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

Preliminary Results for the Year Ended 31 December 2007

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, is pleased to report its preliminary results for 2007.

HIGHLIGHTS

Strong Growth in Oil and Gas Reserves:

- Proven and probable reserves increased to 165.8 mmboe at end of 2007 (2006: 130.6 mmboe)
- Oil and gas reserve additions represent a reserves replacement ratio of 316% for the year

Record Production and Cashflow

- Delivered record oil and gas production of 30,514 boepd in 2007, up 37% (2006: 22,285 boepd)
- Production capacity increased strongly during 2007, with a year-end exit rate of over 45,000 boepd
- Currently producing from 30 oil and gas fields, in the UK, Egypt, Norway and the Netherlands

Record Financial Results

- Revenue increased by 45%, to a new record high of £311.5 million (2006: £215.3 million)
- Pre-tax profit rose 48% to £143.3 million (2006: £97.1 million)
- Earnings per share increased 50% to 72.17p (2006: 48.24p)
- Cash generated from operations up 44% to £201.8 million (2006: £139.9 million)

Major Business Development and Corporate Initiatives

- Two successful corporate acquisitions, Devon Energy’s Egyptian E&P business and independent oil company Ener Petroleum in Norway
- Significantly increased financial capability following successful issue of £141.5 million convertible bond and new $400 million debt facility
- Net debt of £71.3 million at end of 2007, equivalent to just 17% gearing

Outlook:

- Exciting period ahead with rising production and extensive drilling programme
- Group production for 2008 expected to average between 40,000 and 45,000 boepd representing more than a 30% growth over 2007
- Current unhedged position yields full benefit from strong oil and gas prices
- 3 new field developments already sanctioned in 2008
- Up to 17 exploration wells scheduled in 2008 with rigs for 14 of these already secured
- Valuable new oil field discovered at West Rinnes close to Dana's Hudson producing field
- 3 exploration wells currently drilling at East Rinnes (North Sea), West El Burullus (Nile Delta) and West Gihan (Gulf of Suez)
- Preparing for forthcoming licensing rounds in the UK, Norway and Egypt
- Planned 2008 capital investment of approximately £200 million across existing fields and licences

Chief Executive, Tom Cross commented:

"Dana delivered record production in 2007 and is on target for significant further growth in 2008 with the full year effect of new fields and the strategic acquisitions in Norway and Egypt. The Group is now producing from 30 oil and gas fields, progressing 3 new developments which are due onstream from 2009, and working on a further 21 appraisal and potential development projects.

2008 will be the most active year of exploration in Dana's history. A total of 17 wells are planned, focused on the UK, Norway and Egypt.

The Company is in a very healthy financial position, with a broad portfolio of growth opportunities and the proven ability to deliver further commercial transactions."

30 April 2008

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DANA PETROLEUM PLC

Preliminary results for the Year Ended 31 December 2007

CHAIRMAN AND CHIEF EXECUTIVE'S REVIEW

INTRODUCTION

We are delighted to report on another year of record operating performance with new highs established for reserves, production, revenue, cashflow and profit. Dana's management team has also delivered a significant geographic expansion of the Company's business activities.

Following the successful acquisitions of independent oil company Ener Petroleum in Norway and the substantial Egyptian upstream business of Devon Energy, Dana has established full operating capability and numerous new business opportunities in two further proven hydrocarbon provinces. The Group's enhanced portfolio now comprises a strong and balanced asset base. It combines a robust production portfolio delivering cashflow from 30 fields, a wide range of field development projects and an exciting exploration and appraisal drilling programme with the potential to deliver major upside over the next two years.

During 2007, Dana's active development programme and astute commercial deals allowed the Company to continue its delivery of year-on-year production growth. In particular, the Enoch oil field and the Cavendish gas field developments both achieved first production and have continued to produce in line with expectations. This new production was augmented by further successful infill drilling within already producing fields.

Alongside production growth, Dana has pursued an ambitious exploration and appraisal programme. Significant effort was expended on securing drilling rigs in what continues to be an extremely tight market for all oilfield equipment. Rigs were, however, secured for prospects in the UK, Norway and Egypt. The 2007 drilling campaign delivered a number of successes such as finding gas in the Dutch sector at E18, testing oil at high rates in the Grouse well in the UK, and discovering oil in two reservoirs at Storskrymten in Norway, which was the Company's first well following its entry into the Norwegian sector. Good progress was also made in building Dana's portfolio of future exploration drilling opportunities. The Company achieved excellent results in its bids in the UKCS 24th Licensing Round, being awarded 16 new blocks, and also secured 7 blocks offshore Norway in the 2007 APA Licensing Round.

Looking ahead, 2008 has started brightly and production is expected again to grow by more than 30%, with output for the year expected to be in the range of 40,000-45,000 boepd. Seventeen exploration and appraisal wells are planned for 2008, with rigs already secured for 14 of these, representing the most intense year for exploration in Dana's history. This forward programme will target potential reserves of around 1.4 billion barrels net to Dana over the next two years.

