



*Pareto Oil and Offshore
Conference 2002*

DNO ASA

by

Helge Eide

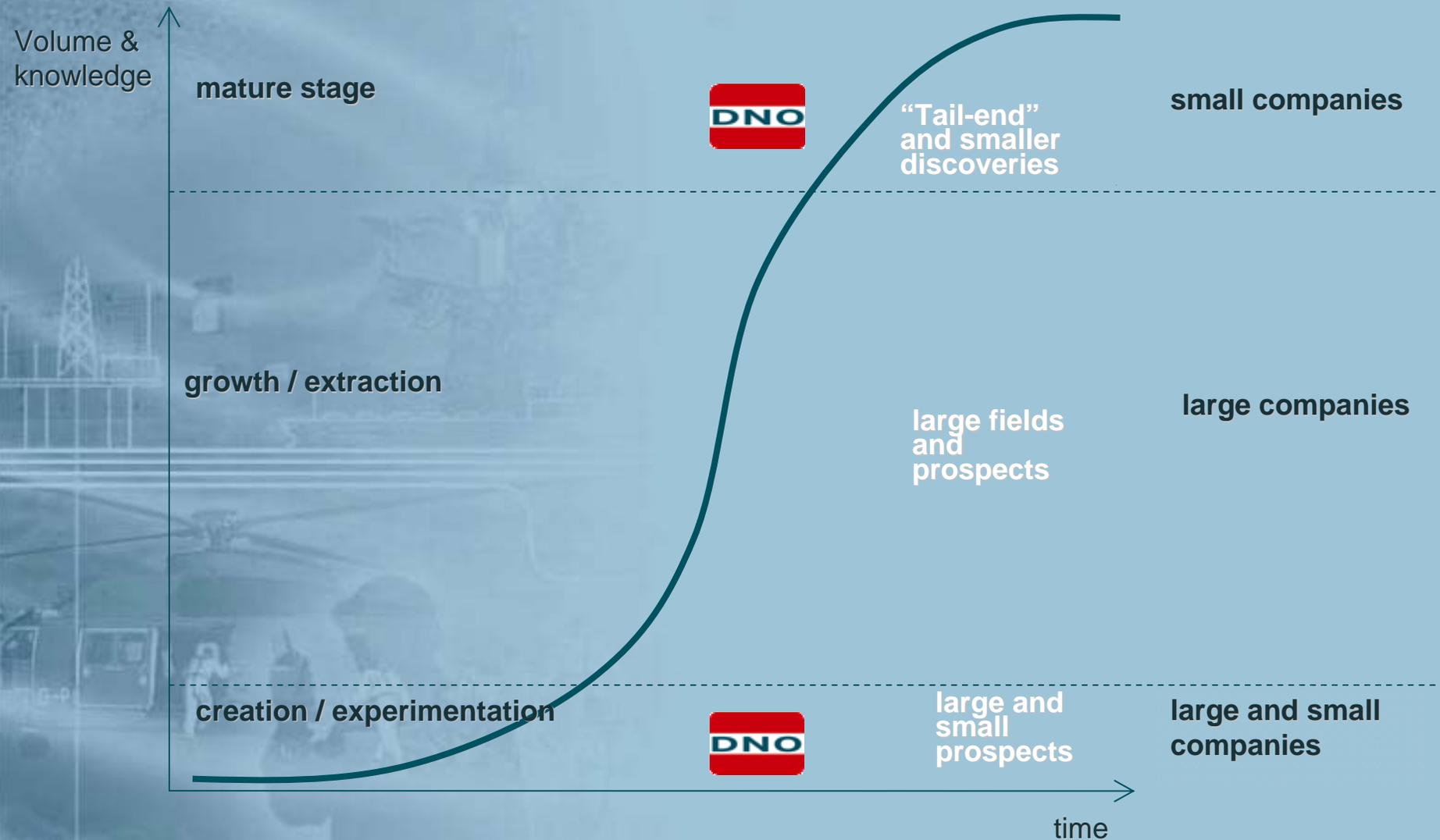
Managing Director

- **Track Record**
 - From 800 to 23.000 BOPD
 - Growth strategy
- **DNO 2002**
 - Project status
 - Key figures
- **Future growth**
 - How we'll reach 30.000 BOPD



