



# Q1 2021 Interim Results Presentation

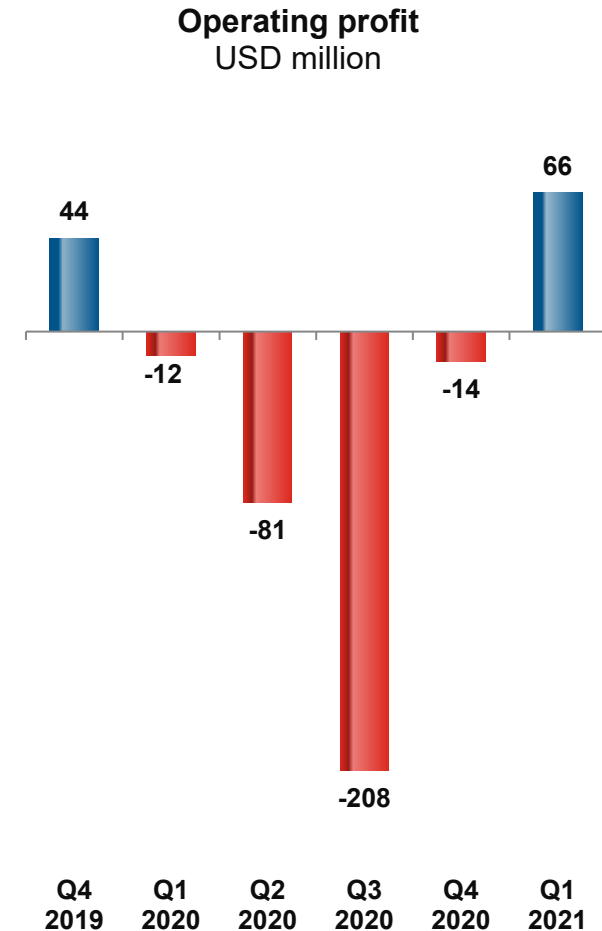


# Operational and financial highlights

*Cover photo: Erecting 40 meter communication towers at Tawke and Peshkibir fields, Kurdistan region of Iraq.*

# Return to profitability

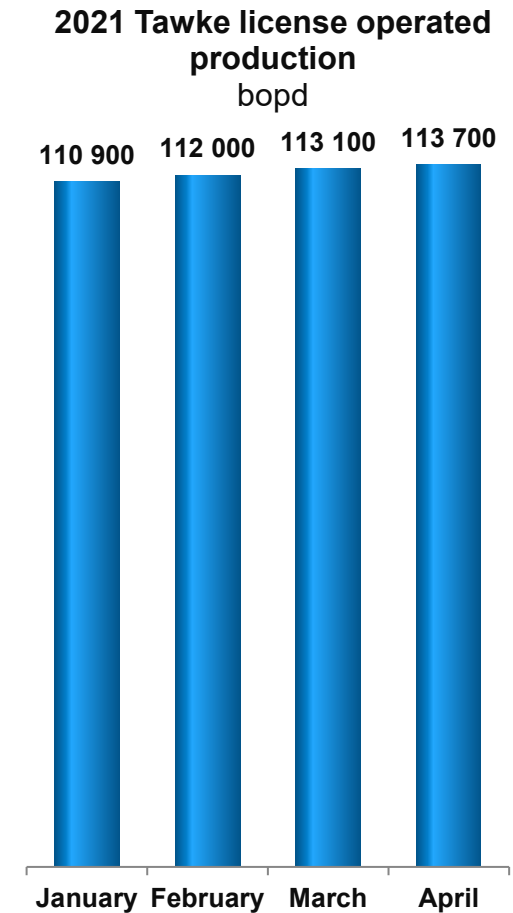
- DNO returned to profitability during the first quarter of 2021, reporting operating profit of USD 66 million
- First quarterly operating profit since the onset of the pandemic, driven by solid production, cost optimizations and higher oil prices
- Stepped up spend in Kurdistan in Q1 2021 with drilling of new wells and workover of existing ones, raising net production to 99,200 barrels of oil equivalent per day (boepd) across portfolio
- Regularization of payments in Kurdistan, including payments towards 2019 and 2020 arrears, rapidly increasing cash flow
- Which combined with significant cash position of USD 477 million at end Q1 2021 provides window to reduce debt





