

DNO INTERNATIONAL ASA

THE KURDISTAN REGION OF IRAQ



THE NEW FRONTIER

A REGION WITH HIGH POTENTIAL

- Attractive
 - Kurdistan is unexplored relative to the rest of Iraq
 - Highly prospective area combined with early entry opportunity at a low cost on trend with very large fields including Kirkuk
 - Iraq has numerous undeveloped large fields and unexplored areas
 - Geographically close to existing export infrastructure



'Experts agree that Iraq may be one of the few places left where vast reserves, known and unknown, have barely been exploited.'

Source: Energy Information Administration, Country Analysis Brief, Iraq

DNO IN KURDISTAN

FIRST IN IRAQ

- DNO was the first foreign company to explore for oil in Iraq for decades
- We have a strong and competent organization divided between Kurdistan, Dubai, and Oslo
- Excellent cooperation with Kurdistan Regional Government
- Production facilities capable of delivering >50,000 bopd to export and domestic markets
- Flexible delivery solution
- 2,371 km² of exploration & development area



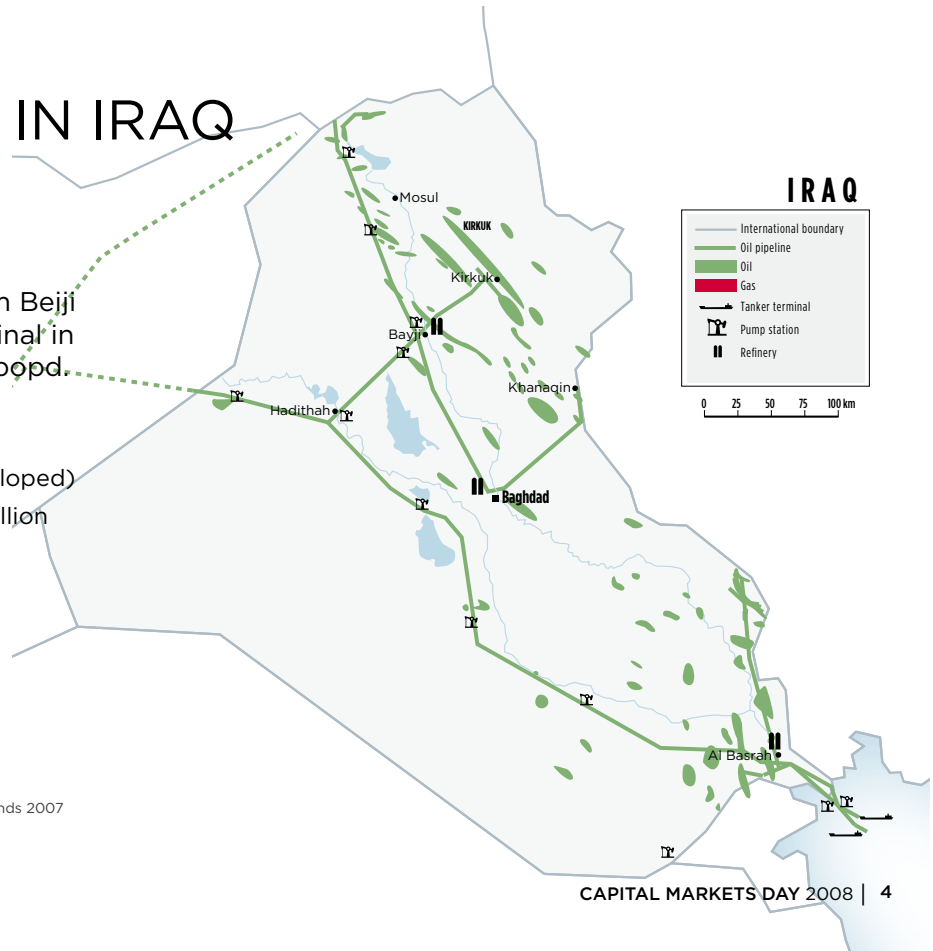
Kurdistan



INFRASTRUCTURE IN IRAQ

ESTABLISHED OIL EXPORT ROUTES

- Iraq has 6,960 kilometers network of pipelines
- Two major pipelines are installed from Beiji (near Kirkuk) to Ceyhan coastal terminal in Turkey. Combined capacity is 1.5MM-bopd.
- Key Statistics
 - Proven oil reserves: 115 billion barrels (approximately 75 billion barrels undeveloped)
 - Proven and probable oil reserves: 220 billion barrels
 - Natural gas reserves: 110 tcf