Track record

Business Focus



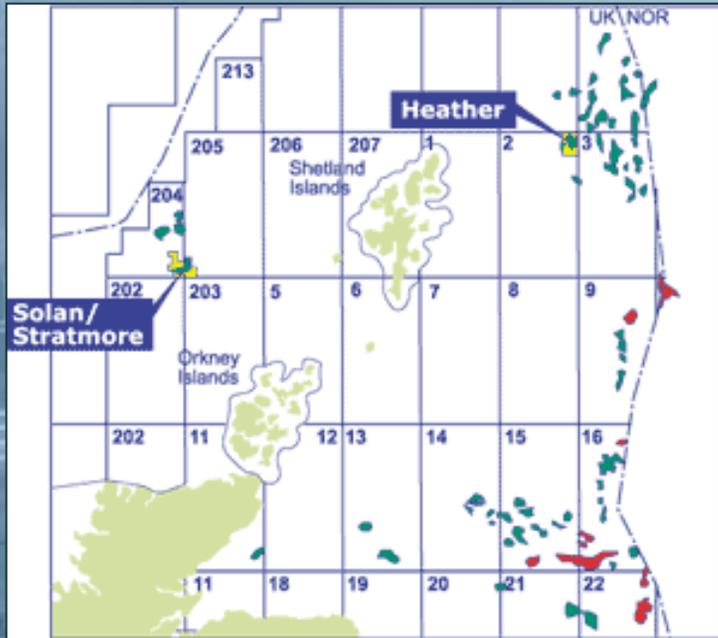
DNO Strategy



- **Operator**
- **Networking**
- **Best practice**
- **Rigs / Offshore**

- **June 1996**
 - New main shareholder - new management - new strategy

The Heather Opportunity



Rig Investments



- Capitalizing DNO in start-up phase
- Contributing to approval as Operator on Heather





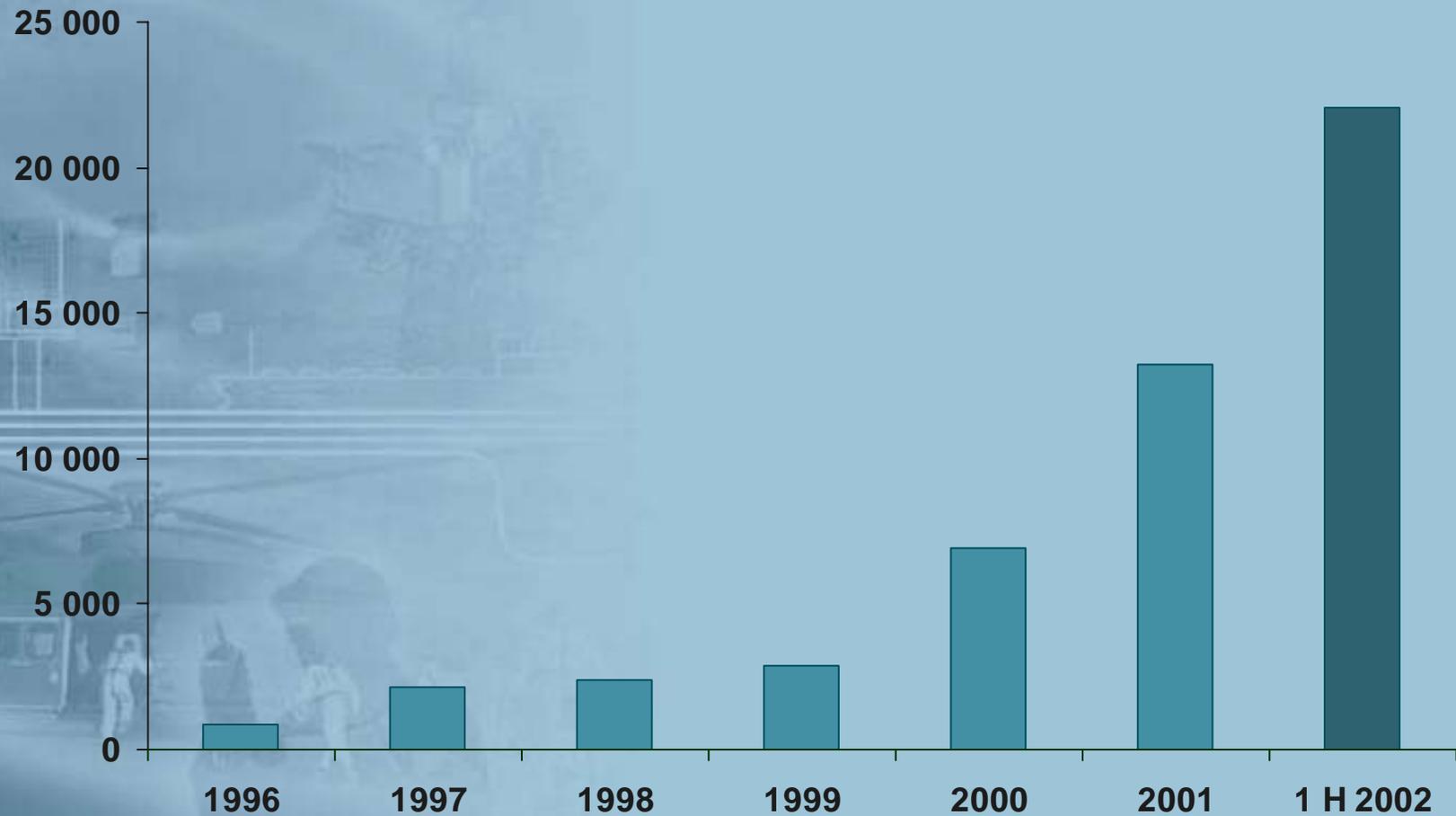
Access to network

- **June 1996**
 - New main shareholder - new management - new strategy
- **July 1997**
 - Operator for Heather field UK