RESULTS

With 2007 average daily oil and gas production growing by 37% to 30,514 boepd (2006: 22,285 boepd) and an increased average realised price of $56.03 per boe during 2007 (2006: $48.78 per boe), revenue for the year increased by 45% to £311.5 million (2006: £215.3 million).

Profit before tax grew by some 48% to £143.3 million (2006: £97.1 million). Profit after tax increased by 49% to £61.8 million (2006: £41.6 million), resulting in a 50% improvement in earnings per share to 72.17p (2006: 48.24p).

Cash generated from Group operations grew 44% to £201.8 million (2006: £139.9 million). This was supplemented by the proceeds from a convertible bond issue and a new bank debt facility both of which were completed on terms that were very attractive to the Company. Together these facilitated the record £351.3 million net cash investment made during 2007 on existing projects and the acquisitions in Egypt and Norway. The Group closed the year with net debt of £71.3 million, equivalent to a gearing level of just 17%.

Having completed two significant strategic acquisitions, and launched the most active exploration programme in the Company's history, the Directors do not recommend payment of a dividend at this time. This will be reviewed once the upside opportunities within the acquired assets are assessed and the results of the ongoing exploration drilling are known.

2007 was also a very successful year for Dana in terms of oil and gas reserves additions, with a substantial increase in proven and probable reserves to a new record level for the Group at year end.

Increases in reserves arose in three areas. Firstly, there were upward revisions in a number of producing fields which have outperformed earlier forecasts. Secondly, there were acquisition-related additions in Egypt and Norway and at the Cavendish gas field in the UK. Thirdly, reserves were added through the new exploration discoveries. Further reserves growth is being sought in 2008, with Dana's 17 exploration well drilling programme targeting a range of prospects.

Overall, some 46.3 mmboe of proven and probable reserves were added during 2007 due to the net effect of discoveries, acquisitions, disposals and field revisions. This increase replaced Group production of 11.1 mmboe more than three-fold. Overall, net additions replaced 316% of production over the calendar year. Group proven and probable oil and gas reserves at 31 December 2007 reached a new high of 165.8 mmboe, of which 81.5% are now held in Europe. Dana's end 2007 contingent resources (technically recoverable hydrocarbons not yet determined to be commercial) was a further 114.2 mmboe. Therefore the total recoverable hydrocarbon resources available to the Group at the end of 2007 were 280.1 mmboe, of which 59% are currently classed as proven and probable reserves.

OPERATIONAL HIGHLIGHTS

EUROPE

Production and Development

During 2007, the Enoch oil field and the Cavendish gas field, where Dana increased its interest to 50% prior to first gas, were both brought on stream. With the addition of properties in Egypt and Norway, the Company ended the year producing from a total of 30 oil and gas fields. Average Group production in 2007 was 30,514 boepd of which approximately 89% emanated from the North Sea. As a result of adding new fields and significant enhancement work in existing fields, Group production capacity increased strongly during 2007. The year end exit rate of approximately 45,000 boepd significantly exceeded the Company's 2-year target set at the end of 2005.

Dana continued a high level of activity in its existing fields. The Greater Kittiwake Area ("GKA") was successfully tied-back via a new pipeline to the Forties Pipeline System in November, replacing the previous tanker loading system. Accordingly, uptime from the GKA has considerably improved. The new pipeline will also underpin future development decisions and improve the economic return for new project tie-backs in the area, including the Grouse oil field where development is now being progressed rapidly following the very successful well drilled in 2007.

The Johnston J5 well came on stream just before the year end. This new well accesses a previously undrained area of the field and significantly increases gas production capacity. Modifications on the Ravenspurn host platform should also facilitate increased output from the existing Johnston wells.

Work is also advancing at pace on the Babbage field development with drilling expected to commence in late 2008 and first gas targeted for early 2010. This project will be very significant for Dana and will strengthen the Company's position in the UK Southern North Sea.

Good progress is being made at the Barbara gas field in the Central North Sea. Dana, as operator, has undertaken comprehensive subsurface geoscience and surface facilities study work. Discussions are well advanced with infrastructure hosts and to align the five Barbara equity owners for a combined development with the neighbouring Phyllis gas field.

Dana's significant stakes in Barbara and Babbage represent two of the key growth areas for the Company in the coming years and mean that the Group is participating in two of the more substantial remaining gas developments in the UK North Sea. In addition, project sanction has been achieved for the E18 gas development in the Netherlands following further successful drilling in 2007. E18 gas will flow across the existing F16-E field in which Dana also has an equity interest.

Exploration & Appraisal

During 2007, the Company had some notable successes with the drillbit.

In the Dutch North Sea, the E18-7 exploration well was successfully drilled and flow tested at a rate of approximately 36 million standard cubic feet of gas per day, leading to sanction of the E18 development.

