

DNO ASA

**ANNUAL STATEMENT OF RESERVES AND
RESOURCES**

2022



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1 Introduction

This reserves and resources evaluation report has been prepared in accordance with Oslo Stock Exchange listing and disclosure requirements¹.

The report provides the status of hydrocarbon reserves and contingent resources at yearend 2022 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 Baeshiqa license (containing the Baeshiqa and Zartik structures) in the Kurdistan region of Iraq. International petroleum consultants RPS Energy Consultants (RPS) carried out an independent assessment of DNO's licenses in Norway and the United Kingdom (UK). The Company used reserves and resources numbers reported by the operating entity of its licenses in Côte d'Ivoire. For the producing Block CI-27 in Côte d'Ivoire, the numbers were based on an independent assessment carried out by international petroleum consultant Gaffney, Cline & Associates (GCA) at yearend 2016, adjusted for production and technical revisions to reflect yearend 2022 values. The Company internally assessed Yemen Block 47.

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. Under the Norwegian Petroleum Directorate (NPD) classification system, DNO's recorded contingent resources are included as class 4 (in the planning phase), class 5 (development likely but undecided) and class 7 (not yet evaluated).

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 2022. Table 2 shows changes in net reserves between yearend 2021 and yearend 2022. Table 3 shows a summary of remaining contingent (2C) resources on a gross and net basis at yearend 2022.

2.1 Net Reserves, Resources and Production

At yearend 2022, DNO's net 1P reserves stood at 220.3 million barrels of oil equivalent (MMboe), compared to 196.1 MMboe at yearend 2021, after adjusting for production during the year, upward technical revisions and addition of assets in Côte d'Ivoire. On a 2P reserves basis, DNO's net reserves stood at 292.1 MMboe, compared to 321.4 MMboe at yearend 2021. On a 3P reserves basis, DNO's net reserves were 386.7 MMboe, compared to 420.6 MMboe at yearend 2021. DNO's net 2C resources were 152.5 MMboe, compared to 189.5 MMboe at yearend 2021.

DNO's net production in 2022 totaled 35.4 MMboe (of which 29.3 million barrels of oil (MMbbls) were from the Tawke license in Kurdistan, 4.8 MMboe in Norway, 1.2 MMboe in Côte d'Ivoire and the balance in the UK), compared to 34.5 MMboe in 2021 (of which 29.8 MMbbls in Kurdistan, 4.5 MMboe in Norway and the balance in the UK).

The Company's net yearend 2022 Reserve Life Index (R/P) stood at 6.2 years on a 1P reserves basis, 8.3 years on a 2P reserves basis and 10.9 years on a 3P reserves basis.

2.2 Kurdistan Region of Iraq

On a net basis at yearend 2022, 1P reserves in the Company's Kurdistan portfolio totaled 190.9 MMbbls (162.2 MMbbls at yearend 2021), 2P reserves totaled 245.3 MMbbls (267.4 MMbbls at yearend 2021)

¹ https://www.oslobors.no/ob_eng/Oslo-Boers/Regulations/Oslo-Rule-Book-II-Issuer-Rules

and 3P reserves totaled 316.0 MMbbls (348.5 MMbbls at yearend 2021). Net 2C resources were 62.4 MMbbls, compared to 71.3 MMbbls at yearend 2021.

2.2.1 Tawke License

At the Tawke license containing the Tawke and Peshkabir fields, at yearend 2022 gross 1P reserves stood at 254.5 MMbbls (190.9 MMbbls on a net basis), compared to 216.2 MMbbls (162.2 MMbbls on a net basis) at yearend 2021. At yearend 2022 gross 2P reserves stood at 327.1 MMbbls (245.3 MMbbls on a net basis), compared to 356.6 MMbbls (267.4 MMbbls on a net basis) at yearend 2021. At yearend 2022 gross 3P reserves stood at 421.3 MMbbls (316.0 MMbbls on a net basis), compared to 464.7 MMbbls (348.5 MMbbls on a net basis) at yearend 2021. At yearend 2022 gross 2C resources stood at 32.4 MMbbls (24.3 MMbbls on a net basis), compared to 47.6 MMbbls (35.7 MMbbls on a net basis) at yearend 2021.

At the Tawke field, gross 1P reserves stood at 168.1 MMbbls (126.1 MMbbls on a net basis) at yearend 2022, compared to 151.9 MMbbls (113.9 MMbbls on a net basis) at yearend 2021. The year-to-year change in gross volumes was due to the net effect of 2022 field production of 16.4 MMbbls and an upward technical revision of 32.6 MMbbls. Tawke field cumulative production since inception stood at 334.7 MMbbls at yearend 2022.

Gross 2P reserves at the Tawke field stood at 209.7 MMbbls (157.3 MMbbls on a net basis) at yearend 2022, compared to 235.2 MMbbls (176.4 MMbbls on a net basis) at yearend 2021, after adjusting for 2022 field production and a downward technical revision of 9.1 MMbbls.

Gross 3P reserves at the Tawke field stood at 277.3 MMbbls (208.0 MMbbls on a net basis) at yearend 2022, compared to 287.7 MMbbls (215.8 MMbbls on a net basis) at yearend 2021, after adjusting for 2022 field production and an upward technical revision of 6.0 MMbbls.

