DNO ASA
Interim Results
Second Quarter 2026

Key figures

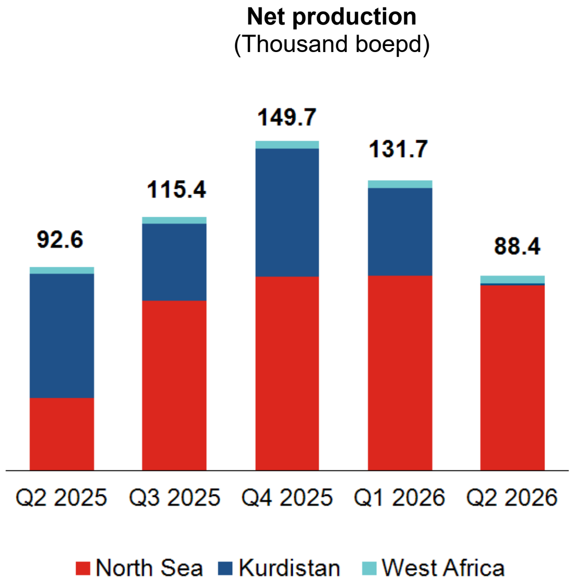
USD million	Quarters Q2 2026	Q1 2026	Q2 2025	First Half-Year 2026	2025	Full-Year 2025
Key financials						
Revenues	760.5	627.3	258.0	1,387.8	445.6	1,474.0
EBITDAX	569.0	442.1	174.4	1,011.2	283.1	980.0
EBITDA	525.7	430.2	161.2	955.8	239.1	843.6
Operating profit/loss (-)	439.0	283.7	85.8	722.7	113.8	512.8
Net profit/loss (-)	83.4	50.6	-7.3	134.1	-10.9	-25.2
Free cash flow	289.5	145.9	-110.7	435.3	-107.4	-36.6
Operational spend	437.4	341.9	237.8	779.3	444.7	1,282.8
Net cash/debt (-)	-552.9	-790.0	-860.0	-552.9	-860.0	-885.9
Lifting costs (USD/boe)	15.7	10.2	9.6	12.4	9.0	9.6
Key operational data						
Net production (boepd)	88,430	131,671	92,593	109,931	88,435	110,667
Sales volume (boepd)	80,511	97,689	51,068	89,052	43,417	69,128
Gross operated production (boepd)	5,811	59,945	80,286	32,728	85,586	79,217

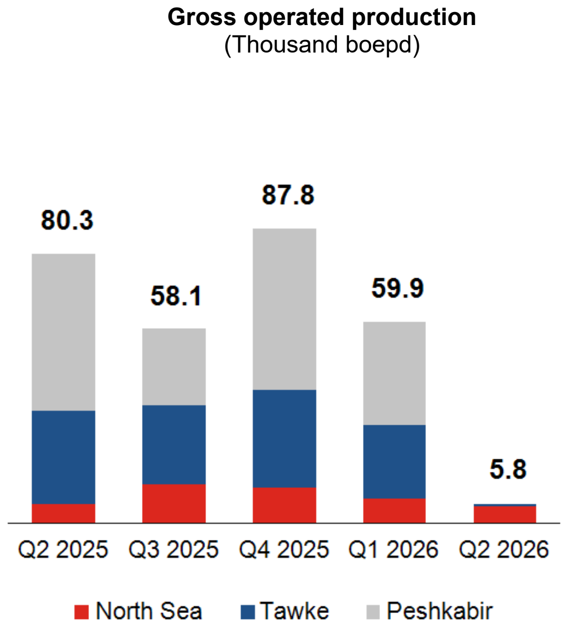
In 2025, Sval Energi was included in the Group accounts from 1 June.
For more information about key figures, see the section on alternative performance measures.

Q2 2026 highlights

- Record second quarter revenue of USD 761 million, up 21 percent quarter-on-quarter, as strong North Sea production sold at high commodity prices more than offset the impact of the production shutdown in the Kurdistan region of Iraq
- Operating profit increased 55 percent quarter-on-quarter to USD 439 million, while net profit rose 65 percent to USD 83 million
- Cash from operations of USD 639 million, supporting a USD 219 million reduction in offtake financing and an increase in cash of USD 18 million during the quarter
- Net production across the portfolio averaged 88,430 barrels of oil equivalent per day (boepd), down 33 percent from the previous quarter due to minimal Kurdistan production
- Two new North Sea tie-backs on stream in the quarter, Symra (20 percent) and Dvalin North (10 percent), both ahead of schedule
- Limited field operations restarted at the Tawke license on 9 April with the resumption of workovers on existing wells and the relaunch of the previously announced eight-well drilling campaign
- On 28 June, DNO initiated production from the Tawke field and on 11 July from the Peshkabir field
- Board of Directors approved quarterly dividend of NOK 0.375 per share to be paid to shareholders in September, same level as last quarter

Operational review





Net production during the second quarter stood at 88,430 barrels of oil equivalent per day (boepd), down from 131,671 boepd in the previous quarter. In the North Sea, net production averaged 84,912 boepd, down from 88,647 boepd in the previous quarter, Kurdistan averaged 273 boepd, down from 39,600 boepd in the previous quarter and the Group's West Africa gas asset offshore Côte d'Ivoire averaged 3,246 boepd, down from 3,424 boepd in the previous quarter. In the North Sea, net production decreased from the previous quarter mainly due to a normalization of Nova allocation/redelivery volumes, which positively impacted Q1 production, together with reduced production from planned turnaround activities across several fields and unplanned shutdowns at Norne and Tambar East. This was partly offset by the Symra field start-up in April. In Kurdistan, the drop in net production compared to the previous quarter reflects the temporary halt in production, enacted as a safety measure after the start of the U.S.-Israeli air strikes against Iran on 28 February. Production from the Tawke field recommenced on 28 June, followed by the Peshkabir field on 11 July.

Sales volume averaged 80,511 boepd during the second quarter, down from 97,689 boepd in the previous quarter. The decrease was mainly driven by the absence of sales volumes in Kurdistan following the temporary suspension of production, while the North Sea oil and gas liftings were slightly lower than in the previous quarter. The net underlift position increased to 1.36 million barrels of oil equivalent (MMboe) as of end-Q2 (Q1 2026: underlift of 0.97 MMboe).

Net entitlement (NE) production averaged 84,912 boepd during the second quarter, down from 103,400 boepd in the previous quarter due to Kurdistan.

Gross production from the Group's operated licenses during the second quarter averaged 5,811 boepd, down from 59,945 boepd in the previous quarter. In the North Sea, gross operated production decreased to an average of 5,448 boepd, attributable to lower production from the Marulk (Norne area) and Trym fields. In Kurdistan, gross production decreased from an average of 52,800 boepd in the previous quarter to an average of 363 boepd during the second quarter.

Net production

	Quarters			First Half-Year		Full-Year
boepd	**Q2 2026**	**Q1 2026**	**Q2 2025**	**2026**	**2025**	**2025**
North Sea	84,912	88,647	33,348	86,769	26,361	54,811
Kurdistan	273	39,600	56,070	19,828	58,800	52,569
West Africa	3,246	3,424	3,174	3,334	3,274	3,287
Total	**88,430**	**131,671**	**92,593**	**109,931**	**88,435**	**110,667**

Net production is based on DNO's percentage of ownership in the licenses. West Africa segment is equity accounted.

Sales volume

	Quarters			First Half-Year		Full-Year
boepd	**Q2 2026**	**Q1 2026**	**Q2 2025**	**2026**	**2025**	**2025**
North Sea	80,511	82,936	32,393	81,717	24,847	51,231
Kurdistan	-	14,753	18,675	7,336	18,570	17,896
Total	**80,511**	**97,689**	**51,068**	**89,052**	**43,417**	**69,128**

Sales volume reflects North Sea lifted volumes and NE production for Kurdistan.

Net entitlement (NE) production

	Quarters			First Half-Year		Full-Year
boepd	**Q2 2026**	**Q1 2026**	**Q2 2025**	**2026**	**2025**	**2025**
North Sea	84,912	88,647	33,348	86,769	26,361	54,811
Kurdistan	-	14,753	18,675	7,336	18,570	17,896
Total	**84,912**	**103,400**	**52,023**	**94,105**	**44,931**	**72,707**

NE production from the North Sea equals the segment's net production.

Gross operated production

	Quarters			First Half-Year		Full-Year
boepd	**Q2 2026**	**Q1 2026**	**Q2 2025**	**2026**	**2025**	**2025**
North Sea	5,448	7,145	5,526	6,292	7,186	9,124
Kurdistan	363	52,800	74,760	26,437	78,400	70,092
Total	**5,811**	**59,945**	**80,286**	**32,728**	**85,586**	**79,217**

The table above shows gross operated production from the Group's operated licenses.

Activity overview

North Sea

Net production averaged 84,912 boepd in the North Sea segment during the second quarter of 2026 (88,647 boepd in Q1 2026), of which 81,662 boepd was in Norway and 3,250 boepd in the United Kingdom (UK) (84,981 boepd and 3,666 boepd in Q1 2026, respectively). In the second quarter, oil accounted for 53 percent of production, gas for 41 percent and natural gas liquids (NGL) for 6 percent. In the previous quarter, the split was 53 percent oil, 40 percent gas and 7 percent NGL. Production was down from the previous quarter amid high seasonal maintenance activity.

During the quarter, DNO brought two North Sea tie-back developments on stream ahead of schedule. Symra (20 percent) and Dvalin North (10 percent) are expected to contribute approximately 5,000 boepd and 3,000 boepd, respectively, to the Company's net production at plateau rates.

In June, DNO announced a multi-asset transaction with Vår Energi ASA that, subject to government approval, will add a five percent interest in the Gjøa hub and the Gjøa Nord discovery, strengthening its position in a core production area. As part of the transaction, DNO will reduce its Nova interest from 45 to 40 percent, transfer its stake in the Ringhorne Nord discovery and receive USD 17.5 million post-tax in cash.

