



DANA PETROLEUM plc
(“Dana”, “the Company” or “the Group”)

Interim Results for the Six Months Ended 30 June 2009

Dana Petroleum, the independent oil and gas exploration and production company focused on growth through international exploration and the development of production in the North Sea and Egypt, reports its interim results for the first half of 2009.

HIGHLIGHTS

Bow Valley Acquisition

- Successfully completed 30 April 2009
- Added interests in 5 UK fields and 9 exploration licences
- Now fully integrated into the Dana group

Financial

- Turnover of £165.1 million
- Pre-tax profit of £21.9 million
- Successful syndication of new USD 400 million bank facility
- Successful placing, raising £54 million net
- Net bank debt of £20 million and convertible debt of £117.7 million at period end

Significant Reserves Growth

- New discoveries added some 15-20 mmboe
- Over 11 mmboe added via acquisition

Successful and Extensive Exploration Programme

- 12 wells drilled to date in 2009, yielding 6 new discoveries in North Sea, Morocco and Egypt
- South East Rinnes field proved good quality sands and oil
- Gas discovered at Anchois in Morocco and Fulla in Norway, follow on potential being assessed
- 2 further discoveries in the East Beni Suef concession, onshore Egypt
- 2 substantial 3D Seismic surveys completed or underway in mid-Norway and West of Shetland to identify future drilling potential in 2011 and beyond
- 5 key wells to be spudded in next 6 months at Tornado, UK West of Shetland, Jetta and Trolla in Norway and 2 wells (Papyrus and Bamboo) offshore Nile Delta, Egypt
- In total, 21 exploration wells (including 9 wells onshore Egypt) planned to be drilled during 2009 with all rigs contracted

Production Operations

- First half production of 38,999 boepd. Now producing from 35 oil and gas fields
- Constrained by water cut on East Zeit C2 well, low gas nominations in SNS fields and delayed start-up of Etrick oil field production
- Ongoing workover programme in Egypt
- Etrick production initially constrained by gas compression; phased build up to year-end now expected
- Group production for 2009 now estimated to be broadly flat on 2008, with a year-end exit range of 41,000-43,000 boepd anticipated



Development Programme delivering Future Production

- E18 gas field brought on-stream in June and Etrick oil field in August
- Babbage gas project progressing to schedule with first gas anticipated Q1 2010
- Subsurface and engineering work on host selection progressing on Barbara/Phyllis
- FPSO market survey, detailed subsurface work and scoping engineering work initiated on the Rinnes and Melville area discoveries, now to be renamed the 'Western Isles Development'

Outlook

- Exciting near term exploration drilling opportunities
- Evaluating licence applications for Norwegian APA 2009 and Egypt licence rounds
- New production and exploration opportunities being actively pursued
- Company remains unhedged and therefore well placed to benefit from potential recovery in commodity price

Tom Cross, Chief Executive of Dana, commented:

"The Dana group has made substantial progress in 2009, despite difficult macro economic conditions and low commodity prices.

The Company has delivered a significant corporate acquisition and three material exploration discoveries already this year, together adding new oil and gas reserves of between 25 and 30 million barrels.

Dana has also secured \$400 million of new debt on attractive terms and is now very well positioned for both organic growth and further acquisitions.

We are looking forward to an exciting drilling campaign over the next few months with a further 9 exploration wells scheduled before the end of the year."

28 August 2009

Enquiries:

| | | |
|--------------------------------|----------------------------------------------------------|----------------------|
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DANA PETROLEUM PLC

Interim Results for the Six Months Ended 30 June 2009

CHAIRMAN'S AND CHIEF EXECUTIVE'S STATEMENT

OVERVIEW

It is pleasing to report that good progress has been made across all the key areas of the Company's business during the first half of 2009, despite the difficult external economic environment. As expected, the financial performance is significantly below that in the equivalent period last year, primarily due to the substantial drop in commodity prices. Nevertheless, Dana has delivered a significant corporate acquisition and three material exploration discoveries already this year. In addition, by securing debt on competitive market terms and undertaking a modest placing, the Company is now very well positioned for both organic and acquisition led growth.

The acquisition of Bow Valley, which completed on 30th April 2009, broadened Dana's production base by adding three new producing fields, additional equity in an existing field interest, and a stake in the Ettrick field which subsequently came on-stream in August 2009. The potential upside in each of these fields, together with the significant strengthening in oil price since the deal was completed and the potential additional value from tax synergies makes Bow Valley a very attractive and valuable acquisition.

2009 will be the most active year of exploration in Dana's history with a total of 21 exploration and appraisal wells scheduled. Already in 2009, there have been a significant oil discovery at South East Rinnes, following success at West Rinnes and East Rinnes in 2008, and important gas discoveries at Fulla in Norway and Anchois offshore Morocco. The Company plans to spud a further five high impact exploration wells in the next six months.

Due to the delay in first oil from the Ettrick field, low gas prices during the summer leading to reduced nominations and specific operational issues, Group production for the 2009 full year is likely to be similar to that delivered in 2008. However, ramp-up of Ettrick production and resolution of the other operational issues should result in a strong exit rate from the year and the delivery of the Babbage project in 2010 should result in further production growth next year.

RESULTS

Average working interest production to Dana for the period was 38,999 boepd, broadly flat with the 2008 year average of 39,400 boepd. The Bow Valley assets, which were taken into account from the 30th April 2009, added approximately 4,600 boepd to Dana from completion. Revenue for the period of £165.1 million (1H08 - £314.5 million) reflects the significantly lower commodity price environment with realised oil prices of \$50.33 per barrel of crude sold and 34.4p per therm of gas comparing to 1H08 prices of \$107.26 per barrel of crude sold and 42.9p per therm of gas. Liquids accounted for 80% of total production in line with expectations.

Profit before tax for the period was £21.9 million (1H08 - £133.1 million). The results were impacted by a £14.6 million write-down in respect of unsuccessful exploration expenditure, principally in Egypt, which did not attract any tax relief. Accordingly, the Group's effective tax rate for the period was artificially high at 89.2% resulting in a modest profit after tax of £2.4 million (1H08 - £60.4 million). On a clean basis, without the Exploration and Evaluation adjustments, the effective tax rate would be in the 54-56% range and in line with previous guidance.

