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

Interim Results for the Six Months Ended 30 June 2007

Dana Petroleum, the independent oil and gas exploration and production company focused on growth through international exploration and the development of low risk North Sea production, reports its interim results for the first half of 2007.

HIGHLIGHTS

Strong Growth in Production and Record Profits

- Record first half production of 25,830 boepd up 40%
- Group production capacity expected to grow to over 45,000 boepd by end 2007
- Turnover increased by 25% to a record high of £109.1 million
- Record Pre-tax Profit of £55.8 million up 29%, leading to Earnings Per Share of 31.8p

Significant Increase in Financial Capability

- Strong Cash Flow from operations of £62.7 million
- Successful convertible bond delivered proceeds of £141.5 million
- New US$400 million working capital debt facility

Two Major Transactions

- Acquisition of Devon Energy’s entire Egyptian portfolio
- Acquisition of independent oil company Ener Petroleum in Norway
- Dana now positioned with production, development and exploration in both countries, supplementing existing portfolio

Extensive Development and Exploration Activity to Ensure Future Production Growth

- Enoch oil field and Cavendish gas field brought on stream
- Development work ongoing in Claymore and Otter oil fields
- Currently drilling in Johnston and Cavendish gas fields
- Two E&A wells currently drilling in UK and Norway with a further four wells scheduled by the year-end

Disciplined Asset Management Creating a Balanced Portfolio and New Opportunities

- Series of tactical deals concluded to increase stakes in core assets with near-term drilling
- Divestment of minority interest in Causeway to accelerate and maximise cash returns

Outlook for Exploration and Production

- Extensive drilling programme with more than 30 wells planned over next two years
- Further prospects being advanced to drill-ready status to increase pipeline of opportunities
- Company's un-hedged position maximises the benefits from continued oil price strength

Tom Cross, Chief Executive of Dana, commented:

"Dana has made excellent progress during 2007. The Group now produces from 17 oil and gas fields with a further 13 being added in the next quarter.

The Company has demonstrated its ability to deliver value adding transactions in a tight market. Recent deals, including the acquisitions in Egypt and Norway, will ensure continued growth over the coming years.

With a substantial inventory of oil and gas developments, quality prospects and increased financial capability, Dana intends to continue an intensive drilling programme with more than 30 exploration and appraisal wells planned over the next two years."

27 September 2007

Enquiries:

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DANA PETROLEUM PLC

Interim Results for the Six Months Ended 30 June 2007

CHAIRMAN'S AND CHIEF EXECUTIVE'S STATEMENT

OVERVIEW

Excellent progress has been made across all the key areas of the Company's business during 2007, with record average production in the first half of 25,830 boepd representing a 40% growth. The second half of 2007 has already delivered rising production and two significant acquisitions in Dana's core areas of Europe and Africa. The Group is transforming its portfolio with quality production and material exploration in three core countries, the UK, Norway and Egypt. In addition, Dana has extensive exploration territory outside these countries which will offer additional drilling opportunities over the next two years.

Cash flow generation continues to be strong and profit before tax increased 29%, continuing the upward trend in the Company's underlying earnings performance. This record operating performance has been delivered as a direct consequence of the Company's strategy of building a low risk, robust production portfolio, now balanced across 17 producing fields. Cash flow generation will be significantly enhanced in the fourth quarter, following completion of the Devon Egypt acquisition, when a further 13 producing fields will be added.

In 2005, Dana undertook a strategic review which identified target growth countries as the UK, Egypt, Norway and Morocco. In 2005 and 2006 the Company acquired three licences in each of Morocco and Egypt. In 2007, the Company agreed the acquisition of Devon Energy's entire Egyptian portfolio, representing Dana's most significant acquisition to date. Legal completion of this transaction is expected imminently. In July, the Company acquired the entire share capital of the Norwegian independent oil company Ener Petroleum ASA, now renamed Dana Petroleum Norway ASA. This deal brings to the Group an experienced Norwegian team, stable production and an exploration asset base in the country. By delivering the Devon Egypt and Ener Petroleum transactions, despite tight market conditions, along with the previous deals in Egypt and Morocco, Dana has demonstrated its ability to achieve sustained growth through commercial transactions as well as through its own developments. The Group is now reaping the rewards of a dynamic exploration and development programme and focused commercial activity, which has led to increased production capacity across a growing international portfolio.

