

RAK PETROLEUM, DNO INITIATIVE SHAREHOLDER GROUP AGREE

Oslo, October 31, 2011 - RAK Petroleum Public Company Limited, the oil and gas exploration and production company, today announced that it reached agreement with representatives of a Norwegian group known as the "DNO Initiative" to address minority shareholder concerns about the proposed merger of RAK Petroleum's MENA operating subsidiaries into DNO International ASA.

RAK Petroleum is DNO International's largest shareholder with a 30 percent stake. The DNO Initiative, a Stavanger-based shareholder group, holds proxies representing over five percent of DNO International's shares for the November 1 extraordinary general meeting called to consider the merger proposal. The key concerns of the DNO Initiative were dilution caused by the issuance of new shares to RAK Petroleum as consideration for the merger, the increased share ownership in DNO International by RAK Petroleum to 40 percent following the merger and lack of representation by minority shareholders on DNO International's Board of Directors.

In discussions held over the past several days between representatives of the DNO Initiative led by Torstein Øygarden and Kåre Tjønneland and the Chairman and CEO of RAK Petroleum, Bijan Mossavar-Rahmani, the parties reached agreement on the following principles:

In order to minimize the dilution effect of the proposed merger, RAK Petroleum will accept up to 80,000,000 treasury shares as partial settlement of the 153,422,343 consideration shares to be received.

RAK Petroleum will reduce its shareholding in DNO International to 30 percent by yearend 2012. The manner and timing of such reduction will be in RAK Petroleum's discretion.

RAK Petroleum will work actively to ensure that DNO International shall apply for a dual listing on the London Stock Exchange by yearend 2012. Furthermore, RAK Petroleum and the DNO Initiative agree to postpone a decision about a proposed capital increase until the details and requirements of a London listing are better known.

RAK Petroleum shall work actively to create a nomination committee to recommend the composition of DNO International's Board of Directors and to elect a representative of the company's independent shareholders to the committee.



RAK Petroleum and the DNO Initiative agree that the majority of the directors of DNO International should represent shareholders or themselves be shareholders to ensure alignment of interests.

RAK Petroleum shall vote its shares in favor of the election to the board of a candidate representing the interests of independent shareholders.

These undertakings are conditioned upon the DNO Initiative's support for the merger and approval of the merger by shareholders of both companies.

Mr. Mossavar-Rahmani said that he was very pleased that DNO International's largest and smallest shareholders had come together to support a merger proposal that he believes is in the interest of all shareholders. "I listen to and take very seriously the concerns of investors in my capacity as both chairman of DNO International and of RAK Petroleum."

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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 (www.dno.no), whose principal producing properties are located in the Kurdistan Region of Iraq and the Republic of Yemen.

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