Presentation

Half-Year 2018 Interim Results

Corporate overview and operational highlights

Corporate overview: Foot on accelerator in Kurdistan

- DNO leading international oil company in Kurdistan operating two largest producing fields with 75 percent interest
- At 120,000 barrels of oil per day (bopd), Tawke and Peshkabir together represent one-half of total production by international operators and one-third of all Kurdistan exports
- Successful fast track appraisal and development of Peshkabir will add another 15,000 bopd by yearend
- Restarting development drilling at Tawke with two Cretaceous and two Jeribe wells to reverse natural field decline
- Commencing operations at Baeshiqa license in Kurdistan
- Seven monthly Kurdistan export payments received through July, totaling USD 330 million net to DNO year-to-date, up 60 percent from same period last year
- With reliable revenue stream and strong growth prospects, DNO plans annual dividend distribution to shareholders of USD 50 million equivalent, subject to shareholder approval next month

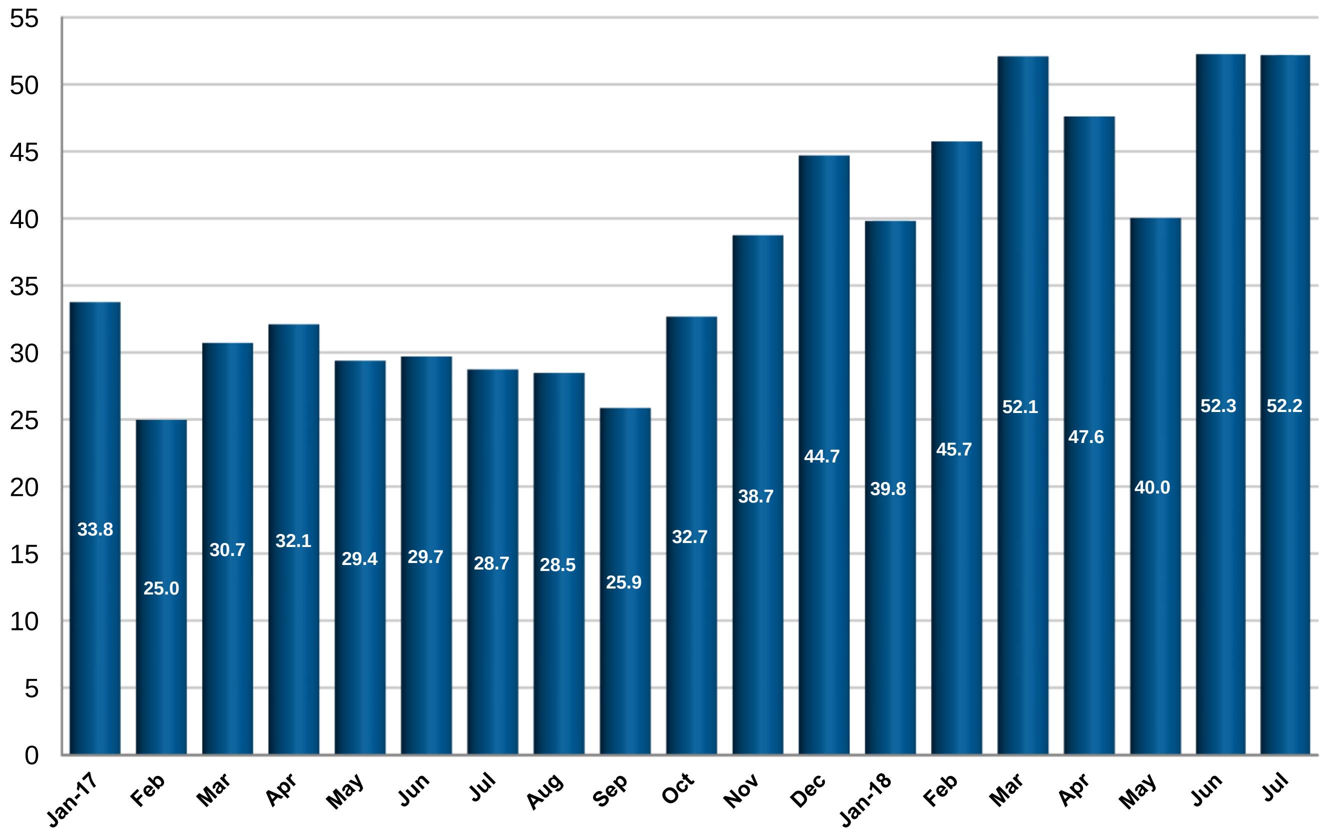
H1 2018 operational highlights

- Operated production in H1 2018 averaged 110,600 barrels of oil equivalent per day (boepd)
- Of which Kurdistan represented 106,000 bopd and Oman 4,600 boepd
- Company Working Interest (CWI) production averaged 76,800 boepd in H1 2018 and entitlement production averaged 29,000 boepd