Two new developments, the Cavendish gas field and the Enoch oil field, have been brought on stream during 2007. Enoch has outperformed expectations as has the first producing well on Cavendish. Further development drilling is currently being undertaken on Cavendish with the aim of bringing additional gas to market by the end of the year.

Alongside new field developments, Dana has also worked hard to expand and balance its extensive exploration portfolio. The Company recently made another high quality gas discovery in the Netherlands with well E18-7. Gas in this area can be brought into commercial production relatively quickly due to the close proximity of this discovery to the F16-E field. Dana has also put in place an ambitious forward programme with more than 30 exploration and appraisal wells being planned for drilling through 2009. The Group is currently drilling its first exploration well in Norway and this will be followed by a second in November. Over the next few months, there are a number of wells scheduled in the UK, including Kerloch, 2 wells at Rinnes, Scolty, Morgan and Morpheus, and the Company's first well offshore the Nile Delta at West El Burrullus.

Dana continues to deliver on its business model of a balanced strategy of building production and earnings in the medium term, combined with a very high level of participation in exploration upside.

RESULTS

The Group completed the first half in a very healthy position, with significant cash reserves, strong cash flow and a portfolio of high quality growth opportunities in which to invest.

Net average production to Dana for the period was up 40% to 25,830 boepd, which resulted in a record Group turnover for the first half of 2007 of £109.1 million representing a growth of some 25% over the same period in 2006.

Profit before tax for the period was a record £55.8 million compared to £43.4 million for the corresponding period last year, a 29% improvement and continuing the upward trend in the Company's underlying earnings performance.

The Group's effective tax rate for the period was 51% resulting in a profit after tax of £27.2 million. The increase in the rate of UK supplementary corporation tax from 10% to 20% was only enacted in Q3 2006, and therefore was not recognised in the six months to 30 June 2006. First half 2007 earnings per share rose to 31.8p.

Cash flow from operations at £62.7 million was down £7.4 million on the comparative period due to a working capital outflow in the first half of £14 million (1H06: working capital inflow of £10 million), principally due to payment in the early part of this year of costs incurred in the latter part of 2006. After capital investment of £107.6 million, net funds at 30 June 2007 closed at £60.0 million. The Company remains well positioned to meet the future capital requirements of both its recent acquisitions, and of its expanding exploration and development programme.

REVIEW OF OPERATIONS

1. North Sea Exploration, Appraisal and Business Development

Dana completed the acquisition of Ener Petroleum in July 2007. This deal provides the Company with a balanced portfolio in Norway consisting of the producing Jotun oil field (Dana 45%) and three exploration licences. These assets complement the two licences previously acquired from Gaz de France, and position Dana with an experienced E&P team based in Oslo. Dana has begun a programme to build upon its Norwegian asset base through licence round applications, farm-in opportunities and working with the Jotun co-venturers to accelerate production wherever possible.

Dana's first Norwegian exploration well is already underway. There is substantial exploration potential in the Company's Norwegian acreage and, with the favourable tax regime in Norway and material opportunities exploration is extremely attractive.

In the Dutch North Sea, the E18-7 well (Dana 5%) was successfully drilled and flow tested at a rate of approximately 36 million standard cubic feet of gas per day. Together with the E18-6 discovery in 2006, the group is now progressing to a development involving a tie-back across the F16-E platform.

Dana takes a disciplined approach to asset management and decided to divest its minority interest in the Causeway area of the UK Northern North Sea prior to major appraisal and development capital expenditure. This small stake was considered to be non core and non material in comparison to the Group's growing portfolio and the sale proceeds of over $40 million (including all 2007 costs) made this an attractive tactical sale. This deal demonstrates the Company's ability to high grade its portfolio and accelerate cash returns through timely and commercially astute divestments.

