Investor Presentation

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DNB Energy & Shipping Conference
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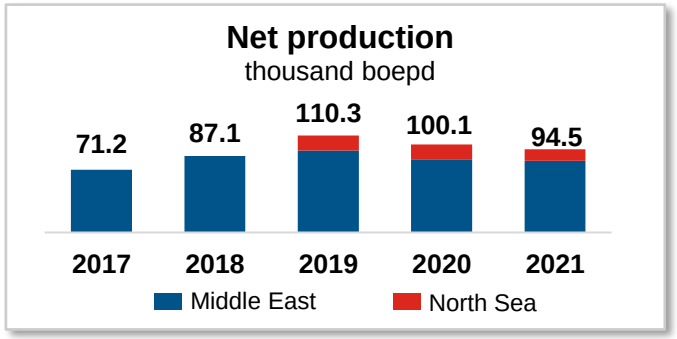
2021 highlights

Cover photo: Signing of the Baeshiqa first phase development plan by the license Management Committee chairperson Dr Khazal Auzer (KRG) and vice chairperson Tom Allan (DNO).

Strong deliveries 2021

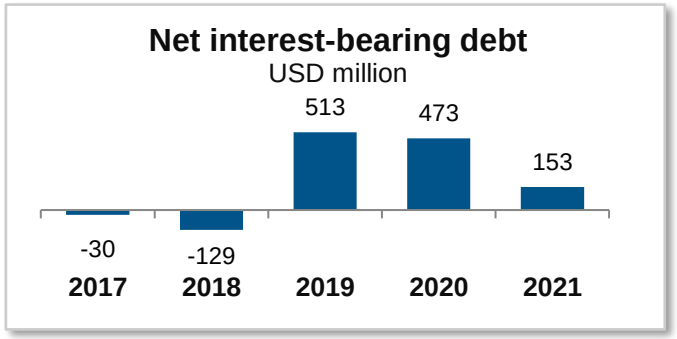
Operations

- Drilling at Tawke field resumed in Q3 after 18-month pause
- Baeshiqa license development approved and fast-tracked
- Developing portfolio in North Sea with Røver Nord discovery, successful Bergknapp appraisal and several 2022 PDO candidates, including DNO-operated Brasse



Finance

- «A billion dollar company» - revenue exceeding USD 1 bn
- FCF of USD 362 mill (NOK 3.2/sh) drove 68 percent reduction in net debt
- Resumed dividend payments

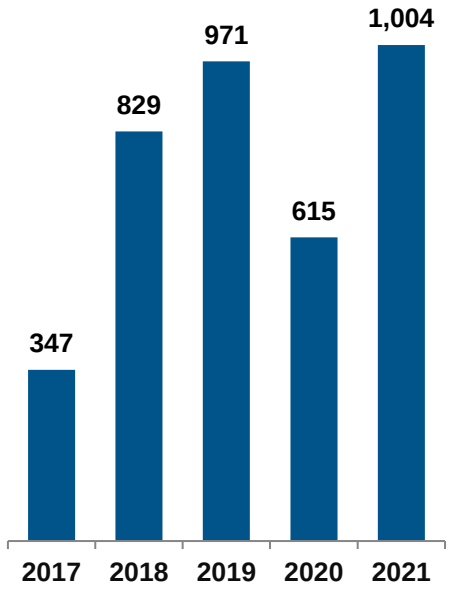


Corporate Social Responsibility

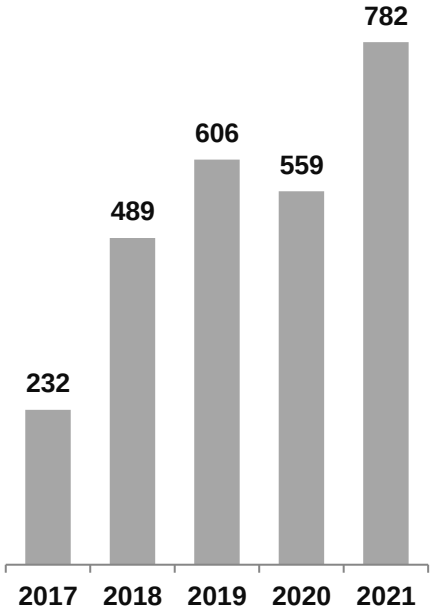
- Captured and injected 7.6 billion cubic feet (461,500 tonnes of CO2) of otherwise flared Peshkabir gas into Tawke field in 2021
- Supporting ambitious industry targets for CO2-reduction on the NCS

