

A central collage of images including a worker in a hard hat, industrial tanks, a control room, a map, a wrench, and an offshore oil rig.

DNO ASA

Corporate Presentation 20.11.02

3rd Quarter 2002

Highlights 3Q 2002



- Record financial performance from Oil & Gas activity
- Strong cashflow and operating margins
- Positive results from drilling activities in Yemen and UK
- Signed agreements for two new assets
- Upgraded Oil & Gas reserves

Highlights 3Q 2002 cont....



Best financial performance from Oil & Gas activities ever:

- **Operating Revenue** **MNOK 420**
- **EBITDA** **MNOK 277**
- **Net Back after tax** **MNOK 180**
- **EBIT** **MNOK 189**
- **Net Profit** **MNOK 46**

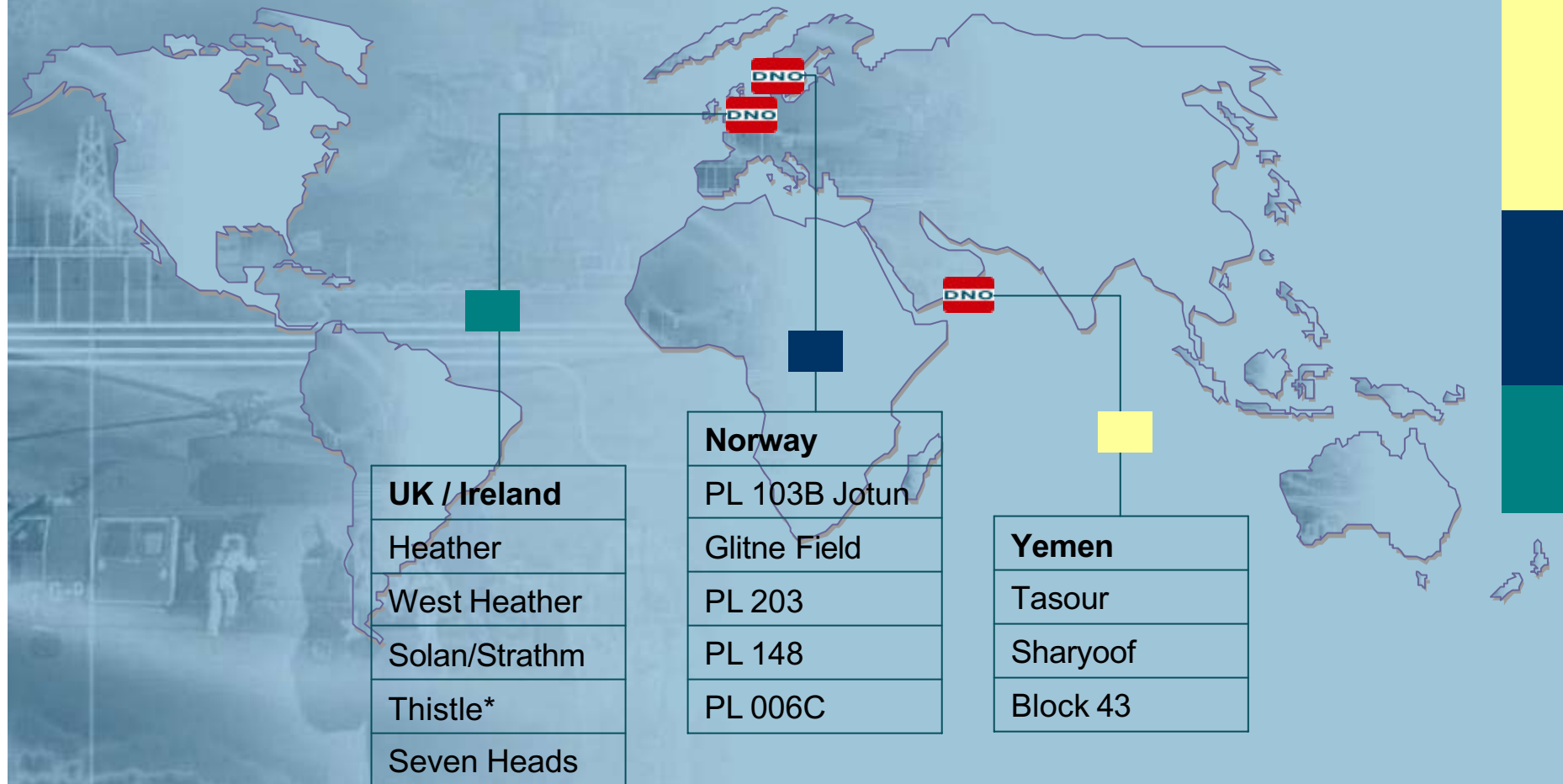


