



Oslo, 31 October 2011

DNO reports a working interest (WI) production of 36,773 bopd in the third quarter of 2011 and 26,712 bopd in September 2011

Yemen production

DNO's WI production from Yemen in September 2011 was 4,170 bopd and the NE production was 2,579 bopd. In the third quarter of 2011 DNO's WI production was 4,439 bopd and the NE production was 2,661.

The production from Yemen is reported as follows:

(Bopd)	Q3 2011	Q2 2011	Sep 2011	Aug 2011	YTD 2011
Gross production	10,913	13,588	10,123	10,868	13,141
DNO's working interest (WI)	4,439	5,390	4,170	4,400	5,231
DNO's net entitlement (NE)	2,661	2,869	2,579	2,639	3,152
Achieved oil price USD/bbl	111	115	109	107	110

The production figures include crude oil consumed in the operation of the Company's production facilities at an accumulated WI volume of 256 bopd and NE volume of 148 bopd in the third quarter of 2011.

As previously reported the lower production in Yemen is a result of three production wells being temporarily shut down in Block 53 due to failure in the Electric Submersible Pumps (ESP) in the wells. The operator secured Rig YD-1 in October to execute the replacement program for the failed ESP. Replacement of the pump in Sharyoof-20 was successfully completed 15 October and the Rig YD-1 is currently replacing the pump in Bayoot SW-4. The operator expects all three wells to be back in production during November.

Kurdistan production

DNO's WI production from the Tawke Field in September 2011 was 22,542 bopd. In the third quarter of 2011 the WI production was 32,334 bopd. The production from Tawke is reported as follows:

(Bopd)	Q3 2011	Q2 2011	Sep 2011	Aug 2011	YTD 2011
Gross production	52,053	67,858	36,199	54,119	52,639
Gross deliveries to local market 1)	2,300	1,356	4,479	1,307	4,840
Gross production export	49,753	66,502	31,720	52,812	47,799
DNO's working interest 2)	32,334	43,192	22,542	33,591	36,524

1) The volumes represent primarily diesel produced from crude oil delivered to the Tawke refinery.

2) The Tawke WI production is estimated to vary between 62% and 64% as described in the 2010 Annual Statement of Reserves

The gross production from the Tawke field during September was 36,199 bopd of which 31,720 bopd was delivered for export. Only minor quantities of third party crude oil were delivered and exported via the DNO operated facilities at Fishkabour during September.

The gross production at Tawke was temporary reduced to around 50,000 bopd from August for reservoir monitoring activities. In addition the regularity of the Iraqi-Turkey pipeline has in periods been low due to various technical problems. As a result of this the Tawke export deliveries in October is expected to be around 27,000 bopd.



As previously reported DNO has re-commenced deliveries of crude oil to the local market in Kurdistan, and the expected gross delivery in October is around 12,000 bopd.

Total gross production from Tawke in October is expected to increase to around 42,000 bopd.

Drilling and well operations

Kurdistan Region of Iraq

Erbil PSC: Bastora-1A horizontal test producer

Test production at Bastora-1A is continuing. The surface equipment has been modified to optimize the production process. Artificial lift will be used in order to test produce at higher sustainable rates. Produced crude oil from Bastora-1A is currently delivered to the local market in Kurdistan.

Dohuk PSC: Summail-1 exploration well:

The Summail-1 well is currently undergoing an extensive test program. As previously reported the first test which was undertaken in the lowermost Triassic interval was found to be water bearing. Two additional intervals in Triassic and the lowermost interval of the Jurassic interval have now been tested, with no hydrocarbon being observed during the tests.

The forward plan is to perform 4-5 additional tests in the Jurassic and Cretaceous intervals.

Tawke PSC: Peshkhabir-1 exploration well:

Drilling of the 12 ¼" section of the well is ongoing. Present drilling depth is approximately 1400m.

Yemen

There are currently no ongoing drilling operations in Yemen.

Revenue recognition of Tawke Q3 production

As previously announced, DNO received another USD 60 million in cash advance for Kurdistan exports in September. Due to accounting issues, this payment has not been recognized as revenue but booked as a prepayment.

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