Financial results – key figures

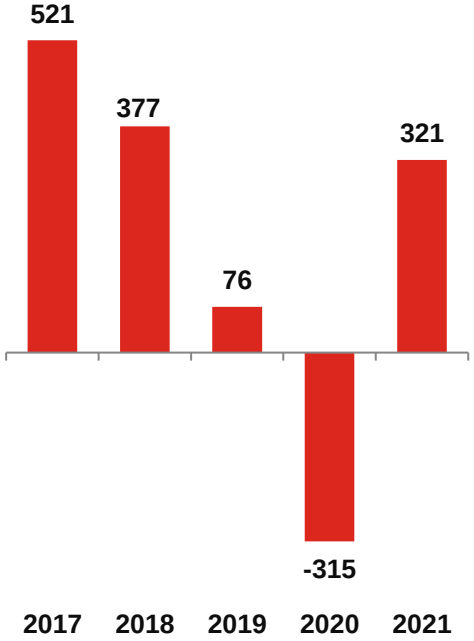
Revenues
USD million



Netback
USD million



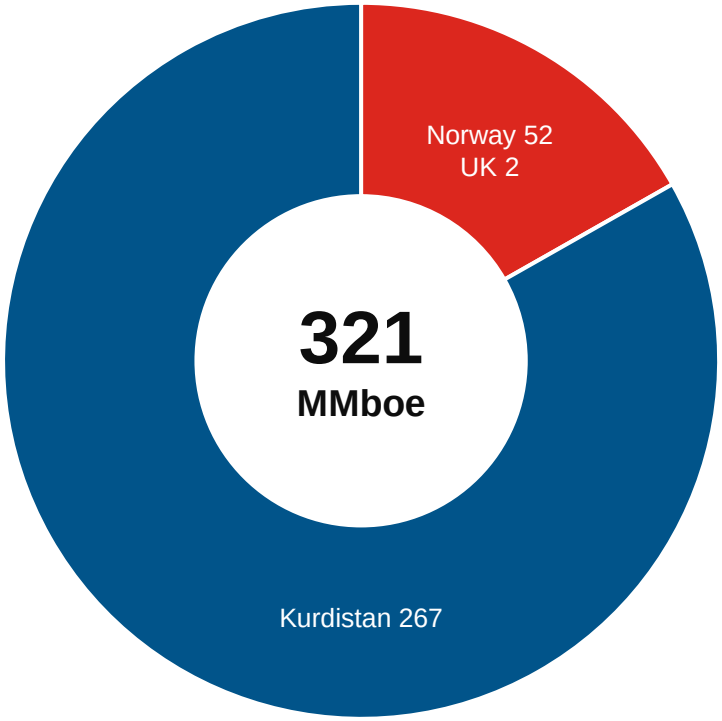
Operating profit
USD million



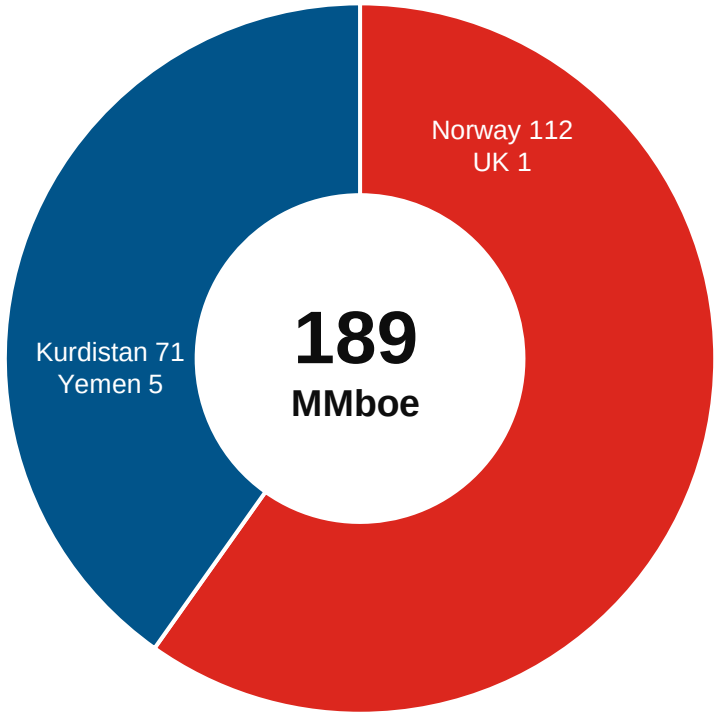
- Revenues exceeded USD 1 billion in 2021, all-time high for DNO
- Norway tax refunds contributed to record netback of USD 782 million
- Returning to profitability with operating profit of USD 321 million after loss-making 2020

Reserves and resources overview

2P Reserves



Contingent Resources (2C)



Middle East North Sea

Net to DNO at yearend 2021 in million barrels of oil equivalent (MMboe)