The Grouse appraisal well in the GKA in the UK Central North Sea tested at stabilised flow rates in excess of the pre-drill expectations. The well flowed at rates of over 10,600 boepd, through a 32/64” choke, with a tubing head pressure of around 2,700 psi, but this flow rate was limited by the throughput capacity of the test equipment. The well was suspended for use as a future producer and Grouse will be developed as a subsea tieback to the Kittiwake platform utilising the Goosander production riser which was installed in 2006. A fast track development is now underway with first oil expected early in 2009.

Dana’s first well in Norway was 15/12-18A targeting the Storskrymten prospect, in the neighbourhood of the Sleipner field. The well discovered an oil column in the Palaeocene Ty formation and following sidetracking of the original well, it found further oil bearing sands in the Heimdal formation. The operator estimates recoverable volumes of between 9 and 44 million barrels of oil and the co-venturers are considering a further well in the area before progressing with a development.

The Dana operated Kerloch well, 211/22a-10 in the UK Northern North Sea, was drilled to a total depth of 12,282 feet and encountered a full Brent reservoir sequence, as predicted prior to drilling. The well intersected an oil column of some 116 feet in the Ness Formation. The crude oil was of good quality, with a gravity around 32 degrees API and a gas/oil ratio in line with other discoveries in the area. The Kerloch well was suspended to allow potential re-entry and future use. Dana holds a 50% stake in the Kerloch oil discovery and throughout Block 211/22a NW, which also contains an earlier oil discovery.

In February 2007, Dana was awarded 16 offshore blocks in the UK Government's 24th Offshore Licensing Round, predominantly in the prospective West of Shetland region and in the GKA. In February 2008, Dana pre-qualified as an operator in Norway and was awarded interests in 7 blocks, including 3 operated blocks in the 2007 APA Rounds. During 2008, Dana expects to build its exploration portfolio further through applying for licences in the UK Government's 25th Offshore Licensing Round, the Norwegian 20th Round and the 2008 APA Round.

Faroe Petroleum plc (“FP”) has also been highly successful in licensing rounds, with the award of 5 licences in the UK 24th Round, 6 licence interests in the APA 2006 Round offshore Norway and a further 5 licence interests in the APA 2007 awards. In November 2007, FP announced a series of further commercial transactions building upon its exploration, development and production asset base. Dana supported FP’s share placing in December 2007 and maintained the Group’s position as the largest shareholder in FP at just over 17%. During the first quarter of 2008, Dana further increased its interest in FP to 27.5% by acquiring shares on the open market. The Company views its position in FP as a strategic holding in a smaller independent company with a complementary strategy and geographic spread.

Dana is currently drilling the West and East Rinnes prospects in the Hudson area of the UK Northern North Sea targeting two separate Brent reservoir fault blocks. The first well, 210/24a-11, into the West Rinnes structure was drilled to a total measured depth of 6,470 feet (5,870 true vertical depth subsea) and encountered a full Brent reservoir sequence with excellent quality sands throughout. The Company successfully completed a drill-stem test of West Rinnes, which flowed at rates of up to 7,800 barrels of oil per day with the flowrate being restricted by the test equipment on the drilling rig. The fluid produced was 100% clean oil of good quality with a gravity of approximately 32 degrees API. The Rinnes oil is of very similar quality to that being produced by Dana at the nearby Hudson field. Dana is currently sidetracking the original well into the neighbouring East Rinnes structure which is prognosed to be of a similar size to West Rinnes. Following completion of the drilling at East Rinnes, Dana will undertake a complete review of further prospectivity in the area and consider development options for Rinnes and the nearby Melville oil field.

AFRICA

Production & Development

Dana has worked hard over the last six months to consolidate, optimise and fully resource its new Egyptian operations. The Company is now well positioned to deliver an extensive E&P work programme in Egypt during 2008.

The Egyptian oil fields have performed strongly since completion of their acquisition in October 2007, with investment ongoing in each of the producing fields. Record production has been achieved at the West Abu Gharadig field in the Western Desert.

In the East Zeit field, offshore Gulf of Suez, the focus has been on finalising the workover and infill drilling programme for 2008. Dana will be targeting at least one new well and two sidetracks using the IO3 drilling rig. The Company also recognises significant further potential in this field which it is progressing with its subsurface technical team in Cairo.

Exploration & Appraisal

The Group now holds assets in three key petroleum areas across Egypt, namely the Gulf of Suez, the Western Desert and offshore Nile Delta. The focus in 2007 was on high-grading exploration targets and drilling has already begun on two of these, namely the KES-CC1 prospect in the West El Burullus concession offshore Nile Delta and the West Gihan prospect in the Gulf of Suez.

Later this year, Dana will drill wells in the North Qarun block to the west of Cairo and in the South October block in the Gulf of Suez. The Company also expects exploration wells in each of its other concessions and to participate in the three proposed Egyptian licensing rounds. In addition, shallow water ocean bottom cable (OBC) 3D seismic was acquired in the North Ghara concession in the Gulf of Suez where Dana is evaluating new prospects with BP.

In Morocco, Dana is operating the onshore Bouanane licence, close to the Algerian border. Study work has progressed well and the co-ventureres are currently in negotiations to secure a drilling rig for its first well in this area.