The Group also caught up with its share of the losses of its Associate, Faroe Petroleum plc, by recognising a charge of £6.0 million, principally in respect of FP's 2008 losses which were not known by the Group when Dana's 2008 results were finalised. Consequently, the Group recorded a small loss for the financial period of £3.6 million (1H08 profit - £60.4 million).



Cash flow from operations for the period was £59.7 million (1H08 - £193.9 million). After investment and financing activity of £152.7 million (outflow) and £36.6 million (inflow) respectively, the Group's cash and cash equivalents were a healthy £73.0 million.

During the period the Group secured a new three year \$400 million corporate debt facility with the Bank of Scotland. This was successfully syndicated in July 2009, with a total of seven banks now participating in the facility. At the end of the interim period the Group had drawn the GBP equivalent of £93 million of this facility, giving a net bank debt position of £20 million, together with a convertible debt position of £117.7 million and an overall gearing level of 22%. The Company is well positioned to meet the future capital requirements of its exploration and development work programme.

REVIEW OF OPERATIONS

Production

Average working interest production for the first half of 2009 was 38,999 boepd, a similar level to the 2008 full year average (39,400 boepd) with 76% of production delivered from the North Sea and the balance from Egypt. The Company is now producing from a total of 35 fields following the recent addition of the Ettrick field. In the UK, strong contributions came from the Otter field and Greater Kittiwake Area fields and also from Dana's recent developments at Cavendish, Enoch and Grouse. Ongoing compressor issues on the Claymore field, delay in gas compression at Cavendish and a number of one-off operational issues have had a negative impact on production. Production has also been reduced in Q2 and Q3 2009 due to the low gas spot prices in this period resulting in a number of fields either being shut-in or significantly constrained.

The addition of the Bow Valley assets following completion of the transaction on 30th April 2009 has had a positive impact on production although, due to the delay in first oil from Ettrick (Dana 12.5%), overall production for 2009 will be less than originally anticipated earlier in the year.

At the East Zeit field in Egypt (Dana 100%) the water-cut on the C2 well, which was drilled in 2008, has increased more rapidly than expected, reducing field production by approximately 3,500 boepd. The Company has recently successfully completed workovers on the A2 and A21 wells and activity is ongoing on A16, with the aim of mitigating this production decline.

There has also been an active development programme in each of Dana's non-operated production concessions in Egypt, which provides attractive upside from low cost developments. In the East Beni Suef concession (Dana 50%), the Yusef-2 and Yusef-4 wells are currently being tied in to production, the recent Azhar-7x exploration well is being completed for testing and there is continual workover activity. Production has been affected by shut-downs on the South West Qarun field, new production generally taking longer than predicted to be brought on-stream and deferment of drilling activity to manage capital expenditure. However, the effect on earnings of lower than expected production from the Egyptian fields is mitigated due to the terms of the Production Sharing Contracts.

Given the later than expected first oil from Ettrick, lower gas nominations in the UK, and the ongoing work at East Zeit, Group production for the 2009 full year is now expected to be broadly flat on 2008. The final out-turn production average will be determined by field performance and operational uptime across the portfolio. The Company is, however, expected to finish 2009 in a stronger production position, given the now expected phased-in production from Ettrick, stronger gas prices over the winter period, new fields being brought on-stream onshore Egypt and the resolution of the ongoing compressor issues on the Claymore field.

The Company remains un-hedged with respect to its oil and gas sales and hence gains maximum benefit from any recovery in the strong commodity price environment.

Development Projects

The E18 gas field in the Dutch North Sea (Dana 5%) was brought on-stream in June, approximately three months ahead of plan. The field has been developed as a tie-back to the F16-E platform, in which Dana also has an interest.



The Etrick oil field in the UK Central North Sea, in which Dana acquired a 12.5% interest as part of the Bow Valley acquisition, achieved first oil on 15th August 2009. Production from the field will ramp-up over the coming months, once full gas compression becomes available and as individual production wells are brought on-stream and the production facilities are proved. Plateau production is currently anticipated to be 20,000 bbl/day.

During the first half of 2009, the Company has progressed a further three new field developments:-

- The Babbage gas field in the UK Southern North Sea (Dana 40%) has first gas production planned for Q1 2010 with the project progressing well. The GSF Labrador rig is currently on location having drilled the reservoir section of one well, completed the top hole section of a second well and recently started drilling the third well. The subsea pipelines have been laid, and the jacket and topsides are due to be moved offshore in the coming weeks.
- Dana, as operator, continues to drive forward the joint Barbara/Phyllis gas field development in the UK Central North Sea. Engineering studies focused on host platform selection are well advanced with project sanction expected in the first half of 2010 and first gas scheduled for Q3 2012 to coincide with the expected available capacity in the infrastructure systems.
- Following the recent success in the Rinnes area, Dana is accelerating subsurface studies and conceptual engineering work, with the aim of selecting a single development scheme by the end of 2009 and sanctioning the project by mid 2010. The development of the three recent Rinnes discoveries and the Melville discovery will be collectively termed the 'Western Isles Development'.

The Company is also progressing appraisal and development activities on a further 20 oil and gas fields in the UK, Norway and Egypt.

Exploration and Appraisal

A substantial and balanced programme of drilling for new reserves continues to be central to Dana's business model. This programme has been achieved by applying extensively for licences in government bid rounds as well as undertaking commercial transactions or asset trades to leverage into additional drilling opportunities.

Having drilled 12 wells in 2008, the Company has already drilled a total of 12 exploration wells in 2009, with significant discoveries at South East Rinnes in the UK, Fulla in Norway and Anchois offshore Morocco. South East Rinnes is being evaluated as part of the Western Isles Development whilst work on post-drill evaluation and potential development options on the Fulla discovery are due to be completed during Q4. Following the Anchois discovery, a full re-evaluation of the entire Tanger-Larache concessions has been undertaken. This work has demonstrated potential upside on the Anchois discovery and identified a number of further prospects in the concessions, which have been significantly enhanced by the Anchois well.