Oil & Gas Activities

DNO in the world



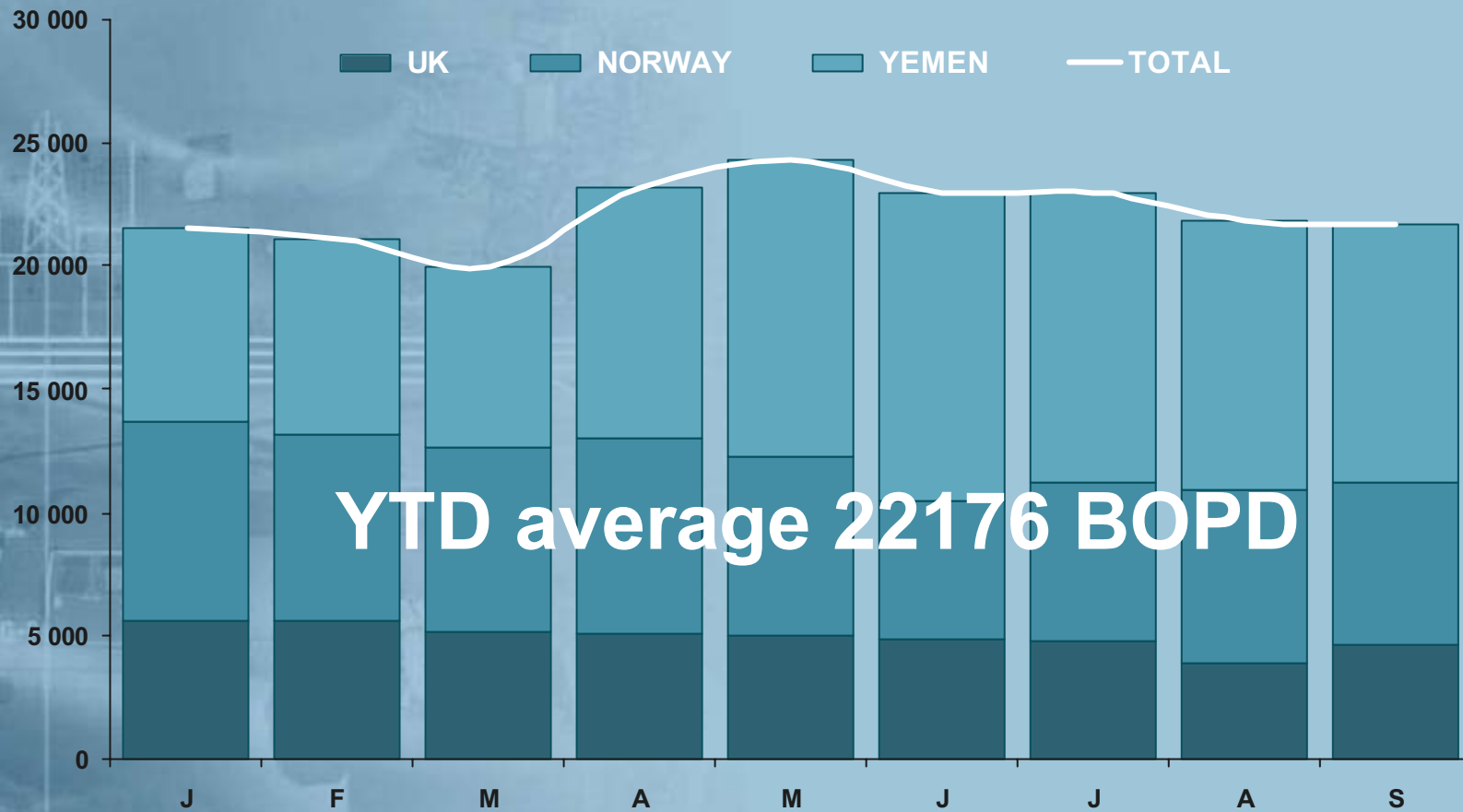
22 000
BOPD



2002 Production



Production above target

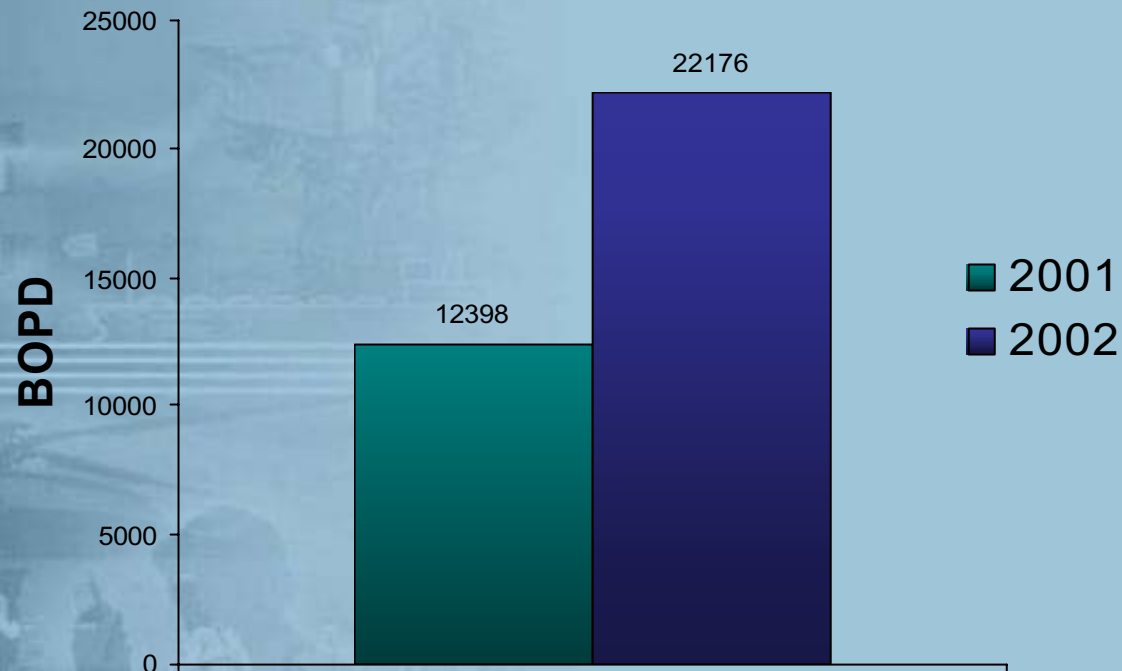


YTD average 22176 BOPD

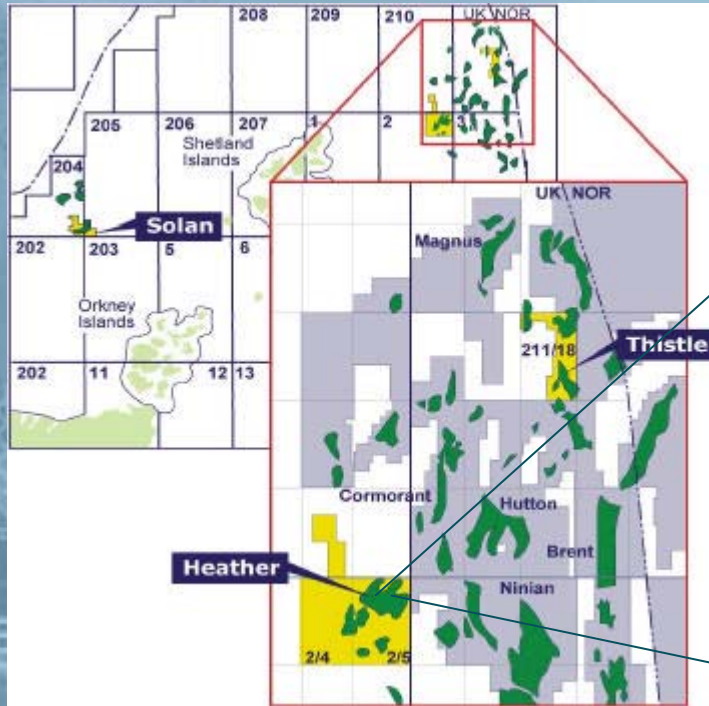
Production YTD 3rd Quarter



Production YTD 3rd Quarter



UK Highlights



- YTD Production – 4.949 BOPD
- New Partners for West Heather Satellites
- Successful drilling results from West Heather
- Signed Agreement for Thistle Operatorship



Production Test on West Heather



**West Heather
Well 2/5-19y**

6000 BOPD

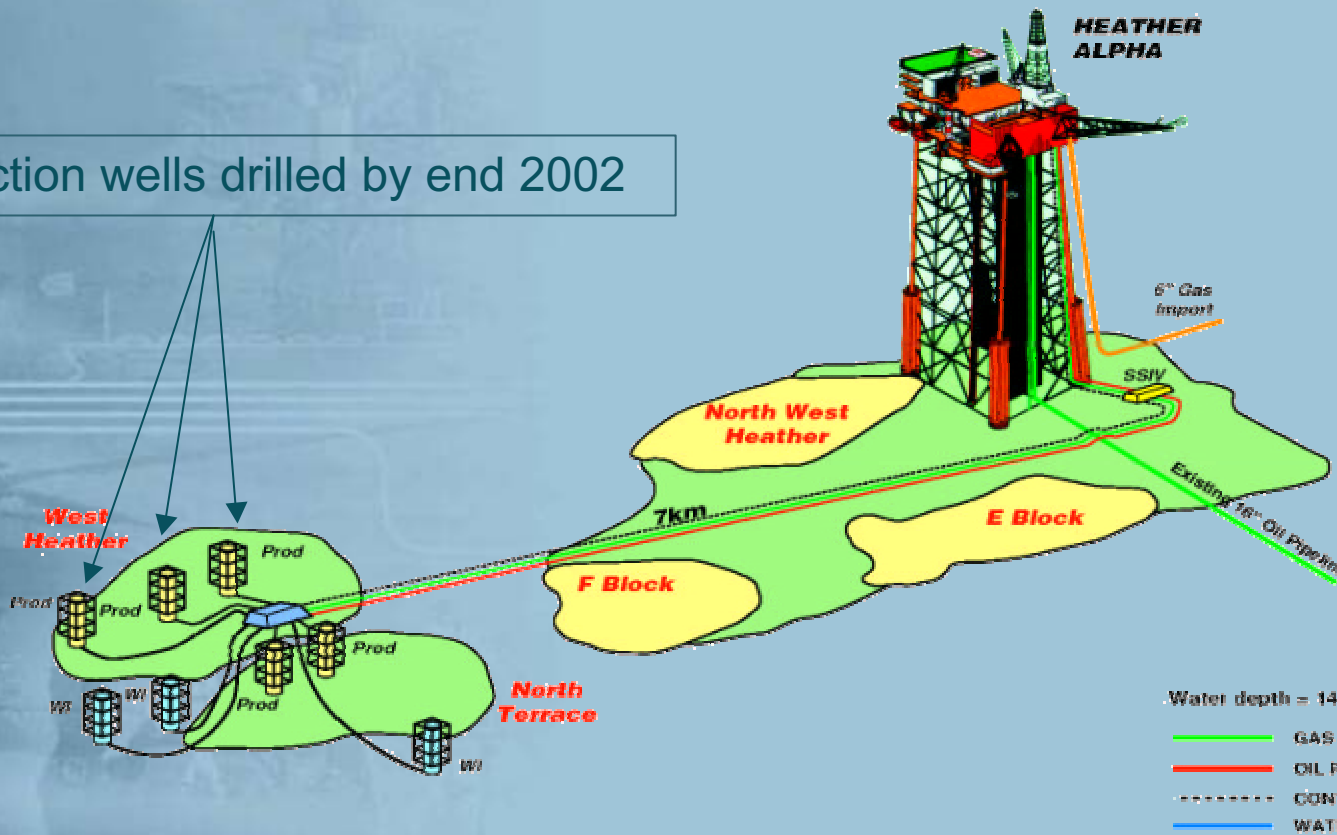
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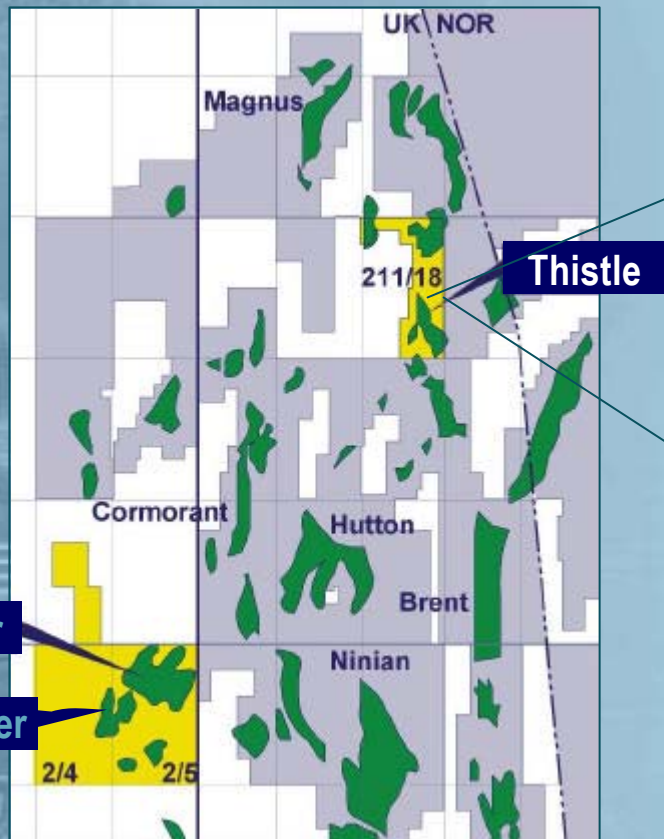
Heather Area Development Plan