Dana is currently participating in two E&A wells in North Sea. The Grouse appraisal well (Dana 50%) in the Greater Kittiwake Area ("GKA") is appraising the next potential oil development across the Kittiwake platform. Drilling results are expected during October and if successful, first oil is currently planned for mid 2009. In Norway, the Storskrymten exploration well (Dana 25%) is targeting a multiple reservoir prospect with significant upside potential. Drilling results are also expected during October. Planning is complete for the Dana operated Kerloch well (Dana 50%) and two Rinnes wells (Dana 100%) in the UK Northern North Sea with the Sedco 704 rig due for delivery in October. Over the next few months, the Company is also targeting the Scolty gas prospect (Dana 100%) using the Ensco 100 heavy duty jack-up rig in the UK Southern North Sea and also the Bjorn well (Dana 25%) to the west of the giant Troll field in Norway using the Bredford Dolphin rig.

2. North Sea Production and Development

Dana's producing asset base in the North Sea has now increased to 16 oil and gas fields with the addition of Cavendish, Enoch and Jotun.

Hudson field production (Dana 47.5%) has been above expectation although recent issues with gas lift and water injection capacity from the host Shell operated Tern platform have deferred some production. Dana, as operator, continues to focus on technical improvements and optimisation of the field. Otter field production (Dana 19.5%) has been increased following a workover on one of the wells.

Gas production has been maintained from the Victor field (Dana 10%) over the summer months, following renegotiation of the gas sales contract with the gas buyer last year. The Cavendish field (Dana 50%) came on stream in July 2007 from one well initially and further drilling is ongoing to increase capacity. Also in the Southern North Sea an additional well, J5, is currently being drilled in the Johnston field (Dana 49%) to access previously untapped reserves.

The GKA (Dana 50%) continues to be an important area for Dana with oil production from 4 fields and a number of attractive development opportunities. Production was below that planned in the first half of 2007 due to downtime related to tanker offloading. This should be overcome following the commissioning of the Kittiwake-Forties oil pipeline which is expected in the next month. Development studies continue on the Christian field, to the east of Mallard, and on Grouse, subject to successful completion of the current appraisal well.

Dana further extended its interests in the wider GKA area through two separate transactions, whereby the Company is acquiring an additional 25% interest in 21/20a (outside the Cook field area) which includes the Bligh discovery and in part block 21/20f to the north-east of Christian where the Morgan exploration well (Dana 35%) will be drilled in early 2008 using the Sedco 704 semi-submersible rig.

In the Central North Sea, Dana is currently acting as operator for the development studies phase for a combined Barbara-Phyllis gas fields development. A complete subsurface and facilities evaluation, including consideration of a number of alternative evacuation hosts, will be complete by end November. Likewise development work on the Babbage gas field (Dana 40%) in the Southern North Sea is continuing apace, with a development solution being agreed by the owners. First gas from both of these developments is currently being targeted for 2009.

3. International Business

The acquisition of Devon Energy's entire Egyptian portfolio is the largest single transaction undertaken by the Company to date. Dana and Devon plan to complete the transaction in October 2007. The deal will transfer interests in 8 concessions, including 4 production licences, and will deliver at the effective date of 1 January 2007, approximately 12,000 boepd and 30 million barrels of oil reserves (both on a working interest basis) and also provide operating capability for Dana in Egypt. During the remainder of 2007 the Company will focus on integrating the business, seismic acquisition and studies to enable an infill production and exploration drilling programme in 2008.

At the West El Burullus PSC block (Dana 50%), offshore Nile Delta, the joint venture partners, Gaz de France and Dana, have contracted the Ocean Spur rig to drill the first prospect KES-CC1 in this large and highly prospective area in January 2008. Success in this well would lead to a number of further drilling targets maturing and the impetus to acquire further seismic data targeted at deeper reservoir layers. Drilling is also being planned in the South October (Dana 65%) and South Feiran (Dana 20%) concessions during 2008 and seismic acquisition will be undertaken in the North Ghara block (Dana 25%) in December 2007.

Work is progressing well in each of Dana's licences in Morroco. The partnership have agreed to drill in Tanger-Larache (Dana 15%) in Q3 2008. As operator of the Bouanane licence (Dana 50%) the Company is undertaking regional studies and fieldwork and will make a decision later this year on whether to acquire new seismic or go directly to drilling in this onshore block. At NW Safi (Dana 26.25%) work continues to identify the most attractive drilling prospects in this deepwater block.

