

A complex collage of images related to the oil and gas industry. It includes a woman in a white hard hat and safety vest in the foreground, a control room with multiple monitors, a large offshore oil rig in the ocean, a map of a region, a wrench, and various technical diagrams and charts. The background is a mix of blue and yellow tones with a bright sun-like glow.

DNO ASA

Corporate Presentation 20.08.02

2nd Quarter / 1st Half Year 2002

Operations

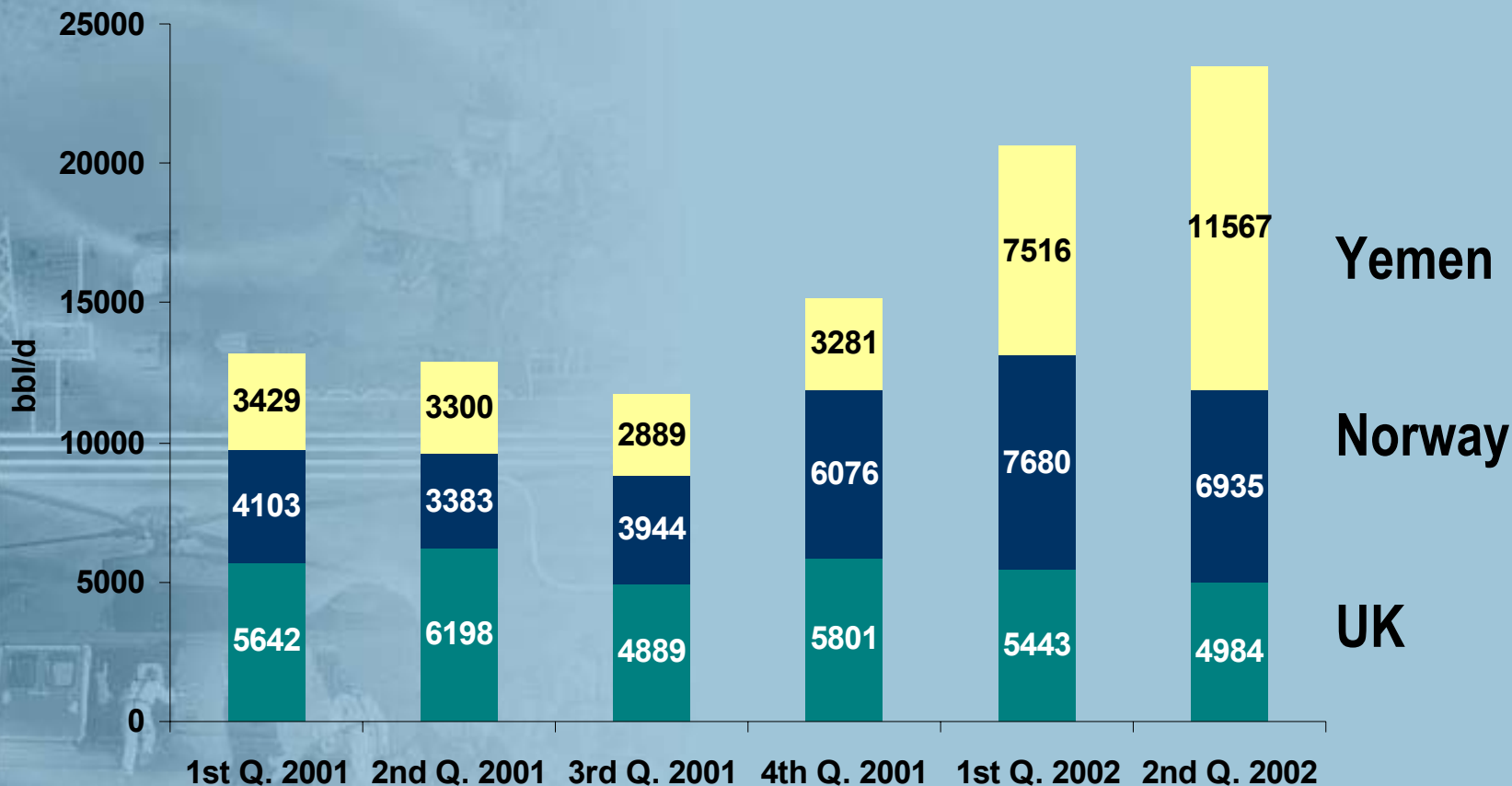
- Achieved record production of 23.486 BOPD in 2 Quarter
- Further increase of Yemen Production – now 50 % of DNO Group
- Group YTD Production > 22.000 BOPD – better than expected
- Achieved good operating margins
- Approved as Operator in Norway (PL 103B)
- WH Partner negotiations – Agreement announced 19 August

Group Production – per Quarter



- Group production 1st half 2002 better than target

Group Production by Business Area



- Increased contribution from Yemen

Financials 1st Half Year

- Operating Revenue MNOK 826
- EBITDA MNOK 440 *
- EBITDAX MNOK 526
- EBIT MNOK 237 *
- Net Profit MNOK (43) **

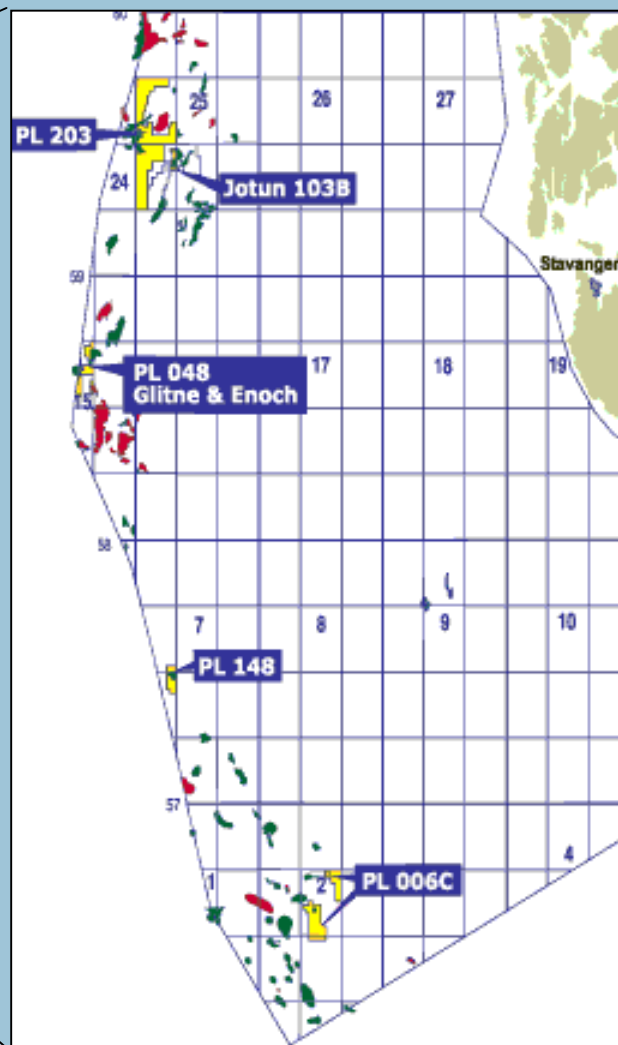
* After MNOK 80 expensed exploration costs & write-down of PL 006C

