



Preliminary Results of Public Joint Stock Company

First - General Information:

Name of the company	:	Dana Gas (PJSC)
Establishment date	:	20 th November 2005
Paid up capital	:	AED 6.0 billion
Subscribed capital	:	AED 6.0 billion
Authorized capital	:	AED 6.0 billion
Chairman of the Board	:	Mr. Hamid Dhiya Jafar
General Manager	:	Mr. Rashid Al Jarwan
Name of the external auditor	:	Ernst & Young
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Second – Preliminary Results for the Year ended 31 December 2007

(All figures in Million)

	2007 US\$	2006 US\$	2007 AED	2006 AED
Total Assets :	2,963	1,867	10,860	6,843
Shareholders' Equity :	1,942	1,858	7,117	6,812
Revenues :	282	-	1,036	-
Net Operating Profit :	84	-	307	-
Net Profit for the year :	30	221	111	812
Earnings per share :	0.005	0.038	0.019	0.140

Summary of the Company's Performance for Year ended 31 December 2007:

Dana Gas was incorporated in the Emirate of Sharjah ("Sharjah"), United Arab Emirates, as a public joint stock company on 20 November 2005 pursuant to incorporation decree number 429/2005 issued by the Ministry of Economy.

Operating Results

Following commencement of operating revenues on 10 January 2007, Dana Gas has continued to build upon its operating performance during the year. It should be noted that 2007 is the first year of operating revenues, as there were no revenues in Year 2006 and profits were earned only from IPO income and from finance income through placement of bank deposits.

Results for the year ended 31 December 2007

During the first year of commercial operations, Dana Gas earned Revenues of AED 1.036 billion from 355 days of production. Despite being the first year of commercial operations, the Group earned a ~~Gross Profit~~ of AED 307 million and a Net Profit of AED 111 million.


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Liquidity and Financial Resources

The Group's cash and bank balances as at 31 December 2007 stood at AED 1.98 billion which are adequate to fund the group's funding requirements over the foreseeable future.

On 31 October 2007, the Company successfully completed the issue of its maiden Convertible Sukuk and raised US\$ 1 billion (AED 3.67 billion). The proceeds were partially utilised to repay the Bridge Finance of US\$ 470 million. The Company's maiden international capital markets foray through convertible sukuk issue was positively received by the international investment community even in the currently challenging credit environment and also established many firsts for the Middle East region.

This long term funding provides the base for funding company's existing projects and will assist the company in strategic expansions and to pursue identified opportunities with the aim of enhancing shareholder value and providing a material positive impact to its shareholders. Structured as a Sukuk al-Mudarabah, the Dana Gas Sukuk matures in 2012 and has a fixed profit rate of 7.5%. The reference share price, to which an exchange premium of 10% will apply, will be set in 9 months' time from the month of issue, reflecting the sukuk holders and management's confidence in the company's near-term growth.

Financial Position

The Group's total assets have increased by 59% from AED 6.843 billion in 2006 to AED 10.860 billion following the acquisition of Centurion Energy. The Shareholder's equity rose to AED 7.117 billion as at 31 December 2007 from AED 6.812 billion as at the end of 2006.

Business Update

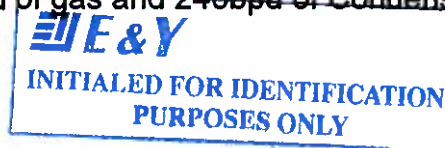
In line with its outlined strategy, the Dana Gas Group continues to maximize the value of its existing oil and gas assets and projects, while pursuing aggressive growth through a strategy of targeted acquisitions and new business development across the gas value chain.

Egypt operations – Centurion Petroleum

The Company's production for the 355 days of operations during 2007 was 10.28 MMBOE i.e. averaging 28.9 mboepd with exit rate at the end of 2007 of 32 mboepd.

The Company made a historic first ever commercial oil discovery in Southern Egypt from its first exploration well drilled in the Komombo Concession in Upper Egypt. The event was commemorated by a site visit by His Excellency Sameh Fahmy, Minister of Energy, Egypt, who re-named the concession "Al Baraka" (meaning "the blessing" in Arabic).

New gas and condensate discovery from Dabayaa -1 and Dabayaa -2 exploration well was also made in the Company's West Manzala Exploration Concession in Egypt. Dabayaa -1 tested at 16.5 MMscfpd of gas and 330bpd of Condensate and Dabayaa -2 tested at 10 MMscfpd of gas and 240bpd of Condensate.