- Projected 2018 operational spend across portfolio of USD 310 million, of which 75 percent in Kurdistan
- Including 13 wells in 2018, of which six at Peshkabir, five at Tawke and two at Baeshiqa
- Three drilling rigs active in Kurdistan with another to be added next month

H1 2018 financial highlights

- H1 2018 revenues of USD 289 million, up from USD 158 million in H1 2017
- Of which Kurdistan export payments represented USD 278 million in H1 2018, up from USD 181 million in H1 2017
- Exited H1 2018 with cash balance of USD 584 million (USD 430 million at year-end 2017)
- Plus USD 288 million in marketable securities and treasury shares (USD 58 million at year-end 2017)
- Outstanding bond debt of USD 600 million

Kurdistan export payments net to DNO by month received
January 2017 – July 2018
USD million



DNO

Fast tracking Peshkabir

- More than doubled Peshkabir production to 35,000 bopd following Peshkabir-4 and Peshkabir-5 startup in July
- Peshkabir-6 and Peshkabir-7, completed in August, about to undergo rigless test production lasting several weeks
- Two more wells scheduled in 2018 with Peshkabir-8 to spud in 10 days and Peshkabir-9 to spud in October
- New Peshkabir production target of 50,000 bopd by yearend
- Early production and successful appraisal have raised previous field 1P and 2P reserves estimates
- Peshkabir-6 key to unlocking further Cretaceous and Triassic reserves