** After MNOK 125 write-down/loss assoc. company PDR ASA



Business Areas 20.08.02

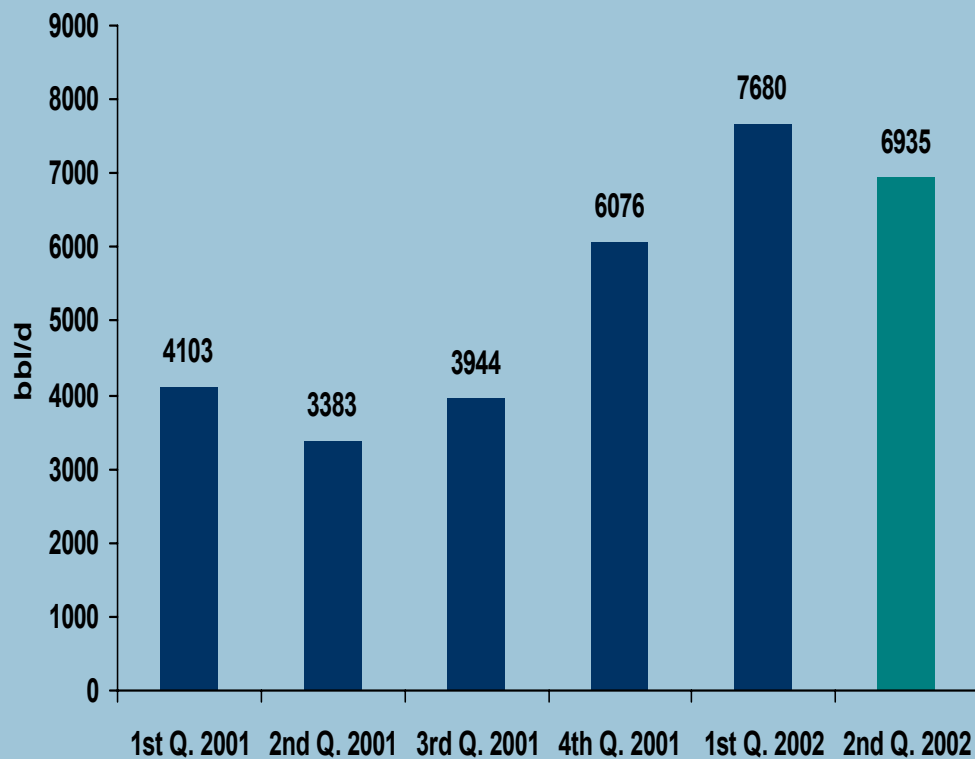
Overview Norway



| | | <u>Operator</u> |
|-----------------|-----|-----------------|
| • PL 103B Jotun | 7%* | Exxon/Mobil |
| • Glitne Field | 10% | Statoil |
| • PL 203 | 15% | Marathon |
| • PL 148 | 30% | A. Hess |
| • PL 006C | 10% | A. Hess |

* Implies Operatorship in PL 103b – now approved by Norwegian authorities

Production Norway



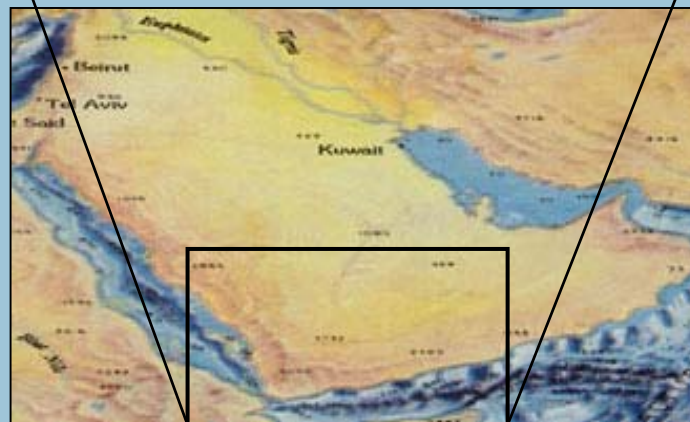
- Glitne shut-down in June due to production restrictions in Norway

- Annual production within target range - 7.000 BOPD
- Infill drilling on Jotun – increased production
- Harvest on Glitne
- Continue to work pro-actively for PL 203 PDO
- Evaluate new assets

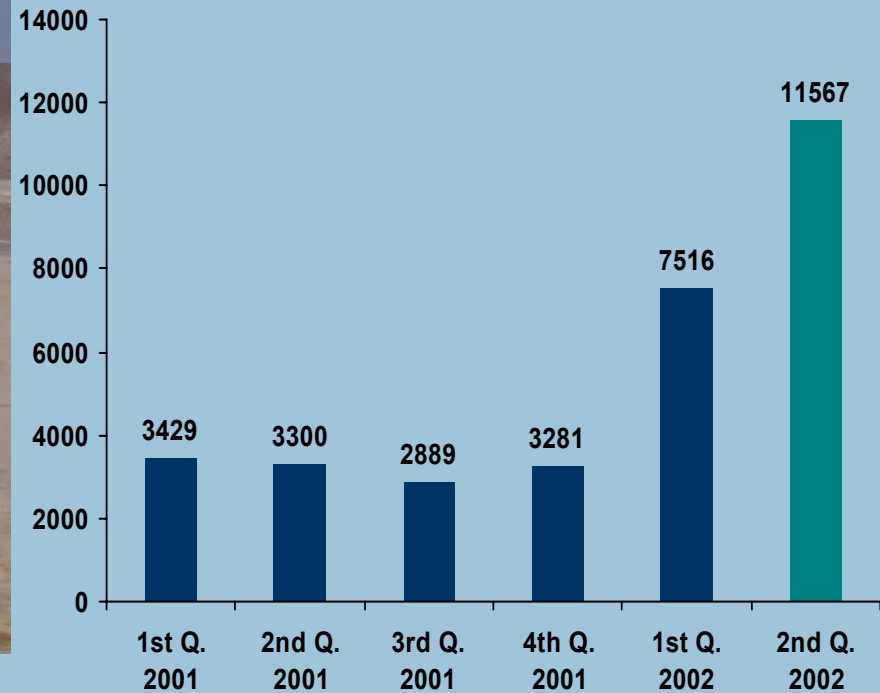
Overview Yemen



- Block 32 Tasour (Operator) 41.0%
- Block 53 Sharyoof 32.6%
- Block 43 (Operator) 73.0%