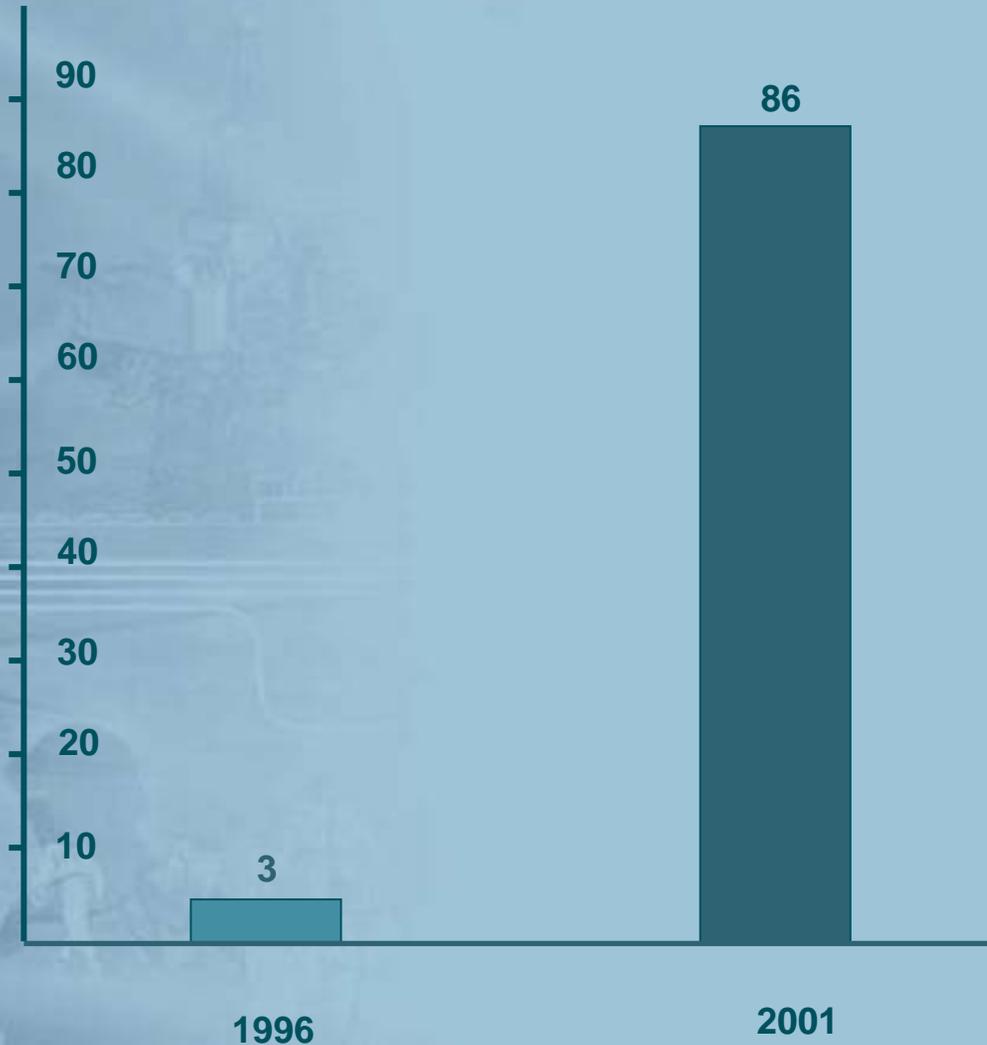
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- **July 1997**
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- **November 1998**
 - Operator for block 32 Yemen

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- **February 2000**
 - Re-entry to Norway

Historical production 1996 - 2002



Reserves 1996 – 2001 (*p + p*)



