



NOTICE TO OSE 1258/140803

Interim report, second quarter and first half of 2003 – DNO ASA

Headlines

DNO's operational and financial results for the first half of 2003 were good.

In the second quarter, the field development plan for the Broom field on the UK shelf was completed and submitted to the authorities for approval.

Three wells were drilled in the PL 203 area in the first half of the year, two of which discovered commercial oil and gas resources.

Oil production for the first half of 2003 averaged 28 726 barrels per day, resulting in total operating revenues of NOK 1 057.3 million and an EBITDA of NOK 649.0 million. EBITDA after taxes paid in the period (Netback) was NOK 323 million and net profit was NOK 161.8 million.

Shareholders' equity increased to NOK 1 121.1 million in the second quarter of 2003, and total assets rose to NOK 2 435.6 million.

The equity ratio at the end of the second quarter of 2003 was 46 per cent.

Key figures for the second quarter and first half of 2003:

| (NOK million) | <u>1st half 2003</u> | <u>1st half 2002</u> | <u>2nd q 2003</u> | <u>2nd q 2002</u> |
|-------------------------------|----------------------|----------------------|-------------------|-------------------|
| Resultat: | | | | |
| Operating revenues | 1 057,3 | 825,5 | 477,6 | 457,1 |
| Operating expenses | 584,9 | 588,7 | 277,1 | 313,0 |
| Operating profit | <u>472,4</u> | <u>236,8</u> | <u>200,5</u> | <u>144,1</u> |
| Result, associated companies | - | -125,7 | - | -121,8 |
| Net financial items | 34,0 | -42,8 | 6,9 | -29,5 |
| Profit before taxes | <u>506,4</u> | <u>68,2</u> | <u>207,4</u> | <u>-7,2</u> |
| Taxes | <u>-344,6</u> | <u>-111,5</u> | <u>-154,0</u> | <u>-60,5</u> |
| Net profit | <u>161,8</u> | <u>-43,2</u> | <u>53,4</u> | <u>-67,7</u> |
| EBITDA | 649,0 | 439,9 | 294,1 | 249,2 |
| Basic earnings per share(NOK) | 3,01 | -0,85 | 0,97 | -1,34 |

Balance sheet:

| | <u>1st half 2003</u> | <u>1st half 2002</u> |
|--|----------------------|----------------------|
| Fixed assets | 1 940,4 | 1 786,5 |
| Current assets | <u>495,2</u> | <u>431,5</u> |
| Total assets | <u>2 435,6</u> | <u>2 218,1</u> |
| Shareholders' equity | 1 121,1 | 893,1 |
| Long-term liabilities | 850,9 | 1 179,7 |
| Current liabilities | <u>463,6</u> | <u>145,3</u> |
| Total shareholders' equity and liabilities | <u>2 435,6</u> | <u>2 218,1</u> |

Reference is also made to the interim report for the second quarter and first half of 2003.

Oslo, 14 August 2003

DNO ASA

For further information, please contact:

Helge Eide, Group Man. Dir.
Haakon Sandborg, CFO

Telephone: 23 23 84 80 / 55 22 47 00
Telephone: 23 23 84 80