



Oslo, 27 September 2010

DNO reports a working interest production of 25,945 bopd and a net entitlement production of 16,854 bopd in August 2010

Due to expected seasonal effects, the working interest production for DNO decreased by 4.9 per cent from July to August. Working interest (WI) production in The Kurdistan Region of Iraq was 19,350 bopd in August, down from 20,790 bopd in July, whilst the WI production in Yemen was 6,595 bopd in August, up from 6,489 in the previous month.

As a result of the Eid celebration in the first half of this month, further decrease is expected in September. However, DNO expects working interest production above 20,000 bopd in the third quarter of 2010.

Yemen production

DNO's working interest production in Yemen in August 2010 was 6,595 bopd and the net entitlement production was 3,954 bopd.

Production in Yemen is reported as follows:

(Bopd)	August 2010	July 2010	Q2 2010	Q1 2010	YTD 2010
Gross production	16,882	16,556	17,450	18,963	17,824
DNO's working interest	6,595	6,489	6,808	7,437	6,973
DNO's net entitlement	3,954	3,761	3,890	4,889	4,251
Achieved oil price USD/bbl	77	76	78	80	79

The production figures include crude oil consumed in the operation of the Company's production facilities, at an accumulated working interest volume of 273 bopd and net entitlement volume of 157 bopd in August 2010.

The Kurdistan Region of Iraq production

DNO's working interest production from the Tawke field in The Kurdistan Region of Iraq was 19,350 bopd and DNO's net entitlement production was 12,900 bopd in August 2010.

Production from Tawke is reported as follows:

(Bopd)	August 2010	July 2010	Q2 2010	Q1 2010	YTD 2010
Gross production	21,500	23,100	9,933	5,561	11,469
DNO's working interest	19,350	20,790	8,940	5,005	10,322
DNO's net entitlement	12,900	13,860	5,960	3,337	6,881

The production figures include crude oil consumed in the operation of the Company's production facilities, at an accumulated working interest volume of 116 bopd and net entitlement volume of 78 bopd in August 2010.



Drilling and well operations

Yemen

The inspection of Rig 905 has now been completed. The rig has been moved to the location of the Safa-1 exploration well in Block 32 where drilling commenced on 15 September.

In Block 53, drilling of the Bayoot-10 development well commenced on 23 July with Rig 919. The drilling operations are progressing towards the basement target as planned.

The Kurdistan Region of Iraq

In the Erbil license, drilling of the Bastora-1 exploration well commenced on 7 September. Drilling operations are progressing as planned.

As previously reported, the drilling of the Summail-1 exploration well in the Dohuk license is expected to commence during fourth quarter 2010 with the GW-10 drilling rig, subject to the release of the rig which is currently seconded to another operator.

Mozambique

As previously reported, a drilling rig has been secured for the exploration well planned to be drilled in the Inhaminga Block in Mozambique. The rig is now being mobilized to Mozambique and expected spud of the well is during November.

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