Gross 2C resources at the Tawke field were recorded at 17.7 MMbbls (13.3 MMbbls on a net basis) at yearend 2022, unchanged from yearend 2021.

At the Peshkabir field, at yearend 2022 gross 1P reserves stood at 86.4 MMbbls (64.8 MMbbls on a net basis) up from 64.3 MMbbls (48.2 MMbbls on a net basis) at yearend 2021. The year-to-year change in gross volumes was due to the net effect of 2022 field production of 22.6 MMbbls and an upward technical revision of 44.8 MMbbls. Peshkabir field cumulative production since inception stood at 96.0 MMbbls at yearend 2022.

Gross 2P reserves at the Peshkabir field stood at 117.4 MMbbls (88.0 MMbbls on a net basis) at yearend 2022, down from 121.3 MMbbls (91.0 MMbbls on a net basis) at yearend 2021, after adjusting for 2022 field production and an upward technical revision of 18.7 MMbbls.

Gross 3P reserves at the Peshkabir field stood at 144.0 MMbbls (108.0 MMbbls on a net basis) at yearend 2022, compared to 177.0 MMbbls (132.7 MMbbls on a net basis) at yearend 2021, after adjusting for 2022 field production and a downward technical revision of 10.3 MMbbls.

Gross 2C resources at the Peshkabir field were recorded at 14.7 MMbbls (11.0 MMbbls on a net basis) at yearend 2022, compared to 29.8 MMbbls (22.4 MMbbls on a net basis) at yearend 2021.

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 2022 gross 2C resources at the Baeshiqa structure stood at 56.7 MMbbls (36.3 MMbbls on a net basis), compared to 48.4 MMbbls (31.0 MMbbls on a net basis) at yearend 2021.

At yearend 2022 gross 2C resources at the Zartik structure stood at 2.8 MMbbls (1.8 MMbbls on a net basis), compared to 7.4 MMbbls (4.7 MMbbls on a net basis) at yearend 2021.

At the license level and at yearend 2022, gross 2C resources stood at 59.5 MMbbls (38.1 MMbbls on a net basis), compared to 55.7 MMbbls (35.7 MMbbls on a net basis) at yearend 2021.

Baeshiqa license volumes were recorded as contingent resources at yearend 2022, pending processing of the 3D seismic acquired in 2022 and additional drilling.

2.3 Norway and United Kingdom

At yearend 2022, DNO held 68 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 24.6 MMboe, 2P reserves stood at 35.6 MMboe, 3P reserves totaled 48.1 MMboe and 2C resources stood at 80.0 MMboe.

In 2022, DNO had an active exploration program in Norway resulting in the Kveikje discovery in license PL293B and the Ofelia discovery in PL929. Gross 2C resources at these licenses stood at 31.7 MMboe (9.2 MMboe on a net basis) and 19.2 MMboe (1.9 MMboe on a net basis), respectively.

On a net basis, at yearend 2021 DNO's portfolio of 73 licenses in Norway held 1P reserves of 33.2 MMboe, 2P reserves of 52.3 MMboe, 3P reserves of 70.2 MMboe and 2C resources of 112.2 MMboe.

In the UK, DNO held seven licenses at yearend 2022. On a net basis, 1P reserves totaled 0.4 MMboe, 2P reserves stood at 0.9 MMboe and 3P reserves totaled 1.3 MMboe. No 2C resources were booked for DNO's licenses in the UK at yearend 2022.

At yearend 2021, DNO held 11 licenses in the UK with 1P reserves of 0.7 MMboe, 2P reserves of 1.6 MMboe, 3P reserves of 1.9 MMboe and 2C resources of 1.1 MMbbls, all on a net basis.

2.4 Côte d'Ivoire

In 2022, the Company completed a transaction agreement pursuant to which RAK Petroleum plc (RAK Petroleum) transferred its ownership of Mondoil Enterprises LLC (Mondoil Enterprises) to DNO, effective 1 January 2022. Mondoil Enterprises owns 50 percent of Mondoil Côte d'Ivoire LLC (Mondoil Côte d'Ivoire) which, in turn, owns 66.66 percent of Foxtrot International LDC (Foxtrot International), resulting in the Company's indirect 33.33 percent interest in privately-held Foxtrot International which has stakes in two offshore blocks 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 Block CI-27, at yearend 2022 gross 1P reserves stood at 48.2 MMboe, gross 2P reserves stood at 113.6 MMboe, gross 3P reserves stood at 234.6 MMboe and gross 2C resources stood at 17.9 MMboe. Gross production totaled 13.4 MMboe in 2022.

At the exploration Block CI-12, at yearend 2022 gross 2C resources stood at 45.3 MMboe.

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

2.5 Yemen

Production start up at the Yaalen field at Block 47 in Yemen, currently under force majeure, remains on hold. At yearend 2022, gross 2C resources at Block 47 stood at 6.2 MMbbls (4.8 MMbbls on a net basis), unchanged from yearend 2021.