3 Production wells drilled by end 2002



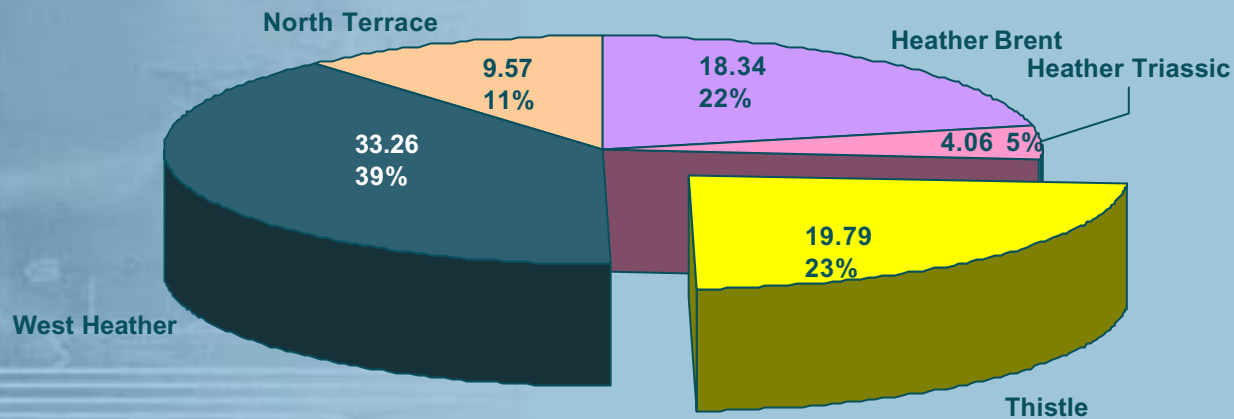
Thistle



Thistle Platform is located 75 km NE of Heather

Current Production
5.500 BOPD

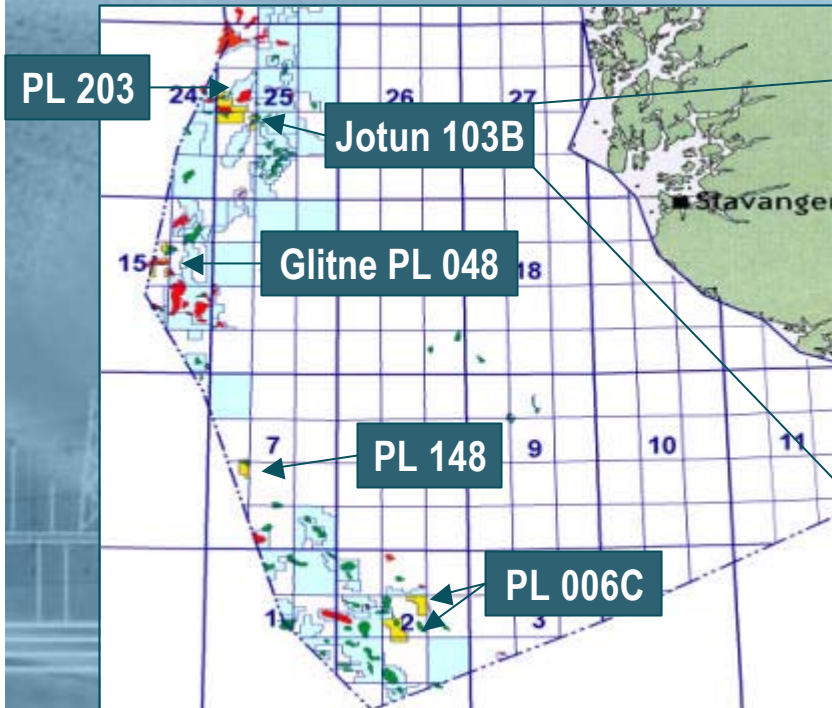
UK Proven + Probable Reserves (MM BBLs)



Total 85.02 MM BBLs

Net DNO 65.8 MM BBLs

Norway Highlights

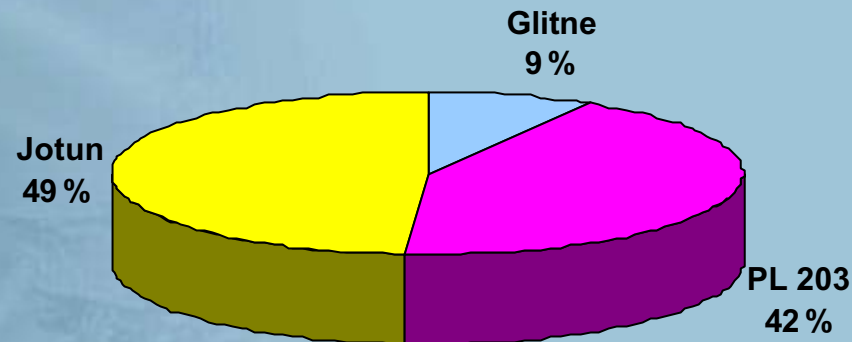


- YTD Production – 7.030 BOPD
- Glitne Performance better than Plan
- 2 Infill Wells drilled on Jotun
- PL 203 Reserves Increased





Norway Proven + Probable Reserves (MM BBLs)