Progress has also been made on a number of fronts in Mauritania. In Block 7, northern Mauritania, the co-ventureres decided to enter the next phase of the Production Sharing Contract, including the commitment to a further well by the middle of 2010. Dana, as operator, is currently reprocessing 3D seismic data in the concession to better define the optimal drilling target. In Block 1 Mauritania and the adjacent St Louis concession in Senegal, a new 3D seismic survey is currently being acquired. This survey will allow optimisation of future drilling targets.

BUSINESS DEVELOPMENT

Dana continues a high level of commercial activity in line with its strategy of adding value through its front-end exploration work and then accelerating cash flow wherever possible. The Company also undertakes carefully selected asset and corporate acquisitions. The two most significant transactions in 2007 were the acquisition of Devon Energy Corporation's Egyptian assets, completed in October, and the acquisition of the Norwegian oil company Ener Petroleum ASA (now Dana Petroleum Norway AS) in July.

The Devon acquisition is Dana's largest single transaction to date. The assets acquired include 8 concessions in Egypt, including 14 producing fields, one of which is operated, and 4 operated exploration concessions. There are active work programmes in each of the concessions with drilling or seismic planned in 2008. The deal added approximately 10,000-12,000 bopd to the Group, with a very significant infill drilling and exploration upside. Since closing the deal, Dana has benefited from higher commodity prices, access to new opportunities and the value of having a team on the ground in country. Egypt now represents a significant proportion of the Group's activities and capital investment programme and will be a growth area for Dana going forward.

In Norway, Dana has a strong team focused on identifying new opportunities through licence rounds, business development and investigating further development activity in the Jotun area. Dana has participated in 2 wells in Norway, including the Storskrymten discovery, acquired interests in 7 additional blocks in the APA 2007 Round and been approved as an operator since the completion of the Ener acquisition. Norway will be an exploration focus area for Dana in the coming years.

In addition, during 2007 the Company continued to develop both the quality and extent of its asset portfolio through a series of commercial deals.

Dana increased its interest to 64.85% and operatorship in Block 210/24a in the Northern North Sea. The Company has since made the West Rinnes oil discovery and is currently drilling the East Rinnes exploration well in this block, which also contains the Melville oil discovery.

The Company completed a farm-in to acquire a 25% interest in UK Blocks 48/3a and 48/4, by agreeing to carry certain costs through a seismic programme and exploration well. A decision on drilling will be made in the middle of 2008 following evaluation of seismic data.

Dana equalised equities with Valiant Petroleum across Blocks 211/8a and 211/13a in the Northern North Sea. Subsurface study work is ongoing to identify drilling targets in these blocks.

The Group consolidated its position in the GKA by acquiring an additional 9.8% equity in Block 21/20a, including the Bligh discovery, where Dana now holds a 30.5% interest. Bligh was discovered in 1995 by the 21/20a-5 well where a drill stem test flowed at 2,750 bopd of 45.6 degrees API condensate and 15.4 million cubic feet of gas per day. Recent detailed technical work has increased the expected recoverable volumes to around 30 million boe gross. Planning is underway to develop the field as a tie-back over the Kittiwake platform. The development of Bligh will extend the life of the platform by several years and create additional value for Dana as a joint owner of the infrastructure.

Dana completed the divestment of its 14% interest in Blocks 211/22a SE and 211/23d, including the Causeway discovery, prior to the drilling of the Antrim operated wells in 2007. This equity was considered to be non material and the consideration of $40 million was significantly in excess of Dana's carrying value for the block, generating a pre-tax gain on disposal of nearly £17 million.

Finally, the Company farmed down its interest in the Monkwell discovery in the UK Southern North Sea for a carry of certain costs through the appraisal well, scheduled for July 2008, and any subsequent development.

Each of these deals adds value to the Group by building on core areas, adding additional activity or optimising the capital expenditure programme.

BOARD AND CORPORATE GOVERNANCE

As planned, Angus Pelham Burn will retire as a non-executive director following the completion of the next AGM in July 2008. Angus has been a key member of the Dana Board and always shown great skill, intelligence and integrity during more than 8 years of service to the Company. We would like to record our thanks and appreciation to Angus for his significant contribution during the development of the Group and we wish him a long and happy retirement.

Following the forthcoming AGM, Ian Rawlinson will assume the role of Chairman of the Remuneration Committee, relinquishing the role of Chairman of the Audit Committee, which will in turn be assumed by Philip Dayer from the same date. Brian Johnston was appointed as a non-executive director on 24 April 2008. Brian enjoyed a highly successful 34 year career with Bank of Scotland/HBOS, and was latterly Head of Corporate, Scotland, for the Bank managing a team of 600 colleagues in 45 locations. He has extensive experience across all areas of corporate and acquisition financing, including UK and international energy sector transactions, and he has worked with a number of Scotland's top entrepreneurs. Brian has joined Ian, Philip and Angus all serving as independent directors on the Audit, Remuneration and Nominations Committees. We look forward to working with him as the Company continues to grow over the coming years.