Restarting development drilling at Tawke

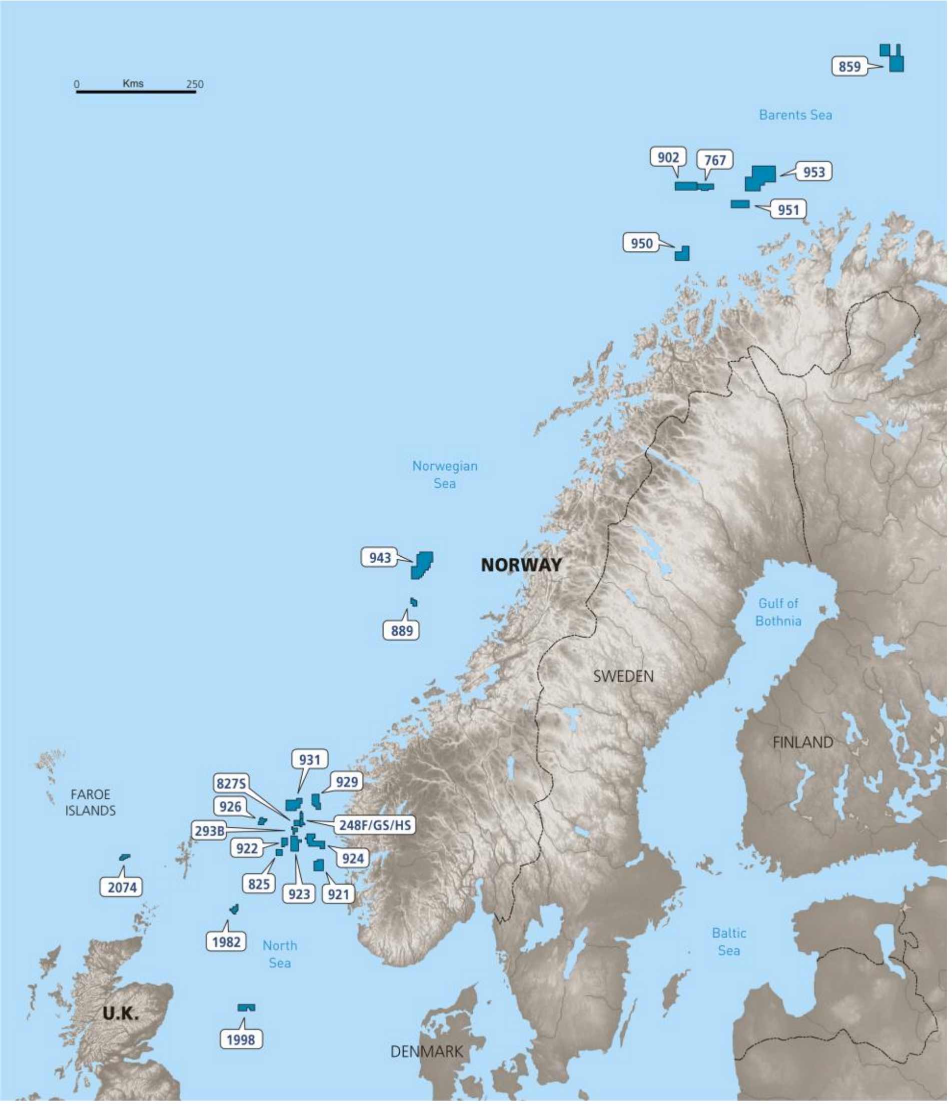
- With Peshkabir successfully launched, resuming development drilling at flagship Tawke field
- Workovers of existing wells since July have stabilized Tawke production above 85,000 bopd
- Production to climb further depending on success of new wells
- In H2 2018, two wells to drill in main Cretaceous reservoir and two in the shallow Jeribe reservoir
- Launched engineering work for Tawke enhanced oil recovery project based on injection of Peshkabir gas

Commencing operations at Baeshiqa

- Baeshiqa license contains two large undrilled structures with multiple independent stacked target reservoirs, including in Cretaceous, Jurassic and Triassic
- Extensive three-well exploration program initiated for fast-track execution
- First well to spud in September to test shallow Cretaceous horizon
- Second well to test the deeper Jurassic and Triassic on same structure in November and a third well to test the Jurassic and Triassic on a separate structure in 2019
- DNO acquired a 32 percent interest and operatorship of Baeshiqa license in 2017
- Partners include ExxonMobil with 32 percent, Turkish Energy Company with 16 percent and Kurdistan Regional Government with 20 percent

Building up new focus area

- Participating in one exploration well in the fall, followed by at least five wells next year
- Recently added six new exploration licenses to offshore Norway portfolio, including four in license swap with Lundin Petroleum
- Currently hold 21 Norway licenses, plus three licenses offshore United Kingdom
- Complemented by strategic shareholding of 28.23 percent in Faroe Petroleum
- Given size of stake, will request board seats at Faroe Petroleum and has asked for an extraordinary general meeting to be held
- Actively pursuing additional Norwegian Continental Shelf stakes, including producing assets

