



NOTICE TO OSE 1279/191103

INTERIM REPORT FOR THE FIRST NINE MONTHS AND THIRD QUARTER OF 2003 – DNO ASA

**Headlines**

Oil production for the third quarter averaged 24,919 barrels per day, according to plan. After non-recurring items and costs relating to a dry well in Norway of in all NOK 71.5 million (before tax), the net result for the quarter was a loss of NOK 31.9 million.

The field development plan for Broom field on the UK shelf was approved by UK authorities at the beginning of September. Start of oil production is scheduled for summer 2004.

Drilling activity on the western flank of the Tasour field in Yemen has further upgraded oil reserves by approximately 10 million barrels, of which DNO's share is about 4.1 million barrels (before tax).

During the quarter the company continued its work of ensuring a long-term financing solution and carried out a strategic review of its licence portfolio. Based on the results of these processes, the company decided to sell significant assets at the end of the quarter. The transaction will be reflected in the company's accounts for 2004.

Oil production for the first nine months of 2003 averaged 27,443 barrels per day, resulting in total operating revenues of NOK 1 523.9 million and an EBITDA of NOK 876.4 million. EBITDA after taxes paid in the period (Netback) was NOK 415.7 million and net profit was NOK 129.9 million.

Shareholders' equity at the end of the nine-month period was NOK 1 039.9 million. Total assets rose to NOK 2 526.4 million.

The equity ratio at the end of the third quarter of 2003 was 41 per cent.

**Key figures for the first nine months and the third quarter of 2003:**

(NOK million)	First 9 months 2003	First nine months 2002	3rd quarter 2003	3rd quarter 2002
<b>Profit and loss statement:</b>				
Operating revenues	1 523,9	1 265,7	466,6	440,2
Operating expenses	924,2	833,4	339,3	244,7
<b>Operating profit</b>	<b>599,7</b>	<b>432,3</b>	<b>127,3</b>	<b>195,5</b>
Result associated companies	-10,0	-145,6	-10,0	-19,9
Net financial items	-0,1	-52,8	-34,1	-10,0
<b>Profit before taxes</b>	<b>589,6</b>	<b>233,9</b>	<b>83,2</b>	<b>165,7</b>
Taxes	-459,7	-231,2	-115,1	-119,7
<b>Net profit</b>	<b>129,9</b>	<b>2,8</b>	<b>-31,9</b>	<b>46,0</b>
<b>EBITDA</b>	<b>876,4</b>	<b>722,9</b>	<b>227,4</b>	<b>283,1</b>
<b>Basic earnings per share (NOK)</b>	<b>2,38</b>	<b>0,06</b>	<b>-0,62</b>	<b>0,91</b>

**Balance sheet:**

	First nine months 2003	First nine months 2002
Fixed assets	2 071,7	1 791,5
Current assets	454,8	538,1
<b>Total assets</b>	<b>2 526,4</b>	<b>2 329,6</b>
Shareholders' equity	1 039,9	959,1
Long-term liabilities	999,1	1 096,6
Current liabilities	487,4	273,9
<b>Total shareholders' equity and liabilities</b>	<b>2 526,4</b>	<b>2 329,6</b>

Reference is also made to the interim report for the first nine months and third quarter of 2003.

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DNO ASA

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