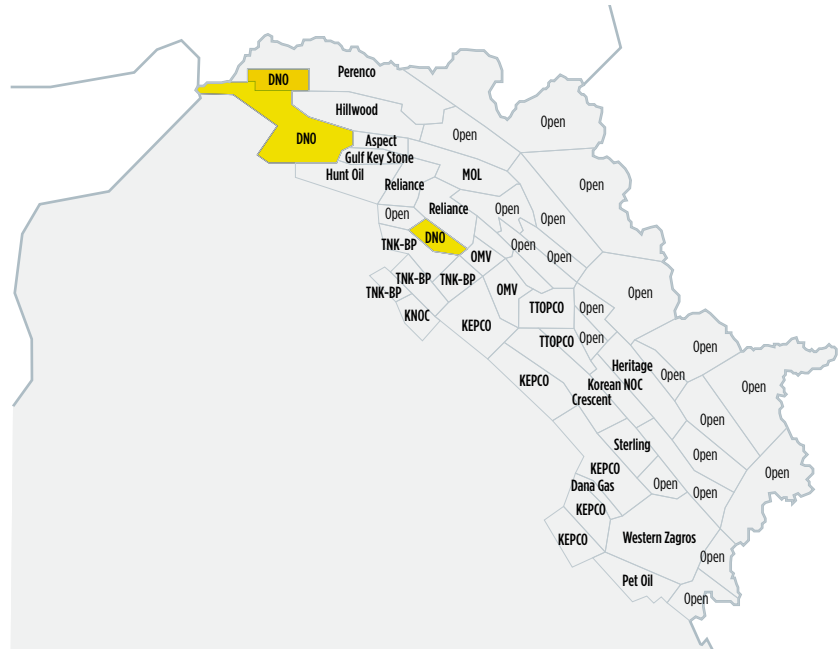
Source: EIA, IHS 2007 and Arab Oil & Gas Directory (2006), Western OilSands 2007



COMPANIES IN KURDISTAN

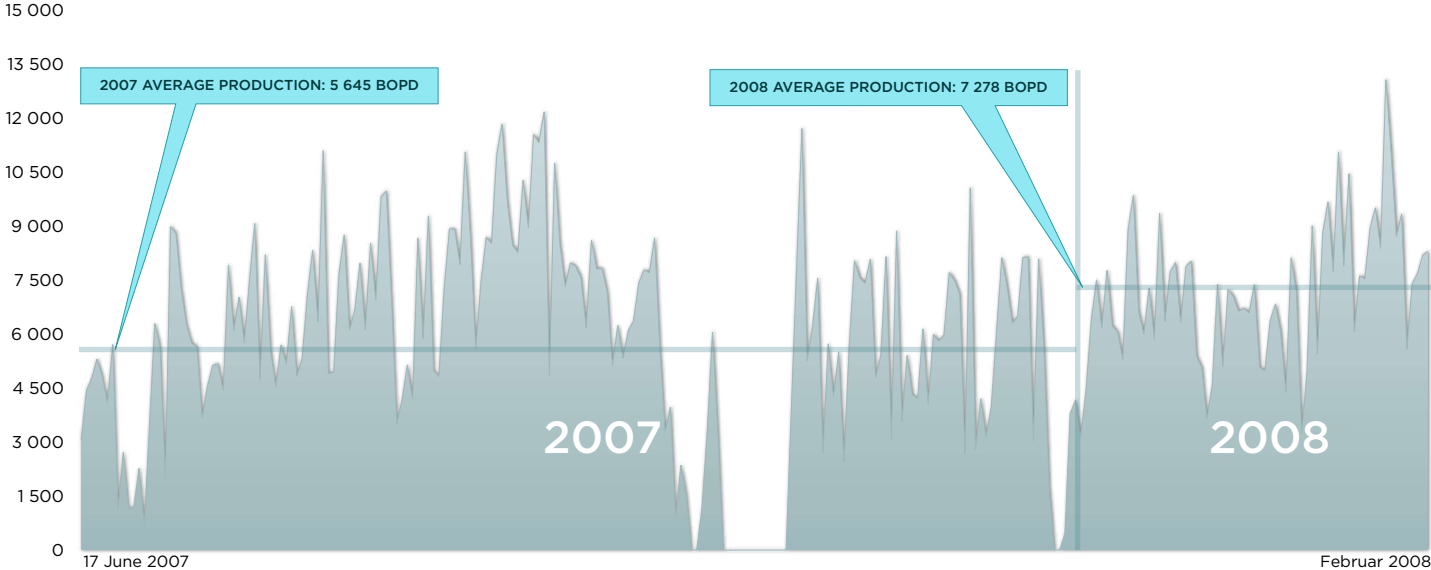
Company name	# of Blocks
Aspect energy	1
Crescent	1
Dana Gas	1
DNO	3
Gulf Key Stone	1
Heritage	1
Hillwood	1
Hunt Oil	3
KEPCO	5
KNOC	1
Korean NOC	1
MOL	1
OMV	2
Perenco	1
Pet Oil	2
Reliance	2
Sterling	1
TNK-BP	4
TTOPCO	2
Western Zagros	1
20 Companies	35