The internationally renowned U.K. based engineers, Gaffney, Cline & Associates (“GCA”) have carried out an independent evaluation of Centurion’s hydrocarbon reserves. Based on their report, the proved reserves of Centurion at 31 December 2007 were estimated to be 45.8 millions of barrels of oil equivalent (“MMBOE”) and the proved and probable reserves at 31 December 2007 were estimated to be 66.7 MMBOE. An evaluation of the exploration potential of Centurion’s Egyptian exploration assets, the West Manzala, West Qantara and Komombo Concessions, was carried out by GCA. Their report indicated that the risked gas potential of the blocks is in the region of 3.5 trillion cubic feet (Tcf) of gas.

Kurdistan Region of Iraq (KRI) Project

In April 2007, the Group entered into important agreements with the Kurdistan Regional Government of Iraq for the development of its substantial gas resources and specifically to develop, process and transport natural gas on a fast track basis from the Khor Mor Gas Field (Khor Mor Project), including the extraction of LPG and condensate, in order to provide natural gas supplies to fuel domestic electric power generation plants currently under construction near Erbil and Suleymania.

It is expected that Phase I of the Khor Mor Project for a production of 150 million cubic feet per day will commence production during second quarter of 2008 with Phase II for an additional 150 million cubic feet per day coming on stream in the second half of the year. In addition the Group is concurrently appraising the potential of the Chemchemical Gas Field for development. The KRI project is being implemented jointly with Crescent Petroleum and an investment of US\$ 650 million is planned by the end of 2008.

The Khor Mor Project has continued to make good progress across all fronts of the Project. The manufacturing of the two LPG plants and the pipelines is proceeding according to the plan even though several changes in the pipeline route have had to be accommodated. The actual progress to date is of around 70% with commencement of gas and liquids production expected during the second quarter of 2008.

UAE Gas Project

The UAE Gas Project to process and transport imported gas is now in its final stages of completion. The construction and interconnection of Company’s facilities in the UAE had been successfully completed in 2005 and awaits the commencement of imported gas supplies. The ultimate supplier of gas has completed the installation of all the main components of the required upstream facilities, as has been publicly reported. Hook up and pre-commissioning of the upstream facilities is now taking place and gas supplies are expected to commence in the second quarter of 2008.



Joint venture with Emarat

United Gas Transmission Company Ltd (UGTC) a subsidiary of the Company is implementing a joint venture project with Emarat (on a 50:50 basis) to develop the largest gas pipeline in the UAE (48 inch diameter, 32 km length) with a design capacity of 1000 MMscf/d. The capital cost is in the region of US\$ 46 million. The pipeline works were completed by December 2007 as planned. However, the commissioning of the project will be performed in February 2008 due to late arrival of certain components of the valves. This pipeline will be utilized by 3 end users in the Hamriyah area, SEWA, FEWA and CNGCL under terms of a 25 year contract signed with these three end users.

Egypt Gulf of Suez – Gas Liquids (LPG) Plant

The Company, through Dana Gaz, Bahrain is involved in a project to build, own and operate the Gulf of Suez based Liquids Extraction Plant in Egypt in partnership with Egyptian National Gas Company (EGAS) and Arabian Petroleum Investment Corporation (APICORP). The formation of a joint venture company in Egypt and the acquisition of the land for the Plant has been completed, and a shareholder's meeting is planned in January 2008 to move ahead with the implementation of the project and award the plant purchase contract.

LNG Opportunities

UGTC has signed a co-operation agreement with SBM (a world leader in providing of floating offshore solutions to the oil and gas industry) for the development and construction of LNG floating, storage, and re-gasification facilities ("LNG Terminals"). The first such LNG Terminal is planned for Karachi, Pakistan. Following the signing of a Memorandum of Understanding between UGTC and its partners, including SBM, site surveys have been completed and approvals obtained from local authorities in Pakistan for the location and design of the proposed terminal, which shall be located at Port Qasim of Karachi. However, due to the recent political turmoil in Pakistan, the project sponsors decided to delay further development on this project until the political situation improves.

Management Team

The company has continued to build its senior management team with appointment of Executive Director for Upstream Operations, Director Business Development & Financial Controller as well several other senior executive appointments during the year. The group now employs over 400 people and has offices in Egypt, Saudi Arabia, Bahrain, Canada, United Kingdom and Kurdistan Region of Iraq.