# Projecting high activity

- In Kurdistan, 12 Tawke license wells budgeted in 2021, of which nine in Tawke field and three in Peshkabir field
- Following a strong first quarter, guiding full-year 2021 gross operated Tawke license production of 110,000 barrels of oil per day (bopd)
- Barring pandemic derailing of global economic activity, plan full year operational spend of USD 700 million
- Active drilling program in the North Sea with five exploration and eight development wells during the balance of 2021
- DNO is a 50-year-old oil exploration and production company long committed, by choice, to industry leading ethical practices, contributions to societal advancement and a light environmental footprint



# Q1 2021 operational highlights

- Gross operated Tawke license production averaged 112,000 bopd in Q1 2021 (110,200 bopd in Q4 2020) of which 84,000 bopd net to DNO's interest (82,600 bopd in Q4 2020)
- North Sea assets contributed another 15,200 boepd in Q1 2021 (15,300 boepd in Q4 2020)
- Totaling net production of 99,200 boepd in Q1 2021, up from 97,900 boepd in Q4 2020
- Tawke license outperformed expectations in Q1 2021 notwithstanding limited 2020 drilling following onset of pandemic
- Fourth injector well expands Peshkabir-to-Tawke gas capture and reinjection project
- DNO had 94 licenses across its portfolio at end Q1 2021 (25 operated), of which two in Kurdistan, 75 in Norway, 13 in the United Kingdom, two in the Netherlands, one in Ireland and one in Yemen

# Q1 2021 financial highlights

- Q1 2021 revenues of USD 170 million, slightly down from USD 174 million in Q4 2020 due to lower North Sea cargo liftings
- USD 66 million operating profit in Q1 2021, reversing operating losses in previous four quarters
- In Q1 2021, Kurdistan initiated principal payments towards Tawke license 2019 and 2020 withheld entitlement and override amounts which totaled USD 259 million net to DNO at yearend 2020
- USD 75 million received from Kurdistan in Q1 2021 (entitlement USD 64.4 million, override USD 4.3 million and USD 6.2 million towards arrears), plus USD 54 million following end of quarter (entitlement USD 35.2 million, override USD 4.6 million and USD 14.2 million towards arrears)
- Exited Q1 2021 with cash balance of USD 477 million and USD 239 million in remaining Kurdistan arrears obligations
- Exercised call option to retire USD 100 million in bond debt on 1 June 2021 of the USD 400 million DNO02 bond

# Kurdistan operations

- Kurdistan continues to drive DNO operations and DNO continues to drive Kurdistan oil sector
- Q1 2021 Tawke license gross production of 112,000 bopd, of which Peshkabir field contributed 61,400 bopd (56,300 in Q4 2020) and Tawke field contributed 50,600 bopd (53,900 in Q4 2020)
- In addition to ongoing drilling at Peshkabir field, resuming Tawke field drilling by mid-year
- Absent such new wells, Tawke field natural decline has been partially offset through reinjection of gas from Peshkabir field

## PRODUCTION



84,000 bopd  
net production

## FIELDS




Tawke  
Peshkabir

## APPRAISAL



Baeshiqa  
license

Map legend  
 DNO licenses



# North Sea operations

- Q1 2021 North Sea average net production of 15,200 boepd
- Announced Røver Nord discovery (DNO 20 percent interest)
- Norwegian petroleum tax incentives driving investment plans, with Brasse, Iris/Hades, Alve Gjøk, Trym South and Orion/Syrah candidates for PDO in 2022
- Exploration focus shifts to larger participating interests in mature areas with existing infrastructure
- Active drilling program in the North Sea with five exploration and eight development wells during the balance of 2021

