

**DNO ASA**

**ANNUAL STATEMENT OF RESERVES AND  
RESOURCES**

**2023**



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*Chris Spencer*  
*Managing Director*

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# DNO ASA ANNUAL STATEMENT OF RESERVES AND RESOURCES 2023

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## 1 Introduction

This reserves and resources evaluation report has been prepared in accordance with Oslo Stock Exchange listing and disclosure requirements<sup>1</sup>.

The report provides the status of hydrocarbon reserves and contingent resources at yearend 2023 for DNO ASA ("DNO"). International petroleum consultants DeGolyer and MacNaughton (D&M) carried out an independent assessment of the Tawke license (containing the Tawke and Peshkibir fields) and the Baeshiqqa license (containing the Baeshiqqa and Zartik structures) in the Kurdistan region of Iraq. International petroleum consultants RPS Energy Consultants (RPS) carried out an independent assessment of DNO reserves in Norway and the United Kingdom (UK). Contingent resources in Norway are reported based on numbers published by Norwegian Offshore Directorate (NOD). DNO had no contingent resources in the UK at yearend 2023. The International petroleum consultants Beicip-Franlab carried out an independent assessment of DNO's licenses (held through its indirect 33.33 percent interest in the operating entity) in Côte d'Ivoire. The Company internally assessed volumes reported for its Block 47 in Yemen. All numbers cited for year 2022 are from the Company's 2022 Reserves and Resources Report (dated 16 March 2023).

## 2 Overview

Volumes classified as reserves are those quantities of oil and gas anticipated to be commercially recovered from known accumulations from a given date to the end of the field life and within the license period.

Contingent resources are those quantities of oil and gas estimated on a given date to be potentially recoverable from known accumulations, but not currently considered to be commercially recoverable or where a field development plan has not yet been submitted.

In the attached Annex, Table 1 shows a summary of remaining proven (1P), proven and probable (2P) and proven, probable and possible (3P) reserves on a gross, net and Net Entitlement (NE) basis at yearend 2023. Table 2 shows changes in net reserves between yearend 2022 and yearend 2023. Table 3 shows a summary of remaining contingent (2C) resources on a gross and net basis at yearend 2023.

### 2.1 Net Reserves, Resources and Production

At yearend 2023, DNO's net 1P reserves stood at 206.4 million barrels of oil equivalent (MMboe), compared to 220.3 MMboe at yearend 2022, after adjusting for production during the year and upward technical revisions. On a 2P reserves basis, DNO's net reserves stood at 290.1 MMboe, compared to 292.1 MMboe at yearend 2022. On a 3P reserves basis, DNO's net reserves were 360.5 MMboe, compared to 386.7 MMboe at yearend 2022. DNO's net 2C resources were 205.0 MMboe, up from 152.5 MMboe at yearend 2022.

DNO's net production in 2023 totaled 19.1 MMboe (of which 12.7 million barrels of oil (MMbbls) were in Kurdistan, 5.1 MMboe in Norway, 1.3 MMboe in Côte d'Ivoire and the balance in the UK), compared to 35.4 MMboe in 2022 (of which 29.3 MMbbls in Kurdistan, 4.8 MMboe in Norway, 1.2 MMboe in Côte d'Ivoire and the balance in the UK).

The Company's net yearend 2023 Reserve Life Index (R/P) stood at 10.8 years on a 1P reserves basis, 15.2 years on a 2P reserves basis and 18.8 years on a 3P reserves basis.

### 2.2 Kurdistan Region of Iraq

On a net basis at yearend 2023, 1P reserves in the Company's Kurdistan portfolio totaled 175.1 MMbbls (190.9 MMbbls at yearend 2022), 2P reserves totaled 244.5 MMbbls (245.3 MMbbls at yearend 2022)

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<sup>1</sup> [https://www.oslobors.no/ob\\_eng/Oslo-Boers/Regulations/Oslo-Rule-Book-II-Issuer-Rules](https://www.oslobors.no/ob_eng/Oslo-Boers/Regulations/Oslo-Rule-Book-II-Issuer-Rules)

and 3P reserves totaled 298.0 MMbbls (316.0 MMbbls at yearend 2022). Net 2C resources were 59.5 MMbbls, compared to 62.4 MMbbls at yearend 2022.