Production Yemen



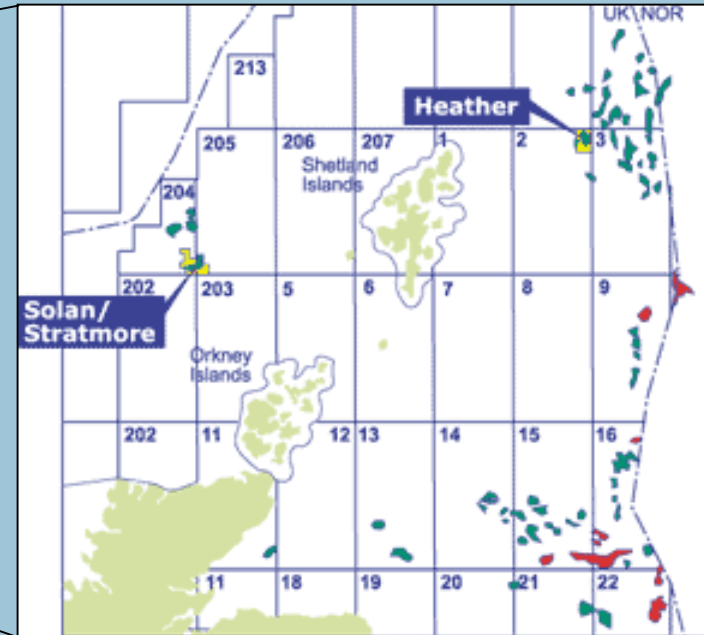
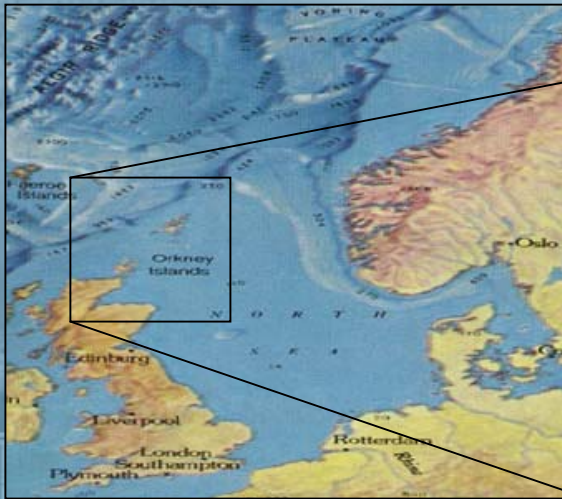
- Sharyoof plateau production achieved in 2nd Quarter

2002 Outlook - Yemen



- **Annual production 9.000 BOPD i.e. better than target**
- **Increase in recoverable reserves**
- **Further drilling on Tasour and Sharyoof**
- **Prepare for Block 43 drilling campaign (1 Q 2003)**

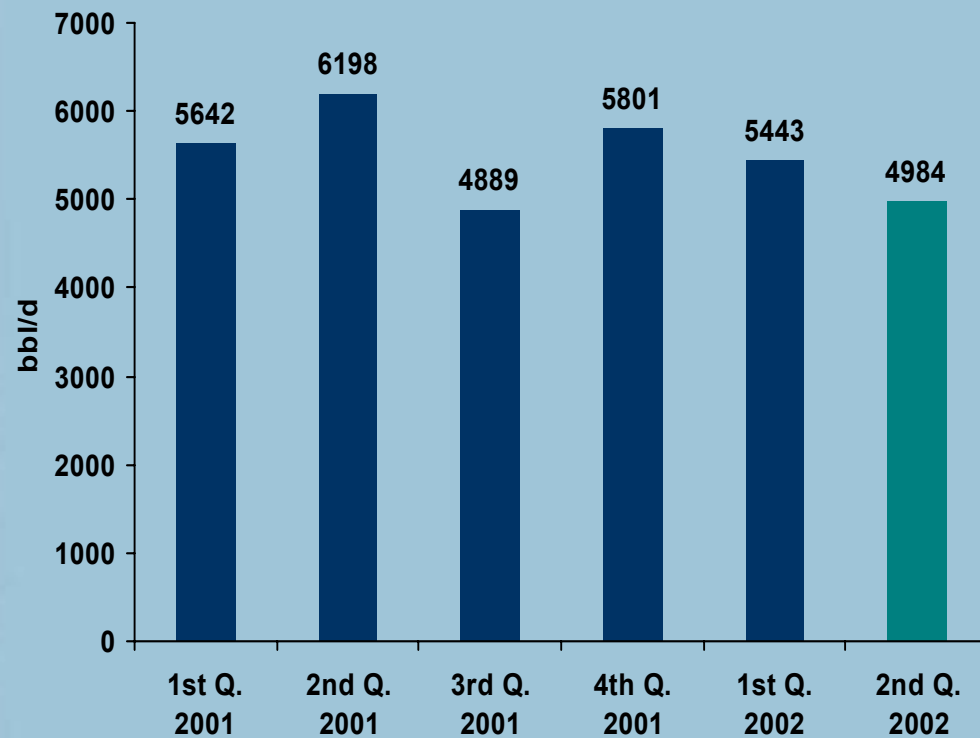
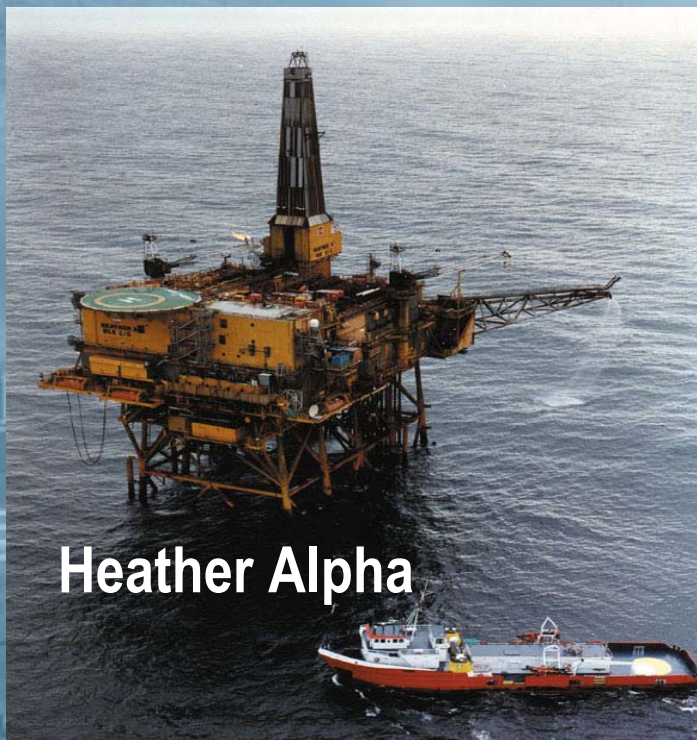
Overview UK



- Heather (Operator) 100%
- West Heather Area (Operator) 55 % *
- Solan / Stratmore 3.7%

