



DNO International ASA

**To: Excellency Jalal Talabani
President, Republic of Iraq**

**Excellency Masoud Barzani
President, Kurdistan Region of Iraq**

**Excellency Kamal Kirkuki
Speaker of Parliament, Kurdistan Region of Iraq**

**Excellency Nechirvan Barzani
Prime Minister, Kurdistan Region of Iraq**

5 October 2009

Your Excellencies,

With reference to recent events, we would like to express our regret for the harm and the difficulties caused to the Kurdistan Regional Government (KRG), and to Dr. Ashti Hawrami, the Minister for Natural Resources in particular, as a result of DNO's internal disagreements with the Oslo Stock Exchange (OSE). The KRG is not, and has never been, under any investigation by the OSE in relation to this issue.

This has recently been confirmed by the OSE itself in their official statement dated 28th September 2009, in which the OSE stressed that the exchange does not have any issues with the KRG and that the KRG has not at any time been the subject of investigations by the exchange.

From what we know today, it is clear that the KRG bought the DNO shares from DNO and this was done legally, officially and using the KRG's funds directly. The sale of the shares was approved by the Board of Directors of DNO International ASA. The fact that this was done under a nominee account set up for the KRG by HSBC is a very standard practice used by Governments, organizations and companies to protect their privacy.

The purchase of the shares by the KRG was done to facilitate funding for DNO to complete the outstanding work program in the Dohuk province and to therefore enable the KRG to achieve its primary goal, which was to demonstrate its ability to export oil from the Kurdistan Region of Iraq.

Had it not been for this assistance from the KRG in the very difficult financial market at the time, we would not have been able to accomplish the important goal of commencing oil export from the region, which was successfully achieved on 1st June 2009. This was one of the most important events in the recent history of the Kurdistan Region of Iraq, which you witnessed yourselves and where you delivered your own speeches accordingly. We were proud to be part of that achievement under your exemplary policy to establish a modern, effective and transparent oil industry in your Region.



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We would like to reassure you that nothing improper has taken place in these share transactions. It has been clearly demonstrated that the account was in the KRG's name and not that of any individual. We are therefore witnessing wrong and speculative information appearing in the media where some elements of the press are inventing stories with the view to damaging the reputation and integrity of Dr. Hawrami and hence to undermine the achievements of the KRG.

Once again, we are greatly troubled by the fact that our disagreements with the OSE were exploited to create unfair and damaging insinuations, designed to undermine the KRG's policies. Therefore, we will do all that we can to find out the motives for these deliberate and unjust actions which were orchestrated from our country.

Yours Sincerely,

On behalf of the Board of Directors of DNO International ASA



Berge Gerdt Larsen
Chairman of the Board