### **2.2.1 Tawke License**

At the Tawke license containing the Tawke and Peshkabir fields, at yearend 2023 gross 1P reserves stood at 233.4 MMbbls (175.1 MMbbls on a net basis), compared to 254.5 MMbbls (190.9 MMbbls on a net basis) at yearend 2022. At yearend 2023 gross 2P reserves stood at 326.0 MMbbls (244.5 MMbbls on a net basis), compared to 327.1 MMbbls (245.3 MMbbls on a net basis) at yearend 2022. At yearend 2023 gross 3P reserves stood at 397.3 MMbbls (298.0 MMbbls on a net basis), compared to 421.3 MMbbls (316.0 MMbbls on a net basis) at yearend 2022. At yearend 2023 gross 2C resources stood at 27.2 MMbbls (20.4 MMbbls on a net basis), compared to 32.4 MMbbls (24.3 MMbbls on a net basis) at yearend 2022.

Production at the Tawke license totaled 16.9 MMbbls in 2023, down from 39.1 MMbbls in 2022. The drop was due to shut-in of the Türkiye -Iraq Pipeline (ITP) export route from 25 March 2023. Following a prolonged shut-in, production was resumed in July 2023.

At the Tawke field, gross 1P reserves stood at 149.9 MMbbls (112.4 MMbbls on a net basis) at yearend 2023, compared to 168.1 MMbbls (126.1 MMbbls on a net basis) at yearend 2022. The year-to-year change in gross volumes was due to the net effect of 2023 field production of 9.7 MMbbls and a downward technical revision of 8.5 MMbbls. Tawke field cumulative production since inception stood at 344.4 MMbbls at yearend 2023.

Gross 2P reserves at the Tawke field stood at 190.0 MMbbls (142.5 MMbbls on a net basis) at yearend 2023, compared to 209.7 MMbbls (157.3 MMbbls on a net basis) at yearend 2022, after adjusting for 2023 field production and a downward technical revision of 10.0 MMbbls.

Gross 3P reserves at the Tawke field stood at 215.9 MMbbls (161.9 MMbbls on a net basis) at yearend 2023, compared to 277.3 MMbbls (208.0 MMbbls on a net basis) at yearend 2022, after adjusting for 2023 field production and a downward technical revision of 51.7 MMbbls.

Gross 2C resources at the Tawke field were recorded at 17.7 MMbbls (13.3 MMbbls on a net basis) at yearend 2023, unchanged from yearend 2022.

At the Peshkabir field, at yearend 2023 gross 1P reserves stood at 83.6 MMbbls (62.7 MMbbls on a net basis) down from 86.4 MMbbls (64.8 MMbbls on a net basis) at yearend 2022. The year-to-year change in gross volumes was due to the net effect of 2023 field production of 7.2 MMbbls and an upward technical revision of 4.3 MMbbls. Peshkabir field cumulative production since inception stood at 103.2 MMbbls at yearend 2023.

Gross 2P reserves at the Peshkabir field stood at 136.1 MMbbls (102.0 MMbbls on a net basis) at yearend 2023, up from 117.4 MMbbls (88.0 MMbbls on a net basis) at yearend 2022, after adjusting for 2023 field production and an upward technical revision of 25.9 MMbbls.

Gross 3P reserves at the Peshkabir field stood at 181.4 MMbbls (136.1 MMbbls on a net basis) at yearend 2023, compared to 144.0 MMbbls (108.0 MMbbls on a net basis) at yearend 2022, after adjusting for 2023 field production and an upward technical revision of 44.6 MMbbls.

Gross 2C resources at the Peshkabir field were recorded at 9.5 MMbbls (7.1 MMbbls on a net basis) at yearend 2023, compared to 14.7 MMbbls (11.0 MMbbls on a net basis) at yearend 2022.

### **2.2.2 Baeshiqa License**

The Baeshiqa license contains two large structures with multiple independent stacked target reservoirs, including in the Cretaceous, Jurassic and Triassic formations. The structures at Baeshiqa

and Zartik have the potential to be part of a single accumulation of hydrocarbons at one or more of the geological formation intervals.