Also in June, development plans were approved by license partnerships for Gjøa Subsea Projects, which include tie-backs Ofelia (10 percent), Cerisa (10 percent) and Gjøa Nord (5 percent post transaction approval).

The previously announced acquisition of a 3.3 percent interest in the Vega Unit, which is tied back to Gjøa, from INPEX Idemitsu Norge AS was completed on 30 June. Following the acquisition, DNO holds an 8.8 percent interest in the Vega Unit.

DNO participated in one exploration well during the quarter, the Carmen appraisal well (30 percent). Gross recoverable resources following the well are estimated at 21–107 MMboe.

Net production (boepd) per field in the North Sea:

	Quarters			First Half-Year		Full-Year
boepd	**Q2 2026**	**Q1 2026**	**Q2 2025**	**2026**	**2025**	**2025**
Arran (UK)	2,693	3,227	3,835	2,959	3,692	3,366
Brage	2,312	3,898	2,252	3,100	2,357	2,675
Dvalin	2,905	2,770	1,347	2,838	677	1,829
Ekofisk area	7,466	7,701	364	7,583	183	4,775
Fenja	2,146	2,311	1,675	2,228	1,363	1,892
Gjøa area	15,707	17,760	5,163	16,728	2,596	8,644
Ivar Aasen area	4,032	2,965	1,215	3,502	611	1,607
Kvitebjørn	8,043	8,457	3,135	8,249	1,576	5,272
Maria	4,568	4,915	1,463	4,741	736	2,559
Martin Linge	8,668	9,511	2,752	9,087	1,383	4,736
Norne area	14,719	15,163	1,684	14,940	4,110	6,385
Trym	3,500	3,821	2,764	3,660	2,063	3,870
Ula area	7,845	5,915	4,976	6,885	4,329	6,505
Vilje	-	-	625	-	626	626
Other	308	233	98	271	59	71
Total	**84,912**	**88,647**	**33,348**	**86,769**	**26,361**	**54,811**

In the table, Ekofisk area comprises Ekofisk, Eldfisk, Embla and Tor fields, Gjøa area comprises Duva, Nova and Vega fields, Ivar Aasen area comprises Ivar Aasen, Hanz and Symra fields, Norne area comprises Alve (incl. Andvare), Marulk, Norne, Skuld, Urd and Verdande fields and Ula area comprises Blane (UK), Oda, Ula, Tambar and Tambar East fields.

Kurdistan region of Iraq

Gross production from the DNO-operated Tawke license, containing the Tawke and Peshkabir fields averaged 363 boepd during the second quarter of 2026 (52,800 boepd in Q1 2026). The Tawke field contributed 363 boepd (21,994 boepd in Q1 2026) and the Peshkabir field contributed 0 boepd (30,805 boepd in Q1 2026) during the quarter. Net production is shown in the table below.

As a precautionary safety measure, DNO halted production and drilling activities on the Tawke license following U.S.-Israeli air strikes against Iran in late February.

Limited field operations restarted at the Tawke license on 9 April with the resumption of workovers on existing wells and the relaunch of the previously announced eight-well drilling campaign. On 28 June, DNO initiated production from the Tawke field and on 11 July from the Peshkabir field.

The performance of wells and surface facilities that have been shut in for a prolonged period, as well as regional security conditions, will determine how quickly the Company ramps up and sustains full operations in Kurdistan.

A second third-party rig (DQE-40) is currently being mobilized to drill on the license. With contribution from new wells and absent adverse security developments, DNO expects production at Tawke license to stabilize at around pre-shutdown levels. While DNO continues to seek access to export markets or export prices, the Company is currently selling its entitlement oil at prices in the mid-to-upper USD 30s per barrel.

DNO holds a 75 percent operated interest in the Tawke license with partner Genel Energy International Limited holding the remaining 25 percent.

At the Baeshiqa license (64 percent and operated), the Company works to minimize license running cost while determining its future work program.

Net production (boepd) per field in Kurdistan:

	Quarters			First Half-Year		Full-Year
boepd	**Q2 2026**	**Q1 2026**	**Q2 2025**	**2026**	**2025**	**2025**
Tawke	273	16,496	20,955	8,339	21,463	20,589
Peshkabir	-	23,104	35,115	11,488	37,337	31,981
Baeshiqa	-	-	-	-	-	-
Total	**273**	**39,600**	**56,070**	**19,828**	**58,800**	**52,569**

West Africa

The net production from the Company's equity accounted investment, Côte d'Ivoire (West Africa segment), averaged 3,246 boepd in the second quarter of 2026 (3,424 boepd in Q1 2026).

	Quarters			First Half-Year		Full-Year
boepd	**Q2 2026**	**Q1 2026**	**Q2 2025**	**2026**	**2025**	**2025**
Block CI-27	3,246	3,424	3,174	3,334	3,274	3,287
Total	**3,246**	**3,424**	**3,174**	**3,334**	**3,274**	**3,287**

Financial review

Revenues, operating result and cash

Revenues in the second quarter stood at USD 760.5 million, up 21 percent from the previous quarter (Q1 2026: USD 627.3 million). The increase was primarily driven by higher realized prices, partly offset by the absence of sales from Kurdistan during the quarter.

Revenues USD million	Q2 2026	Quarters Q1 2026	Q2 2025	First Half-Year 2026	2025	Full-Year 2025
North Sea	760.5	586.1	204.1	1,346.6	334.0	1,262.8
Kurdistan	-	41.2	53.9	41.2	111.6	211.2
Total	**760.5**	**627.3**	**258.0**	**1,387.8**	**445.6**	**1,474.0**

North Sea Realized price USD/boe	Q2 2026	Quarters Q1 2026	Q2 2025	First Half-Year 2026	2025	Full-Year 2025
Oil	115.1	87.0	68.4	100.6	71.3	69.1
Gas	89.5	81.0	72.7	85.2	79.8	66.3
NGL	69.0	36.2	43.0	54.8	45.5	41.0
Total	**100.7**	**81.7**	**68.1**	**91.1**	**73.0**	**65.6**

Kurdistan Realized price USD/boe	Q2 2026	Quarters Q1 2026	Q2 2025	First Half-Year 2026	2025	Full-Year 2025
Oil	-	31.0	31.7	31.0	33.2	32.3
Total	**-**	**31.0**	**31.7**	**31.0**	**33.2**	**32.3**

The Group reported an operating profit of USD 439.0 million in the second quarter, up from USD 283.7 million in the previous quarter, primarily due to higher revenues, a gain on license transactions and lower depreciation and administrative expenses, partly offset by higher exploration expenses.

Operating profit/loss USD million	Q2 2026	Quarters Q1 2026	Q2 2025	First Half-Year 2026	2025	Full-Year 2025
North Sea	465.6	292.8	88.4	758.4	114.5	505.2
Kurdistan	-26.3	-4.9	1.6	-31.2	9.5	6.3
Other	-0.3	-4.2	-4.2	-4.5	-10.1	1.3
Total	**439.0**	**283.7**	**85.8**	**722.7**	**113.8**	**512.8**

Net financial expenses decreased to USD 15.3 million (Q1 2026: USD 27.1 million) mainly reflecting a shift from a net currency loss the previous quarter to a net currency gain in the current quarter, partly offset by an increase in the time value adjustment on receivables.

The Group ended the quarter with a cash balance of USD 549.8 million (Q1 2026: USD 531.4 million).

Cost of goods sold

In the second quarter, the cost of goods sold amounted to USD 297.9 million, down from USD 300.5 million in the previous quarter. The decrease mainly reflects reduced depreciation in the North Sea and Kurdistan due to lower net production, partly offset by increased North Sea transportation expense and movement in underlift balance.

Lifting costs

Lifting costs stood at USD 121.4 million in the second quarter, up from USD 118.1 million in the previous quarter. In the North Sea, the average lifting cost stood at USD 12.5 per barrel of oil equivalent (boe), up from USD 11.9 per boe in the previous quarter, primarily due to lower production and slightly higher costs spread across several fields. In Kurdistan, lifting costs increased modestly and included front-loaded workover activities while production was suspended. As production only restarted toward the very end of the quarter, the average lifting cost per boe for the quarter has not been calculated.

USD million	Q2 2026	Quarters Q1 2026	Q2 2025	First Half-Year 2026	2025	Full-Year 2025
North Sea	96.9	94.6	53.1	191.5	89.5	274.9
Kurdistan	24.7	23.8	25.3	48.5	49.0	102.1
Total	**121.4**	**118.1**	**78.4**	**239.5**	**138.5**	**376.4**

USD/boe	Q2 2026	Quarters Q1 2026	Q2 2025	First Half-Year 2026	2025	Full-Year 2025
North Sea	12.5	11.9	17.5	12.2	18.8	13.7
Kurdistan	-	6.7	5.0	13.5	4.6	5.3
Average	**15.7**	**10.2**	**9.6**	**12.4**	**9.0**	**9.6**

Depreciation, depletion and amortization (DD&A)

DD&A related to the Group's oil and gas production assets amounted to USD 112.1 million in the second quarter, down from USD 142.2 million in the previous quarter. The decrease was mainly driven by absence of depreciation in Kurdistan. Lower production in the North Sea also contributed to the reduction.

USD million	Q2 2026	Quarters Q1 2026	Q2 2025	First Half-Year 2026	2025	Full-Year 2025
North Sea	112.1	120.0	46.8	232.1	71.0	289.7
Kurdistan	-	22.2	26.0	22.2	51.4	99.9
Total	**112.1**	**142.2**	**72.8**	**254.3**	**122.5**	**389.6**

USD/boe	Q2 2026	Quarters Q1 2026	Q2 2025	First Half-Year 2026	2025	Full-Year 2025
North Sea	14.5	15.0	15.4	14.8	14.9	14.5
Kurdistan	-	16.7	15.3	16.7	15.3	15.3
Average	**14.5**	**15.3**	**15.4**	**14.9**	**15.1**	**14.7**

Exploration costs expensed

Exploration costs expensed in the second quarter amounted to USD 43.4 million, up from USD 11.9 million in the previous quarter. The increase was mainly due to expensing of the Heisenberg well and increased seismic costs.

