



**Q1 2022
Interim Results
Presentation**

First quarter highlights

Cover photo: DNO's North Sea exploration team poring over license map covering the highly prospective area northwest of Troll.

Oil and gas are back, DNO never left

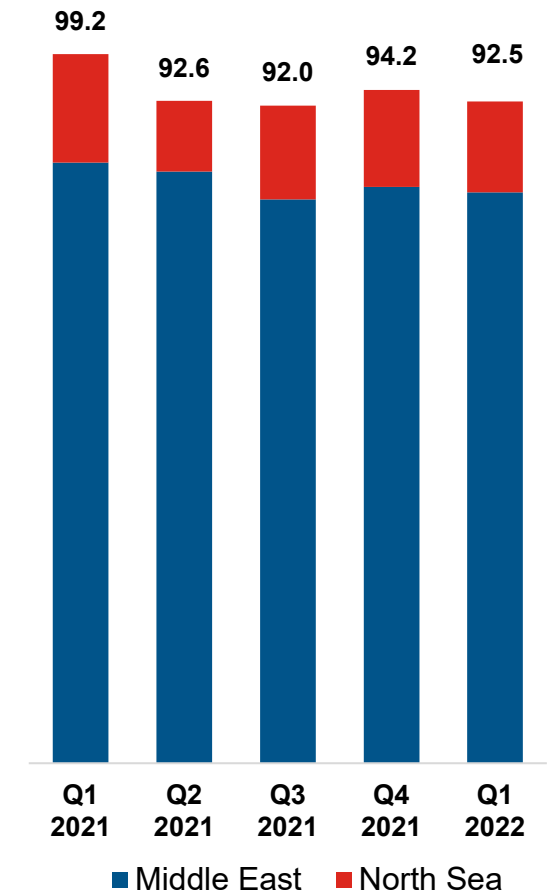
- DNO delivers another strong quarter with record cash generated from operations
- Operating profit up 84 percent from prior quarter
- Foot on the accelerator in Kurdistan, spudding five wells at Tawke license in Q1 2022 at both Tawke and Peshkabir fields while preparing to add a fourth drilling rig
- Baeshiqa ready to commence production from Zartik-1 discovery well awaiting final government approvals; Zartik-2 development well spudded in Q1 2022
- In North Sea, exciting 2022 exploration program kicked off with play-opening Kveikje discovery
- Increased operating profit allows raising investments in core business, debt reduction and increased dividends



Q1 2022 operational highlights

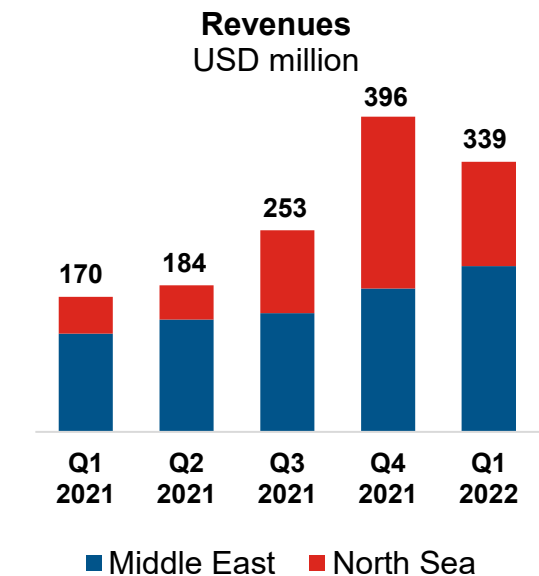
- Gross operated Tawke license production averaged 106,500 barrels of oil per day (bopd) in Q1 2022 (107,500 bopd in Q4 2021) of which 79,800 bopd net to DNO's interest (80,600 bopd Q4 2021)
- North Sea contributed another 12,700 barrels of oil equivalent per day (boepd), down from 13,600 boepd in Q4 2022
- Totaling 92,500 boepd net to DNO in Q1 2022 (94,200 boepd in Q4 2021)
- Kveikje discovery (announced in April) strengthens DNO in North Sea core area
- DNO had 94 licenses across its portfolio at end quarter (26 operated), of which two in Kurdistan, 77 in Norway, 11 in the United Kingdom, two in the Netherlands, one in Ireland and one in Yemen