At yearend 2023 gross 2C resources at the Baeshiqa structure stood at 58.4 MMbbls (37.4 MMbbls on a net basis), compared to 56.7 MMbbls (36.3 MMbbls on a net basis) at yearend 2022.

At yearend 2023 gross 2C resources at the Zartik structure stood at 2.7 MMbbls (1.7 MMbbls on a net basis), compared to 2.8 MMbbls (1.8 MMbbls on a net basis) at yearend 2022.

At the license level and at yearend 2023, gross 2C resources stood at 61.1 MMbbls (39.1 MMbbls on a net basis), compared to 59.5 MMbbls (38.1 MMbbls on a net basis) at yearend 2022.

Baeshiqa license volumes were recorded as contingent resources at yearend 2023, pending drilling an additional well (which is planned for first half of 2024).

### **2.3 Norway and United Kingdom**

At yearend 2023, DNO held 73 licenses in Norway in various stages of exploration, development and production. Across its Norway portfolio and on a net basis, DNO's 1P reserves totaled 23.7 MMboe, 2P reserves stood at 34.8 MMboe, 3P reserves totaled 49.0 MMboe and 2C resources stood at 132.0 MMboe.

In 2023, DNO had a successful exploration and appraisal program in Norway resulting in Røver South, Heisenberg, Carmen, Norma and Kyrre discoveries and confirming the Ofelia and Bergknapp discoveries.

On a net basis, at yearend 2022 DNO's portfolio of 68 licenses in Norway held 1P reserves of 24.6 MMboe, 2P reserves of 35.6 MMboe, 3P reserves of 48.1 MMboe and 2C resources of 80.0 MMboe.

In the UK, DNO held four licenses at yearend 2023. On a net basis, 1P reserves totaled 0.1 MMboe, 2P reserves stood at 0.3 MMboe, 3P reserves totaled 0.4 MMboe. No 2C resources were booked for DNO's licenses in the UK at yearend 2023.

At yearend 2022, DNO held seven licenses in the UK with 1P reserves of 0.4 MMboe, 2P reserves of 0.9 MMboe, 3P reserves of 1.3 MMboe and no 2C resources, all on a net basis.

### **2.4 Côte d'Ivoire**

DNO has an indirect 33.33 percent interest in privately-held Foxtrot International LDC (Foxtrot International) which has stakes in two offshore licenses in Côte d'Ivoire. Foxtrot International holds a 27.27 percent interest in and operatorship of the producing Block CI-27, which contains the Foxtrot gas field, the Mahi gas field, the Marlin oil and gas field and the Manta gas field. Foxtrot International also operates the exploration Block CI-12, in which it holds a 24 percent interest.

At the producing license CI-27, at yearend 2023 gross 1P reserves stood at 83.1 MMboe (48.2 MMboe at yearend 2022), gross 2P reserves stood at 115.6 MMboe (113.6 MMboe at yearend 2022), gross 3P reserves stood at 144.9 MMboe (234.6 MMboe at yearend 2022) and gross 2C resources stood at 55.2 MMboe (17.9 MMboe at yearend 2022). Gross production totaled 14.1 MMboe in 2023 (13.4 MMboe in 2022).

At the exploration license CI-12, at yearend 2023 gross 2C resources stood at 45.3 MMboe, unchanged from yearend 2022.

On a net basis, at yearend 2023 DNO's portfolio in Côte d'Ivoire held 1P reserves of 7.6 MMboe (4.4 MMboe in 2022), 2P reserves of 10.5 MMboe (10.3 MMboe in 2022), 3P reserves of 13.2 MMboe (21.3 MMboe in 2022) and 2C resources of 8.6 MMboe (5.2 MMboe in 2022).

## 2.5 Yemen

Production start up at the Yaalen field at Block 47 in Yemen, currently under force majeure, remains on hold. At yearend 2023, gross 2C resources at Block 47 stood at 6.2 MMbbls (4.8 MMbbls on a net basis), unchanged from yearend 2022.