9.3 years

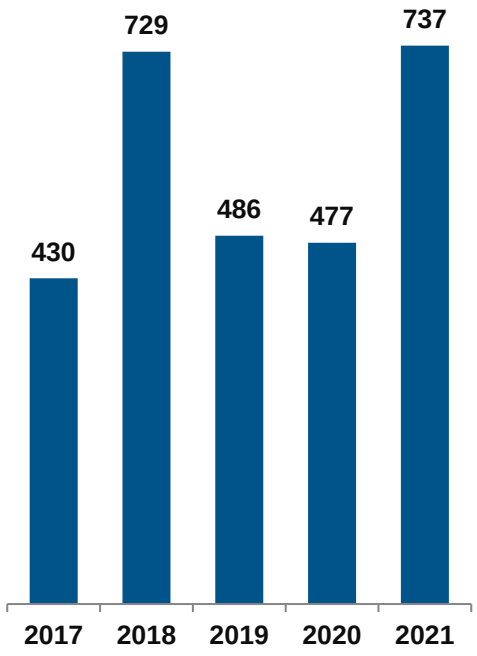
2P reserves-to-production ratio

14.8 years

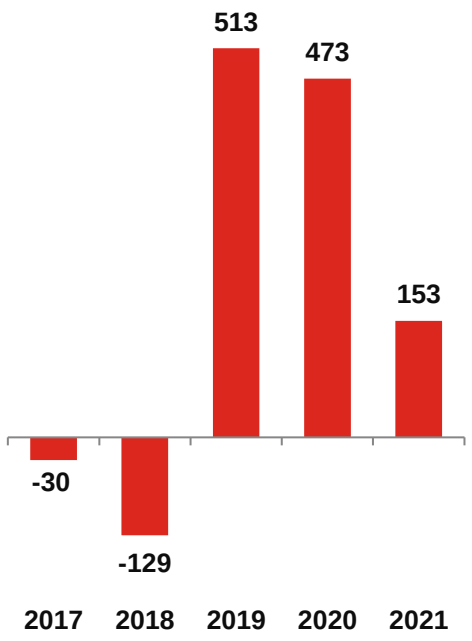
2P reserves+contingent (2C)-to- production ratio

Capital structure

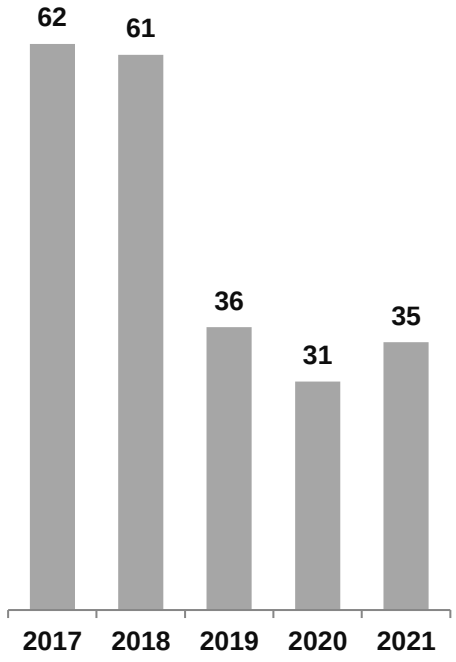
Cash deposits
USD million



Net interest-bearing debt
USD million



Equity ratio
Percent

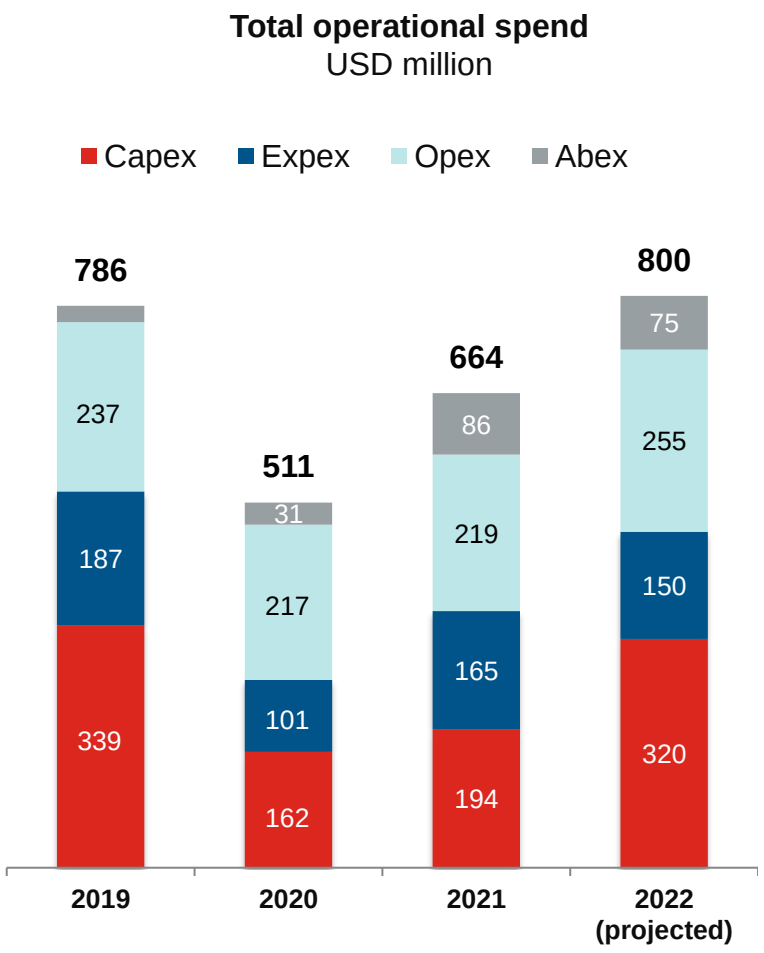


- Strengthening of balance sheet with increased cash deposits
- Net interest-bearing debt down by USD 319 million to USD 153 million in 2021

