

The background is a complex collage of images related to the oil and gas industry. It includes a worker in a hard hat and safety vest on the left, a control room with multiple monitors in the center, and an offshore oil rig in the ocean on the right. The overall color palette is dominated by blues, greys, and yellows, with a bright light source in the upper right.

DNO ASA

Corporate Presentation 20.08.02

2nd Quarter / 1st Half Year 2002



Operations

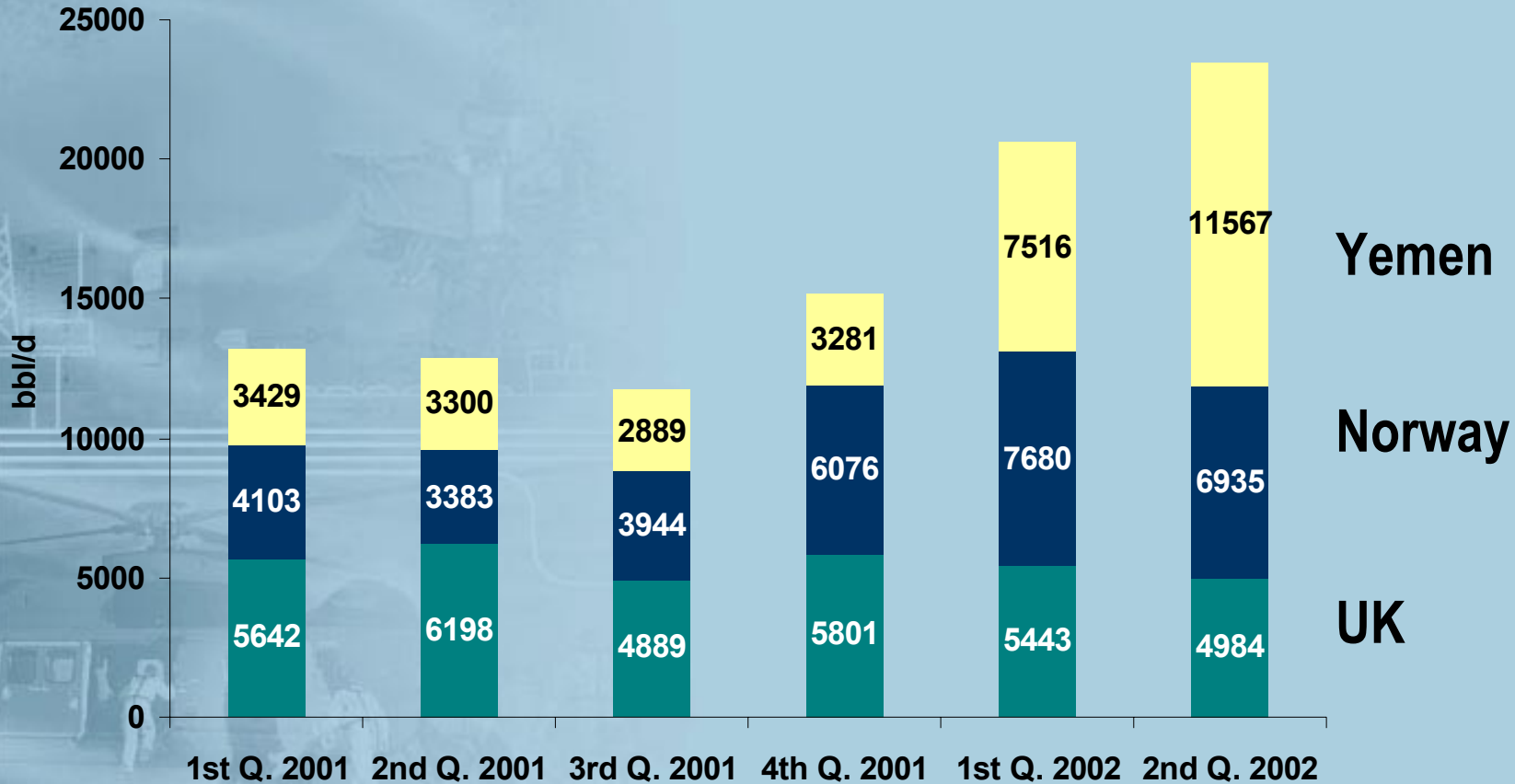
- Achieved record production of 23.486 BOPD in 2 Quarter
- Further increase of Yemen Production – now 50 % of DNO Group
- Group YTD Production > 22.000 BOPD – better than expected
- Achieved good operating margins
- Approved as Operator in Norway (PL 103B)
- WH Partner negotiations – Agreement announced 19 August

Group Production – per Quarter



- Group production 1st half 2002 better than target

Group Production by Business Area



- Increased contribution from Yemen



Financials 1st Half Year

- Operating Revenue MNOK 826
- EBITDA MNOK 440 *
- EBITDAX MNOK 526
- EBIT MNOK 237 *
- Net Profit MNOK (43) **