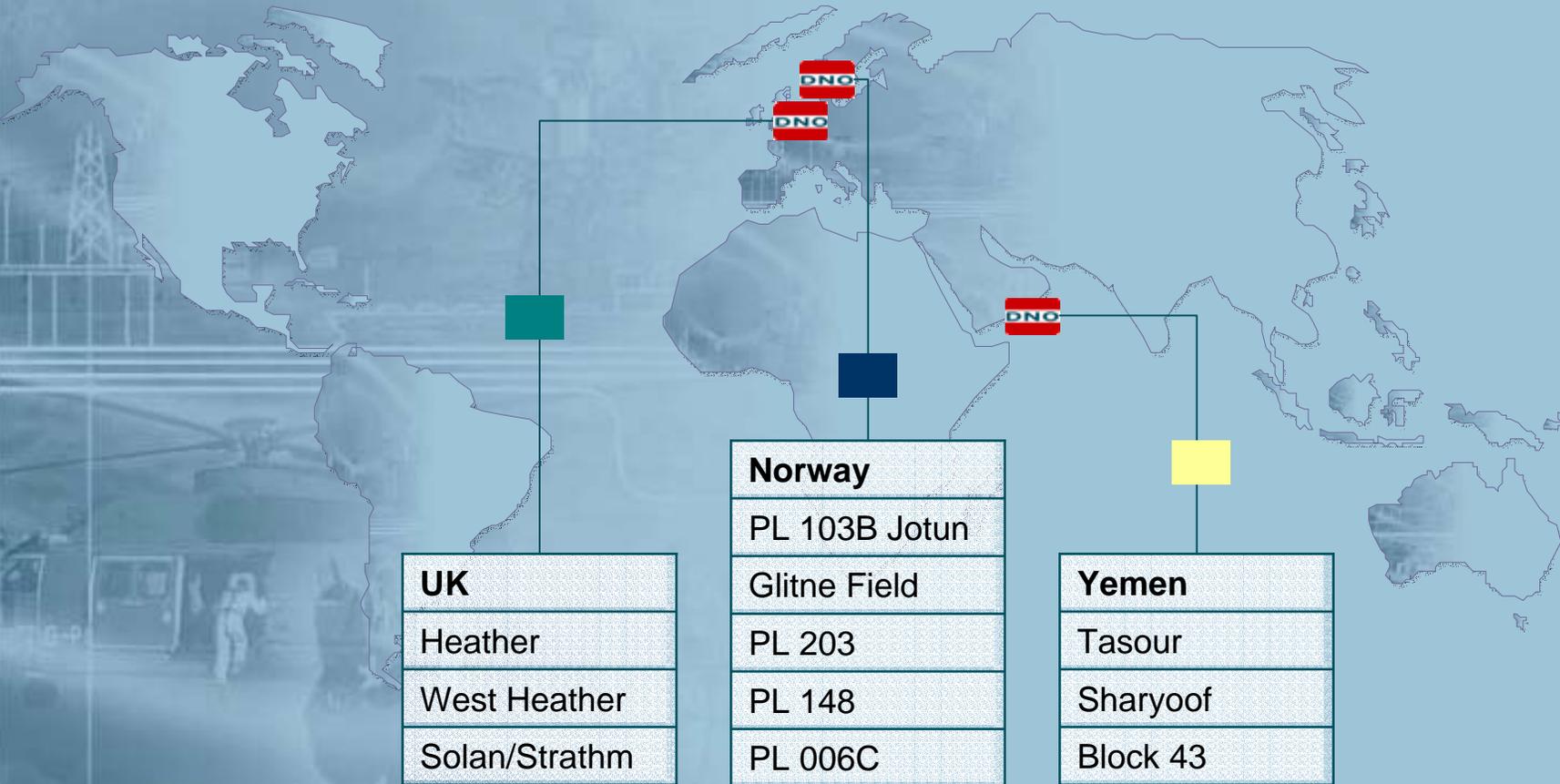


DNO in 2002

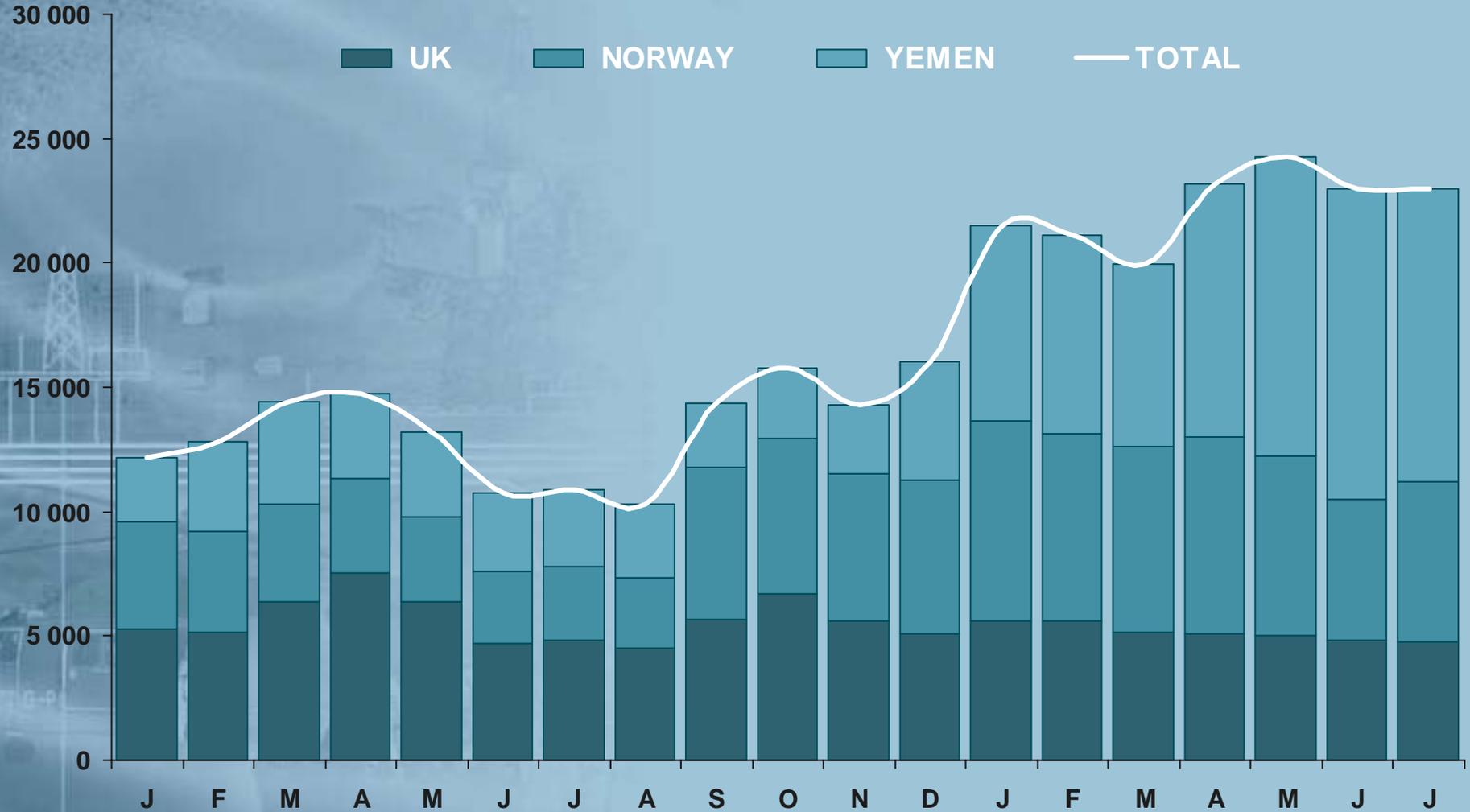
DNO in the world



23 000
BOPD



2001 - 2002 production



