

Health, Safety, Security and Environment

An HSSE risk review was conducted in early 3Q 2010, which resulted in a work programme to address:

Risk Theme	Control
Developing a consistent safety culture across the Group	The Group HSSE Policy, three year HSSE strategy and Operating Risk Management System Framework have all been developed and approved by the Leadership Team. Gap assessments against the ORMS will be conducted during 2011. The Leadership Team were the first attendees at a series of safety culture workshops that are being conducted with Business Leaders.
Consistency in assessment of HSSE risks across the Group	An HSSE Risk Management Standard has been issued which provides a common basis for the assessment of risks.
Project HSSE Assurance	HSSE audits have been conducted at our UAE Gas Project Plant as well as at the Khor Mor gas processing facility in Kurdistan
Ensuring we identify and manage major accident hazards	Reducing major accident risks was high on the list of subjects addressed in the above mentioned audits as well as being a focus as part of the ongoing Zora Project Engineering work. Leading from the experience gained on Zora a Major Accident Hazard Management Standard will be developed in 2011.
Consistency in the HSSE Standards of Contractors	As part of a scope of work under tender in 1Q 2011 for the development of further Corporate HSSE Standards a Standard which governs how Dana Gas contracts for HSE critical services will be established.

Business success goes hand in hand with excellence in HSSE, a fact recognised by Dana Gas and summed up in a statement made by our Chief Executive Officer, Mr. Ahmed Al Arbeed.

'Health, Safety, Security and Environment is our business'

Actions speak louder than words and Dana Gas has been busy in 2010 developing the Corporate HSSE organisation, HSSE risk register, as well the HSSE Policy and Management System for the company. The effort is being lead by the CEO, supported by the Senior Leadership of the Company and the Group HSSE Manager, brought on mid-year 2010.

The Group HSSE Policy was approved by the Board of Directors in November. Our HSSE Policy is a statement of commitment, most importantly to our employees, who work hard every day to make Dana Gas a great company, in addition to our shareholders, communities and governments with whom we work and our partners as well as the contractors and suppliers who work with us.

The HSSE Policy forms the top level of our Corporate HSSE Management System, which is called the Operating Risk Management System or ORMS, acknowledging that our understanding

and management of risk is key to improving our HSSE performance. The ORMS will set out a series of HSSE Requirements that Business Units shall be audited against annually.

Performance

Monthly Group HSSE reporting by Business Units was initiated in August of 2010. Data quality is continuously improving, notably through the implementation of Group Standards on HSSE Definitions and HSSE Reporting and, in 2011, through the implementation of a Group-wide HSSE reporting tool.

Safety Metric	2010	Benchmark	Comment
Fatalities	0		Compared to 3 in 2009
Man hours worked	6.8mm		Contractors and employees
Recordable injury cases	24		OSHA definition*
Recordable injury frequency	0.71	0.35	OGP 2009
Major road accidents	2		Dana Gas definition
Kilometers driven	11mm		OSHA definition*

*Data includes Kurdistan safety incidents, man hours and kilometers
Definitions for these metrics can be found on our HSSE web site
US Occupational Safety and Health Administration*

In 2010, we achieved a full year with ZERO fatalities occurring as a result of our activities. However, 24 of our workforce (12 employees, and 12 contractors) did receive injuries of a severity of medical treatment or greater during the year as a result of working with Dana Gas in the UAE and Egypt as well as the Pearl activity set in Kurdistan.

The Total Recordable Injury Frequency (TRIF) decreased to 0.71 at the end of December, a number we intend to drive down in 2011.

Process Safety

No significant gas releases were reported from our facilities in 2010. The integrity of our assets is measured by our ability to avoid releases of gases and liquids from our process facilities. We have initiated the reporting of a metric called Loss of Primary Containment, which will focus attention on process releases.

Environment

There was only one reported significant release of hydrocarbon to the environment, which occurred in our Southern Egypt Concession where 302 barrels of produced water were released to the desert. Produced water treatment facilities have been installed to eliminate a repeat of this incident.

We are committed to the continual reduction of our environmental impact. Spills to environment and loss of containment incidents will be reported in our next annual report.

Health

Our policy states that we are committed to an 'improvement in health, safety and environmental performance with the goal of zero accidents and harm to people and minimising our environmental impact.' 'Harm to people' means looking after their safety as well as their health. The reporting of illnesses as well as injuries has been introduced in our 2011 corporate reporting requirements. We will learn from this knowledge and put controls in place to drive down the risk of 'harm to people'.

Security

Security management is integral to our HSSE efforts and reporting of security incidents has also been introduced into our Group reporting requirements in 2011.

HSSE Risks identified in 2010

In 2011, we will increase our focus on HSSE risk understanding, driving down our risk profile.