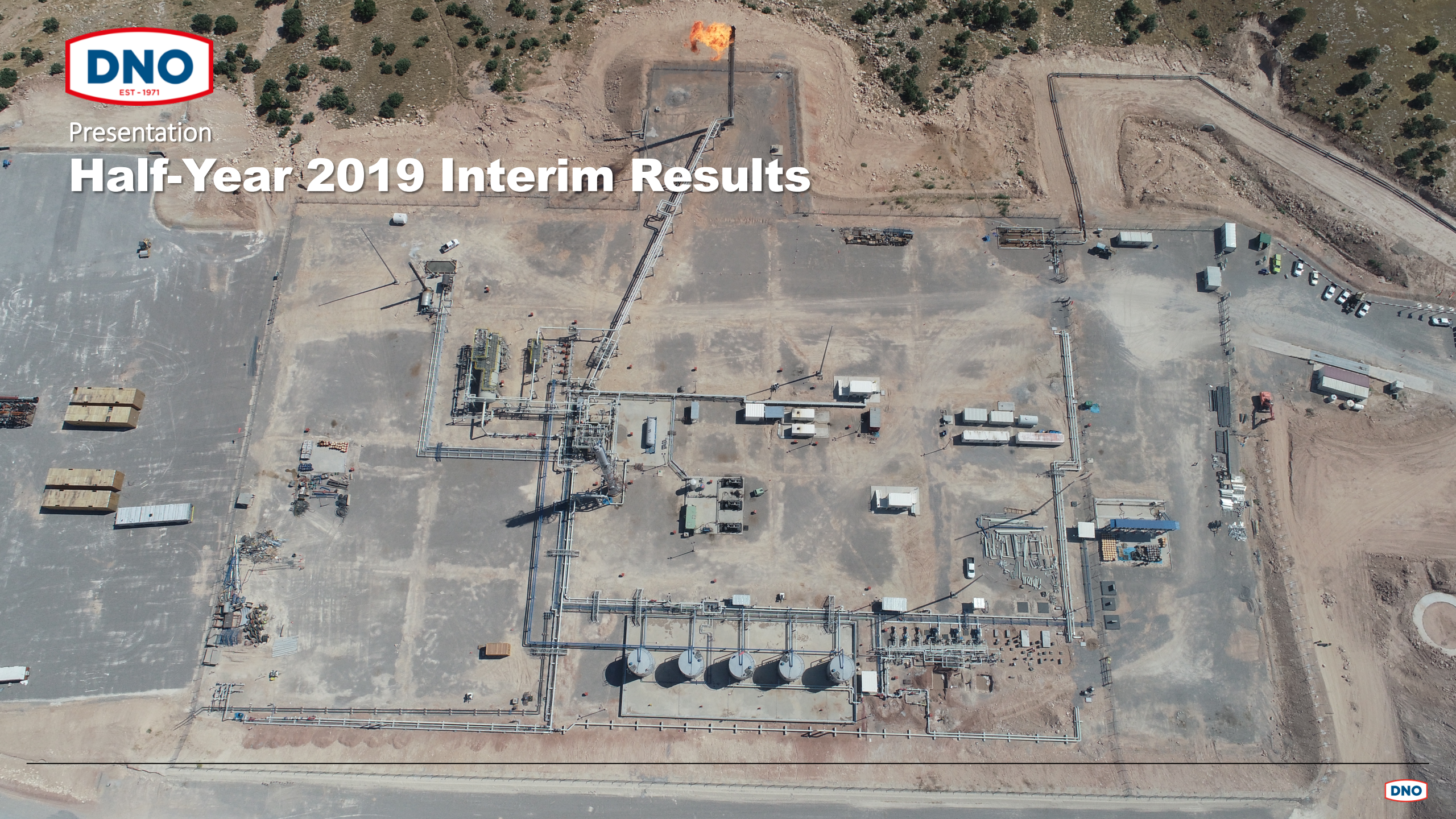




Presentation

Half-Year 2019 Interim Results



Corporate overview and operational highlights

Corporate overview

- Solid first-half 2019 with rising revenues, strong profitability, record activity levels and with a material contribution from the North Sea
- H1 2019 net profit of USD 119 million, double H1 2018 level
- H1 2019 Company Working Interest (CWI) production of 107,100 barrels of oil equivalent per day (boepd), up 39 percent from the same period a year earlier
- H1 2019 operational spend of USD 274 million (including capex, expex and lifting costs), of which 60 percent in Kurdistan and 40 percent in North Sea (net after tax)
- Full year 2019 projected operational spend of USD 680 million split evenly between Kurdistan and North Sea (net after tax)
- Continue to pursue M&A activity with focus on development and producing assets

