORSHIP**

DNO became Operator July 1997, and was the *first Norwegian* Oil Company to become Operator for producing field in UK.

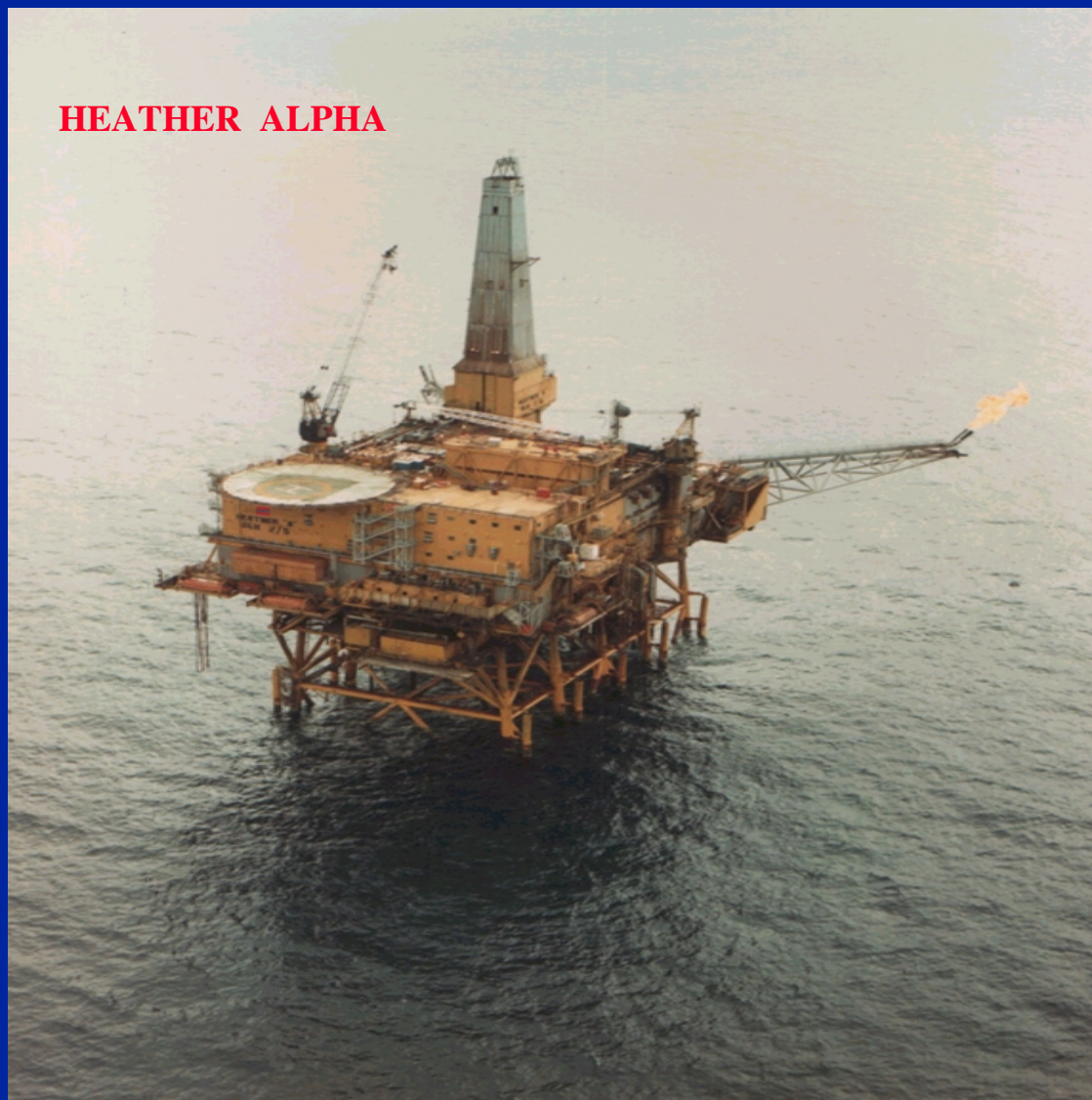
## **COST REDUCTION**

As Operator DNO have reduced annual operating costs by **25 %**. Annual Operating costs for 1999 is budgeted at £ 15.5 mill. (NOK 194 mill.) Annual savings on operating costs to DNO is NOK 25 mill.