In addition, the Company made two smaller oil discoveries at Gharibon-3x and Azhar-7x in the onshore East Beni Suef concession, onshore Egypt, with development licences for these discoveries and the 2008 discoveries progressing to plan. The Company also discovered hydrocarbons in the Eitri well in the Jotun area of Norway which is currently being evaluated.

Of the remaining wells drilled in the first half of 2009, hydrocarbons were discovered in sub-commercial quantities in North Zeit Bay and dry holes drilled at South West Rinnes in the UK, South East July and Qamara-1 in Egypt, with a sub-commercial gas discovery at Tafejjart in Morocco.

Dana has also participated in the acquisition of two 3D seismic surveys. Firstly, a 450km² survey was acquired during July in PL523, mid Norway. Secondly, a survey is currently being acquired over Quad 208 in the UK West of Shetland. This follows on from an adjacent survey in 2008 and will be used to firm-up exploration prospects for potential drilling in 2011-12.

The Company is currently drilling the NG 366-2 well in the offshore Gulf of Suez, Egypt and will be participating in a further five offshore wells and four onshore exploration wells in the second half of 2009. The wells to be spudded in this period are:



- Dana's first well in the West of Shetland area on the Tornado prospect (Dana 30%);
- the Jetta well (Dana 30%) in the Jotun area of the Norwegian North Sea;
- the Trolla well (Dana 30%) in the Norwegian Sea;
- two wells in the offshore Nile Delta, West El Burullus concession (Dana 50%). The first well, on the Papyrus prospect, is due to spud in October and will target gas at a similar horizon to the West El Burullus-1 discovery made in 2008. The key aim of this well is to prove additional gas volumes in this area in order to optimise development planning. The second well, on the very large Bamboo prospect, is due to spud in November, and will target deeper, high pressure gas reservoirs which have the potential to open up significant further prospectivity in the block; and
- in the East Beni Suef concession (Dana 50%) drilling will re-commence in September. Four exploration wells will be drilled this year as part of a sequence which will then continue throughout 2010.

Currently, Dana expects to drill up to 12 wells in 2010 with the largest targets being the Anne-Marie prospect in the West of Shetland area, two wells in Norway and the Nefertiti appraisal well in the South October concession in Egypt. This also includes the anticipated return to drilling activity in Mauritania (Block 2), and potentially further drilling on the other Blocks thereafter. These key wells, which are all material to Dana in respect of potential reserves additions, demonstrate the range of Dana's asset base and the ability of the Company to develop the business across a portfolio of proven petroleum basins.

Dana continues to build its exploration portfolio through licence round applications and commercial transactions. The Company was awarded two attractive new licences in the Norwegian 20th Round. Both licences build on Dana's strong position in the Norwegian Sea where the Company already holds interests in two other large licences. The Company also intends to bid for licences in the forthcoming APA 2009 bid round in Norway and is considering bidding in the recently announced EGPC and GANOPE rounds in Egypt.

FINANCIAL COMMENTARY

Product Prices

The Group realised an average price of \$50.33 per barrel of crude sold during the first half of the year (1H08 : \$107.26 per barrel) and a gas price of 34.4p per therm (1H08 : 42.9p per therm). This compares to the average Brent price in the period of \$52.14 per barrel (1H08 : \$109.76 per barrel) and an average NBP price of 37.2p per therm (1H08 : 56.3p per therm). Overall, the Group realised revenue per boe produced of \$34.92 per barrel (1H08 : \$79.10 per boe). The Group had a net under-lifted production position during the period, equivalent to a further \$2.82 per boe in revenue terms.

Operating Metrics

Cost of sales, excluding the £13.4 million benefit (1H08: £27.8 million charge) for the period movement in production inventories, was £19.14 per boe (1H08: £15.01 per boe). The opex component, which includes the cost of the workover programme in East Zeit at £11.82 per boe was higher than expected principally due to the lower production outturn and the effect of lower than expected USD exchange rates during the first half of the year (1H08: £9.27 per boe). DD&A at £7.32 per boe was also higher than expected, but principally as a result the Fair Value accounting for the assets acquired in the Bow Valley transaction.

Administrative expenses at £0.77 per boe (1H08: £1.29 per boe) were in line with expectations with the Bow Valley acquisition having a minimal effect on this metric.

Balance Sheet

The acquisition of Bow Valley Energy Limited (BVEL) was completed on 30th April 2009 and the results of the acquisition have been consolidated from that date, using the purchase method of accounting with fair values attributed to identifiable assets and liabilities, with consideration paid in excess of fair value recorded as Goodwill. £4.4 million has been recorded as Goodwill on this



acquisition and the fair values attributed to assets and liabilities are detailed in Note 9 to the Interim statements. A total consideration of £27.8 million was paid for BVEL and net of £3.1 million underlying cash, represented a net outlay on the acquisition of £24.7 million.

In February 2009, to facilitate the BVEL acquisition and as a broader corporate refinancing initiative, the Group agreed a new three-year USD400 million revolving credit facility with the Bank of Scotland. This replaced the existing facility with ABN AMRO Bank N.V. which has been cancelled. To complete the acquisition of BVEL, the Company assumed/re-paid £119 million of BVEL debt, utilising \$173 million under the new Dana facility (approximately £116 million). The Group subsequently repaid a further £13 million of the debt prior to the end of the reporting period, and has since repaid a further £9.0 million.

Net capital expenditure on the organic work programme during the period was £142.0 million (1H08: £83.6 million) with £95.9 million invested in exploration and appraisal activity and £46.1 million in production and development projects. The Group currently projects a 2009 full year capital spend outturn in the £240-£255 million range.

OUTLOOK

In the first half of 2009, Dana has delivered significant exploration success, progressed new field developments, completed a valuable corporate acquisition and strengthened its financial position through a new debt facility and equity fund raising. All of this has been achieved despite operating in a very difficult macro economic environment.

We look forward to Dana's continued progress during the rest of this year, which will include some exciting exploration drilling, new licence applications in the UK, Norway and Egypt, an active work programme on existing fields and potential further commercial opportunities.