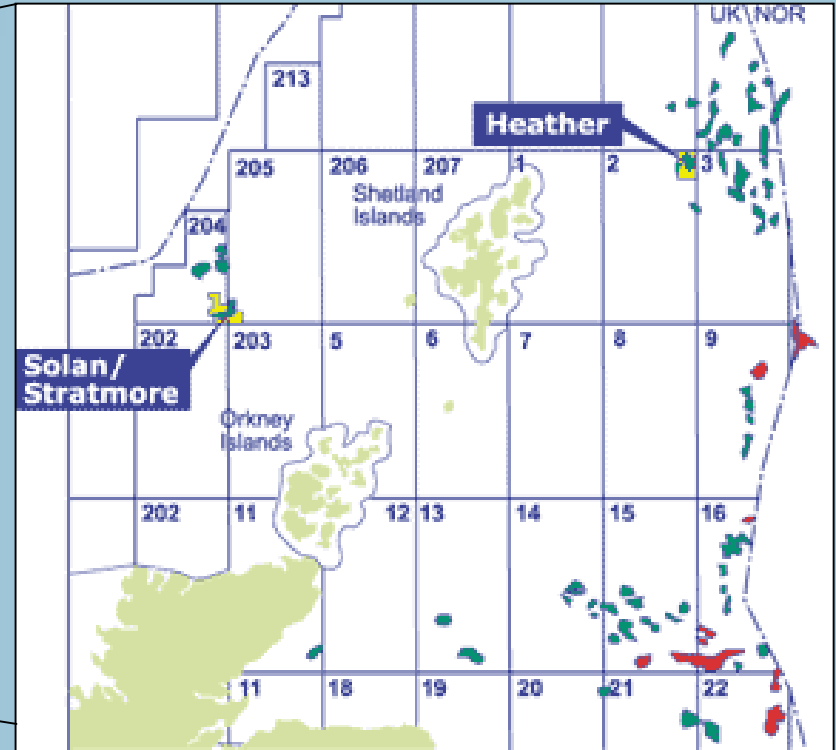
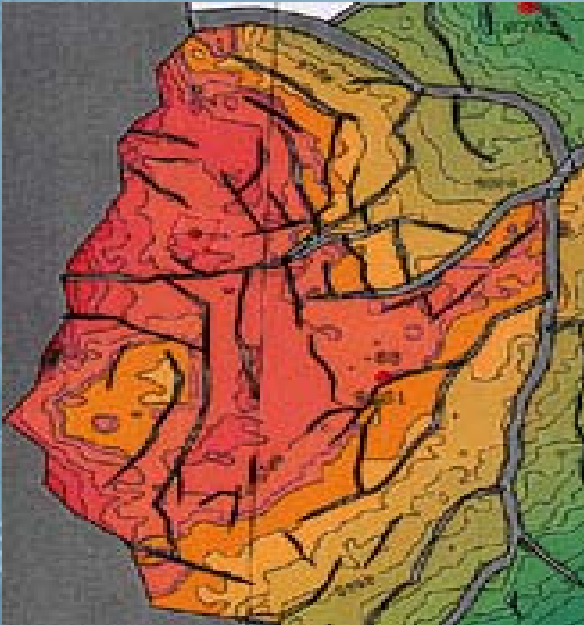
* Farm-in Agreement announced 19th August 2002