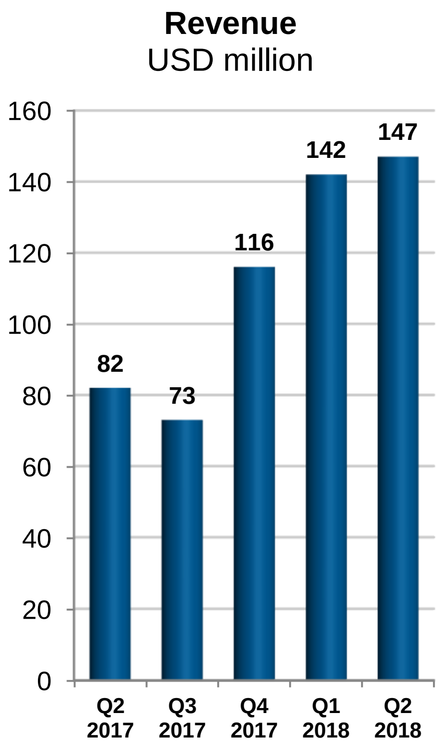


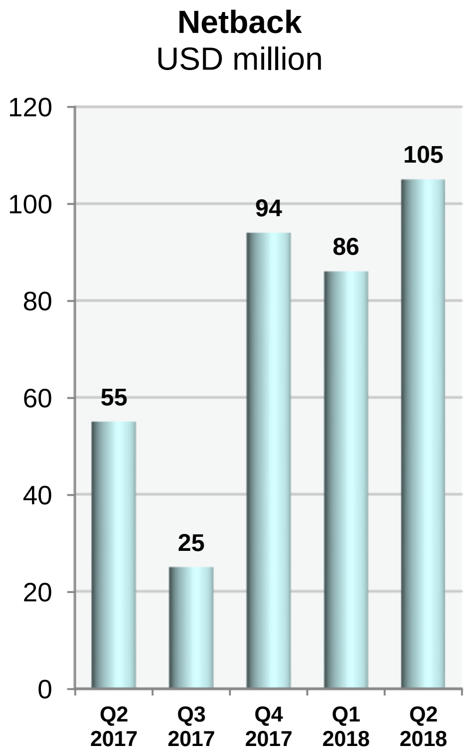
Consolidating and rationalizing portfolio

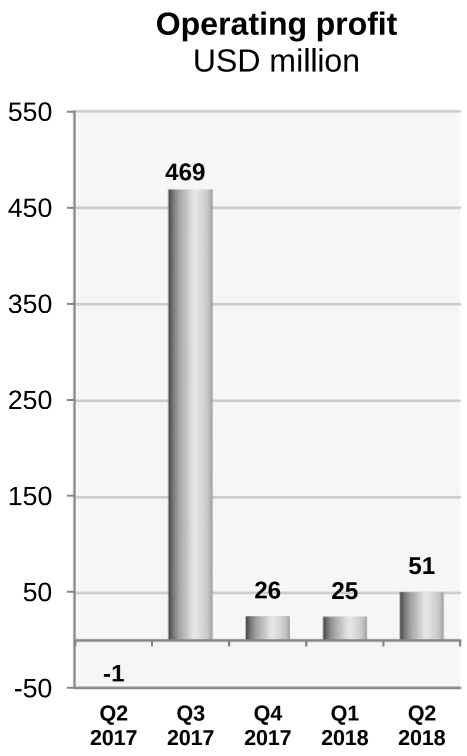
- Completed sale of Tunisia assets to Panoro Energy ASA as DNO continues to divest non-core assets and focus on expanding operations in Kurdistan and offshore Norway
- Panoro assumed all existing permit interests, rights and remaining work obligations at Sfax Offshore Exploration Permit, Ras El Besh Concession and Hammamet Offshore Exploration Permit
- Following transaction, DNO subscribed to 2,641,465 Panoro shares, representing 5.65 percent of outstanding shares
- Through Panoro, DNO retains upside exposure to Tunisian permits and will receive deferred consideration of up to USD 13.2 million from future production from Sfax Offshore Exploration Permit
- DNO exited Block SL18 in Somaliland in July

Financial review

DNO financial results – key figures







- Q2 2018 revenues stood at highest level in nearly six years
- Kurdistan receivables settlement reflected in operating profit in Q3 2017