FINANCIAL COMMENTARY

Product Prices

The Group realised an average price of $62.33 per barrel for its UKCS crude sales during the first half of the year (1H06: $65.16 per barrel). This compares to the average Brent price in the period of $63.22 per barrel (1H06: $65.65 per barrel). Overall, the Group realised a revenue per boe produced of $46.00 per barrel (1H06: $47.05). In addition, at the period end Dana had under-lifted production valued at £15.7m, (1H06: £13.6m) equivalent at period end prices to a further $6.63 per barrel when ultimately sold.

Operating Metrics

Cost of sales, excluding the £10.0m (1H06: £7.9m) benefit for the period movement in production inventories, was £12.71 per barrel (1H06: £12.36 per barrel). This was higher than expected, due to the production interruptions suffered with tanker loading at GKA, and increased transportation costs arising on the Johnston field as a result of the movement from a tariff to a cost share basis in October 2006. These upward adjustments in the per barrel metric were mitigated by a lower than expected DD&A charge for the reporting period.

Administrative expenses at £0.56 per barrel significantly improved on the same period last year (1H06: £1.46 per barrel). This principally reflects their largely fixed nature and the effect of the period on period production growth, together with a partial unwinding of prior period accruals for cash-settled, long-term management incentive schemes, on the basis of share price performance at the end of the reporting period. The Group also incurred a £1.0m foreign exchange loss in the period (1H06: £6.1m) due to the weakening US dollar.

Taxation

The Group's effective tax rate for the period was 51% (1H06: 39%). Based on current best estimates of completion dates and levels of production in Norway and Egypt, the Company expects its full year total effective tax rate to be in the range 52-54%, with the higher rate Norwegian tax exposure being broadly neutralised by the expected lower tax out-turn in Egypt.

Balance Sheet

The Group spent £107.6m on capital investment during the period (1H06: £54.6m). £23 million was spent on exploration and appraisal activity, £31 million on production and development projects and £54 million on asset acquisitions. The Group is currently projecting a 2007 full year capital spend of approximately £150m on its existing asset portfolio, in addition to those acquisitions previously announced, but this figure remains subject to the eventual timing of operational work programmes.

To fund these commitments, the Group has concluded two separate financing arrangements in the second half of 2007. Firstly in July, Dana successfully placed an offering of senior Guaranteed Convertible Bonds, raising £141.5 million. The Bonds have a very high conversion premium of 50%, representing a conversion price of £16.45 per Dana share, with a fixed, low interest rate coupon of just 2.9% payable annually. The Bonds have a seven year term, maturing in 2014, and include an investor put on the fifth anniversary of the issue date.

The success of the Convertible Bond issue allowed the Group to down-size the previously announced bridge facility agreed with ABN Amro Bank. This facility was subsequently finalised at US $400 million, in September 2007, and will be partially utilised to finance the Egyptian acquisition, which is now expected to complete in October 2007.

OUTLOOK

The next 18 months will be an exciting time for the Company as it undertakes a very active drilling programme emanating from the recent acquisitions in Egypt and Norway plus the results of building its UK portfolio. In addition to the two E&A wells currently drilling in the UK and Norway, the Company will participate in a further four wells before the end of 2007 and expects seven wells in the first half of 2008, with a further 10 wells being planned for later in 2008. These wells provide a range of opportunities from near-field targets in the UK and Norway to step-out exploration within proven oil and gas basins. For example, the West El Burullus well, offshore Nile Delta, Egypt is scheduled for January 2008. It will be Dana's first well in this highly prospective area with significant future potential. Overall more than 30 exploration and appraisal wells are planned through 2009. These wells are the result of the intense technical and commercial activity undertaken by the Company over the last 3 years. Following the completion of commercial transactions, Dana has used its subsurface expertise to direct efforts and deliver, and in many cases accelerate, a substantial drilling campaign.