USD million	Q2 2026	Quarters Q1 2026	Q2 2025	First Half-Year 2026	2025	Full-Year 2025
North Sea	43.4	11.9	13.2	55.3	44.0	136.5
Kurdistan	-	-	-	-	-	-
Total	**43.4**	**11.9**	**13.2**	**55.3**	**44.0**	**136.5**

Capital expenditures

Capital expenditures stood at USD 202.4 million in the second quarter, of which USD 188.8 million was incurred in the North Sea and USD 13.6 million in Kurdistan.

USD million	Q2 2026	Quarters Q1 2026	Q2 2025	First Half-Year 2026	2025	Full-Year 2025
North Sea	188.8	96.4	109.5	285.2	214.4	595.9
Kurdistan	13.6	10.9	4.9	24.4	11.1	21.9
Other	-	-	0.1	-	2.1	0.2
Total	**202.4**	**107.3**	**114.5**	**309.6**	**227.6**	**618.0**

Risks and uncertainty

The Group is subject to a range of risks and uncertainties which may affect its business operations and financial condition. The description of key risks and uncertainties in the DNO ASA Annual Report and Accounts 2025 gives a fair description of key risks and uncertainties that may affect the Group in the second half of 2026. No significant new risks or uncertainties, or significant changes to those previously described, have been identified, except as described herein.

Operations on the Tawke license
As a precautionary safety measure, the Company halted production and drilling immediately following the launch of U.S.-Israeli air strikes against Iran on 28 February 2026.

Limited field operations restarted on 9 April 2026 with resumption of workovers of existing wells and relaunch of the previously announced eight-well drilling campaign. Production from the Tawke field recommenced on 28 June 2026, followed by the Peshkabir field on 11 July 2026.

The pace at which the Company restores and is able to sustain full operations in Kurdistan will depend on the performance of wells and surface facilities following a prolonged shut-in and on regional security conditions. DNO is currently selling its entitlement oil at prices in the mid-to-upper USD 30s per barrel.

The timing of payments for previous oil sales by the Kurdistan Regional Government (KRG) and the payment terms and conditions for participation in oil exports through the Iraq-Türkiye Pipeline (ITP), remain uncertain. The Company continues to engage with the KRG regarding the recovery of outstanding arrears and the commercial terms for any future exports.

The safety and security of employees and contractors remain the Company's highest priority. DNO continues to coordinate closely with the KRG and the relevant authorities to maintain a safe and secure operating environment.

Responsibility statement

We confirm to the best of our knowledge that the Group's interim financial statements for the period 1 January to 30 June 2026 have been prepared in accordance with IAS 34 *Interim Financial Reporting* and give a fair view of the Group's assets, liabilities, financial position and results for the period viewed in their entirety, and that the interim management report includes a fair review of any significant events that arose during the six-month period and their effect on the half-year financial report, any significant related-party transactions, and a description of the significant risks and uncertainties for the remaining six months of the year.

Oslo, 12 August 2026

Bijan Mossavar-Rahmani Executive Chairman	Gunnar Hirsti Deputy Chairman	Elin Karfjell Director
Anita Marie Hjerkinn Aarnæs Director	Najmedin Meshkati Director	Grethe Kristin Moen Director
Ferris J. Hussein Director	Christopher Spencer Managing Director	

Consolidated statements of comprehensive income

(unaudited, in USD million)	Note	Quarters Q2 2026	Q2 2025	First Half-Year 2026	2025	Full-Year 2025
Revenues	2,3	**760.5**	**258.0**	**1,387.8**	**445.6**	**1,474.0**
Lifting costs		-121.4	-78.4	-239.5	-138.5	-376.4
Tariff and transportation expenses		-63.4	-27.7	-118.3	-46.2	-181.5
Movement in overlift/underlift		2.3	27.4	21.0	35.9	86.0
Depreciation, depletion and amortization	7	-115.4	-75.5	-261.6	-126.6	-403.4
Cost of goods sold		**-297.9**	**-154.3**	**-598.4**	**-275.3**	**-875.3**
Gross profit		**462.6**	**103.7**	**789.4**	**170.2**	**598.7**
Share of profit/loss from Joint Venture		1.4	1.5	5.5	3.7	7.7
Other operating income/expenses		-7.7	-0.5	-7.4	-0.7	18.8
Administrative expenses		-2.8	-5.7	-38.0	-16.8	-48.6
Impairment/reversal	7	-	-	-0.2	-	56.4
Exploration expenses	4	-43.4	-13.2	-55.3	-44.0	-136.5
Gain/loss on license transactions	15	28.8	-	28.6	1.3	16.2
Operating profit/loss		**439.0**	**85.8**	**722.7**	**113.8**	**512.8**
Financial income	5	21.9	14.2	19.8	26.8	37.7
Financial expenses	5	-37.2	-52.0	-62.2	-77.0	-153.1
Profit/loss before income tax		**423.7**	**47.9**	**680.3**	**63.6**	**397.4**
Tax income/expense	6	-340.3	-55.3	-546.2	-74.5	-422.6
Net profit/loss		**83.4**	**-7.3**	**134.1**	**-10.9**	**-25.2**
Currency translation differences		2.9	10.5	-0.2	28.3	29.8
Other comprehensive income		**2.9**	**10.5**	**-0.2**	**28.3**	**29.8**
Total comprehensive income, net of tax		**86.3**	**3.2**	**133.9**	**17.4**	**4.6**
Net profit/loss attributable to:						
Dividends paid on hybrid capital	10	10.8	-	21.5	-	21.5
Equity holders of the parent		72.7	-7.3	112.6	-10.9	-46.7
Net profit/loss		**83.4**	**-7.3**	**134.1**	**-10.9**	**-25.2**
Total comprehensive income attributable to:						
Dividends paid on hybrid capital	10	10.8	-	21.5	-	21.5
Equity holders of the parent		75.6	3.2	112.4	17.4	-16.9
Total comprehensive income, net of tax		**86.3**	**3.2**	**133.9**	**17.4**	**4.6**
Weighted average number of shares outstanding (millions)		975.00	975.00	975.00	975.00	975.00
Earnings per share, basic (USD per share)	16	0.07	-0.01	0.12	-0.01	-0.05
Earnings per share, diluted (USD per share)	16	0.07	-0.01	0.12	-0.01	-0.05

Consolidated statements of financial position

ASSETS (unaudited, in USD million)	Note	At 30 Jun 2026	At 30 Jun 2025	At 31 Dec 2025
Non-current assets				
Deferred tax assets	6	29.3	16.9	8.7
Goodwill	7	1,409.2	1,415.3	1,360.6
Other intangible assets	7	169.7	310.2	296.9
Property, plant and equipment	7	3,174.3	2,746.2	3,029.1
Investment in Joint Venture		37.1	43.3	38.1
Other non-current receivables	9	137.5	110.4	120.0
Other assets		4.6	4.5	4.5
Total non-current assets		**4,961.6**	**4,646.9**	**4,857.9**
Current assets				
Inventories	8	105.9	106.3	105.7
Trade and other receivables	9	623.6	711.5	569.6
Derivatives	14	-	8.8	11.5
Cash and cash equivalents		549.8	788.1	453.7
Total current assets		**1,279.3**	**1,614.6**	**1,140.4**
TOTAL ASSETS		**6,240.9**	**6,261.5**	**5,998.3**

EQUITY AND LIABILITIES (unaudited, in USD million)	Note	At 30 Jun 2026	At 30 Jun 2025	At 31 Dec 2025
Equity				
Equity		1,363.5	1,434.2	1,328.5
Total equity		**1,363.5**	**1,434.2**	**1,328.5**
Non-current liabilities				
Deferred tax liabilities	6	1,203.3	946.1	1,215.4
Interest-bearing liabilities	11	990.5	987.7	989.1
Provisions and other liabilities	12	1,225.2	1,217.4	1,234.9
Total non-current liabilities		**3,418.9**	**3,151.2**	**3,439.4**
Current liabilities				
Trade and other payables	13	568.5	541.7	462.1
Income taxes payable	6	688.6	420.1	320.3
Interest-bearing liabilities	11	102.6	644.2	339.4
Derivatives	14	6.7	12.8	5.6
Provisions and other liabilities	12	92.1	57.3	103.1
Total current liabilities		**1,458.5**	**1,676.1**	**1,230.4**
Total liabilities		**4,877.4**	**4,827.3**	**4,669.8**
TOTAL EQUITY AND LIABILITIES		**6,240.9**	**6,261.5**	**5,998.3**