H1 2019 operational highlights

- DNO ramps up operational activity with 14 wells spud in H1 2019
- On track to deliver largest annual drilling program in the Company's 48-year history with 36 wells across portfolio, of which 23 development/infill and 13 exploration/appraisal wells
- H1 2019 CWI production averaged 89,300 barrels of oil per day (bopd) from Kurdistan and 17,800 boepd from North Sea
- Operated production in Kurdistan climbed 20 percent to 126,700 bopd from 106,000 bopd in H1 2018
- Operated production in North Sea in H1 2019 averaged 4,100 bopd (following acquisition of Faroe Petroleum plc)

H1 2019 financial highlights

- H1 2019 revenues of USD 470 million, up 63 percent from the same period a year earlier, of which USD 362 million from Kurdistan and USD 108 million from North Sea
- Completed USD 780 million acquisition of Faroe Petroleum plc in March 2019
- USD 400 million bond issue closed in May 2019 and bought back USD 78 million of previous bonds
- Exited H1 2019 with cash balance of USD 574 million plus USD 94 million in treasury shares and marketable securities
- Shareholders approved second year dividend distribution on back of strong financials

Foot on accelerator in Kurdistan: Tawke

- Flagship Tawke field remains largest IOC-operated oil field in Kurdistan
- Production averaged 71,700 bopd in H1 2019 with three new producing wells brought onstream
- Adding fourth rig, Viking-11, to support 13 well program in H2 2019, including a deep well to test the Jurassic potential at Tawke
- Progressing Peshkabir-to-Tawke gas project, first ever enhanced oil recovery project in Kurdistan
- Tawke cumulative production reached 268 million barrels (MMbbls) at end H1 2019

Foot on accelerator in Kurdistan: Peshkabir



























- Peshkabir field now the second largest IOC-operated field in Kurdistan
- Production averaged 55,000 bopd in H1 2019 with two new production wells brought on stream
- Four additional wells currently drilling or scheduled to spud in H2 2019
- At completion of Peshkabir-to-Tawke gas project, DNO will effectively eliminate gas flaring throughout its operations
- Peshkabir cumulative production reached 21 MMbbls at H1 2019

Foot on accelerator in Kurdistan: Baeshiqa

- First Baeshiqa well targeting shallow Cretaceous reservoirs drilled to 1,511 meters and suspended pending completion of testing of adjacent Baeshiqa-2 well
- Baeshiqa-2, targeting deeper Jurassic and Triassic reservoirs on the same structure drilled to 3,202 meters and completed
- With rigless testing to commence in second part of August
- Third well, targeting deeper Jurassic and Triassic reservoirs on separate structure to spud early next year

Kurdistan drilling schedule

 Development/Infill
  Appraisal/Exploration



















Country	License	DNO Interest	Operator	Field/Well	2019				2020						
					Q1	Q2	Q3	Q4	Q1						
KURDISTAN REGION OF IRAQ	Tawke	75%	DNO	Peshkabir-10		→									
	Tawke	75%	DNO	Peshkabir-11			→								
	Tawke	75%	DNO	Peshkabir-3A				→							
	Tawke	75%	DNO	Peshkabir-12					→						
	Tawke	75%	DNO	Peshkabir-13						→					
	Tawke	75%	DNO	Tawke-54		→									
	Tawke	75%	DNO	Tawke-55			→								
	Tawke	75%	DNO	Tawke-56				→							
	Tawke	75%	DNO	Tawke-58					→						
	Tawke	75%	DNO	Tawke-18E						→					
	Tawke	75%	DNO	Tawke-23SE						→					
	Tawke	75%	DNO	Tawke-28 S						→					
	Tawke	75%	DNO	Tawke-57				→							
	Tawke	75%	DNO	Tawke-36NE					→						
	Tawke	75%	DNO	Tawke-CWD						→					
	Tawke	75%	DNO	Tawke-14 W						→					
	Tawke	75%	DNO	Jeribe											→
	Baeshiq	40%	DNO	Baeshiq-2		→									
Baeshiq	40%	DNO	Zartik						→						