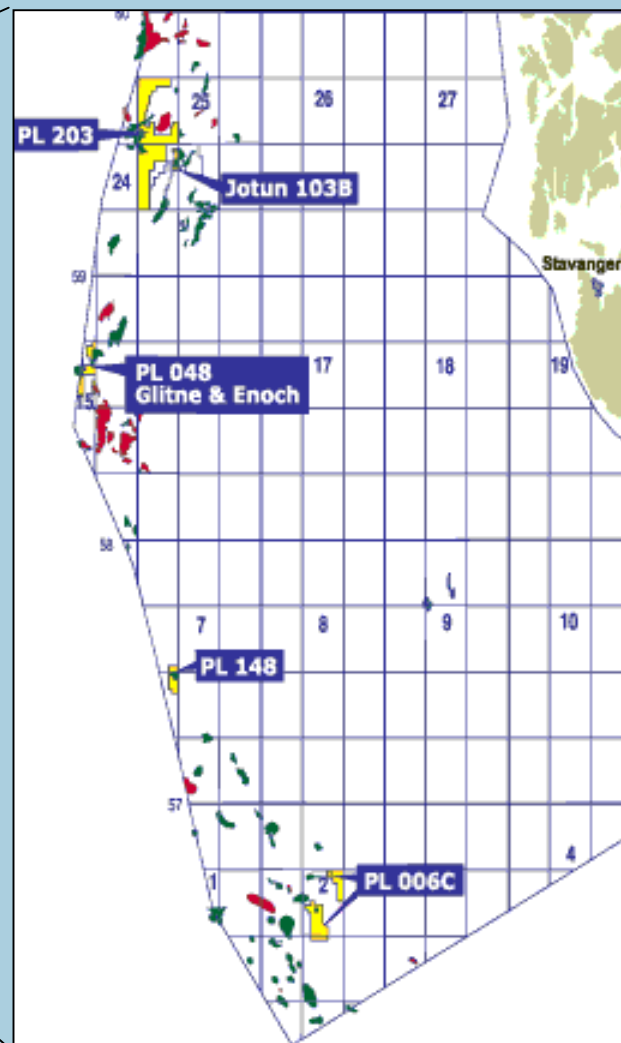
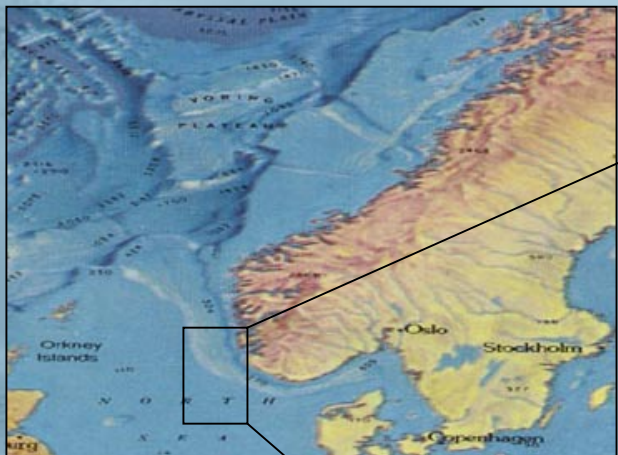
* After MNOK 80 expensed exploration costs & write-down of PL 006C

** After MNOK 125 write-down/loss assoc. company PDR ASA



Business Areas 20.08.02

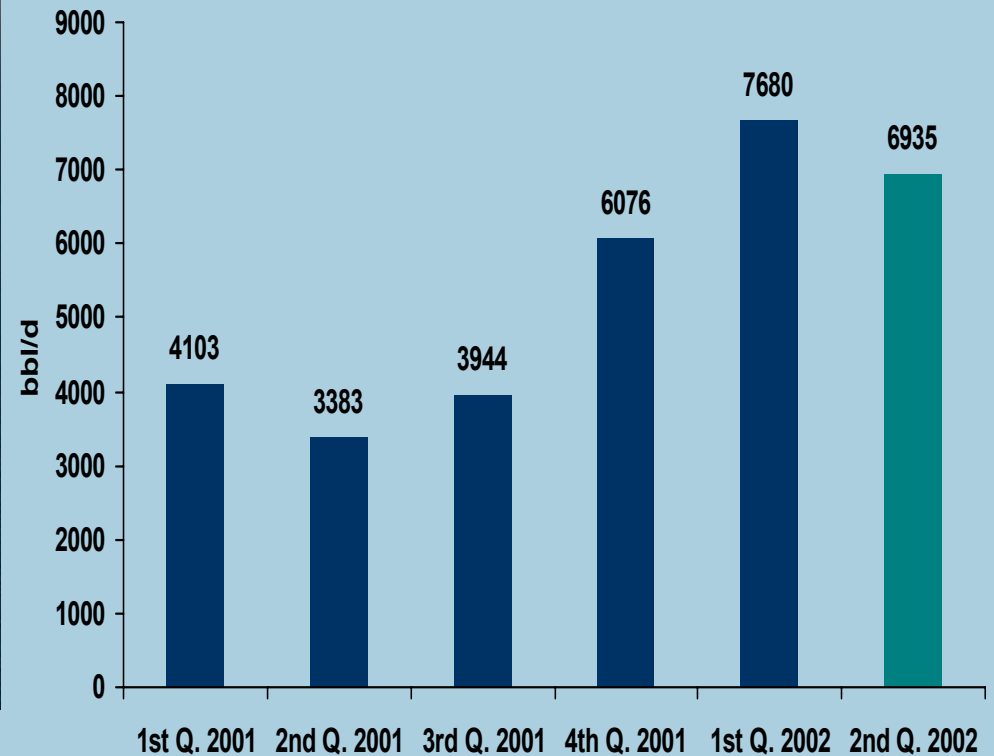
Overview Norway



		<u>Operator</u>
• PL 103B Jotun	7%*	Exxon/Mobil
• Glitne Field	10%	Statoil
• PL 203	15%	Marathon
• PL 148	30%	A. Hess
• PL 006C	10%	A. Hess

Implies Operatorship in PL 103b – now approved by Norwegian authorities

Production Norway



- Glitne shut-down in June due to production restrictions in Norway

- **Annual production within target range - 7.000 BOPD**
- **Infill drilling on Jotun – increased production**
- **Harvest on Glitne**
- **Continue to work pro-actively for PL 203 PDO**
- **Evaluate new assets**