## PRODUCTION



15,200 boepd  
net production

## LICENSES

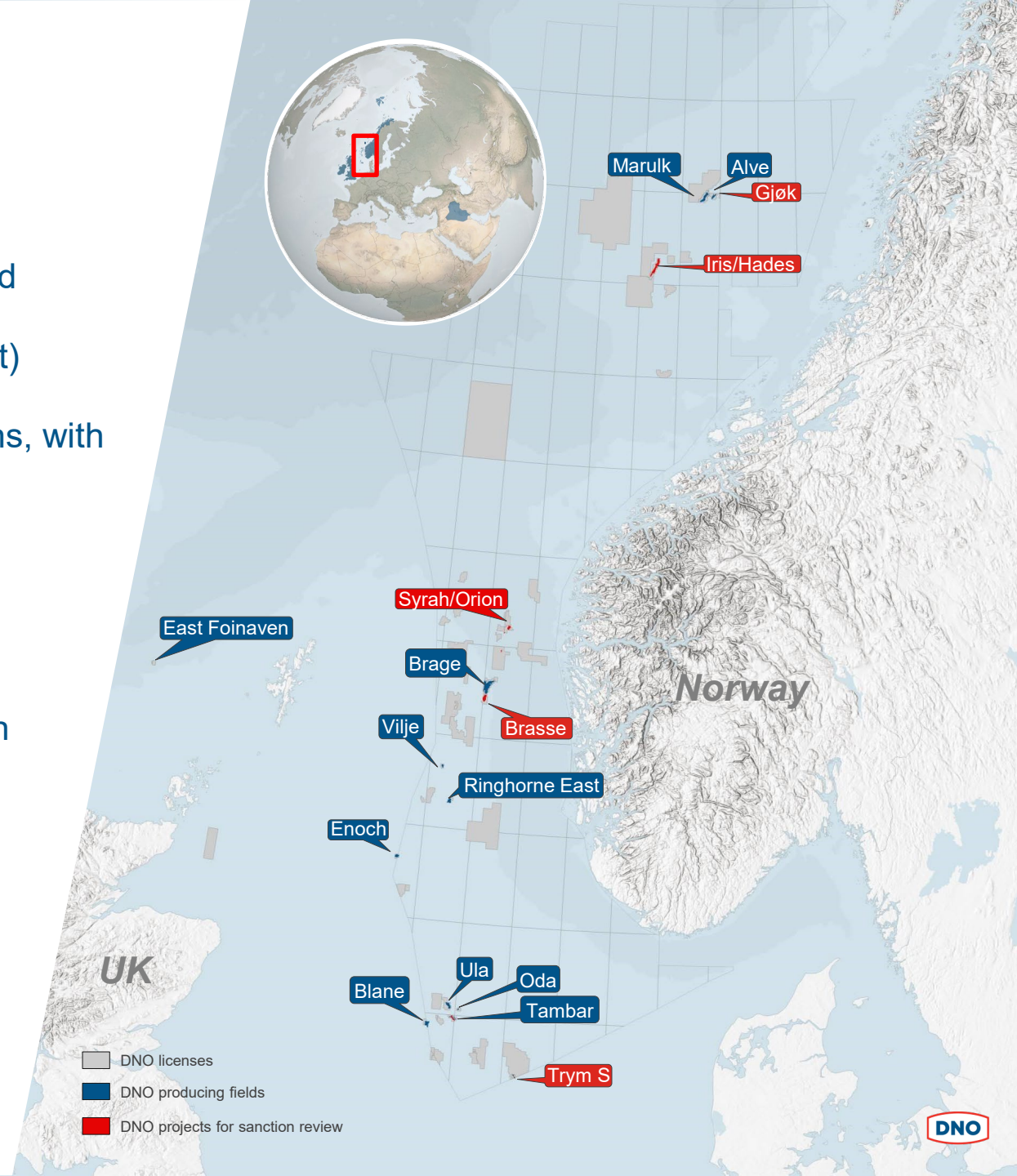


91 existing  
(11 producing fields)