Net production
thousand boepd



Q1 2022 financial highlights

- Quarter-on-quarter hike in operating profit to USD 236 million (USD 128 million in Q4 2021) on revenues of USD 339 million (USD 396 million in Q4 2021)
- Kurdistan revenues of USD 209 million (USD 180 million in Q4 2021) on back of strong oil prices and solid production performance
- North Sea revenues of USD 131 million, down from USD 216 million in Q4 2021 primarily due to underlift in Q1 2022 compared to large overlift in Q4 2021
- Dividend of NOK 0.20 per share paid in March
- On a cash basis, received USD 207 million from Kurdistan in Q1 2022 of which entitlement represented USD 161 million, override USD 14 million and USD 32 million towards arrears built up from non-payment of certain invoices in 2019 and 2020
- No change in projected operational spend for 2022



Kurdistan operations

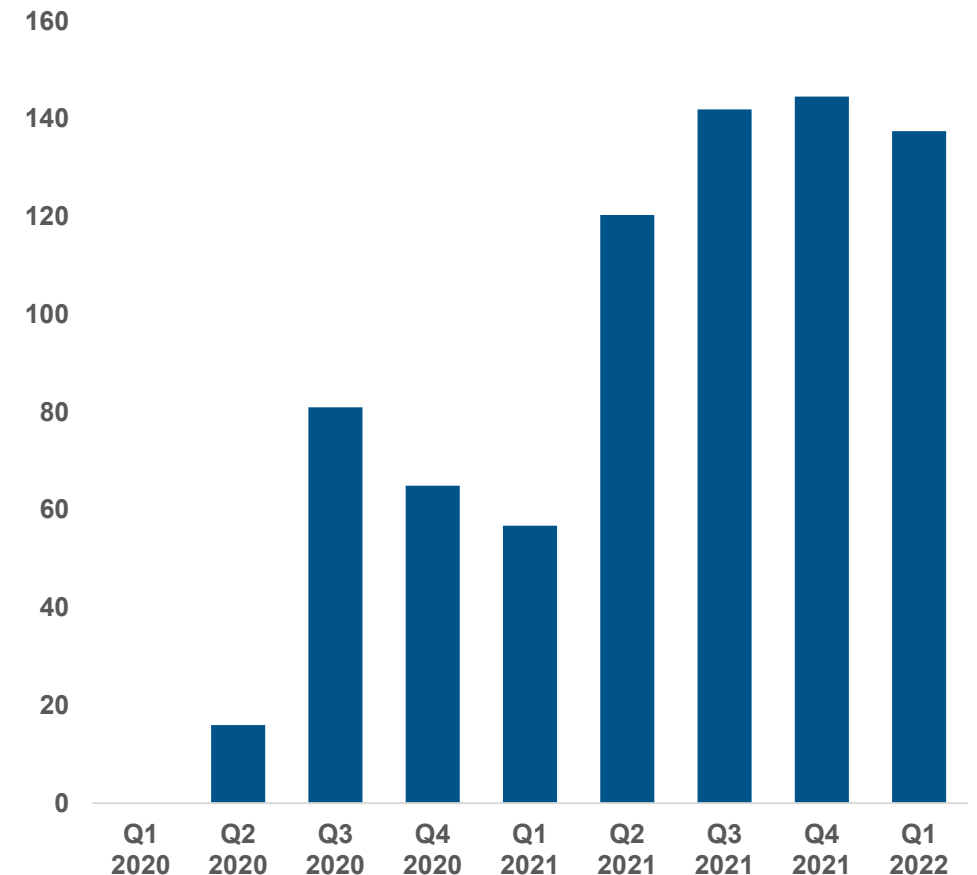
- Tawke license gross production averaged 106,500 bopd in Q1 2022, of which Peshkabir field 64,500 bopd (62,900 bopd in Q4 2021) and Tawke field 42,000 bopd (44,600 bopd in Q4 2021)
- Ramping up drilling and workovers on Tawke license in 2022 to arrest natural field decline and maintain steady production levels
- The first phase field development of the Baeshiqa license has been fast-tracked, with a third well, Zartik-2, currently drilling ahead at 2,300 meters
- Baeshiqa is DNO's first new Kurdistan field development since 2017
- Maintaining average Tawke license gross production projection of 105,000 bopd for 2022