Consolidated cash flow statement

(unaudited, USD million)	Note	Quarters Q2 2026	Q2 2025	First Half-Year 2026	2025	Full-Year 2025
Operating activities						
Profit/loss before income tax		423.7	47.9	680.3	63.6	397.4
Adjustments to add/deduct non-cash items:						
Exploration cost previously capitalized carried to cost	4	18.7	-1.8	17.4	15.4	62.8
Depreciation, depletion and amortization	7	115.4	75.5	261.6	126.6	403.4
Impairment/reversal	7	-	-	0.2	-	-56.4
ARO estimate change on fully impaired assets		-	0.4	16.1	0.4	4.0
Gain/loss on license transactions	15	-28.8	-	-28.6	-1.3	-16.2
Time value effects on trade receivables	5,9	10.4	-	8.9	-0.3	14.8
Share of profit/loss from Joint Venture		-1.4	-1.5	-5.5	-3.7	-7.7
Amortization of borrowing issue costs	5,11	0.7	3.8	1.4	4.7	10.1
Accretion expense on ARO provisions	5	15.4	9.6	30.7	15.9	46.8
Interest expense	5	9.3	30.3	18.6	48.0	69.3
Interest income	5	-3.5	-10.7	-6.8	-20.2	-35.1
Change in unrealized gain/loss on derivatives	14	-14.9	-	14.4	-	-4.7
Change in other balance sheet items, non-cash items and exchange effects		-16.5	5.5	-8.8	5.2	-4.0
Change in working capital items and provisions:						
- Inventories	8	-0.4	2.4	-0.1	4.7	5.3
- Trade and other receivables	9	35.8	9.9	-89.5	0.7	127.4
- Trade and other payables	13	69.4	-28.4	106.9	0.8	-77.5
- Provisions for other liabilities and charges	12	5.7	-8.1	4.4	-3.0	-9.8
Cash generated from operations		**639.0**	**134.8**	**1,021.5**	**257.6**	**930.0**
Net income taxes paid	6	-98.3	-114.3	-162.2	-114.3	-263.7
Interest received		2.6	10.6	4.8	17.9	30.0
Interest paid		-25.4	-29.0	-48.0	-46.4	-105.8
Net cash from/used in operating activities		**517.9**	**2.1**	**816.2**	**114.7**	**590.6**
Investing activities						
Purchases of intangible assets	7	-27.9	-13.9	-32.8	-53.0	-130.3
Purchases of tangible assets	7	-174.5	-100.6	-276.8	-174.6	-487.7
Payments for decommissioning		-25.5	-2.2	-73.9	-3.8	-33.2
Acquisition of subsidiary, net of cash acquired		-	-180.9	-	-203.4	-203.4
Proceeds/Payments (-) license transactions	15	-4.8	-	-4.8	-	7.4
Equity contribution into Joint Venture		-3.8	-0.1	-6.6	-2.9	-10.5
Dividends from Joint Venture		8.2	3.9	14.1	12.1	27.2
Net cash from/used in investing activities		**-228.4**	**-293.8**	**-380.9**	**-425.6**	**-830.6**
Financing activities						
Proceeds from borrowings	11	75.3	300.0	259.0	930.0	1,383.1
Proceeds from hybrid bond	10	-	400.0	-	400.0	400.0
Repayment of borrowings	11	-296.1	-1,050.3	-493.8	-1,050.3	-1,812.7
Payment of debt issue costs	11	-	-3.8	-	-11.6	-11.6
Payment of hybrid bond issue costs	10	-	-6.4	-	-6.4	-6.4
Paid dividend		-39.4	-30.2	-77.9	-57.6	-129.7
Paid dividend hybrid bond owners	10	-10.8	-	-21.5	-	-21.5
Payment of lease liabilities		-1.0	-0.8	-5.3	-1.4	-3.5
Net cash from/used in financing activities		**-271.9**	**-391.6**	**-339.5**	**202.6**	**-202.2**
Net increase/decrease in cash and cash equivalents		17.6	-683.2	95.8	-108.2	-442.2
Cash and cash equivalents at beginning of the period		531.4	1,472.8	453.7	899.0	899.0
Exchange gains/losses on cash and cash equivalents		0.7	-1.5	0.3	-2.7	-3.1
Cash and cash equivalents at the end of the period		**549.8**	**788.1**	**549.8**	**788.1**	**453.7**
Of which restricted cash		16.4	20.8	16.4	20.8	17.5

Consolidated statement of changes in equity

(unaudited, in USD million)	Share capital	Share premium	Hybrid capital*	Other equity: Currency translation differences	Other equity: Retained earnings	Total equity
Total equity as of 31 December 2024	**32.9**	**343.6**	**-**	**-65.7**	**769.3**	**1,080.0**
Currency translation differences for the period	-	-	-	28.3	-	28.3
Other comprehensive income/loss	**-**	**-**	**-**	**28.3**	**-**	**28.3**
Profit/loss for the period	-	-	-	-	-10.9	-10.9
Total comprehensive income	**-**	**-**	**-**	**28.3**	**-10.9**	**17.4**
Hybrid bond issue	-	-	393.5	-	-	393.5
Payment of dividend	-	-	-	-	-56.7	-56.7
Transactions with shareholders/hybrid capital owners	**-**	**-**	**393.5**	**-**	**-56.7**	**336.8**
Total equity as of 30 June 2025	**32.9**	**343.6**	**393.5**	**-37.4**	**701.6**	**1,434.2**

(unaudited, in USD million)	Share capital	Share premium	Hybrid capital*	Other equity: Currency translation differences	Other equity: Retained earnings	Total equity
Total equity as of 31 December 2025	**32.9**	**343.6**	**393.5**	**-35.9**	**594.5**	**1,328.5**
Reclassification of currency translation difference**	**-**	**-**	**-**	**45.8**	**-45.8**	**-**
Currency translation differences for the period	-	-	-	-0.2	-	-0.2
Other comprehensive income/loss	**-**	**-**	**-**	**-0.2**	**-**	**-0.2**
Profit/loss for the period	-	-	21.5	-	112.6	134.1
Total comprehensive income	**-**	**-**	**21.5**	**-0.2**	**112.6**	**133.9**
Payment of dividend	-	-	-21.5	-	-77.4	-98.9
Transactions with shareholders/hybrid capital owners	**-**	**-**	**-21.5**	**-**	**-77.4**	**-98.9**
Total equity as of 30 June 2026	**32.9**	**343.6**	**393.5**	**9.7**	**583.9**	**1,363.5**

* See Note 10 for details
** Reclassification within equity following a change in the functional currency of subsidiary DNO Norge AS from NOK to USD

Notes to the consolidated interim financial statements

Note 1 | Basis of preparation and accounting policies

Principal activities and corporate information
DNO ASA (the Company) and its subsidiaries (DNO or the Group) are engaged in international oil and gas exploration, development and production.

Basis of preparation
DNO ASA's consolidated interim financial statements have been prepared in accordance with International Accounting Standard (IAS) 34 *Interim Financial Reporting* and IFRS standards issued and effective at the date of reporting as adopted by the EU. These interim financial statements have also been prepared in accordance with Oslo Stock Exchange regulations.

The interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the DNO ASA Annual Report 2025.

The interim financial information for 2026 and 2025 is unaudited.

The interim financial statements have been prepared on a historical cost basis, with the following exceptions: liabilities related to share-based payments, derivative financial instruments, equity instruments and business combinations are recognized at fair value. A detailed description of the accounting policies applied is included in the DNO ASA Annual Report 2025.

The accounting policies adopted in the preparation of the interim financial statements are consistent with those followed in the preparation of the DNO ASA Annual Report 2025.

Due to rounding adjustments, some row and column totals may not exactly match the sum of the amounts shown.

Note 2 | Segment information

The Group reports the following three operating segments: North Sea (which includes the Group's oil and gas activities in Norway and the UK), Kurdistan and West Africa (which represents the Group's equity accounted investment in Côte d'Ivoire). The segment assets/liabilities do not include internal receivables/liabilities.

Second quarter ending 30 June 2026 USD million	**Note**	**North Sea**	**Kurdistan**	**West Africa**	**Other**	**Total reporting segments**	**Un-allocated/ eliminated**	**Total Group**
Income statement information								
Revenues	**3**	**760.5**	**-**	**-**	**-**	**760.5**	**-**	**760.5**
Lifting costs		-96.9	-24.7	-	-	-121.6	0.3	-121.4
Tariff and transportation expenses		-63.4	-	-	-	-63.4	-	-63.4
Movement in overlift/underlift		2.3	-	-	-	2.3	-	2.3
Depreciation, depletion and amortization		-114.7	-0.2	-	-	-114.9	-0.5	-115.4
Cost of goods sold		**-272.8**	**-24.9**	**-**	**-**	**-297.7**	**-0.3**	**-297.9**
Gross profit		**487.7**	**-24.9**	**-**	**-**	**462.9**	**-0.3**	**462.6**
Share of profit/loss from Joint Venture		-	-	1.4	-	1.4	-	1.4
Other operating income/expenses		-7.2	-0.7	-	0.6	-7.4	-0.3	-7.7
Administrative expenses		-0.3	-0.8	-	-0.2	-1.3	-1.5	-2.8
Exploration expenses	4	-43.4	-	-	-	-43.4	-	-43.4
Gain/loss on license transactions	15	28.8	-	-	-	28.8	-	28.8
Operating profit/loss		**465.6**	**-26.3**	**1.4**	**0.3**	**441.0**	**-2.0**	**439.0**
Financial income/expenses (net)	5	0.6	-6.8	-	0.7	-5.5	-9.9	-15.3
Tax income/expense	6	-340.3	-	-	-	-340.3	-	-340.3
Net profit/loss		**126.0**	**-33.2**	**1.4**	**1.1**	**95.3**	**-11.9**	**83.4**

Note 2 | Segment information

Second quarter ending 30 June 2025 USD million	Note	North Sea	Kurdistan	West Africa	Other	Total reporting segments	Un-allocated/ eliminated	Total Group
Income statement information								
Revenues	**3**	**204.1**	**53.9**	**-**	**-**	**258.0**	**-**	**258.0**
Lifting costs		-53.1	-25.3	-	-	-78.4	-	-78.4
Tariff and transportation expenses		-27.7	-	-	-	-27.7	-	-27.7
Movement in overlift/underlift		27.4	-	-	-	27.4	-	27.4
Depreciation, depletion and amortization		-48.5	-26.1	-	-	-74.6	-0.8	-75.5
Cost of goods sold		**-102.0**	**-51.5**	**-**	**-**	**-153.5**	**-0.8**	**-154.3**
Gross profit		**102.1**	**2.4**	**-**	**-**	**104.5**	**-0.8**	**103.7**
Share of profit/loss from Joint Venture		-	-	1.5	-	1.5	-	1.5
Other operating income/expenses		0.2	-0.6	-	-0.1	-0.5	-	-0.5
Administrative expenses		-0.7	-0.2	-	-0.3	-1.1	-4.5	-5.7
Exploration expenses	4	-13.2	-	-	-	-13.2	-	-13.2
Operating profit/loss		**88.4**	**1.6**	**1.4**	**-0.3**	**91.1**	**-5.3**	**85.8**
Financial income/expenses (net)	5	-17.0	-0.3	1.2	0.2	-16.0	-21.9	-37.8
Tax income/expense	6	-55.3	-	-	-	-55.3	-	-55.3
Net profit/loss		**16.1**	**1.3**	**2.6**	**-0.2**	**19.9**	**-27.2**	**-7.3**

