



Oslo, 31 October 2011

Adjustments to proposed merger plan

The Board of Directors in DNO International ASA ("DNO International") was today informed about an agreement entered into between RAK Petroleum Public Company Limited (RAK Petroleum) and a group of DNO International shareholders organized in the so-called "DNO Initiative".

RAK Petroleum has presented a proposal to DNO International to amend the allocation between treasury shares and new shares transferred and issued as merger consideration in the merger plan so that there will be an increase in treasury shares used as consideration in connection with the proposed merger. The total amount of consideration shares received by RAK in the merger will not change. The independent directors (directors without connections to RAK Petroleum) in DNO International as well as the board in the DNO International's subsidiary DNO MENA AS regard the proposed changes to the merger plan to be in favor of DNO International and its shareholders and has thus agreed to change the merger plan between DNO MENA AS and NORAK Holdings AS accordingly.

The changes to the **merger plan** (§ 7, 5th paragraph, prospectus equivalent document page 132) are:

Original wording:

DNO International will transfer and issue 153,422,343 Consideration Shares to the sole shareholder of NORAK Holdings AS, RAK Petroleum, by way of a combination of a transfer of the Treasury Shares and issuance of the New Shares through an increase of the share capital of DNO International. RAK Petroleum will receive 9,500,000 Treasury Shares and 143,922,343 new shares which will be issued through an increase of the share capital in DNO International by NOK 35,980,585.75 to NOK 273,444,813.75.

New wording:

DNO International will transfer and issue 153,422,343 Consideration Shares to the sole shareholder of NORAK Holdings AS, RAK Petroleum, by way of a combination of a transfer of the Treasury Shares and issuance of the New Shares through an increase of the share capital of DNO International. RAK Petroleum will receive between 25,500,000 and 80,000,000 Treasury Shares and a number of new shares corresponding to the balance, such new shares to be issued through an increase of the share capital in DNO International by minimum NOK 18,355,585.75 and maximum NOK 31,980,585.75, to minimum NOK 255,819,813.75 and maximum NOK 269,444,813.75, through the issue of minimum 73,422,343 and maximum 127,922,343 new shares from today's 949,856,912 shares.

The changes in the merger plan also imply the following changes to the **proposed merger resolution in item 4 of the agenda at the Extraordinary General Meeting** in DNO International to be held on 1 November 2011:

Original wording:

The share capital of DNO International is increased by NOK 35,980,585.75 to NOK 273,444,813.75 through the issue of 143,422,343 new shares, each with a nominal value of NOK 0.25. The aggregate payment for the share capital increase is NOK 1,367,262,258.50, corresponding to a subscription rate of NOK 9.50 per share. The payment for the new shares issued in the capital increase and the 9,500,000 treasury shares in DNO International shall be settled by DNO MENA AS issuing a receivable in favour of DNO International which corresponds to the value of the net equity transferred to DNO MENA AS in the merger with NORAK Holdings AS.

The merger receivable issued by DNO MENA AS in favour of DNO International shall be deemed to have been established upon implementation of the merger for corporate law purposes, and shall from said point in time be charged with an interest rate based on market terms.

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The new shares shall carry full shareholder rights, including the right to dividends, after registration of the share capital increase with the Norwegian Register of Business Enterprises.

ii) Section 4 of DNO International's articles of association shall be amended to:

"The shares of the Company are registered with Verdipapirsentralen (the Norwegian Central Securities Depository). The share capital is NOK 273,444,813.75 divided on 1,093,779,255 shares of NOK 0.25 each."

New wording:

"The share capital of DNO International is increased by minimum NOK 18,355,585.75 and maximum NOK 31,980,585.75, to minimum NOK 255,819,813.75 and maximum NOK 269,444,813.75, through the issue of minimum 73,422,343 and maximum 127,922,343 new shares, each with a nominal value of NOK 0.25. The aggregate payment for the share capital increase is minimum NOK 697,512,258.50 and maximum NOK 1,215,262,258.50, corresponding to a subscription rate of NOK 9.50 per share. The payment for the new shares issued in the capital increase and the minimum 25,500,000 and maximum 80,000,000 treasury shares in DNO International shall be settled by DNO MENA AS issuing a receivable in favour of DNO International which corresponds to the value of the net equity transferred to DNO MENA AS in the merger with NORAK Holdings AS."

Section 4 of DNO International's articles of association shall be amended to reflect the share capital and number of issued shares after the completion of the share capital increase set out above.

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DNO International ASA
Corporate Communications