## EXPLORATION



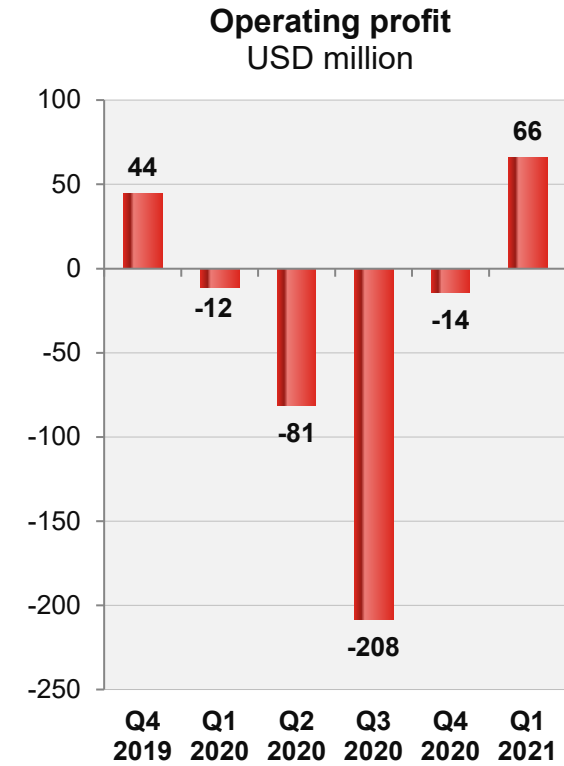
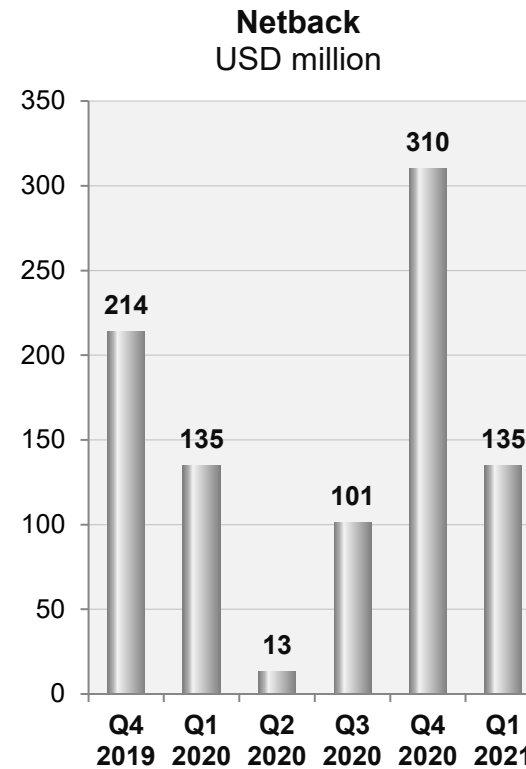
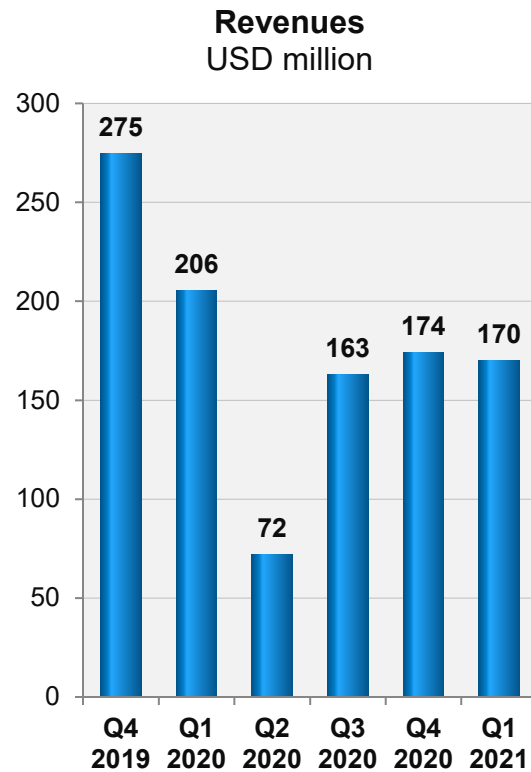
6 wells in  
2021