North Sea update

- DNO in 89 licenses in Norway, 12 in the United Kingdom (UK), one in Ireland and two in the Netherlands
- Awarded two new operated exploration licenses in the UK in Q2 2019
- Production diversified across 13 fields; nine in Norway and four in the UK
- H1 2019 CWI production averaged 17,800 boepd; 16,900 boepd in Norway and 900 boepd in the UK
- Ten exploration/appraisal wells and five development/infill wells planned for 2019

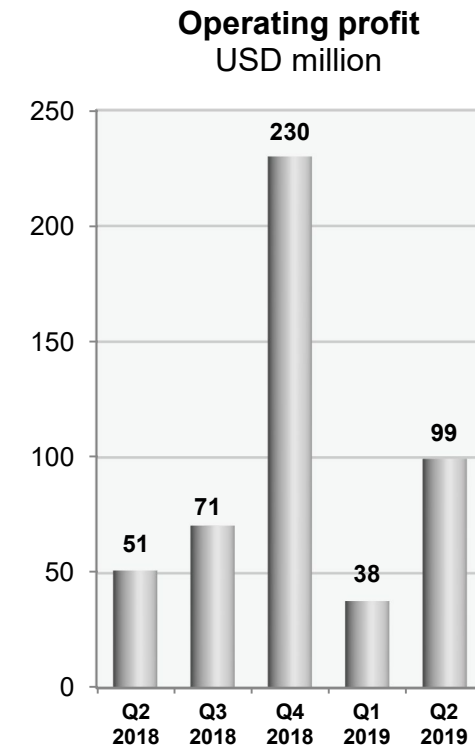
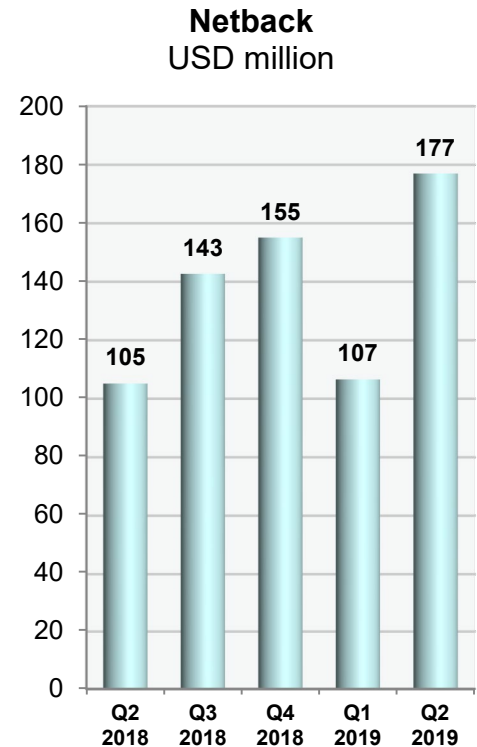
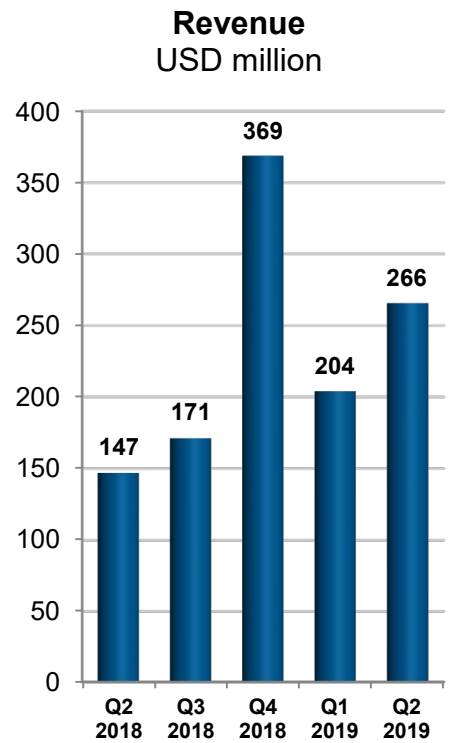
North Sea drilling schedule