Operations & outlook

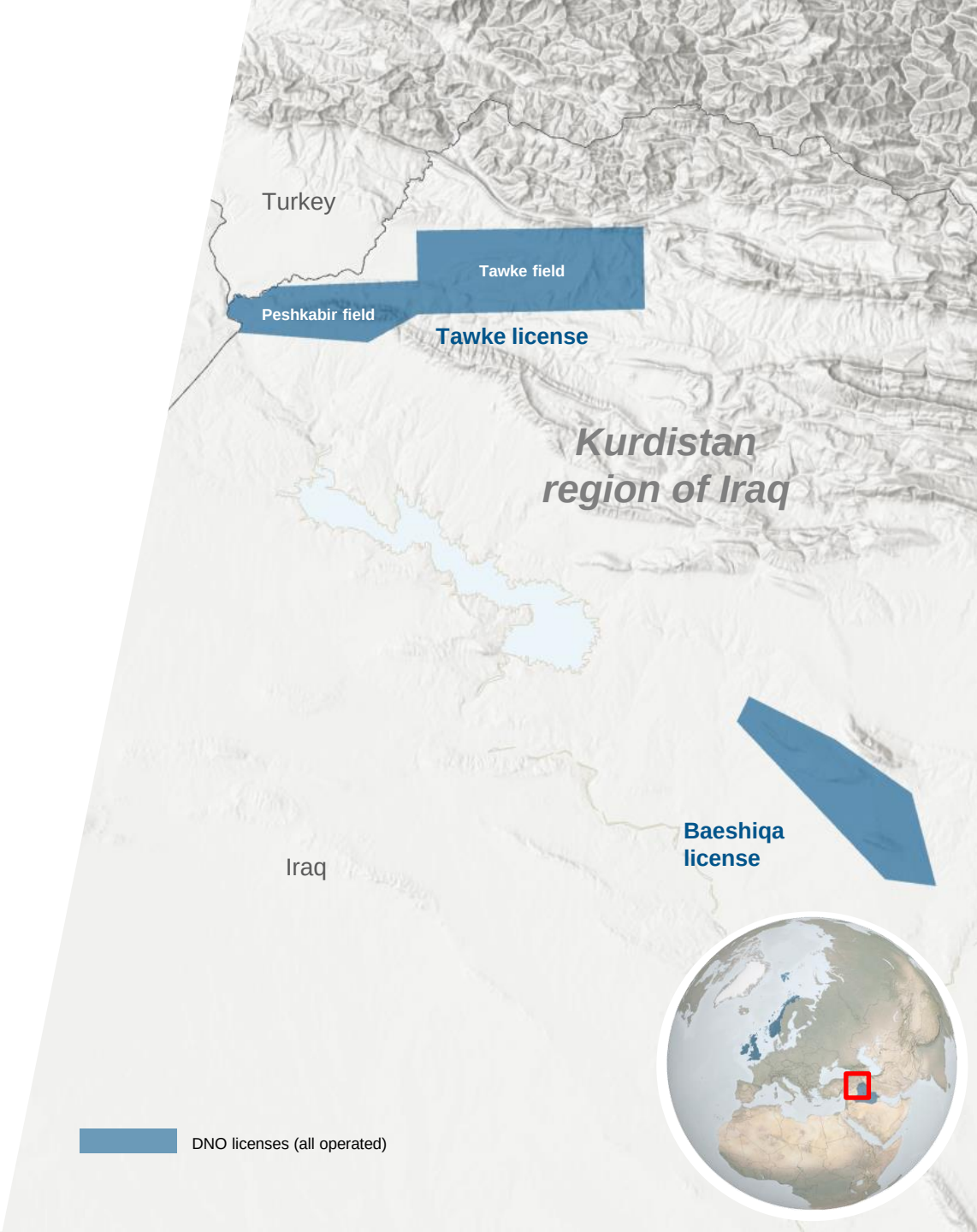
Ramping up operational spend in 2022

- Planned operational spend of USD 800 million in 2022 driven by ramp up of Tawke drilling and Baeshiqa first phase development
- Estimated Kurdistan capex accounts for around 60 percent of projected 2022 capex and can be quickly adjusted up or down
- Active exploration program including six wells offshore Norway and the cross-border Edinburgh prospect to be drilled on the UK side
- Abandonment expense (abex) in 2022 primarily relating to Schooner plugging and abandonment in the UK