# Financial review

# DNO financial results – key figures



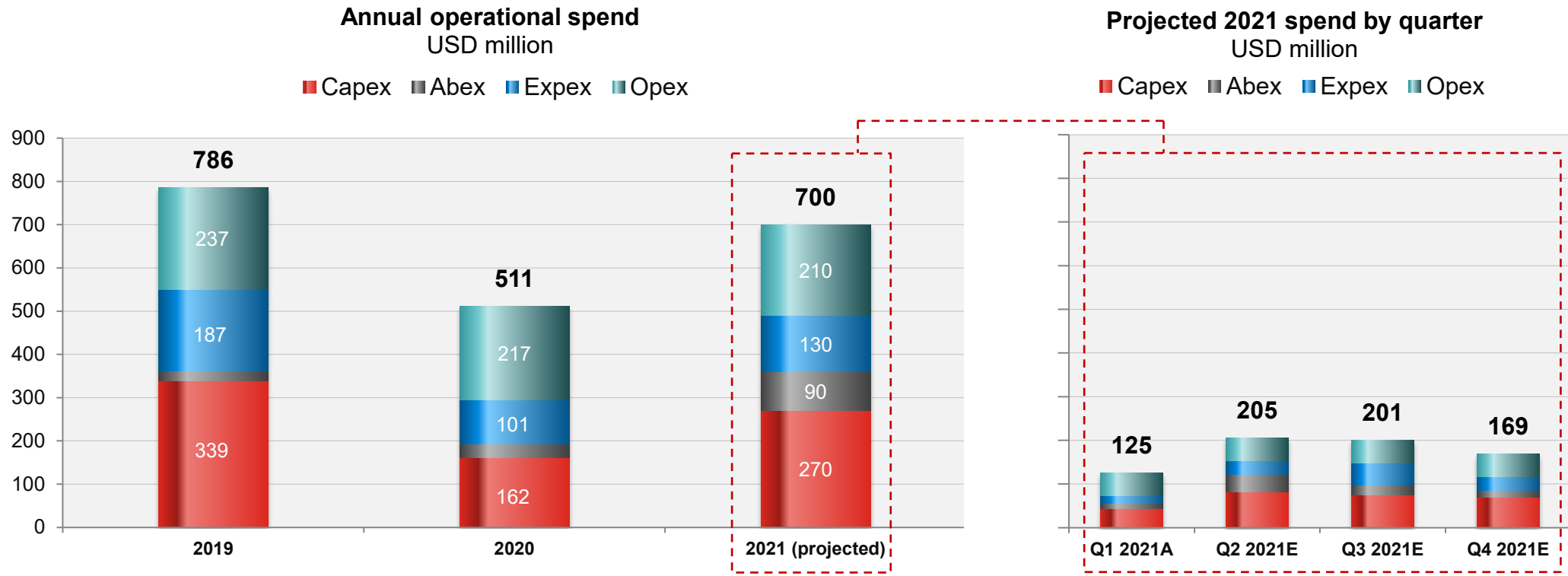
- Q1 2021 revenues impacted by lower lifted cargo volumes from the North Sea
- Q4 2020 netback reflects significant tax refunds
- Q1 2021 operating profit boosted by lower costs of goods sold