 Development/Infill  Appraisal/Exploration

Country	License	DNO Interest	Operator	Field/ Prospect	2019				2020
					Q1	Q2	Q3	Q4	Q1
NORWAY	PL931	40 %	Wellesley	Songesand	 →				
	PL767	10 %	Lundin	Pointer	 →				
	PL870	20 %	Equinor	Pabow		 →			
	PL159 B	32 %	Equinor	Snadd Outer Outer		 →			
	PL644	20 %	OMV	Iris		 →			
	PL859	20 %	Equinor	Korpfjell		 →			
	PL986	20 %	Aker BP	Nipa			 →		
	PL836 S	30 %	Wintershall Dea	Bergknapp			 →		
	PL921	15 %	Equinor	Gladshiem			 →		
	PL888	40 %	DNO	Canela			 →		
	PL827 S	30 %	Equinor	Gabriel					 →
	PL055	14.26 %	Wintershall Dea	Brage		 →	 →		 →
	PL122	17%	Vår Energi	Marulk			 →		
	PL019	20 %	Aker BP	Ula			 →	 →	
	PL586	7.5%	Neptune	Fenja					 →

Financial review

DNO financial results – key figures



- Q2 2019 revenue up 30 percent from Q1 2019
- Near three-fold increase in Q2 operating profit on back of higher revenues and stable costs