Financial summary

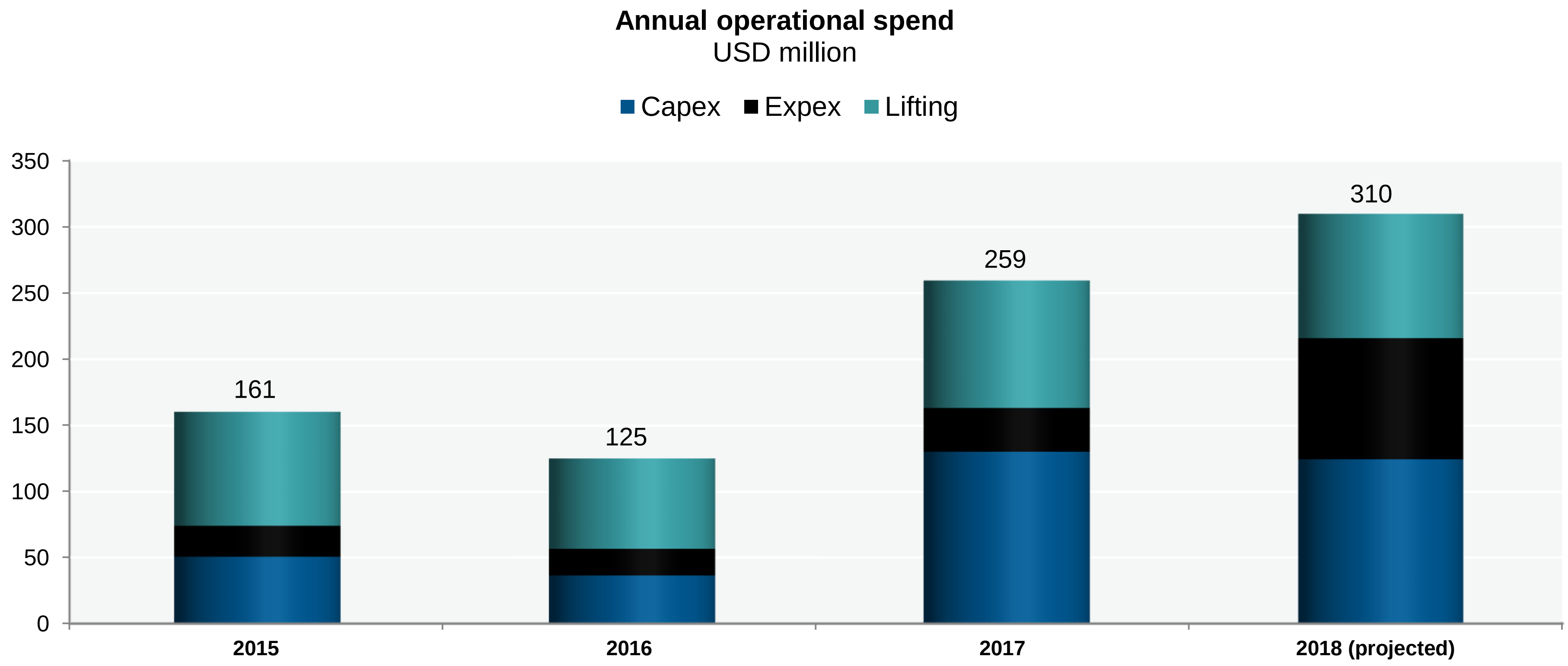
USD million	Q2 2018	Q1 2018	Q2 2017	H1 2018	H1 2017
Revenue	**147.0**	**142.3**	**81.7**	**289.3**	**158.4**
Cost of goods sold	-74.1	-75.4	-35.7	-149.5	-65.7
Gross profit	**72.9**	**66.9**	**45.9**	**139.8**	**92.6**
Expensed exploration	-11.0	-26.8	-1.5	-37.8	-3.0
Administrative expenses	-5.7	-9.9	-6.9	-15.6	-11.9
Other operating income/expenses	-4.6	-3.7	-1.6	-8.3	-3.3
Impairment of oil and gas assets	-0.4	-1.5	-37.2	-1.9	-47.8
Profit/loss from operating activities	**51.2**	**25.0**	**-1.2**	**76.2**	**26.6**
Net finance	-15.4	-10.5	-11.9	-25.9	-24.0
Profit/loss before income tax	**35.7**	**14.6**	**-13.2**	**50.4**	**2.5**
Income tax expense	6.8	3.8	0.3	10.6	-0.7
Net profit/loss	**42.5**	**18.4**	**-12.9**	**60.9**	**1.8**

- H1 2018 revenues more than 80 percent higher than H1 2017
- H1 2018 net profit of USD 61 million, up from USD 2 million during H1 2017