# Financial summary

USD million	Q1 2021	Q4 2020	Q1 2020	Full-year 2020
<b>Revenues</b>	<b>169.8</b>	<b>174.2</b>	<b>205.6</b>	<b>614.9</b>
Production costs	-52.4	-51.8	-58.6	-217.3
Movement in overlift/underlift	19.6	-7.6	-1.1	-11.3
Depreciation, depletion and amortization	-53.0	-79.8	-107.5	-361.4
<b>Cost of goods sold</b>	<b>-85.8</b>	<b>-139.1</b>	<b>-167.2</b>	<b>-590.0</b>
<b>Gross profit</b>	<b>84.0</b>	<b>35.1</b>	<b>38.4</b>	<b>24.9</b>
Expensed exploration	-10.5	-15.5	-14.8	-55.9
Administrative expenses	-5.5	0.5	4.6	-4.8
Other operating income/-expenses	-1.7	-1.2	-0.6	-2.7
Impairment of oil and gas assets	0.0	-33.0	-39.1	-276.0
<b>Profit/-loss from operating activities</b>	<b>66.3</b>	<b>-14.2</b>	<b>-11.5</b>	<b>-314.5</b>
Net finance	-19.8	-24.3	-38.6	-111.2
<b>Profit/-loss before income tax</b>	<b>46.5</b>	<b>-38.5</b>	<b>-50.1</b>	<b>-425.8</b>
Tax income/-expense	5.0	-21.9	10.7	139.8
<b>Net profit/-loss</b>	<b>51.5</b>	<b>-60.4</b>	<b>-39.4</b>	<b>-285.9</b>

- Cost of goods sold in the quarter positively impacted by increase in North Sea underlift and lower depreciation of Kurdistan assets following annual update of reserves