Note 2 | Segment information

Half-Year ending 30 June 2026 USD million	Note	North Sea	Kurdistan	West Africa	Other	Total reporting segments	Un-allocated/ eliminated	Total Group
Income statement information								
Revenues	**3**	**1,346.6**	**41.2**	**-**	**-**	**1,387.8**	**-**	**1,387.8**
Lifting costs		-191.5	-48.5	-	-	-240.0	0.5	-239.5
Tariff and transportation expenses		-118.3	-	-	-	-118.3	-	-118.3
Movement in overlift/underlift		21.0	-	-	-	21.0	-	21.0
Depreciation, depletion and amortization	7	-237.9	-22.5	-	-	-260.4	-1.2	-261.6
Cost of goods sold		**-526.7**	**-71.0**	**-**	**-**	**-597.7**	**-0.7**	**-598.4**
Gross profit		**819.9**	**-29.8**	**-**	**-**	**790.1**	**-0.7**	**789.4**
Share of profit/loss from Joint Venture		-	-	5.5	-	5.5	-	5.5
Other operating income/expenses		-6.3	-0.9	-	0.1	-7.1	-0.3	-7.4
Administrative expenses		-28.3	-0.5	-	-0.5	-29.4	-8.6	-38.0
Impairment/reversal oil and gas assets	7	-0.2	-	-	-	-0.2	-	-0.2
Exploration expenses	4	-55.3	-	-	-	-55.3	-	-55.3
Gain/loss on license transactions	15	28.6	-	-	-	28.6	-	28.6
Operating profit/loss		**758.4**	**-31.2**	**5.5**	**-0.4**	**732.3**	**-9.6**	**722.7**
Financial income/expenses (net)	5	-20.1	-1.2	-	0.7	-20.6	-21.9	-42.4
Tax income/expense	6	-546.2	-	-	-	-546.2	-	-546.2
Net profit/loss		**192.1**	**-32.4**	**5.5**	**0.4**	**165.5**	**-31.4**	**134.1**
Financial position information								
Non-current assets		4,300.6	614.9	37.1	-	4,952.6	9.0	4,961.6
Current assets		928.1	177.9	-	0.5	1,106.5	172.7	1,279.3
Total assets		**5,228.7**	**792.9**	**37.1**	**0.5**	**6,059.1**	**181.8**	**6,240.9**
Non-current liabilities		2,337.1	75.5	-	-	2,412.7	1,006.2	3,418.9
Current liabilities		1,272.3	160.6	-	5.8	1,438.7	19.7	1,458.5
Total liabilities		**3,609.5**	**236.1**	**-**	**5.8**	**3,851.4**	**1,026.0**	**4,877.4**

Note 2 | Segment information

Half-Year ending 30 June 2025 USD million	Note	North Sea	Kurdistan	West Africa	Other	Total reporting segments	Un-allocated/ eliminated	Total Group
Income statement information								
Revenues	**3**	**334.0**	**111.6**	**-**	**-**	**445.6**	**-**	**445.6**
Lifting costs		-89.5	-49.0	-	-	-138.6	0.1	-138.5
Tariff and transportation expenses		-46.2	-	-	-	-46.2	-	-46.2
Movement in overlift/underlift		35.9	-	-	-	35.9	-	35.9
Depreciation, depletion and amortization	7	-73.2	-51.7	-	-	-124.9	-1.7	-126.6
Cost of goods sold		**-173.0**	**-100.7**	**-**	**-**	**-273.7**	**-1.6**	**-275.3**
Gross profit		**161.0**	**10.8**	**-**	**-**	**171.9**	**-1.6**	**170.2**
Share of profit/loss from Joint Venture		-	-	3.7	-	3.7	-	3.7
Other operating income/expenses		0.2	-0.9	-	-0.1	-0.8	-	-0.7
Administrative expenses		-4.0	-0.5	-	-0.4	-4.9	-11.8	-16.8
Exploration expenses	4	-44.0	-	-	-	-44.0	-	-44.0
Gain/loss on license transactions		1.3	-	-	-	1.3	-	1.3
Operating profit/loss		**114.5**	**9.5**	**3.7**	**-0.5**	**127.2**	**-13.4**	**113.8**
Financial income/expenses (net)	5	-23.4	3.0	1.2	0.3	-18.9	-31.3	-50.2
Tax income/expense	6	-74.5	-	-	-	-74.5	-	-74.5
Net profit/loss		**16.6**	**12.4**	**4.9**	**-0.1**	**33.8**	**-44.8**	**-10.9**
Financial position information								
Non-current assets		3,966.4	626.5	43.3	-	4,636.3	10.6	4,646.9
Current assets		975.4	238.0	-	1.3	1,214.7	399.9	1,614.6
Total assets		**4,941.9**	**864.5**	**43.3**	**1.3**	**5,851.0**	**410.5**	**6,261.5**
Non-current liabilities		2,075.2	72.8	-	-	2,148.0	1,003.3	3,151.2
Current liabilities		1,510.2	137.6	-	7.8	1,655.7	20.4	1,676.1
Total liabilities		**3,585.4**	**210.4**	**-**	**7.8**	**3,803.6**	**1,023.7**	**4,827.3**

Note 3 | Revenues

USD million	Quarters Q2 2026	Q2 2025	First Half-Year 2026	2025	Full-Year 2025
Sale of oil	418.0	147.1	796.5	252.3	801.9
Sale of gas	283.1	95.7	541.0	168.5	576.7
Sale of natural gas liquids (NGL)	36.6	10.9	51.2	18.0	60.0
Tariff income	8.4	3.2	12.6	5.7	18.6
Total revenues from contracts with customers	**746.1**	**256.9**	**1,401.3**	**444.5**	**1,457.3**
Gain/loss (-) on gas hedging instruments	14.4	1.1	-13.5	1.1	16.7
Total revenues	**760.5**	**258.0**	**1,387.8**	**445.6**	**1,474.0**
Sale of oil (bopd)	39,917	33,816	48,819	29,552	41,301
Sale of gas (boepd)	34,756	14,478	35,075	11,675	23,820
Sale of natural gas liquids (NGL) (boepd)	5,838	2,773	5,158	2,190	4,007
Total sales volume (boepd)	**80,511**	**51,068**	**89,052**	**43,417**	**69,128**

Note 4 | Exploration expenses

USD million	Quarters Q2 2026	Q2 2025	First Half-Year 2026	2025	Full-Year 2025
Exploration expenses (G&G and field surveys)	-9.9	-5.6	-16.3	-10.5	-26.9
Seismic costs	-7.9	-2.7	-8.7	-6.9	-19.0
Exploration cost capitalized in previous years carried to cost	-18.9	-	-17.4	-2.6	-2.6
Exploration costs capitalized this year carried to cost	0.2	1.8	-	-12.8	-60.2
Other exploration cost expensed	-6.8	-6.7	-12.9	-11.3	-27.7
Total exploration expenses	**-43.4**	**-13.2**	**-55.3**	**-44.0**	**-136.5**

Exploration expenses relate to the North Sea activity.
The Heisenberg discovery was expensed during the quarter following management's assessment of commercial viability.

Note 5 | Financial income and financial expenses

USD million	Note	Quarters Q2 2026	Q2 2025	First Half-Year 2026	2025	Full-Year 2025
Interest income		3.5	10.7	6.8	20.2	35.1
Currency exchange gain (net)		18.4	2.6	12.9	5.8	1.7
Other financial income		-	0.8	-	0.8	0.9
Financial income		**21.9**	**14.2**	**19.8**	**26.8**	**37.7**
Interest expense		-25.0	-30.3	-51.1	-48.0	-104.9
Interest expense (IFRS 16)		-0.9	-0.4	-1.7	-0.6	-1.8
Capitalized interest		15.7	0.9	32.5	0.9	35.6
Time value effect trade receivables	9	-10.4	-	-8.9	0.3	-14.8
Amortization of borrowing costs	11	-0.7	-3.8	-1.4	-4.7	-10.1
Accretion expense ARO		-15.4	-9.6	-30.7	-15.9	-46.8
Other financial expenses		-0.5	-8.8	-0.9	-9.0	-10.2
Financial expenses		**-37.2**	**-52.0**	**-62.2**	**-77.0**	**-153.1**
Net financial income/expenses		**-15.3**	**-37.8**	**-42.4**	**-50.2**	**-115.4**

Note 6 | Income taxes

USD million	Quarters Q2 2026	Q2 2025	First Half-Year 2026	2025	Full-Year 2025
Tax income/expense					
Change in deferred taxes	-58.9	-66.8	-9.6	-127.0	-404.8
Income tax receivable/payable	-281.4	11.5	-536.7	52.4	-17.7
Total tax income/expense (-)	**-340.3**	**-55.3**	**-546.2**	**-74.5**	**-422.6**

USD million	Quarters Q2 2026	Q2 2025	First Half-Year 2026	2025	Full-Year 2025
Reconciliation of change in deferred tax assets/liabilities					
Deferred tax assets/liabilities at beginning of the period	-1,157.7	-298.9	-1,206.8	-217.6	-217.6
Changes in deferred taxes in the income statement	-58.9	-66.8	-9.6	-127.0	-404.8
Deferred taxes related to transactions	42.6	-546.6	42.6	-546.6	-536.1
Currency and other movements on deferred tax asset/liability	0.1	-16.9	-0.2	-38.1	-48.3
Deferred tax assets/liabilities (-) at end of the period	**-1,174.0**	**-929.2**	**-1,174.0**	**-929.2**	**-1,206.8**
Recognized deferred tax assets (UK)	29.3	16.9	29.3	16.9	8.7
Recognized deferred tax liabilities (Norway)	-1,203.3	-946.1	-1,203.3	-946.1	-1,215.4

USD million	Quarters Q2 2026	Q2 2025	First Half-Year 2026	2025	Full-Year 2025
Reconciliation of change in tax receivable/payable					
Net tax receivable/payable at beginning of the period	-522.8	73.5	-320.3	27.5	27.5
Tax receivable/payable related to transactions - posted directly to balance sheet	-1.8	-624.0	-2.5	-624.0	-606.7
Current period tax receivable/payable	-281.4	11.5	-536.7	52.4	-17.7
Tax payments/refunds (-)	98.3	114.3	162.2	114.3	263.7
Currency and other movements on tax receivable/payable	19.2	4.6	8.7	9.6	12.9
Tax receivable/payable (-) at end of the period	**-688.6**	**-420.1**	**-688.6**	**-420.1**	**-320.3**
Income taxes payable	-551.1	-292.3	-551.1	-292.3	-189.3
Provision for uncertain tax positions	-137.5	-127.8	-137.5	-127.8	-131.0

The tax balances relate to the activity on the Norwegian Continental Shelf and the UK Continental Shelf.