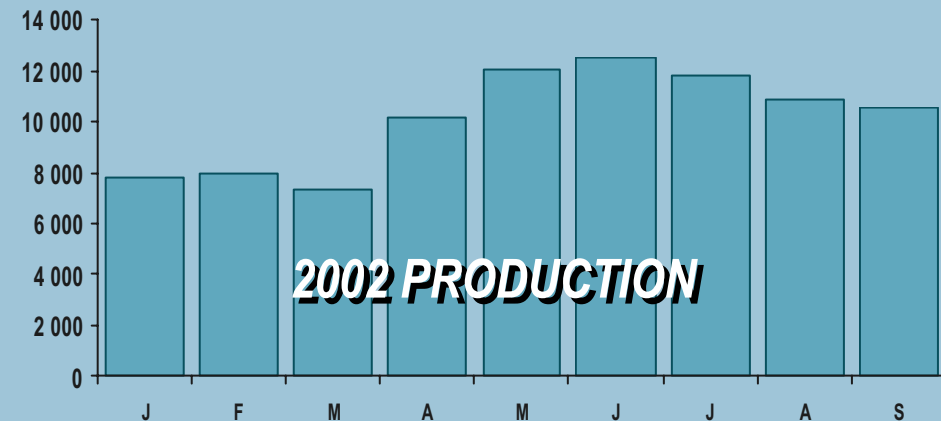


	Gross	DNO
Initial Reserves	376	40
Produced to date	114	8
Remaining	262	32

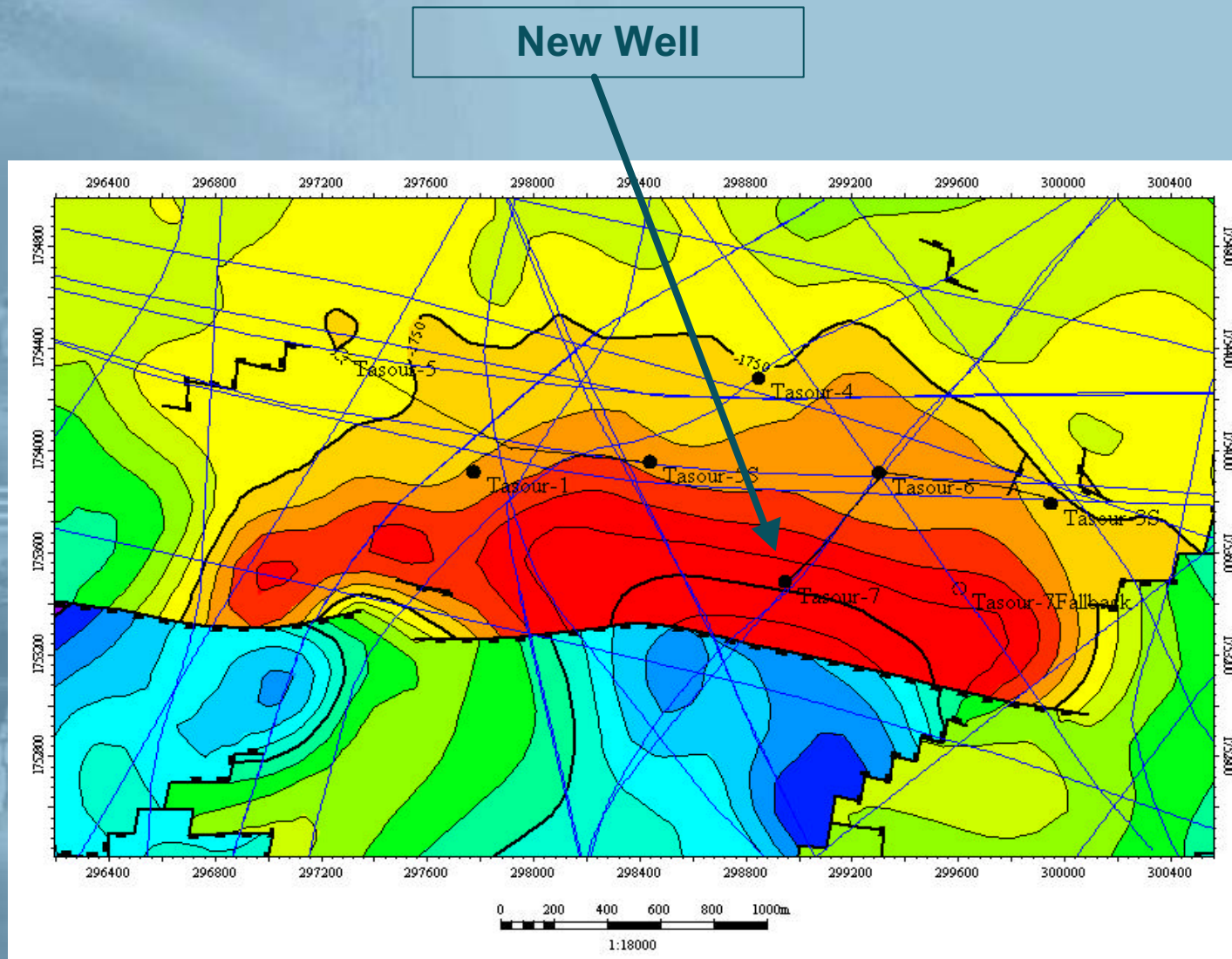
Yemen Highlights



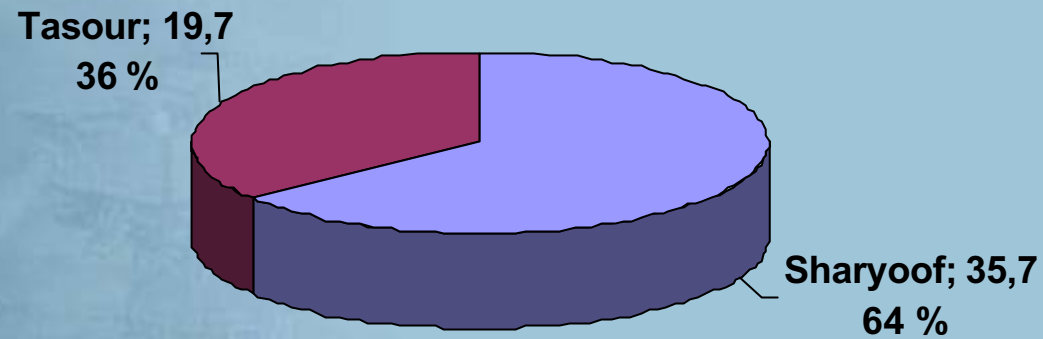
- YTD Production – 10.073 BOPD
- Production above Target
- New Well on Tasour Doubled Reserves
- Drilling activities continue in 4 Q



Tasour Map

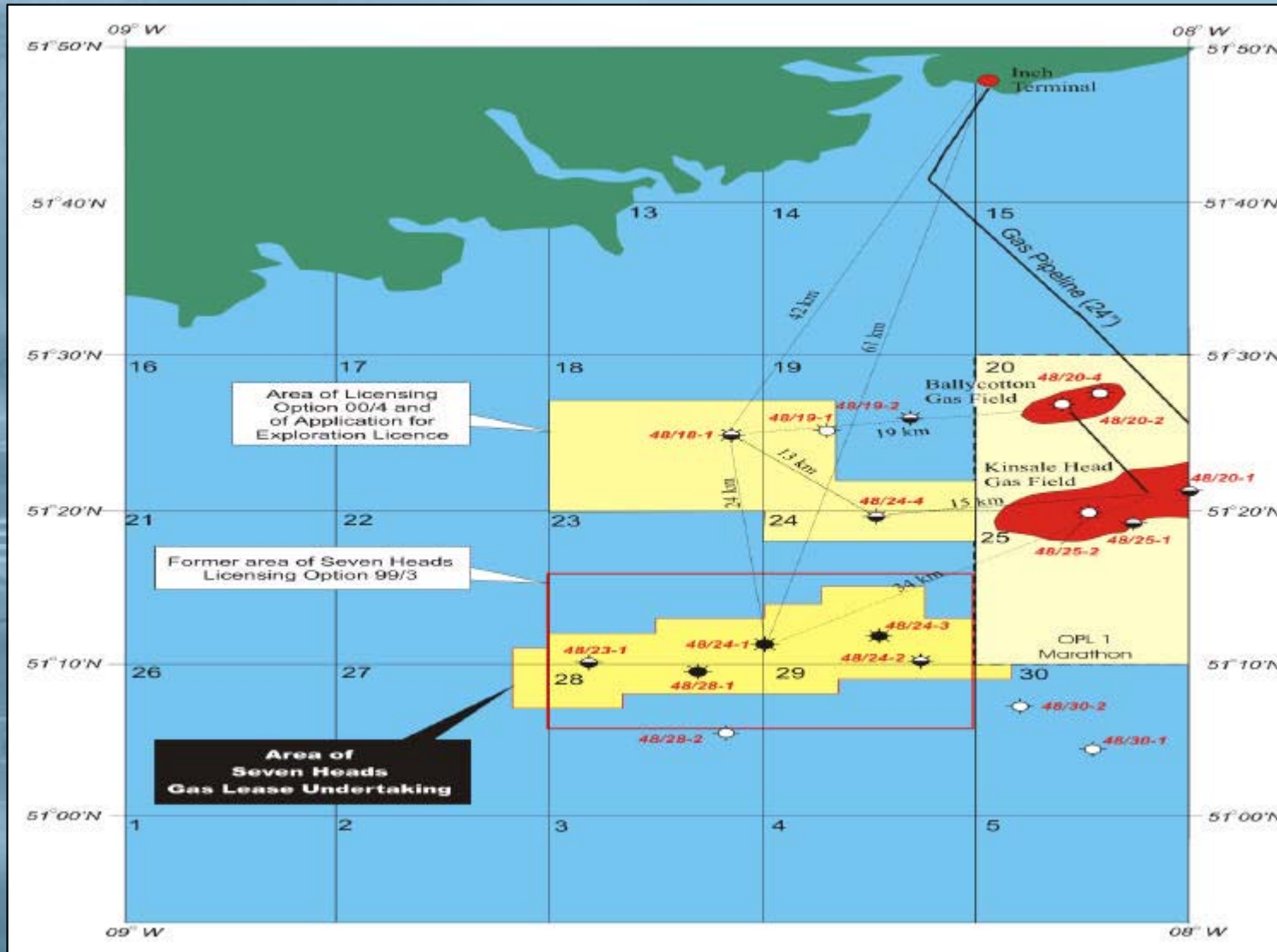


Yemen Proven + Probable Reserves (MM BBLS)



	Gross	DNO
Initial Reserves	55,2	18,9
Produced to date	13,0	4,6
Remaining	42,2	14,3