# Ramping up operational spend

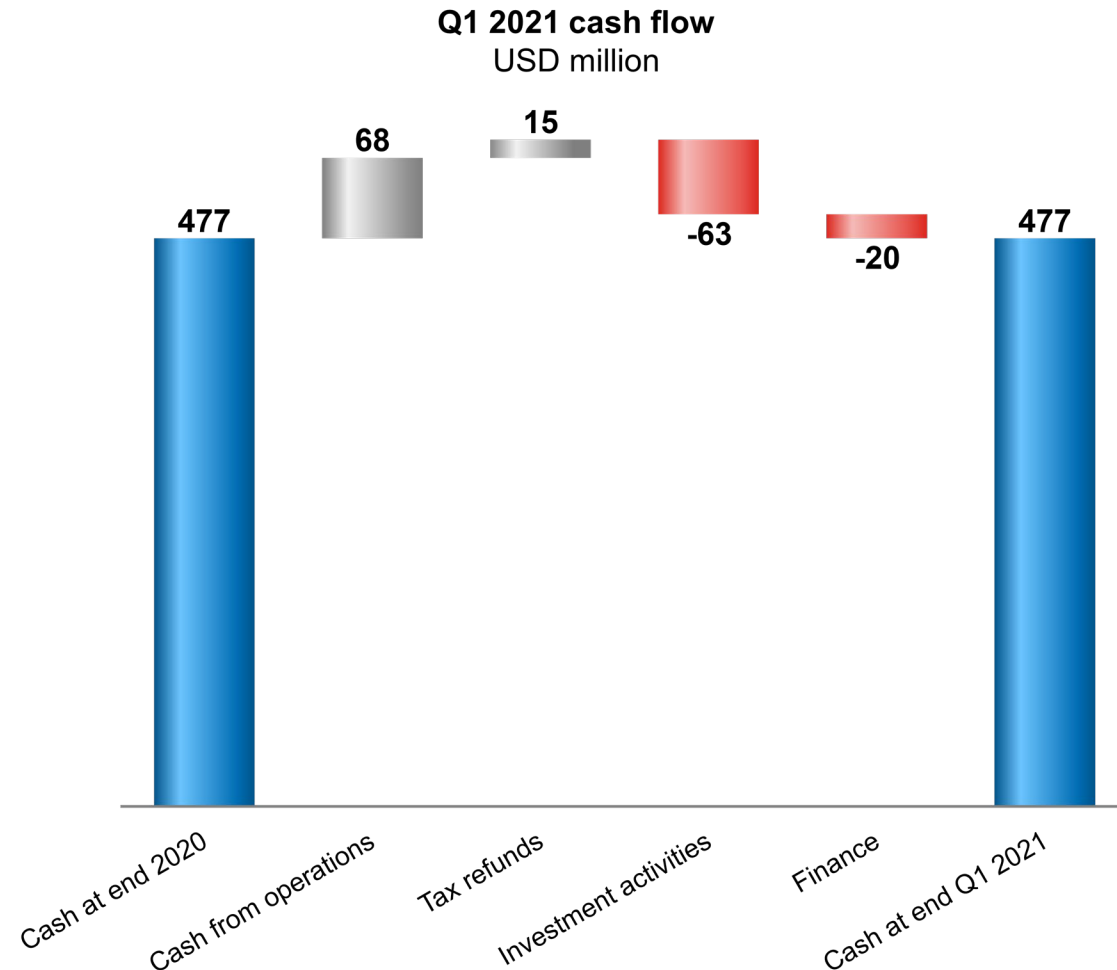


- Operational spend projected at USD 700 million in 2021, of which USD 450 million in the North Sea (before adjustments for tax refunds, but including transport and processing tariffs)
- Kurdistan operational spend of USD 250 million



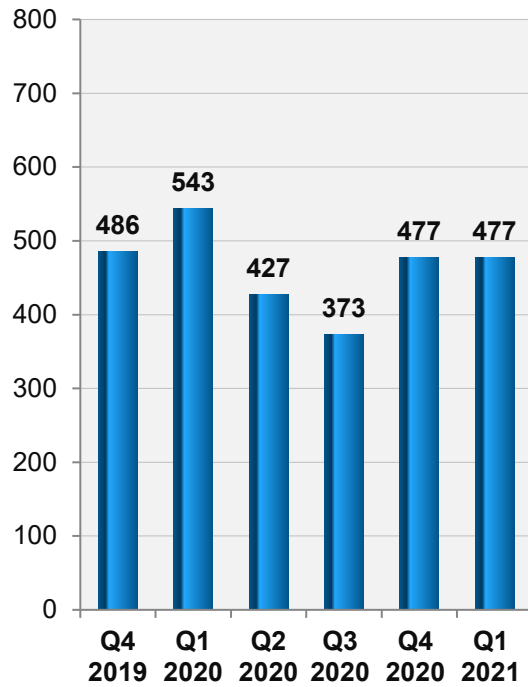
# Strong cash balance

- Solid operational cash flow of USD 68 million in the first quarter
- USD 75 million in Kurdistan payments during Q1 2021, plus additional USD 54 million received in April
- North Sea tax refunds of USD 15 million received in Q1 2021 with USD 162 million expected in balance of 2021
- Unchanged cash balance from yearend 2020 partly due to timing of last Kurdistan payment