United Kingdom - Status

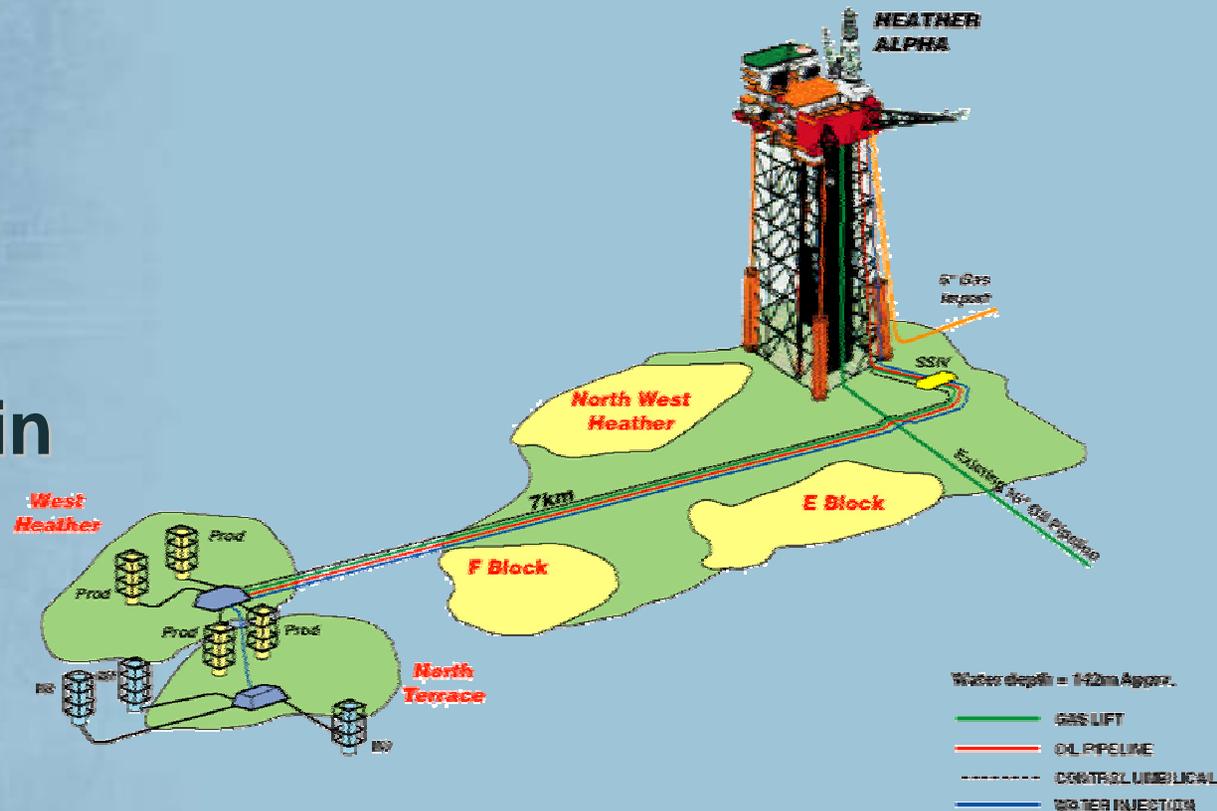


License	%	Operator
Heather	100,00	DNO
West Heather Area	55,00	DNO
Solan/Strathmore	3,70	Amerada Hess Ltd