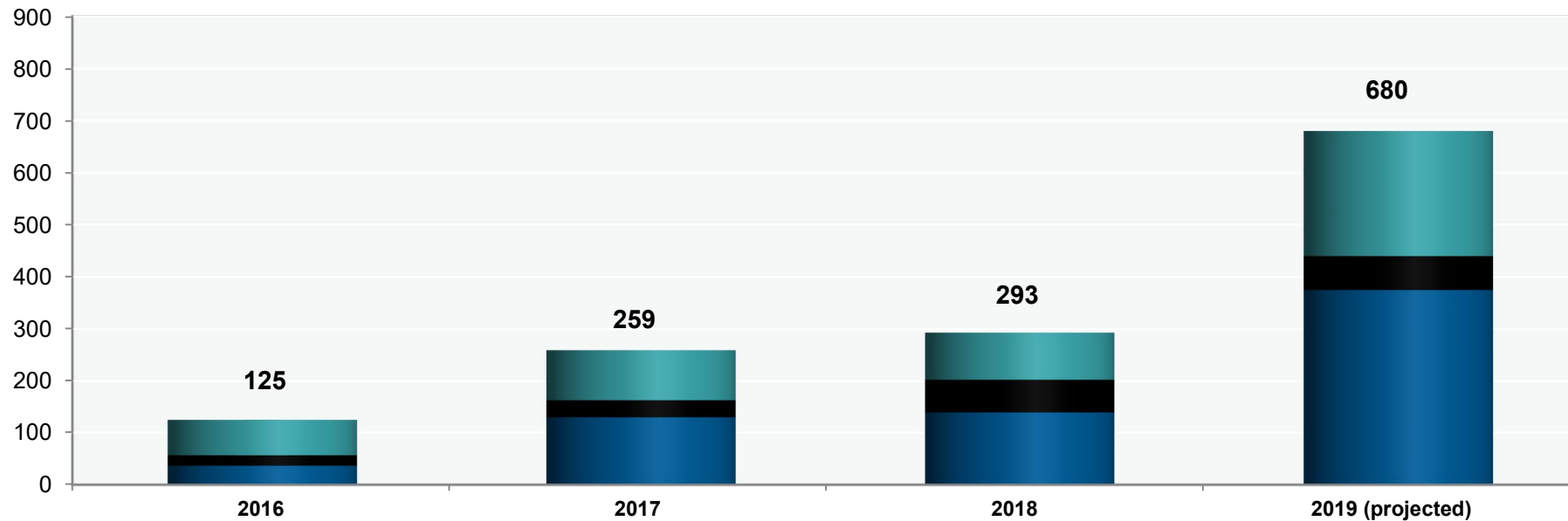
Financial summary

USD million	Q2 2019	Q1 2019	Q2 2018	H1 2019	H1 2018
Revenue	265.7	204.1	147.0	469.7	289.3
Cost of goods sold	-133.8	-117.0	-74.1	-250.7	-149.5
Gross profit	131.9	87.1	72.9	219.0	139.8
Expensed exploration	-18.3	-32.8	-11.0	-51.2	-37.8
Administrative expenses	2.3	-15.4	-5.7	-13.1	-15.6
Other operating income/expenses	-16.4	-1.0	-4.6	-17.5	-8.3
Impairment of oil and gas assets	0.0	0.0	-0.4	0.0	-1.9
Profit/loss from operating activities	99.4	37.9	51.2	137.3	76.2
Net finance	-35.7	-22.2	-15.4	-57.9	-25.9
Profit/loss before income tax	63.7	15.7	35.7	79.4	50.4
Income tax expense	4.3	35.4	6.8	39.7	10.6
Net profit/loss	68.0	51.1	42.5	119.1	60.9

Operational spend

Annual operational spend
USD million

■ Capex ■ Expex ■ Lifting

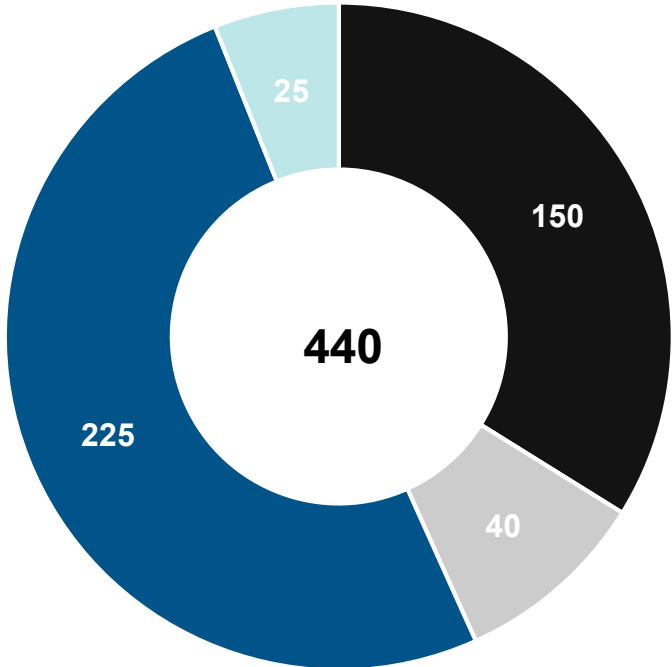


- YTD operational spend of USD 274 million and on track for full year guidance of USD 680 million
- Projected 2019 capex of USD 375 million, up from USD 140 million in 2018

2019 investment program

- Planned capital expenditure in 2019 of USD 375 million, of which USD 225 million in Kurdistan and USD 150 million in the North Sea
- Kurdistan capital expenditure of USD 225 million of which half for development wells
- Exploration expenditure of USD 25 million related to Baeshiqa license
- Tawke license terms provide for rapid cost recovery
- Around 50 percent of North Sea capital expenditure focused on Ula and Fenja
- North Sea 2019 exploration expenditure of USD 175 million (USD 40 million post-tax)