Production UK



- Heather 1st Half Year average > 5.000 BOPD

West Heather Agreement

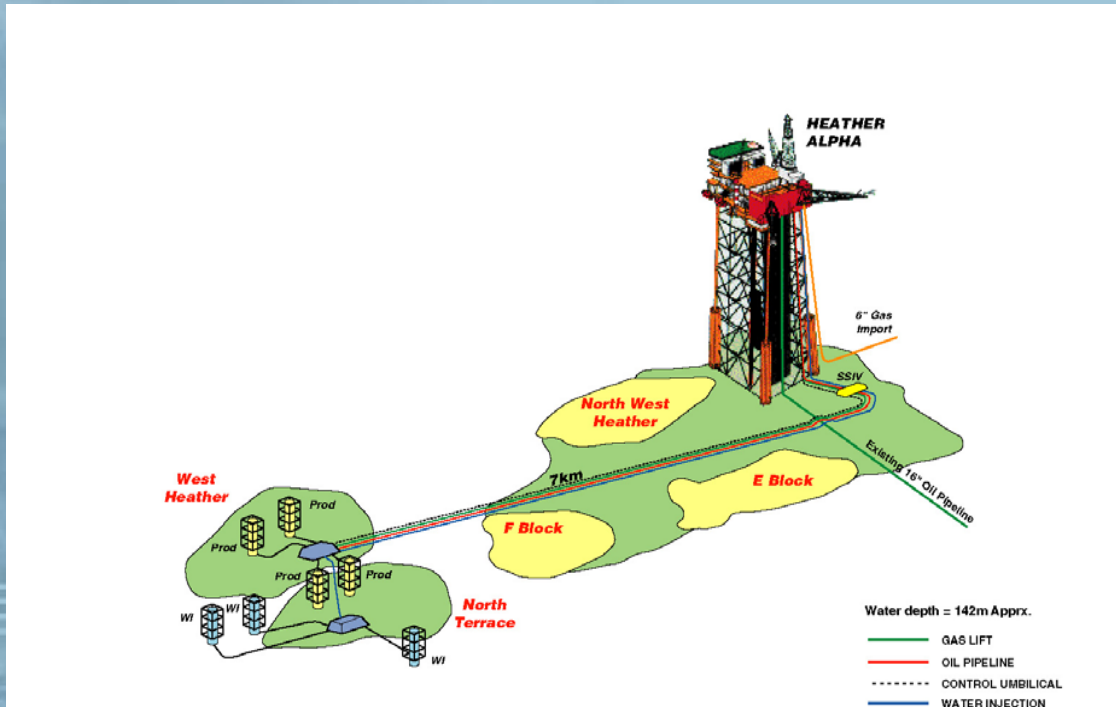


Farm-out of 45 %

DNO retains Operatorship and 55 %

**New Partners contribute MUSD 23 to drilling of 2
West Heather wells – 1st well 2nd half of 2002**

West Heather Agreement



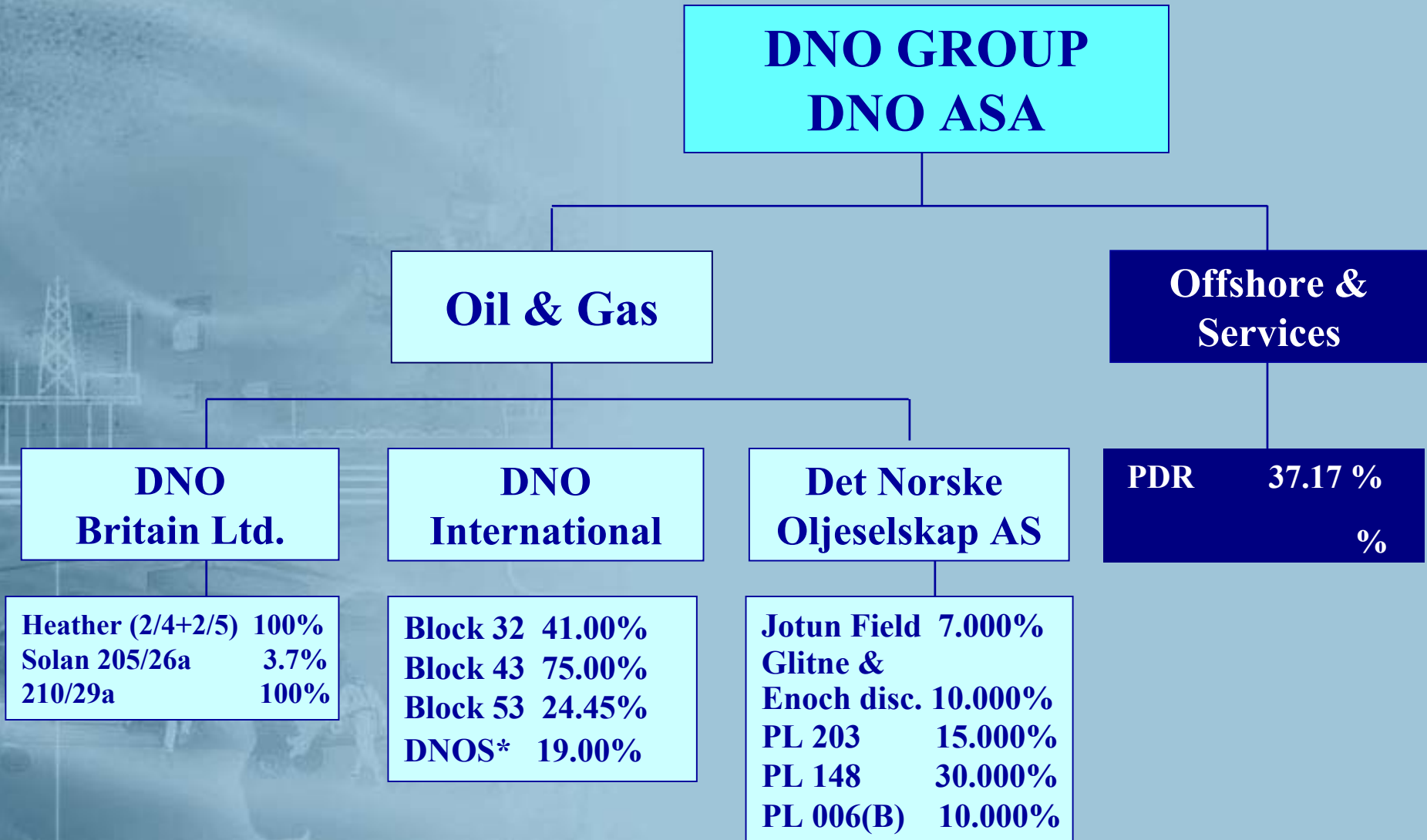
DNO retain 100 % of Heather Main Field

DNO net P50 reserves within total Heather Area after WH Farm-out – 42 million barrels

Production could be extended to 2012

- Annual production slightly less than 5.000 BOPD
- Drilling one West Heather well 2nd Half Year
- Continue to evaluate the Thistle Field opportunity

DNO ASA - Corporate Structure January 2002



* DNO Exploration of Scandinavia, joint venture of DNO ASA and Bitech (Lukoil)

PDR **39.66 %**

IOT **100.00 %**

ClampOn **0.00 %**

- ClampOn sold in June
- Contributed with MUSD 2.5 in short term loan to PDR
- IOT contributes MNOK 9 to Group EBIT 1st Half 2002

2002 Outlook – DNO Group



- Annual production > 20.000 BOPD
- Record Revenue, strong EBITDA and EBIT
- Investments to maintain production (Norway & Yemen)
- Drill one well on West Heather



Key Financials

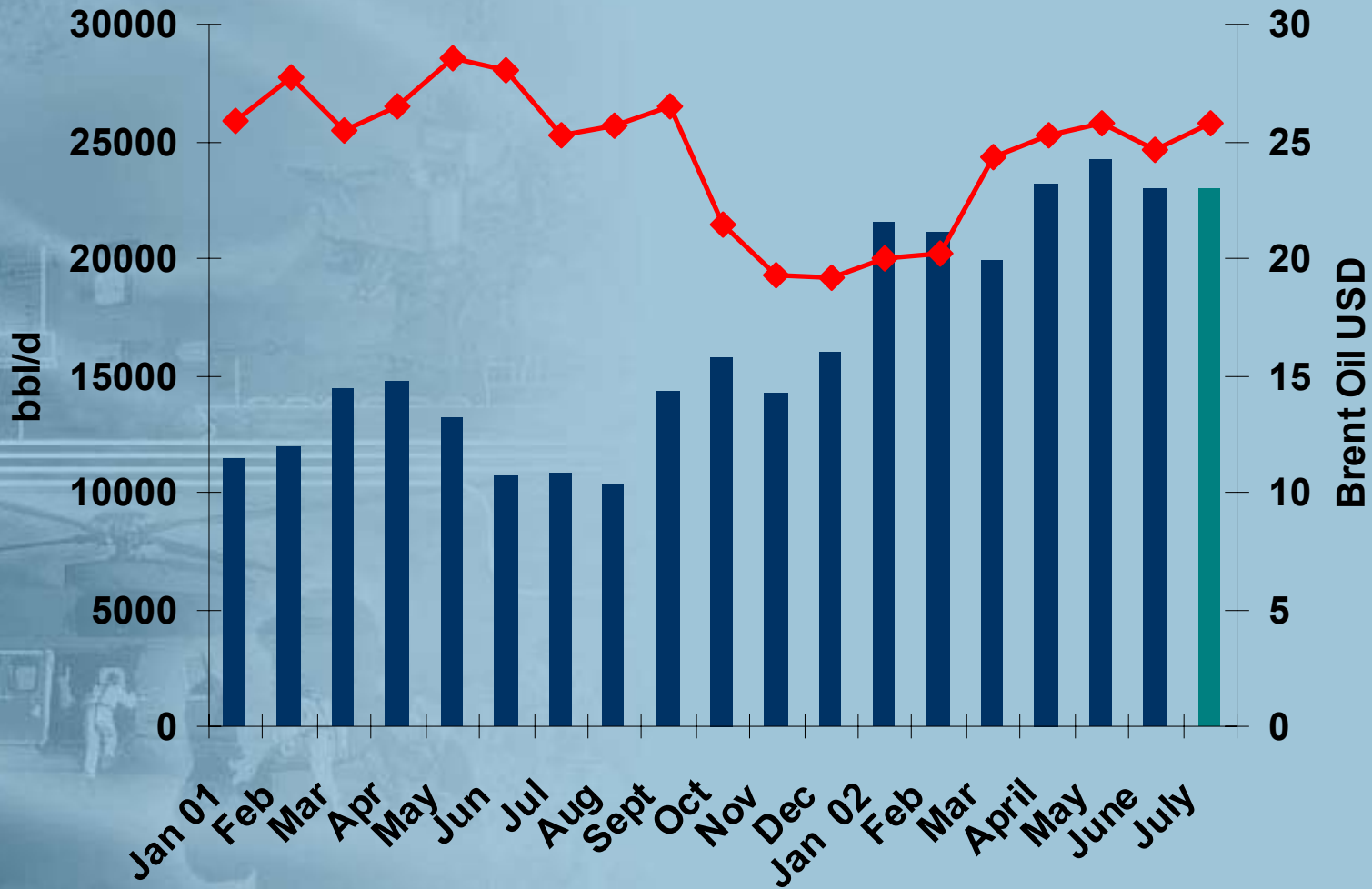
April-June 2002

Financial Highlights 2Q 2002



- Increased operating revenues due to higher production and oilprices, despite USD decline
- NOK 51mill. write-down of capitalised license expenses PI 006C
- Strong operating profit
- NOK 95 mill. write down of investment in PDR ASA to market value 30.06. (NOK 1,10 per share)
- NOK 27 mill. share of loss in PDR ASA
- NOK 96 mill. debt repayment