Leading IOC in Kurdistan

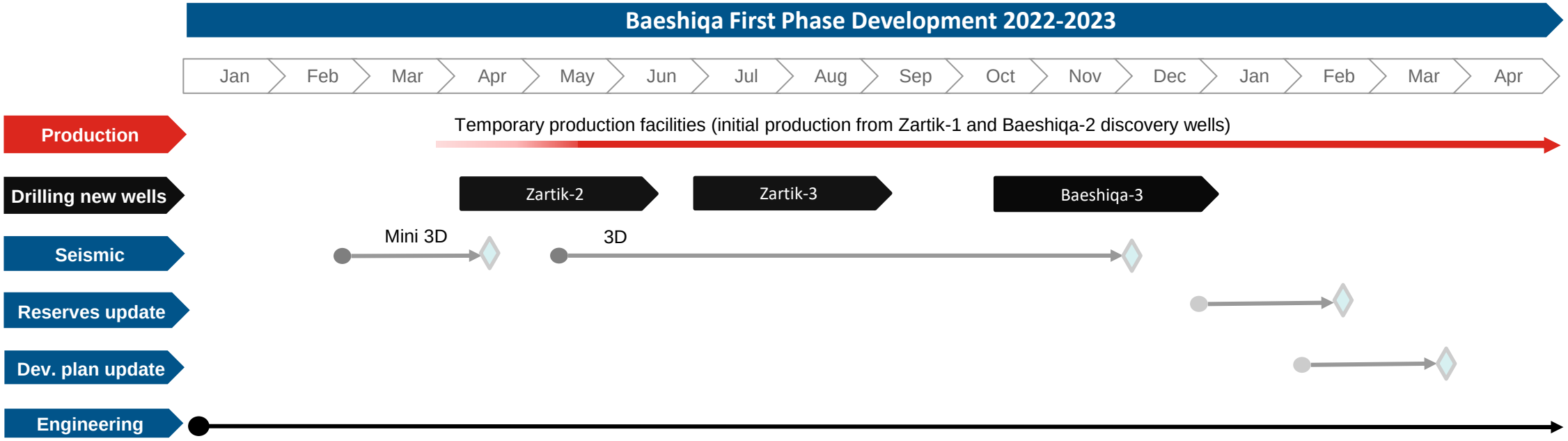
- DNO's low cost, low carbon emissions portfolio provides comparative and competitive advantage against peer companies in Kurdistan and globally
- Captured and injected 7.6 billion cubic feet (461,500 tonnes of CO2) of otherwise flared Peshkabir gas into Tawke field in 2021
- Ramping up drilling on Tawke license in 2022 with focus on the legacy Tawke field
- Projected Tawke license gross production of 105,000 bopd in 2022, plus in excess of 4,000 bopd from Baeshiqa license
- Baeshiqa license development approved and fast-tracked with early production expected before midyear 2022



*As of yearend 2021

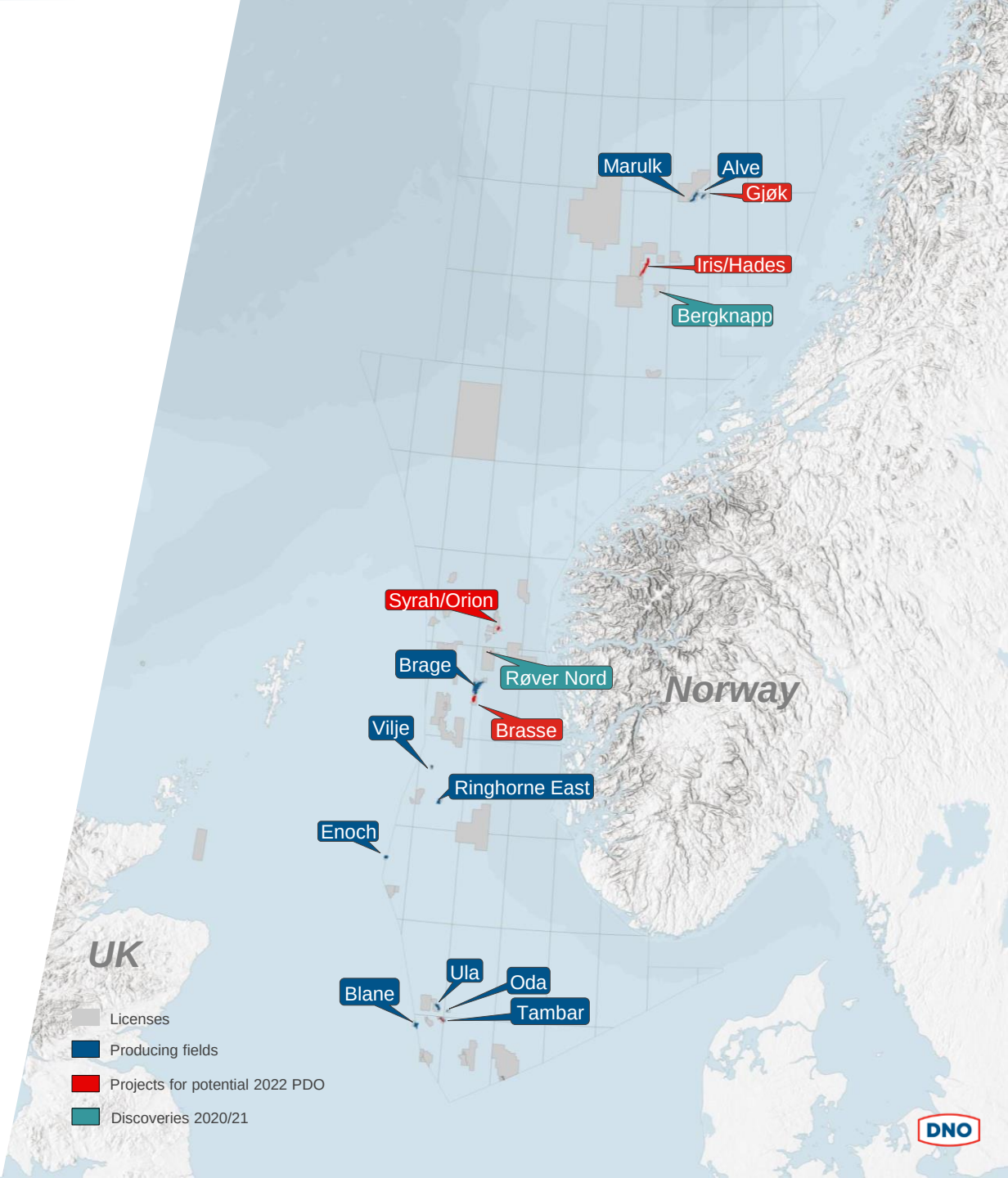
Organic growth in Kurdistan with Baeshiqa development

