

STATEMENT BY RAK PETROLEUM PCL IN RESPONSE TO ALLEGATIONS BY PETROLIA ASA

Dubai, 25 October 2011 -- RAK Petroleum Public Company Limited, the oil and gas exploration company, categorically rejects misstatements made by the Norwegian company Petrolia AS in a stock exchange notification on 24 October 2011 which alleges, among other things, hidden abandonment liabilities in its portfolio amounting to hundreds of millions of dollars.

These allegations are part of a pattern of disinformation and misinformation that has characterized Petrolia's efforts to derail the merger discussions between DNO International ASA and a subsidiary of RAK Petroleum, NORAK Holdings AS.

Other such accusations have included the allegation that ahead of the merger and commencing in February 2011 RAK Petroleum colluded with "J.P. Morgan and/or Oppenheimer concerning the sale, repurchase and short sale of DNO shares."

"These accusations are irresponsible and we take them very seriously. We hold Petrolia, its chairman, its board of directors and its advisors responsible. Dissemination of information which gives, or is likely to give, false, incorrect or misleading signals to the market may constitute market manipulation under Section 3-8 of the Norwegian Securities Trading Act, and we reserve the option of pursuing anyone involved in such acts through all appropriate channels and by all available legal means," said RAK Petroleum's General Counsel, Peter D. Cleary.

RAK Petroleum rejects any assertion by Petrolia that the decommissioning costs of the Saleh field facilities are USD 50 to 150 million for each of its platforms, eventually totalling hundreds of millions of dollars.

The Company does not have material abandonment obligations with respect its offshore concessions. The Petroleum Concession Agreement for the Saleh concession, for example, clearly states that ownership of the offshore platforms and pipelines remains with the Government of Ras Al Khaimah and that the concession holders have no obligation to abandon any of the Saleh field facilities. This information was previously provided in connection with the due diligence and preparation of the Competent Persons Report.



“We challenge Petrolia to provide the backup for its misleading statements,” said Cleary.

Petrolia also alleges that the Saleh 5 well is a “probable failure”, citing unconfirmed reports. RAK Petroleum is still drilling the Saleh 5 well and has not yet reached the target zones but reiterates that the possible outcomes remain the same as have been previously reported. When definitive results become available, these will be released, according to the Company.

The Company has reported that drilling of the Wadi Jiffra A-1 exploration well on Block 31, onshore Oman, has been temporarily suspended while applications are submitted for permits to use oil-based drilling mud in order to evaluate side-track operations to access updip potential. The well which was spudded on 17 August reached total depth of 3250 meters. Cretaceous carbonate objectives were encountered 120 metres higher than expected with gas shows recorded while drilling, good reservoir development and log porosities. The well seismic calibration indicates that a notable upside exists, with similar prospects also identified nearby within the block acreage.

In the meantime RAK Petroleum is pleased that the DNO share price continues to climb and outperform many of its peers at a time of continuing great uncertainty in global equities markets.

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About RAK Petroleum

RAK Petroleum Public Company Limited (www.rakpetroleum.ae) is registered in the Free Trade Zone of the Emirate of Ras Al Khaimah and is operator of seven blocks in the Sultanate of Oman and the United Arab Emirates, of which one is in the production phase, three are in the exploration phase and three are undergoing appraisal for possible development/redevelopment. RAK Petroleum also has a non-operating 30 percent interest in the Hammamet Offshore license in the Republic of Tunisia and a 30 percent shareholding in the publicly-traded Norwegian oil and gas company DNO International ASA.

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