Colin Goodall
Chairman

Tom Cross
Chief Executive

28 August 2009



GROUP INCOME STATEMENT
for the six months to 30 June 2009

| | Note | Unaudited Six months to 30 June 2009 £'000 | Unaudited Six months to 30 June 2008 £'000 | Audited Year to 31 December 2008 £'000 |
|----------------------------------------------------------------------------------------------------------|------|-------------------------------------------------------------------|--------------------------------------------------------|----------------------------------------------------|
| Revenue | 5 | 165,114 | 314,498 | 517,979 |
| Cost of Sales | | (121,771) | (145,679) | (285,759) |
| Gross Profit | | 43,343 | 168,819 | 232,220 |
| Exploration & Evaluation: Gain | | 728 | – | – |
| Exploration & Evaluation: Expense | | (14,606) | (19,977) | (33,992) |
| Foreign Exchange Gain | | 3,653 | 248 | 19,062 |
| Administrative Expenses | | (5,403) | (10,155) | (13,986) |
| Operating Profit on Ordinary Activities before Interest and Taxation | | 27,715 | 138,935 | 203,304 |
| Interest Income | | 1,021 | 3,125 | 5,505 |
| Finance Costs | | (6,844) | (8,991) | (17,403) |
| Profit on Ordinary Activities before Taxation | | 21,892 | 133,069 | 191,406 |
| Taxation | 8 | (19,523) | (72,701) | (94,248) |
| Profit for the Financial Period before Share of Post Tax Losses of the Associate | | 2,369 | 60,368 | 97,158 |
| Share of Post Tax Losses of the Associate | | (5,957) | – | (923) |
| (Loss)/ Profit for the Financial Period attributable to the Equity Holders of the Company | 5 | (3,588) | 60,368 | 96,235 |
| Earnings per Share – basic | 6 | (4.08p) | 69.95p | 111.13p |
| Earnings per Share – diluted | 6 | (0.72p) | 65.09p | 104.99p |



**GROUP CONSOLIDATED STATEMENT
OF COMPREHENSIVE INCOME
for the six months to 30 June 2009**

| | Note | Six months to 30 June 2009 £'000 | Six months to 30 June 2008 £'000 | Year to 31 December 2008 £'000 |
|---------------------------------------------------------------------------------------------------------------------------|------|-------------------------------------------|-------------------------------------------|-----------------------------------------|
| Loss/ (Profit) for the Period | | (3,588) | 60,368 | 96,235 |
| Currency Translation Adjustments | | (37,854) | 4,311 | 76,557 |
| Fair Value Movements on Available-for-sale Financial Assets | | – | (11,151) | (11,151) |
| Taxation thereon | | – | 3,091 | 3,091 |
| | | – | (8,060) | (8,060) |
| Associate: | | | | |
| Fair Value of Net Assets on Initial Recognition | | – | 6,843 | 6,843 |
| Net Asset Movement Recognised Directly in Equity | | 1,067 | – | 351 |
| Other Comprehensive (Loss)/ Income for the period, net of tax | | (36,787) | 3,094 | 75,691 |
| Total Comprehensive (Loss)/ Income for the period, net of tax Attributable to Equity Holders of the Parent | | (40,375) | 63,462 | 171,926 |



GROUP BALANCE SHEET
as at 30 June 2009

| | Note | At 30 June 2009 £'000 | At 30 June 2008 £'000 | At 31 December 2008 £'000 |
|----------------------------------------------------|------|--------------------------------|--------------------------------|------------------------------------|
| Non-Current Assets | | | | |
| Intangible Assets | 10 | 455,681 | 329,577 | 387,892 |
| Property, Plant and Equipment | 11 | 623,151 | 493,869 | 520,084 |
| Deferred PRT/NPI | | 8,295 | 6,299 | 8,085 |
| Investments | 12 | 44,944 | 41,703 | 41,131 |
| Derivative Financial Instruments | | – | 383 | – |
| | | 1,132,071 | 871,831 | 957,192 |
| Current Assets | | | | |
| Inventories | | 15,352 | 13,562 | 16,105 |
| Trade and Other Receivables | | 125,199 | 117,557 | 74,398 |
| Derivative Financial Instruments | | 383 | 1,532 | 1,149 |
| Cash and Cash Equivalents | 15 | 73,031 | 142,486 | 158,948 |
| | | 213,965 | 275,137 | 250,600 |
| Total Assets | 5 | 1,346,036 | 1,146,968 | 1,207,792 |
| Current Liabilities | | | | |
| Trade and Other Payables | | 138,567 | 107,206 | 111,883 |
| Borrowings and Financial Liabilities | | – | 37,685 | – |
| Current Tax | | 26,642 | 59,827 | 39,810 |
| | | 165,209 | 204,718 | 151,693 |
| Non-current Liabilities | | | | |
| Trade and Other Payables | | 4,237 | 5,064 | 4,755 |
| Borrowings and Financial Liabilities | 14 | 210,728 | 113,822 | 115,767 |
| Provision for Deferred Taxation | | 251,172 | 243,920 | 245,240 |
| Provision for Liabilities and Charges | | 100,174 | 90,696 | 94,135 |
| | | 566,311 | 453,502 | 459,897 |
| Net Assets | | 614,516 | 488,748 | 596,202 |
| Equity | | | | |
| Called-up Share Capital | | 13,688 | 13,032 | 13,034 |
| Share Premium | | 134,949 | 80,986 | 81,066 |
| Other Reserves | | 127,703 | 127,703 | 127,703 |
| Cumulative Translation Reserve | | 46,555 | 12,163 | 84,409 |
| Retained Earnings | | 291,621 | 254,864 | 289,990 |
| Total Equity Attributable to Equity Holders | | 614,516 | 488,748 | 596,202 |