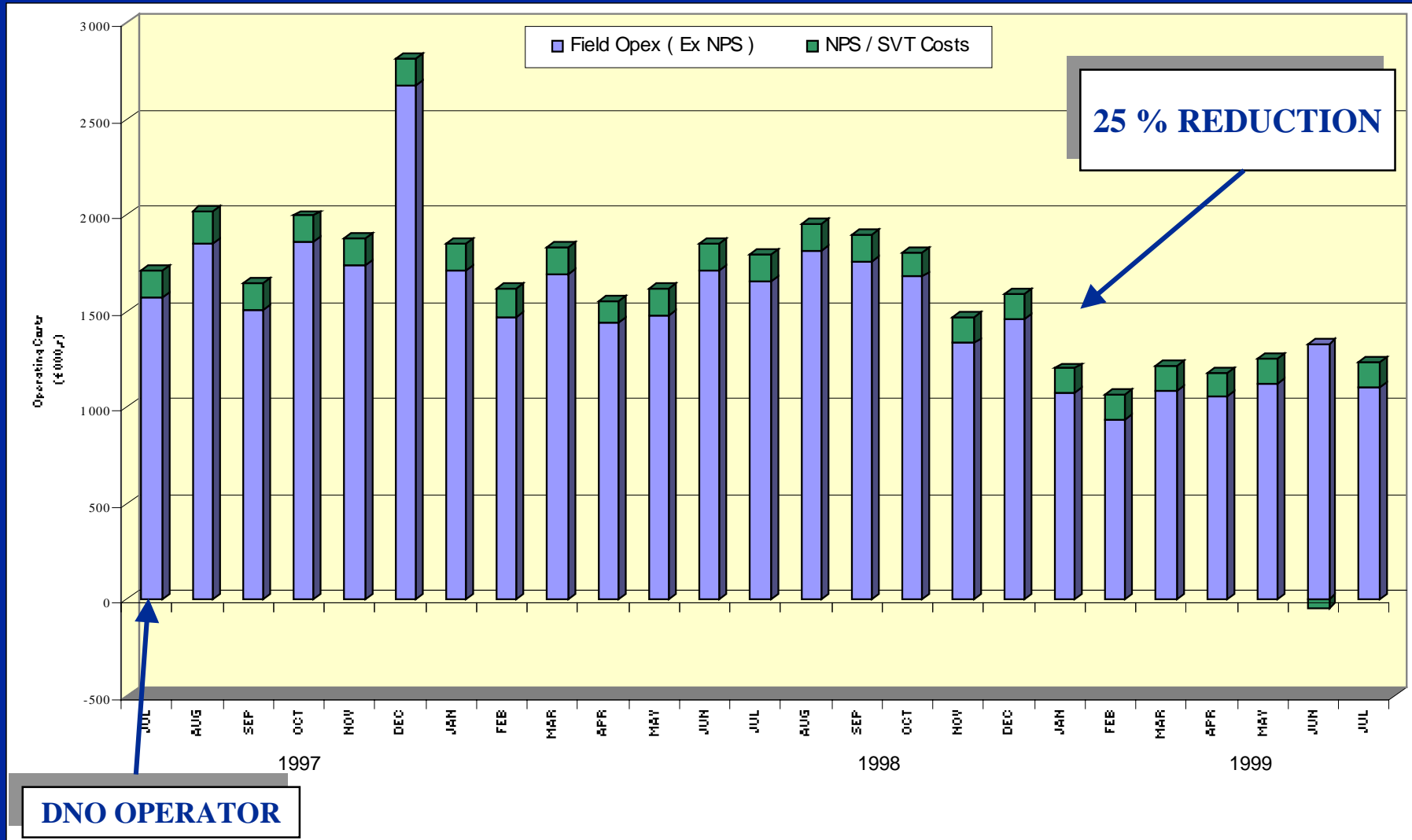
## **INCREASED RESERVES**

DNO as Operator have identified about **80 mill.** bbls risked reserves in the area - with a "trippel" potential