Seven Head Location



Seven Heads - Overall Field Layout Schematic

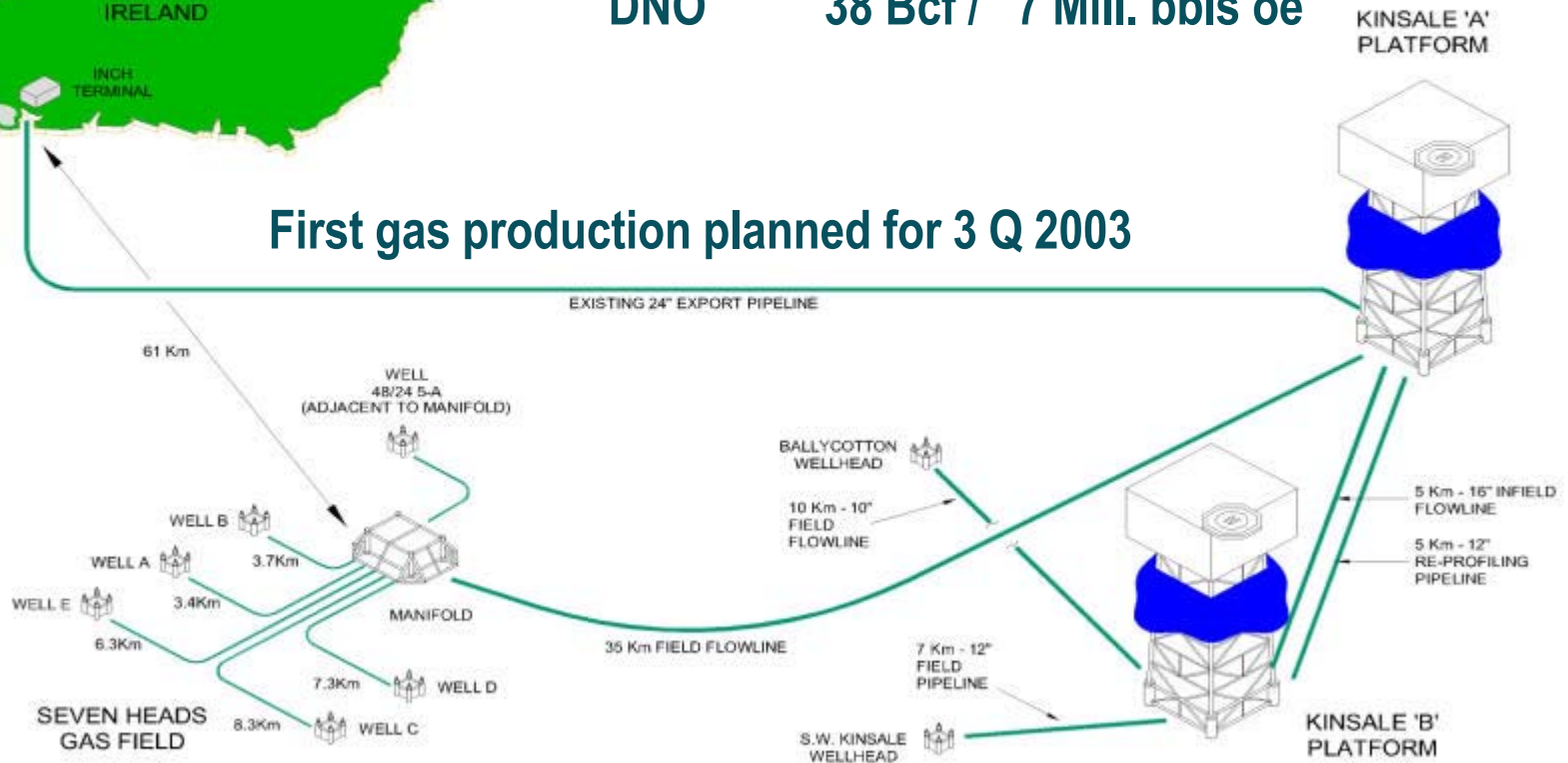


Reserves (p + p)

Gross 300 Bcf / 55 Mill. bbls oe

DNO 38 Bcf / 7 Mill. bbls oe

First gas production planned for 3 Q 2003



SEVEN HEADS DEVELOPMENT
OVERALL FIELD LAYOUT SCHEMATIC

Summary and Short Term Outlook



- 2002 Production > 22.000 BOPD
- Total DNO "P + P" Reserves increased to 119 Mill. Bbls *
- West Heather Development Plan expected to be presented to DTI beginning of 2003
- Continued drilling activities in Yemen during next 3-4 months
- Seven Heads Development Plan expected to be approved by end 2002 – with first gas production planned 3 Q 2003
- Thistle take-over could take place by end 2002 – subject to DTI approval – increasing production to > 27.000 BOPD

* Including Thistle



Key Financials

3rd Quarter 2002

Financial Highlights 3Q 2002



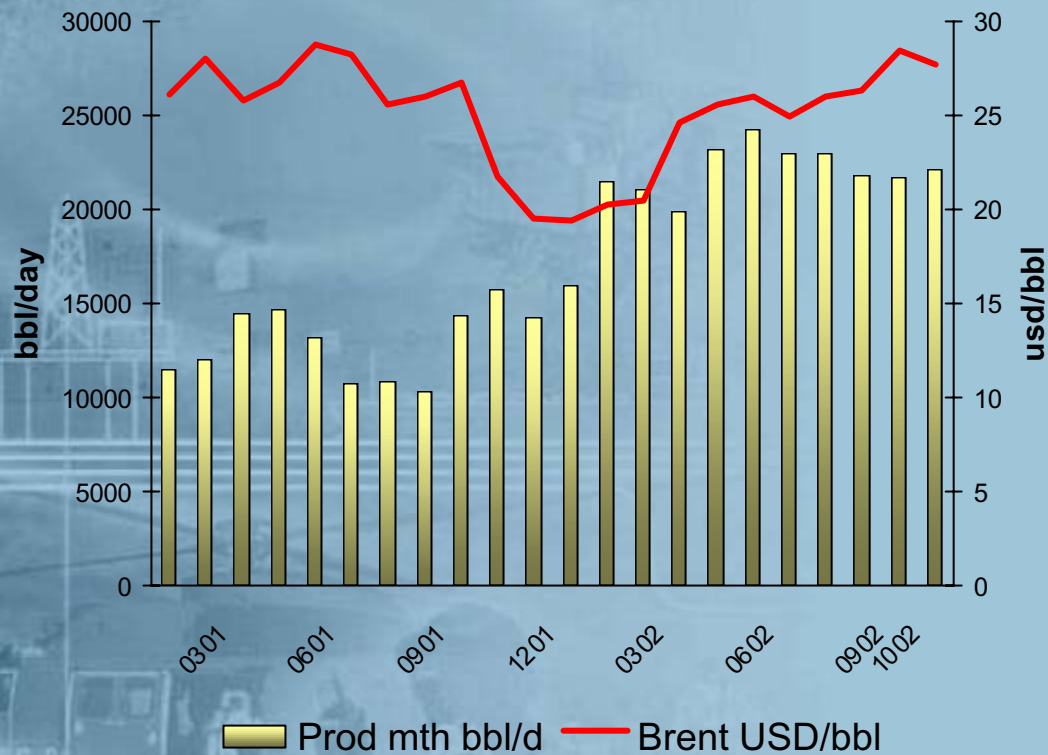
- EBITDA NOK 277 mill., YTD NOK 716 mill.
- Net back after taxes paid NOK 180 mill, YTD 457 NOK mill.
- Oil price increase offset by lower production and FX rate
- Increased reserve estimates in Yemen reduce DD&A expenses
- NOK 5.4 mill. amortization of Timan Pechora project
- NOK 20 mill. share of loss in Petrolia Drilling ASA in 3rd quarter

Financial Highlights 3Q 2002



- Strong improvement in net finance
- Increase in taxes from NCS / INT (BI. 53 Cost Recovery)
- Net profit NOK 46 mill. (up 10% from 3Q 01)
- NOK 35 mill. share issue

DNO Production vs. Brent Oil Price



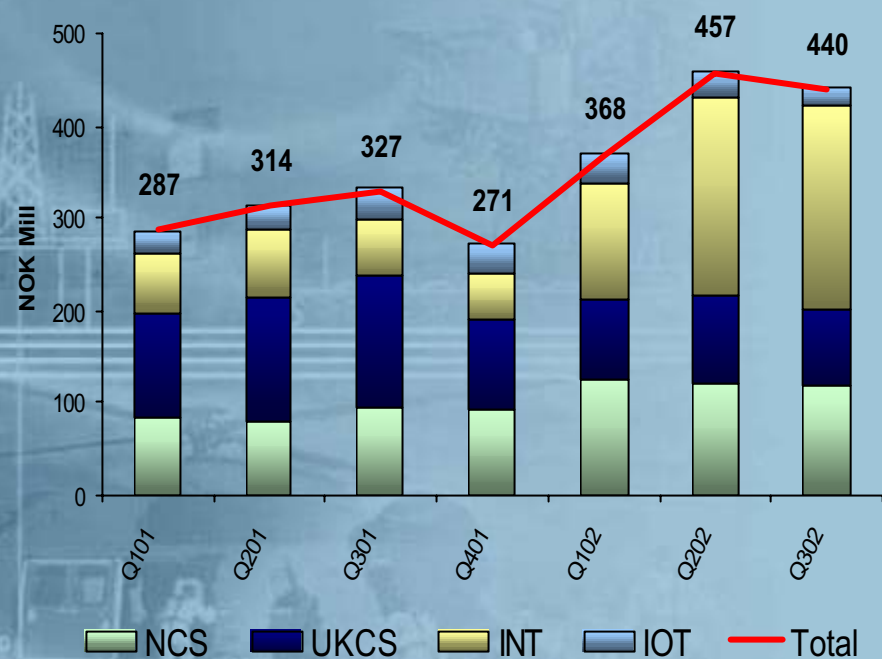
HIGHLIGHTS:

- Increase in Brent quarterly average to USD 26.80 in 3Q 02
- Average production for 3Q 02 22.176 BOPD (3Q 01 11.722)

Operating Revenue 3Q 2002



Revenues per Business Area



HIGHLIGHTS:

- NOK 440 mill. operating revenue in 3Q 02 (up 35% from 3Q 01)
- Operating revenue decline 3.7% in 3Q 02 from 2Q 02, due to fall in production NOK 22 mill. and lower FX NOK 33 mill, partly offset by higher oilprices NOK 38 mill.