- DNO's first new field development in Kurdistan since Peshkabir startup in 2017
- As with Peshkabir, fast-tracking production; re-entering two discovery wells and drilling three new wells in 2022
- Well test production totaling 15,000 barrels of 40 degree API oil from Baeshiqa-2 and 22 degree API oil from Zartik-1 trucked to export market at time of discovery
- DNO holds a 64 percent interest (80 percent paying) alongside partners TEC and KRG



Growing activity in North Sea

- Four discoveries in 2021, of which two likely commercial, notably Røver Nord (DNO 20 percent) and deeper Åre formation of Bergknapp discovery made in 2020 (DNO 30 percent)
- Projecting average 2022 net production to remain around 13,000 boepd
- Working on four candidates for project sanction in 2022, benefitting from temporary Norwegian tax incentives
- Seven 2022 exploration wells planned in proven basins with moderate risk profile



*As of yearend 2021

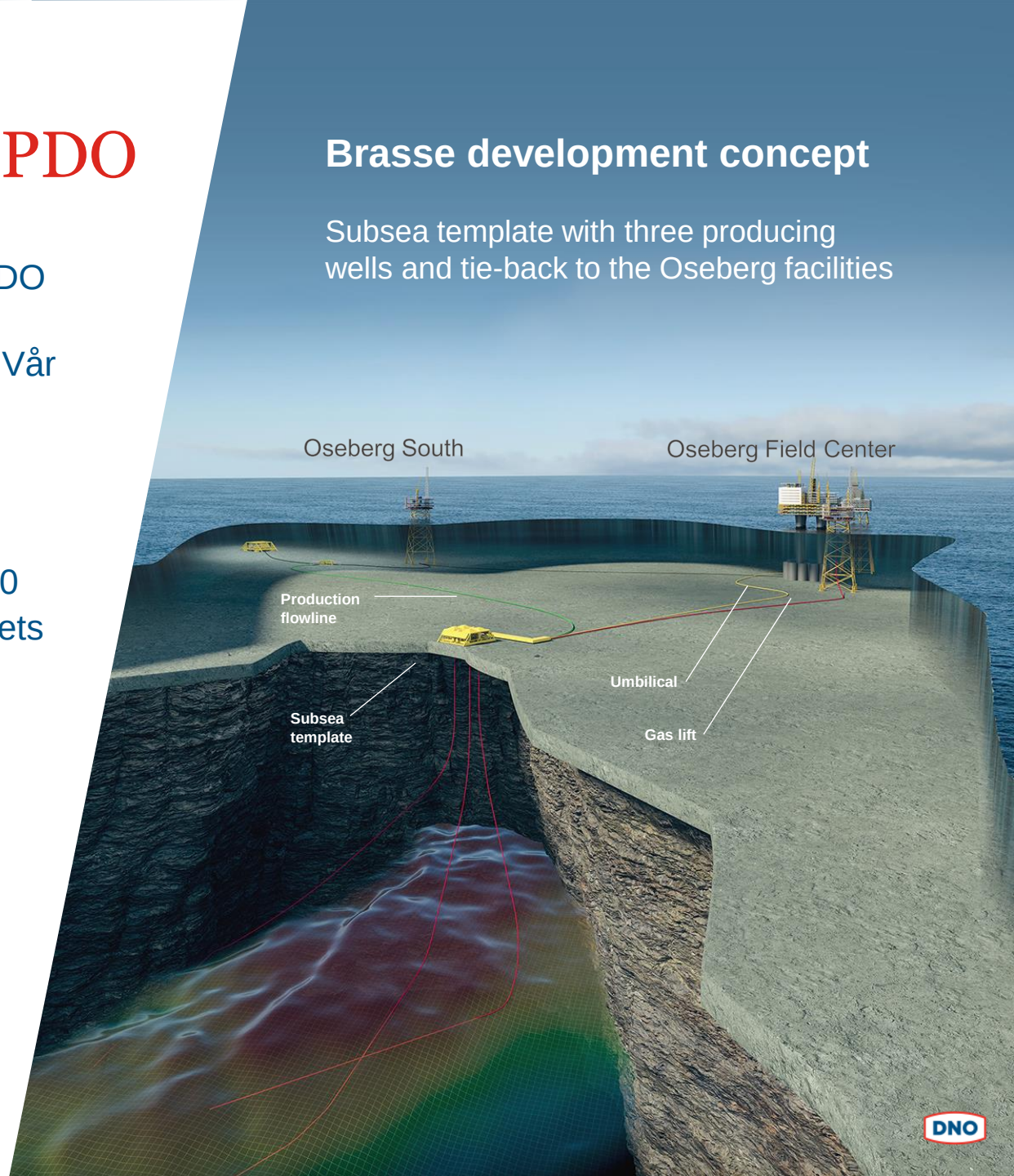
Four projects closing in on 2022 PDO

- Brasse (DNO 50 percent and operator) on track for 2022 PDO
- Work ongoing to finalize development concept with partner Vår Energi and host (Oseberg) operator Equinor
- Subsea frame agreement reached with Technip FMC
- Elsewhere offshore Norway, partner-operated Iris-Hades (20 percent), Gjøk (32 percent) and Orion (20 percent) are targets for 2022 project sanction

BRASSE DNO OPERATED INTEREST	BRASSE GROSS 2P RESERVES	BRASSE INITIAL PRODUCTION TARGET
50%	34 MMboe	22,000 boepd

Brasse development concept

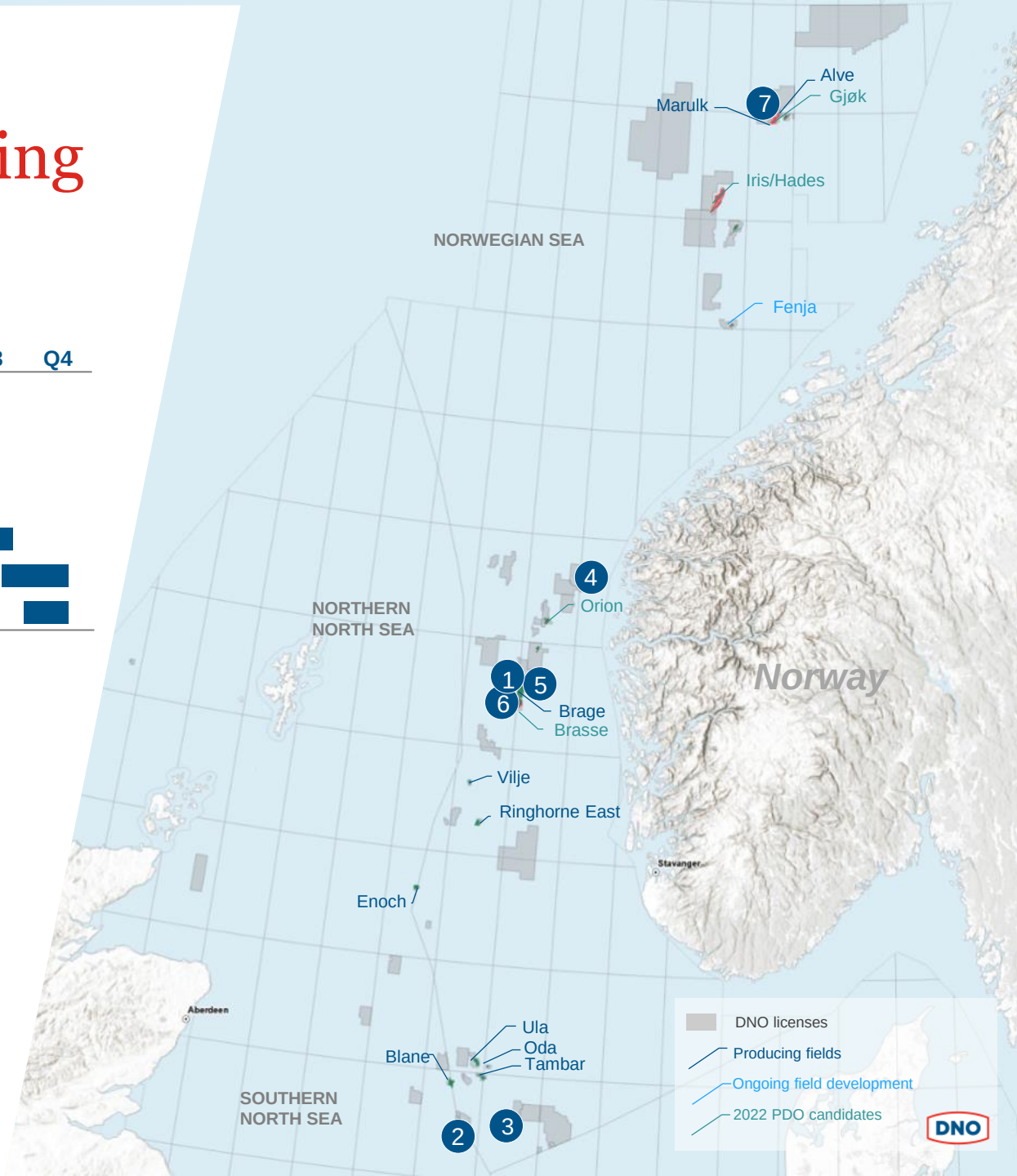
Subsea template with three producing wells and tie-back to the Oseberg facilities



