



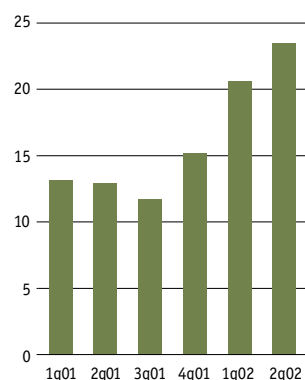
dno asa 2nd quarter and
1st half 2002

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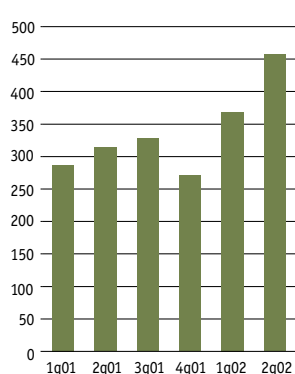
headlines

- DNO's oil production in the 2nd quarter of 2002 was record high with 23 492 barrels pr day. The Group's total oil production for the 1st half of the year was 22 073 barrels per day
- DNO intensified its work of finding a partner for development of the Heather satellites, and on 17 August, 2002, signed a farm-out agreement for 45 per cent in the Heather satellites.
- Total operating revenues for the 1st half of 2002 were NOK 825.5 million. The EBITDA was NOK 439.9 million, after NOK 80 million in impairment and exploration expenses relating to the Norwegian shelf (Tyr).
- Net result for the 1st half of 2002 was NOK -43.2 million after write-downs and net profit from the investment in Petrolia Drilling ASA of approx. NOK 125 million, and the approx. NOK 23 million negative effect on the net profit of impairments and exploration expenses relating to the Norwegian shelf (Tyr).
- During the 2nd quarter of 2002, NOK 96 million in interest-bearing debt was repaid.
- Book equity on 30 June, 2002 was NOK 893.1 million. Total assets amounted to NOK 2 218.1 million. At the end of the 1st half of 2002, the equity ratio was 40 per cent.

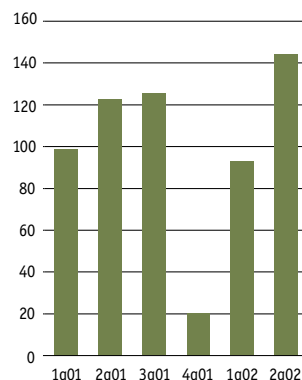
PRODUCTION
bbl/day



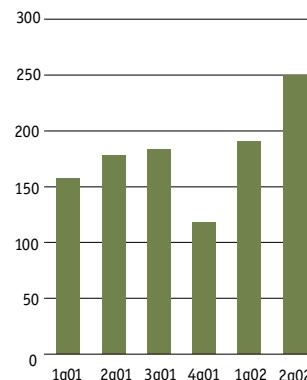
OPERATING REVENUES
NOK million



OPERATING PROFIT
NOK million



EBITDA
NOK million



key figures

NOK million	2002		2001		2002				2001	
	1st half	1st half	1st q	2nd q	1st q	2nd q	3rd q	4th q	Profit (loss)	
Avg. prod oil & gas, bbl/d	22.073	13.011	20.637	23.492	13.174	12.881	11.722	15.158	13.255	
Operating revenues	825.5	600.9	368.4	457.1	286.9	314.0	327.2	271.0	1 199.0	
Operating profit	236.8	221.3	92.7	144.1	98.6	122.7	125.3	20.2	366.8	
Profit before tax	68.2	193.5	75.5	-7.2	100.5	93.0	111.6	2.8	307.8	
EBITDA ⁽¹⁾	439.9	335.0	190.7	249.2	157.1	177.9	182.8	117.6	635.4	
Equity ratio in %	40%	38%	39%	40%	43%	38%	39%	40%	40%	