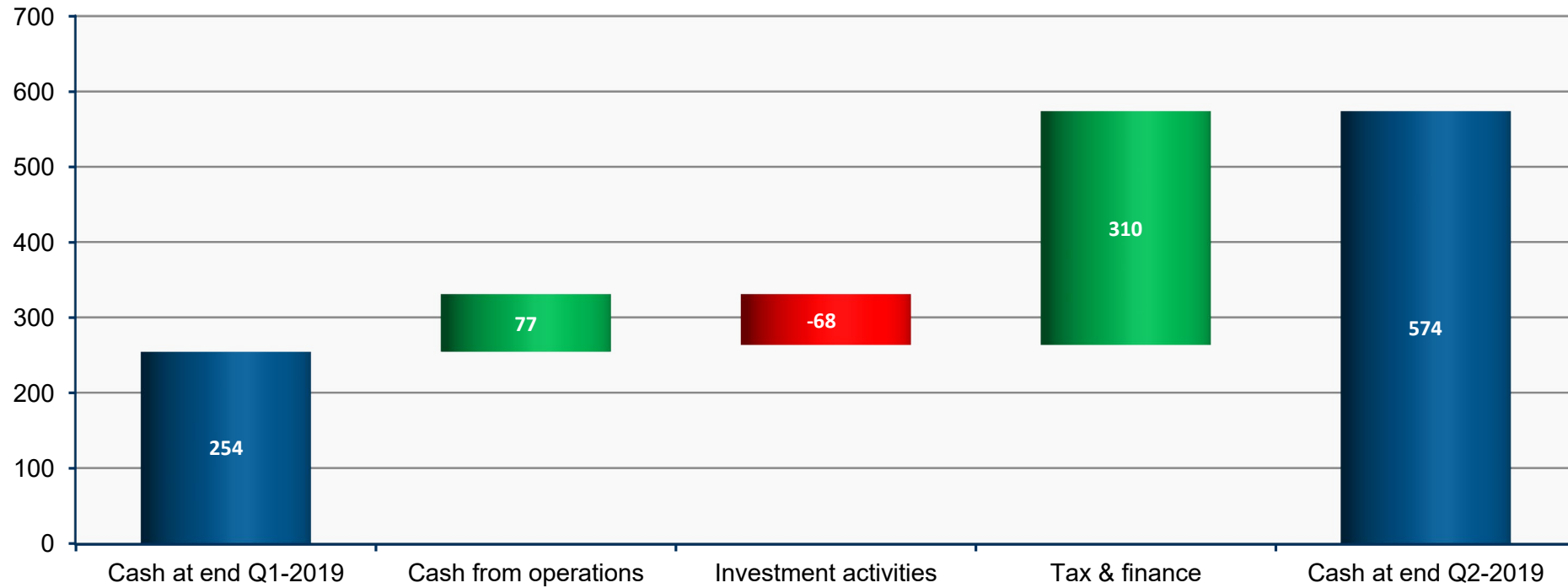
2019 forecast capex and expex
USD million



- North Sea capex
- North Sea expex (post-tax)
- Kurdistan capex
- Kurdistan expex