DNO Production vs. Brent Oil Price



Income Statement 2Q 2002



- Strong operating revenue, EBITDA and operating profit

| GROUP (NOK mill.) | 2Q02 | 1Q02 | 4Q01 | 3Q01 | 2Q01 | YTD02 | YTD01 |
|----------------------------------|------------|------------|------------|------------|------------|------------|------------|
| Operating Revenues | 457 | 368 | 271 | 327 | 314 | 826 | 601 |
| Exploration and Impairment | -53 | -33 | -1 | -3 | -4 | -86 | -6 |
| Operating Exp., excl expl & DD&A | -155 | -145 | -152 | -142 | -132 | -299 | -260 |
| EBITDA * | 249 | 191 | 118 | 183 | 178 | 440 | 335 |
| EBITDAX ** | 302 | 224 | 119 | 186 | 181 | 526 | 341 |
| DD&A | -101 | -92 | -96 | -51 | -51 | -193 | -104 |
| Abandonm. Provisions, Write-down | -4 | -6 | -2 | -7 | -4 | -10 | -10 |
| Operating Profit | 144 | 93 | 20 | 125 | 123 | 237 | 221 |
| Earnings in Associated Companies | -122 | -4 | -13 | -0 | -13 | -126 | -20 |
| Net Financial Items | -30 | -13 | -4 | -14 | -17 | -43 | -8 |
| Profit (loss) before Tax | -7 | 75 | 3 | 112 | 93 | 68 | 193 |
| Taxes | -60 | -51 | 29 | -69 | -70 | -111 | -133 |
| Profit (loss) after Tax | -68 | 24 | 31 | 42 | 23 | -43 | 61 |

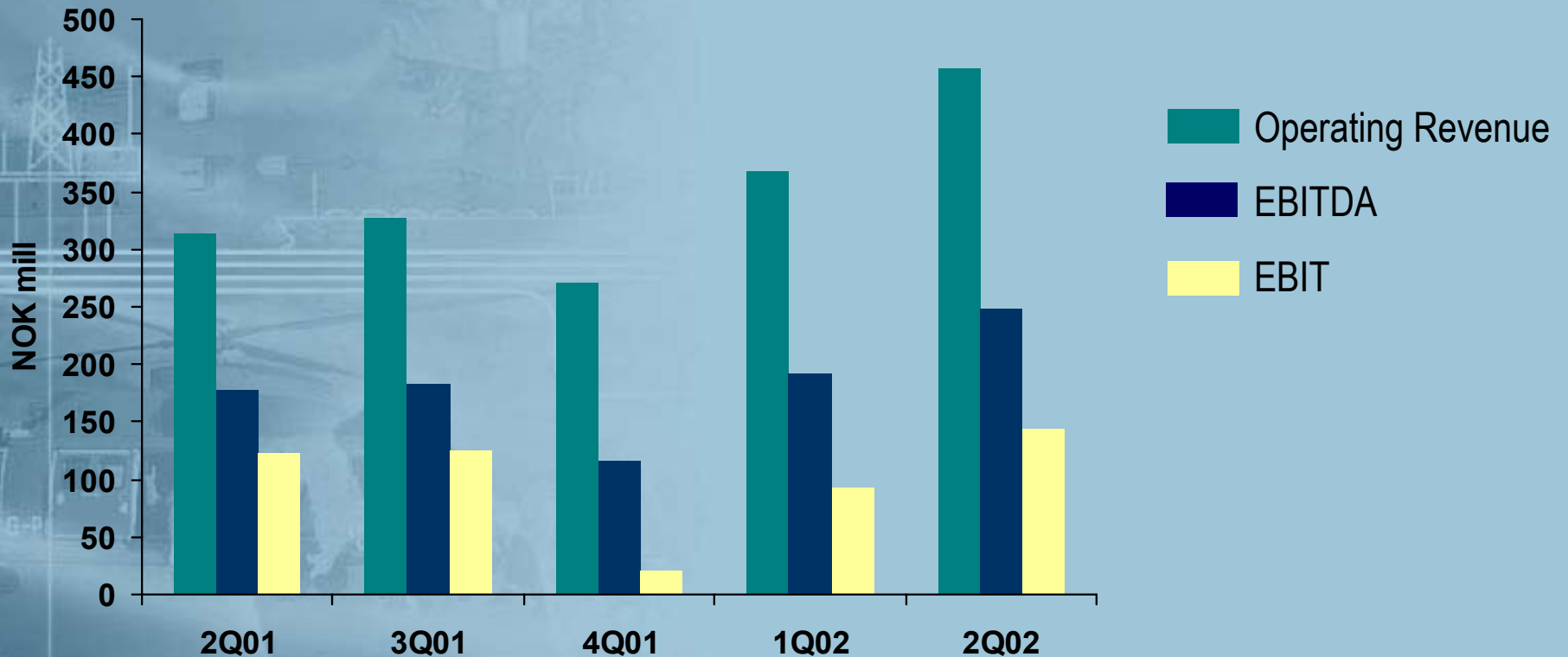
* EBIT adjusted for DD&A, abandonment provisions and write-downs

** EBITDA adjusted for G&G, exploration and dry hole expenses

Quarterly Performance



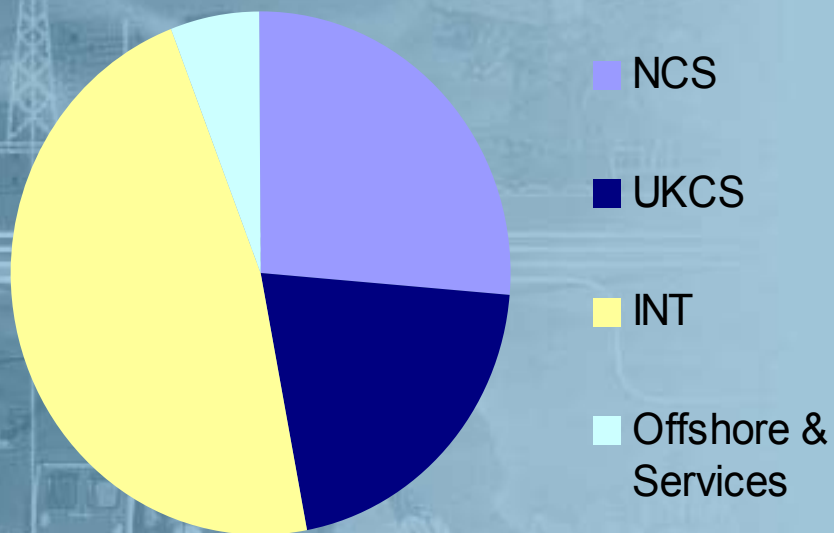
| | 2Q01 | 3Q01 | 4Q01 | 1Q02 | 2Q02 |
|---|-------|-------|------|------|------|
| Production- and Transp. Cost (NOK mill.) | 110 | 116 | 117 | 112 | 122 |
| Production- and Transp. Cost per bbl. (USD) | 10,16 | 11,88 | 9,35 | 6,75 | 7,03 |