Expanding gas capture and injection, reducing carbon footprint

- DNO's gas capture program gives measurable, material and meaningful reduction in carbon emissions
- Kurdistan's first and still only gas capture and injection scheme transports associated gas 80 kilometers from the Peshkabir field to the Tawke field for injection and storage
- The USD 110 million project has captured 12 billion cubic feet of otherwise flared gas equivalent to 766,000 tonnes of CO₂e, since start up in mid-2020 through Q1 2022
- Phase 2 is a USD 25 million expansion underway at the Tawke field to capture breakthrough gas starting in Q4 2022
- Also debottlenecking Peshkabir gas plant originally designed for 50,000 bopd to handle larger volumes of associated gas from higher field production now averaging 65,000 bopd

Greenhouse gas (GHG) captured and injected
(thousand tonnes of CO₂e)



North Sea operations

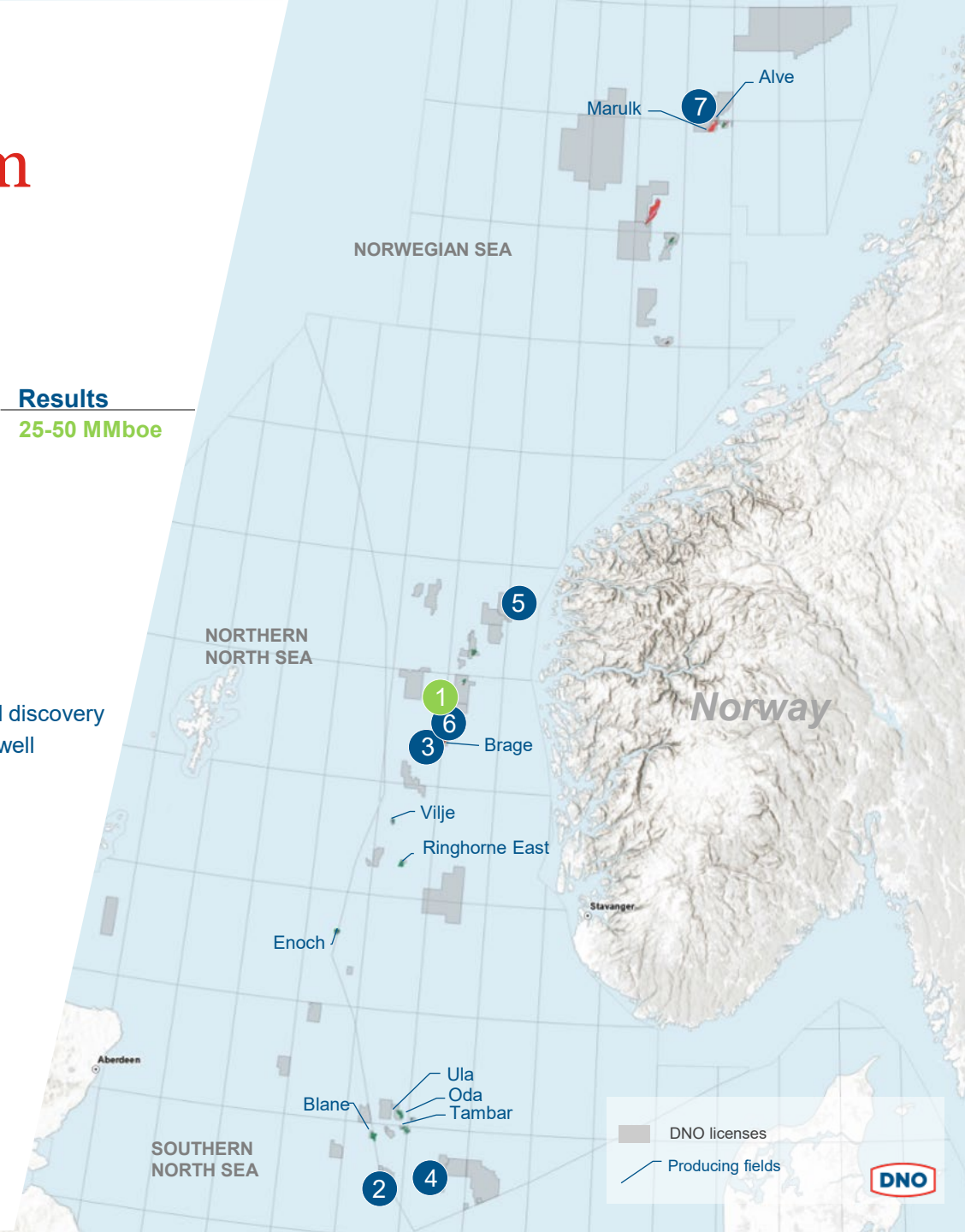
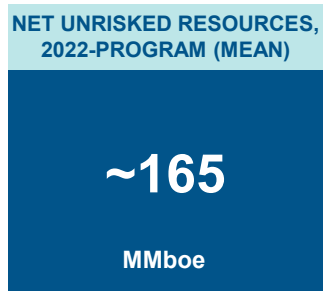
- Building strong position in new exploration hotspot in Troll/Gjøa area with more acreage, drilling and discoveries
- Recent Kveikje discovery of 25-50 MMboe gross (DNO 29 percent) is a play-opener which de-risks prospects in nearby licenses
- Awarded 10 licenses in Norway's latest licensing round in January of which three operated
- In addition to exploration, maturing several projects towards PDO decision by end 2022
- Q1 2022 North Sea net production of 12,700 boepd (13,600 in Q4 2021), down due to one-month shutdown at Tambar
- Projecting average 2022 net production to remain around 13,000 boepd



2022 North Sea exploration program

License	Prospect	Type	Pre-drill volumes (Mmboe)	Chance of success	DNO interest	2022				Results	
						Q1	Q2	Q3	Q4		
1	PL293B	Kveikje	Exploration	10-25	55%	29%	█				25-50 MMboe
2	P2401/PL969	Edinburgh	Exploration	100-675	29%	45%	█	█			
3	PL055	Brage South	Exploration	4-30	39%	14%		█			
4	PL1085	Overly	Exploration	5-80	64%	25%		█			
5	PL929	Ofelia	Exploration	10-40	50%	10%			█		
6	PL923	Røver Sør	Exploration	20-50	86%	20%				█	
7	PL943	Uer	Exploration	10-95	31%	30%				█	