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)^{2,3} and comply with Oslo Stock Exchange disclosure requirements, Circular No. 1/2013.

Reported reserves fall within class 1-3 of the Norwegian Petroleum Directorate (NPD) classification and 2C resources fall within classes 4, 5 and 7 of the NPD classification.

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 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

² For a full description of these guidelines and definitions, see www.spe.org

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

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 and RPS generate and utilize oil and gas price forecasts as the basis for their independent calculations of remaining DNO reserves. DNO used its own oil and gas price forecasts for assessment of remaining reserves in Côte d'Ivoire.

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 2022, 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 2022 (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)
Developed Assets									
Kurdistan, Tawke	116.6	87.4	29.2	148.1	111.1	33.7	185.8	139.4	37.3
Kurdistan, Peshkabir	79.3	59.4	19.9	107.2	80.4	24.4	131.0	98.2	26.3
Kurdistan Developed	195.8	146.9	49.1	255.4	191.5	58.0	316.8	237.6	63.7
Norway, Alve	7.1	2.3	2.3	14.0	4.5	4.5	21.5	6.9	6.9
Norway, Brage	8.5	1.2	1.2	13.7	1.9	1.9	22.0	3.1	3.1
Norway, Fenja	31.6	2.4	2.4	47.1	3.5	3.5	68.3	5.1	5.1
Norway, Marulk	4.7	0.8	0.8	5.8	1.0	1.0	6.5	1.1	1.1
Norway, Oda	9.4	1.4	1.4	11.0	1.7	1.7	12.5	1.9	1.9
Norway, Ringhorne East	5.9	1.3	1.3	8.0	1.8	1.8	10.2	2.3	2.3
Norway, Tambar	3.7	1.7	1.7	5.6	2.5	2.5	6.7	3.0	3.0
Norway, Trym	2.4	1.2	1.2	2.6	1.3	1.3	3.8	1.9	1.9
Norway, Ula	6.4	1.3	1.3	9.3	1.9	1.9	9.9	2.0	2.0
Norway, Vilje	8.0	2.3	2.3	8.6	2.5	2.5	9.2	2.7	2.7
Norway Developed	87.8	15.9	15.9	125.7	22.6	22.6	170.6	30.0	30.0
UK, Blane	0.7	0.3	0.3	1.8	0.8	0.8	2.8	1.2	1.2
UK, Enoch	0.4	0.1	0.1	0.4	0.1	0.1	0.5	0.1	0.1
UK Developed	1.1	0.4	0.4	2.2	0.9	0.9	3.2	1.3	1.3
Côte d'Ivoire, CI-27	48.2	4.4	2.7	113.6	10.3	6.3	234.6	21.3	12.0
Côte d'Ivoire Developed	48.2	4.4	2.7	113.6	10.3	6.3	234.6	21.3	12.0
Total Developed		167.5	68.1		225.3	87.8		290.2	107.0
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)
Under Development Assets									
Kurdistan, Tawke	51.5	38.6	12.9	61.6	46.2	14.0	91.5	68.6	18.4
Kurdistan, Peshkabir	7.2	5.4	1.8	10.1	7.6	2.3	13.0	9.8	2.6
Kurdistan Under Development	58.7	44.0	14.7	71.7	53.8	16.3	104.5	78.4	21.0
Norway, Andvare	10.0	3.2	3.2	14.7	4.7	4.7	20.8	6.7	6.7
Norway, Berling	26.0	5.2	5.2	37.2	7.4	7.4	49.4	9.9	9.9
Norway, Tambar East	0.8	0.3	0.3	2.3	0.9	0.9	4.3	1.6	1.6
Norway Under Development	36.8	8.7	8.7	54.2	13.0	13.0	74.5	18.2	18.2
Total Under Development		52.7	23.4		66.8	29.3		96.5	39.2
Total DNO ASA		220.3	91.5		292.1	117.1		386.7	146.1

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 2021-2022 (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)
Balance as of yearend 2021	108.9	157.0	202.3	87.1	164.4	218.3	196.1	321.4	420.6
Production	-35.4	-35.4	-35.4				-35.4	-35.4	-35.4
Acquisitions	5.6	11.5	22.5				5.6	11.5	22.5
Divestments									
Extentions and discoveries									
New developments				8.4	12.1	16.5	8.4	12.1	16.5
Revision of previous estimates	88.4	92.2	100.8	-42.8	-109.8	-138.3	45.6	-17.6	-37.6
Balance as of yearend 2022	167.5	225.3	290.2	52.7	66.8	96.5	220.3	292.1	386.7

The transaction agreement pursuant to which RAK Petroleum transferred its ownership of Mondoil Enterprises to DNO is accounted for under the Acquisitions category.

Table 3 – Remaining contingent (2C) resources at yearend 2022 (gross and net)

Asset	2C Resources	
	Gross	Net
	(MMboe)	(MMboe)
Kurdistan	91.9	62.4
Tawke PSC	32.4	24.3
Baeshiqa PSC	59.5	38.1
Norway	272.1	80.0
Yemen	6.2	4.8
Côte d'Ivoire	63.1	5.2
Total DNO ASA		152.5

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.