Q2 2019 cash flow

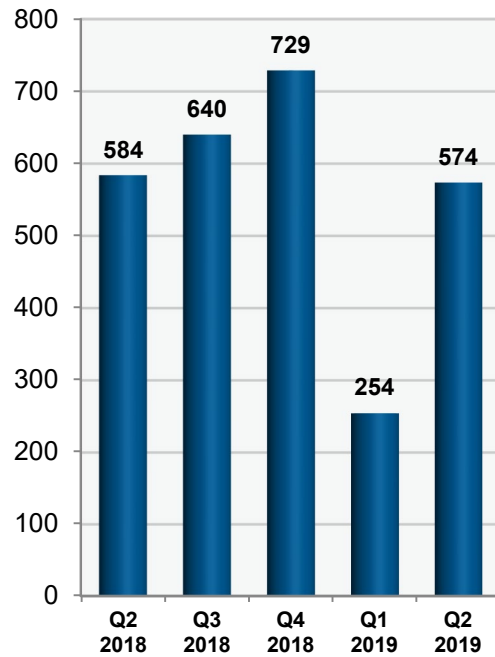
USD million



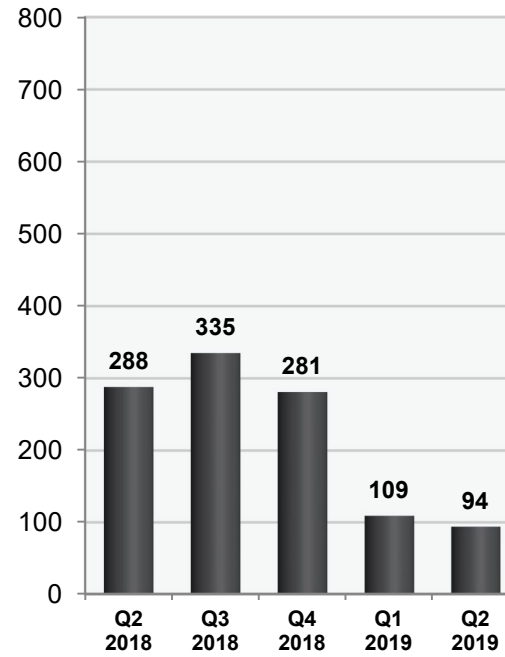
- Q2 2019 cash flow from operations of USD 77 million, curbed by short-term working capital movements
- Cash increase of USD 319 million in the second quarter from operational cash flow and new bond facility

Capital structure

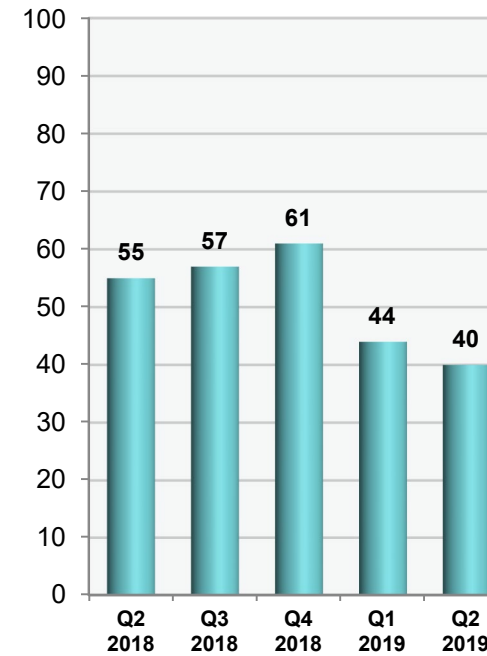
Cash deposits
USD million



Financial assets
USD million



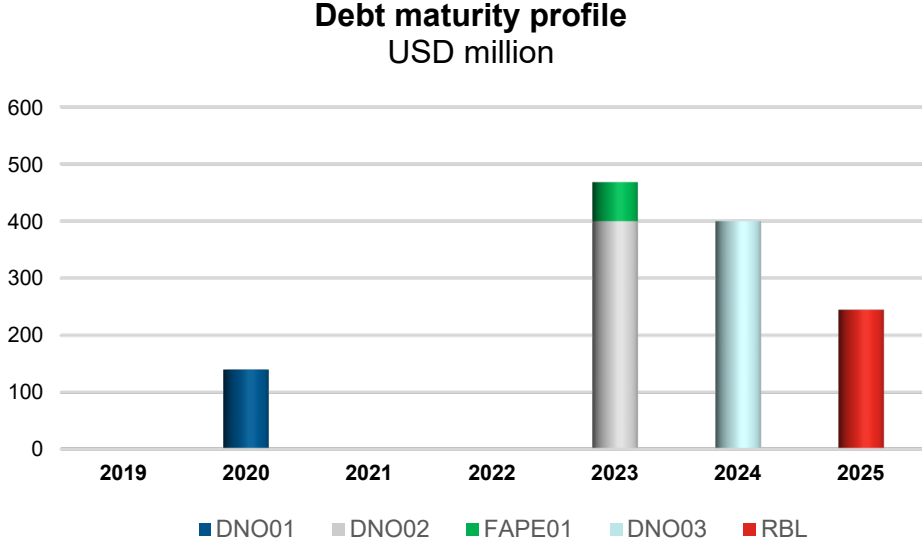
Equity ratio
Percent



- Cash balances of USD 574 million at end Q2 2019
- Net interest-bearing debt of USD 434 million

Stellar track record in bond market

- New USD 400 million bond placement completed in May 2019 and maturing in May 2024
- Rolled over USD 60 million in nominal value of DNO01 bonds, with USD 140 million outstanding and maturing in June 2020
- Rolled over/acquired USD 17.6 million of FAPE01 bonds
- Active in bond market since 2001 with 16 bond issues over 18 year period



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