Income Statement 3Q 2002



GROUP (NOK mill.)	3Q02	2Q02	1Q02	YTD02	YTD01
Operating Revenues	440	457	368	1 266	928
Exploration and Impairment	-7	-53	-33	-93	-9
Operating Exp., excl expl & DD&A	-157	-155	-145	-456	-402
EBITDA *	277	249	191	716	518
EBITDAX **	283	302	224	810	527
DD&A	-78	-96	-86	-261	-154
Abandonm. Provisions, Write-down	-9	-9	-12	-30	-17
Operating Profit	189	144	93	426	347
Earnings in Associated Companies	-20	-122	-4	-146	-20
Net Financial Items	-3	-30	-13	-46	-22
Profit (loss) before Tax	166	-7	75	234	305
Taxes	-120	-60	-51	-231	-202
Profit (loss) after Tax	46	-68	24	3	103

* EBIT adjusted for DD&A, abandonment provisions and write-downs

** EBITDA adjusted for G&G, exploration, dry hole expenses and impairment

HIGHLIGHTS:

- Record EBITDA and Operating Profit
- DDA reduced due to increased reserve estimates in Yemen
- NOK 20 mill. share of loss in PDR
- Increase in taxes due to INT (Bl. 53) and NCS
- No adjustment of deferred tax asset

Net Finance 3Q 2002



HIGHLIGHTS:

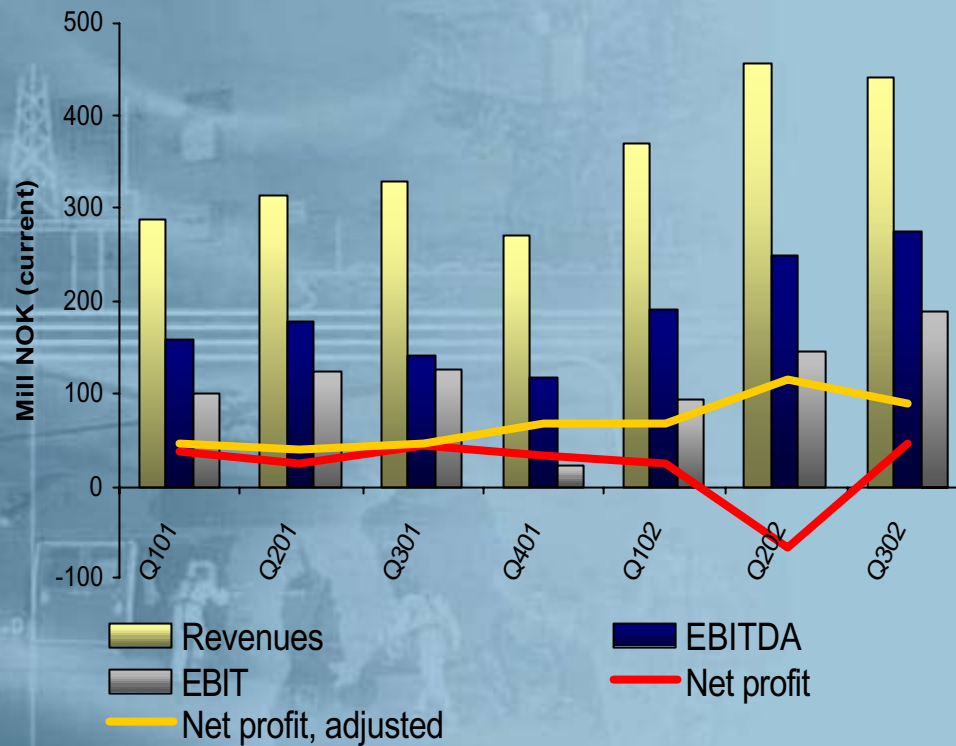
- Lower unrealized disagio
- Strong improvement in net finance
- NOK 46 mill. YTD income from FX-contracts and swaps

GROUP (NOK mill.)	3Q02	2Q02	1Q02	Ytd 02	Ytd 01
Interest revenues	4	2	3	9	26
FX-contracts, swaps	4	36	6	46	7
Agio, other financial revenues	4	5	0	9	22
Interest expenses	-15	-13	-15	-43	-32
Disagio	-1	-58	-3	-62	-23
Other financial expenses	0	-1	-5	-6	-21
Net Finance	-3	-30	-13	-46	-22

Revenues, EBITDA, EBIT and Net Profit



Revenues, EBITDA, EBIT, net profit



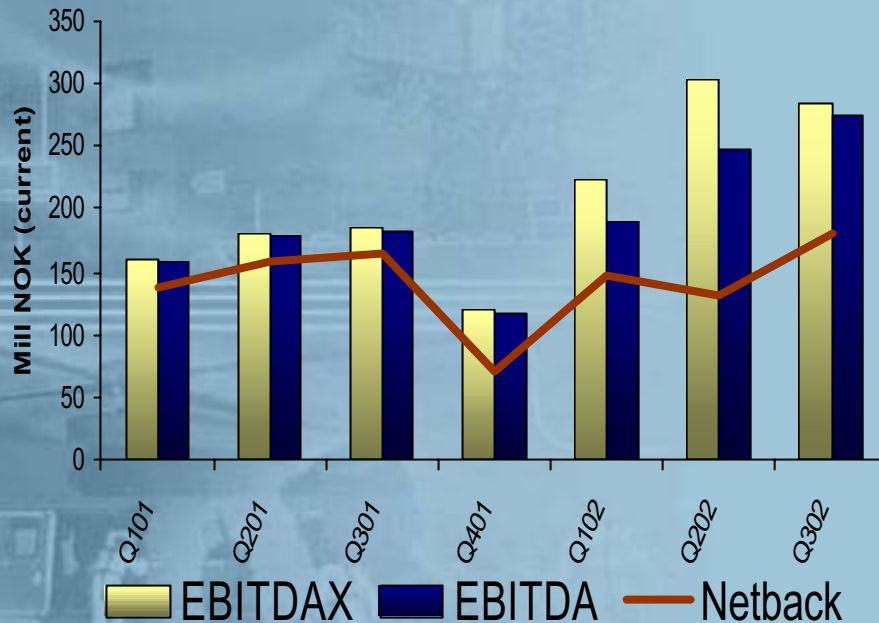
HIGHLIGHTS:

- Increasing EBITDA and Operating Profit
- Net Profit improvement 3rd quarter (PDR ASA writedown 2nd Quarter)
- Steady development in net profit adjusted for PDR ASA, Timan Pechora, and dry well costs

Net Back After Tax 3Q 2002



EBITDA, EBITDAX and NETBACK



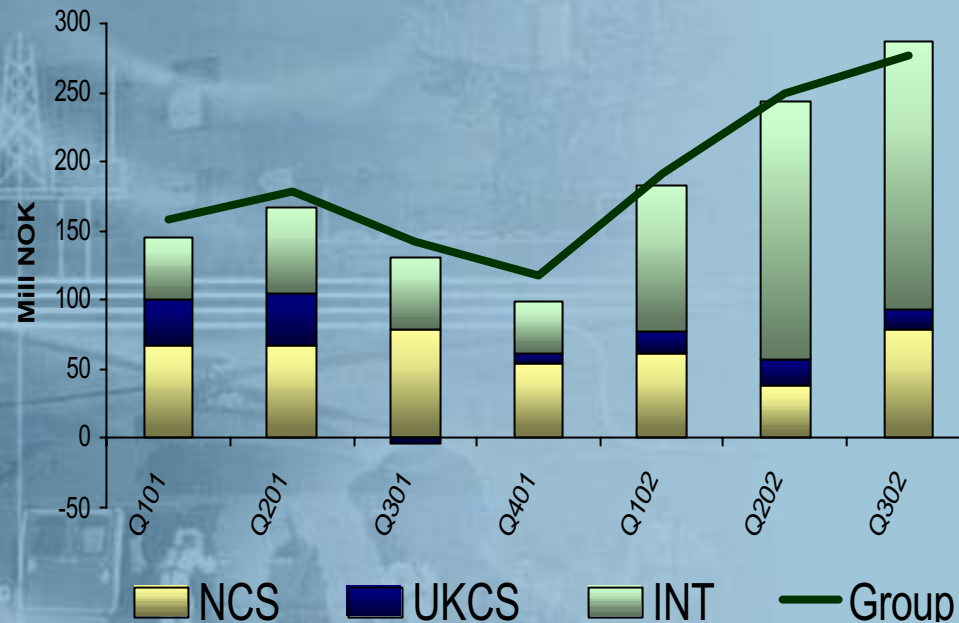
HIGHLIGHTS:

