



Oslo, 28 January 2011

DNO reports a working interest (WI) production of 20,885 bopd in December and 16,252 bopd for the full fourth quarter. Net entitlement (NE) production was 13,675 bopd in December and 10,602 bopd in the fourth quarter.

The average realized oil price on the NE production in the fourth quarter was USD 54 per barrel.

Local sales volumes in Kurdistan have further increased in January and the total WI production in January is expected to be around or above 28,000 bopd.

Yemen production

DNO's WI production in Yemen in December 2010 was 6,281 bopd and the NE production was 3,939 bopd. In the fourth quarter of 2010, DNO's WI production in Yemen was 6,156 bopd and the NE production was 3,872 bopd.

Production in Yemen is reported as follows:

(Bopd)	Dec 2010	Nov 2010	Q4 2010	Q3 2010	Q2 2010	YTD 2010
Gross production	16,128	15,892	15,646	16,580	17,450	17,149
DNO's working interest	6,281	6,256	6,156	6,494	6,808	6,720
DNO's net entitlement	3,939	3,937	3,872	3,852	3,890	4,122
Achieved oil price USD/bbl	97	86	89	77	78	81

The production figures include crude oil consumed in the operation of the Company's production facilities, at an accumulated WI volume of 291 bopd and NE volume of 176 bopd in the fourth quarter of 2010.

Kurdistan production

DNO's WI production from the Tawke field in December 2010 was 14,604 bopd and the NE production was 9,736 bopd. In the fourth quarter of 2010, DNO's WI production from the Tawke field was 10,095 bopd and DNO's NE production was 6,730 bopd.

Production from Tawke is reported as follows:

(Bopd)	Dec 2010	Nov 2010	Q4 2010	Q3 2010	Q2 2010	YTD 2010
Gross production	16,226	4,030	11,217	20,514	9,933	11,845
DNO's working interest	14,604	3,627	10,095	18,462	8,940	10,661
DNO's net entitlement	9,736	2,418	6,730	12,308	5,960	7,107

The production figures include crude oil consumed in the operation of the Company's production facilities, at an accumulated WI volume of 121 bopd and NE volume of 81 bopd in the fourth quarter of 2010.

As previously reported deliveries of crude oil to the local market from Tawke recommenced at the beginning of December, following very low deliveries in the previous month. The Tawke deliveries has further increased into January and based on production month to date, the gross production from Tawke is expected to be around or above 25,000 bopd in January (up from 16,226 bopd in December).



Drilling and well operations

Yemen

In Block 72, drilling of the Gabdain-1 basement exploration well commenced on 19 November. The well has now reached the total planned depth in the basement interval. Hydrocarbons were observed while drilling through the Kohlan sandstone overlaying the basement interval and an oil sample was also recovered from this section. A production test of the Kohlan sandstone is currently ongoing, and will continue until conclusive results have been achieved. Hydrocarbons were also observed while drilling the top section of the basement interval. An open hole test was undertaken of the basement interval but no flow rate was achieved due to tight formation.

The Block 72 partners are currently considering another exploration well, Gabdain-2, to be drilled immediately after Gabdain-1, to test the up-dip potential of a Qishn prospect which was penetrated down flank at the Gabdain-1 location.

Kurdistan Region of Iraq

Drilling of exploration well Bastora-1 in the Erbil licence commenced on 7 September. The well has been drilled to total depth of 3,600 meters. Hydrocarbons were observed while drilling through several of the prospective intervals. Two tests have been completed in the lower part of the Cretaceous interval, both flowing water. A third test in the Cretaceous is currently ongoing, and oil has been produced to surface. The test will continue until stabilized flow rate has been established. After this test is completed, further three tests will be undertaken in the well.

The DQE Rig-10, intended for drilling the Summail-1 well in the Dohuk license, was seconded to another operator until 23 January when it was released to DNO. After rig service and required repairs, the rig will commence drilling of the Summail-1 well with estimated spud in March.

Mozambique

As reported to the market 29 December, Chite-1 was plugged and abandoned as dry well in December 2010. DNO will continue exploration drilling in the Inhaminga license. At present, the Company is preparing well site for the Inhaminga High-1 well. Spud of that well is estimated to take place during February 2011.

Oslo, 28 January 2011

DNO International ASA
Corporate Communications

For more information:

Media:

Communication Director Tom Bratlie
Phone: +47 905 21 904

Financial market:

CFO Haakon Sandborg
Phone: +47 23 23 84 80