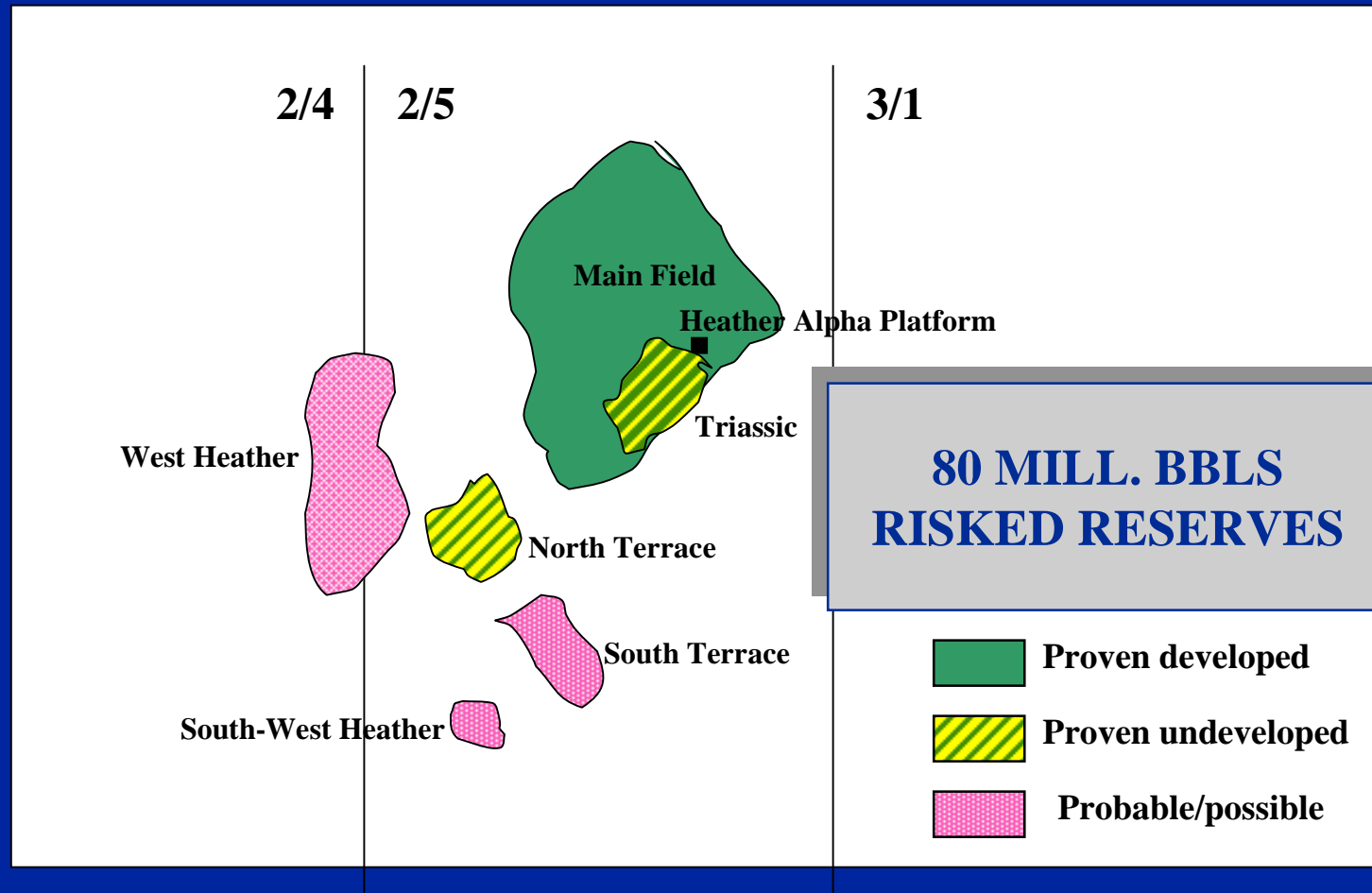
**HEATHER ALPHA**



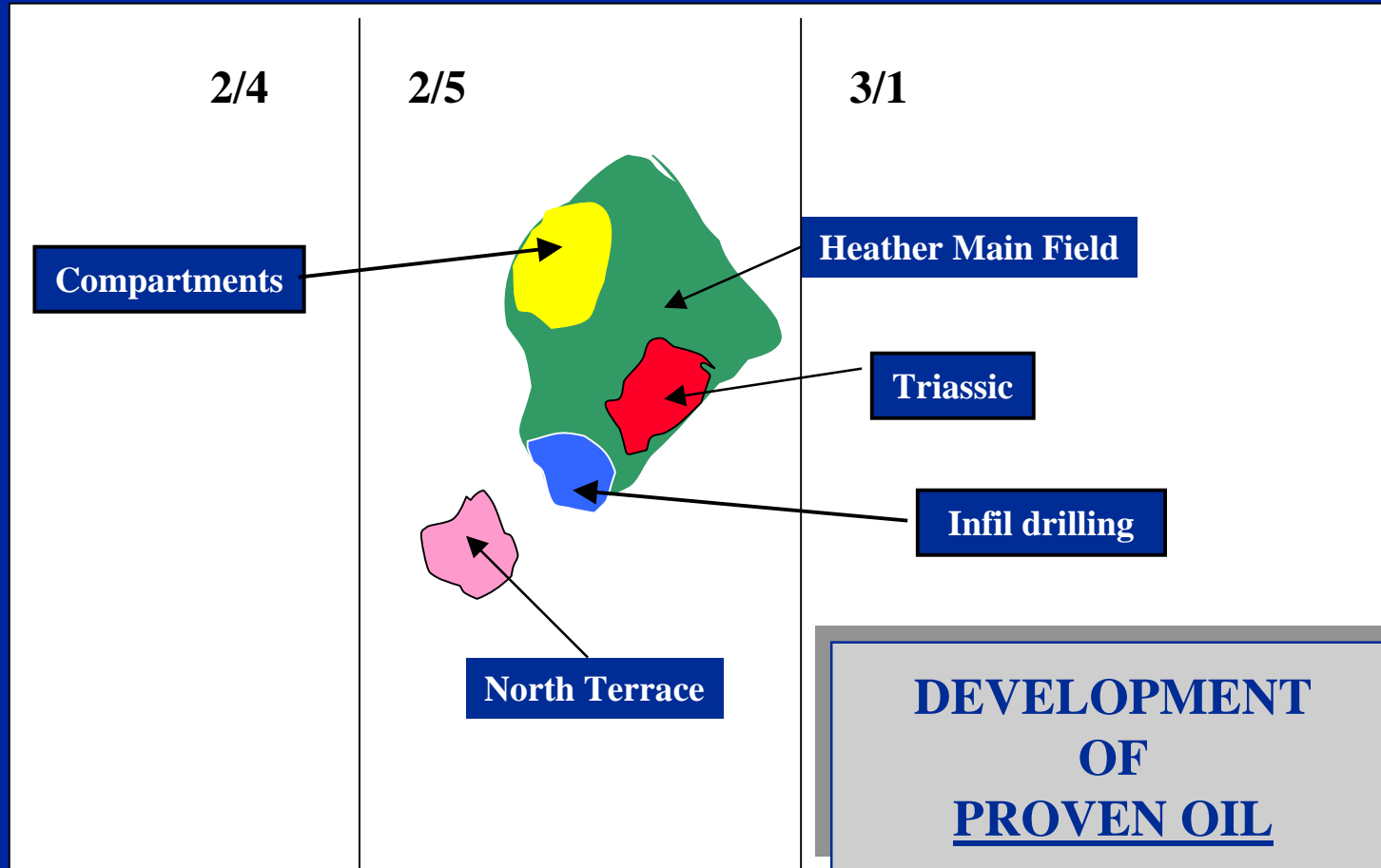
# HEATHER FIELD OPEX



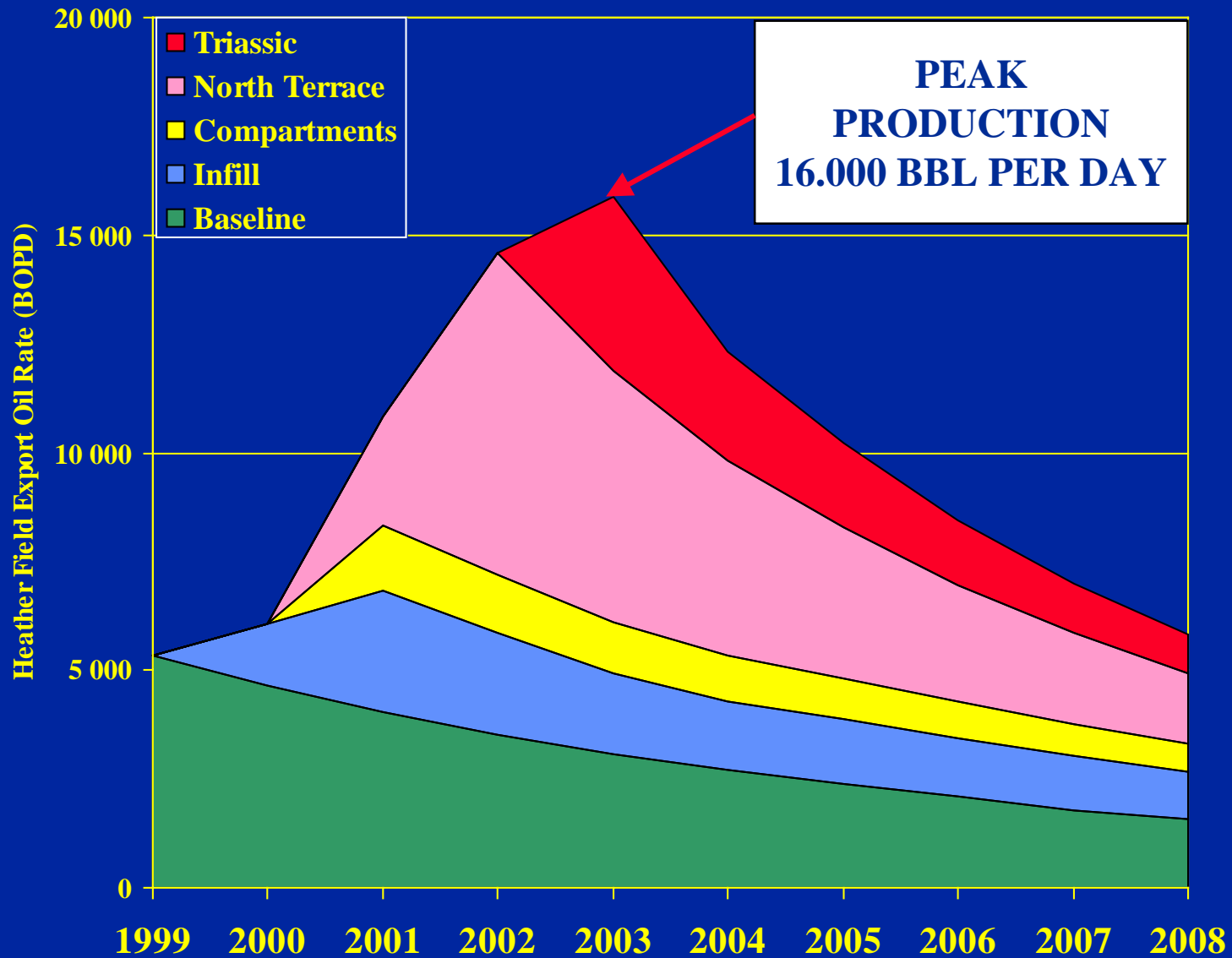
# GREATER HEATHER AREA RESERVES



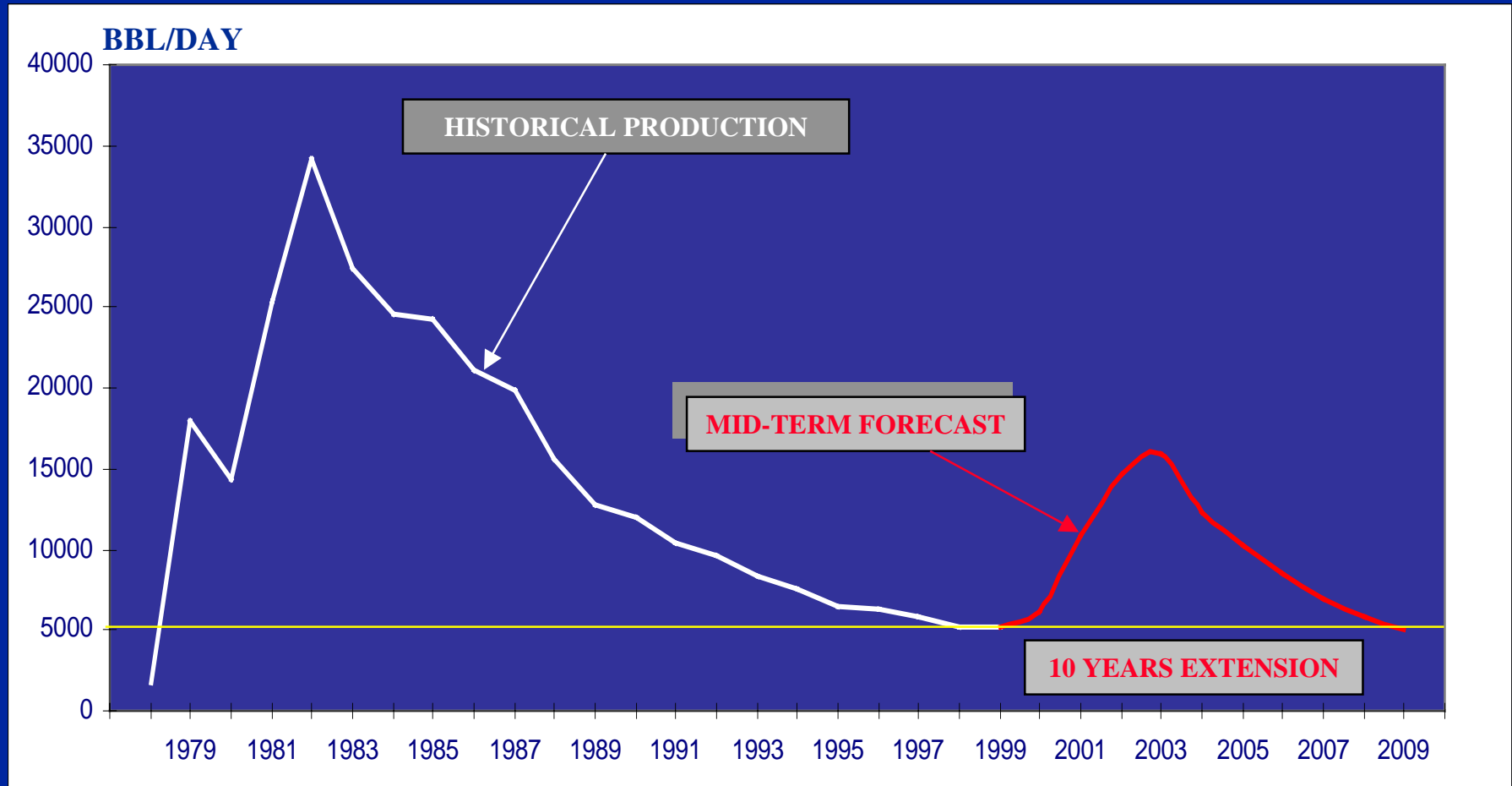