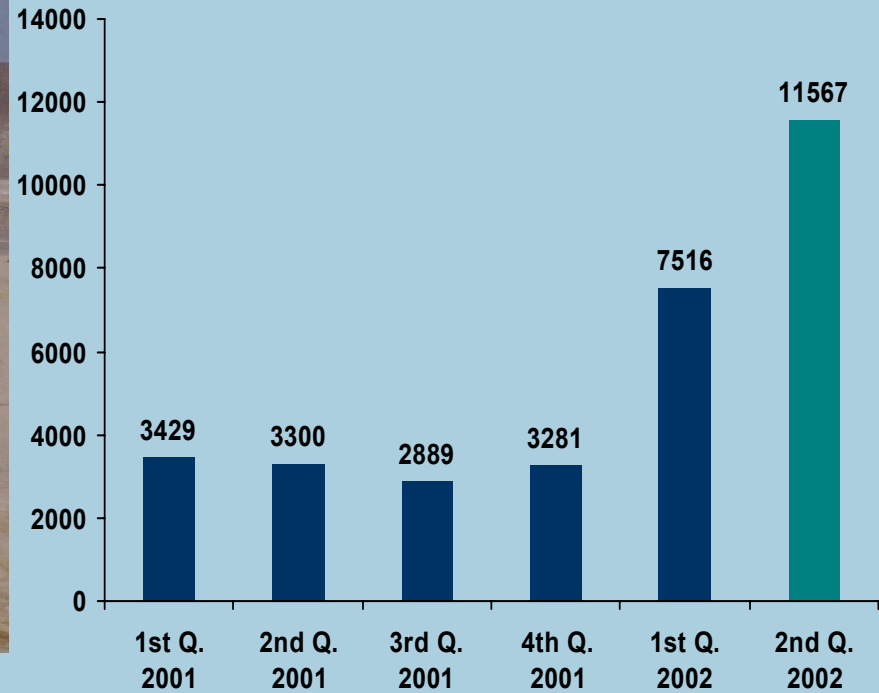
Overview Yemen



Block 32 Tasour (Operator)	41.0%
Block 53 Sharyoof	32.6%
Block 43 (Operator)	73.0%



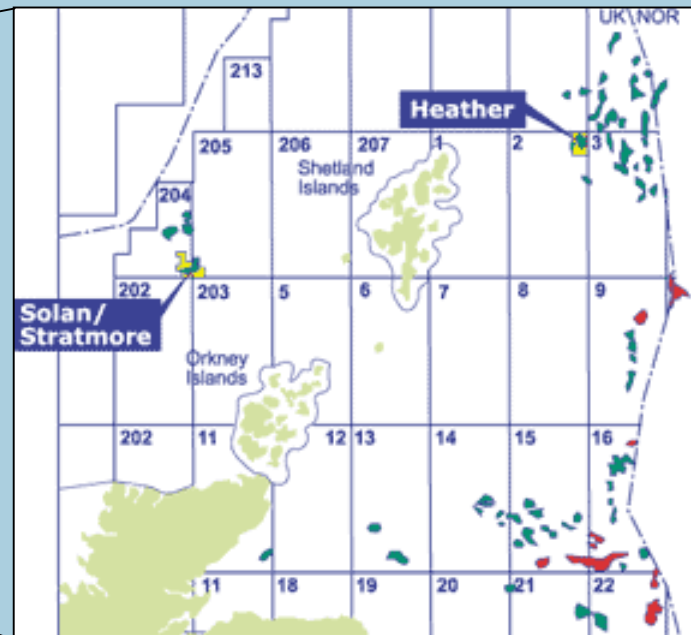
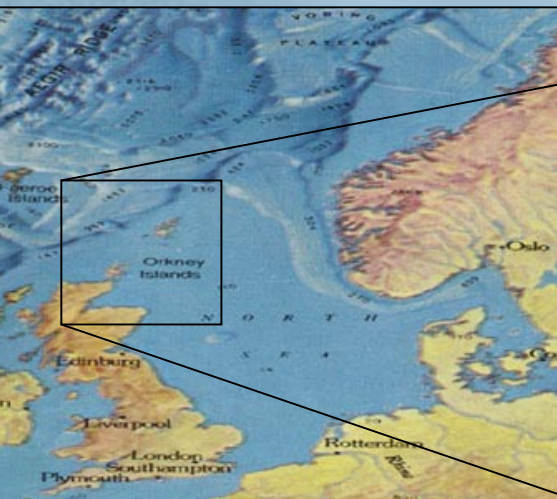
Production Yemen



- Sharyoof plateau production achieved in 2nd Quarter

- **Annual production 9.000 BOPD i.e. better than target**
- **Increase in recoverable reserves**
- **Further drilling on Tasour and Sharyoof**
- **Prepare for Block 43 drilling campaign (1 Q 2003)**

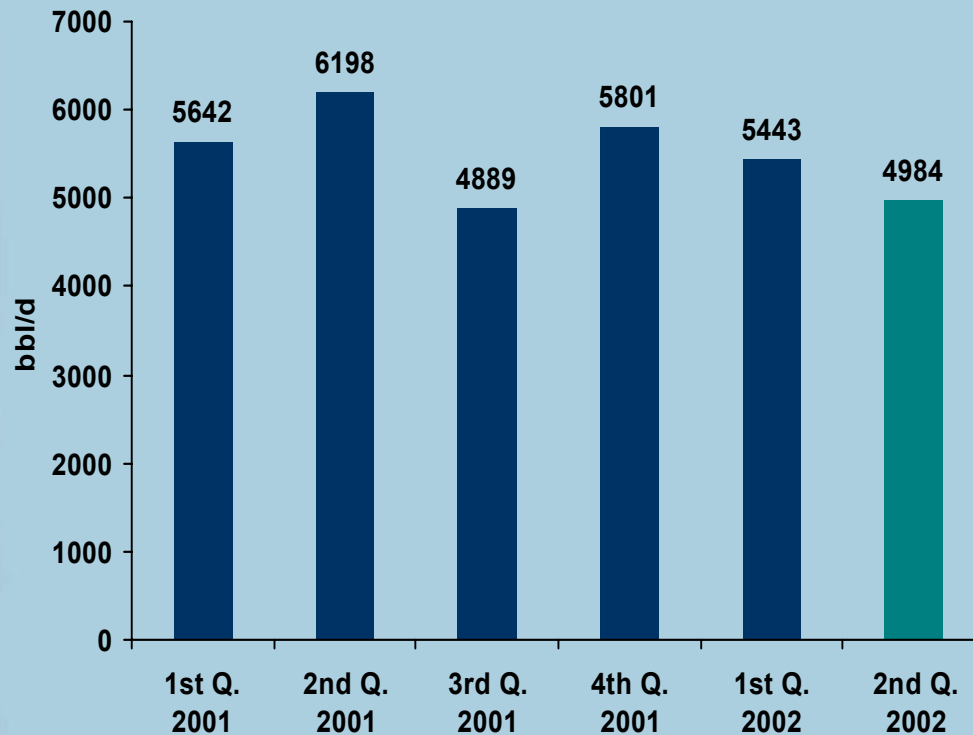
Overview UK



- Heather (Operator) 100%
- West Heather Area (Operator) 55 % *
- Solan / Stratmore 3.7%