OUTLOOK

Over recent years, Dana has built a substantial and balanced portfolio of oil and gas assets. As a result of exploration success and a series of commercial transactions, the Company now has a stream of drilling and development opportunities which will ensure its growth continues.

The Group has already drilled three wells in 2008 and is currently drilling a further three in the UK, offshore Nile Delta and offshore Gulf of Suez in Egypt. This is the first phase of a programme of some 17 wells scheduled in 2008. These are targeting a broad portfolio of opportunities, across a range of geological settings, in Dana's three key countries, namely the UK, Norway and Egypt. The Company will continue to develop its balanced exploration portfolio through licence round applications focused on the North Sea and North Africa and through commercial transactions.

In addition to exploration drilling, Dana is progressing numerous developments plus 12 infill wells in Egypt and in-field work on many of its other existing fields. Ongoing activity will grow the production capacity of the Company beyond the record levels achieved in 2007.

During 2008, Dana expects to invest some £200 million within its existing fields and exploration licences. Approximately £70 million will be spent on production and development activity and £130 million on exploration and appraisal. This capital expenditure programme can be funded from existing cash resources and projected cash flow through 2008.

Over the last year Dana has again demonstrated an ability to generate and complete asset deals in a tight market. This commercial activity optimises the exploration programme, through farm-outs, provides new opportunities and delivers Company transforming deals, such as those in Egypt and Norway.

Dana's management team is proud of the Group's good working relationships with its co-venturers, which includes major oil and gas companies and host governments. Such cooperation is valuable and leads to accelerated progress across different areas of the business. It also contributes to successful licensing and unlocking new deal opportunities. Across its operating bases in Europe and Africa, Dana continues to build its team of talented and motivated professionals, all focused on delivering increasing asset value per share. On behalf of the directors and staff we would like to thank Dana shareholders for their ongoing support and interest in the Company as we look forward together to an exciting period ahead.

Colin Goodall
Chairman

Tom Cross
Chief Executive

30 April 2008

FINANCIAL REVIEW

Dana delivered another year of record financial performance in 2007, through a combination of strong production growth and a 44% improvement in cash generated from operations, facilitated by the Group's continued unhedged exposure to the strong commodity price environment. In addition, the group delivered a reserves replacement ratio of 316%; successfully completed two major acquisitions and finalised two financings thereby significantly enhancing the Company's financial capability. Overall, 2007 proved an extremely rewarding year, which delivered a robust set of financial results.

Revenue

Annualised average, working interest production for the year was 30,514 boepd (2006: 22,285 boepd), with 89% delivered from Europe (2006: 93%). The Norwegian and Egyptian acquisitions contributed only for the second half and final quarter of the year respectively, so based on the full year Norway delivered 6.3% and Egypt 7.3% of total production. Liquids accounted for 80% of total production (2006: 84%) with 20% from gas.

The Group realised the following average prices per working interest barrel of oil equivalent for hydrocarbon sales during the year:

	2007 UK	2007 Norway	2007 Egypt	2007 Total	2006* Total
Realised price per crude barrel sold	$70.88	$80.77	$81.98	$72.40	$61.48
Brent average during ownership period	$72.45	$81.24	$88.44	-	-
Realised gas price per therm	35.5p	25.3p	-	35.2p	24.3p
NBP average price per therm during ownership period	29.3p	38.3p	-	-	-
Revenue per boe	$56.99	$95.53	$38.05	$56.03	$48.78

* 2006 UKCS sales prices only

Differences from the average Brent price represent the timings of actual liftings and the premia or discount to Brent at which our equity crude is sold. Realised gas prices represent a blended average of gas sold under long-term contract from the Group's older established gas fields, and uncontracted gas from the new Cavendish field, which came onstream in the second half of 2007 and where gas is sold on a "day-ahead" basis.

The UK and Norway revenue per boe metrics reflect the composite effect of the above sales, adjusted for crude inventory movements, associated gas production and tariff and other income received. In Egypt, the revenue per boe reflects the Group's entitlement under the production sharing concession regime.

Consequently, the combination of increased production and higher overall realisations per barrel led to revenue increasing to a record level of £311.5 million (2006: £215.3 million), an increase of 45%.

Gross Profit

Overall, there was a 37% improvement in gross profit to £156.6 million (2006: £114.4 million). Cost of sales, excluding the effect of the movement in production inventories and the impairment of the Russian asset, was £14.15 per barrel (2006: £12.41 per barrel). Opex and cash related costs out-turned as expected at £9.30 per barrel reflecting the effect of the higher cost Jotun field in Norway, which impacted the second half of the year. DD&A however, at £4.85 per barrel was well within the revised guidance of £5.40 provided at the interim stage due to lower than anticipated level of production achieved from recently developed fields during the year.