# ***MID-TERM DEVELOPMENT SCENARIO***



# HEATHER MID-TERM DEVELOPMENT SCENARIO



# MID-TERM DEVELOPMENT SCENARIO



# ***HEATHER IN SUMMARY***

## ***DNO'S ACHIEVEMENTS:***

*Two years successful Operation as Operator*

*Reduced cost of Operation by 25 %*

*Identified 80 mill. bbls risked oil reserves*

*Identified potential of additional 100 + bbls of oil*

*Developed plan for 10 years Field Extension*

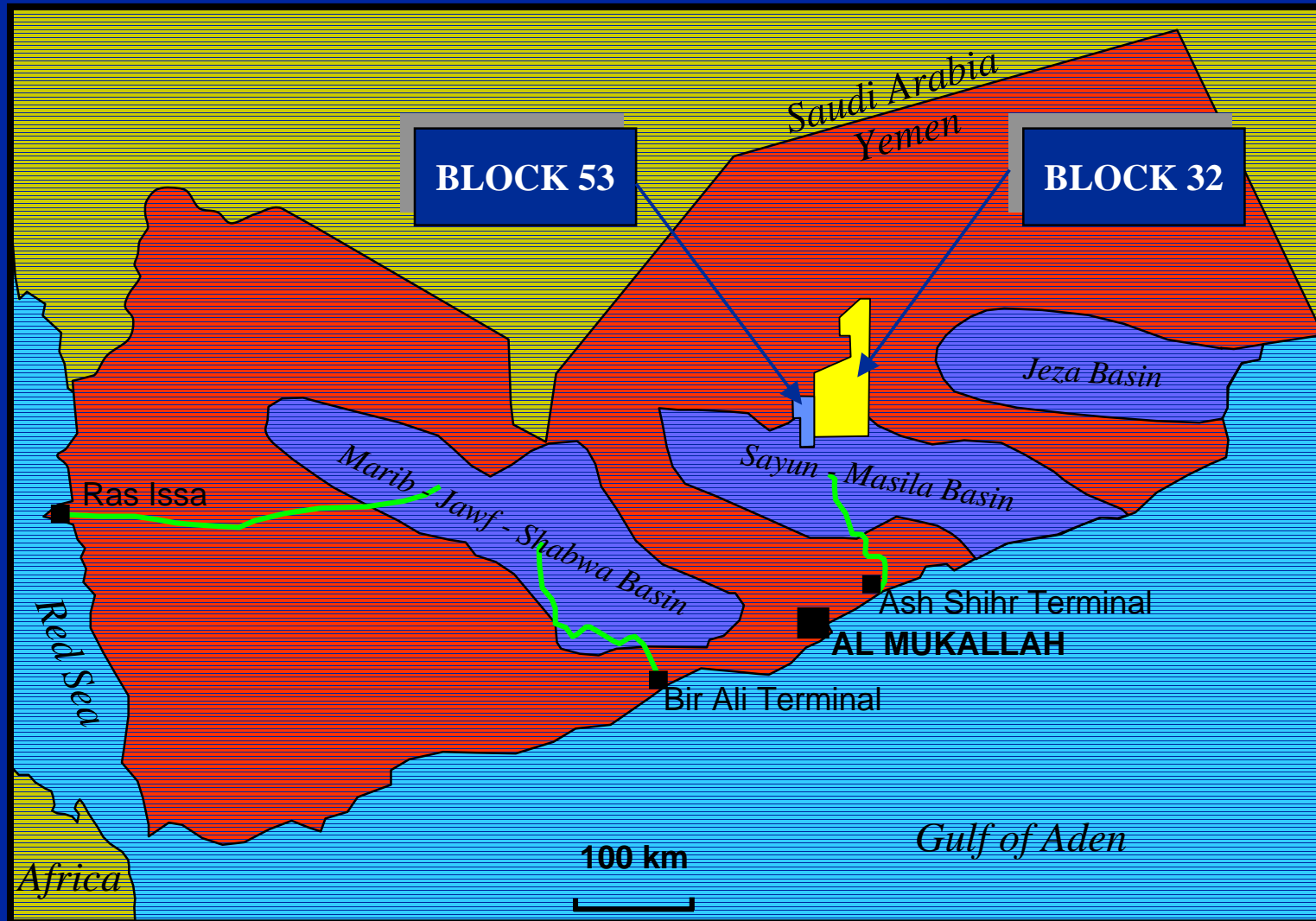