GROUP STATEMENT OF CHANGES IN EQUITY
for the six months to 30 June 2009

| (All Figures are in £'000) | Share Capital | Share Premium | Other Reserves | Cumulative Translation Reserve | Retained Earnings | Total Equity |
|------------------------------------------|---------------|----------------|----------------|--------------------------------|-------------------|-----------------|
| Equity at 1 January 2008 | 12,907 | 79,369 | 135,763 | 7,852 | 183,470 | 419,361 |
| Profit for the Financial Period | – | – | – | – | 60,368 | 60,368 |
| Other Comprehensive Income/(Loss) | – | – | (8,060) | 4,311 | 6,843 | 3,094 |
| Total Comprehensive Income/(Loss) | – | – | (8,060) | 4,311 | 67,211 | 63,462 |
| Employee Share Scheme Credits | – | – | – | – | 1,640 | 1,640 |
| Taxation thereon | – | – | – | – | 2,543 | 2,543 |
| New Shares Issued | 125 | 1,617 | – | – | – | 1,742 |
| Equity at 30 June 2008 | 13,032 | 80,986 | 127,703 | 12,163 | 254,864 | 488,748 |
| Profit for the Financial Period | – | – | – | – | 35,867 | 35,867 |
| Other Comprehensive Income | – | – | – | 72,246 | 351 | 72,597 |
| Total Comprehensive Income | – | – | – | 72,246 | 36,218 | 108,464 |
| Employee Share Scheme Credits | – | – | – | – | 1,375 | 1,375 |
| Taxation thereon | – | – | – | – | (2,467) | (2,467) |
| New Shares issued | 2 | 80 | – | – | – | 82 |
| Equity at 31 December 2008 | 13,034 | 81,066 | 127,703 | 84,409 | 289,990 | 596,202 |
| Loss for the Financial Period | – | – | – | – | (3,588) | (3,588) |
| Other Comprehensive (Loss)/Income | – | – | – | (37,854) | 1,067 | (36,787) |
| Total Comprehensive Loss | – | – | – | (37,854) | (2,521) | (40,375) |
| Employee Share Scheme Credits | – | – | – | – | 1,663 | 1,663 |
| Taxation thereon | – | – | – | – | 2,489 | 2,489 |
| New Shares Issued | 654 | 53,883 | – | – | – | 54,537 |
| Equity at 30 June 2009 | 13,688 | 134,949 | 127,703 | 46,555 | 291,621 | 614,516 |



GROUP CASH FLOW STATEMENT
for the six months to 30 June 2009

| | Note | Six months to 30 June 2009 £'000 | Six months to 30 June 2008 £'000 | Year to 31 December 2008 £'000 |
|------------------------------------------------------------------|------|-------------------------------------------|-------------------------------------------|-----------------------------------------|
| Operating Activities | | | | |
| Cash Generated from Operations | 16 | 59,723 | 193,908 | 345,044 |
| Terminated Rig Contract Payment | | (4,888) | – | – |
| Taxation Paid | | (14,660) | (18,438) | (76,123) |
| Interest Income | | 1,021 | 3,125 | 5,505 |
| Interest Paid | | (2,400) | (2,123) | (3,533) |
| Net Cash from Operating Activities | | 38,796 | 176,472 | 270,893 |
| Investing Activities | | | | |
| Expenditure on Intangible and Property, Plant & Equipment Assets | | (147,298) | (93,841) | (157,372) |
| Receipts on Sale of asset held for sale | | 19,213 | – | – |
| Payments to Acquire shares in Associate Undertaking | | – | (5,643) | (5,643) |
| Payments to Acquire Available-for-Sale Assets | | – | (10,336) | (10,336) |
| Payments to Acquire Subsidiaries | | (24,662) | – | – |
| Net Cash Invested In Investing Activities | | (152,747) | (109,820) | (173,351) |
| Financing Activities | | | | |
| Issue of Ordinary Share Capital | | 54,538 | 1,742 | 1,824 |
| Drawdown of Borrowings | | 116,228 | – | – |
| Repayment of Borrowings | | (132,138) | (37,932) | (80,200) |
| Interest Paid on Convertible Bonds | | (2,052) | (2,051) | (4,102) |
| Net Cash Flow from/(used in)Financing Activities | | 36,576 | (38,241) | (82,478) |
| Currency Translation Differences | | (8,542) | (1,885) | 27,924 |
| Net (Decrease)/ Increase in Cash and Cash Equivalents | 17 | (85,917) | 26,526 | 42,988 |
| Cash and Cash Equivalents at the Beginning of the Period | | 158,948 | 115,960 | 115,960 |
| Cash and Cash Equivalents at the End of the Period | 15 | 73,031 | 142,486 | 158,948 |



NOTES TO THE GROUP INTERIM FINANCIAL STATEMENTS

1. Corporate Information

Dana Petroleum plc is a public limited company incorporated in England and Wales and domiciled in Scotland. The Company's shares are publicly traded on the London Stock Exchange.

The principal activities of the Company and its subsidiaries are oil and gas exploration and production.

2. Basis of preparation and accounting policies

Basis of preparation

This financial information comprises, the Group Balance Sheets as of 30 June 2009, 30 June 2008 and 31 December 2008 and related Group Income Statements, Group Consolidated Statements of Comprehensive Income, Statements of Changes in Equity and Cash Flow Statements for the six months ended 30 June 2009 and 30 June 2008 and for the year ended 31 December 2008 and notes to the Group interim financial statements of Dana Petroleum plc (hereinafter referred to as 'financial information').

The financial information has been prepared in accordance with the Listing Rules of the Financial Services Authority and in accordance with IAS34 – Interim Financial Reporting ('IAS34').

The financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's financial statements for the year to 31 December 2008.

The financial information contained in this announcement does not constitute statutory financial statements within the meaning of Section 240 of the Companies Act 1985.

Statutory accounts for the year ended 31 December 2008, on which the auditors gave an unqualified audit report, have been filed with the Registrar of Companies.

Significant accounting policies

The financial information has been prepared in accordance with IAS34 and the accounting policies adopted in the preparation of the financial information are consistent with those followed in the preparation of the Group's financial statements for the year ended 31 December 2008, except for the adoption of the following new standards as of 1 January 2009:

IFRS 2: Share based Payment – Vesting Conditions and Cancellations

This standard has been amended to clarify the definition of vesting conditions and to prescribe the accounting treatment of an award that is effectively cancelled because a non-vesting condition is not satisfied. The adoption of this amendment did not have any impact on the financial position or performance of the Group.

IFRS 7: Financial Instruments: Disclosures

This standard requires enhanced disclosure relating to the fair value measurements and liquidity risk of financial instruments in the note disclosures. The adoption of the revised standard has not had any impact on the Group's reported income or net assets and the required disclosure will be detailed in the Group's 2009 annual report.