Under the terms of the Production Sharing Contracts (PSC) in the Kurdistan region of Iraq, the Company's subsidiary, DNO Iraq AS, is not required to pay any corporate income taxes. The share of profit oil of which the government is entitled to is deemed to include a portion representing the notional corporate income tax paid by the government on behalf of DNO. Current and deferred taxation arising from such notional corporate income tax is not calculated for Kurdistan as there is uncertainty related to the tax laws of the Kurdistan Regional Government (KRG) and there is currently no well-established tax regime for international oil companies.

Profits/losses by Norwegian companies from upstream activities outside of Norway are not taxable/deductible in Norway in accordance with the General Tax Act, section 2-39. Under these rules, only certain financial income and expenses are taxable in Norway.

Provision for uncertain tax positions mainly relates to tax exposures arising from acquisitions previously completed, for which the original sellers have provided tax indemnities. A tax indemnity receivable of USD 132.0 million is recognized under Trade and other receivables. The provision for uncertain tax positions is updated according to developments in the specific cases.

Note 7 | Intangible assets/ Property, plant and equipment (PP&E)

USD million	Goodwill	Other intangible assets	Total intangibles	Development assets	Production assets	Other PP&E	RoU assets	Total tangibles
As of 1 January 2026								
Acquisition costs	1,824.5	755.8	2,580.3	891.7	5,112.9	15.4	66.7	6,086.7
Accumulated impairments	-463.9	-370.6	-834.5	-3.0	-461.8	-	-2.7	-467.4
Accumulated depreciation	-	-88.3	-88.3	-	-2,545.7	-13.1	-31.5	-2,590.2
Net book amount	**1,360.6**	**296.9**	**1,657.5**	**888.8**	**2,105.4**	**2.3**	**32.5**	**3,029.1**
Period ended 30 June 2026								
Additions	-	32.8	32.8	152.6	124.4	-	11.2	288.2
Additions through business combinations	59.5	-	59.5	70.0	9.8	-	-	79.8
Capitalized interest	-	-	-	32.5	-	-	-	32.5
Asset transfer	-	-10.6	(10.6)	-289.6	300.2	-	-	10.6
Disposals	-10.6	-131.6	-142.1	-	-4.4	-	-	-4.4
Exploration cost previously capitalized	-	-17.4	-17.4	-	-	-	-	-
Impairments	-	-	-	-	-	-0.2	-	-0.2
Depreciation	-	-0.5	-0.5	-	-254.1	-0.5	-6.5	-261.1
Foreign currency translation effects	-0.4	0.1	-0.2	-3.2	3.0	-	1.2	1.0
Other	-	-	-	-	-	-	-1.2	-1.2
Closing net book amount	**1,409.2**	**169.7**	**1,578.9**	**851.1**	**2,284.3**	**1.7**	**37.3**	**3,174.3**
As of 30 June 2026								
Acquisition costs	1,872.9	628.8	2,501.7	856.7	5,581.9	15.7	78.1	6,532.4
Accumulated impairments	-463.7	-370.4	-834.1	-5.6	-481.1	-0.2	-2.7	-489.6
Accumulated depreciation	-	-88.7	-88.7	-	-2,816.5	-13.9	-38.2	-2,868.5
Net book amount	**1,409.2**	**169.7**	**1,578.9**	**851.1**	**2,284.3**	**1.7**	**37.3**	**3,174.3**

Additions to intangible assets relate to exploration and evaluation expenditures under the successful efforts method, acquisition of license interests and administrative software. Additions to tangible assets relate to oil and gas development and production assets, including changes in estimate of asset retirement obligation and other property, plant and equipment.

DNO ASA completed two license transactions during the quarter. These are presented as Additions through business combinations and Disposals in the table above. See Note 15 for further details.

During the second quarter, the Cuvette and Cerisa discoveries were transferred from Other intangible assets to Development assets as the projects progressed into the development stage. In addition, the Symra and Dvalin North projects were reclassified from Development assets to Production assets upon commencement of production.

Note 7 | Intangible assets/ Property, plant and equipment (PP&E)

USD million	Goodwill	Other intangible assets	Total intangibles	Development assets	Production assets	Other PP&E	RoU assets	Total tangibles
As of 1 January 2025								
Acquisition costs	466.5	597.5	1,064.0	399.2	3,344.2	15.1	32.0	3,790.6
Accumulated impairments	-364.4	-283.1	-647.5	-127.6	-412.0	-	-	-539.5
Accumulated depreciation	-	-85.9	-85.9	-	-2,109.0	-13.5	-19.2	-2,141.7
Net book amount	**102.1**	**228.5**	**330.6**	**271.7**	**823.3**	**1.6**	**12.8**	**1,109.4**
Period ended 30 June 2025								
Additions	-	53.0	53.0	112.0	67.1	-	-	179.1
Additions through business combinations	1,300.6	16.2	1,316.8	177.6	1,304.8	0.9	27.3	1,510.6
Capitalized interest	-	-	-	0.9	-	-	-	0.9
Asset transfer	-	-	-	-36.0	36.0	-	-	-
Exploration cost previously capitalized	-	-15.4	-15.4	-	-	-	-	-
Depreciation	-	-1.3	-1.3	-	-121.8	-0.5	-3.0	-125.3
Foreign currency translation effects	12.7	29.2	41.9	38.8	32.4	0.0	0.2	71.5
Closing net book amount	**1,415.3**	**310.2**	**1,725.6**	**564.9**	**2,141.8**	**2.2**	**37.3**	**2,746.2**
As of 30 June 2025								
Acquisition costs	1,822.7	714.1	2,536.8	703.1	4,871.2	16.7	60.3	5,651.3
Accumulated impairments	-407.4	-316.7	-724.1	-138.3	-449.1	-	-	-587.3
Accumulated depreciation	-	-87.2	-87.2	-	-2,280.3	-14.4	-23.0	-2,317.7
Net book amount	**1,415.3**	**310.2**	**1,725.6**	**564.9**	**2,141.8**	**2.2**	**37.3**	**2,746.2**

Note 8 | Inventory

USD million	At 30 Jun 2026	At 30 Jun 2025	At 31 Dec 2025
Drilling equipment, spare parts and consumables	124.0	136.4	125.1
Provision for obsolete inventory	-18.1	-30.1	-19.4
Total inventory	**105.9**	**106.3**	**105.7**

Book value of inventory as of the reporting date relates to the North Sea (USD 54.1 million) and to Kurdistan (USD 51.8 million).

Note 9 | Other non-current receivables/ Trade Receivables

USD million	At 30 Jun 2026	At 30 Jun 2025	At 31 Dec 2025
Trade debtors (non-current portion)	137.5	110.4	120.0
Total other non-current receivables	**137.5**	**110.4**	**120.0**
Trade debtors	112.5	178.5	151.2
Tax indemnity receivable (Note 6)	132.0	-	128.8
Underlift	67.3	56.7	35.9
Other short-term receivables	311.8	476.3	253.6
Total trade and other receivables	**623.6**	**711.5**	**569.6**

As of 30 June 2026, the Company was owed a total of USD 287.9 million, excluding interest, by the KRG mainly related to sales of DNO's entitlement share of oil to the KRG for the months October 2022 through March 2023 plus part of the amount invoiced for oil sold to the KRG in September 2022. These receivables are past due. During the second quarter of 2026, DNO recognized that USD 2 million of these arrears had been settled by way of offsetting against payables due to the KRG. The Company continues to engage with the KRG regarding collection of the arrears and expects that it will recover the full invoiced amount as has occurred in the past, but the timing of recovery is uncertain. Due to accounting requirements to incorporate the time value of money, the Company compared the book value of the KRG arrears with the present value of estimated future cash flows, resulting in a cumulative USD 56.1 million reduction of the book value, an increase of USD 10.4 million from the previous quarter. Moreover, the classification of the receivables (current/non-current portion) was updated accordingly.

The underlift receivable as of the reporting date relates to North Sea underlifted volumes. Other short-term receivables mainly relate to items of working capital in licenses in the North Sea and Kurdistan and accrual for earned income not invoiced in the North Sea.

