DNO ASA

THIRD QUARTER 2007: DEVELOPING VALUE.

CONTENTS

INTERIM REPORT THIRD QUARTER 2007

DNO is an independent international upstream oil and gas company. Our main objective is sustainable growth and value creation through smart exploration, cost effective field development and high margin production. Currently, our license portfolio is located in four geographic segments: Northern Europe, Yemen, Kurdistan and Africa. We are committed to conducting our activities in a socially, environmentally and economically responsible manner.

KEY EVENTS

Operations

Commencement of Tawke test production
- Resulting in 57 % increase in WI production
- Continued long term testing of the upper reservoir, with oil being delivered to domestic market by tanker trucking
- Preparing to initiate well #8 long term testing of lower reservoir

Continued appraisal drilling at the Tawke oil field
- Strong test results achieved
- In Tawke #5A an aggregated test rate of 9,000 bopd was achieved from 3 test interrvals
- In Tawke #8 an aggregated test rate of 20,500 bopd was achieved from 5 test intervals
- Tawke #1 well has been re-entered using the carrier rig, and an extensive test program will be undertaken. A rate of 1,800 bopd was achieved from the first test.

Bringing new wells on stream adding new production from Yemen
- Two wells brought on stream; Nabrajah #15 in block 43, and Bayoot SW #3 in block 53
- The Bayoot SW #3 well in block 53 tested 1,880 bopd

NCS exploration well program initiated
- First well drilled as operator
- The Lie prospect in block 24/9 was proven dry
- The Ragnarrock prospect in block 16/2 confirmed oil in chalk reservoir. A second well is in progress

Combining Det Norske Oljeselskap ASA with Perta ASA
- Intergration agreement announced 9 October
- Next step in the growth strategy in Norway
- Creating the largest independent Norwegian E&P company on the NCS

Financials

Strong growth in revenues and operating profit compared to 2006
- Sales in the third quarter were NOK 417,9 million (NOK 283,7 million) and in the first nine months NOK 1 051,1 million (NOK 1 057,7 million)
- Profit from operations was NOK 125,1 million (NOK 88,2 million) in the third quarter and NOK 360,5 million (NOK 284,9 million) in the first nine months
- Net profit in the third quarter was NOK 35,6 million (NOK 46,4 million) and in the first nine months NOK 177,1 million (NOK 92,4 million)

Strong netback despite increased exploration expenses
- The pre-tax expensed exploration costs increased to NOK 133,6 million (NOK 82,4 million) in the third quarter and NOK 358,9 million (NOK 410,0 million) in the first nine months
- Netback increased to NOK 180,4 million (NOK 42,3 million) in the third quarter and to NOK 500,8 million including asset sales proceeds (NOK 199,9 million) in the first nine months

Expanding E&D investments in all business segments
- Development investments in the third quarter amounted to NOK 471,2 million (NOK 259,2 million), and in the first nine months NOK 1 081,3 million (NOK 583,5 million)

KEY FIGURES *

	QUARTERLY RESULTS			YEAR TO DATE	
NOK million – net entitlement	**Q3 2007**	**Q2 2007**	**Q3 2006**	**Q3 2007**	**Q3 2006**
Sales	417,9	342,6	283,7	1 051,1	1 057,7
Profit/(loss) from operating activities	125,1	233,7	88,2	360,5	284,9
EBITDA	207,5	303,6	130,1	581,2	405,6
Net profit/(loss)	35,6	122,5	46,4	177,1	92,4
Netback	180,4	267,6	42,3	500,8	199,9
Acquisition and development costs	471,2	322,3	259,2	1 081,3	583,5
Exploration costs expensed	133,6	67,3	82,4	358,9	410,0
Net entitlement production (bopd)	15 204	9 511	7 647	11 428	9 514

* Including asset sale proceeds

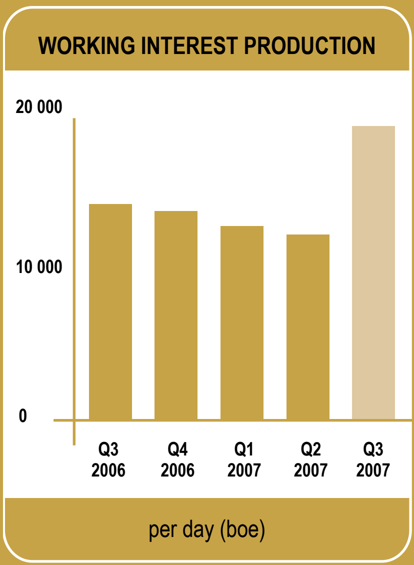
KEY OPERATIONAL AND FINANCIAL DATA

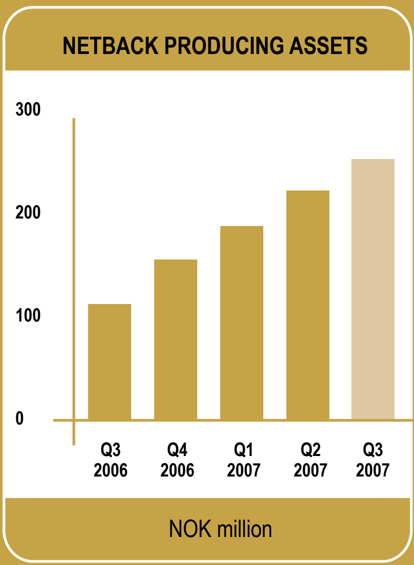
NOK million	QUARTERLY RESULTS Q3 2007	Q2 2007	Q1 2007	Q4 2006	Q3 2006	YEAR TO DATE Q3 2007	Q3 2006
Working Interest [1]							
Working interest production (mboe)	1,811	1,144	1,142	1,262	1,286	4,097	4,151
Working interest production per day (boe)	19 685	12 576	12 685	13 716	13 978	15 007	15 206
EBITDA *	386,7	418,4	168,8	246,4	369,9	973,9	1 048,9
EBITDA, (USD/bbl)	37,66	48,12	24,02	30,86	45,96	35,64	39,80
Net Entitlement [2]							
Net entitlement production (mboe)	1,399	0,865	0,856	0,769	0,703	3,120	2,597
Net entitlement production per day (boe)	15 204	9 511	9 507	8 362	7 647	11 428	9 514
EBITDA *	207,5	303,6	70,1	64,8	130,1	581,2	405,6
EBITDA, (USD/bbl)	26,29	41,28	13,36	13,43	29,84	26,49	24,75
Key figures independent of presentation method							
Achieved sales price, (USD/bbl)	58,15	68,61	55,41	57,49	65,04	59,86	64,54
Lifting cost, (USD/bbl)	7,42	10,44	7,95	7,59	7,00	8,36	7,51
DD&A, (USD/bbl)	10,11	13,93	12,91	13,48	9,60	11,89	7,27
Netback *	180,4	267,6	52,8	54,1	42,3	500,8	199,9
Acquisitions and development cost	471,2	322,3	287,9	807,4	259,2	1 081,3	583,5
Exploration cost expensed	133,6	67,3	158,0	155,7	82,4	358,9	410,0

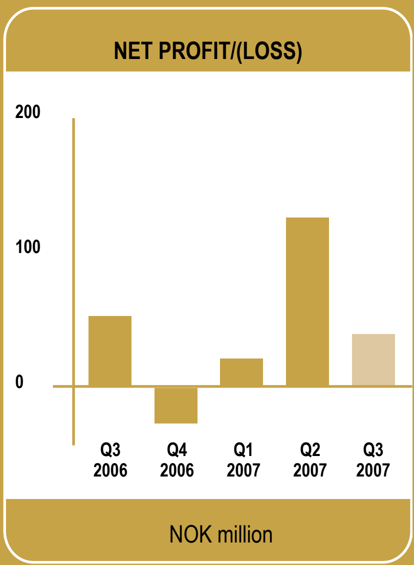
* Including asset sale proceeds in Q2 2007

[1] Key data calculated on the basis of Working Interest method (DNO share pre-tax less royalty, including DNOs share of cost oil resulting from carried interests)
[2] Key data calculated on the basis of Net Entitlement method

The production figures include crude oil consumed in the operation of the Tasour field and, from the second quarter 2007 also the Sharyoof field. This crude replaces alternative source of fuel and thereby realise considerable cost savings. The volumes are approximately 300 barrels per day in the third quarter 2007 (DNO working interest).
Production from the Tawke field has been included from the third quarter 2007. Under the current arrangement with KRG, DNO is entitled to all produced volumes of oil, net after royalty, until all project costs to date have been recovered.







CONDENSED TABLES

In the financial statements, DNO presents its operations governed by Production Sharing Agreements (PSAs) according to the net entitlement method. The Result of Operations table and related tables in the MD&A part of the interim report are based on the working interest method. For a full discussion on PSAs, net entitlement and working interest, reference is made to the interim report for fourth quarter 2005 and annual report 2005.

INCOME STATEMENTS – NET ENTITLEMENT

	QUARTERLY RESULTS					YEAR TO DATE	
NOK million	**Q3 2007**	**Q2 2007**	**Q1 2007**	**Q4 2006**	**Q3 2006**	**Q3 2007**	**Q3 2006**
Sales *	417,9	342,6	290,6	277,5	283,7	1 051,1	1 057,7
Cost of goods sold	-156,7	-139,5	-124,2	-127,1	-98,3	-420,4	-318,6
Gross profit	261,2	203,1	166,4	150,4	185,4	630,7	739,1
Gross margin %	62,5 %	59,3 %	57,2 %	54,2 %	65,3 %	60,0 %	69,9 %
Profit/(loss) from operating activities	125,1	233,7	1,7	-1,6	88,2	360,5	284,9
Profit/(loss) before income tax expenses	54,0	187,8	-32,7	-28,9	82,2	209,1	193,3
Income tax expenses	-18,4	-65,3	51,7	-2,4	-35,7	-32,0	-100,9
Net profit/(loss)	35,6	122,5	19,0	-31,3	46,4	177,1	92,4

* Sales based on net entitlement, for more details see note 3 in the Financial Accounts

BALANCE SHEET STATEMENTS

	QUARTERLY					YEAR TO DATE	
NOK million	**Q3 2007**	**Q2 2007**	**Q1 2007**	**Q4 2006**	**Q3 2006**	**Q3 2007**	**Q3 2006**
Non-current assets	2 933,5	2 704,9	2 587,2	2 398,2	1 906,9	2 933,5	1 906,9
Current assets	1 473,9	1 612,4	1 128,1	897,1	1 059,8	1 473,9	1 059,8
Total assets	**4 407,5**	**4 317,2**	**3 715,3**	**3 295,4**	**2 966,7**	**4 407,5**	**2 966,7**
Equity	1 133,2	1 233,7	705,3	724,5	792,4	1 133,2	792,4
Non-current liabilities	2 370,3	2 322,2	2 265,5	1 979,5	1 821,8	2 370,3	1 821,8
Current liabilities	904,0	761,3	744,5	591,4	352,4	904,0	352,4
Equity and liabilities	**4 407,5**	**4 317,2**	**3 715,3**	**3 295,4**	**2 966,7**	**4 407,5**	**2 966,7**

CASH FLOW STATEMENTS

	QUARTERLY					YEAR TO DATE	
NOK million	**Q3 2007**	**Q2 2007**	**Q1 2007**	**Q4 2006**	**Q3 2006**	**Q3 2007**	**Q3 2006**
Net cash from operating activities	207,5	20,8	-174,3	186,3	-39,7	54,0	117,2
Net cash used in investing activities	-451,9	-174,2	-270,4	-473,7	-300,0	-896,5	-590,1
Net cash (used in)/from financing activities	6,1	455,6	571,3	212,5	-13,0	1 033,0	-66,7
Net increase/ (decrease) in cash	**-238,3**	**302,2**	**126,6**	**-74,9**	**-352,7**	**190,5**	**-539,5**
Cash at beginning of the period	838,9	542,4	418,0	506,5	829,8	418,0	1 081,5
Exchange gain/(losses) on cash	-20,6	-5,7	-2,2	-13,6	29,4	-28,5	-35,5
Cash at end of the period	**580,0**	**838,9**	**542,4**	**418,0**	**506,5**	**580,0**	**506,5**

GENERAL INFORMATION

International Financial Reporting Standards (IFRS)
DNO's financial accounts are with effect from 1 January 2005 prepared in accordance with International Financial Reporting Standards.

The third quarter 2007 interim report has been prepared in accordance with IAS 34 (Interim Financial Reporting) and IFRS standards issued and effective at date of reporting. The interim report has also been prepared in accordance with Stock Exchange regulations.

Working interest/Net entitlement presentation
The working interest method is used in the MD&A and in the operational reviews (Result of Operations). The net entitlement method is for the mandatory financial statements only, including the explanatory notes.

For further descriptions, reference is made to the Interim Report Fourth Quarter and full year 2005.

Business Structure
In order to monitor and assess performance based on differences in risk and geography, as well as securing management focus, DNO's petroleum activities are organized in the geographic segments Northern Europe, Yemen, Kurdistan and Africa.