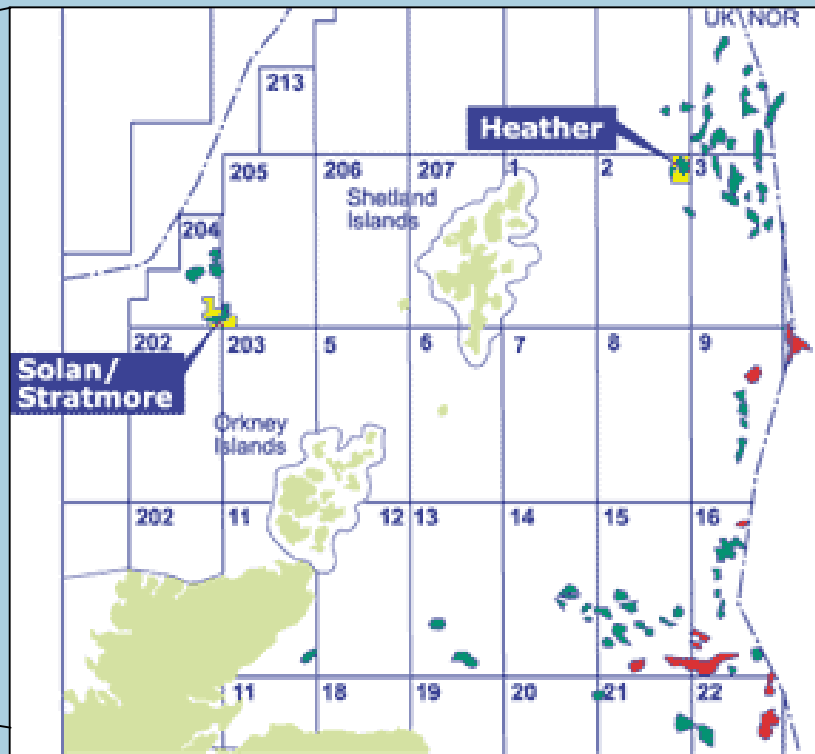
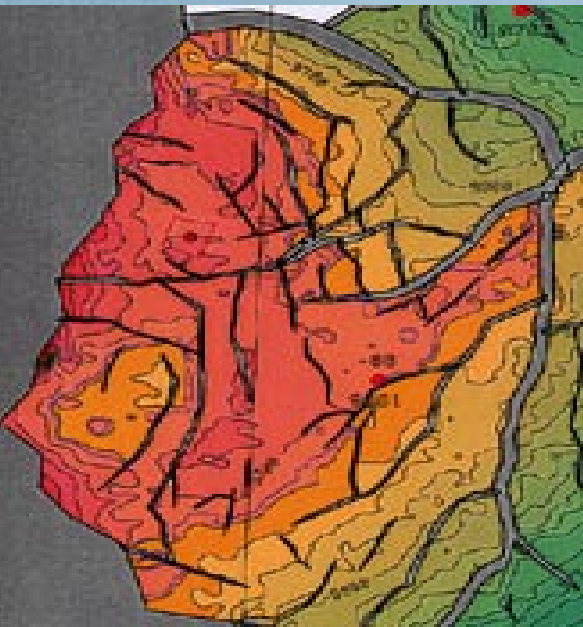
* Farm-in Agreement announced 19th August 2002

