

DNO reports a working interest production of 11,431 bopd and a net entitlement production of 6,891 bopd for May 2010

“Production in May was somewhat lower than in April, mainly due to lower local sales in Kurdistan. The variations in these sales are due to local demand factors. Based on the current deliveries we expect local sales in Kurdistan to increase for the month of June”, says Managing Director Helge Eide.

DNO’s net entitlement production in May was 6,891 bopd.

Yemen production

DNO’s working interest production in Yemen in May 2010 was 7,027 bopd and the net entitlement production was 3,955 bopd.

Production in Yemen is reported as follows:

| (Bopd) | May 2010 | April 2010 | Q1 2010 |
|------------------------------|-----------------|-------------------|----------------|
| Gross production | 17,957 | 18,147 | 18,963 |
| DNO’s working interest | 7,027 | 7,058 | 7,437 |
| DNO’s net entitlement | 3,955 | 4,006 | 4,889 |
| Achieved oil price (USD/bbl) | 73 | 87 | 80 |

The production figures include crude oil consumed in the operation of the Company’s production facilities, at an accumulated working interest volume of 275 bopd and net entitlement volume of 140 bopd in May 2010.

Kurdistan production

DNO’s working interest production from the Tawke field in Kurdistan in May 2010 was 4,404 bopd and DNO’s net entitlement production was 2,936 bopd.

Production from Tawke is reported as follows:

| (Bopd) | May 2010 | April 2010 | Q1 2010 |
|------------------------|-----------------|-------------------|----------------|
| Gross production | 4,894 | 6,022 | 5,561 |
| DNO’s working interest | 4,404 | 5,420 | 5,005 |
| DNO’s net entitlement | 2,936 | 3,613 | 3,337 |

The production figures include crude oil consumed in the operation of the Company’s production facilities, at an accumulated working interest volume of 80 bopd and net entitlement volume of 54 bopd in May 2010.



Drilling and well operations

Yemen

The exploration well Ansas-1, located in block 52, was spudded on 4 June. The well did not encounter any hydrocarbons and was plugged and abandoned 13 June. This was the last commitment well to be drilled in Block 52. Currently Rig-905 is moving from the Ansas-1 location, to the Sharnah-2 well location in block 47. The drilling of the appraisal well Sharnah-2 is expected to commence late June 2010.

The appraisal well Bayoot-9 located in block 53 was spudded on 7 May. The drilling operation is progressing according to plan.

In Block 72 the license partners have concluded a farm-out agreement with Total, who is the operator of Block 10 in the Masila region. This farm-out is subject to approval by the Yemen authorities.

Following this farm-out the participating interests in this license are:

| | | |
|-----------------------------|--------|------------|
| DNO Yemen AS | 18.00% | (Operator) |
| TG Holdings Yemen Inc. | 18.00% | |
| Ansan Wikfs Ltd | 18.00% | |
| Total Exploration E&P Yemen | 36.00% | |
| The Yemen Company (TYC) | 10.00% | (Carried) |

DNO welcomes Total's entry as a new partner in Block 72. Plans for further exploration of the resource potential in Block 72 will now be firmed up, with particular focus on the basement potential.

Kurdistan

The license partners of the Erbil license have given notice to the KRG for one year extension of the appraisal period, including drilling of one additional exploration well as part of the commitment program. Subject to rig availability this well may be drilled during the second half of 2010. DNO is the operator of the Erbil license holding a 40% working interest.

As previously reported the drilling of the Summail-1 exploration well in the Dohuk license is expected to commence during fourth quarter 2010 with the GW-10 drilling rig.

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