(1) EBIT adjusted for depreciation/impairment and losses and other activities

accounts

NOK million

PROFIT AND LOSS STATEMENT	2002		2001		2002		2001		2001
	1 st half	1 st half	1 st q	2 nd q	1 st q	2 nd q	3 rd q	4 th q	Profit (loss)
Operating revenues	825.5	600.9	368.4	457.1	286.9	314.0	327.2	271.0	1 199.0
Operating expenses	333.7	230.7	153.6	180.1	108.6	122.1	127.3	127.9	485.9
Depr., write-downs, abandonment	203.0	113.7	98.0	105.0	58.5	55.2	57.5	97.4	268.6
Payroll and other operating expenses	52.0	35.2	24.1	27.9	21.2	13.9	17.1	25.5	77.7
Operating profit	236.8	221.3	92.7	144.1	98.6	122.7	125.3	20.2	366.8
Interests in associated companies	-125.7	-19.9	-3.9	-121.8	-6.9	-13.0	-0.1	-13.4	-33.4
Financial revenues	52.4	32.9	25.3	27.1	21.4	11.5	21.8	13.9	68.6
Financial expenses	-95.2	-40.8	-38.6	-56.6	-12.6	-28.2	-35.4	-18.1	-94.2
Profit before tax	68.2	193.5	75.5	-7.2	100.5	93.0	111.6	2.8	307.8
Taxes	-111.5	-132.8	-51.0	-60.5	-63.2	-69.7	-69.4	28.6	-173.6
Net profit	-43.2	60.6	24.5	-67.7	37.3	23.3	42.1	31.4	134.2
Basic earnings per share	-0.86	1.20	0.49	-1.34	0.74	0.46	0.83	0.61	2.64
Diluted earnings per share	-0.86	1.21	0.49	-1.34	0.73	0.48	0.82	0.61	2.64

REPORTING BY SEGMENT	2002		2001		2002		2001		2001
	1 st half	1 st half	1 st q	2 nd q	1 st q	2 nd q	3 rd q	4 th q	Profit (loss)
Operating revenues Oil & Gas	769.4	550.8	337.7	431.7	262.7	288.1	297.0	240.0	1 087.7
Operating revenues Offshore & Services	56.1	50.1	30.7	25.4	24.2	25.9	30.2	31.0	111.3
Total operating revenues	825.5	600.9	368.4	457.1	286.9	314.0	327.2	271.0	1 199.0
Operating profit Oil & Gas	228.0	212.0	88.6	139.4	93.6	118.4	117.6	18.4	348.0
Operating profit Offshore & Services	8.8	9.3	4.1	4.7	5.0	4.3	7.7	1.8	18.8
Total operating profit	236.8	211.3	92.7	144.1	98.6	122.7	125.3	20.2	366.8

CASH FLOW	2002	2001	2001
	1 st half	1 st halv	Profit (loss)
Net cash flow from operating activities	82	355	634
Net cash flow from investing activities	-89	-362	-884
Net cash flow from financing activities	-20	394	325
Net change in cash and cash equiv.	-27	387	76
Cash and cash equivalents at 1 January	164	88	88
Cash and cash equivalents (2)	137	475	164

(2) In addition, the Company has NOK 149 million in long-term bank deposits for future platform abandonment

Results for the 2nd quarter and 1st half of 2002

(Figures for 2001 in brackets)

Results for the 1st half of 2002

The Group's total operating revenues for the 1st half of 2002 were NOK 825.5 million (600.9). The Group's operating profit was NOK 236.8 million (221.3), and its EBITDA was NOK 439.9 million (335.0).

Of the company's total operating revenues for the 1st half of the year, its core activity, oil and gas, accounted for NOK 769.4 million (550.8). The oil and gas activity's operating profit for the period was NOK 228.0 million (212.0). The operating profit for the 1st half of 2002 was negatively affected by NOK 10.8 million in expenses relating to the implementation of an amortisation plan for the company's project in Russia. The operating profit for the 1st half was also reduced by NOK 80 million in impairment and exploration expenses relating to the Norwegian shelf (Tyr).

Write-downs and net results from associated companies amounted to NOK -125.7 million (-19.9) for the period. This has been accounted for using the equity method, and neither affects the company's operating profit nor its liquidity.

Profit before tax for the 1st half of 2002 was NOK 68.2 million (193.5). The net result for the period was NOK -43.2 million (60.6) after write-downs and net result from the investment in Petrolia Drilling ASA, and approximately NOK 23 million in negative effect on the net profit of impairment and exploration expenses relating to the Norwegian shelf (Tyr).

The financial statements for the 1st half of 2002 have been prepared using the same accounting principles as were used for the annual financial statements for 2001.