Production UK



- Heather 1st Half Year average > 5.000 BOPD

West Heather Agreement

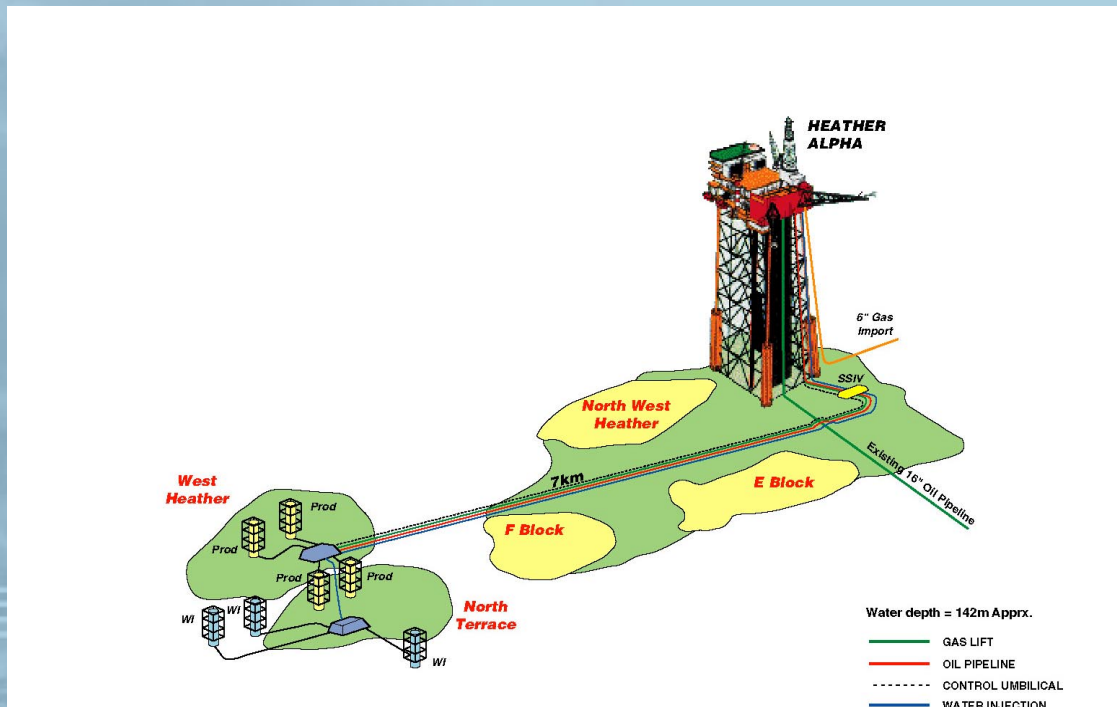


Farm-out of 45 %

DNO retains Operatorship and 55 %

**New Partners contribute MUSD 23 to drilling of 2
West Heather wells – 1st well 2nd half of 2002**

West Heather Agreement



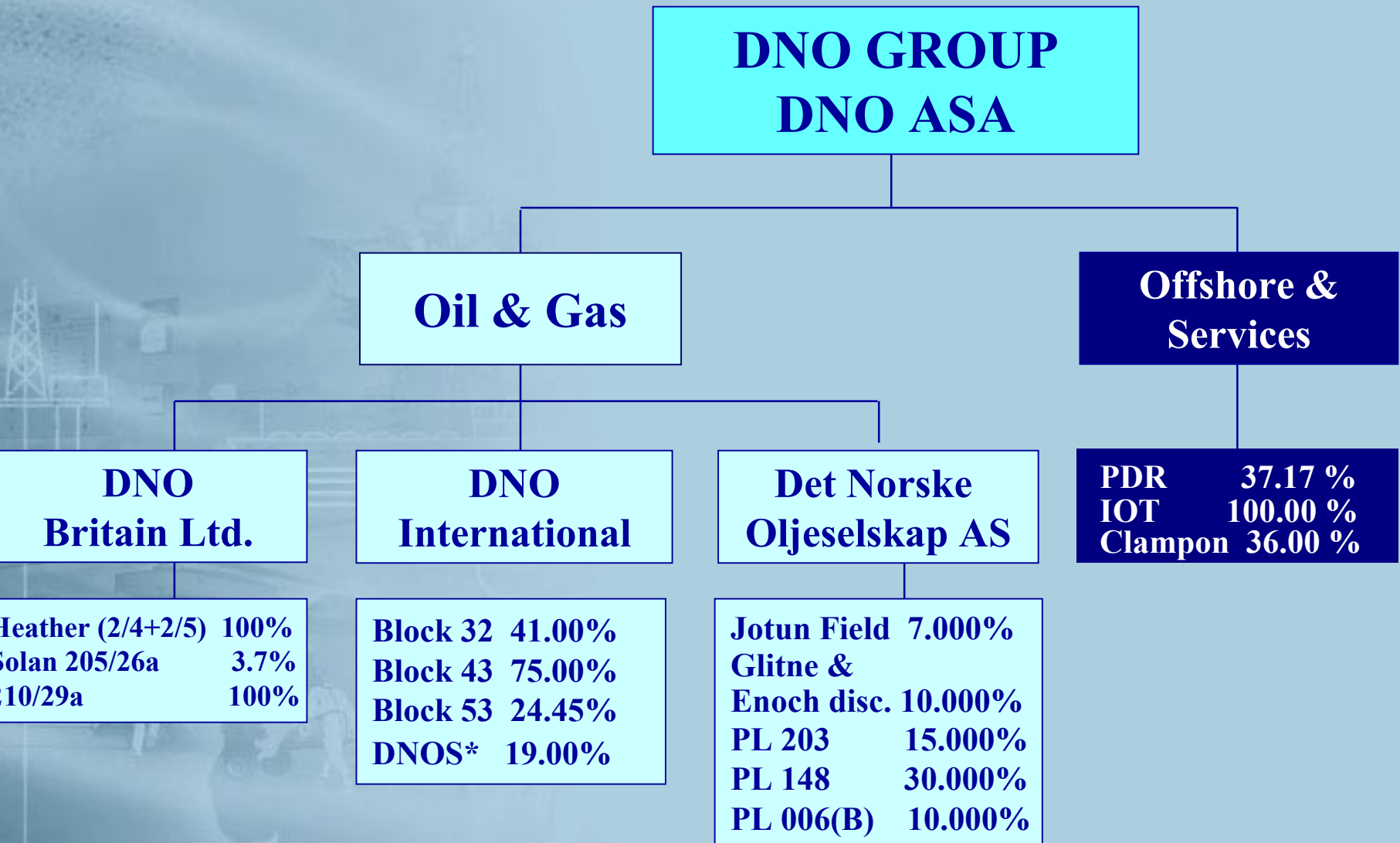
DNO retain 100 % of Heather Main Field

DNO net P50 reserves within total Heather Area after WH Farm-out – 42 million barrels

Production could be extended to 2012

- **Annual production slightly less than 5.000 BOPD**
- **Drilling one West Heather well 2nd Half Year**
- **Continue to evaluate the Thistle Field opportunity**

DNO ASA - Corporate Structure January 2002



* DNO Exploration of Scandinavia, joint venture of DNO ASA and Bitech (Lukoil)

PDR 39.66 %

IOT 100.00 %

ClampOn 0.00 %

- ClampOn sold in June
- Contributed with MUSD 2.5 in short term loan to PDR
- IOT contributes MNOK 9 to Group EBIT 1st Half 2002

- **Annual production > 20.000 BOPD**
- **Record Revenue, strong EBITDA and EBIT**
- **Investments to maintain production (Norway & Yemen)**
- **Drill one well on West Heather**

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Key Financials

April-June 2002

Financial Highlights 2Q 2002



- Increased operating revenues due to higher production and oilprices, despite USD decline
- NOK 51mill. write-down of capitalised license expenses PI 006C
- Strong operating profit
- NOK 95 mill. write down of investment in PDR ASA to market value 30.06. (NOK 1,10 per share)
- NOK 27 mill. share of loss in PDR ASA
- NOK 96 mill. debt repayment

DNO Production vs. Brent Oil Price



Income Statement 2Q 2002



- Strong operating revenue, EBITDA and operating profit

GROUP (NOK mill.)	2Q02	1Q02	4Q01	3Q01	2Q01	YTD02	YTD01
Operating Revenues	457	368	271	327	314	826	601
Exploration and Impairment	-53	-33	-1	-3	-4	-86	-6
Operating Exp., excl expl & DD&A	-155	-145	-152	-142	-132	-299	-260
EBITDA *	249	191	118	183	178	440	335
EBITDAX **	302	224	119	186	181	526	341
DD&A	-101	-92	-96	-51	-51	-193	-104
Abandonm. Provisions, Write-down	-4	-6	-2	-7	-4	-10	-10
Operating Profit	144	93	20	125	123	237	221
Earnings in Associated Companies	-122	-4	-13	-0	-13	-126	-20
Net Financial Items	-30	-13	-4	-14	-17	-43	-8
Profit (loss) before Tax	-7	75	3	112	93	68	193
Taxes	-60	-51	29	-69	-70	-111	-133
Profit (loss) after Tax	-68	24	31	42	23	-43	61