## 3 Management Discussion and Analysis

### 3.1 Disclaimer

The report, including this Management's Discussion and Analysis (MD&A), contains and was prepared, *inter alia*, on the basis of forward-looking information and statements. Such information and statements are based on management's current assumptions, expectations, estimates and projections and are therefore subject to risks and uncertainties that could cause actual results, performance or events to differ materially. The Company can give no assurance that those assumptions, expectations, estimates and projections will occur or be realized and readers should not place undue reliance on forward-looking statements. Forward-looking statements are generally identifiable by their use of terms such as "expect", "believe", "estimate", "may", "plan", "could", "will", "intend", "schedule" and similar terms or expressions. There are a number of factors that could cause actual results or events to differ materially from those underlying forward-looking information and statements. These factors include, among others: technical, geological and geotechnical conditions; economic and market conditions in or affecting the geographic areas and industries that are or will be major markets for DNO; oil and gas price fluctuations; market acceptance of new products and services; changes in laws and governmental regulations; political risks, including the risks of expropriation and renegotiation of the terms of contracts with governmental entities; delays or advancements in the approval of projects and delays in the reimbursement for shared costs; the risk of doing business in developing countries and countries subject to national or international sanctions; fluctuations in interest rates or currency exchange rates; and other such factors that may be discussed from time to time in the MD&A. All forward-looking statements contained in the report, including this MD&A, are expressly qualified in their entirety by the cautionary statements contained in this disclaimer. Additionally, DNO makes no representation or warranty, expressed or implied, as to the accuracy, reliability or completeness of these forward-looking statements and the MD&A, and neither DNO nor any of its directors, officers or employees will have any liability to the readers resulting from reliance on these forward-looking statements and this MD&A.

### 3.2 Assumptions and Methodology

DNO's reserves updates are completed in accordance with standard guidelines advised by the Society of Petroleum Engineers (SPE)<sup>2,3</sup> and comply with Oslo Stock Exchange disclosure requirements, Circular No. 1/2013.

Reported reserves fall within class 1-3 of the NOD's classification and 2C resources fall within class 4-7.

The estimation and auditing of reserves are undertaken in accordance with generally accepted engineering and evaluation principles. It should be noted that reserves information is imprecise due to inherent uncertainties in – and the limited nature of – data upon which the reserves are predicated.

DNO has a reserves review committee consisting of competent professional geoscientists, engineers and economists to facilitate the review and reporting process and ensure compliance with standards and procedures. The committee collects and coordinates the review of all technical data and provides

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<sup>2</sup> For a full description of these guidelines and definitions, see [www.spe.org](http://www.spe.org)

<sup>3</sup> <https://www.spe.org/en/industry/petroleum-resources-management-system-2018/>

a full report of the Company's reserves and resources to the Managing Director for review and approval.

Economically recoverable reserves have been calculated based on input for the technical reserves and economic parameters such as license terms and projected future oil and gas prices. The reserves reported here are restricted to those volumes expected to be economically recovered prior to the expiry date of the respective licenses.

### **3.3 Oil and Gas Prices**

D&M, RPS and Beicip-Franlab generate and utilize oil and gas price forecasts as the basis for their independent calculations of remaining DNO reserves.

### **3.4 Ownership**

DNO's participation in certain licenses is governed by a Production Sharing Contract (PSC), which sets out the manner in which oil and gas production is shared between the government and the license holder.

DNO and its joint venture partners typically bear all risks and costs of exploration, development and production in these licenses. In return, if exploration is successful, DNO and its partners recover their share of investments and operating costs from what is referred to as "cost oil", being a percentage of oil and gas produced and sold after deduction of the government royalty (if any). In addition to cost oil, DNO and its partners are entitled to receive a share of the remaining production, after payment of the royalty (if any) and deduction of cost oil, which is referred to as "profit oil". Profit oil is shared among the government, DNO and its partners in accordance with the percentages set out in each PSC.

DNO's NE reserves in the licenses governed by a PSC comprise the Company's entitlement to cost oil and profit oil. DNO's entitlement to cost oil includes its advances towards the government carried interest (if any). NE reserves are based on economic evaluation of the license agreements, incorporating projections of future production, costs and oil and gas prices. NE volumes may therefore fluctuate over time, even though there are no changes in the underlying gross and net volumes.