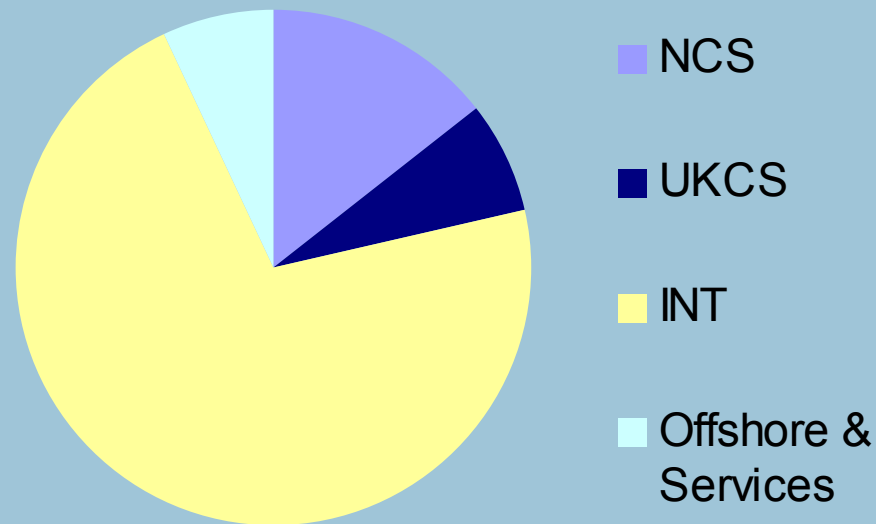
Business Unit Revenue and EBITDA 2Q02



Revenue Per Business Unit



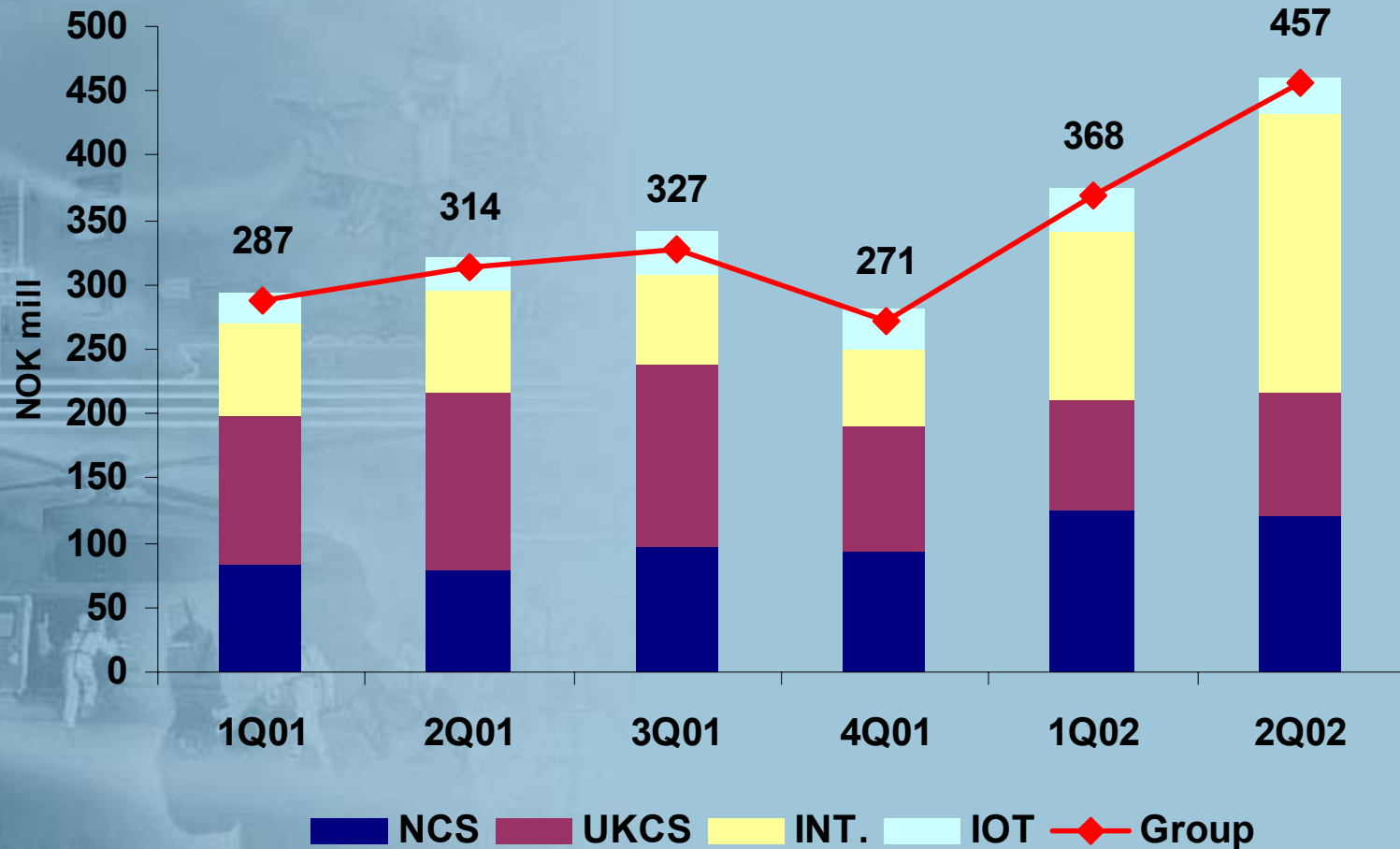
EBITDA Per Business Unit



Operating Revenue Per Business Area



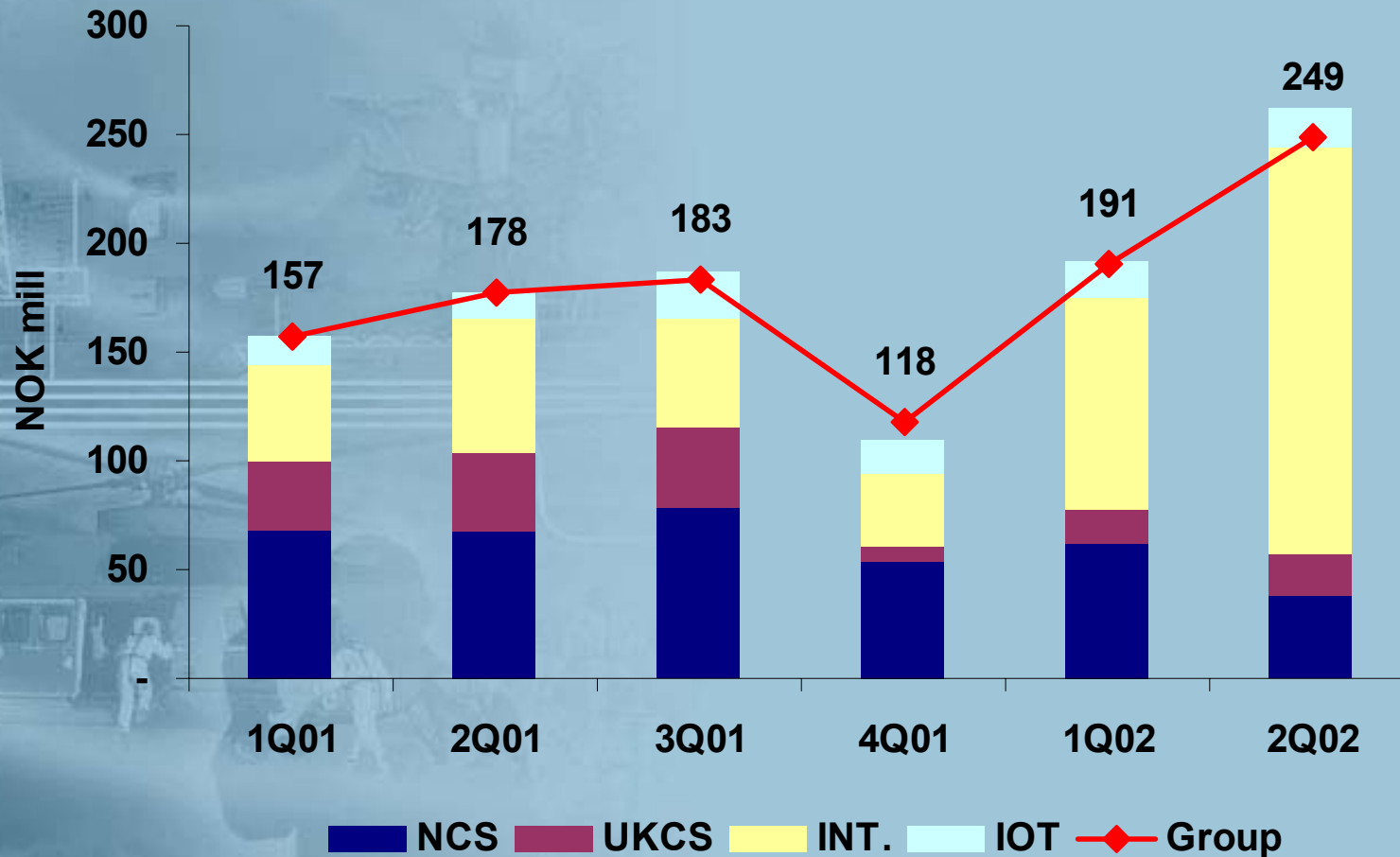
Operating Revenue Per Quarter



EBITDA Per Business Area



EBITDA Per Quarter



Balance Sheet 2Q 2002 - Assets



- PDR write-down and sale of ClampOn reduces fin. fixed assets
- Higher current assets

| GROUP Assets | Q2 2002 | Q1 2002 | YE 2001 | YE 2000 |
|-----------------------------|----------------|----------------|----------------|----------------|
| (NOK mill.) | | | | |
| Fixed Assets | 1.331 | 1.453 | 1.372 | 632 |
| Financial Fixed Assets | 309 | 475 | 485 | 495 |
| Intangible Assets | 146 | 148 | 150 | 128 |
| Total Fixed Assets | 1.787 | 2.076 | 2.006 | 1.254 |
| Cash and Cash Equiv. | 137 | 156 | 164 | 88 |
| Other Current Assets | 295 | 245 | 184 | 255 |
| Total Current Assets | 432 | 400 | 347 | 343 |
| Total Assets | 2.218 | 2.477 | 2.353 | 1.597 |

Balance Sheet 2Q 2002 – Shareholders' Equity and Liabilities



- Maintaining 40% equity ratio
- NOK 96 mill. repayment of interest bearing debt
- Reduction other short-term debt due to lower tax provisions

DNO Group

| GROUP Shareholders' Equity and Liabilities | Q2 2002 | Q1 2002 | YE 2001 | YE 2000 |
|---|----------------|----------------|----------------|----------------|
| (NOK mill.) | | | | |
| Shareholders' Equity | 893 | 962 | 942 | 797 |
| Interest-Bearing Long-Term Debt | 625 | 738 | 651 | 158 |
| Provisions for Liabilities and Charges | 555 | 553 | 441 | 316 |
| Total Long-Term Liabilities | 1.180 | 1.291 | 1.092 | 474 |
| Interest-Bearing Short-Term Debt | 0 | 0 | 0 | 104 |
| Other Short-Term Debt | 145 | 223 | 320 | 222 |
| Total Short-Term Debt | 145 | 223 | 320 | 326 |