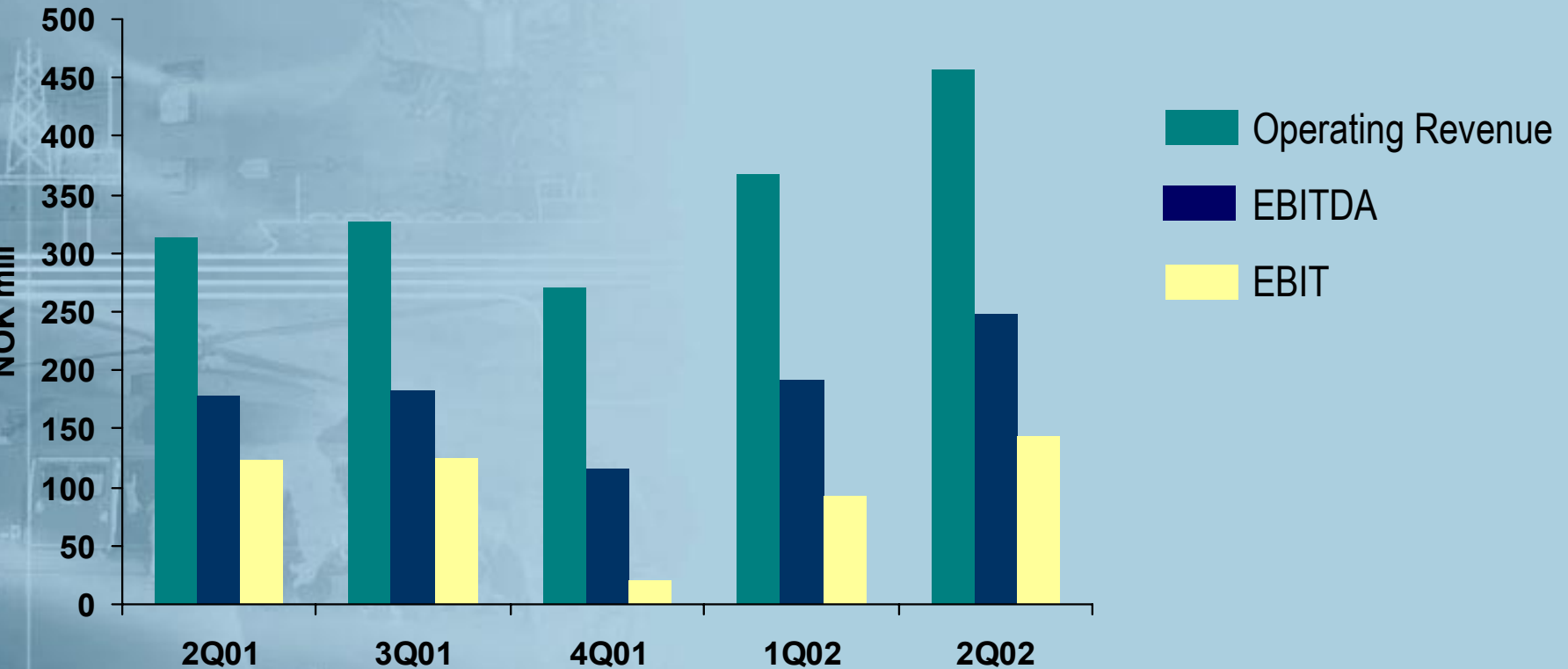
* EBIT adjusted for DD&A, abandonment provisions and write-downs

** EBITDA adjusted for G&G, exploration and dry hole expenses

Quarterly Performance



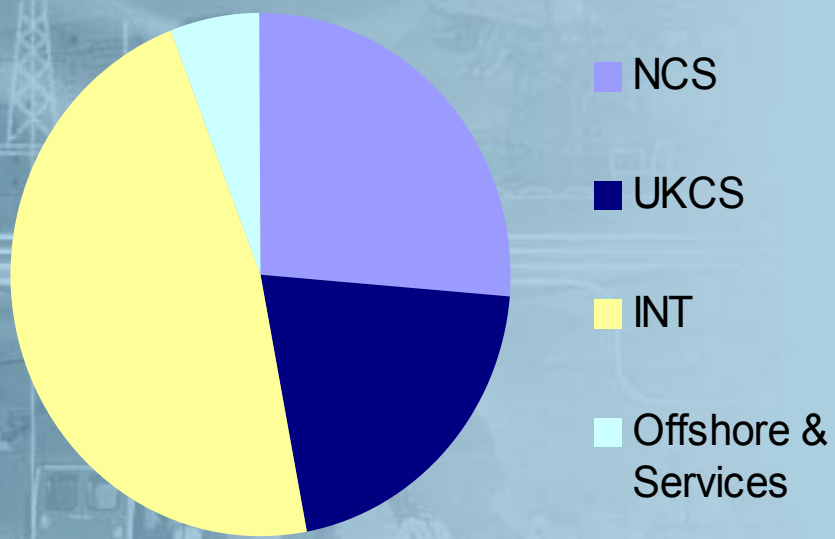
	2Q01	3Q01	4Q01	1Q02	2Q02
Production- and Transp. Cost (NOK mill.)	110	116	117	112	122
Production- and Transp. Cost per bbl. (USD)	10,16	11,88	9,35	6,75	7,03