IFRS 8: Operating Segments



This standard requires disclosure of information about the Group's operating segments and replaces the requirement to determine primary (business) and secondary (geographical) reporting segments of the Group. Adoption of this standard did not have any effect on the financial position or performance of the Group. The Group determined that it has three operating segments which are Europe, Egypt and Other International. Previously under IAS 14 Segment Reporting the Group only had one business segment which was the exploration for and production of hydrocarbon liquids and gas. See note 5 for the relevant disclosures of these segments.

IAS 1: Revised Presentation of Financial Statements

The revised standard separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners, with non-owner changes in equity presented as a single line. In addition, the standard introduces the statement of comprehensive income: it presents all items of recognised income and expense, either in one single statement, or in two linked statements. The Group has elected to present two statements. The adoption of the revised standard has not impacted the financial position or performance of the Group.

IAS 23: Borrowing Costs

The standard has been revised to require capitalization of borrowing costs on qualifying assets. This is already in line with the Group's current accounting policy.

IAS 32: Financial Instruments: Presentation and IAS 1 Puttable Financial Instruments and Obligations Arising on Liquidation

The standards have been amended to allow a limited scope exception for puttable financial instruments to be classified as equity if they fulfill a number of specified criteria. The adoption of these amendments did not have any impact on the financial position or performance of the Group.

No IFRIC issued in the period has had an impact on the Group.

In May 2008, the IASB issued its first omnibus of amendments to its standards. The amendments did not have any impact on the accounting policies, financial position or performance of the Group.

3. Estimates

The preparation of the financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing the financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were, unless otherwise disclosed, the same as those that applied to the Group consolidated financial statements as at and for the year ended 31 December 2008.

4. Financial risk management

The Group's financial risk management objectives and policies are consistent with those disclosed in the Group consolidated financial statements as at and for the year ended 31 December 2008.



5. Segment information

For management purposes, the Group is organised into business units based on their geographic location and value-chain activity. The Group has three reportable operating segments as follows:

- Europe – The Group is currently involved in the exploration, development and production of hydrocarbons in this geographic location.
- Egypt - The Group is currently involved in the exploration, development and production of hydrocarbons in this geographic location.
- Other International - The Group is currently only involved in the exploration of hydrocarbons in this geographic location.

No operating segments have been aggregated to form the above reportable operating segments. Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on the economic evaluation of the reserve and resource potential and growth in each segment. Group financing (including finance costs and interest income), foreign exchange and income taxes are managed on a group basis and are not allocated to operating segments.

Transfer prices between operating segments are on an arm's-length basis in a manner similar to transactions with third parties.

Operating Segments

The following tables present revenue and profit information regarding the Group's operating segments for the six months ended 30 June 2009 and 30 June 2008 and for the year ended 31 December 2008 respectively.

| Six months ended 30 June 2009 | Europe | Egypt | Other International | Adjustments and Eliminations | Total |
|------------------------------------------|-------------------|-----------------|------------------------|------------------------------------|----------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| Revenue (1) | 147,671 | 17,443 | – | – | 165,114 |
| Results | | | | | |
| Segment profit/(loss) | 40,198 (3) | (20,407) | (1,686) | (21,693) (2) | (3,588) |

1. All revenue is derived from third party sales.
2. The profit/(loss) for each operating segment does not include interest income (£1,021,000), finance costs (£6,844,000), taxation expense (£19,523,000) or foreign exchange gain (£3,653,000).
3. Included within Europe profit is the share of post tax losses of the associate (£5,957,000).

| Six months ended 30 June 2008 | Europe | Egypt | Other International | Adjustments and Eliminations | Total |
|------------------------------------------|---------|--------|------------------------|------------------------------------|---------|
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| Revenue (1) | 280,305 | 32,448 | 1,745 | – | 314,498 |
| Results | | | | | |
| Segment profit/(loss) | 125,365 | 17,646 | (4,324) | (78,319) (2) | 60,368 |

1. All revenue is derived from Third Party Sales.
2. The profit/(loss) for each operating segment does not include interest income (£3,125,000), finance costs (£8,991,000), taxation expense (£72,701,000) or foreign exchange gain (£248,000).



| Year ended 31 December 2008 | Europe | Egypt | Other International | Adjustments and Eliminations | Total |
|--------------------------------|------------|--------|------------------------|------------------------------------|---------|
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| Revenue (1) | 452,360 | 63,560 | 2,059 | – | 517,979 |
| Results | | | | | |
| Segment profit/(loss) | 164,999(3) | 22,765 | (4,445) | (87,084) (2) | 96,235 |

1. All revenue is derived from third party sales.
2. The profit/(loss) for each operating segment does not include interest income (£5,505,000), finance costs (£17,403,000), taxation expense (£94,248,000 or foreign exchange gain (£19,062,000)).
3. Included within Europe profit is the share of post tax losses of the associate (£923,000).

The following table presents segment assets of the Group's operating segments as at 30 June 2009 and 31 December 2008:

| | Europe | Egypt | Other International | Adjustments and Eliminations | Total |
|------------------------|----------------|----------------|------------------------|------------------------------------|------------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| Segment Assets | | | | | |
| At 30 June 2009 | 867,597 | 319,903 | 76,827 | 81,709 (1) | 1,346,036 |
| At 31 December 2008 | 644,926 | 349,403 | 45,281 | 168,182 (2) | 1,207,792 |

1. Segment assets do not include deferred PRT/NPI (£8,295,000), derivative financial instruments (£383,000), or cash and cash equivalents (£73,031,000).
2. Segment assets do not include deferred PRT/NPI (£8,085,000), derivative financial instruments (£1,149,000), or cash and cash equivalents (£158,948,000).

6. Earnings per share

The earnings per ordinary share of (4.08)p (1H 2008 – 69.95p) is calculated on the loss of £3,588,000 (1H 2008 profit - £60,368,000) and on a weighted average of 87,909,591 ordinary shares (1H 2008 – 86,301,961).