Note 10 | Hybrid capital

USD million	Equity	Liability	Total
Balance as of 31 December 2025	**393.5**	**0.1**	**393.6**
Profit/loss allocated to hybrid bond owners	21.5	-	21.5
Accretion	-	-	-
Interest payment classified as dividend	-21.5	-	-21.5
Balance as of 30 June 2026	**393.5**	**0.1**	**393.6**

On 17 June 2025, DNO ASA completed the placement of a USD 400 million hybrid bond with a coupon rate of 10.75 percent. The hybrid bond will have the first call date five and a half years after issuance, a five percent coupon step-up after six years and a final maturity date of 17 June 2085. DNO has the right to defer coupon payments and ultimately decide not to pay at maturity. Any deferred coupon payments become payable if DNO decides to exercise a repayment call option, pay dividends to shareholders or liquidation proceeds are formally opened. Due to features such as its long maturity, subordination attributes and the option to defer coupon payments and ultimately not pay these at maturity date, the hybrid bond has characteristics of equity. At initial recognition, the net present value of the principal is presented as debt in the consolidated statement of the financial position (balance sheet). The difference between the proceeds received and the discounted liability is recorded as equity. Coupon payments on the part classified as equity are not recognized on an accrual basis; instead, coupon paid is accounted for as a decrease in equity when the related contractual payment obligation arises on the coupon payment date, consistent with the accounting treatment of dividends. The terms of the hybrid bond do not include any financial covenants.

Note 11 | Interest-bearing liabilities

Interest-bearing liabilities

USD million	Ticker	Facility currency	Interest	Maturity	At 30 Jun 2026	At 30 Jun 2025	At 31 Dec 2025
Non-current							
Bond loan (ISIN NO0013243766)	DNO05	USD	9.250 %	04/06/29	400.0	400.0	400.0
Bond loan (ISIN NO0013511113)	DNO06	USD	8.500 %	27/03/30	600.0	600.0	600.0
Hybrid bond (ISIN NO0013582627) liability portion (see Note 10)	DNO07	USD	10.750 %	17/06/85	0.1	0.1	0.1
Capitalized borrowing issue costs					-9.6	-12.4	-11.0
Total non-current interest-bearing liabilities					**990.5**	**987.7**	**989.1**
Current							
Bridge loan	-	USD	See below	25/06/26	-	300.0	-
Prepayment facility	-	Multiple	See below	See below	102.6	348.0	339.4
Capitalized borrowing issue costs					-	-3.8	-
Total current interest-bearing liabilities					**102.6**	**644.2**	**339.4**
Total interest-bearing liabilities					**1,093.1**	**1,631.9**	**1,328.5**

Changes in liabilities arising from financing activities split between cash and non-cash changes

USD million	At 1 Jan 2026	Cash flows	Non-cash changes Amortization	Acquisition	Currency	Reclassification	At 30 Jun 2026
Bond loans	1,000.1	-	-	-	-	-	1,000.1
Borrowing issue costs	-11.0	-	1.4	-	-	-	-9.6
Prepayment facilities	339.4	-234.8	-	-	-2.1	-	102.6
Total	**1,328.5**	**-234.8**	**1.4**	**-**	**-2.1**	**-**	**1,093.1**

USD million	At 1 Jan 2025	Cash flows	Non-cash changes Amortization	Acquisition	Currency	Reclassification	At 30 Jun 2025
Bond loans	750.0	600.1	-	-	-	-350.0	1,000.1
Bond loans (current)	-	-350.0	-	-	-	350.0	-
Borrowing issue costs	-9.5	-11.6	4.7	-	0.2	-	-16.1
Reserve-based lending facility	50.0	-572.3	-	522.3	-	-	-
Bridge loan	-	300.0	-	-	-	-	300.0
Prepayment facilities	-	-98.0	-	446.0	-	-	348.0
Total	**790.5**	**-131.8**	**4.7**	**968.3**	**0.2**	**-**	**1,631.9**

The financial covenants of the DNO05 and DNO06 bonds require a minimum liquidity of USD 40 million and that the Group maintains either an equity ratio of 30 percent or total equity of at least USD 600 million. For details on the hybrid bond, see Note 10.

The prepayment facilities comprise three agreements: one for DNO's Norwegian gas production and two for its North Sea oil production, together providing offtake financing of up to USD 910 million. The gas offtake agreement and related financing facility of up to USD 500 million have a tenor of four years from 1 October 2025. Under the facility, DNO is paid by the bank the value of up to 270 days of scheduled gas production based on future gas sales receivables. The facility carries interest at a risk-free rate plus a margin and has no financial covenants. The oil offtake agreement with ExxonMobil Asia Pacific Pte. Ltd., covering around half of DNO's North Sea oil output, has a tenor of two years from 1 January 2026 and a related revolving credit facility of up to USD 185 million. The oil offtake agreement with Shell International Trading and Shipping Company Limited, covering the other half of the output, has an initial tenor of one year from 1 January 2026 and a related prepayment facility with a European bank of up to USD 225 million. These facilities are uncommitted.

For additional information on the Group's interest-bearing liabilities, refer to the DNO ASA Annual Report 2025.

Note 12 | Provisions and other liabilities

USD million	At 30 Jun 2026	2025	At 31 Dec 2025
Non-current			
Asset retirement obligations (ARO)	1,155.8	1,181.5	1,169.0
Other long-term provisions and charges	43.0	7.8	44.4
Lease liabilities	26.4	28.1	21.5
Total non-current provisions and other liabilities	**1,225.2**	**1,217.4**	**1,234.9**
Current			
Asset retirement obligations (ARO)	62.4	35.7	77.0
Other provisions and charges	14.9	10.9	10.1
Current lease liabilities	14.8	10.7	15.9
Total current provisions and other liabilities	**92.1**	**57.3**	**103.1**
Total provisions and other liabilities	**1,317.3**	**1,274.8**	**1,337.9**

Asset retirement obligations
The provisions for ARO are based on the present value of estimated future costs of decommissioning oil and gas assets in the North Sea and Kurdistan. The discount rates before tax applied were between 4.60 percent and 5.60 percent.

Non-cancellable lease commitments
The lease liabilities recognized in the balance sheet mainly relate to office rent, a Floating Storage and Offloading (FSO) vessel and a rig lease linked to the non-operated Martin Linge oil and gas field, where the lease liability recognized represents DNO's share only. The identified lease liabilities have no significant impact on the Group's financing, loan covenants or dividend policy. The Group does not have any residual value guarantees. Extension options are included in the lease liability when, based on management's judgement, it is reasonably certain that an extension will be exercised. Non-lease components are not included as part of the lease liabilities.

Undiscounted lease liabilities and maturity of cash outflows (non-cancellable):

USD million	At 30 Jun 2026	2025	At 31 Dec 2025
Within one year	15.5	19.0	17.5
Two to five years	31.0	19.3	21.5
After five years	1.9	6.2	3.6
Total undiscounted lease liabilities end of the period	**48.3**	**44.5**	**42.7**

The table above summarizes the Group's maturity profile of the lease liabilities based on contractual undiscounted payments.

Note 13 | Trade and other payables

USD million	At 30 Jun 2026	At 30 Jun 2025	At 31 Dec 2025
Trade payables	123.1	65.4	61.0
Public duties payable	4.4	18.8	2.8
Prepayments from customers	77.2	34.7	4.8
Overlift and other adjustments	124.5	185.3	112.1
Other accrued expenses	239.2	237.6	281.4
Total trade and other payables	**568.5**	**541.7**	**462.1**

Trade payables are non-interest bearing and normally settled within 30 days.

Trade payables and other accrued expenses include items of working capital related to participation in oil and gas licenses in the North Sea and Kurdistan, and prepayments from customers related to oil and gas sales in the North Sea. The overlift and other adjustments relate to North Sea overlifted volumes, valued at production cost including depreciation and other lifting related adjustments in Kurdistan.

Note 14 | Derivatives

USD million	At 30 Jun 2026	At 30 Jun 2025	At 31 Dec 2025
Derivatives (current assets)	-	8.8	11.5
Derivatives (current liabilities)	6.7	12.8	5.6
Net derivatives	**-6.7**	**-4.0**	**5.9**

The Group uses derivative financial instruments to manage its exposure to foreign currency and commodity price risks. Derivatives are measured at fair value on a recurring basis (Level 2 in the fair value hierarchy), with changes in fair value recognized in the income statement.

Foreign exchange derivatives are primarily used to hedge the Group's exposure to NOK, mainly related to Norwegian tax payments. As of 30 June 2026, the Group had hedged 13 percent of the remaining tax installments for 2026 at a weighted average USD/NOK exchange rate of 9.8.

Commodity derivatives are used to hedge a portion of the Group's exposure to gas price fluctuations in the North Sea. As of 30 June 2026, approximately 30 percent of the Group's post-tax gas price exposure for the remainder of 2026 was hedged through collar structures. The weighted average strike prices were USD 57 per boe for the purchased put options and USD 99 per boe for the written call options.

Note 15 | Business combinations

Multi-asset swap with Equinor

On 16 March 2026, DNO ASA announced a non-cash swap of Norwegian Continental Shelf assets with Equinor Energy AS. Under the agreement, DNO acquired a 19 percent interest in Atlantis and a 10 percent interest in Afrodite, two gas condensate discoveries near the Kvitebjørn field. In exchange, the Company transferred its interests in the Røver, Mistral, Tyrihans East and Bergknapp discoveries, as well as the Sjørøver exploration license. The transaction was completed on 29 May 2026, which was also the acquisition date for accounting purposes. The acquisition of the interest in the Atlantis and the Afrodite discoveries has been considered as a business combination and is accounted for using the acquisition method in accordance with IFRS 3. The recognized goodwill relates primarily to technical goodwill. No contingent consideration is payable or receivable and transaction costs were negligible.

USD million	Fair value at acquisition date
Goodwill	55.7
Property, plant and equipment (Development assets)	70.0
Tax receivable	2.0
Other current assets	0.7
Total assets	**128.4**
Deferred tax liability	54.6
Other current liabilities	0.6
Total liabilities	**55.2**
Net assets and liabilities recognized	73.2
Consideration for the acquired assets	**73.2**

The gain on the swap, representing the difference between the fair value of the acquired assets and the carrying value of divested assets, has been recognized in the income statement.