DNO Group total staff approx: 514

CORPORATE FUNCTIONS
Number of staff: 10

President and Managing Director
Helge Eide

Chief Operating Officer
Ivar Brandvold

Chief Financial Officer
Haakon Sandborg

Corporate Head of Exploration
Tore Lilloe-Olsen

QHSE Manager
Ole-Andreas Isdahl

*Resource and knowledge pool in Oslo and London

AFRICA	NORTHERN EUROPE	YEMEN	KURDISTAN
E&P Manager Ole Nygaard	E&P Manager Roar Tessem	E&P Manager Sven Erik Lie	E&P Manager Magne Normann
Staff: 3 Head office: Oslo	Staff: *49 Head office: Oslo	Staff: 268 Head office: Oslo	Staff: 184 Head office: Dubai

MANAGEMENT DISCUSSION AND ANALYSIS (MD&A)

Analysis and tables included in the MD&A section of this report is based on the working interest method. For more details, see General Information Section.

The MD&A is split in three main sections;
1) Summary per segment
2) Operational Information
3) Corporate Financial Information

Operational Information covers the following analysis:
• Result of Operations Producing Assets
• Investments Incurred in Oil and Gas Activities
• Reserves and resources

The analysis of operational information in the MD&A provides details on DNO's performance within the following key value chain activities;
• Exploration and discovery
• Development
• Production

The section on result of operations provides information on performance of DNO's assets in production, whereas the sections on investments and reserve economics provides details on value creation generated from exploration and investment activities.

Corporate Financial Information covers other information relevant to the Group's accounts that is not covered in the analysis of operational information.

1) SUMMARY PER SEGMENT Q3 2007

Kurdistan

Tawke Development

The commencement of Tawke extended test production has resulted in 57 % increase in working interest production. The crude oil is being delivered to the local market by trucking, with daily volume dictated by local demands. The production from Tawke increased by 16 % in September as compared to August.

The Kurdistan test production quoted herein is presented as working interest including DNO entitlement to cost oil. As previously reported DNO is initially entitled to all produced volumes of oil from Tawke, net after royalty. When accrued project costs up until a certain date are recovered, the cost oil will be adjusted to model PSA terms, which is expected to be in the range of 40-45 %. In accordance with the local Petroleum Law approved by the Kurdish Parliament the PSA's held by DNO have been reviewed by a committee appointed for such purpose. The final outcome of this review will be disclosed in due course and in coordination with KRG.

The Tawke test production is delivered directly from the well site at very low costs. The test production to date has been mainly from well #4 in the upper reservoir, and excellent production characteristics have been demonstrated with a maximum daily production from well #4 of 12,161 bopd. The test production has now been switched from the upper reservoir to the lower reservoir. Test production from the upper reservoir well #4 was stopped 6 October with pressure build up data being recorded. Test production from lower reservoir well #8 commenced 3 October, including interference tests with wells #3 and 5A to assess the lateral communication in the reservoir section.

The completed wells at the Tawke field have a total initial production capacity of 67,000 bopd. This is well above the capacity of the process facilities, which is designed for a daily throughput of 50,000 bopd. Hence, this very positive situation allows for a change in the well program to focus on exploration drilling to prove additional resources within the two PSAs. Consequently, the two drilling rigs will be moved to exploration targets, whereas the lighter carrier rig will continue with drilling, completion and workover activities at the Tawke field itself.

During the third quarter the Tawke development project has continued the construction, hook-up and commissioning activities at the Central Processing Facilities (CPF), pipeline, metering station and associated facilities. Trucking facilities with a maximum capacity of 35,000 bopd have been installed, enabling delivery directly to the local market. The CPF is being commissioned and transferred to Production, with planned oil production through the facilities in November.

As an integrated part of the operations, DNO has during the past three years been continuously monitoring all aspects of operating in Northern Iraq in close cooperation with KRG. Neither the past nor the recent geopolitical events in the region has to date affected any of the company's operations.

Well Summary

Drilling and testing of Tawke #5A and Tawke #8 was completed in the third quarter. The main objective for the two wells was to appraise the oil discovery confirmed by Tawke #3 in the deeper reservoir horizons at a more central location of the field.

A comprehensive testing program was carried out in the two wells. Tawke #5A achieved a gross rate of 9,000 bopd aggregated from three test intervals, with a maximum rate of 6,200 bopd from the most productive interval. Tawke #8 achieved a gross flowrate of 20,500 bopd aggregated from five tests with a maximum rate of 8,300 bopd from the most productive interval.

The tests results from Tawke #5A and Tawke #8 together with the results previously reported for Tawke #3 (9,000 bopd aggregated from two tests) confirm good reservoir properties and productivity in the deeper reservoir horizons.

A smaller carrier rig has re-entered Tawke #1 with the purpose of re-testing several intervals in the deeper reservoir horizons applying the same testing procedures (including acid stimulation) as for the Tawke #3, #5A and #8 wells. An initial test has been undertaken, producing at 1,800 bopd, before acid stimulation. Logging and testing is presently ongoing at deeper levels of the lower reservoir.

Two additional wells are in progress to further appraise the oil discovery in the lower reservoir; Tawke #11 and #12 have been drilled to and cased off at top lower reservoir level. At this point both wells have been temporarily plugged back, to be drilled and completed using the smaller carrier rig. The two drilling rigs are being moved to drill exploration targets at the Dihok and Erbil licenses.

Early in October a 2D seismic acquisition program was initiated on the Dihok licence.

Yemen

Production and development drilling

The positive production trend from the second quarter has continued into the third quarter. Two new production wells were completed and brought on stream during the quarter. Nabrajah well #15 in block 43 was brought on stream in August and has since been producing at a gross flow rate of approximately 370 bopd. The Bayoot SW well #3 in block 53 was put on production towards the end of September, producing initially at a gross flow rate of around 1,600 bopd.

The Nabrajah field was shut down for 3 days and produced at reduced rates for 7 days in September due to repair on the flare stack. This resulted in reduced production output for September.

In block 32, the gross production from the Tasour field averaged 6,433 bopd, and the gross production from the Godah field averaged 2,977 bopd in the third quarter. The end of October gross production from the Tasour and Godah fields are 5,964 bopd and 2,269 bopd respectively. No new production wells have been drilled on block 32 during the third quarter.

At the Nabrajah field in block 43, the gross production was 6,500 bopd in the third quarter. The end October gross production from the Nabrajah field is 6,667 bopd. Drilling of the appraisal/development well Nabrajah #16 is ongoing.

In block 53, the third quarter average gross production was 12,010 bopd as compared to 10,250 bopd in the second quarter, including oil from the Bayoot and Hekma discoveries. The main contribution to the production increase was the re-completion of Sharyoof #6 and Sharyoof #20 in the second quarter. Trucking of oil from the Bayoot and Hekma discoveries contributed with gross 722 bopd during the third quarter. The end October gross production from the Sharyoof field is 12,059 bopd, of which the contribution from the Bayoot and Hekma area is 2,420 bopd. The main contribution to this production increase is the Bayoot SW #3 well, which was put on production at the end of September. Bayoot SW #3 encountered oil in both Naifa/Madbi and fractured Basement, and a test was carried out in the Basement interval. The well flowed at a maximum rate of 1,880 bopd. This is the fourth well drilled in the Bayoot/Hekma area confirming oil in either Basement or the overlaying carbonates.

Trucking of oil from the Bayoot/Hekma discovery wells back to the Sharyoof facilities has been ongoing since the fourth quarter of 2006 at an average gross rate of approximately 600 bopd. In the short term the trucking capacity has been increased to also include production from Bayoot SW #3. With the encouraging results from the wells in the Hekma/Bayoot area, the license partners are now considering building a pipeline back to the Sharyoof field for permanent production/transportation of oil.

Exploration

The Nuzooh #1 exploration well in block 32 commenced drilling in July and was drilled to a total depth of 3,704 meters and subsequently plugged and abandoned after encountering minor oil shows. The well was drilled south and west of the main Tasour field targeting prospects in the Qishn, Madbi/Naifa and Basement formations. The drilling rig was moved to block 44 for drilling of exploration well Wasta #1.

The Thoub #1 exploration well in block 43 commenced drilling 31 July, and was drilled to a total depth of 3,610 meters, which was 30m into Basement. The well was subsequently plugged and abandoned after encountering no movable hydrocarbons. The well was located approximately 8 km east of the Nabrajah field targeting prospects in Qishn, Madbi/Naifa and Basement. The drilling rig has been moved back to the Nabrajah field in block 43 for drilling the appraisal/development well Nabrajah #16.

The exploration well Wasta #1 tested a structure in block 44 with Qishn sandstone reservoir as the main target. Spud date was 24 October and the well was drilled to a total depth of 1,462m which was 30m into the Saaf formation. Traces of 'dead oil' where encountered in the Qishn sandstone of good reservoir quality. The well is plugged and abandoned and the drilling rig is moved into block 32 to drill the exploration well Berhout #1. DNO is considering drilling one more exploration well along the same geological trend.

Northern Europe

Norway

Well 24/9-8 on the Lie prospect in PL305 was spudded on 18 July. This was the first well operated by Det Norske Oljeselskap ASA on the Norwegian Continental Shelf and thus represents an important milestone for the company. Well 24/9-8 was drilled into the reservoir section to TD at 2,165m below sea level. Hydrocarbons were not encountered and the well was plugged and abandoned. Through a transaction reported 19 January 2006, all well related costs for the company's share will be paid by PA Resources.

This was the first well to be drilled by the Bredford Dolphin rig in the three year drilling contract the company and six other operators in a consortium have with Dolphin. The rig will drill one well for another operator prior to returning to Det Norske Oljeselskap ASA to drill well 24/12-5S; the Thorkildsen prospect in PL341. The company's share of the well related costs for the Thorkildsen well will also be paid by PA Resources.

In PL265 (operated by StatoilHydro) the Ragnarrock well 16/2-3 was spudded 1 August and drilled to a TD of 1,856m below sea level. The well was drilled with the West Epsilon rig and the well was cored, logged and tested with multiple mini-DST's prior to being plugged and abandoned. The main purpose of the well was to prove the presence of moveable oil within a low productivity chalk reservoir. Based upon the positive well results the PL265 license partners decided to move the West Epsilon rig and drill the 16/2-4 appraisal well immediately. The water depth in the area is 113 metres.

In June, DNO launched a new growth strategy in Norway, where the mission was to build the largest independent Norwegian exploration and production company. On 8 October 2007 the company entered into an Integration Agreement with Pertra ASA and Det Norske Oljeselskap ASA. The main purpose of the agreement is to join the activities of Pertra ASA and Det Norske Oljeselskap ASA into one major privately owned Norwegian exploration and production company, called Det norske oljeselskap ASA. DNO will according to the agreement have an initial shareholding of 39.97 % of the combined company and the ownership is later to be reduced to a maximum of 25 %.

The combined company will become Norway's second largest operator. The combination of the two companies is part of the strategy to establish a mid-cap operating company creating shareholder value. The company will operate 17 licenses offshore Norway and will operate 20 exploration wells over the next three years.

In the parties' shareholders meetings on 8 November the respective Boards' decisions to enter into the Integration Agreement of 8 October were approved.

At the Goliat field, conceptual and field evaluation studies are taking place related to development of the field. Selection of main development concept is scheduled for December this year.

The production from Glitne was in line with plan in the third quarter. Drilling of the new infill well has been completed and the plan is to bring this well on stream towards the end of November this year.

Production from the Enoch field started at the end of May. The current production is around 9,000 bopd – whereof Det Norske Oljeselskap ASA has a 2 % working interest share.

UK

In the UK licenses, technical and reservoir evaluation work is being completed.

Africa

Equatorial Guinea

A plan for development of the Green Sand structure, where DNO has a 6.25 % interest was submitted to the authorities on 12 August. The development concept is a FPSO (floating production and storage unit) with two production wells and one injection well. The Green Sand discovery is estimated to hold around 33 million boe (P50 estimate) of gross resources. Clarifications are ongoing with the authorities.

Mozambique

De-mining of seismic survey lines and construction of access roads for the seismic survey was completed in the third quarter. A 2D seismic acquisition (200 km) program was initiated at the end of September, and completed in October.

Outlook

The progress and achievements in Yemen and Kurdistan in Northern Iraq are manifesting our capabilities as an efficient, flexible and cost effective operator.

Kurdistan in Northern Iraq is one of the last remaining frontiers with a significant unexplored resource potential at moderate to low risk. There is a strong momentum in developing the oil industry in Kurdistan, as demonstrated by the number of PSAs being signed by international players. This will trigger a boost in seismic and drilling activity in the short term, followed by development in- and production from the area in the medium to long term. In these exciting times of Kurdistan, DNO is in forefront of the development of the local oil industry. The next step for Kurdistan is to develop a regional export solution. Also here DNO is well positioned to be a key player, with the facilities currently being constructed and commissioned. The regional export solution will be developed in close cooperation with the authorities and the other operators.

In block 53 in Yemen, the Bayoot/Hekma area will be appraised further by aggressive delineation drilling to prove up additional resources. It is also expected that a pipeline will be installed to connect the area to the Sharyoof facilities for permanent production/ transportation of oil.