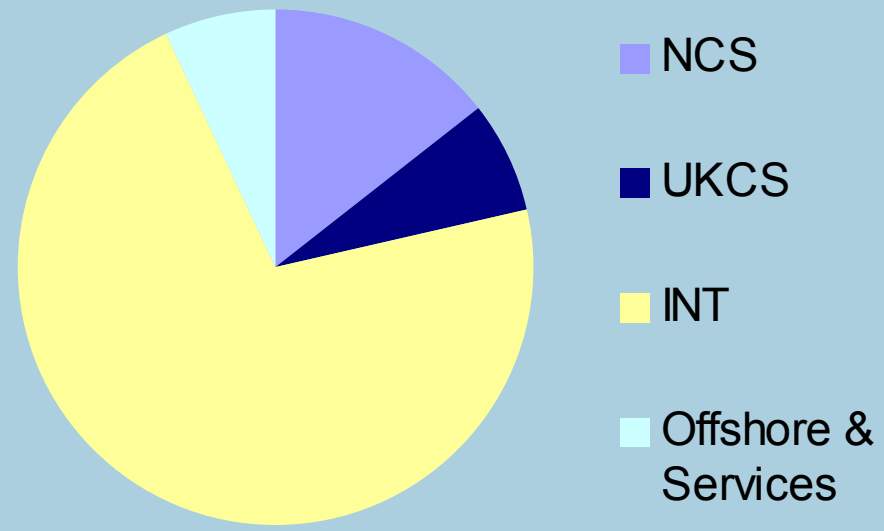
Business Unit Revenue and EBITDA 2Q02



Revenue Per Business Unit



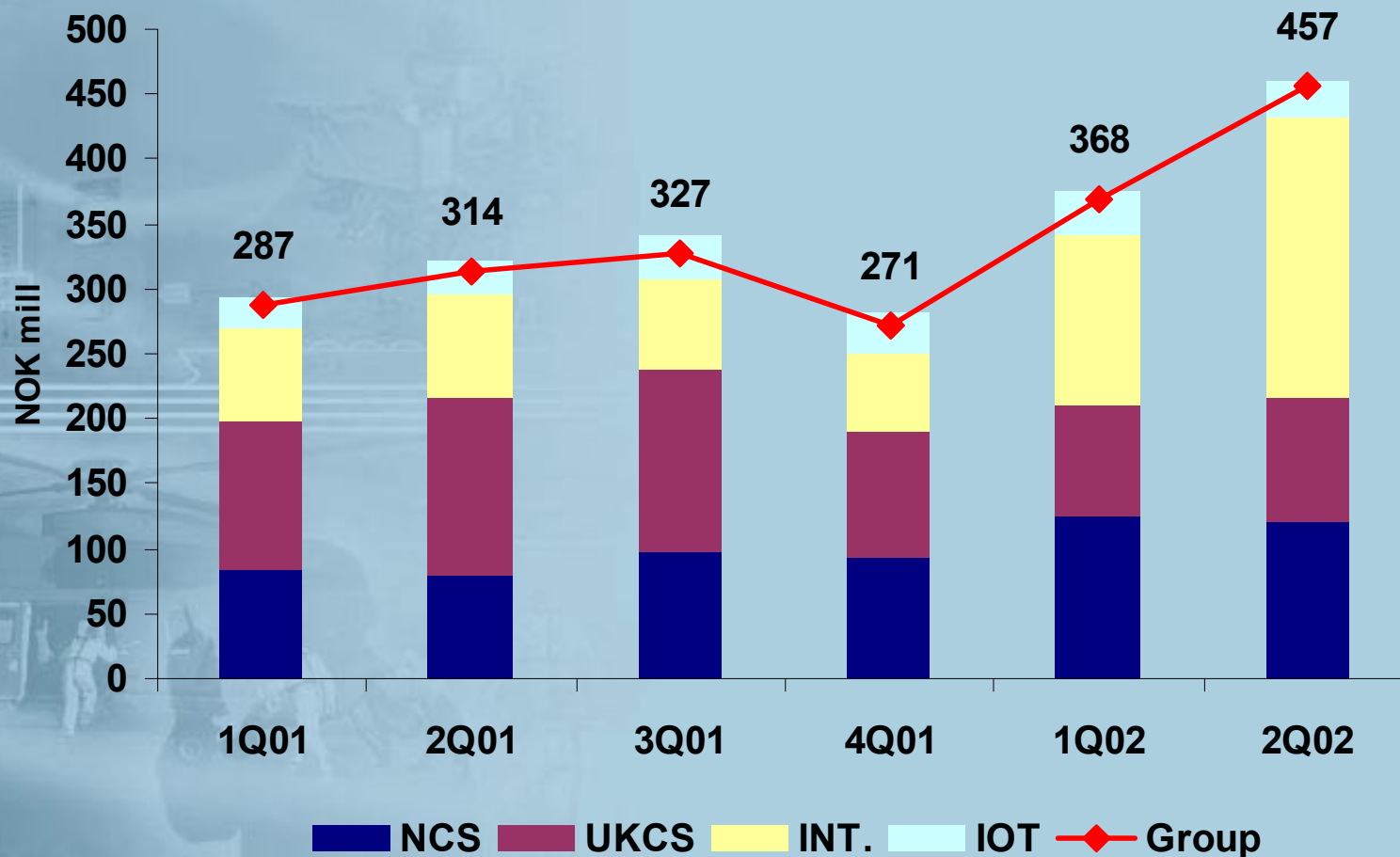
EBITDA Per Business Unit



Operating Revenue Per Business Area



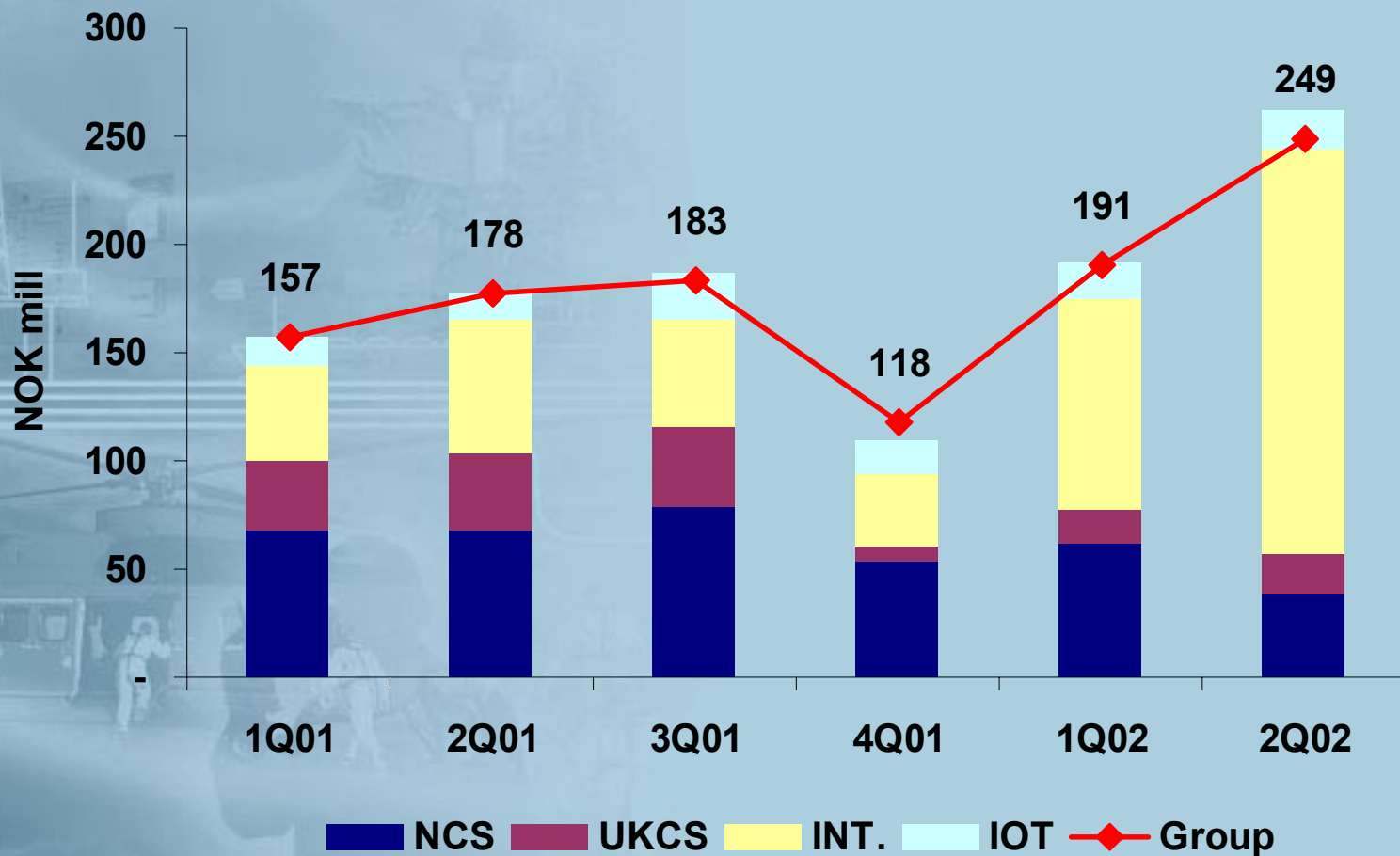
Operating Revenue Per Quarter



EBITDA Per Business Area



EBITDA Per Quarter



Balance Sheet 2Q 2002 - Assets



- PDR write-down and sale of ClampOn reduces fin. fixed assets
- Higher current assets

GROUP Assets	Q2 2002	Q1 2002	YE 2001	YE 2000
(NOK mill.)				
Fixed Assets	1.331	1.453	1.372	632
Financial Fixed Assets	309	475	485	495
Intangible Assets	146	148	150	128
Total Fixed Assets	1.787	2.076	2.006	1.254
Cash and Cash Equiv.	137	156	164	88
Other Current Assets	295	245	184	255
Total Current Assets	432	400	347	343
Total Assets	2.218	2.477	2.353	1.597

Balance Sheet 2Q 2002 – Shareholders' Equity and Liabilities



- Maintaining 40% equity ratio
- NOK 96 mill. repayment of interest bearing debt
- Reduction other short-term debt due to lower tax provisions

DNO Group

GROUP Shareholders' Equity and Liabilities	Q2 2002	Q1 2002	YE 2001	YE 2000
(NOK mill.)				
Shareholders' Equity	893	962	942	797
Interest-Bearing Long-Term Debt	625	738	651	158
Provisions for Liabilities and Charges	555	553	441	316
Total Long-Term Liabilities	1.180	1.291	1.092	474
Interest-Bearing Short-Term Debt	0	0	0	104