The government may also have a participating interest in the license through a government-controlled enterprise. If so, the government will receive a corresponding share of cost oil (unless the government's share of costs is advanced or carried by the other partners) and profit oil through the government-controlled enterprise.

At yearend 2023, all of the Company's interests in licenses in Kurdistan, Côte d'Ivoire and Yemen were governed by PSCs. Net reserves in these licenses reflect pre-tax shares while NE reserves reflect post-tax shares.

Net and NE reserves in DNO's licenses not governed by PSCs (Norway and the UK) are equivalent and reflect pre-tax shares.

## 4 Annex

**Table 1 – Remaining reserves at yearend 2023 (gross, net and NE)**

Asset (Region, Field)	Proven (1P)			Proven + Probable (2P)			Proven + Probable + Possible (3P)		
	Gross (MMboe)	Net (MMboe)	NE (MMboe)	Gross (MMboe)	Net (MMboe)	NE (MMboe)	Gross (MMboe)	Net (MMboe)	NE (MMboe)
<b>Developed Assets</b>									
Kurdistan, Tawke	110.5	82.9	28.8	122.3	91.7	27.8	140.7	105.6	29.3
Kurdistan, Peshkabir	68.8	51.6	18.0	112.1	84.1	25.5	149.5	112.1	31.1
<b>Kurdistan Developed</b>	<b>179.4</b>	<b>134.5</b>	<b>46.8</b>	<b>234.4</b>	<b>175.8</b>	<b>53.2</b>	<b>290.2</b>	<b>217.7</b>	<b>60.4</b>
Norway, Alve	14.1	4.5	4.5	15.6	5.0	5.0	16.8	5.4	5.4
Norway, Brage	5.7	0.8	0.8	11.0	1.6	1.6	18.9	2.7	2.7
Norway, Fenja	28.0	2.1	2.1	45.8	3.4	3.4	69.4	5.2	5.2
Norway, Marulk	2.4	0.4	0.4	4.4	0.7	0.7	5.8	1.0	1.0
Norway, Oda	1.9	0.3	0.3	2.7	0.4	0.4	3.5	0.5	0.5
Norway, Ringhorne East	4.9	1.1	1.1	5.8	1.3	1.3	6.6	1.5	1.5
Norway, Tambar	2.0	0.9	0.9	3.2	1.4	1.4	3.9	1.7	1.7
Norway, Trym	2.6	1.3	1.3	3.5	1.7	1.7	4.5	2.2	2.2
Norway, Ula	4.4	0.9	0.9	5.5	1.1	1.1	9.4	1.9	1.9
Norway, Vilje	2.5	0.7	0.7	4.9	1.4	1.4	10.9	3.1	3.1
<b>Norway Developed</b>	<b>68.6</b>	<b>13.1</b>	<b>13.1</b>	<b>102.2</b>	<b>18.1</b>	<b>18.1</b>	<b>149.6</b>	<b>25.3</b>	<b>25.3</b>
UK, Blane	0.2	0.1	0.1	0.5	0.2	0.2	0.7	0.3	0.3
UK, Enoch	0.2	0.0	0.0	0.2	0.0	0.0	0.2	0.0	0.0
<b>UK Developed</b>	<b>0.4</b>	<b>0.1</b>	<b>0.1</b>	<b>0.7</b>	<b>0.3</b>	<b>0.3</b>	<b>0.9</b>	<b>0.4</b>	<b>0.4</b>
Côte d'Ivoire, CI-27	83.1	7.6	4.9	115.6	10.5	6.8	144.9	13.2	8.3
<b>West Africa Developed</b>	<b>83.1</b>	<b>7.6</b>	<b>4.9</b>	<b>115.6</b>	<b>10.5</b>	<b>6.8</b>	<b>144.9</b>	<b>13.2</b>	<b>8.3</b>
<b>Total Developed</b>		<b>155.3</b>	<b>64.9</b>		<b>204.7</b>	<b>78.4</b>		<b>256.5</b>	<b>94.3</b>
<b>Under Development Assets</b>									
Kurdistan, Tawke	39.3	29.5	10.3	67.6	50.7	15.4	75.2	56.4	15.6
Kurdistan, Peshkabir	14.7	11.0	3.8	24.0	18.0	5.4	31.9	24.0	6.7
<b>Kurdistan Under Development</b>	<b>54.1</b>	<b>40.5</b>	<b>14.1</b>	<b>91.6</b>	<b>68.7</b>	<b>20.8</b>	<b>107.1</b>	<b>80.3</b>	<b>22.3</b>
Norway, Andvare	6.1	2.0	2.0	9.7	3.1	3.1	14.6	4.7	4.7
Norway, Berling	26.0	7.8	7.8	37.2	11.2	11.2	49.4	14.8	14.8
Norway, Tambar East	2.2	0.8	0.8	6.5	2.4	2.4	11.1	4.2	4.2
<b>Norway Under Development</b>	<b>34.4</b>	<b>10.6</b>	<b>10.6</b>	<b>53.4</b>	<b>16.7</b>	<b>16.7</b>	<b>75.1</b>	<b>23.7</b>	<b>23.7</b>
<b>Total Under Development</b>		<b>51.2</b>	<b>24.7</b>		<b>85.4</b>	<b>37.5</b>		<b>104.0</b>	<b>46.0</b>
<b>Subtotal DNO ASA</b>		<b>206.4</b>	<b>89.6</b>		<b>290.1</b>	<b>115.9</b>		<b>360.5</b>	<b>140.3</b>