- Netback (after taxes paid)
NOK180 mill. in 3Q 02
(NOK 164 mill. in 3Q 01)

EBITDA per Business Area



EBITDA per Business Area



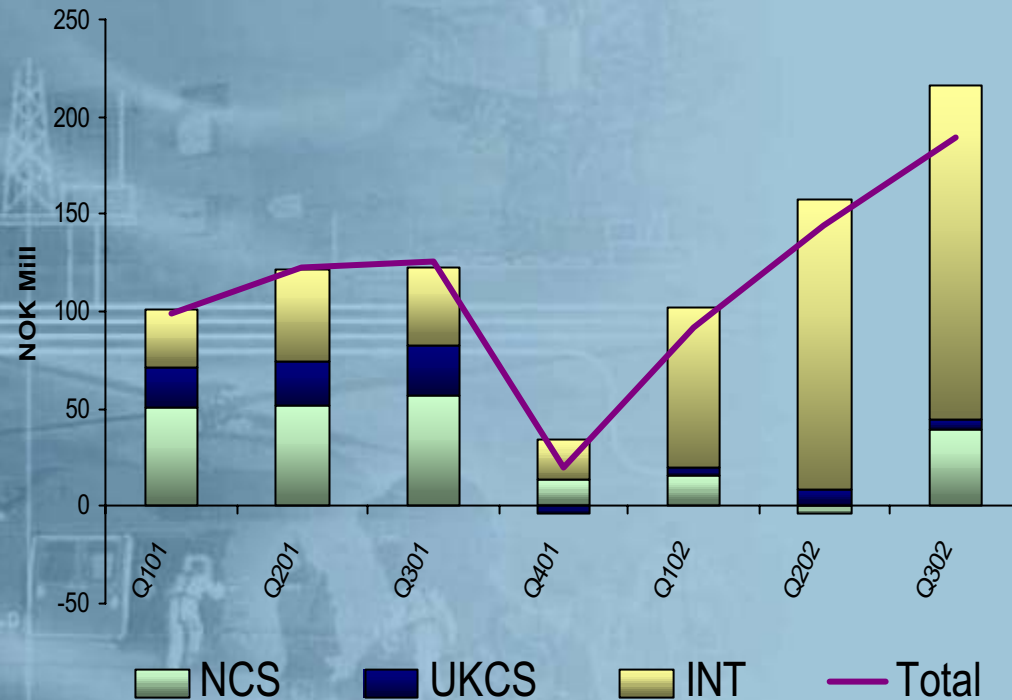
HIGHLIGHTS:

- INT still generates more than 70% of total EBITDA
- NCS improved from 2nd quarter due to no dry well costs in 3Q 02

EBIT per Business Area



EBIT per Business Area (O&G)



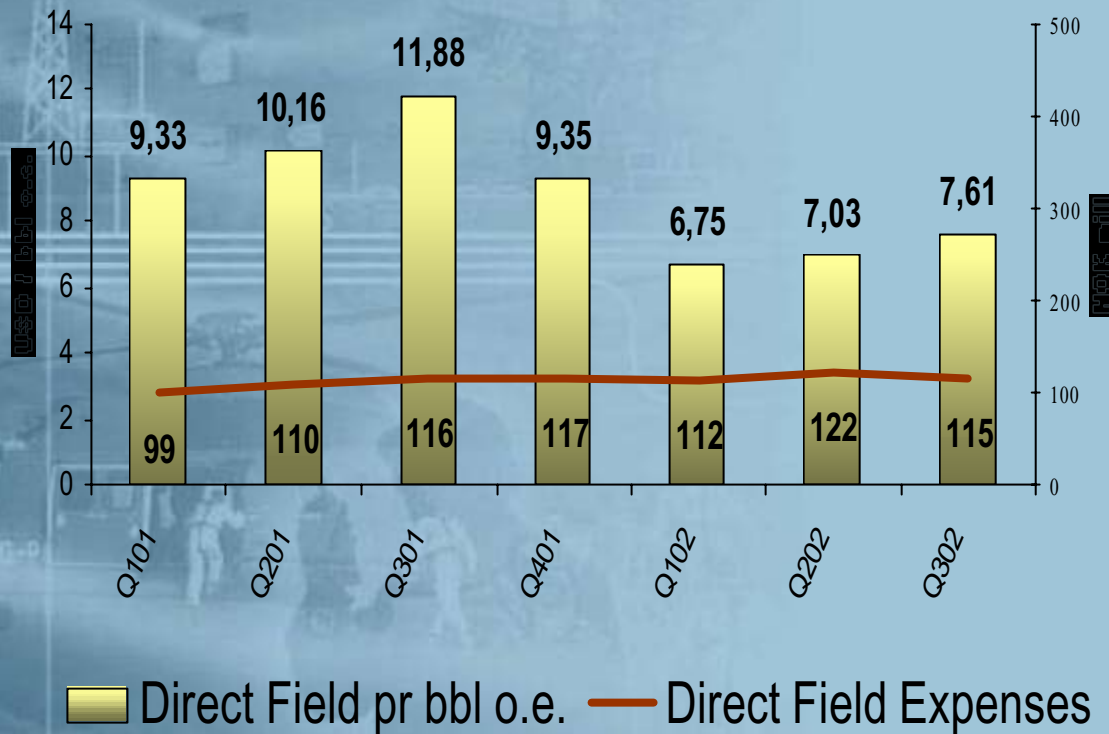
HIGHLIGHTS:

- Strong EBIT due to INT and NCS

Group Direct Field Expenses per bbl



Production and transportation expenses - total and per barrel oil equiv.



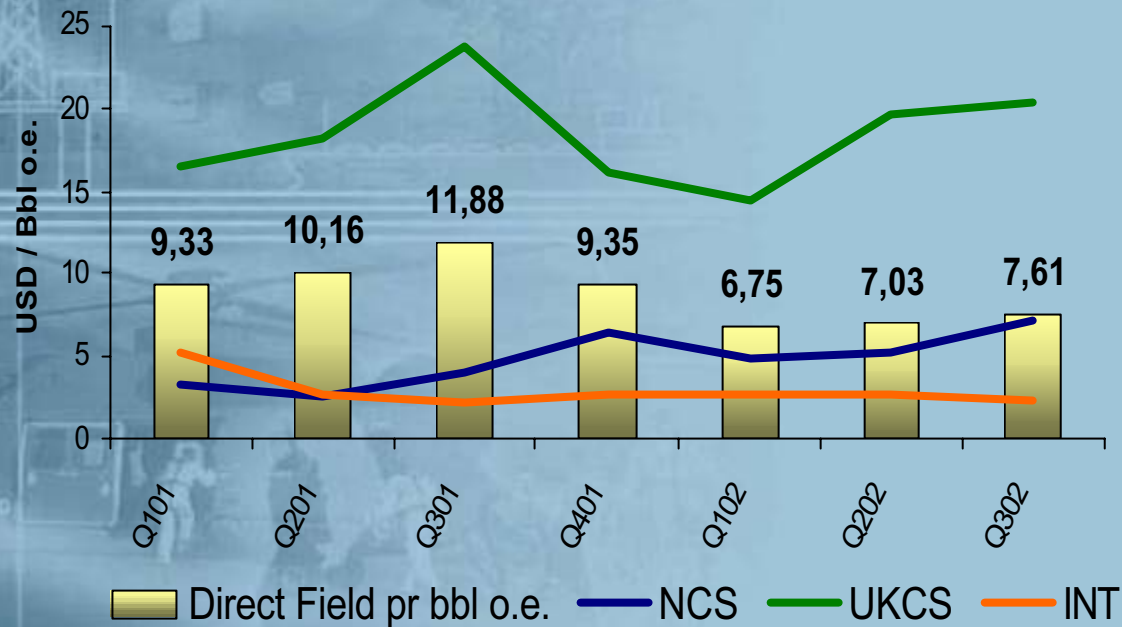
HIGHLIGHTS:

- Per bbl direct field expenses USD 7.61 in 3Q 02 (down 36% from 3Q01)
- 3Q 02 total direct field expenses reduced by 5.7% compared to last quarter

Group Direct Field Expenses per bbl



Production and transportation expenses per barrel oil equiv.