DNO's Norwegian strategy was taken one step further by the launch of the integration of Det Norske Oljeselskap ASA and Pertra ASA. The combination of the two companies will constitute a strong basis for the strategy to build the largest independent Norwegian exploration and production company.

2) OPERATIONAL INFORMATION

Result of Operations (RoO) Producing Assets

Result of operations is a measure of the efficiency of the company's producing assets. Result of operations include revenues and expenses associated directly with the Group's crude oil and natural gas producing activities. Taxes paid are calculated on a field by field basis, based on the effective tax rate for the operations on the NCS, and based on actual tax payments for the operations in Yemen and Kurdistan. Result of operations does not include profit or loss from hedging activities, interest expense and income, corporate administration expenses, or their associated tax effects. Due to the exclusions referred to above, the result of operations is not necessarily comparable to consolidated profit after tax.

Third Quarter Highlights - Result of Operations Producing Assets

- The sales revenues were higher than the previous quarter due to startup of production from Tawke in Kurdistan, and higher oil prices
- The lifting costs increased mainly due to higher production (startup of Tawke field)
- Exploration costs are related to dry wells in block 32 and 43 in Yemen
- Taxes paid increased due to less cost oil than in the first half year in block 32 and 53 in Yemen, and higher revenues and results

RESULT OF OPERATIONS PRODUCING ASSETS

	QUARTERLY					YEAR TO DATE	
NOK million	**Q3 2007**	**Q2 2007**	**Q1 2007**	**Q4 2006**	**Q3 2006**	**Q3 2007**	**Q3 2006**
Sale of petroleum products	597,0	457,4	389,3	459,0	523,4	1 443,8	1 701,1
Lifting costs	-76,2	-69,6	-55,8	-60,6	-56,3	-201,7	-198,1
DD&A	-79,8	-69,5	-67,7	-64,9	-41,4	-217,0	-118,9
Transportation and other	-9,2	-9,9	-9,7	-11,1	-10,9	-28,8	-36,0
Exploration costs	-37,7	0,4	-21,9	-6,6	-10,0	-59,2	-10,0
Result of operations before taxes	**394,2**	**308,7**	**234,2**	**315,7**	**404,8**	**937,1**	**1 338,2**
Taxes paid	-216,9	-156,1	-125,6	-241,7	-342,0	-498,6	-857,7
Result of operations after taxes	**177,3**	**152,6**	**108,6**	**74,0**	**62,7**	**438,5**	**480,4**

OTHER KEY RESULT OF OPERATIONS DATA

	QUARTERLY					YEAR TO DATE	
NOK million	**Q3 2007**	**Q2 2007**	**Q1 2007**	**Q4 2006**	**Q3 2006**	**Q3 2007**	**Q3 2006**
Working interest production (mboe)	1,811	1,144	1,142	1,262	1,286	4,097	4,151
Achieved sales price (USD/bbl)	58,15	68,61	55,41	57,49	65,04	59,86	64,54
Average lifting cost (USD/bbl)	7,42	10,44	7,95	7,59	7,00	8,36	7,51
Average DD&A (USD/bbl)	10,11	13,93	12,91	13,48	9,60	11,89	7,27
EBITDA producing assets	474,0	378,2	301,9	380,7	446,2	1 154,1	1 457,0
Netback producing assets	257,1	222,1	176,3	139,0	104,1	655,5	599,3
RoO tax rate (%)	55,0	50,6	53,6	76,5	84,5	53,2	64,1

SALE OF PETROLEUM PRODUCTS

Sale of petroleum products is calculated on the basis of working interest production.

	QUARTERLY					YEAR TO DATE	
NOK million	**Q3 2007**	**Q2 2007**	**Q1 2007**	**Q4 2006**	**Q3 2006**	**Q3 2007**	**Q3 2006**
Northern Europe	42,6	26,0	27,3	30,1	34,6	96,0	112,5
Yemen	452,2	431,4	362,0	428,9	488,8	1 245,6	1 588,5
Kurdistan	102,2	–	–	–	–	102,2	–
Sale of Petroleum Products	**597,0**	**457,4**	**389,3**	**459,0**	**523,4**	**1 443,8**	**1 701,1**

The increase in revenues from sale of petroleum products in the third quarter is mainly due to startup of production from Tawke in Kurdistan; reference to details in sales variance analysis table below.

SALES VARIANCE ANALYSIS

The table below describes variations in the factors that influence the development of DNO's revenues from sale of petroleum products.

NOK million	Variation Q2 2007-Q3 2007	Variation Q3 2006-Q3 2007
Sale of Petroleum Products	**457,4**	**523,4**
Change in production volume	266,4	222,0
Change in crude oil price	-100,7	-89,4
Change in USD/NOK	-26,1	-59,0
Sale of Petroleum Products	**597,0**	**597,0**

PRODUCTION

The table reflects DNO's working interest production.

	QUARTERLY					YEAR TO DATE	
(Mboe)	Q3 2007	Q2 2007	Q1 2007	Q4 2006	Q3 2006	Q3 2007	Q3 2006
Northern Europe	0,099	0,066	0,078	0,085	0,085	0,242	0,281
Yemen	1,080	1,079	1,064	1,177	1,201	3,223	3,870
Kurdistan	0,631	–	–	–	–	0,631	–
Total production	**1,811**	**1,144**	**1,142**	**1,262**	**1,286**	**4,097**	**4,151**

Successful startup of test production from the Tawke field in Kurdistan and Enoch production are the reasons for the 57 % increase in production in the third quarter.
The production from Yemen was stable as satellite fields came on stream.

CRUDE OIL PRICES

	QUARTERLY					YEAR TO DATE	
(USD/bbl)	Q3 2007	Q2 2007	Q1 2007	Q4 2006	Q3 2006	Q3 2007	Q3 2006
Total achieved sales prices	**58,15**	**68,61**	**55,41**	**57,49**	**65,04**	**59,86**	**64,54**
Europe Brent Spot Prices	**74,46**	**68,79**	**57,51**	**59,73**	**69,89**	**66,92**	**69,89**
OPEC Countries Spot Prices	**72,19**	**65,61**	**54,78**	**56,47**	**65,96**	**64,19**	**65,96**

LIFTING COST

	QUARTERLY					YEAR TO DATE	
NOK million	Q3 2007	Q2 2007	Q1 2007	Q4 2006	Q3 2006	Q3 2007	Q3 2006
Northern Europe	14,1	11,0	14,9	14,0	11,7	39,9	37,2
Yemen	54,8	58,7	41,0	46,6	44,7	154,5	160,9
Kurdistan	7,3	–	–	–	–	7,3	–
Total lifting cost	**76,2**	**69,6**	**55,8**	**60,6**	**56,3**	**201,7**	**198,1**

The next table shows a geographic split of lifting cost per bbl for segments holding producing assets.

	QUARTERLY					YEAR TO DATE	
(USD/bbl)	Q3 2007	Q2 2007	Q1 2007	Q4 2006	Q3 2006	Q3 2007	Q3 2006
Northern Europe	24,63	27,83	30,77	25,77	21,72	27,45	20,59
Yemen	9,05	9,35	6,26	6,27	5,95	8,18	6,55
Kurdistan	2,01	–	–	–	–	2,01	–
Total lifting cost (USD/bbl)	**7,42**	**10,44**	**7,95**	**7,59**	**7,00**	**8,36**	**7,51**

The lifting cost per bbl in Yemen increase due to workovers as some fields are on decline.
The lifting costs in Kurdistan consist mainly of personnel costs related to production and security; there is no additional cost for lifting of the oil as the current sales are from trucks to domestic market.

DEPRECIATION, DEPLETION AND AMORTISATION (DD&A)

	QUARTERLY					YEAR TO DATE	
NOK million	Q3 2007	Q2 2007	Q1 2007	Q4 2006	Q3 2006	Q3 2007	Q3 2006
Northern Europe	12,7	5,9	2,1	2,3	3,8	20,8	10,7
Yemen	50,0	63,6	65,6	62,7	37,6	179,2	108,1
Kurdistan	17,1	–	–	–	–	17,1	–
Total DD&A	**79,8**	**69,5**	**67,7**	**64,9**	**41,4**	**217,0**	**118,9**

	QUARTERLY					YEAR TO DATE	
(USD/bbl)	Q3 2007	Q2 2007	Q1 2007	Q4 2006	Q3 2006	Q3 2007	Q3 2006
Northern Europe	22,30	15,00	4,38	4,16	7,01	14,28	5,95
Yemen	13,56	13,84	13,78	14,67	9,96	13,77	7,43
Kurdistan	4,69	–	–	–	–	4,69	–
Total DD&A (USD/bbl)	**10,11**	**13,93**	**12,91**	**13,48**	**9,60**	**11,89**	**7,27**

The DD&A costs per bbl is calculated according to the unit-of-production method, using net entitlement production and reserves. The increased DD&A costs in Yemen from the fourth quarter 2006 are due to a reduction in the reserve estimate at Nabrajah (block 43) which increases the unit-of-production depreciation charges. The increase in Northern Europe from the second quarter is due to adjusted calculation of unit-of-production depreciation at the Glitne field, taking future investments into account, and start-up of the Enoch field which has higher depreciation rates.

RESULT OF OPERATIONS PRODUCING ASSETS – NETBACK VARIANCE ANALYSIS

Netback* variance table

NOK million	Variation	NOK million	Variation
Netback second quarter 2007	**222,1**	**Netback third quarter 2006**	**104,1**
Sale of petroleum products:		**Sale of petroleum products:**	
Production	266,4	Production	222,0
Oil price	-100,7	Oil price	-89,4
Exchange rates	-26,1	Exchange rates	-59,0
Expenses and taxes paid:		**Expenses and taxes paid:**	
Operating expenses, cash items	-43,9	Operating expenses, cash items	-45,8
Taxes paid	-60,8	Taxes paid	125,2
Netback third quarter 2007	**257,1**	**Netback third quarter 2007**	**257,1**

* Netback from producing assets is calculated as EBITDA from producing assets adjusted for paid taxes.

Taxes paid are higher in the third quarter than the second quarter due to higher results and tax in block 32 and 53 in Yemen. Compared to third quarter last year, this quarter shows lower taxes paid due to lower results and correction of overlift in block 43 last year.

Investments Incurred in Oil and Gas Activities

DNO continuously invests in new and existing petroleum assets in order to create value for its shareholders, and is currently holding a risked balanced portfolio of assets with a substantial un-risked resource potential. Total investments incurred are presented in the table below.

DNO uses the "successful efforts" method to account for exploration and development costs. All exploration costs with the exception of license acquisition costs and drilling costs of exploration wells, are charged to expense as incurred. Drilling costs of exploration wells are temporarily capitalised pending the determination of oil and gas reserves. If reserves are not found, or if discoveries are assessed as not being technically and commercially recoverable, the drilling costs of exploration wells are expensed. Costs of acquiring licenses are capitalised and assessed for impairment at each reporting date. For accounting purposes, the field enters the development phase when the partners in the license declare the commerciality decision, or the field has matured to a similar level. All costs of developing commercial oil and gas fields are capitalised, including directs costs and "own time". Pre-operating costs are expensed as incurred. Capitalised development costs are classified as tangible assets.

Highlights Investments Incurred

- Development and production drilling related to production start-up in Kurdistan is the main contributor to the high investments in the third quarter
- Exploration drilling at Ragnarrock is capitalised under the successfull efforts method (NOK 69 million)
- Production drilling in Yemen - mainly at the Nabrajah field was NOK 55 million in the third quarter
- The exploration costs for the third quarter are mainly related to two dry wells in Yemen and seismic acquisition in Norway

TOTAL INVESTMENTS INCURRED

	QUARTERLY					YEAR TO DATE	
NOK million	**Q3 2007**	**Q2 2007**	**Q1 2007**	**Q4 2006**	**Q3 2006**	**Q3 2007**	**Q3 2006**
Acquisition and development cost	471,2	322,3	287,9	807,4	259,2	1 081,3	583,5
Exploration costs expensed	133,6	67,3	158,0	155,7	82,4	358,9	410,0
Total investments incurred	**604,8**	**389,5**	**445,9**	**963,1**	**341,6**	**1 440,2**	**993,5**

ACQUISITION AND DEVELOPMENT COST

	QUARTERLY					YEAR TO DATE	
NOK million	**Q3 2007**	**Q2 2007**	**Q1 2007**	**Q4 2006**	**Q3 2006**	**Q3 2007**	**Q3 2006**
Northern Europe	108,2	34,2	16,9	121,1	10,2	159,3	-3,6
Yemen	65,6	106,2	54,3	121,4	121,9	226,1	396,6
Kurdistan	283,9	173,8	210,8	553,1	122,2	668,5	184,4
Africa	13,4	8,1	4,0	11,7	4,9	25,6	5,9
Shared Services/ unallocated	0,0	0,0	1,9	–	–	1,9	0,3
Total acquisition and development cost	**471,2**	**322,3**	**287,9**	**807,4**	**259,2**	**1 081,3**	**583,5**

Development and production drilling at Tawke in Kurdistan contributed with 60 % of the acquisition and development cost in the third quarter. In Northern Europe, development costs are related to exploration drilling at Ragnarrock (NOK 69 million) where all drilling costs are capitalised pending the result of the well under the successfull efforts method. In addition, infill drilling at Glitne contributed with NOK 42 million. The development costs in Yemen in the third quarter are related to completion of wells at the Nabrajah field (NOK 55 million).