Strong track record in bond market

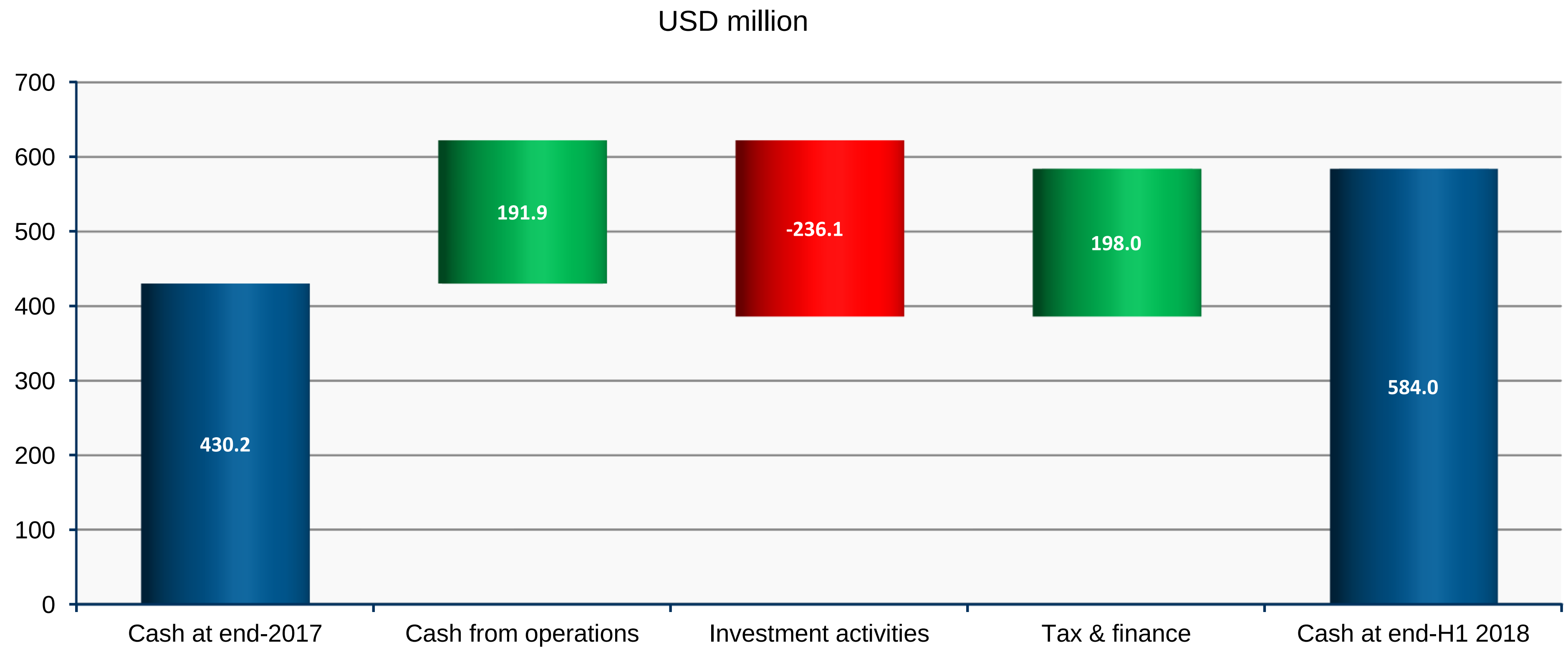
- New USD 400 million bond placement completed in May 2018 and maturing in May 2023
- Rolled over and subsequently canceled USD 200 million in nominal value of DNO01 bonds, with USD 200 million outstanding and maturing in June 2020
- Bondholders approved alignment of covenant structure and terms of DNO01 bond issue with those of the new USD 400 million placement in June 2018, providing flexibility with regard to new financing and dividend distributions
- Active in bond market since 2001 with 15 bond issues over 17 year period
- Always fully compliant with loan agreements and debt service