Heather Area Development



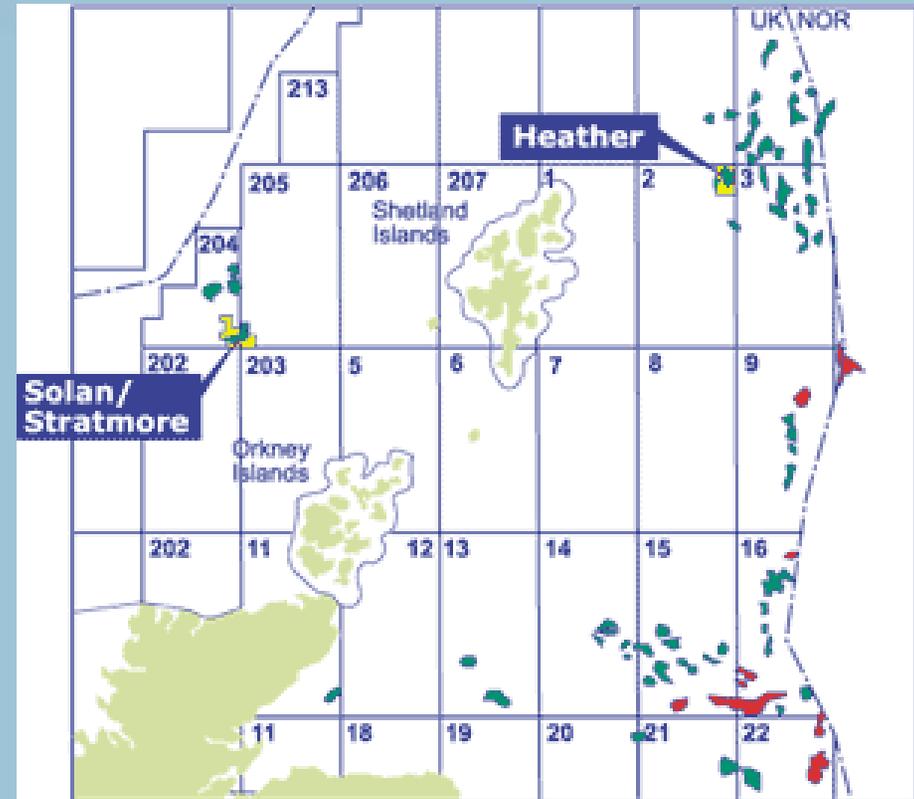
- Farm-out 45 % of Heather Satellites
- Partners contribute MUSD 23
- DNO net P50 reserves within total Heather Area – 42 million barrel



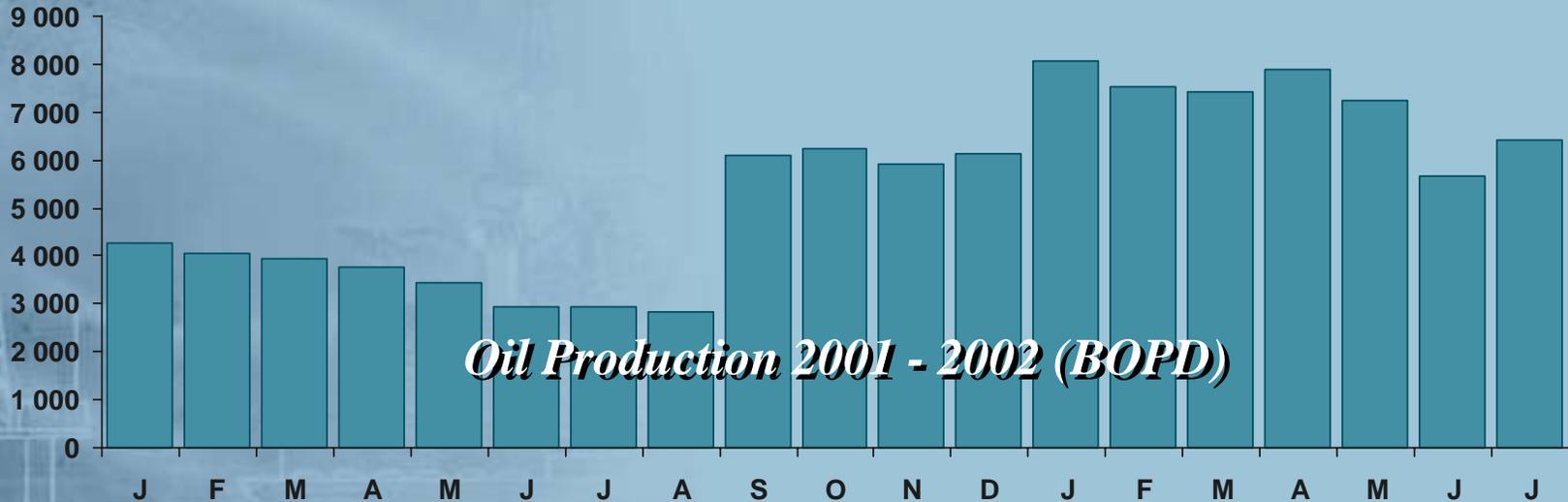
2002 Outlook - UK



- Annual production < 5.000 BOPD
- Drilling one West Heather well
- Evaluate the Thistle Field opportunity