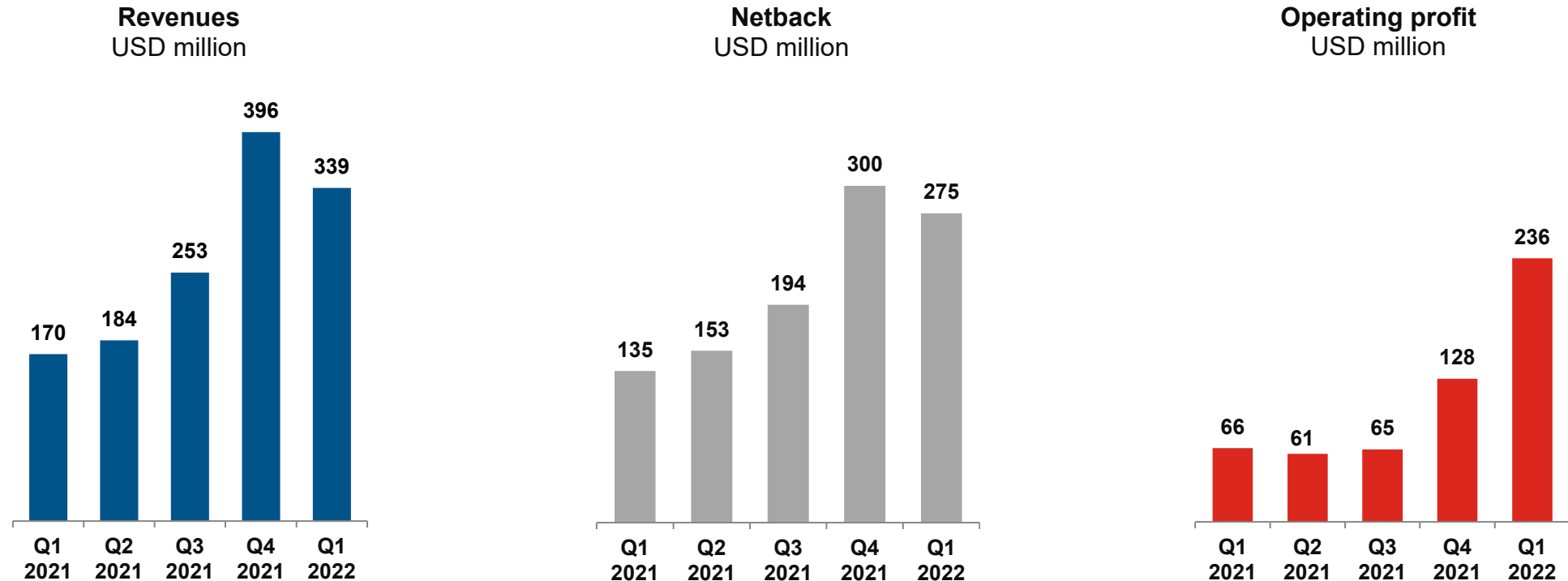
█ Likely commercial discovery
█ Planned/ongoing well