EXPLORATION COST EXPENSED

	QUARTERLY					YEAR TO DATE	
NOK million	**Q3 2007**	**Q2 2007**	**Q1 2007**	**Q4 2006**	**Q3 2006**	**Q3 2007**	**Q3 2006**
Northern Europe	44,0	59,8	95,4	65,4	44,5	199,2	280,8
Yemen	73,5	-0,6	54,4	22,2	29,6	127,3	91,2
Kurdistan	3,7	3,9	6,8	61,9	7,8	14,4	31,6
Africa	5,8	4,2	1,4	6,3	0,6	11,3	6,4
Other International Activities	6,6	–	–	–	–	6,6	–
Total exploration cost expensed	**133,6**	**67,3**	**158,0**	**155,7**	**82,4**	**358,9**	**410,0**

Dry well costs in the third quarter are related to Nuzooh #1 in block 32 (14 MNOK) and Thoub #1 in block 43 in Yemen (17 MNOK). In addition, there has been seismic acquisition in block 47 and in Kurdistan (3 MNOK). The main costs in Northern Europe were seismic acquistion in Goliat and in PL 387 (total approximately NOK 17 million) and costs related to APA round.

Reserves and Resources

A key value driver for DNO is to deliver profitable long-term growth through efficient investment programs and competitive reserve economics. In line with DNO's smart exploration strategy, cash flow generated from high margin production is reinvested in smart exploration aimed at increasing the reserve base at low cost.

DNO reserve and resources updates are done in accordance with standard guidelines adviced by the Society of Petroleum Engineers (SPE) and in line with released guidelines from the Oslo Stock Exchange.

In line with these guidelines, DNO will prepare and publish annual statements of reserves (ASR). For an overview of the reserves as of 31 December 2006, please refer to the ASR issued on 31 March 2007.

If conclusions from new information and evaluations significantly change the reserves or resources during the year, DNO will inform the market in accordance with the disclosure requirements of the Oslo Stock Exchange.

3) CORPORATE FINANCIAL INFORMATION

Net Entitlement Production

Under the PSAs in Yemen, DNO along with other working interest holders, bears risk and cost for exploration, development and production. The costs are recovered through a percentage of the production and sale of oil ("cost oil"). Higher cost oil will be recovered in the beginning of the year as a result of carry forward of cost oil position from the previous quarters.

Unocal Royalty

As part of the acquisition of Unocal's 31,25 % share in the West Heather/Broom field in 1997, an agreement was entered into for the payment of royalties to Unocal according to certain criterias. The extent of the obligation to pay royalty is contingent on cumulative income exceeding cumulative expenditures on the Broom field. The total liability is currently estimated to USD 9,9 million, but is pending on future production performance of the Broom field and development in oil prices. The provision at 30 September 2007 is NOK 24,6 million, of which NOK 10,9 million is classified as current liabilities. The highest rate of royalty (USD 1,10 per boe) has been assumed in the calculations, implying an expected future oil price above 30 USD/bbl.

Norwegian Activities to be Combined with Pertra

On 9 October, an announcement was made to combine DNO ASA's subsidiary, Det Norske Oljeselskap ASA with Pertra ASA, creating the second largest norwegian oil company. DNO ASA will have an initial shareholding of 39.97 % in the combined company (named Det norske oljeselskap ASA). From the fourth quarter, DNO ASA will account for the investment as an associate, using the equity method.

CONDENSED FINANCIAL ACCOUNTS WITH NOTE DISCLOSURES

CONDENSED FINANCIAL ACCOUNTS

CONDENSED CONSOLIDATED INCOME STATEMENTS

		QUARTER					YEAR TO DATE		FULL YEAR	
NOK million	**Note**	**Q3 2007**	**Q2 2007**	**Q1 2007**	**Q4 2006**	**Q3 2006**	**Q3 2007**	**Q3 2006**	**2006**	**2005**
Sales	2 , 3	417,9	342,6	290,6	277,5	283,7	1 051,1	1 057,7	1 335,2	792,7
Cost of goods sold	4	-156,7	-139,5	-124,2	-127,1	-98,3	-420,4	-318,6	-445,7	-386,2
Gross profit		**261,2**	**203,1**	**166,4**	**150,4**	**185,4**	**630,7**	**739,1**	**889,5**	**406,5**
Other operating income		9,3	3,9	3,7	6,5	2,2	16,9	9,7	16,2	12,0
Tariffs and transportation		-9,2	-9,9	-9,7	-11,1	-10,9	-28,8	-36,0	-47,1	-43,7
Administrative expense	5	-0,0	7,2	0,6	8,6	-6,1	7,8	-16,0	-7,4	-47,4
Other operating expenses	5	-0,6	-0,9	-1,3	-0,3	-0,1	-2,8	-1,8	-2,1	-46,4
Exploration cost expensed	6	-133,6	-67,3	-158,0	-155,7	-82,4	-358,9	-410,0	-565,7	-160,6
Net gain/(loss) from sale of PP&E	9	-1,9	97,6	–	–	–	95,7	-0,1	-0,1	36,2
Profit/(loss) from operating activities		**125,1**	**233,7**	**1,7**	**-1,6**	**88,2**	**360,5**	**284,9**	**283,3**	**156,7**
Financial income	7	22,3	11,6	6,7	16,0	17,3	40,7	53,6	69,6	72,7
Financial expenses	7	-93,5	-57,5	-41,0	-43,2	-23,3	-192,1	-145,3	-188,4	56,0
Profit/(loss) before income tax		**54,0**	**187,8**	**-32,7**	**-28,9**	**82,2**	**209,1**	**193,3**	**164,4**	**285,5**
Income tax expense	8	-18,4	-65,3	51,7	-2,4	-35,7	-32,0	-100,9	-103,3	13,5
Net profit/(loss)		**35,6**	**122,5**	**19,0**	**-31,3**	**46,4**	**177,1**	**92,4**	**61,1**	**299,0**
Attributable to:										
Equity holders of the parent		33,0	122,5							
Minority interests		2,6	–							
Earnings per share, basic	19	0,04	0,14	0,02	-0,04	0,05	0,20	0,10	0,07	0,34
Earnings per share, diluted	19	0,04	0,14	0,02	-0,04	0,05	0,20	0,10	0,07	0,34

CONDENSED CONSOLIDATED BALANCE SHEETS

NOK million	Note	Q3 2007	Q2 2007	QUARTER Q1 2007	Q4 2006	Q3 2006	FULL YEAR 2006	2005
ASSETS								
Non-current assets								
Deferred income tax assets		295,2	306,5	329,2	315,1	336,8	315,1	312,2
Other intangible assets	9	326,9	328,4	319,2	322,3	192,2	322,3	165,6
Property, plant and equipment	9	2 157,5	1 899,1	1 730,1	1 559,3	1 002,0	1 559,3	586,4
Available for sale investments	10	150,9	164,7	199,8	192,1	184,5	192,1	187,7
Derivative financial instruments	11	3,0	6,2	9,0	9,5	13,0	9,5	2,8
Non-current receivables	12	–	–	–	–	178,5	–	44,7
Total non-current assets		**2 933,5**	**2 704,9**	**2 587,2**	**2 398,2**	**1 906,9**	**2 398,2**	**1 299,4**
Current assets								
Trade and other receivables	13	825,1	706,4	529,2	424,4	368,4	424,4	285,0
Derivative financial instruments	11	–	–	–	–	–	–	45,7
Other financial assets at fair value through p&l	14	68,9	67,0	56,5	54,8	184,9	54,8	268,3
Cash and cash equivalents	14	580,0	838,9	542,4	418,0	506,5	418,0	1 081,5
Total current assets		**1 473,9**	**1 612,4**	**1 128,1**	**897,1**	**1 059,8**	**897,1**	**1 680,4**
TOTAL ASSETS		**4 407,5**	**4 317,2**	**3 715,3**	**3 295,4**	**2 966,7**	**3 295,4**	**2 979,8**
EQUITY AND LIABILITIES								
Equity								
Share capital		221,5	221,5	220,3	220,3	220,3	220,3	223,8
Other reserves		–	–	–	–	-93,4	–	170,5
Retained earnings		808,6	913,3	485,0	504,2	665,5	504,2	573,1
Total equity attributable to equity holders of the parent		1 030,1	1 134,8	705,3	724,5	792,4	724,5	967,4
Minority interests		103,0	98,9	–	–	–	–	–
Total equity	15	**1 133,2**	**1 233,7**	**705,3**	**724,5**	**792,4**	**724,5**	**967,4**
Non-current liabilities								
Interest-bearing liabilities	16	1 977,3	2 014,5	2 029,0	1 754,3	1 626,7	1 754,3	1 396,5
Deferred income tax liabilities		310,0	268,4	197,3	184,2	134,4	184,2	55,8
Provisions for other liabilities and charges	17	83,0	39,3	39,2	41,0	60,8	41,0	85,1
Total non-current liabilities		**2 370,3**	**2 322,2**	**2 265,5**	**1 979,5**	**1 821,8**	**1 979,5**	**1 537,4**
Current liabilities								
Trade and other payables	18	199,8	134,4	96,7	182,1	67,3	182,1	129,3
Income taxes payable		35,8	16,2	21,5	16,0	16,1	16,0	21,4
Current interest-bearing liabilities	16	344,1	340,1	340,0	55,7	17,9	55,7	100,0
Derivative financial instruments	11	16,4	7,5	10,1	–	–	–	–
Provisions for other liabilities and charges	17	307,9	262,9	276,1	337,6	251,1	337,6	224,3
Total current liabilities		**904,0**	**761,3**	**744,5**	**591,4**	**352,4**	**591,4**	**475,0**
TOTAL EQUITY AND LIABILITIES		**4 407,5**	**4 317,2**	**3 715,3**	**3 295,4**	**2 966,7**	**3 295,4**	**2 979,8**

CONDENSED CONSOLIDATED CASH FLOW STATEMENTS

NOK million	QUARTER Q3 2007	Q2 2007	Q1 2007	Q4 2006	Q3 2006	YEAR TO DATE Q3 2007	Q3 2006	FULL YEAR 2006	2005
Operating activities									
Profit/(loss) from operations before exploration expenses	258,7	301,0	159,6	154,1	170,6	719,3	695,0	849,0	317,3
– Exploration cost expensed	-133,6	-67,3	-158,0	-155,7	-82,4	-358,9	-410,0	-565,7	-160,6
Profit/(loss) from operations	**125,1**	**233,7**	**1,7**	**-1,6**	**88,2**	**360,5**	**285,0**	**283,3**	**156,7**
Adjustments for:									
Income taxes paid	-27,2	-35,9	-17,2	-11,1	-87,4	-80,3	-164,6	-175,7	-165,2
Depreciation of PP&E	80,5	69,9	68,4	66,4	42,0	218,8	120,6	187,0	143,3
Impairment loss on PP&E	–	–	–	–	–	–	–	–	–
Amortisation of intangibles and goodwill	–	–	–	–	–	–	–	–	–
(Gain)/loss on on sale of PP&E	1,9	-97,6	–	–	–	-95,7	0,1	0,1	-36,2
Fair value gain/(loss) on financial assets	-10,7	-0,3	2,2	-2,0	-7,2	-8,8	-1,4	-3,4	37,2
Other financial income/(expenses)	-2,6	-2,9	-7,0	-1,1	-1,1	-12,5	-36,8	-37,9	-4,3
Share of profit/(loss) from associates	–	–	–	–	–	–	–	–	–
Exchange gains/(losses)	-11,2	-15,9	-4,2	10,3	45,5	-31,3	25,6	35,9	53,3
Interest paid	-46,6	-48,7	-40,4	-38,9	-30,4	-135,7	-89,5	-128,4	-81,6
Changes in working capital:									
– Inventories	–	–	–	–	–	–	–	–	11,1
– Trade and other receivables	-24,9	-117,1	-32,5	22,6	-11,9	-174,5	20,7	43,3	-153,5
– Other fin assets at fair value through P&L	-1,4	0,2	-1,4	-1,5	-2,3	-2,6	-2,3	-3,8	-0,0
– Trade and other payables	113,5	22,3	-144,1	199,5	-6,1	-8,3	-46,8	152,7	107,8
Other	11,1	13,2	0,3	-56,3	-69,0	24,5	6,8	-49,5	30,4
Net cash from operating activities	**207,5**	**20,8**	**-174,3**	**186,3**	**-39,7**	**54,0**	**117,2**	**303,5**	**98,9**
Investing activities									
Purchases of PP&E	-473,5	-306,6	-273,1	-569,9	-258,4	-1 053,2	-607,1	-1 177,0	-545,8
Proceeds from sale of PP&E	–	100,0	–	–	–	100,0	–	–	30,3
Purchases of available-for-sale financial assets	-10,0	-10,0	–	–	-0,4	-20,0	-131,2	-131,2	-329,8
Proceeds from sale of available-for-sale financial assets	10,0	35,6	0,0	140,1	22,9	45,6	240,1	380,2	17,2
Interest received	21,6	6,8	2,7	11,0	12,3	31,1	41,8	52,8	49,2
Dividends received	–	–	–	–	–	–	–	–	–
Other investing activities, net	–	–	–	-54,9	-76,4	–	-133,7	-188,6	-28,0
Net cash used in investing activities	**-451,9**	**-174,2**	**-270,4**	**-473,7**	**-300,0**	**-896,5**	**-590,1**	**-1 063,8**	**-806,9**
Financing activities									
Proceeds from borrowings	–	–	587,3	214,5	99,8	587,3	690,0	904,5	997,7
Repayment of borrowings	–	–	-5,7	–	-7,9	-5,7	-584,4	-576,5	-100,0
Repayment of obligations under finance leases	–	–	–	–	–	–	–	-7,9	–
Proceeds from issuance of ordinary shares	17,5	429,2	–	–	–	446,7	–	–	–
Purchase of treasury shares, including options	-438,8	-2,1	-427,6	-2,0	-506,3	-868,5	-1 036,8	-1 038,8	-1 004,0
Proceeds from sale of treasury shares	427,4	28,5	417,4	-	401,4	873,3	886,2	886,2	1 128,8
Dividends paid	–	–	–	–	–	–	-21,8	-21,8	-40,3
Net cash (used in)/from financing activities	**6,1**	**455,6**	**571,3**	**212,5**	**-13,0**	**1 033,0**	**-66,7**	**145,7**	**982,3**
Net increase/(decrease) in cash and cash equivalents	**-238,3**	**302,2**	**126,6**	**-74,9**	**-352,7**	**190,5**	**-539,6**	**-614,5**	**274,3**
Cash and cash equivalents at beginning of the period	838,9	542,4	418,0	506,5	829,8	418,0	1 081,5	1 081,5	747,8
Exchange gain/(losses) on cash and cash equivalents	-20,6	-5,7	-2,2	-13,6	29,4	-28,5	-35,5	-49,0	59,3
Cash and cash equivalents at end of the period	**580,0**	**838,9**	**542,4**	**418,0**	**506,5**	**580,0**	**506,5**	**418,0**	**1 081,5**