HIGHLIGHTS:

- Lower direct field expenses INT and UKCS in 3Q 02
- Lower production in UKCS and NCS increases pr bbl costs.

Balance Sheet 3Q 2002 – Assets



HIGHLIGHTS:

- Received USD 15 mill. payment from Unocal in exchange for letter of credit covering Heather decommissioning
- Zero book value of shares in Petrolia Drilling ASA
- NOK 73 mill. cash increase

GROUP Assets	3Q02	2Q02	1Q02	YE 2001	YE 2000
(NOK mill.)					
Fixed Assets	1 349	1 331	1 453	1 372	632
Financial Fixed Assets	299	309	475	485	495
Intangible Assets	144	146	148	150	128
Total Fixed Assets	1 792	1 787	2 076	2 006	1 254
Cash and Cash Equiv.	210	137	156	164	88
Other Current Assets	328	295	245	184	255
Total Current Assets	538	432	400	347	343
Total Assets	2 330	2 218	2 477	2 353	1 597

Balance Sheet 3Q 2002 – Shareholders' Equity and Liabilities



HIGHLIGHTS:

- Decrease in long-term liabilities due to NOK 80 mill. reduction in deferred tax liability
- Increase in short-term debt due to higher payable tax and accrued expenses

GROUP Shareholders' Equity and Liabilities	3Q02	2Q02	1Q02	YE 2001	YE 2000
(NOK mill.)					
Shareholders' Equity	959	893	962	942	797
Interest-Bearing Long-Term Debt	618	625	738	651	158
Provisions for Liabilities and Charges	479	555	553	441	316
Total Long-Term Liabilities	1 097	1 180	1 291	1 092	474
Interest-Bearing Short-Term Debt	0	0	0	0	104
Other Short-Term Debt	274	145	223	320	222
Total Short-Term Debt	274	145	223	320	326
Total Debt and Shareholders' Equity	2 330	2 218	2 477	2 353	1 597

Cash Flow 3Q 2002

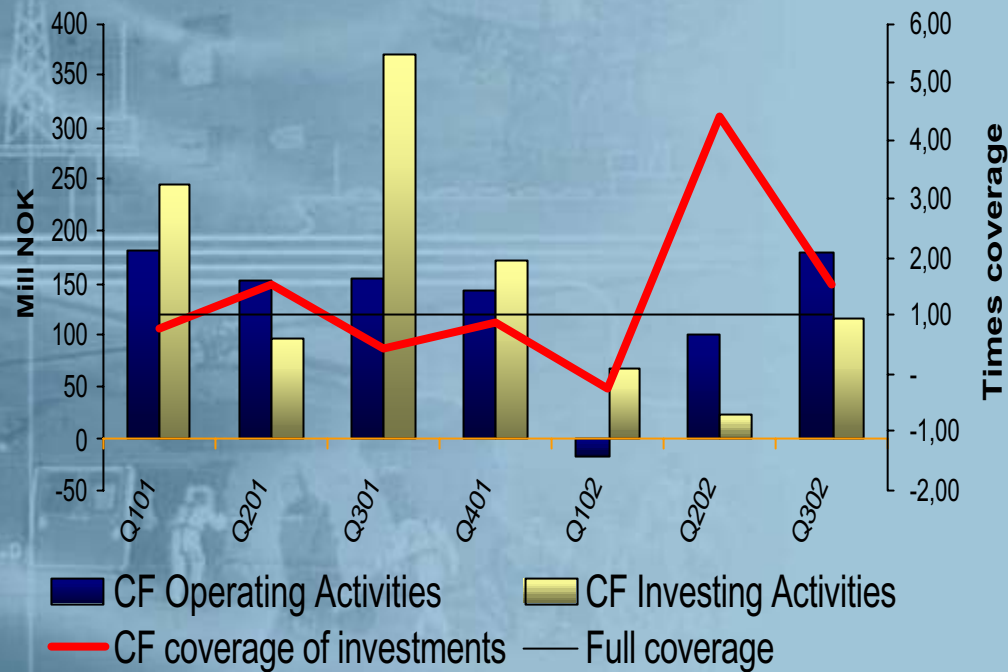


			Cash flow Group	YTD	YTD
3Q02	2Q02	1Q02	(NOK mill.)	3Q02	3Q01
			Operating activities:		
166	-7	76	Consolidated profit before tax	235	305
-97	-117	-45	Taxes paid for the period	-259	-58
83	101	92	Depreciation, depletion and amortisation	276	154
20	122	4	Associated companies	146	20
6	0	-143	Changes in working capital / other adjustments	-137	104
178	99	-16	Cash flow provided by operating activities	261	525
			Investing activities:		
-108	-28	-81	Additions to property, plant and equipment	-217	-728
-9	6	14	Net other additions / proceeds from sale of assets	11	-21
-116	-22	-67	Cash flows used in investing activities	-206	-749
			Financing activities:		
0	22	86	Loan proceeds	108	564
-9	-117	-6	Principal repayments	-132	-222
-15	0	-5	Treasury shares purchased	-20	-7
35	0	0	Ordinary shares issued	35	23
11	-95	75	Net cash used by financing activities	-9	358
73	-18	-8	Net Change in Cash	46	134
137	156	164	Cash at beginning of Period	164	88
210	138	156	Cash at end of Period*	210	222
			* Net of Removal Deposit		

Capex and Cash Flow from Operations



Capital Expenditure and CF from Operations



HIGHLIGHTS:

- Strong cash flow cover of investments
- 3rd quarter investments:
 - UKCS NOK 33 mill
 - Bl. 32 NOK 28 mill
 - Bl. 53 NOK 25 mill
 - IOT AS NOK 5 mill
 - NCS NOK 14 mill

Key Figures 3Q 2002



HIGHLIGHTS:

- Strengthening of margins.
- After tax cash flow return (CROGI) 22% YTD.

GROUP		3Q02	2Q02	1Q02	YTD02	YTD01
Earnings per Share	NOK	0,91	-1,34	0,49	0,05	2,03
EBITDA per Share	NOK	5,48	4,94	3,78	14,07	10,21
EBITDA Margin	%	62,8	54,5	51,8	56,6	55,8
EBIT Margin	%	42,9	31,5	25,2	33,6	37,3
ROACE *	%	14,6	-14,5	8,6	2,8	13,4
CROGI *	%	25,2	18,6	21,9	22,0	27,8
Equity Ratio	%	41,2	40,3	38,8	41,2	39,4
Debt/EBITDA *	x	0,6	0,6	1,0	1,1	1,7
EBITDA/Interest Exp.	x	18,6	19,1	12,8	16,7	12,6

* Annualised

CROGI : EBITDA - taxes paid and government share of profit oil / gross investments

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

20 Largest Shareholders DNO ASA



20 largest shareholders as of 18th November 2002

Share-holding	Percentage	Name	Nationality
6 563 142	12,11	INCREASED OIL RECOVERY AS	NOR
2 315 148	4,27	LARSEN OIL & GAS AS	NOR
2 000 000	3,69	DET STAVANGERSKE DAMPSKIPSELSKAP	NOR
1 710 000	3,15	THE LAW DEBENTURE TRUST	GBR
1 541 382	2,84	DNO ASA	NOR
1 537 000	2,83	UNISTAR HOLDINGS INC	USA
1 491 500	2,75	LIVIUS INTERIØR AS	NOR
1 356 259	2,5	SKAGEN VEKST	NOR
1 014 333	1,87	SLETTHEI AS LEIF INGE	NOR
884 000	1,63	VESTA LIV AS AKSJER	NOR
801 000	1,47	BUS AS	NOR
600 000	1,1	FIRSTNORDIC NORGE	NOR
544 500	1	SPAREBANKEN SOGN V/FINANSAVD.	NOR
510 700	0,94	BL TRADING & SERVICES	NOR
460 000	0,84	MYKJÅLAND BERNT	NOR
445 000	0,82	HALVORSEN JAN GUNNAR	NOR
440 500	0,81	TINE PENSJONSKASSE	NOR
411 097	0,75	SLETTHEI LEIF INGE	NOR
350 000	0,64	MOLVÆR IVAR-ARVID	NOR
325 000	0,59	MOOR SHIPPING LTD.,	GBR
Total:	% of total shares		
25 300 561	46,6		

For more information.....



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