North Sea 2022 exploration drilling

	Licence	Prospect	Type	Gross volumes, MMboe	CoS	DNO interest	2022 Q1	Q2	Q3	Q4
1	P293B	Kveikje	Exploration	10-25	55%	29%				
2	P2401/PL969	Edinburgh	Exploration	100-675	29%	45%				
3	PL1085	Overly	Exploration	5-80	64%	25%				
4	PL929	Ofelia	Exploration	10-40	50%	10%				
5	PL923	Røver Sør	Exploration	20-50	86%	20%				
6	PL055	Brage South	Exploration	4-30	39%	14%				
7	PL943	Uer	Exploration	10-95	31%	30%				

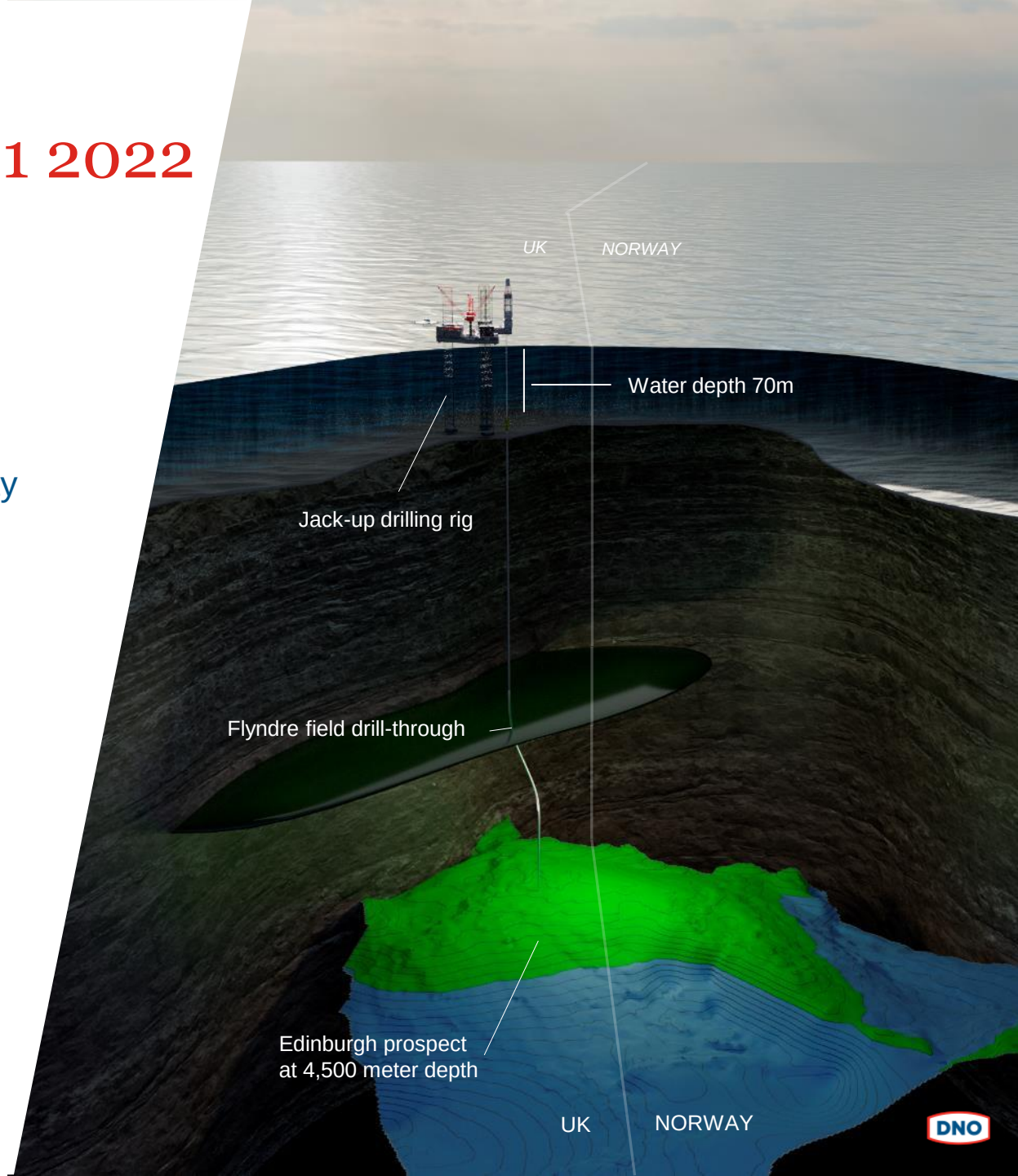
NET RESOURCES DISCOVERED 2020-21	NET UNRISKED RESOURCES, 2022-PROGRAM (MEAN)	NET RISKED RESOURCES, 2022-PROGRAM (MEAN)
40 MMboe	~165 MMboe	~55 MMboe



Edinburgh prospect to spud in Q1 2022

- One of the largest undrilled structures in the North Sea
- Edinburgh prospect straddles UK/Norway border
- DNO drove the cross-border alignment and equalized equity of 45 percent across all four UK/Norway licenses
- High-pressure high-temperature well operated by Shell will spud in Q1 2022

DNO INTEREST	PROSPECTIVE RESOURCES	CHANCE OF SUCCESS
45%	100-675 MMboe	29%



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