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

NOK million	Note	Share Capital	Other Reserves	Retained Earnings	Minority interests	Total Equity
Balance at 31 December 2005		**223,8**	**170,5**	**573,1**	**–**	**967,4**
Changes in accounting policy		–	–	–	–	–
Effect of implementing IFRS		–	–	–	–	–
Balance at 1 January 2006		**223,8**	**170,5**	**573,1**	**–**	**967,4**
Fair value gains, net of tax:						
– available-for-sale financial assets		–	-48,5	–	–	-48,5
Cash flow hedges, net of tax		–	–	–	–	–
Currency translation differences		–	-34,0	–	–	-34,0
Net income/(expense) recognised directly in equity		–	-82,4	–	–	-82,4
Profit for the period		–	–	92,4	–	92,4
Total recognised income for the period		**–**	**-82,4**	**92,4**	**–**	**9,9**
Share option scheme:						
– value of services provided		–	–	–	–	–
– proceeds from shares issued		–	–	–	–	–
Issue of share capital		–	–	–	–	–
Purchase of treasury shares		-23,9	-1 056,6	–	–	-1 080,5
Sale of treasury shares		20,4	858,9	–	–	879,3
Derivative contracts treasury shares		–	16,4	–	–	16,4
Dividends		–	–	–	–	–
		-3,5	-181,4	–	–	-184,9
Balance at 30 September 2006	15	**220,3**	**-93,4**	**665,5**	**–**	**792,4**

NOK million	Note	Share Capital	Other Reserves	Retained Earnings	Minority interests	Total Equity
Balance at 31 December 2006		**220,3**	**-130,0**	**634,2**	**–**	**724,5**
Transferred to retained earnings at 31 December 2006		–	130,0	-130,0	–	–
Balance at 1 January 2007		**220,3**	**–**	**504,2**	**–**	**724,5**
Fair value gains, net of tax:						
– available-for-sale financial assets		–	-9,9	–	–	-9,9
Cash flow hedges, net of tax		–	–	–	–	–
Currency translation differences		–	-210,6	–	–	-210,6
Net income/(expense) recognised directly in equity		–	-220,5	–	–	-220,5
Profit for the period		–	–	174,3	–	174,3
Total recognised income for the period		**–**	**-220,5**	**174,3**	**–**	**-46,2**
Share option scheme:						
– value of services provided		–	–	–	–	–
– proceeds from shares issued		–	–	–	–	–
Issue of share capital		–	–	–	–	–
Purchase of treasury shares		-20,0	-814,5	–	–	-834,5
Sale of treasury shares		21,2	850,0	–	–	871,2
Derivative contracts treasury shares		–	-27,8	–	–	-27,8
Dividends		–	–	–	–	–
Transferred to retained earnings		–	212,7	-212,7	–	–
Minority interests		–	–	342,9	103,0	103,0
		1,2	220,5	130,2	103,0	454,9
Balance at 30 September 2007	15	**221,5**	**–**	**808,6**	**103,0**	**1 133,2**

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL ACCOUNTS

1. Basis of Preparation

The interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standard (IAS) 34, Interim Financial Reporting and IFRS standards issued and effective at date of reporting. The interim report has also been prepared in accordance with Stock Exchange regulations.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 31 December 2006.

The condensed consolidated financial statements have been prepared on a historical cost basis, with the exception of revaluation of certain properties and financial instruments.

The accounting policies adopted are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2006, and complies with International Financial Reporting Standards (IFRS) as adopted by the EU.

2. Segment Information

Three months ended 30 September 2007 NOK million	Note	Northern Europe	Yemen*	Kurdistan*	Africa	Other	Total report. segm.	Unalloc./ elimin.	Group
Income statement information									
External sales	3	42,6	273,0	102,2	–	–	417,9	–	**417,9**
Inter-segment sales		8,1	2,9	8,6	–	–	19,7	-19,7	–
Cost of goods sold	4	-27,0	-104,9	-24,7	-0,0	–	-156,6	-0,1	**-156,7**
Gross profit		**23,8**	**171,1**	**86,1**	**-0,0**	–	**281,0**	**-19,8**	**261,2**
Segment result		**-23,4**	**86,0**	**82,4**	**-5,8**	**-6,6**	**131,7**	**-52,0**	**79,6**
Interest - net									**-25,6**
Gain/(loss) on sale of shares									–
Income tax expense									**-18,4**
Net profit/(loss)									**35,6**
Other segment information									
Net entitlement production (mboe)		99,2	767,4	631,4	–	–	1 398,8	–	**1 398,8**
Capital expenditures this period		108,2	65,6	283,9	13,4	–	471,2	–	**471,2**
Netback, including asset sale proceeds		-9,1	113,1	99,8	-5,8	-6,6	191,4	-11,0	**180,4**

* Yemen and Kurdistan are presented using the net entitlement method

Three months ended 30 September 2006 NOK million	Note	Northern Europe	Yemen*	Kurdistan*	Africa	Other	Total report. segm.	Unalloc./ elimin.	Group
Income statement information									
External sales	3	34,6	249,0	–	–	–	283,7	–	**283,7**
Inter-segment sales		7,0	–	6,5	–	–	13,5	-13,5	–
Cost of goods sold	4	-15,5	-82,4	-0,3	–	–	-98,1	-0,2	**-98,3**
Gross profit		**26,2**	**166,7**	**6,3**	–	–	**199,1**	**-13,7**	**185,4**
Segment result		**-6,8**	**126,9**	**-1,5**	**-0,6**	–	**118,0**	**-23,1**	**94,9**
Interest - net									**-15,5**
Gain/(loss) on sale of shares									**2,8**
Income tax expense									**-35,7**
Net profit/(loss)									**46,4**
Other segment information									
Net entitlement production (mboe)		84,8	703,5	–	–	–	703,5	–	**703,5**
Capital expenditures this period		10,2	121,9	122,2	4,9	–	259,2	–	**259,2**
Netback, including asset sale proceeds		-25,1	76,6	-1,3	-0,6	–	49,6	-7,4	**42,3**

* Yemen and Kurdistan are presented using the net entitlement method

Nine months ended 30 September 2007 NOK million	Note	Northern Europe	Yemen*	Kurdistan*	Africa	Other	Total report. segm.	Unalloc./ elimin.	Group
Income statement information									
External sales	3	96,0	852,9	102,2	–	–	1 051,1	–	**1 051,1**
Inter-segment sales		30,1	9,2	22,1	–	–	61,3	-61,3	–
Cost of goods sold	4	-61,1	-333,8	-25,3	-0,0	–	-420,1	-0,3	**-420,4**
Gross profit		**65,0**	**528,3**	**99,0**	**-0,0**	–	**692,3**	**-61,6**	**630,7**
Segment result		**-83,7**	**367,8**	**82,8**	**-11,3**	**-6,6**	**348,9**	**-70,5**	**278,4**
Interest – net									**-73,7**
Gain/(loss) on sale of shares									**4,4**
Income tax expense									**-32,0**
Net profit/(loss)									**177,1**
Other segment information									
Net entitlement production (mboe)		242,3	3 119,9	631,4	–	–	3 119,9	–	**3 119,9**
Capital expenditures this period		159,3	226,1	668,5	25,6	–	1 079,4	1,9	**1 081,3**
Netback, including asset sale proceeds		-34,9	474,1	102,6	-11,3	-6,6	523,8	-22,9	**500,8**

* Yemen and Kurdistan are presented using the net entitlement method

Nine months ended 30 September 2006 NOK million	Note	Northern Europe	Yemen*	Kurdistan*	Africa	Other	Total report. segm.	Unalloc./ elimin.	Group
Income statement information									
External sales	3	112,5	945,2	–	–	–	1 057,7	–	**1 057,7**
Inter-segment sales		26,4	–	9,9	–	–	36,3	-36,3	–
Cost of goods sold	4	-48,2	-269,2	-0,8	–	–	-318,1	-0,5	**-318,6**
Gross profit		**90,8**	**676,0**	**9,2**	–	–	**776,0**	**-36,9**	**739,1**
Segment result		**-233,2**	**555,6**	**-20,7**	**-6,4**	–	**286,0**	**-50,4**	**235,6**
Interest – net									**-45,1**
Gain/(loss) on sale of shares									**2,8**
Income tax expense									**-100,9**
Net profit/(loss)									**92,4**
Other segment information									
Net entitlement production (mboe)		281,4	2 597,3	–	–	–	2 597,3	–	**2 597,3**
Capital expenditures this period		-3,6	396,6	184,4	5,9	–	583,3	0,3	**583,5**
Netback, including asset sale proceeds		-246,1	492,2	-19,5	-6,4	–	220,2	-20,3	**199,9**

* Yemen and Kurdistan are presented using the net entitlement method

3. Sales

DNO is presenting its operations governed by Production Sharing Agreements (PSA's) according to the net entitlement method. A reconciliation between working interest (gross) and net entitlement presentation is shown in a separate table below.

For more details, see description in the General Information section of the MD&A.

			QUARTER			YEAR TO DATE		FULL YEAR	
NOK million	**Q3 2007**	**Q2 2007**	**Q1 2007**	**Q4 2006**	**Q3 2006**	**Q3 2007**	**Q3 2006**	**2006**	**2005**
Sale of petroleum products before profit/(loss) from oil price hedging contracts	417,9	342,6	290,6	277,5	283,7	1 051,1	1 057,7	1 335,2	1 054,9
Profit/(loss) from oil price hedging contracts	–	–	–	–	–	–	–	–	-262,2
Total sales	**417,9**	**342,6**	**290,6**	**277,5**	**283,7**	**1 051,1**	**1 057,7**	**1 335,2**	**792,7**
Reconciliation sales – working interest/net entitlement									
Sale of petroleum products working interest	597,0	457,4	389,3	459,0	523,4	1 443,8	1 701,1	2 160,1	1 790,5
Government share of production before income tax payable	-179,2	-114,8	-98,7	-181,6	-239,8	-392,7	-643,4	-824,9	-735,6
Sale of petroleum products net entitlement	**417,9**	**342,6**	**290,6**	**277,5**	**283,7**	**1 051,1**	**1 057,7**	**1 335,2**	**1 054,9**

4. Cost of Goods Sold

			QUARTER			YEAR TO DATE		FULL YEAR	
NOK million	**Q3 2007**	**Q2 2007**	**Q1 2007**	**Q4 2006**	**Q3 2006**	**Q3 2007**	**Q3 2006**	**2006**	**2005**
Lifting costs *	-76,2	-69,6	-55,8	-60,6	-56,3	-201,7	-198,1	-258,7	-243,0
Depreciation, depletion and amortisation	-80,5	-69,9	-68,4	-66,4	-42,0	-218,7	-120,5	-187,0	-143,3
Total cost of goods sold	**-156,7**	**-139,5**	**-124,2**	**-127,1**	**-98,3**	**-420,4**	**-318,6**	**-445,7**	**-386,2**

* Lifting costs consist of expenses relating to the production of oil and gas, including operation and maintenance of installations, well intervention and workover activities, insurances, CO_2 taxes, royalties to the state and costs in own organisation.

