

Country-by-Country Report 2018

In line with the Norwegian Accounting Act and Norwegian Securities Trading Act, the Company has prepared a country-by-country report for its activities in the extractive industries, including information on investments, revenue, production, cost and the number of employees in each country of operation by subsidiary. Among other requirements, total payments to governmental bodies during the financial year must be broken down by country and by payment type.

Additional information regarding the Group's performance in each country of operation can be found in Note 2 of the DNO ASA's 2018 Annual Report and Accounts. Additional information regarding how the Group recognizes its revenues in the Kurdistan region of Iraq can be found in Note 1. A complete list of the Group's oil and gas license portfolio is disclosed in Note 24.

(USD million)														
License, legal entity level and country/region of operation ¹	Country of incorporation ²	Royalty ³	CWI production ⁴	Corporate income tax ⁵	Special tax ⁶	Area fee ⁷	Contractual bonuses ⁸	Investments ⁹	Revenue ¹⁰	Expenditure ¹¹	Net inter-company interest ¹²	Profit/loss before tax ¹⁰	Retained earnings ¹⁰	Number of employees ¹³
Tawke		236.2	79,694.0	-	1,135.0	0.1	0.6	-	-	-	-	-	-	-
Erbil		-	53.0	-	-	-	0.6	-	-	-	-	-	-	-
Baeshiqqa		-	-	-	-	-	0.3	-	-	-	-	-	-	-
DNO Iraq AS	Norway	-	-	-	-	-	-	154.6	811.3	-341.4	-	466.2	583.7	-
Total Kurdistan region of Iraq		236.2	79,747.0	-	1,135.0	0.1	1.5	154.6	811.3	-341.4	-	466.2	583.7	854
Block 8		-	1,965.0	1.5	-	-	-	-	-	-	-	-	-	-
DNO Oman Block 8 Limited	Guernsey	-	-	-	-	-	-	-	18.1	-9.4	5.0	13.7	-9.0	-
Total Oman		-	1,965.0	1.5	-	-	-	-	18.1	-9.4	5.0	13.7	-9.0	41
Block 47		-	-	-	-	-	-	-	-	-	-	-	-	-
DNO Yemen AS	Norway	-	-	-	-	-	-	-	-	-6.8	-	-6.8	-95.4	-
Total Yemen		-	-	-	-	-	-	-	-	-6.8	-	-6.8	-95.4	5
Block SL 18		-	-	-	-	-	-	-	-	-	-	-	-	-
DNO Somaliland AS	Norway	-	-	-	-	-	-	-	-	-1.1	-	-1.1	-5.4	-
Total Somaliland		-	-	-	-	-	-	-	-	-1.1	-	-1.1	-5.4	-
DNO Norge AS	Norway	-	-	-10.8	-22.4	0.6	-	1.3	0.1	-41.7	-	-43.8	-47.4	-
Total Norway		-	-	-10.8	-22.4	0.6	-	1.3	0.1	-41.7	-	-43.8	-47.4	25
DNO Exploration UK Limited	UK	-	-	-	-	-	-	-	0.8	-6.9	-	-6.8	-45.1	-
Total UK		-	-	-	-	-	-	-	0.8	-6.9	-	-6.8	-45.1	3
DNO Oman AS	Norway	-	-	-	-	-	-	-	-	-0.4	-	-0.4	-35.4	-
Northstar Exploration Holding AS	Norway	-	-	-	-	-	-	-	-	-0.1	-	-	-75.4	-
DNO UK Limited	UK	-	-	-	-	-	-	-	-	-	-	-	-36.1	-
DNO Mena AS	Norway	-	-	-	-	-	-	-	-	-	-	68.7	-259.4	-
DNO Invest AS	Norway	-	-	-	-	-	-	-	-	-	-	-	-19.8	-
DNO ASA	Norway	-	-	-	-	-	-	1.2	15.2	-43.5	-5.1	428.2	378.6	62
DNO Technical Services AS	Norway	-	-	-	-	-	-	-	22.4	-23.2	-	-0.7	-3.2	83
Other*		-	-	-	-	-	-	1.2	37.6	-67.2	-5.1	495.9	-50.7	145

* Other includes directly owned subsidiaries of DNO ASA that did not hold oil and gas licenses during the year.

- Country/region of operation is the country where the company carries out its main activity.
- Country of incorporation is the jurisdiction in which the legal entity is registered.
- Royalty is a fee payable to the Kurdistan Regional Government before distribution of cost oil and profit oil.
- Company Working Interest (CWI) production in barrels of oil equivalent per day (boepd).
- Corporate tax paid/-received during the year.
- In Kurdistan, special tax and corporate income tax together comprise Group's share of government take. In Norway, the special tax and corporate income tax relate to a tax refund of exploration costs.
- Area fee in Kurdistan and Norway.
- Contractual bonuses include environment funds, training funds and rental fees.
- Investments as presented in the consolidated financial statements and include estimate changes in asset retirement obligations.
- Revenues, expenditure, profit/-loss before tax and retained earnings in accordance with the accounting principles in the consolidated financial statements and include intercompany transactions. Audit of statutory financial statements is not completed at the time of issuing this report.
- Expenditure as presented in accordance with the accounting principles in the consolidated financial statements and includes cost of goods sold, administrative expenses, other operating expenses and exploration costs expensed including intercompany transactions.
- Net intercompany interest expense/-income to/from Group companies incorporated in another jurisdiction.
- Number of employees at yearend.