Source: KRG



GROSS DAILY PRODUCTION FROM TAWKE

BARRELS OF OIL PER DAY



RESERVE DEVELOPMENT IN KURDISTAN

REVISED ESTIMATES FOR TAWKE

- Based on latest data available and initial results from reservoir modeling:
 - Oil In Place is ranging from 0.9-1.9 billion barrels with a current best estimate of 1.3 billion barrels
 - Gross recoverable reserves is ranging from 150-370 million barrels with a current best estimate of 230 million barrels
- Improved oil recovery (IOR) methods have not been applied, and IOR methods may contribute to substantial upside to these reserve figures
- Production and export of oil at full capacity will improve the understanding of the reservoir behavior and reserve estimates

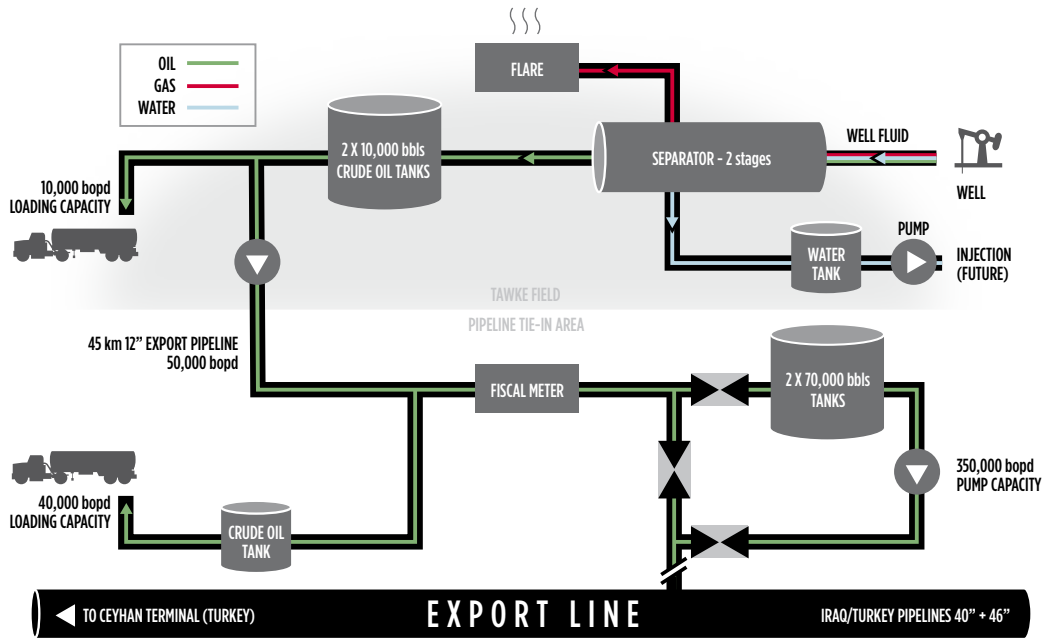


DNO geologist doing field work in Kurdistan

PRODUCING OIL IN KURDISTAN



THE TAWKE PROJECT: OVERVIEW



TAWKE: CENTRAL PROCESSING FACILITY



Tawke Central Processing Facility Area



Central Processing Facility



TAWKE: CENTRAL PROCESSING FACILITY



Tawke flare



Tawke CPF crude storage tanks

OPERATIONS ON TAWKE: PIPELINE



Pipelines at the Tawke Field

OPERATIONS ON TAWKE: TIE-IN AREA



Existing export line and fiscal metering station at tie-in area in Fishkhabour

EXPLORING THE POTENTIAL



EXPLORATION IN KURDISTAN



Sindy-1 Rig



GWDC Rig



THE TAWKE PSC: OVERVIEW

“RING-FENCED” TAWKE OIL FIELD:

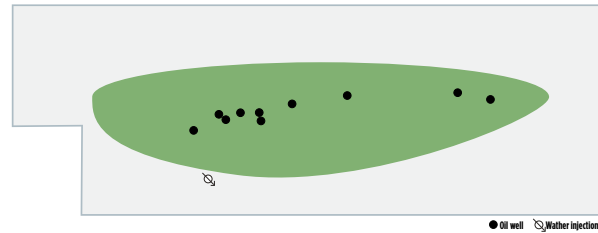
- The license cover 406 km²
- Two producing horizons

DEVELOPMENT/APPRaisal WORK

- To date DNO has performed a 3D seismic campaign of 200 km² and a 2D seismic campaign of 81 km
- 10 development wells have been drilled, as well as an water injector well

EXPLORATION IN 2008

- There is a potential to discover additional commercial oil in deeper horizons
- DNO is evaluating exploration efforts on Tawke, targeting deeper horizons