5. Administrative/Other Expenses

			QUARTER			YEAR TO DATE		FULL YEAR	
NOK million	**Q3 2007**	**Q2 2007**	**Q1 2007**	**Q4 2006**	**Q3 2006**	**Q3 2007**	**Q3 2006**	**2006**	**2005**
Salaries and social expenses *	-9,2	7,0	-10,2	-21,4	-7,5	-12,4	-18,3	-39,6	-42,4
General and administration expenses	9,2	0,2	10,8	29,9	1,5	20,2	2,3	32,2	-5,0
Other operating expenses **	-0,6	-0,9	-1,3	-0,3	-0,1	-2,8	-1,8	-2,1	-46,4
Total administrative/other expenses	**-0,6**	**6,3**	**-0,7**	**8,3**	**-6,1**	**5,0**	**-17,8**	**-9,5**	**-93,7**

* Salaries and social expenses directly attributable to operations are reclassified to lifting cost and exploration cost in the income statement.
** The 2005 number relates to Unocal Royalty. For more information see section 2 of the MD&A.

General and administration expenses in Q3 2007, Q1 2007 and Q4 2006 are positive due to reclassification of costs to exploration costs. The reclassification in Q4 2006 also include parts related to previous quarters in 2006.

6. Exploration Cost Expensed

NOK million	QUARTER Q3 2007	Q2 2007	Q1 2007	Q4 2006	Q3 2006	YEAR TO DATE Q3 2007	Q3 2006	FULL YEAR 2006	2005
Seismic acquisitions, analysis and general G&G	-79,2	-49,6	-47,3	-44,3	-49,6	-176,1	-164,7	-209,0	-106,3
Exploration costs capitalised in previous years carried to cost	-5,9	–	–	-0,1	-0,0	-5,9	-29,4	-29,4	–
Exploration costs capitalised this year carried to cost	-29,2	1,4	-98,2	-88,3	-10,6	-125,9	-164,3	-252,6	2,1
Impairment of capitalised exploration costs	–	–	–	–	–	–	–	–	–
Other exploration cost expensed	-19,4	-19,1	-12,5	-23,1	-22,2	-51,0	-51,6	-74,7	-56,3
Total exploration cost expensed *	**-133,6**	**-67,3**	**-158,0**	**-155,7**	**-82,4**	**-358,9**	**-410,0**	**-565,7**	**-160,6**

* For details on geographic spread of exploration cost expensed, see section 1 of the MD&A.

7. Net Finance

NOK million	QUARTER Q3 2007	Q2 2007	Q1 2007	Q4 2006	Q3 2006	YEAR TO DATE Q3 2007	Q3 2006	FULL YEAR 2006	2005
Interest received	21,6	6,8	2,7	11,0	12,3	31,0	41,9	52,9	49,2
Other financial income	–	4,4	–	3,7	4,0	4,4	5,6	9,3	17,5
Interest expense	-46,6	-48,7	-40,4	-38,9	-30,3	-135,7	-89,4	-128,3	-86,4
Capitalised interest	-0,6	16,8	14,8	5,4	2,5	30,9	2,4	7,7	4,8
Exchange rate gain/(loss), realised items	-1,1	-0,9	2,8	0,3	0,5	0,8	-4,2	-3,9	1,3
Exchange rate gain/(loss), unrealised items	-30,8	-20,6	-9,1	-3,6	14,9	-60,5	-5,7	-9,3	111,3
Fair value gain/(loss) on financial instruments [1)]	-10,7	-0,3	2,2	-2,0	-7,2	-8,8	-1,4	-3,4	37,2
Other financial expenses	-3,0	-3,3	-7,3	-3,2	-2,6	-13,5	-40,8	-43,9	-6,1
Net finance	**-71,2**	**-45,9**	**-34,3**	**-27,2**	**-6,0**	**-151,4**	**-91,7**	**-118,9**	**128,7**

[1)] Fair value gain/(loss) on financial instruments

NOK million	QUARTER Q3 2007	Q2 2007	Q1 2007	Q4 2006	Q3 2006	YEAR TO DATE Q3 2007	Q3 2006	FULL YEAR 2006	2005
Interest rate derivatives	-9,5	2,3	1,2	-1,1	-0,7	-6,0	0,2	-1,0	4,6
Oilprice derivatives	-2,6	-2,5	-0,4	-2,4	-1,5	-5,5	-1,5	-4,0	-9,6
Foreign exchange derivatives	–	–	–	–	–	–	–	–	–
Other derivative financial instruments *	–	–	–	–	–	–	5,0	5,0	41,3
Cash flow hedges									
– Part of cash flow hedge charged to P&L according to IAS 39.96	–	–	–	–	–	–	–	–	0,8
Other financial assets at fair value through profit or loss	1,4	-0,2	1,4	1,5	-5,0	2,7	-5,0	-3,4	–
Fair value gain/(loss) on financial instruments, net	**-10,7**	**-0,3**	**2,2**	**-2,0**	**-7,2**	**-8,8**	**-1,4**	**-3,4**	**37,2**

* Fair value gain on other derivative financial instruments for 2005 is a result of convertible options related to Petrolia Drilling ASA convertible bonds. The bonds were converted into 16.545.455 PDR shares in February 2006 with a total gain of NOK 50,6 million.

8. Taxes

Income tax expense

NOK million	QUARTER Q3 2007	Q2 2007	Q1 2007	Q4 2006	Q3 2006	YEAR TO DATE Q3 2007	Q3 2006	FULL YEAR 2006	2005
Taxes payable	92,0	58,5	73,9	116,9	32,4	224,4	103,9	220,9	35,7
Deferred taxes	-65,4	-94,7	2,2	-70,1	-7,0	-157,9	-45,7	-115,8	164,4
Income taxes payable related to production sharing agreements (PSAs)	-45,1	-29,0	-24,4	-49,2	-61,2	-98,5	-159,1	-208,4	-186,6
Total income tax expense	**-18,4**	**-65,3**	**51,7**	**-2,4**	**-35,7**	**-32,0**	**-100,9**	**-103,3**	**13,5**

The interim period income tax expense is calculated by applying the tax rate appliccable to the expected total annual earnings.

From 2005, oil-exploration companies operating in Norway, that are not in a tax position, will get a 78% refund of their exploration costs. This is limited to the taxable losses for the year. For DNO this could mean a positive taxes payable in interim periods, and in Q3 2007 this amounted to NOK 92,0 million.

According to the net entitlement method, income taxes payable related to PSA's consist of the corporate tax rate applicable under the agreements.

9. Property, Plant and Equipment/Intangible Assets

PROPERTY, PLANT AND EQUIPMENT

Three months ended 30 September 2007 NOK million	Develop. assets	Asset in operatn.	Total oil & gas prop.	Other PP&E	Total
At 1 July 2007					
Cost or valuation	1 057,4	1 790,5	2 847,9	15,3	2 863,2
Accumulated depreciation	–	-954,8	-954,8	-9,3	-964,1
Net book amount	**1 057,4**	**835,8**	**1 893,2**	**6,0**	**1 899,1**
Period ended 30 September 2007					
Opening net book amount	1 057,4	835,8	1 893,2	6,0	1 899,1
Exchange differences	-82,2	-86,9	-169,1	-0,6	-169,7
Additions	96,3	343,6	439,9	2,8	442,7
Transfers	-1 023,9	1 089,7	65,8	–	65,8
Disposals	–	–	–	–	–
Depreciation charge	–	-79,8	-79,8	-0,7	-80,5
Closing net book amount	**47,6**	**2 102,4**	**2 150,0**	**7,5**	**2 157,5**
At 30 September 2007					
Cost or valuation	47,6	3 057,6	3 105,2	17,0	3 122,3
Accumulated depreciation	–	-955,2	-955,2	-9,5	-964,7
Net book amount	**47,6**	**2 102,4**	**2 150,0**	**7,5**	**2 157,5**

INTANGIBLE ASSETS

Three months ended 30 September 2007 NOK million	License interest	Explor. assets	Total
At 1 July 2007			
Cost or valuation	78,1	250,3	328,4
Accumulated depreciation	–	–	–
Net book amount	**77,9**	**241,3**	**319,2**
Period ended 30 September 2007			
Opening net book amount	78,1	250,3	328,4
Exchange differences	-5,8	-17,8	-23,7
Additions	-1,0	89,0	88,0
Transfers	-8,8	-57,1	-65,8
Disposals	–	–	–
Depreciation charge	–	–	–
Closing net book amount	**62,5**	**264,4**	**326,9**
At 30 September 2007			
Cost or valuation	62,5	264,4	326,9
Accumulated depreciation	–	–	–
Net book amount	**62,5**	**264,4**	**326,9**

PROPERTY, PLANT AND EQUIPMENT

Three months ended 30 September 2006 NOK million	Develop. assets	Asset in operatn.	Total oil & gas prop.	Other PP&E	Total
At 1 July 2006					
Cost or valuation	26,8	1 463,9	1 490,7	14,5	1 505,2
Accumulated depreciation	–	-766,1	-766,1	-7,6	-773,7
Net book amount	**26,8**	**697,8**	**724,6**	**6,9**	**731,5**
Period ended 30 September 2006					
Opening net book amount	26,8	697,8	724,6	6,9	731,5
Exchange differences	2,3	31,1	33,3	0,2	33,5
Additions	99,3	123,0	222,3	0,3	222,6
Transfers	56,3	–	56,3	–	56,3
Disposals	–	–	–	–	–
Depreciation charge	–	-41,4	-41,4	-0,6	-42,0
Closing net book amount	**184,6**	**810,5**	**995,1**	**6,9**	**1 002,0**
At 30 September 2006					
Cost or valuation	184,6	1 640,0	1 824,6	15,1	1 839,7
Accumulated depreciation	–	-829,5	-829,5	-8,3	-837,8
Net book amount	**184,6**	**810,5**	**995,1**	**6,9**	**1 002,0**

INTANGIBLE ASSETS

Three months ended 30 September 2006 NOK million	License interest	Explor. assets	Total
At 1 July 2006			
Cost or valuation	69,1	138,3	207,4
Accumulated depreciation	–	–	–
Net book amount	**69,1**	**138,3**	**207,4**
Period ended 30 September 2006			
Opening net book amount	69,1	138,3	207,4
Exchange differences	0,8	3,5	4,4
Additions	-0,2	36,9	36,6
Transfers	–	-56,3	-56,3
Disposals	–	–	–
Depreciation charge	–	–	–
Closing net book amount	**69,8**	**122,4**	**192,2**
At 30 September 2006			
Cost or valuation	69,8	122,4	192,2
Accumulated depreciation	–	–	–
Net book amount	**69,8**	**122,4**	**192,2**

PROPERTY, PLANT AND EQUIPMENT

Nine months ended 30 September 2007 NOK million	Develop. assets	Asset in operatn.	Total oil & gas prop.	Other PP&E	Total
At 1 January 2007					
Cost or valuation	740,2	1 683,7	2 423,9	15,4	2 439,3
Accumulated depreciation	–	-871,5	-871,5	-8,6	-880,0
Net book amount	**740,2**	**812,2**	**1 552,5**	**6,8**	**1 559,3**
Period ended 30 September 2007					
Opening net book amount	740,2	812,2	1 552,5	6,8	1 559,3
Exchange differences	-136,0	-134,2	-270,2	-0,9	-271,2
Additions	490,8	527,3	1 018,1	3,4	1 021,4
Transfers	-1 047,4	1 114,1	66,7	–	66,7
Disposals	–	–	–	–	–
Depreciation charge	–	-217,0	-217,0	-1,8	-218,7
Closing net book amount	**47,6**	**2 102,4**	**2 150,0**	**7,5**	**2 157,5**
At 30 September 2007					
Cost or valuation	47,6	3 057,6	3 105,2	17,0	3 122,3
Accumulated depreciation	-	-955,2	-955,2	-9,5	-964,7
Net book amount	**47,6**	**2 102,4**	**2 150,0**	**7,5**	**2 157,5**

INTANGIBLE ASSETS

Nine months ended 30 September 2007 NOK million	License interest	Explor. assets	Total
At 1 January 2007			
Cost or valuation	79,6	242,6	322,3
Accumulated depreciation	–	–	–
Net book amount	**79,6**	**242,6**	**322,3**
Period ended 30 September 2007			
Opening net book amount	79,6	242,6	322,3
Exchange differences	-10,8	-31,5	-42,3
Additions	2,4	111,2	113,5
Transfers	-8,8	-57,9	-66,7
Disposals	–	–	–
Depreciation charge	–	–	–
Closing net book amount	**62,5**	**264,4**	**326,9**
At 30 September 2007			
Cost or valuation	62,5	264,4	326,9
Accumulated depreciation	–	–	–
Net book amount	**62,5**	**264,4**	**326,9**