DNO licenses
 Producing fields

Financial review

Financial results – key figures



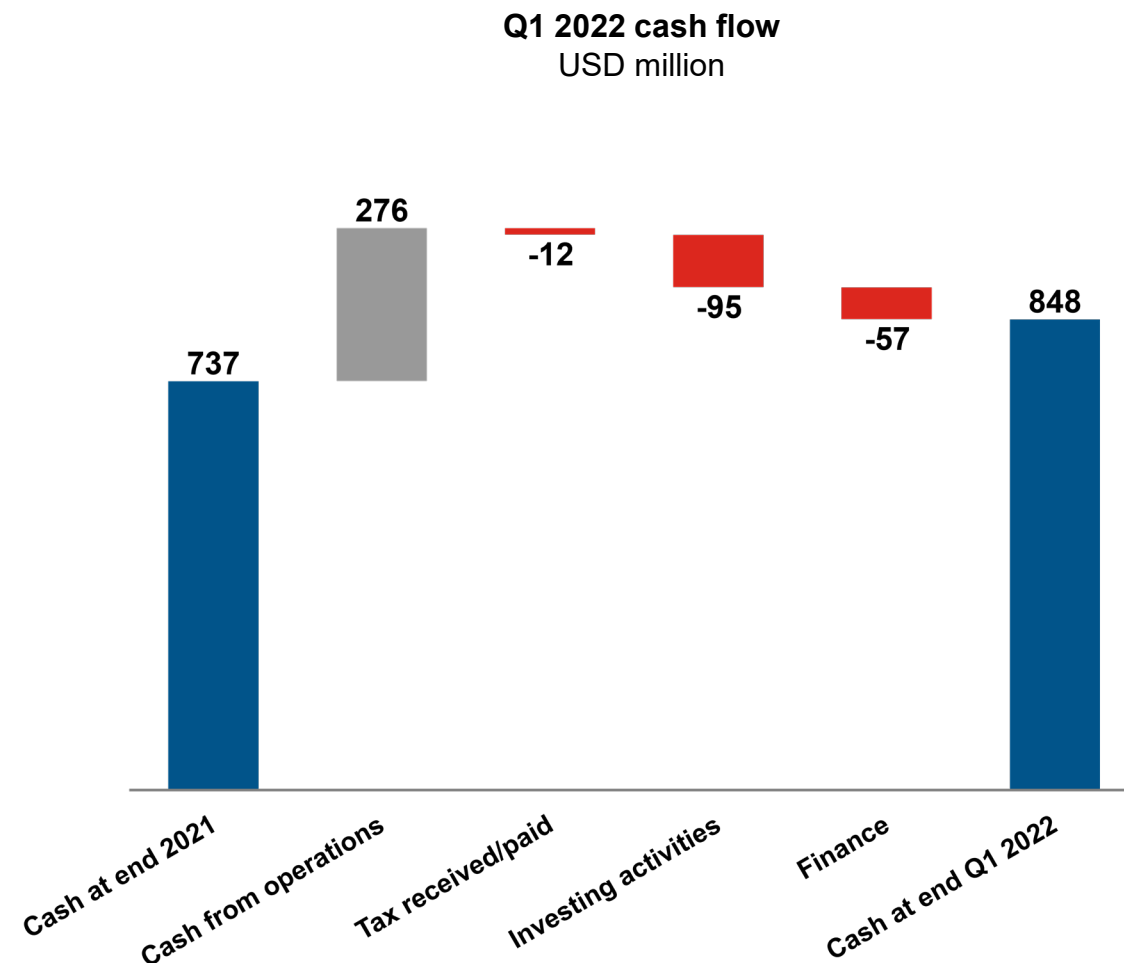
- Another quarter with high revenue, reduction from previous quarter due to lower lifting in the North Sea
- Strong netback despite paying tax instalment in the quarter while receiving tax refunds in previous quarters
- Operating profit 84 percent up on higher realized prices and lower costs