Results for the 2nd quarter of 2002

The Group's total operating revenues for the 2nd quarter of 2002 were NOK 457.1 million (314.0). The Group's operating profit was NOK 144.1 million (122.7), and its EBITDA was NOK 249.2 million (177.9).

Of the company's total operating revenues for the 2nd quarter of the year, its core activity, oil and gas, accounted for NOK 431.7 million (288.1). The oil and gas activity's operating profit for the period was NOK 139.4 million (118.4). The operating profit for the 2nd quarter of 2002 was negatively affected by NOK 5.4 million in expenses relating to the implementation of an amortisation plan for the company's project in Russia. The operating profit for the 2nd quarter was also reduced by NOK 51 million in impairment and exploration expenses relating to the Norwegian shelf (Tyr).

Write-downs and the net result from associated companies was NOK -121.8 million (-13.0) for the period.

The result before tax for the 2nd quarter of 2002 was NOK -7.2 million (93.0). The net result for the period was NOK -67.7 million (23.3) after write-downs and net result from the investment in Petrolia Drilling ASA, and the approx. NOK 16 million negative effect on the net result of impairment and exploration expenses relating to the Norwegian shelf (Tyr).

Oil production

The DNO Group's average oil production for the 2nd quarter and the 1st half of 2002 exceeded expectations with 23 492 barrels per day (12 881) and 22 073 barrels per day (13 011), respectively.

Produced not sold oil volumes for the 2nd quarter have been recognised using oil prices at 30 June, 2002 (entitlement method).

Licences in the UK

Average oil production from the Heather field (DNO 100 %) for the 2nd quarter of 2002 was 4 985 barrels per day (6 198), which is according to plan. A brief shutdown of the field is planned for August in order to carry out various work relating to the pipeline to the Ninian field to which the oil from Heather is transported.

DNO's efforts to find a partner for the West Heather project continued in the 2nd quarter. On 17 August, DNO entered into a farm-out agreement for 45 per cent of P.242 (Block 2/5 minus Heather) and P.902 (Block 2/4a) to Challenger Minerals Inc., a subsidiary of Global Santa Fe Inc. and Palace Exploration Company. The farmed-out acreage includes the West Heather and North Terrace satellites round the Heather field in the UK and other potential hydrocarbon discoveries. In all, the new partners will contribute with maximum GBP 15 million (USD 23 million) towards the expense of drilling two wells in the West Heather structure, which is a significant share of the well costs. The first well, soon to be commenced, will be drilled using the SS "Glomar Arctic IV" drilling rig.

Depending on the results of the first well, a second well is planned for the 1st half of 2003. As previously reported by DNO, the development of the satellites round the Heather field will enable realization of a number of projects associated with the main field to increase oil recovery, which may mean that production from the Heather platform may continue until 2012. DNO's share of the total remaining P50 oil resources in the Heather area (Heather and satellites) after the farm-out agreement is estimated at approximately 42 million barrels.

DNO has signed a letter of intent for a possible temporary takeover of the Thistle field on the UK shelf, including its operatorship. The company is examining technical and

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commercial data to evaluate the possibility of extending the field's life by means of increased oil recovery and cost reductions. A takeover, if any, cannot be implemented until the end of 2002 at the earliest.

Licences in Norway

In the 2nd quarter of 2002, oil production from the Norwegian shelf totalled 6 935 barrels per day (3 383). This is an increase compared with the 2nd quarter of 2001, due to production from the Glitne field and the increase in DNO's interest in the Jotun field from 3.75 to 7.0 per cent. The 3.75 per cent increase in the Jotun field, effective from 1 January, 2002 also means that the company becomes the operator of licence 103B. The Jotun field agreement and operatorship have now been approved by Norwegian authorities.

During the 2nd quarter, preparations were made for the drilling of new wells, the first of which has now been completed. The new Jotun wells are expected to increase the field's production in the 2nd half of the year compared with the 1st half.

Various development solutions are being evaluated for PL 203, with a coordinated development of the entire area being central. The new operator, Marathon, has achieved a strong position in the area. A plan for development and operation (PDO) may be submitted to the Norwegian authorities in the course of 2003. DNO's share of the oil and gas reserves in the licence is some 10 million barrels of oil equivalent.

In the Amerada Hess operated PL 006C, the well drilled in "Tyr" was completed in the 1st quarter. No hydrocarbons were found, and in the 2nd quarter of 2002, DNO wrote down the licence to NOK 0.