Dana's Board continually considers areas where it can grow the business and critically assesses the asset pool to ensure consistency with the Company's strategy. The Board determines that if assets do not fit the strategy they are appropriate for sale or trade, with the timing of any such action being carefully chosen to ensure divestment at the optimum point on the return versus investment curve.

Through the Devon Egypt and Ener Norway acquisitions, in addition to successful new field developments, Dana has demonstrated its ability to continue strong growth. Infill drilling in existing fields, development activities, the exploration programme and selective acquisitions will all be employed to deliver further value for shareholders. The Company's sound strategy has led to a strong and balanced portfolio and this is now delivering tangible benefits with rising production capacity and an extensive exploration and appraisal drilling programme.

The Group's good working relationships with its co-venturers, major oil and gas companies and governments have led to valuable cooperation across different areas and regular deal flow. Dana continues to build its team of very talented and motivated professionals, focused on delivering increasing asset value per share. On behalf of the directors and staff we would like to thank shareholders for their ongoing support and interest in the Company as we look forward to an important period ahead.

Colin Goodall
Chairman

Tom Cross
Chief Executive

27 September 2007

DANA PETROLEUM plc
Interim Results

Group Income Statement for the six months to 30 June 2007

	Unaudited Six months to 30 June 2007 £'000	Unaudited Six months to 30 June 2006 £'000	Audited Year to 31 December 2006 £'000
Revenue	**109,149**	87,552	215,322
Cost of Sales	**(49,430)**	(33,270)	(100,892)
Gross Profit	**59,719**	54,282	114,430
Exploration & Evaluation	**(529)**	(510)	(183)
Foreign Exchange (Loss)/Gain	**(1,026)**	(6,053)	(9,679)
Administrative Expenses	**(2,607)**	(4,875)	(8,301)
Operating Profit on Ordinary Activities before Interest and Taxation	**55,557**	42,844	96,267
Interest Income	**2,131**	2,240	4,200
Finance Costs	**(1,872)**	(1,690)	(3,340)
Profit on Ordinary Activities before Taxation	**55,816**	43,394	97,127
Taxation	**(28,662)**	(16,739)	(55,530)
Profit for the Financial Period	**27,154**	26,655	41,597
Attributable to:			
Equity Holders of the Company	**27,366**	26,380	41,235
Minority Interests	**(212)**	275	362
	27,154	26,655	41,597
Earnings per Share - basic	**31.81p**	31.20p	48.24p
Earnings per Share - diluted	**31.42p**	30.73p	47.59p

DANA PETROLEUM plc
Interim Results

Group Balance Sheet as at 30 June 2007

	At 30 June 2007 £'000	At 30 June 2006 £'000	At 31 December 2006 £'000
ASSETS			
Non-Current Assets			
Intangible Assets	**111,906**	94,435	97,082
Property, Plant and Equipment	**300,272**	200,224	236,679
Deferred PRT	**2,999**	1,795	2,525
Available-for-Sale Financial Assets	**15,911**	16,540	14,390
Derivative Financial Instruments	**1,915**	3,093	2,017
	433,003	316,087	352,693
Current Assets			
Inventories	**1,916**	539	1,137
Trade and Other Receivables	**50,194**	31,300	41,224
Derivative Financial Instruments	**1,532**	1,723	2,195
Cash and Cash Equivalents	**59,970**	94,101	109,878
	113,612	127,663	154,434
Total Assets	**546,615**	443,750	507,127
Current Liabilities			
Trade and Other Payables	**40,163**	48,907	56,112
Current Tax	**4,473**	1,669	1,797
	44,636	50,576	57,909
Non-current Liabilities			
Trade and Other Payables	**894**	-	894
Borrowings Financial Liabilities	**-**	-	-
Provision for Deferred Taxation	**110,709**	55,393	89,535
Provision for Liabilities and Charges	**47,455**	37,128	44,415
Accruals and Deferred Income	**1,822**	2,887	2,372
	160,880	95,408	137,216
Net Assets	**341,099**	297,766	312,002
EQUITY			
Equity Attributable to Equity Holders			
Called-up Share Capital	**12,907**	12,832	12,901
Share Premium	**79,369**	80,939	79,301
Other Reserves	**102,517**	103,626	101,351
Cumulative Translation Reserve	**(1,266)**	(257)	(1,044)
Retained Earnings	**145,521**	98,270	117,177
	339,048	295,410	309,686
Minority Interest	**2,051**	2,356	2,316
Total Equity	**341,099**	297,766	312,002