Net reserves in DNO's licenses governed by PSCs (Kurdistan and Côte d'Ivoire) are based on the participation interest. NE reserves are net to DNO after royalty and include DNO's additional share of cost oil covering its advances towards the government carried interest (if any). Net reserves reflect pre-tax shares while NE reserves reflect post-tax shares. NE reserves are based on economic evaluation of the license agreements, incorporating projections of future production, costs and oil and gas prices. NE reserves may therefore fluctuate over time, even if there are no changes in the underlying gross and net volumes.

Net and NE reserves in DNO's licenses not governed by PSCs (Norway and the UK) are equivalent and reflect pre-tax shares.



**Table 2 – Reserves development 2022-2023 (net)**

DNO ASA	Developed Assets			Under Development			Total		
	1P	2P	3P	1P	2P	3P	1P	2P	3P
	(MMboe)	(MMboe)	(MMboe)	(MMboe)	(MMboe)	(MMboe)	(MMboe)	(MMboe)	(MMboe)
<b>Balance as of yearend 2022</b>	<b>167.5</b>	<b>225.3</b>	<b>290.2</b>	<b>52.7</b>	<b>66.8</b>	<b>96.5</b>	<b>220.3</b>	<b>292.1</b>	<b>386.7</b>
Production	-19.1	-19.1	-19.1				-19.1	-19.1	-19.1
Acquisitions									
Divestments									
Extensions and discoveries									
New developments									
Revision of previous estimates	6.9	-1.5	-14.6	-1.6	18.6	7.5	5.3	17.2	-7.1
<b>Balance as of yearend 2023</b>	<b>155.3</b>	<b>204.7</b>	<b>256.5</b>	<b>51.2</b>	<b>85.4</b>	<b>104.0</b>	<b>206.4</b>	<b>290.1</b>	<b>360.5</b>

**Table 3 – Remaining contingent (2C) resources at yearend 2023 (gross and net)**

Asset	2C Resources	
	Gross	Net
	(MMboe)	(MMboe)
Kurdistan	88.3	59.5
Tawke PSC	27.2	20.4
Baeshiqā PSC	61.1	39.1
Norway	484.8	132.0
Yemen	6.2	4.8
Côte d'Ivoire	100.5	8.6
<b>TOTAL DNO ASA</b>		<b>205.0</b>

Net contingent resources in DNO's licenses governed by PSCs (Kurdistan, Côte d'Ivoire and Yemen) are based on the participation interest and reflect pre-tax shares. Net contingent resources in DNO's licenses not governed by PSCs (Norway and the UK) reflect pre-tax shares.