Licences in Yemen

Total oil production from Yemen in the 2nd quarter of 2002 was 11 572 barrels per day (3 300 barrels per day). The significant production increase in Yemen is due to the Sharyoof field coming onstream towards the end of 2001. The development in the production from both the company's fields in Yemen (Tasour and Sharyoof) has exceeded expectations, and at the end of the 2nd quarter of 2002, DNO's total production from Yemen had increased to approximately 12 000 barrels per day.

Additional production wells in the Sharyoof field were completed in the 1st quarter, increasing production from the field to approximately 25 000 barrels per day at the end of the 2nd quarter (DNO's share of production is approximately 7 500 barrels a day).

Based on the positive development in production and new technical studies, total recoverable reserves in the Tasour and Sharyoof fields have increased to approximately 10 million barrels and 30 million barrels, respectively. DNO's share (before tax) is approximately 4 million barrels and 9 million barrels, respectively. At the end of the 2nd quarter of 2002, approximately 5 million barrels had been produced from the Tasour field, of which DNO's share was 2 million barrels. This means that about half of the oil reserves in the Tasour field have been produced.

DNO has identified a number of interesting projects in the new licence, block 43, awarded in the autumn of 2001. Like the Tasour and Sharyoof fields, block 43 also borders on block 14, of which Nexen is the operator, producing approximately 230 000 barrels per day.

Offshore & Services

DNO owns approximately 39 per cent of Petrolia Drilling ASA (PDR). For the 1st half of 2002, DNO has recognised a loss of NOK 125.7 million relating to its interest in PDR. Because of the situation in PDR concerning the contract with Petrobras, and the sale of the interest in ClampOn AS, the basis for a demerger of the Offshore & Services segment has changed significantly, and as such has become less relevant.

The Offshore & Services segment had an operating profit of NOK 8.8 million for the 1st half of 2002.

Investments

Total investments for the 2nd quarter amounted to NOK 29.0 million, relating mainly to investments in Yemen.

Financial position

The Group's cash position at 30 June, 2002 was NOK 285.6 million, of which NOK 136.9 million was free cash. Restricted reserves consist of provisions for future abandonment costs relating to the Heather field.

Long-term interest-bearing debt at the end of the 2nd quarter of 2002 was NOK 624.9 million (674.5) after repayment of NOK 96 million in interest-bearing debt.

Shareholders' equity at 30 June, 2002 was NOK 893.1 million. The reduction in shareholders' equity during the period 1 January to 30 June relates to the results for the period and to the purchase of own shares.

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NOK million 30.06.2002 30.06.2001 31.12.2001

ASSETS

Intangible assets	145.9	123.8	149.8
Tangible assets	1.331.5	1.029.8	1.371.7
Financial fixed assets	309.2	497.7	484.6
Total fixed assets	1,786.5	1,651.4	2,006.1

Inventory	5.5	8.3	10.9
Accounts receivable	289.1	142.9	172.5
Short-term financial assets	0.0	10.0	0.2
Cash and cash equivalents	136.9	474.5	163.7
Total current assets	431.5	635.8	347.2
Total assets	2,218.1	2,287.1	2,353.4

DEBT AND SHAREHOLDERS' FUNDS

Shareholders' funds	893.1	887.4	941.7
Interest-bearing long-term debt	624.9	674.5	651.1
Provisions for liabilities and charges	554.8	356.0	395.8
Total long-term liabilities	1,179.7	1,030.4	1,046.9

Other short-term debt	145.3	376.5	320.0
Total short-term debt	145.3	376.5	320.0
Total debt and shareholders' funds	2,218.1	2,287.1	2,353.4

CHANGES IN SHAREHOLDERS' FUNDS (GROUP)

	2002 01.01-30.06	2001 01.01-30.06	2001 01.01-31.12
Shareholders' funds at 1 January 2002	941.7	796.7	796.7
Conversion debentures	0.0	0.0	0.3
Purchase of own shares	-4.8	0.0	-12.9
Issues	0.0	22.8	0.0
Options, employees and key personnel	0.0	0.0	23.4
Other	-0.6	0.0	0.0
Profit for the period	-43.2	60.6	134.2
Shareholders' funds	893.1	880.2	941.7

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