DANA PETROLEUM plc
Interim Results

Group Statement of Changes in Equity
for the six months to 30 June 2007

	Six months to 30 June 2007 £'000	Six months to 30 June 2006 £'000	Year to 31 December 2006 £'000
Opening Balance	**312,002**	270,675	270,675
Profit for the Financial Period	**27,154**	26,655	41,597
Fair Value Movements on Available-for-Sale Financial Assets	**1,516**	(843)	(3,905)
Taxation thereon	**(350)**	253	1,171
Currency Translation Adjustments	**(277)**	(864)	(1,778)
Employee Share Scheme Credits	**653**	82	192
Taxation thereon	**327**	(872)	187
Derivative Financial Instruments	**-**	(647)	(1,038)
Taxation thereon	**-**	259	519
New Shares Issued	**74**	3,068	4,382
Closing Balance	**341,099**	297,766	312,002

DANA PETROLEUM plc
Interim Results

Group Cash Flow Statement for the six months to 30 June 2007

	Six months to 30 June 2007 £'000	Six months to 30 June 2006 £'000	Year to 31 December 2006 £'000
Operating Activities			
Cash Generated from Operations	**62,722**	70,126	139,920
Taxation Paid	**(5,314)**	(8,197)	(11,212)
Interest Received	**2,131**	2,240	4,200
Interest Paid	**(327)**	(609)	(915)
Net Cash from Operating Activities	**59,212**	63,560	131,993
Investing Activities			
Expenditure on Intangible and Tangible Assets	**(107,607)**	(54,649)	(103,190)
Expenditure on Decommissioning	**(26)**	-	(101)
Receipts on Sale of Investments	**-**	-	-
Payments to Acquire Investments	**-**	(4,310)	(5,212)
Net Cash Invested In Investing Activities	**(107,633)**	(58,959)	(108,503)
Financing Activities			
Issue of Ordinary Share Capital	**74**	3,068	4,382
Repayment of Short Term Borrowings	**-**	(10,908)	(10,905)
Net Cash Flow from/(used in) Financing Activities	**74**	(7,840)	(6,523)
Currency Translation Differences	**(1,561)**	(6,075)	(10,504)
Net (Decrease)/Increase in Cash and Cash Equivalents	**(49,908)**	(9,314)	6,463
Cash and Cash Equivalents at the Beginning of the Period	**109,878**	103,415	103,415
Cash and Cash Equivalents at the End of the Period	**59,970**	94,101	109,878

DANA PETROLEUM plc

Notes:

1. This financial information comprises, the Group Balance sheets as of 30 June 2007, 30 June 2006 and 31 December 2006 and related Group Income Statements, Statements of Changes in Equity and Cash Flow Statements for the six months ended 30 June 2007 and 30 June 2006 and for the year ended 31 December 2006 of Dana Petroleum plc (hereinafter referred to as 'financial information').

   This financial information has been prepared in accordance with the Listing Rules of the Financial Services Authority. In preparing this financial information management has used its best knowledge of the expected standards and interpretations, facts and circumstances, and accounting policies that will be applied when the Group prepares its financial statements in accordance with International Financial Reporting Standards ('IFRS') as adopted by the EU as of 31 December 2007.

   As a result, although this financial information is based on management's best knowledge of expected standards and interpretations, and current facts and circumstances, this may change. For example, IFRS standards and International Financial Reporting Interpretations Committee ("IFRIC") interpretations are subject to ongoing review and possible amendment or interpretative guidance and, therefore, are still subject to change. Therefore, until the company prepares its financial statements in accordance with IFRS as adopted for use in the EU, the possibility cannot be excluded that the accompanying financial information may have to be adjusted.

   The Group has chosen not to early adopt IAS 34, 'Interim financial statements', in preparing its 2007 interim statements and, therefore, this interim financial information is not in compliance with IFRS.