Carrying value of divested assets derecognized	44.3
Consideration for the acquired assets	73.2
Gain	**28.8**

Note 15 | Business combinations

Transaction with INPEX Idemitsu
On 7 May 2026, DNO ASA announced an agreement with INPEX Idemitsu Norge AS to acquire a 3.3 percent interest in the producing Vega Unit and 15 percent in PL090C, which is tied back to Gjøa and part of the Gjøa area cash generating unit. The acquisition increased DNO's interest in Vega Unit to 8.8 percent. The transaction was completed on 30 June 2026, which was also the acquisition date for accounting purposes and was settled in cash. The transaction has been considered as a business combination and is accounted for using the acquisition method in accordance with IFRS 3. The recognized goodwill relates primarily to technical goodwill. No contingent consideration is payable or receivable, and transaction costs were negligible.

USD million	Fair value at acquisition date
Goodwill	3.8
Deferred tax assets	3.8
Property, plant and equipment (Production assets)	9.8
Other non-current assets	3.2
Other current assets	0.8
Total assets	**21.4**
Deferred tax liability	7.5
Asset retirement obligation	4.9
Tax payable	1.8
Other current liabilities	2.4
Total liabilities	**16.6**
Net assets and liabilities recognized	4.8
Consideration paid on completion	**4.8**

Note 16 | Earnings per share

	Quarters		First Half-Year		Full-Year
	Q2 2026	Q2 2025	2026	2025	2025
Net profit/loss	83.4	-7.3	134.1	-10.9	-25.2
EPS adjustment for calculated interest/dividend on hybrid capital (USD million)	-10.8	-1.6	-21.6	-1.6	-23.1
Weighted average number of ordinary shares (million)	975.00	975.00	975.00	975.00	975.00
Earnings per share, basic and diluted (USD)	**0.07**	**-0.01**	**0.12**	**-0.01**	**-0.05**

Note 17 | Subsequent events after the reporting date

Possible offer for Genel Energy plc

On 7 August 2026, DNO announced that on 28 July 2026 its wholly owned subsidiary DNO Iraq AS approached the board of Genel Energy plc with a non-binding proposal to acquire the entire issued and to be issued share capital of Genel at an indicative price of GBP 0.69 per share in cash, with a cash and share alternative. The Genel board rejected the proposal on 4 August 2026. The proposal is subject to customary pre-conditions, including completion of due diligence, and there can be no certainty that an offer will be made. Under the UK Takeover Code, DNO is required by 5.00 p.m. (London time) on 4 September 2026 to announce either a firm intention to make an offer or that it does not intend to make one. This deadline can be extended with the consent of the Panel on Takeovers and Mergers in accordance with the UK Takeover Code. The full statement is available on DNO's website.

Alternative performance measures

DNO discloses alternative performance measures (APMs) as a supplement to the Group's financial statements prepared based on issued guidelines from the European Securities and Markets Authority (ESMA). The Company believes that the APMs provide useful supplemental information to management, investors, securities analysts and other stakeholders and are meant to provide an enhanced insight into the financial development of DNO's business operations, financing and future prospects and to improve comparability between periods. Reconciliations of relevant APMs, definitions and explanations of the APMs are provided below.

EBITDA

	Quarters		First Half-Year		Full-Year
USD million	**Q2 2026**	**Q2 2025**	**2026**	**2025**	**2025**
Revenues	760.5	258.0	1,387.8	445.6	1,474.0
Lifting costs	-121.4	-78.4	-239.5	-138.5	-376.4
Tariff and transportation expenses	-63.4	-27.7	-118.3	-46.2	-181.5
Movement in overlift/underlift	2.3	27.4	21.0	35.9	86.0
Share of profit/loss from Joint Venture	1.4	1.5	5.5	3.7	7.7
Exploration expenses	-43.4	-13.2	-55.3	-44.0	-136.5
Administrative expenses	-2.8	-5.7	-38.0	-16.8	-48.6
Other operating income/expenses	-7.7	-0.5	-7.4	-0.7	18.8
EBITDA	**525.7**	**161.2**	**955.8**	**239.1**	**843.6**

EBITDAX

USD million	**Q2 2026**	**Q2 2025**	**2026**	**2025**	**2025**
EBITDA	525.7	161.2	955.8	239.1	843.6
Exploration expenses	43.4	13.2	55.3	44.0	136.5
EBITDAX	**569.0**	**174.4**	**1,011.2**	**283.1**	**980.0**

Lifting costs

	Q2 2026	**Q2 2025**	**2026**	**2025**	**2025**
Lifting costs (USD million)	-121.4	-78.4	-239.5	-138.5	-376.4
Net production (MMboe)*	7.8	8.1	19.3	15.4	39.2
Lifting costs (USD/boe)	**15.7**	**9.6**	**12.4**	**9.0**	**9.6**

* For accounting purposes, the net production from equity accounted investments is excluded

Capital expenditures

	Q2 2026	**Q2 2025**	**2026**	**2025**	**2025**
Purchases of intangible assets	-27.9	-13.9	-32.8	-53.0	-130.3
Purchases of tangible assets*	-174.5	-100.6	-276.8	-174.6	-487.7
Capital expenditures	**-202.4**	**-114.5**	**-309.6**	**-227.6**	**-618.0**

* Excludes estimate changes on asset retirement obligations and capitalized interest

Alternative performance measures

Operational spend

USD million	Quarters		First Half-Year		Full-Year
	Q2 2026	Q2 2025	2026	2025	2025
Lifting costs	-121.4	-78.4	-239.5	-138.5	-376.4
Tariff and transportation expenses	-63.4	-27.7	-118.3	-46.2	-181.5
Exploration expenses	-43.4	-13.2	-55.3	-44.0	-136.5
Exploration cost previously capitalized carried to cost (Note 4)	18.7	-1.8	17.4	15.4	62.8
Purchases of intangible assets	-27.9	-13.9	-32.8	-53.0	-130.3
Purchases of tangible assets	-174.5	-100.6	-276.8	-174.6	-487.7
Payments for decommissioning	-25.5	-2.2	-73.9	-3.8	-33.2
Operational spend	**-437.4**	**-237.8**	**-779.3**	**-444.7**	**-1,282.8**

Free cash flow

USD million	Q2 2026	Q2 2025	2026	2025	2025
Net cash from/used in operating activities	517.9	2.1	816.2	114.7	590.6
Capital expenditures	-202.4	-114.5	-309.6	-227.6	-618.0
Payments from license transactions	-4.8	-	-4.8	-	7.4
Payments for decommissioning	-25.5	-2.2	-73.9	-3.8	-33.2
Equity contribution into Joint Venture	-3.8	-0.1	-6.6	-2.9	-10.5
Dividends from Joint Venture	8.2	3.9	14.1	12.1	27.2
Free cash flow	**289.5**	**-110.7**	**435.3**	**-107.4**	**-36.6**

Equity

USD million	Q2 2026	Q2 2025	2026	2025	2025
Equity	1,363.5	1,434.2	1,363.5	1,434.2	1,328.5
Total assets	6,240.9	6,261.5	6,240.9	6,261.5	5,998.3
Equity ratio	**21.8%**	**22.9%**	**21.8%**	**22.9%**	**22.1%**

Net debt

USD million	Q2 2026	Q2 2025	2026	2025	2025
Cash and cash equivalents (including restricted cash)	549.8	788.1	549.8	788.1	453.7
Interest-bearing liabilities (Note 11)	1,102.7	1,648.0	1,102.7	1,648.0	1,339.5
Net cash/debt	**-552.9**	**-860.0**	**-552.9**	**-860.0**	**-885.9**

Alternative performance measures

Definitions and explanations of APMs
The Company has defined and explained the purpose of the following APMs:

EBITDA (Earnings before interest, tax, depreciation and amortization)
EBITDA, as reconciled above, can be found by excluding the DD&A, impairment of oil and gas assets and gain/loss on transactions from the profit/loss from operating activities. Management believes that this measure provides useful information regarding the Group’s ability to fund its capital investments and provides a helpful measure for comparing its operating performance with those of other companies.

EBITDAX (Earnings before interest, tax, depreciation, amortization and exploration expenses)
EBITDAX, as reconciled above, can be found by excluding the exploration expenses from the EBITDA. Management believes that this measure provides useful information regarding the Group’s profitability and ability to fund its exploration activities and provides a helpful measure for comparing its performance with those of other companies.

Lifting costs (USD/boe)
Lifting costs comprise expenses related to the production of oil and gas, including operation and maintenance of installations, well intervention activities and insurances. DNO’s lifting costs per boe are calculated by dividing DNO’s share of lifting costs across producing assets by net production for the relevant period. Management believes that the lifting cost per boe is a useful measure because it provides an indication of the Group’s level of operational cost effectiveness between time periods and with those of other companies.

Capital expenditures
Capital expenditures comprise the purchase of intangible and tangible assets irrespective of whether paid in the period. Management believes that this measure is useful because it provides an overview of capital investments used in the relevant period.

Operational spend
Operational spend comprises lifting costs, tariff and transportation expenses, exploration expenses, capital expenditures and payments for decommissioning. Exploration expenses are adjusted to exclude the write-off of exploration costs previously capitalized. Management believes that this measure is useful because it provides a complete overview of the Group’s total operational costs, capital investments and payments for decommissioning used in the relevant period.

Equity
Management uses total equity and equity ratio to monitor capital and financial covenants. The equity ratio is calculated by dividing total equity by the total assets.

Free cash flow
Free cash flow comprises net cash from/used in operating activities less capital expenditures and payments for decommissioning, adjusted for net payments/proceeds from license transactions and net cash received/paid from equity accounted investments. Management believes that this measure is useful because it provides an indication of the profitability of the Group’s operating activities excluding the non-cash items of the income statement and includes operational spend. This measure also provides a helpful measure for comparing with that of other companies.

Net cash/debt
Net cash/debt comprises cash and cash equivalents less bond loans, reserve-based lending facility and offtake financing facilities. Substantially all of the hybrid bond is classified as equity under IFRS and is therefore not included in net cash/debt. Management believes that net debt is a useful measure because it provides an indication of the minimum necessary debt financing (if the figure is negative) to which the Group is subject at the balance sheet date.

NOTES

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