As previously reported, in Russia the Yoganoil company changed its mode of operating the South Vat-Yoganskoye field during 2007 to a service agreement with Lukoil. Whilst Dana is a major shareholder in Yoganoil, after 10 years of Yoganoil successfully operating the field in partnership with Lukoil, the investment proposition of Russian domestic oil price return no longer competes with the opportunities afforded elsewhere in the Dana portfolio. As a result of the implementation of the service agreement, Yoganoil will no longer be required to invest capital in the field and therefore Dana has written-down the relevant reserves and taken an impairment charge in the 2007 Accounts to accurately reflect the change of circumstances.

Profit for the Year

Administrative expenses at £0.76 per barrel were broadly in line with expectations after allowing for the strengthening Norwegian Kroner in the second half of 2007 (2006: £1.02 per barrel).

There were also a number of one-off items relating to Exploration and Evaluation assets during 2007 which impacted the results for the year. During 2007, Dana completed the divestment of its interest in the Causeway discovery in the Northern North Sea, generating a pre-tax gain on disposal of £17.0 million. This gain substantially mitigated the effect of Exploration and Evaluation activity expensed during the year, including the costs of wells and licences that are now considered unlikely to deliver future commercial reserves.

Taken in conjunction with an exchange loss of £2.9 million for the year (2006: loss £9.7 million), the overall impact of these one-off items on pre-tax profits was neutral.

Net financing costs at £4.3 million (2006: income £0.9 million) were in line with expectations reflecting the market equivalent interest rate cost of the Convertible Bond issue together with the cost of the new bank debt drawn to fund the Egyptian acquisition.

As a result, overall pre-tax profit increased by 48% to £143.3 million (2006: £97.1 million).

The effective tax rate for the period was 56.8% (2006: 57.2%) but was inflated as a result of the Russian impairment of £13.8 million which attracted no tax relief. Absent this one-off adjustment, the effective tax rate would have been 52% for 2007. Looking forward, the Group's effective tax rate will be a blend of the underlying tax rates in the UK, Norway and Egypt and is expected to be in the range of 54-56% given the portfolio mix.

The resultant reported profit for the year was therefore £61.8 million (2006: £41.6 million) with earnings per share of 72.17p (2006: 48.24p), increases of 48.6% and 49.6% respectively.

Balance Sheet

The acquisition of Ener Petroleum ASA was completed in July 2007 and the Devon Energy Egypt purchase, comprising eight separate legal entities, was completed in October 2007.

The results of each acquisition have been consolidated from these respective dates and both transactions have been accounted for by 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. Deferred tax has also been recognized in respect of the fair value exercise with the effect grossed-up and incorporated into the calculation of Goodwill. The Group used a $60 per barrel oil price projection as the basis for the producing asset fair values, in line with its corporate planning assumption for calendar year 2007.

Overall, a total consideration of £47.1 million was paid for Ener Petroleum ASA and £168.6 million for the Devon Energy Egypt acquisition. Net of the cash already in the underlying entities, this represented a total net outlay on the two acquisitions of £161.1 million. After incorporating £83.9 million of deferred tax provisions relating to the acquisitions, the remaining Goodwill adjustments totalled £61.9 million. Total Goodwill is reported within Intangible assets. Deferred tax provisions on the fair value adjustments are provided at the underlying rate of tax, 78% for Norway and 41% for Egypt.

In accordance with IFRS 3 – Business Combinations, the Group has 12 months from the completion dates of these two acquisitions to review the Goodwill and asset fair value allocations, and to process such further adjustments as may be considered appropriate. For example, if the oil price assumptions used in connection with the fair value exercise are increased (the Group is currently using $60 per barrel), this would result in a decrease in Goodwill and an increase in the fair value of the assets acquired.

Net capital expenditure during the year was £191.8 million (2006: £106.0 million) with £125.3 million invested on production and development projects, primarily on the Cavendish and Enoch developments, and £66.5 million on the 2007 exploration and appraisal programme.

Dana invested £7.7 million in Faroe Petroleum plc ("FP"), via its successful institutional share placing in December 2007. Dana remained the largest shareholder in FP at that time with just over a 17% stake. During the first quarter of 2008 the Group increased its shareholding in FP to 27.5% via a series of market purchases. As a result, from 2008 Dana will equity account for its investment in FP.

By the 2007 year end, net assets had grown by approximately 34% to £417.5 million (2006: £312 million).

Cash Flow

Cash generated from Group operations in 2007 rose by 44% to £201.8 million (2006: £139.9 million).

Tax payments increased significantly to £58.5 million, but this included a £34.8 million Norwegian tax liability assumed and accounted for as part of the Norwegian acquisition. Net interest income was £3.5 million and partially reflects the benefit of depositing the Convertible Bond proceeds at interest rates well ahead of the 2.9% cost of the Convertible coupon.

A total of £351.3 million cash was expended on net capital investment (2006: £108.5 million) and net cash generated from operations was supplemented by two major financings completed during 2007.

In July 2007, the Group issued £141.5 million of Guaranteed Convertible Bonds due 2014. The Bonds have a conversion premium of 50% representing a conversion price of £16.45 per Dana share, with a coupon of 2.9%. The Bonds have a seven year term and include an investor put on the fifth anniversary of the issue date.