PROPERTY, PLANT AND EQUIPMENT

Nine months ended 30 September 2006 NOK million	Develop. assets	Asset in operatn.	Total oil & gas prop.	Other PP&E	Total
At 1 January 2006					
Cost or valuation	4,4	1 275,1	1 279,5	14,2	1 293,7
Accumulated depreciation	–	-727,4	-727,4	- 6,7	-734,1
Net book amount	**4,4**	**547,7**	**552,1**	**7,5**	**559,6**
Period ended 30 September 2006					
Opening net book amount	4,4	547,8	552,2	7,5	559,7
Exchange differences	1,6	-16,3	-14,8	-0,2	-15,0
Additions	122,4	397,9	520,3	1,2	521,5
Transfers	56,3	–	56,3	–	56,3
Disposals	–	–	–	–	–
Depreciation charge	–	-118,9	-118,9	-1,7	-120,5
Closing net book amount	**184,6**	**810,5**	**995,1**	**6,9**	**1 002,0**
At 30 September 2006					
Cost or valuation	184,6	1 640,0	1 824,6	15,1	1 839,7
Accumulated depreciation	–	-829,5	-829,5	-8,3	-837,8
Net book amount	**184,6**	**810,5**	**995,1**	**6,9**	**1 002,0**

INTANGIBLE ASSETS

Nine months ended 30 September 2006 NOK million	License interest	Explor. assets	Total
At 1 January 2006			
Cost or valuation	95,9	96,4	192,3
Accumulated depreciation	–	–	–
Net book amount	**95,9**	**96,4**	**192,3**
Period ended 30 September 2006			
Opening net book amount	95,9	96,4	192,3
Exchange differences	-0,8	-0,0	-0,9
Additions	2,0	86,0	88,0
Transfers	–	-56,3	-56,3
Disposals	-27,3	-3,8	-31,1
Depreciation charge	–	–	–
Closing net book amount	**69,8**	**122,4**	**192,2**
At 30 September 2006			
Cost or valuation	69,8	122,4	192,2
Accumulated depreciation	–	–	–
Net book amount	**69,8**	**122,4**	**192,2**

Net gain/(loss) from sale of PP&E

The net gain from sale of PP&E of NOK 97,6 million, mainly relates to the sale of PL263 and PL263B to Bayerngas Norge AS

10. Available-for-Sale Financial Assets

Available-for-sale financial assets are revalued at fair value (market price, where available) at the end of each period, with changes charged directly to equity. Impairment will be charged to the income statement, while reversal of impairment will be charged directly to equity.

IAS 39 was implemented as of 1 January 2005. Financial assets classified as available-for-sale under IAS 39 were in previous periods valued at cost less impairment.

	QUARTER					YEAR TO DATE		FULL YEAR	
NOK million	**Q3 2007**	**Q2 2007**	**Q1 2007**	**Q4 2006**	**Q3 2006**	**Q3 2007**	**Q3 2006**	**2006**	**2005**
Beginning of the period	164,7	199,8	192,1	184,5	178,2	192,1	187,7	187,7	58,5
Additions *	-	-	-	-	-	-	59,9	59,9	70,8
Sales **	-	-31,3	-	-4,9	-7,5	-31,3	-20,1	-19,6	-7,7
Revaluation surplus/deficit transfer to equity ***	-13,8	-3,9	8,0	12,4	13,3	-9,7	-43,4	-36,3	66,2
Exchange differences	-	-	-0,2	0,1	0,4	-0,2	0,3	0,3	0,1
End of the period [1)]	**150,9**	**164,7**	**199,8**	**192,1**	**184,5**	**150,9**	**184,5**	**192,1**	**187,7**
Non-current portion	150,9	164,7	199,8	192,1	184,5	150,9	184,5	192,1	187,7
Current portion	–	–	–	–	–	–	–	–	–

* Additions in 2006 relates to a conversion of bonds into 16,5 million shares in Petrolia Drilling ASA.

** The shares in Independent Oil Tools ASA and Premier Oil Plc. have been sold in Q2 2007.

*** NOK 13,8 million in revaluation deficit to equity in Q3 2007 is mainly contributed by a decrease in the value of shares in Petrolia Drilling ASA.

[1)] Available-for-sale financial assets include the following:

	QUARTER					YEAR TO DATE		FULL YEAR	
NOK million	**Q3 2007**	**Q2 2007**	**Q1 2007**	**Q4 2006**	**Q3 2006**	**Q3 2007**	**Q3 2006**	**2006**	**2005**
Listed securities									
– Petrolia Drilling ASA	*73,0*	*87,3*	*82,1*	*89,1*	*81,8*	*73,0*	*81,8*	*89,1*	*28,2*
– Independent Oil Tools ASA	–	–	*29,0*	*31,7*	*31,7*	–	*31,7*	*31,7*	*32,2*
– Rocksource ASA	*77,9*	*77,4*	*80,0*	*62,5*	*63,7*	*77,9*	*63,7*	*62,5*	*121,8*
Equity securities – Norway	**150,9**	**164,7**	**191,1**	**183,3**	**177,2**	**150,9**	**177,2**	**183,3**	**182,2**
– Premier Oil Plc.	–	–	*8,7*	*8,8*	*7,3*	–	*7,3*	*8,8*	*5,5*
Equity securities – UK	–	–	**8,7**	**8,8**	**7,3**	–	**7,3**	**8,8**	**5,5**
[1)] Total available-for-sale financial assets	**150,9**	**164,7**	**199,8**	**192,1**	**184,5**	**150,9**	**184,5**	**192,1**	**187,7**

11. Derivative Financial Instruments

All derivative instruments are carried at fair value in the balance sheet. Fair value of the company's financial instruments are estimated based on market prices. For derivatives that qualify as a cash flow hedge, changes in fair value are charged directly to equity. This is released to the income statement at the same time the hedged cash flow impacts the income statement. Assessment of hedging effectiveness is measured using a regression analysis between Platts Crude Oil Marketwire and actual achieved salesprices. Changes in fair value for other derivatives are charged to the income statement.

	QUARTER					YEAR TO DATE		FULL YEAR	
NOK million	**Q3 2007**	**Q2 2007**	**Q1 2007**	**Q4 2006**	**Q3 2006**	**Q3 2007**	**Q3 2006**	**2006**	**2005**
Non-current assets									
– Oil-price swaps/options	*2,1*	*4,8*	*7,3*	*7,7*	*10,1*	*2,1*	*10,1*	*7,7*	*0,0*
– Interest-rate swaps	*0,8*	*1,4*	*1,7*	*1,8*	*3,0*	*0,8*	*3,0*	*1,8*	*2,8*
– Other derivative financial instruments	–	–	–	–	–	–	–	–	–
Total non-current assets	**3,0**	**6,2**	**9,0**	**9,5**	**13,0**	**3,0**	**13,0**	**9,5**	**2,8**
Current assets									
– Oil-price swaps/options	–	–	–	–	–	–	–	–	–
– Interest-rate swaps	–	–	–	–	–	–	–	–	–
*– Other derivative financial instruments **	–	–	–	–	–	–	–	–	*45,7*
Total current assets	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**45,7**
Total assets	**3,0**	**6,2**	**9,0**	**9,5**	**13,0**	**3,0**	**13,0**	**9,5**	**48,5**
Non-current liabilities									
– Oil-price swaps/options	–	–	–	–	–	–	–	–	–
– Interest-rate swaps	–	–	–	–	–	–	–	–	–
Total non-current liabilities	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Current liabilities									
– Oil-price swaps/options	–	–	–	–	–	–	–	–	–
– Interest-rate swaps	*16,4*	*7,5*	*10,1*	–	–	*16,4*	–	–	–
Total current liabilities	**16,4**	**7,5**	**10,1**	**–**	**–**	**16,4**	**–**	**–**	**–**
Total liabilities	**16,4**	**7,5**	**10,1**	**–**	**–**	**16,4**	**–**	**–**	**–**

* Other current derivative financial instruments consists of convertible options related to Petrolia Drilling ASA convertible bonds. These were converted into 16,5 million shares In February 2006.

12. Non-Current Receivables

The agreement with the Kurdistan Regional Government (KRG) in which DNO will be responsible for 100 % of the funding obligations of the PSAs in return for receiving additional 15 % working interest was signed in December 2006. At the end of third quarter 2006 the outstanding amount from KRG was NOK 178,5 million, which was converted to acquisition and development cost in the fourth quarter 2006.

13. Trade and Other Receivables

NOK million	Q3 2007	Q2 2007	QUARTER Q1 2007	Q4 2006	Q3 2006	YEAR TO DATE Q3 2007	Q3 2006	FULL YEAR 2006	2005
Trade receivables	192,8	131,3	93,4	91,8	81,8	192,8	81,8	91,8	102,0
Less: provisions for impairment of receivables	–	–	–	–	–	–	–	–	–
Trade receivables – net	192,8	131,3	93,4	91,8	81,8	192,8	81,8	91,8	102,0
Prepayments	38,0	25,6	19,2	19,2	20,1	38,0	20,1	19,2	16,0
Underlift, entitlement method	18,6	10,2	14,6	5,4	10,2	18,6	10,2	5,4	11,8
VAT receivable	5,1	4,2	4,7	2,6	2,4	5,1	2,4	2,6	2,8
Tax refund exploration costs *	449,6	355,8	295,8	223,5	145,2	449,6	145,2	223,5	–
Amortised short-term receivables	–	–	–	–	–	–	–	–	9,0
Other short-term receivables	121,1	179,3	101,5	81,9	108,8	121,1	108,8	81,9	143,4
Total trade and other receivables	**825,1**	**706,4**	**529,2**	**424,4**	**368,4**	**825,1**	**368,4**	**424,4**	**285,0**

* For further information see note 8

14. Cash, Cash Equivalents and Other Short-Term Financial Assets

NOK million	Q3 2007	Q2 2007	QUARTER Q1 2007	Q4 2006	Q3 2006	YEAR TO DATE Q3 2007	Q3 2006	FULL YEAR 2006	2005
Cash and cash equivalents , non-restricted	576,7	834,8	539,6	413,6	504,1	576,7	504,1	413,6	1 033,7
Cash and cash equivalents , restricted	3,3	4,1	2,9	4,4	2,4	3,3	2,4	4,4	47,8
Total cash and cash equivalents	**580,0**	**838,9**	**542,4**	**418,0**	**506,5**	**580,0**	**506,5**	**418,0**	**1 081,5**

NOK million	Currency	Amount	Q3 2007	Q2 2007	QUARTER Q1 2007	Q4 2006	Q3 2006	FULL YEAR 2006	2005
Money market funds									
Terra Sparebank	NOK	30,0	–	–	–	–	30,1	–	–
Storebrand Likviditet	NOK	50,0	52,4	52,0	51,3	51,0	50,4	51,0	–
Nordea Money Market	USD	10,0	–	–	–	–	–	–	67,9
Holberg Likviditet II	NOK	50,0	–	–	–	–	–	–	50,0
DnBNOR Likviditet 20 (V)	NOK	100,0	–	–	–	–	102,2	–	100,2
Terra Pengemarked II	NOK	50,0	–	–	–	–	–	–	50,1
Larvikbanken Tidsinnskudd	NOK	10,0	10,0	10,0	–	–	–	–	–
Shares held-for-trading									
Nordic Mining ASA			6,5	5,1	5,2	3,8	2,3	3,8	–
Other financial assets at fair value through profit or loss			**68,9**	**67,0**	**56,5**	**54,8**	**184,9**	**54,8**	**268,3**

Money Market Funds

DNO has placed surplus liquidity in money market funds with an investment profile based mainly on short-term interest certificates.

Shares held-for-trading

Through a demerger from Rocksource ASA in May 2006, DNO acquired shares in Nordic Mining ASA. This was not regarded as a long-term investment for DNO, and the shares were classified as held-for-trading. The preliminary valuation of the shares in Rocksource and Nordic Mining made at the time of the demerger was based on insufficient information. The corrected valuation as a result of correct information, has resulted in a value of the Nordic Mining shares of NOK 7,3 million as at the time of the demerger.

15. Equity

Share capital

NOK million	Number of shares (1000)*	Ordinary shares	Treasury shares	Total
At 1 January 2006	**904 856**	**226,2**	**-2,4**	**223,8**
Share option scheme:				
– value of services provided	–	–	–	–
– proceeds from shares issued	–	–	–	–
Treasury shares purchased / sold	–	–	-3,5	-3,5
Share issues	–	–	–	–
At 30 September 2006	**904 856**	**226,2**	**- 5,9**	**220,3**
At 1 January 2007	**904 856**	**226,2**	**-5,9**	**220,3**
Share option scheme:				
– value of services provided	–	–	–	–
– proceeds from shares issued	–	–	–	–
Treasury shares purchased / sold	–	–	1,2	1,2
Share issues	–	–	–	–
At 30 September 2007	**904 856**	**226,2**	**- 4,7**	**221,5**

* Adjusted for share split approved by the General Assembly in June 2005 and share split approved by the General Assembly in June 2006.