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

   The comparative figures for the financial year ended 31 December 2006 were prepared under IFRS, have been reported on by the Company's auditors and have been delivered to the registrar of companies. The auditors issued an unqualified opinion on those accounts.

2. The earnings per ordinary share of 31.81p (1H 2006 – 31.20p) is calculated on the profit of £27,366,000 (1H 2006- £26,380,000) and on a weighted average of 86,026,777 ordinary shares (1H 2006 – 84,543,066).

   The diluted earnings per share of 31.42p (1H 2006 – 30.73p) is calculated on the profit of £27,366,000 (1H 2006 - £26,380,000) and on 87,106,567 ordinary shares (1H 2006 – 85,839,954), being those shares in issue and issuable in respect of Directors' and employees' share options.

3. No dividend is proposed.

4. **Net Cash Flows from Operating Activities for the Six Months to 30 June 2007**

	Six months to 30 June 2007 £'000	Six months to 30 June 2006 £'000	Year to 31 December 2006 £'000
Profit for the Financial Period	**27,154**	26,655	41,597
Depreciation	**18,810**	12,792	36,502
Deferred Income	**(550)**	(225)	(740)
Interest Income	**(2,131)**	(2,240)	(4,200)
Interest Expense	**1,871**	1,690	3,340
Taxation	**28,662**	16,739	55,530
Employee Share Scheme Charge	**653**	82	192
Translation Differences	**1,026**	5,247	9,679
Impairment of Associate	**(5)**	10	-
Exploration and Evaluation	**529**	395	-
Fair Value Movements on Derivatives	**766**	(732)	(521)
<u>Movements in Working Capital:</u>			
Inventory Movement	**(779)**	(59)	(657)
Receivables Movement	**(8,970)**	14,153	5,663
Payables Movement	**(4,314)**	(4,381)	(6,465)
Cash Generated from Operating Activities	**62,722**	70,126	139,920

5. **Reconciliation of Net Cash Flow to Movement in Net Funds for the six months to 30 June 2007**

	Six months to 30 June 2007 £'000	Six months to 30 June 2006 £'000	Year to 31 December 2006 £'000
(Decrease)/Increase in Cash and Cash Equivalents	**(49,908)**	(9,314)	27,872
Cash Out Flow from Repayment of Debt Financing	**-**	10,908	-
Exchange Gains/(Losses) on Borrowings	**-**	680	(9,821)
Movement in Net Funds	**(49,908)**	2,274	18,051
Net Funds at Beginning of Period	**109,878**	91,827	91,827
Net Funds at End of Period	**59,970**	94,101	109,878

Independent Review Report to Dana Petroleum plc

Introduction

We have been instructed by the company to review the financial information for the six months ended 30 June 2007 which comprises the Group Income Statement, Group Balance Sheet, Group Statement of Changes in Equity, Group Cash Flow Statement, and the related notes 1 to 5. We have read the other information contained in the interim report and considered whether it contains any apparent misstatements or material inconsistencies with the financial information.

This report is made solely to the company in accordance with guidance contained in Bulletin 1999/4 'Review of interim financial information' 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 interim report, including the financial information contained therein, is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the interim report in accordance with the Listing Rules of the Financial Services Authority which require that the accounting policies and presentation applied to the interim figures should be consistent with those applied in preparing the preceding annual accounts except where any changes, and the reasons for them, are disclosed.

Review work performed

We conducted our review in accordance with guidance contained in Bulletin 1999/4 'Review of interim financial information' issued by the Auditing Practices Board for use in the United Kingdom. A review consists principally of making enquiries of group management and applying analytical procedures to the financial information and underlying financial data, and based thereon, assessing whether the accounting policies and presentation have been consistently applied, unless otherwise disclosed. A review excludes audit procedures such as tests of controls and verification of assets, liabilities and transactions. It is substantially less in scope than an audit performed in accordance with International Standards on Auditing (UK and Ireland) and therefore provides a lower level of assurance than an audit. Accordingly we do not express an audit opinion on the financial information.

Review conclusion

On the basis of our review we are not aware of any material modifications that should be made to the financial information as presented for the six months ended 30 June 2007.

Ernst & Young LLP

London

27 September 2007