Financial summary

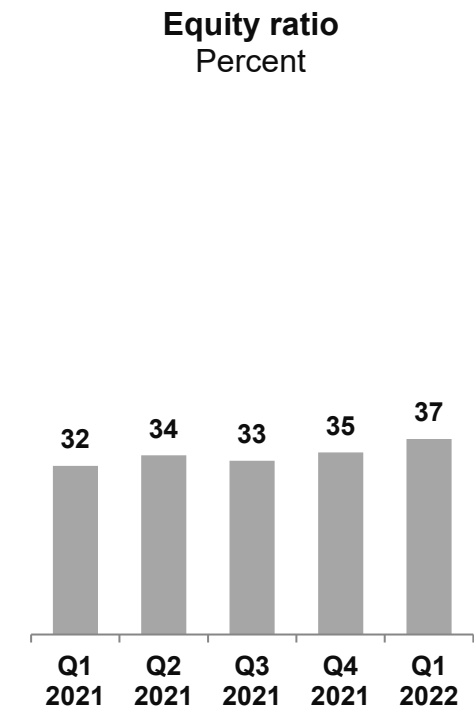
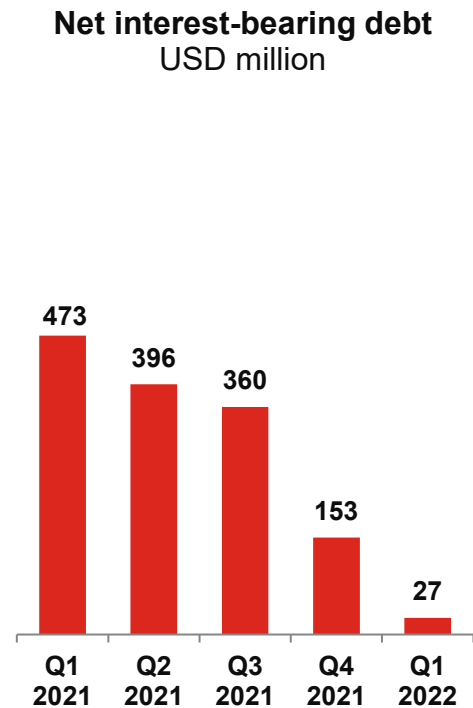
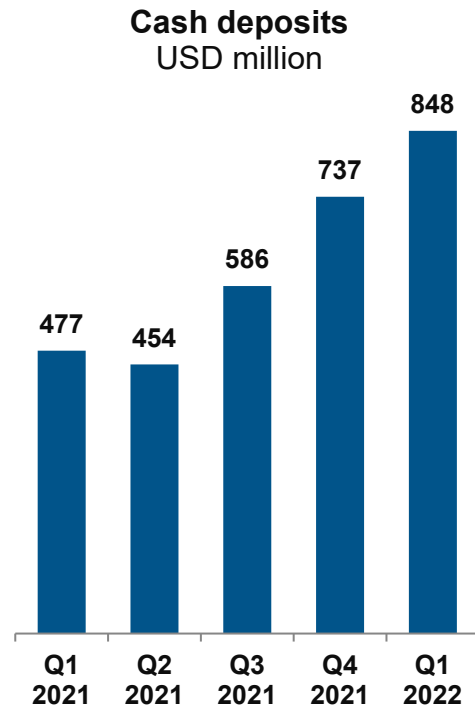
USD million	Q1 2022	Q4 2021	Q1 2021	FY 2021
Revenues	339.4	396.5	169.8	1,004.1
Production costs	-57.4	-52.9	-52.4	-218.8
Movement in overlift/underlift	13.9	-58.8	19.6	-18.3
Depreciation, depletion and amortization	-51.5	-53.3	-53.0	-206.0
Cost of goods sold	-94.9	-165.1	-85.8	-443.1
Gross profit	244.5	231.4	84.0	561.0
Expensed exploration	-5.8	-58.6	-10.5	-132.3
Administrative expenses	-2.6	-9.5	-5.5	-16.2
Other operating income/-expenses	0.2	-7.9	-1.7	-11.5
Impairment of oil and gas assets	-	-27.3	-	-80.1
Operating profit/-loss	236.2	128.2	66.3	320.9
Net finance	-28.9	-23.2	-19.8	-100.7
Profit/-loss before income tax	207.4	104.9	46.5	220.1
Tax income/-expense	-66.9	-40.1	5.0	-16.3
Net profit/-loss	140.5	64.8	51.5	203.9

Q1 2022 cash flow

- Operational cash flow of USD 276 million in Q1 2022 (USD 242 million in Q4 2021)
- North Sea tax instalments of net USD 12 million paid in Q1 2022 (USD 91 million tax refund in Q4 2021)
- Investment activities of USD 95 million (USD 84 million in Q4 2021) comprise of USD 81 million in asset investments and USD 14 million in decommissioning
- Net cash outflows from financing activities of USD 57 million (USD 98 million in Q4 2021) driven by dividend payment, interest costs and buyback of bonds



Capital structure



- Cash deposits increase through free cash flow generation
- Strong results reduce net interest-bearing debt and drive higher equity ratio

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