The Convertible Bond issue allowed the Group to re-size the bank debt facility required for completion of the Egyptian acquisition and ongoing working capital purposes. In September 2007, the Group finalised a $400 million debt facility with ABN Amro Bank. $225 million was drawn in October 2007 to complete the acquisition, but by the year end $75 million had been re-paid. At this level of borrowing the Group pays a margin of just 80 basis points above US$ LIBOR. Both the Bond and debt facilities taken together currently provide the Group with an extremely low cost of funds. In total £212.5 million of net cash flow was sourced from financing activities during 2007.

The Group closed 2007 with cash and cash equivalents of £116 million and reported debt of £187.3 million. The resulting net debt position in the balance sheet at the end of 2007 of £71.3 million reflects a gearing ratio of just 17%.

Since the year end a further $25 million of bank debt has been repaid, reducing gearing still further.

Risk Management

Dana was unhedged throughout 2007. Given the growing strength of the Company's production profile, its manageable debt commitments and the continued high commodity prices, no future oil and gas price hedging has been committed to at this time, thus ensuring that Dana continues to enjoy the full benefits of the current strength of international oil and gas prices. The Board will however, continue to review its approach to commodity price, interest rate and currency fluctuations, in light of the Company's future capital commitments and ongoing obligations.

David MacFarlane
Finance Director
30 April 2008

DANA PETROLEUM PLC

Preliminary Results

Group Income Statement for the year ended 31 December 2007

	2007 £'000	2006 £'000
Revenue	**311,499**	**215,322**
Cost of Sales	(154,870)	(100,892)
Gross Profit	**156,629**	**114,430**
Exploration and Evaluation: Gain	16,995	-
Exploration and Evaluation: Expense	(14,689)	(183)
Administrative Expenses	(8,446)	(8,301)
Foreign Exchange	(2,918)	(9,679)
Profit on Ordinary Activities before Interest and Taxation	**147,571**	**96,267**
Interest Income	7,433	4,200
Finance Costs	(11,733)	(3,340)
Profit on Ordinary Activities before Taxation	**143,271**	**97,127**
Taxation: UK	(69,167)	(54,830)
Taxation: Overseas	(12,264)	(700)
Profit for the Financial Year	**61,840**	**41,597**
Attributable to:		
Equity Holders of the Company	**62,093**	**41,235**
Minority Interests	**(253)**	**362**
	61,840	**41,597**
Earnings per Share – basic	**72.17p**	**48.24p**
Earnings per Share – diluted	**70.49p**	**47.59p**

DANA PETROLEUM PLC

Preliminary Results

Group Balance Sheet as at 31 December 2007

	At 31 December 2007 £'000	At 31 December 2006 £'000
Non-Current Assets		
Intangible Assets	326,654	97,082
Property, Plant & Equipment	445,188	236,679
Deferred PRT/NPI	4,298	2,525
Available-for-Sale Financial Assets	30,032	14,390
Derivative Financial Instruments	1,149	2,017
	807,321	352,693
Current Assets		
Inventories	14,652	1,137
Trade and Other Receivables	79,293	41,224
Derivative Financial Instruments	1,532	2,195
Cash and Cash Equivalents	115,960	109,878
	211,437	154,434
Total Assets	1,018,758	507,127
Current Liabilities		
Trade and Other Payables	82,371	56,112
Current Tax	28,091	1,797
	110,462	57,909
Non-current Liabilities		
Trade and Other Payables	4,233	894
Borrowings and Financial Liabilities	187,257	-
Provision for Deferred Taxation	217,094	89,535
Provision for Liabilities and Charges	80,912	44,415
Deferred Income	1,272	2,372
	490,768	137,216
Net Assets	417,528	312,002
EQUITY		
Equity Attributable to Equity Holders		
Called-up Share Capital	12,908	12,901
Share Premium	79,367	79,301
Other Reserves	135,763	101,351
Cumulative Translation Reserve	7,209	(1,044)
Retained Earnings	182,281	117,177
	417,528	309,686
Minority Interests	-	2,316
Total Equity	417,528	312,002

DANA PETROLEUM PLC

Group Statement of Changes in Equity
for the year ended 31 December 2007

	Year to 31 December 2007 £'000	Year to 31 December 2006 £'000
Opening Balance	312,002	270,675
Currency Translation Adjustments	8,210	(1,778)
Fair Value Movements on Available-for-Sale Financial Assets	8,720	(3,905)
Taxation thereon	(2,284)	1,171
Derivative Financial Instruments	-	(1,038)
Taxation thereon	-	519
Minority Interest Released on Impairment of Underlying Asset	(2,020)	-
Total Expense Recognised Direct in Equity	12,626	(5,031)
Profit for the Financial Year	61,840	41,597
Total Recognised Income and Expense in the Year	74,466	36,566
Equity Component of Bonds Issue	28,613	-
Convertible Bond Issue Costs	(637)	-
Employee Share Scheme Credits	980	192
Taxation thereon	2,031	187
New Shares Issued	73	4,382
Closing Balance	417,528	312,002