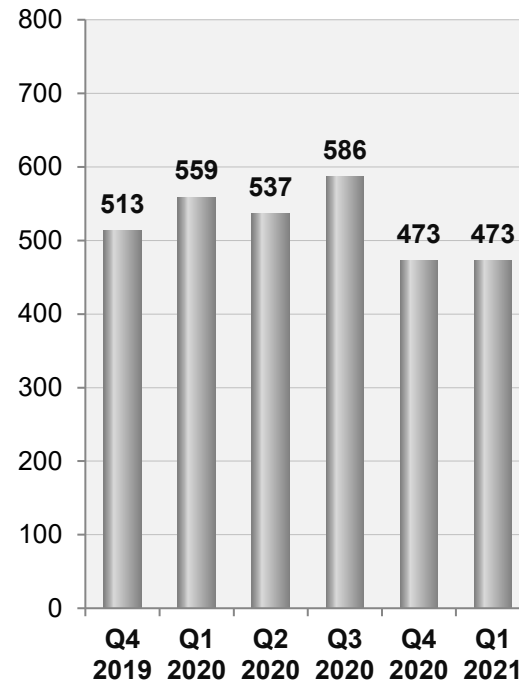


# Capital structure

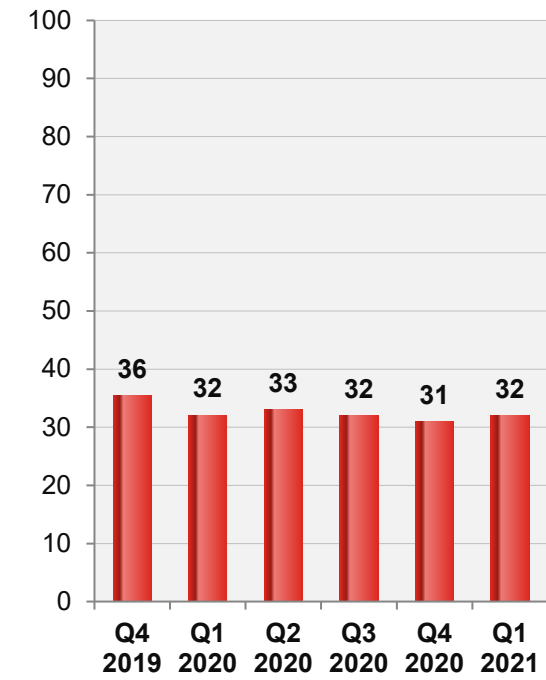
**Cash deposits**  
USD million



**Net interest-bearing debt**  
USD million



**Equity ratio**  
Percent



# Important notice

This presentation (the “Presentation”) has been prepared and delivered by DNO ASA (“DNO” or the “Company”). Copyright of all published material including photographs, drawings and images in this document remains vested in DNO and third party contributors as appropriate. Accordingly, neither the whole nor any part of this document shall be reproduced in any form nor used in any manner without express prior permission and applicable acknowledgements. No trademark, copyright or other notice shall be altered or removed from any reproduction.

The Presentation contains certain forward-looking statements relating to the business, financial performance and results of the Company and/or industry and markets in which it operates. Forward-looking statements concern future circumstances and results and other statements that are not historical facts, sometimes identified by the words “believes”, “expects”, “predicts”, “intends”, “projects”, “plans”, “estimates”, “aims”, “foresees”, “anticipates”, “targets”, and similar expressions. Any forward-looking statements and other information contained in this Presentation, including assumptions, opinions and views of the Company or cited from third party sources are solely opinions and forecasts based on the current expectations, estimates and projections of the Company or assumptions based on information currently available to the Company, which are subject to risks, uncertainties and other factors that may cause actual events to differ materially from any anticipated development.

Although the Company believes that its expectations and the Presentation are based upon reasonable assumptions, neither the Company, nor any of its subsidiary undertakings or any such person’s officers or employees provides any assurance that the assumptions underlying such forward-looking information and statements are free from errors nor does any of them accept any responsibility for the future accuracy of the opinions expressed in this Presentation or the actual occurrence of the forecasted developments. The Company assumes no obligation, except as required by law, to update any forward-looking statements or to conform these forward-looking statements to our actual results.

Any investment involves risks, and several factors could cause the actual results, performance or achievements of the Company as described herein to be materially different from any future results, performance or achievements that may be expressed or implied by statements and information in this Presentation, including, among others, risks or uncertainties associated with the Company’s business, segments, development, growth management, financing, market acceptance and relations with customers. More generally an investment will involve risks related to general economic and business conditions, changes in domestic and foreign laws and regulations, taxes, changes in competition and pricing environments, fluctuations in currency exchange rates and interest rates and other factors. Should one or more of such risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in this Presentation.

DNO is making no representation or warranty, expressed or implied, as to the accuracy, reliability or completeness of the Presentation, and neither DNO nor any of its directors, officers or employees will have any liability to you or any other persons resulting from your use.

The Presentation speaks and reflects prevailing conditions and views as of the date of this release. It may be subject to corrections and change at any time without notice except as required by law. The delivery of this Presentation - or any further discussions of the Company with any recipient - shall not, under any circumstances, create any implication that the Company assumes any obligation to update or correct the information herein, nor any implication that there has been no change in the affairs of the Company since such date.



**DNO**

EST - 1971