Other Short-Term Debt	145	223	320	222
Total Short-Term Debt	145	223	320	326
Total Debt and Shareholders' Equity	2.218	2.477	2.353	1.597

Cash Flow 2Q 2002



- NOK 117 mill. tax payments
- Lower investment in 2Q02
- Reduction of interest-bearing debt

(NOK mill.)	2Q02	1Q02	4Q01	3Q01	2Q01	YTD02	YTD01
Cash Flow from Operations	96	-14	109	170	140	82	355
Cash Flow from Investing	-19	-70	-135	-387	-85	-89	-362
Cash Flow from Financing	-96	76	-33	-36	360	-20	394
Net Change in Cash	-19	-8	-59	-252	415	-27	387
Cash at beginning of Period	156	164	222	475	59	164	88
Cash at end of Period*	137	156	164	222	475	137	475

* Net of Removal Deposit

Key Figures 2Q 2002



GROUP		2Q02	1Q02	4Q01	3Q01	2Q01	Yr 01	Yr 00
Earnings per Share	NOK	-1,34	0,49	0,61	0,83	0,46	2,64	1,15
EBITDA per Share	NOK	4,95	3,78	2,31	3,61	3,54	12,48	5,57
EBITDA Margin	%	54,5	51,8	43,4	55,9	56,7	53,0	36,2
EBIT Margin	%	31,5	25,2	7,5	38,3	39,1	30,6	18,0
ROACE *	%	-14,5	8,6	10,9	14,9	10,3	13,1	6,9
CROGI *	%	29,6	20,2	18,0	24,2	21,2	21,8	23,1
Equity Ratio	%	40,3	38,8	40,0	39,4	38,5	40,0	49,9
Debt/EBITDA *	x	0,6	1,0	1,4	0,9	0,9	1,1	1,1
EBITDA/Interest Expense	x	19,1	12,8	8,2	8,2	10,8	10,7	14,5

* Annualised

CROGI : EBITDA - taxes (taxes payable and government share of profit oil) / gross investments
 ROACE : Net profit + after-tax interest expenses / average capital employed