Norway - Status

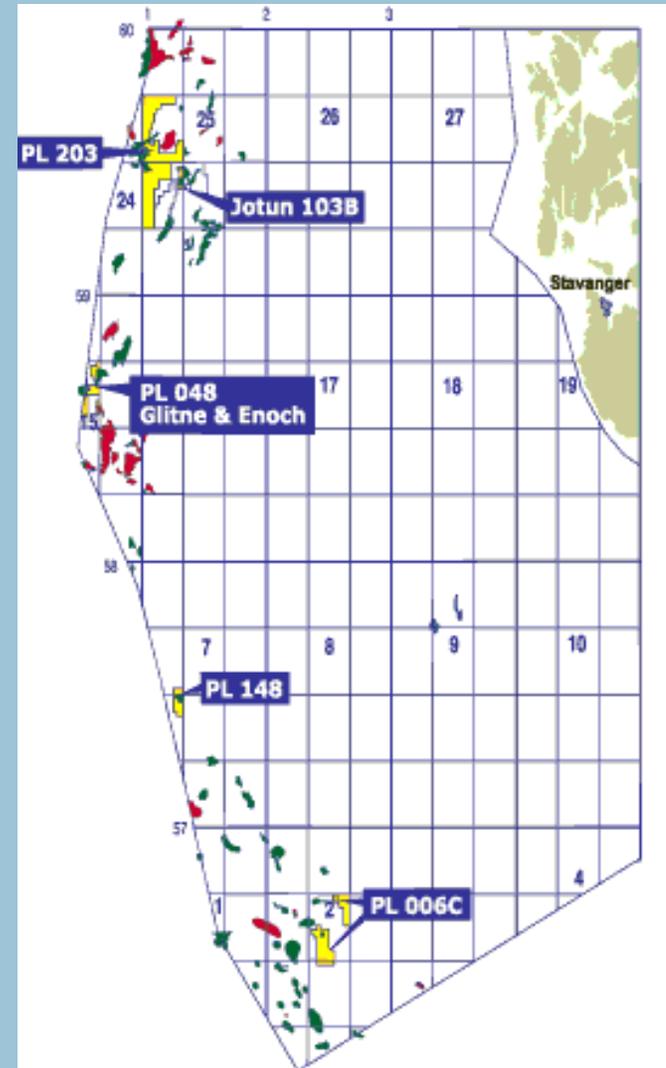


License	%	Operator
Jotun Unit	7,00	Exxon/Mobil
PL 048B Glitne & Enoch	10,00	Statoil
PL 203	15,00	Marathon
PL 148	30,00	Amerada Hess Ltd
PL 006C, Tyr	10,00	Amerada Hess Ltd

2002 Outlook - Norway



- Annual production within target range - 7.000 BOPD
- Infill drilling on Jotun
- Harvest on Glitne
- Work pro-actively for PL 203 PDO
- Evaluate new assets



Yemen - Status



License	%	Operator
Block 32 Tasour	41,00	DNO
Block 53 Sharyoof	32,60	Dove Energy
Block 43	73,00	DNO

2002 Outlook - Yemen



- Annual production 9.000 BOPD i.e. better than target
- Increase in recoverable reserves
- Further drilling on Tasour and Sharyoof
- Prepare for Block 43 drilling campaign (Q1 2003)



Income statement



	Q2 2002	Q1 2002	Q4 2001	Q3 2001
Operating revenues	457,1	368,4	271,0	327,2
Operating costs	313,0	275,7	250,8	201,9
Operating profit	144,1	92,7	20,2	125,3
Earnings in ass. companies	-121,8	-3,9	-13,4	-0,1
Net financial items	-29,5	-13,3	-4,1	-13,6
Profit (loss) before tax	-7,2	75,5	2,8	111,6
Taxes	-60,5	-51,0	28,6	-69,4
Profit (loss) after tax	-67,7	24,5	31,4	42,1