| Total Debt and Shareholders' Equity | 2.218 | 2.477 | 2.353 | 1.597 |

Cash Flow 2Q 2002



- NOK 117 mill. tax payments
- Lower investment in 2Q02
- Reduction of interest-bearing debt

| (NOK mill.) | 2Q02 | 1Q02 | 4Q01 | 3Q01 | 2Q01 | YTD02 | YTD01 |
|-------------------------------|------------|------------|------------|-------------|------------|------------|------------|
| Cash Flow from Operations | 96 | -14 | 109 | 170 | 140 | 82 | 355 |
| Cash Flow from Investing | -19 | -70 | -135 | -387 | -85 | -89 | -362 |
| Cash Flow from Financing | -96 | 76 | -33 | -36 | 360 | -20 | 394 |
| Net Change in Cash | -19 | -8 | -59 | -252 | 415 | -27 | 387 |
| Cash at beginning of Period | 156 | 164 | 222 | 475 | 59 | 164 | 88 |
| Cash at end of Period* | 137 | 156 | 164 | 222 | 475 | 137 | 475 |

* Net of Removal Deposit

Key Figures 2Q 2002



| GROUP | | 2Q02 | 1Q02 | 4Q01 | 3Q01 | 2Q01 | Yr 01 | Yr 00 |
|-------------------------|-----|-------|------|------|------|------|-------|-------|
| Earnings per Share | NOK | -1,34 | 0,49 | 0,61 | 0,83 | 0,46 | 2,64 | 1,15 |
| EBITDA per Share | NOK | 4,95 | 3,78 | 2,31 | 3,61 | 3,54 | 12,48 | 5,57 |
| EBITDA Margin | % | 54,5 | 51,8 | 43,4 | 55,9 | 56,7 | 53,0 | 36,2 |
| EBIT Margin | % | 31,5 | 25,2 | 7,5 | 38,3 | 39,1 | 30,6 | 18,0 |
| ROACE * | % | -14,5 | 8,6 | 10,9 | 14,9 | 10,3 | 13,1 | 6,9 |
| CROGI * | % | 29,6 | 20,2 | 18,0 | 24,2 | 21,2 | 21,8 | 23,1 |
| Equity Ratio | % | 40,3 | 38,8 | 40,0 | 39,4 | 38,5 | 40,0 | 49,9 |
| Debt/EBITDA * | x | 0,6 | 1,0 | 1,4 | 0,9 | 0,9 | 1,1 | 1,1 |
| EBITDA/Interest Expense | x | 19,1 | 12,8 | 8,2 | 8,2 | 10,8 | 10,7 | 14,5 |

* Annualised

CROGI : EBITDA - taxes (taxes payable and government share of profit oil) / gross investments
 ROACE : Net profit + after-tax interest expenses / average capital employed