The diluted earnings per share of (0.72)p (1H 2008 – 65.09p) is calculated on the loss for the period of £3,588,000 (1H 2008 profit – £60,368,000) plus the convertible bond interest (net of tax) of £2,883,000 (1H2008 – £2,719,000) divided by 98,205,041 dilutive potential ordinary shares (1H 2008 – 96,928,047), calculated as follows:

| | Six Months to 30 June 2009 | Six Months to 30 June 2008 |
|-------------------------------------|---------------------------------------|-------------------------------|
| | '000' | '000' |
| Basic weighted number of shares | 87,910 | 86,302 |
| Dilutive potential ordinary shares: | | |
| - Share option schemes | 1,693 | 2,024 |
| - Convertible bonds | 8,602 | 8,602 |
| | 98,205 | 96,928 |



7. Dividends paid and proposed

No dividend was paid or is proposed.

8. Income tax

The major components of income tax expense in the consolidated income statement are:

| | Six months to 30 June 2009 £'000 | Six months to 30 June 2008 £'000 | Year to 31 December 2008 £'000 |
|-------------------------------------------------|-----------------------------------------------------|-------------------------------------------|-----------------------------------------|
| Current Taxation | | | |
| PRT/NPI | (441) | 9,059 | 13,979 |
| Corporation tax | 1,055 | 56,361 | 93,677 |
| Current tax charge | 614 | 65,420 | 107,656 |
| Deferred Taxation | | | |
| Deferred corporation tax | 19,119 | 9,282 | (9,621) |
| Deferred PRT/NPI | (210) | (2,001) | (3,787) |
| Deferred tax charge | 18,909 | 7,281 | (13,408) |
| Total tax charge in the income statement | 19,523 | 72,701 | 94,248 |

9. Acquisition of subsidiaries

The acquisition of the entire share capital of Bow Valley Energy Limited ('BVEL') was completed on 30 April 2009. In addition to the equity consideration of approximately C\$43,300,000, the Group also repaid BVEL's debt at the completion date which was approximately £119,000,000. BVEL was a Toronto Stock Exchange-listed oil and gas exploration company focused predominately on the UK North Sea with additional acreage in Alaska.

The acquisition of BVEL is directly in line with the Group's successful strategy of growing reserves and production in its core operating areas through both exploration and acquisition. The Group already has a working knowledge of the North Sea assets of BVEL which form a close fit with Dana's existing North Sea portfolio.

The transaction has been accounted for by the purchase method of accounting with an effective date of 30 April 2009, being the completion date of the acquisition. The Group has consolidated the results of BVEL from the date of acquisition.

The fair value allocation of BVEL which is detailed in the following table is preliminary in nature and will be reviewed in accordance with the provisions of IFRS 3 – Business Combinations within the specified 12 month period from completion date. Due to the inherently uncertain nature of the oil and gas industry, the assumptions underlying the preliminary assigned values are judgemental in nature. To the extent that the purchase consideration exceeds the aggregate of the fair value of the identifiable assets and liabilities of BVEL, then goodwill has been recognised and recorded on the acquisition.

Prior to the acquisition by the Group, BVEL had entered into a sale and purchase agreement to dispose of their interest in the Peik exploration asset for \$30 million. The sale of the asset completed post acquisition of BVEL by the Group.



| | Acquisition Book Value £'000 | Acquisition Fair Value £'000 |
|-------------------------------------------------------------------|------------------------------------|------------------------------------|
| Intangible exploration and evaluation assets | 10,670 | – |
| Property, plant and equipment | 181,506 | 133,547 |
| Asset backed commercial papers investment | 13,202 | 9,448 |
| Current assets (excluding cash and cash equivalents) | 29,146 | 29,015 |
| Cash and cash equivalents | 3,148 | 3,148 |
| Trade and other payables | (43,943) | (35,258) |
| Borrowings and financial liabilities | (110,626) | (118,937) |
| Deferred tax provision | (16,239) | 10,154 |
| Provision for liabilities and charges (Including deferred income) | (6,409) | (7,736) |
| Net Assets | 60,455 | 23,381 |
| Goodwill arising on acquisition | | 4,429 |
| Total Consideration satisfied by cash | | 27,810 |
| Net cash outflow arising on acquisition | | |
| Cash and Cash Equivalents acquired | | 3,148 |
| Cash paid | | 24,662 |
| | | 27,810 |

BVEL has contributed a profit of £3,827,000 for the six month period to the results of the Group. If the combination had taken place at the beginning of the year, the Group loss from operations for the period would have increased to £4,152,000 and Group revenue from operations would have increased to £182,561,000.

10. Intangible Assets

Exploration and evaluation assets

During the six months ended 30 June 2009, the Group incurred expenditure of £95,872,000 (2008-£105,378,000) on exploration and evaluation assets. Also, goodwill of £4,429,000 was recognised on the BVEL acquisition as detailed in note 9.

Foreign Exchange Movements

During the six months ended 30 June 2009, the intangible assets balance decreased by £23,970,000 (2008 increase - £35,848,000) due to movements in foreign exchange.

Unsuccessful exploration and evaluation

During the six months ended 30 June 2009, following completion of geotechnical evaluation activity, certain licences were declared unsuccessful in line with the Group's accounting policy and accordingly the related licence expenditures were expensed. In addition, an amount related to a rig settlement on contract termination was expensed directly to the income statement. In total, the amount expensed for the six months ended 30 June 2008 was £14,606,000 (2008 - £33,992,000).



11. Property, plant and equipment

Development and production assets

During the six months ended 30 June 2009, the Group incurred expenditure of £46,101,000 (2008 - £57,278,000) on development and production assets. Also, £126,048,000 of additions were recognised as a result of the BVEL acquisition.

Foreign exchange movements

During the six months the property, plant and equipment balance decreased by £24,331,000 (2008 increased – £52,821,000) due to movements in foreign exchange.

Abandonment asset recognition

Abandonment asset additions of £7,499,000 (2008 - £8,833,000) were recognised during the six months to 30 June 2009 as a result of the BVEL acquisition.

12. Investments

Investment in Associate

During the six months ended 30 June 2009, the Group recognised £5,957,000 (2008 - £923,000) being the Group's share of the reported and anticipated losses of Faroe Petroleum plc, an AIM listed company in which the Group holds a 27.5% equity position, and also recognised a net asset movement of Faroe Petroleum plc directly in equity of £1,067,000 (2008 - £351,000).