**BLOCK 32**

**REPUBLIC OF YEMEN**

# ***DNO LICENSES IN YEMEN***



# DNO LICENSES - REPUBLIC OF YEMEN

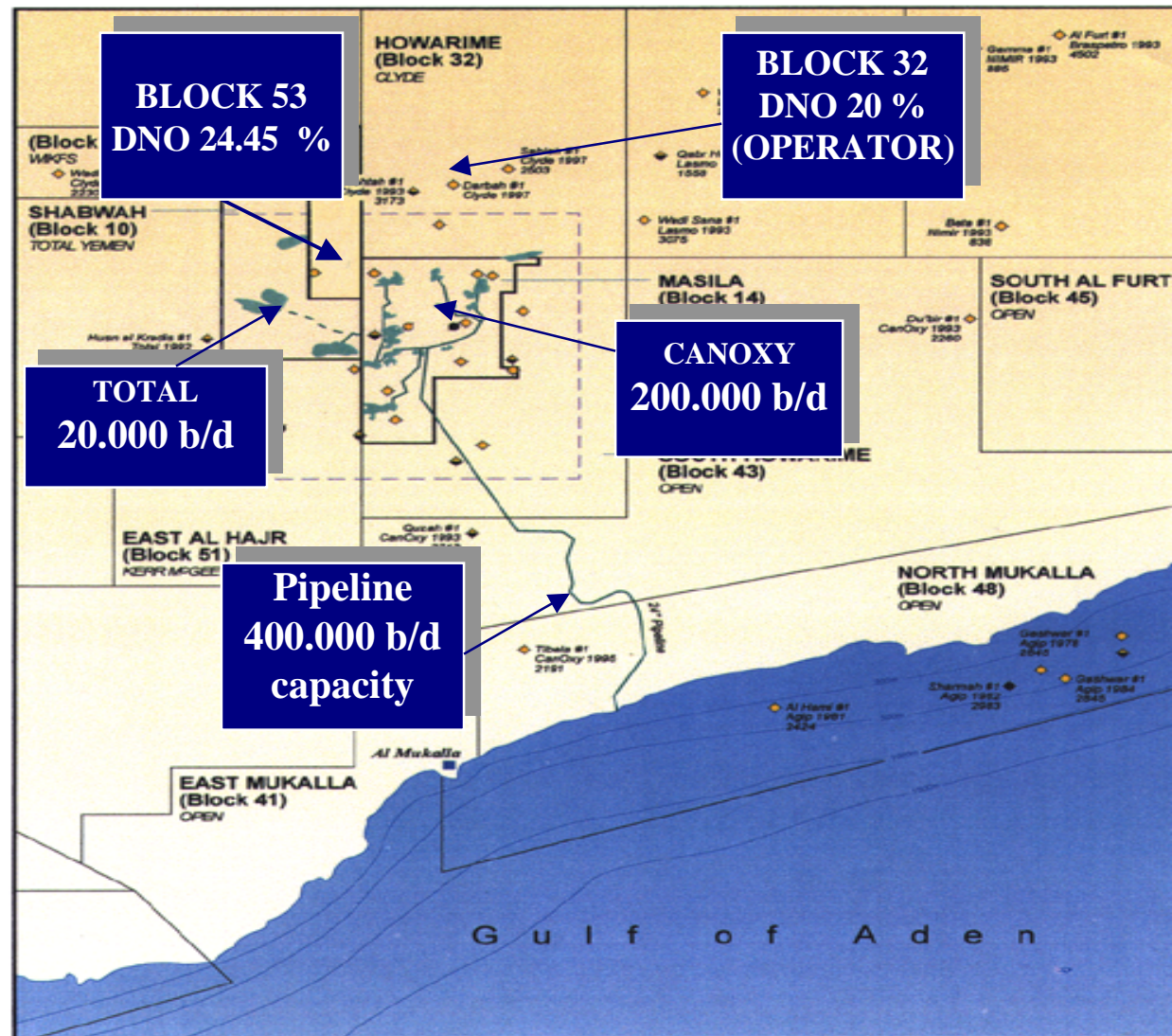
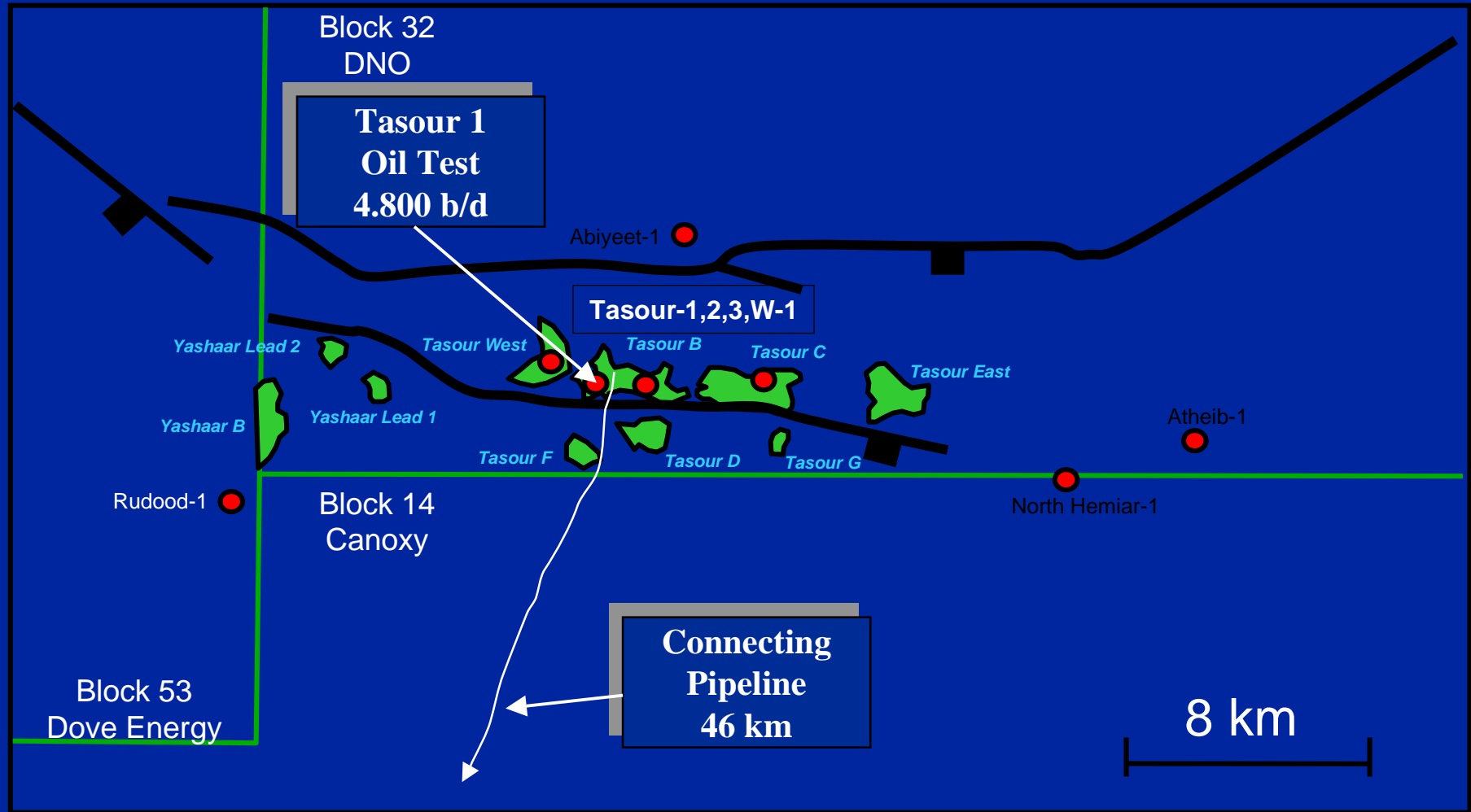


Figure 14d

# ***DNO LICENSES - REPUBLIC OF YEMEN***

## **Tasour Area**





# *TASOUR 3 DRILLING SITE - BLOCK 32 YEMEN*



# *YEMEN BLOCK 32 IN SUMMARY*

*Completion of 3 wells appraisal program by September 99'*

*New PSA Terms approved by Government*

*If commercial discovery - development plan by end 99'*

*Adjacent to substantial oil production*

*Close to existing infrastructure - low development costs*

*Possible production start up during summer 2000*