Key Financials

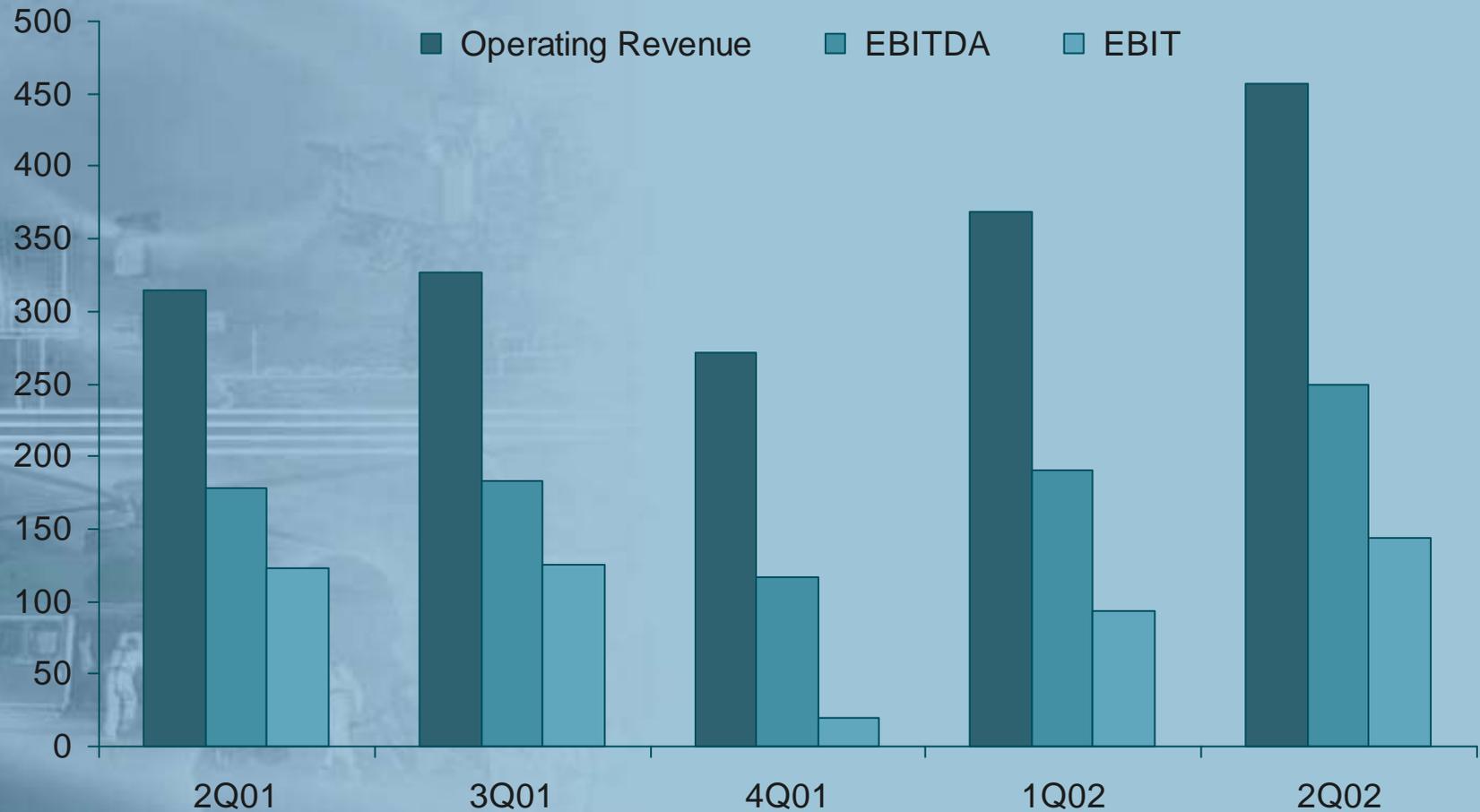


	Q2 2002	Q1 2002	Q4 2001	Q3 2001
Earnings per Share	-1,34 NOK	0,49 NOK	0,61 NOK	0,83 NOK
EBITDA per Share	4,95 NOK	3,78 NOK	2,28 NOK	2,76 NOK
EBITDA Margin	54,5 %	51,8 %	43,3 %	43,5 %
EBIT Margin	31,5 %	25,2 %	7,5 %	38,3 %
ROACE	-14,5 %	8,6 %	11,1 %	15,5 %
*CROGI	29,6 %	20,2 %	23,4 %	18,5 %
*Equity Ratio	40,3 %	38,8 %	40,0 %	39,4 %
Debt/EBITDA	0,6	1,0	1,4	1,1
*EBITDA/Interest Expense	19,1	12,8	8,2	8,2

CROGI : EBITDA - taxes (taxes payable and government share of profit oil) / gross investments

ROACE : Net profit + after-tax interest expenses / average capital employed

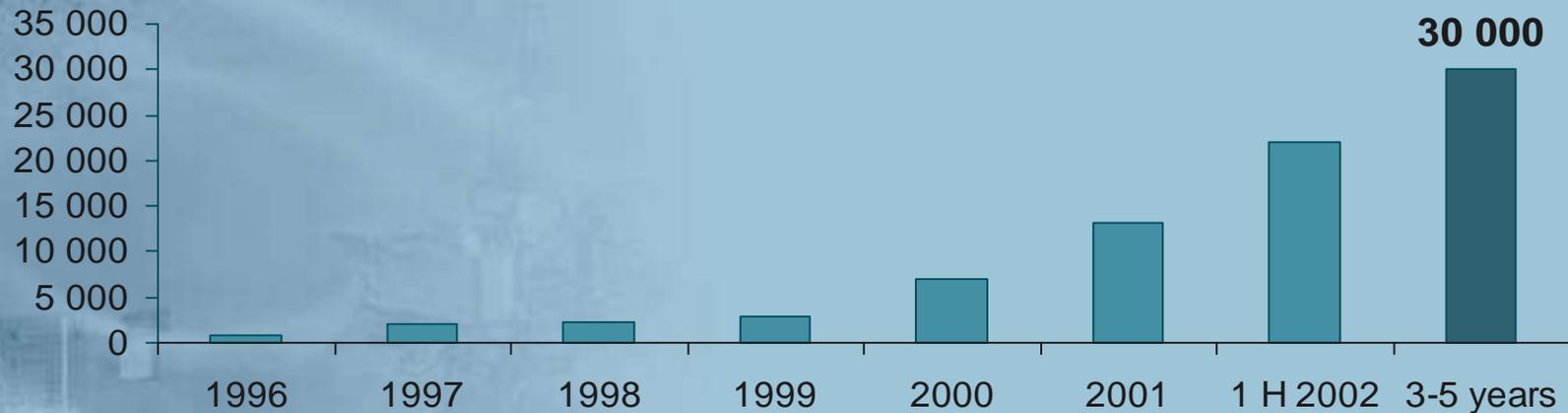
Quarterly Performance





Future growth

Continued Growth



- **Experience and expertise as Operator – well positioned in the market**
- **Large volume of undeveloped resources**
- **Strong cash-flow – improved financial position**

How to grow



- **Develop current resourcebase**
 - Heather Area
 - PL 203
- **New discoveries**
 - Block 43 Yemen
- **New assets**
 - Thistle

“Value Creation Over Time”