Other Investments

As a result of the BVEL acquisition, the Group now holds an investment in third party non-bank sponsored asset backed papers ('ABCP') with a face value of C\$40,340,000 million. Reliable quoted market values for ABCP investments are not available due to the current market disruption and as a result, the Group determined the fair value of its ABCP investment on acquisition to be £8,703,000 using available information regarding the proposed ABCP restructuring, market conditions and other factors. These values represented an indicative value of the underlying assets in a liquidation scenario. This represents a 56% discount to the face value of the Notes.

13. Shared-based payments

There were no share option awards during the six months ended 30 June 2009.

14. Borrowings and financial liabilities

In February 2009, to facilitate the BVEL acquisition (note 9) and as part of a broader corporate refinancing initiative, the Group agreed a new three-year USD400 million revolving credit facility with the Bank of Scotland. This replaced the existing facility with ABN AMRO Bank N.V. which has been cancelled. To complete the acquisition of Bow Valley Energy, the Company drew down approximately \$173 million under this facility (approximately £116m). The Group subsequently repaid approximately £13,200,000 of debt during May and completed the successful syndication of the USD400 million facility in July.



15. Cash and cash equivalents

For the purpose of the interim consolidated cash flow statement, cash and cash equivalent are comprised of the following:

| | Six months to 30 June 2009 £'000 | Six months to 30 June 2008 £'000 | Year to 31 December 2008 £'000 |
|--------------------------|---------------------------------------------------------|----------------------------------------------|-----------------------------------------|
| Cash at bank and in hand | 28,092 | 80,472 | 36,092 |
| Short term deposits | 44,939 | 62,014 | 122,856 |
| | 73,031 | 142,486 | 158,948 |

16. Net Cash Flows from Operating Activities for the Six Months to 30 June 2009

| | Six months to 30 June 2009 £'000 | Six months to 30 June 2008 £'000 | Year to 31 December 2008 £'000 |
|------------------------------------------|-----------------------------------------------------|-------------------------------------------|-----------------------------------------|
| (Loss)/ Profit for the financial period | (3,588) | 60,368 | 96,235 |
| Depreciation | 52,250 | 45,505 | 86,511 |
| Asset impairment | – | – | 22,380 |
| Deferred income | (196) | (440) | (880) |
| Interest income | (1,021) | (3,125) | (5,505) |
| Interest expense | 6,844 | 8,991 | 17,403 |
| Taxation | 19,523 | 72,701 | 94,248 |
| Employee share scheme charge | 1,041 | 1,229 | 2,694 |
| Egypt tax in kind | 2,383 | (6,170) | (14,010) |
| Translation differences | (3,653) | (248) | (19,062) |
| Exploration and evaluation | 13,442 | 19,977 | 33,992 |
| Asset disposal | (2,028) | – | – |
| Fair value movements on derivatives | 766 | 766 | 1,532 |
| Share of loss in associate undertaking | 5,957 | – | 923 |
| Movements in Working Capital: | | | |
| Inventory movement | 3,134 | 1,090 | (1,457) |
| Receivables movement | (43,386) | (38,411) | 4,896 |
| Payables movement | 8,255 | 31,675 | 25,144 |
| Cash generated from operating activities | 59,723 | 193,908 | 345,044 |



17. Reconciliation of Net Cash Flow to Movement in Net (debt)/ Funds for the six months to 30 June 2009

| | Six months to 30 June 2009 £'000 | Six months to 30 June 2008 £'000 | Year to 31 December 2008 £'000 |
|-----------------------------------------------------------|-------------------------------------------|-------------------------------------------|-----------------------------------------|
| (Decrease)/ increase in cash and cash equivalents | (85,917) | 26,526 | 42,988 |
| Cash inflow from drawdown of borrowings | (116,228) | – | – |
| Cash outflow from repayment of borrowings | 132,138 | 37,932 | 80,200 |
| Debt acquired on Acquisition of BVEL | (118,937) | – | – |
| Unwinding of convertible bond debt component | (4,004) | (3,884) | (7,881) |
| Cash outflow from repayment of convertible bond financing | 2,052 | 2,051 | 4,102 |
| Exchange gains/ (losses) on borrowings | 10,018 | (349) | (4,931) |
| Movement in net funds/(debt) | (180,878) | 62,276 | 114,478 |
| Net funds/ (debt) at beginning of period | 43,181 | (71,297) | (71,297) |
| Net (debt)/funds at end of period | (137,697) | (9,021) | 43,181 |

18. Capital commitments

At 30 June 2009, the Group has capital commitments of £144,100,000 (2008– £258,000,000) which represent the Group's share of obligations under existing Sale and Purchase contracts and Joint Ventures.



Principal risks and uncertainties

The Group's principal risks and uncertainties for the remaining six months of the year are unchanged from those disclosed throughout the Dana Petroleum plc Annual Report and Accounts 2008.

Statement of directors' responsibilities

The Directors confirm that, to the best of their knowledge, the condensed group financial statements for the six months ended 30 June 2009 have been prepared in accordance with IAS 34 'Interim Financial Reporting', and that the interim management report includes a fair review of the information required by DTR 4.2.7 and DTR 4.2.8.

The Directors of Dana Petroleum plc are as listed in the *Dana Petroleum plc Annual Report and Accounts 2008*.

By order of the Board

Thomas P Cross
Chief Executive

David A MacFarlane
Finance Director

28 August 2009



INDEPENDENT REVIEW REPORT TO DANA PETROLEUM PLC

Introduction

We have been engaged by the Company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2009 which comprises Group Income Statement, Group Consolidated Statement of Comprehensive Income, Group Statement of Changes in Equity, Group Balance Sheet, Group Statement of Cash Flows and the related notes 1-18. We have read the other information contained in the half yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the company in accordance with guidance contained in ISRE 2410 (UK and Ireland) "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our work, for this report, or for the conclusions we have formed.

Directors' Responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

As disclosed in note 2, the annual financial statements of the group are prepared in accordance with IFRSs as adopted by the European Union. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting", as adopted by the European Union.

Our Responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2009 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

Ernst & Young LLP
Aberdeen
27 August 2009