Investment program



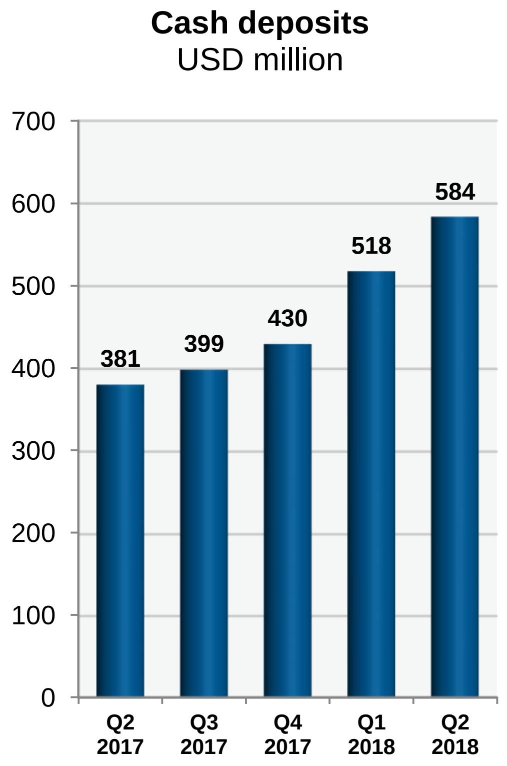
- Projected 2018 annual capex at USD 125 million
- Stepping up exploration activity in 2018

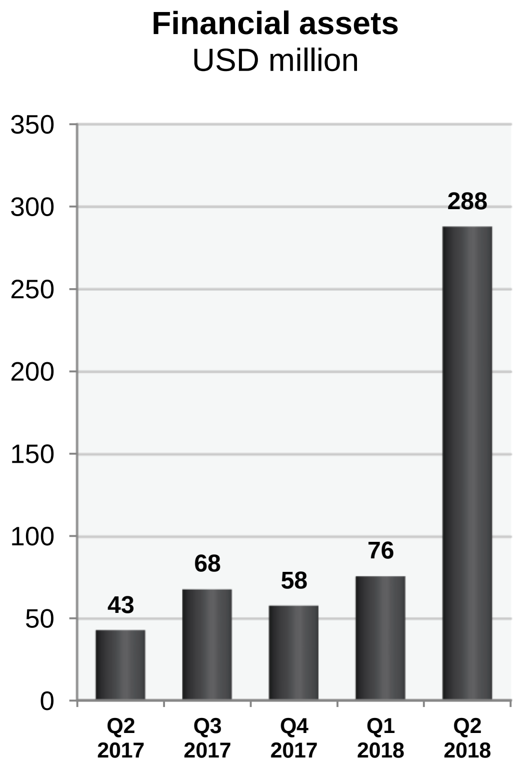
H1 2018 cash flow

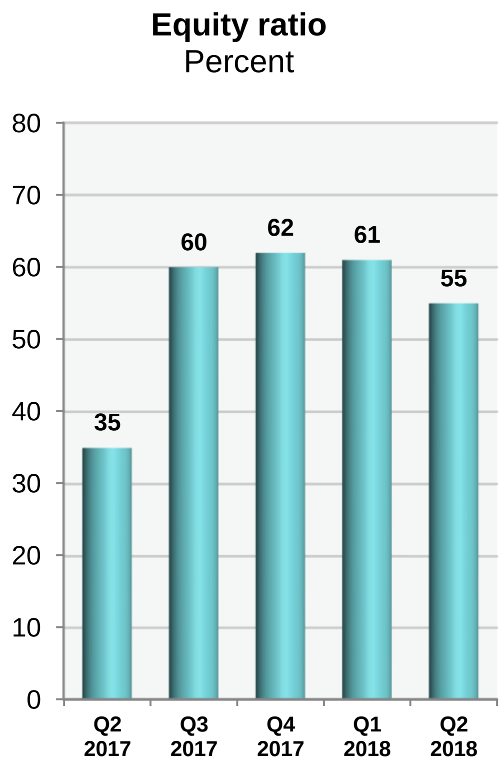


- Strong H1 2018 operational cash flow of USD 192 million
- Cash balance increase of USD 154 million since end-2017

Capital structure







- Solid balance sheet with low leverage
- Strong equity ratio of 55 percent
- Combined cash, marketable securities and treasury shares totaling USD 872 million

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