Partners	Participating interest
DNO Iraq AS	55%
KRG	45%
Total	100%



THE DOHUK PSC: OVERVIEW

REVISED DOHUK PSC

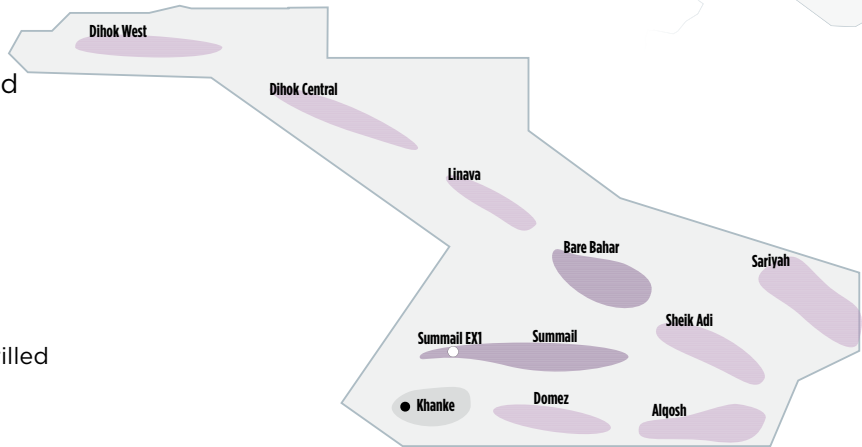
- PSC Agreement Area: 1,652 km²
- Tawke field is 'ring-fenced' and defined as a separate PSC

EXPLORATION WORK

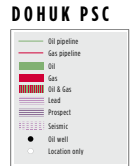
- More than 475 km of 2D seismic have been acquired since 2005
- Two exploration wells
 - The Khanke #1 well, oil shows
 - The Summail Ext. #1 is currently being drilled

EXPLORATION WORK 2008

- Seismic acquisition and processing
- Prospect mapping



Partners	Participating interest
DNO Iraq AS	40%
KRG	60%
Total	100%



THE ERBIL PSC: OVERVIEW

AGREEMENT AREA

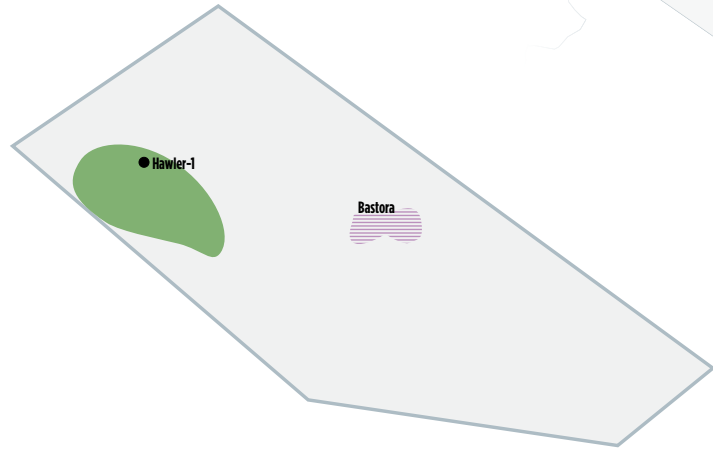
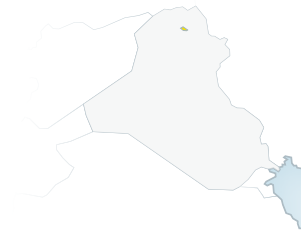
- PSC Agreement Area: 313 km²

EXPLORATION WORK

- DNO have acquired 133 km of 2D seismic since 2005
- Hawler #1 exploration well has been drilled and is currently being tested
 - In the lower horizon the well has tested 9,000 bopd and 11MM scf/d
 - Multiple zones being tested

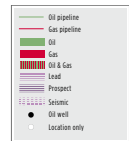
EXPLORATION WORK 2008

- Hawler #2 appraisal well to be drilled next
- Additional prospects is currently being mapped



Partners	Participating interest
DNO Iraq AS	40%
KRG	60%
Total	100%

ERBIL PSC



CLOSING REMARKS



SUMMARY

A MASSIVE OPERATION

- Two original PSAs reviewed by KRG and finalized as three PSCs in compliance with the Regional Petroleum Law
- Tawke Field Development finished awaiting export tie-in to existing pipeline infrastructure – 50,000 bopd design capacity
- Tawke oil being sold to the Iraqi domestic market

AGGRESSIVE EXPLORATION PROGRAM

- Three rigs in operation
- 2D seismic being acquired
- Commercial oil discovered from the Erbil PSC – the Hawler Field
- The strategy is to prove up additional reserves in 2008 onwards



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This presentation was prepared for the **April 3, 2008 Capital Markets Day** presentations. Information contained within will not be updated. The following slides should be read and considered in connection with the information given orally during the presentation.