The total number of ordinary shares is 904 856 912 shares with a par value of NOK 0,25 per share. All issued shares are fully paid.

See note 21 on Share Options and Share-Based Payments.

15. Equity (continued)

Other reserves

NOK million	Share premium/ Other paid-in capital	Hedging reserve	Available-for-sale investm.	Other reserves	Translation	Total
Balance at 31 December 2005	**1 160,4**	**–**	**86,6**	**-999,7**	**-76,8**	**170,5**
Adjustments IAS 32/39	–	–	–	–	–	–
Balance at 1 January 2006	**1 160,4**	**–**	**86,6**	**-999,7**	**-76,8**	**170,5**
Revaluation, net of tax	–	–	-48,5	–	–	-48,5
Premium, paid in capital	–	–	–	–	–	–
Treasury shares:						
– Sale of treasury shares	35,8	–	–	823,1	–	858,9
– Purchase of treasury shares	–	–	–	-1 056,6	–	-1 056,6
Other paid in capital	–	–	–	–	–	–
Derivative contracts treasury shares	–	–	–	16,4	–	16,4
Dividends	–	–	–	–	–	–
Cash flow hedges: *						
– Fair value gains/(losses), net of tax	–	–	–	–	–	–
– Transfers to net profit, net of tax	–	–	–	–	–	–
Currency translation differences:						
– Group	–	–	–	–	-34,0	-34,0
– Associates	–	–	–	–	–	–
Balance at 30 September 2006	**1 196,2**	**–**	**38,1**	**-1 216,9**	**-110,8**	**-93,4**
Balance at 31 December 2006	**1 196,2**	**–**	**50,6**	**-1 088,9**	**-157,8**	**–**
Revaluation, net of tax	–	–	-9,9	–	–	-9,9
Premium, paid in capital	–	–	–	–	–	–
Treasury shares:						
– Sale of treasury shares	-44,8	–	–	894,8	–	850,0
– Purchase of treasury shares	–	–	–	-814,5	–	-814,5
Other paid in capital	–	–	–	–	–	–
Options granted	–	–	–	–	–	–
Derivative contracts treasury shares [1)]	–	–	–	-27,8	–	-27,8
Dividends	–	–	–	–	–	–
Cash flow hedges: *						
– Fair value gains/(losses), net of tax	–	–	–	–	–	–
– Transfers to net profit, net of tax	–	–	–	–	–	–
Currency translation differences:						
– Group	–	–	–	–	-210,6	-210,6
– Associates	–	–	–	–	–	–
Balance at 30 September 2007	**1 151,4**	**–**	**40,7**	**-823,6**	**-368,4**	**–**

Changes in derivative contracts treasury shares:	
Premium, purchase of call option	-467,8
Reclassification of premium call options exercised	433,9
Reversal of provision, written put options not exercised	195,8
Provision, written put option	-189,6
Reclassification of settled forward contracts	–
Additional forward contracts purchased	–
[1)] **Total changes in derivative contracts treasury shares**	**-27,8**

* Cash flow hedges: Fair value gains/(losses) indicates the fair value adjustment charged directly to equity this period for the remaining balance at the end of the period. Transfers to net profit indicates the opening balance adjustment for cash flow hedges realised in the period that has been transferred to the income statement.

16. Interest-Bearing Liabilities

NOK million	Q3 2007	Q2 2007	QUARTER Q1 2007	Q4 2006	Q3 2006	YEAR TO DATE Q3 2007	Q3 2006	FULL YEAR 2006	2005
Non-current									
Bonds	1 977,3	2 014,5	2 029,0	1 754,3	1 626,7	1 977,3	1 626,7	1 754,3	1 396,5
Liabilities to financial institutions	–	–	–	–	–	–	–	–	–
Financial leases	–	–	–	–	–	–	–	–	–
Total non-current interest-bearing liabilities	**1 977,3**	**2 014,5**	**2 029,0**	**1 754,3**	**1 626,7**	**1 977,3**	**1 626,7**	**1 754,3**	**1 396,5**
Current									
Current portion of bonds	–	–	–	–	–	–	–	–	–
Liabilities to financial institutions	344,1	340,1	340,0	55,7	17,9	344,1	17,9	55,7	100,0
Total current interest-bearing liabilities	**344,1**	**340,1**	**340,0**	**55,7**	**17,9**	**344,1**	**17,9**	**55,7**	**100,0**
Total interest-bearing liabilities	**2 321,4**	**2 354,7**	**2 369,0**	**1 810,0**	**1 644,6**	**2 321,4**	**1 644,6**	**1 810,0**	**1 496,5**

Non-current interest-bearing liabilities:

NOK million	Currency	Amount	Interest	Maturity	BALANCE Q3 2007	Q2 2007
Bond loan (ISIN NO0010226574)	NOK	25,5	Nibor + 3,5%	02.06.2009	25,5	25,5
Bond loan (ISIN NO0010226582)	NOK	29,0	Fixed 7,915%	01.06.2009	29,0	29,0
Bond loan (ISIN NO0010270523)	USD	85,0	Libor + 3,5%	06.06.2012	462,7	501,8
Bond loan (ISIN NO0010283732)	NOK	615,5	Fixed 7,215%	12.10.2012	615,5	615,5
Bond loan (ISIN NO0010283724)	NOK	580,0	Nibor + 3,5%	12.10.2012	580,0	580,0
Bond loan (ISIN NO0010302649)	NOK	300,0	Nibor + 2,5%	02.03.2011	300,0	300,0
Borrowing issue costs					-35,4	-37,3
Total non-current interest-bearing liabilities					**1 977,3**	**2 014,5**

The maturity of interest-bearing liabilities is as follows:

NOK million	Q3 2007	Q2 2007	QUARTER Q1 2007	Q4 2006	Q3 2006	YEAR TO DATE Q3 2007	Q3 2006	FULL YEAR 2006	2005
0-12 months	344,1	340,1	340,0	55,7	17,9	344,1	17,9	55,7	100,0
Between 1 and 2 years	54,5	54,5	–	–	–	54,5	–	–	–
Between 2 and 5 years	294,0	293,7	347,8	349,8	352,2	294,0	352,2	349,8	800,0
Over 5 years	1 628,8	1 666,4	1 681,2	1 404,5	1 274,5	1 628,8	1 274,5	1 404,5	596,5
Total interest-bearing liabilities	**2 321,4**	**2 354,7**	**2 369,0**	**1 810,0**	**1 644,6**	**2 321,4**	**1 644,6**	**1 810,0**	**1 496,5**

The carrying amounts of the Group's interest-bearing liabilities are denominated in the following currencies:

NOK million	Q3 2007	Q2 2007	QUARTER Q1 2007	Q4 2006	Q3 2006	YEAR TO DATE Q3 2007	Q3 2006	FULL YEAR 2006	2005
Norwegian kroner	1 867,6	1 862,1	1 860,6	1 279,5	1 239,8	1 867,6	1 239,8	1 229,5	1 100,0
US dollar	453,9	492,5	508,4	530,6	404,8	453,9	404,8	580,6	396,5
Total interest-bearing liabilities	**2 321,4**	**2 354,7**	**2 369,0**	**1 810,0**	**1 644,6**	**2 321,4**	**1 644,6**	**1 810,0**	**1 496,5**

17. Provisions for Other Liabilities and Charges

	QUARTER					YEAR TO DATE		FULL YEAR	
NOK million	**Q3 2007**	**Q2 2007**	**Q1 2007**	**Q4 2006**	**Q3 2006**	**Q3 2007**	**Q3 2006**	**2006**	**2005**
Non-current									
Asset retirement obligations	69,4	18,1	17,7	17,4	19,3	67,1	19,3	17,4	18,1
Other long-term obligations	13,7	18,9	21,5	23,6	41,5	13,7	41,5	23,6	67,0
Total non-current provisions for other liabilities and charges	**83,0**	**39,3**	**39,2**	**41,0**	**60,8**	**83,0**	**60,8**	**41,0**	**85,1**
Current									
Dividends payable	–	–	–	–	–	–	–	-	21,8
Provisions, derivative contracts treasury shares*	194,5	197,7	195,4	198,2	196,4	194,5	196,4	198,2	163,0
Other provisions and charges	113,4	65,3	80,7	139,4	54,8	113,4	54,8	139,4	39,6
Total current provisions for other liabilities and charges	**307,9**	**262,9**	**276,1**	**337,6**	**251,1**	**307,9**	**251,1**	**337,6**	**224,3**
Total provisions for other liabilities and charges	**390,9**	**302,3**	**315,3**	**378,6**	**311,9**	**390,9**	**311,9**	**378,6**	**309,4**

NOK million	**Asset retirem. oblig.**	**Other non-current**	**Prov. treasury shares ***	**Other current**	**Total**
Balance at 31 December 2006	**17,4**	**23,6**	**198,2**	**139,4**	**378,6**
Charged to consolidated income statement:					
– Additional provisions	51,8	–	0,9	68,7	121,4
– Unused amounts reversed or reclassified	–	–	-2,4	10,9	8,5
Charged to equity:					
– Additional provisions	–	–	193,6	–	193,6
– Unused amounts reversed	–	–	-195,8	–	-195,8
– Contracts exercised	–	–	–	–	–
Exchange differences	–	–	–	–	–
Incurred and charged against the provision during the period	–	-9,9	–	-105,6	-115,5
Balance at 30 September 2007	**69,2**	**13,7**	**194,5**	**113,4**	**390,9**

Derivative contracts on treasury shares are recognised as liabilities unless they qualify as equity (option premium). Forward contracts and written put options are recognised as liabilities with a corresponding adjustment to equity.

*** Provisions treasury shares (NOK million):**	
Forward contracts, treasury shares	–
Written put options, treasury shares	194,5
Total provisions treasury shares	194,5

18. Trade and Other Payables

	QUARTER					YEAR TO DATE		FULL YEAR	
NOK million	**Q3 2007**	**Q2 2007**	**Q1 2007**	**Q4 2006**	**Q3 2006**	**Q3 2007**	**Q3 2006**	**2006**	**2005**
Trade creditors	38,1	9,2	7,4	9,5	10,8	38,1	10,8	9,5	8,3
Public duties payable	3,0	8,9	7,0	6,8	2,5	3,0	2,5	6,8	16,3
Prepayment from customers	–	–	–	–	–	–	–	–	–
Debt to employees and shareholders	–	–	–	–	–	–	–	–	–
Other accrued expenses	158,6	116,3	82,3	163,8	54,0	158,6	54,0	163,8	104,7
Overlift, entitlement method	–	–	2,1	–	–	–	–	2,1	–
Total trade and other payables	**199,8**	**134,4**	**96,7**	**182,1**	**67,3**	**199,8**	**67,3**	**182,1**	**129,3**

19. Earnings per Share

	QUARTER					YEAR TO DATE		FULL YEAR	
NOK million	Q3 2007	Q2 2007	Q1 2007	Q4 2006	Q3 2006	Q3 2007	Q3 2006	2006	2005
Earnings per share, basic	0,04	0,14	0,02	-0,04	0,05	0,20	0,10	0,07	0,34
Earnings per share, diluted	0,04	0,14	0,02	-0,04	0,05	0,20	0,10	0,07	0,34

Earnings per share adjusted for share split as of 22 June 2005 and share split as of 15 June 2006.

Basic earnings per share is calculated by dividing the profit attributable to equity holders by the weighted average number of ordinary shares in issue during the period, excluding ordinary shares purchased and held as treasury shares.

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. DNO has only one category of dilutive potential ordinary shares: share options.

20. Dividends

	QUARTER					YEAR TO DATE		FULL YEAR	
NOK million	Q3 2007	Q2 2007	Q1 2007	Q4 2006	Q3 2006	Q3 2007	Q3 2006	2006	2005
Dividends paid per share *	–	–	–	–	–	–	–	–	0,67

* Adjusted for share split approved by the General Assembly in June 2005 and share split approved by the General Assembly in June 2006.

21. Share Options and Share-Based Payments

Movements in the number of share options outstanding and their related weighted average exercise prices are as follows:

	2007		2006	
NOK per share if not otherwise stated	Avg exercise price	Options (1000) *	Avg exercise price	Options (1000) *
At 1 January	**5,9**	**4 800,0**	**4,6**	**6 400,0**
Granted	–	–	–	–
Forfeited	–	–	–	–
Exercised	5,9	-4 800,0	0,5	-1 600,0
Lapsed	–	–	–	–
At 30 September	**–**	**–**	**5,9**	**4 800,0**

* Adjusted for share split approved by the General Assembly in June 2005 and share split approved by the General Assembly in June 2006.

A total of 1.2 million ordinary share options (4.8 million after share split in June 2006) were granted to Board members at the General Assembly in June, 2005. The exercise price of the granted options was equal to the market price of the shares on the date of the grant (22 June 2005). The options expired 21 June 2007.

On 18 June 2007, the Board members exercised the options above to an exercise price of NOK 5,94.

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