DANA PETROLEUM PLC

Preliminary Results

Group Cash Flow Statement for the year ended 31 December 2007

	Year to 31 December 2007 £'000	Year to 31 December 2006 £'000
Operating Activities		
Cash Generated from Operations	201,758	139,920
Taxation Paid	(58,527)	(11,212)
Interest Received	7,433	4,200
Interest Paid	(3,981)	(915)
Net Cash from Operating Activities	146,683	131,993
Investing Activities		
Expenditure on Intangible and Property, Plant and Equipment Assets	(202,739)	(103,190)
Expenditure on Decommissioning	-	(101)
Receipts on Sale of Intangible and Property, Plant and Equipment Assets	20,270	-
Payments to Acquire Available-for-Sale Assets	(7,720)	(5,212)
Payments to Acquire Subsidiaries	(161,124)	-
Net Cash Invested in Investing Activities	(351,313)	(108,503)
Financing Activities		
Issue of Ordinary Share Capital	76	4,382
Drawdown of Borrowings	110,235	-
Repayment of Borrowings	(36,163)	(10,905)
Net Proceeds on Issue of Convertible Bonds	138,346	-
Net Cash Flow from / (used in) Financing Activities	212,494	(6,523)
Currency Translation Differences	(1,782)	(10,504)
Net Increase in Cash and Cash Equivalents	6,082	6,463
Cash and Cash Equivalents at the Beginning of the Year	109,878	103,415
Cash and Cash Equivalents at the End of the Year	115,960	109,878

DANA PETROLEUM PLC

Reconciliation of Net Cash Flow to Movement in Net Funds / (Debt)
for the year ended 31 December 2007

	Year to 31 December 2007 £'000	Year to 31 December 2006 £'000
Increase in Cash and Cash Equivalents	6,082	6,463
Drawdown of Borrowings	(110,235)	-
Convertible Bonds Issued – Liability Component	(110,372)	-
Convertible Bonds Issued – Interest Accrued	(1,617)	-
Repayment of Borrowings	36,163	10,905
Exchange (Losses)/ Gains on Borrowings	(1,196)	683
Movement in Net Funds	(181,175)	18,051
Net Funds at Beginning of Year	109,878	91,827
Net (Debt)/ Funds at End of Year	(71,297)	109,878

Notes:

1. 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 statutory accounts for the year ended 31st December 2007 are currently unaudited, however it is expected that the report of the auditors on those accounts will be unqualified and will be delivered to the Registrar of Companies in due course. The comparative figures for the financial year ended 31 December 2006 are the equivalent of the Company's statutory accounts for that financial year. Those accounts, which were prepared under IFRS, have been reported on by the Company's auditors and delivered to the registrar of companies. The auditors issued an unqualified opinion on those accounts.

2. The basic earnings per ordinary share of 72.17p (2006: 48.24p) is calculated on the profit for the year attributable to equity holders of the parent of £62,093,000 (2006: £41,235,000) and divided by the weighted average of 86,037,154 ordinary shares (2006: 85,480,459).

   The diluted earnings per share of 70.49p (2006: 47.59p) is calculated on the diluted profit for the year attributable to equity holders of the parent of £64,661,000 (2006: £41,235,000), being the profit for the year of £62,093,000 (2006: £41,235,000) plus the convertible bonds interest (net of tax) of £2,568,000 (2006: Nil) divided by 91,726,521 dilutive potential ordinary shares (2006: 86,649,511), being those shares in issue and issuable in respect of Directors' and employees' share options and convertible bonds.

3. No dividend is proposed.

4. Net Cash Flows from Operating Activities for the year ended 31 December 2007

	Year to 31 December 2007 £'000	**Year to 31 December 2006 £'000**
Profit for the Financial Year	**61,840**	**41,597**
Depreciation	**54,319**	**36,502**
Asset Impairment	**13,759**	**-**
Deferred Income	**(1,100)**	**(740)**
Interest Income	**(7,433)**	**(4,200)**
Interest Expense	**11,733**	**3,340**
Taxation	**81,431**	**55,530**
Employee Share Scheme Charge	**1,117**	**192**
Translation Differences	**2,917**	**9,679**
Exploration and Evaluation	**(2,306)**	**-**
Movement on Derivative Financial Instruments	**755**	**(521)**
<u>Movements in Working Capital:</u>		
Inventory Movement	**(5,266)**	**(657)**
Receivables Movement	**(11,995)**	**5,663**
Payables Movement	**1,987**	**(6,465)**
Cash Generated from Operating Activities	**201,758**	**139,920**

5. Copies of the 2007 Annual Report will be posted to all shareholders in advance of the Annual General Meeting which is planned to take place in July 2008. Further copies will be available from the Company's headquarters, from the date of posting. Telephone +44 (0)1224 652400, or request via Dana's web-site at www.dana-petroleum.com.