

30 January 2011

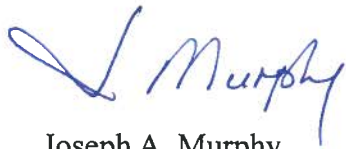
The Board of Directors
DanaGas PJSC
P O Box 2011
Sharjah
United Arab Emirates

Preliminary results for the year ended 31 December 2010

Dear Sirs

We have pleasure in returning the preliminary results of the Company English and Arabic languages for the year ended 31 December 2010. As requested these have been stamped by us for identification purposes.

Yours faithfully

A handwritten signature in blue ink that reads 'J. Murphy'.

Joseph A. Murphy
Partner
Registration No. 492



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 6.600 billion
Subscribed capital	:	AED 6.600 billion
Authorized capital	:	AED 8.394 billion
Chairman of the Board	:	Mr. Hamid Dhiya Jafar
Chief Executive Officer	:	Mr. Ahmed Rashid Al Arbeed
Name of the external auditor	:	Ernst & Young
Company's mailing address	:	P.O.Box 2011, Sharjah
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Second - Preliminary Results for the Year ended 31 December 2010

	<u>(All figures in Million)</u>			
	2010 US\$	2009 US\$	2010 AED	2009 AED
Total Assets	3,228	3,111	11,831	11,402
Shareholders' Equity	2,171	2,095	7,956	7,676
Revenues	487	349	1,785	1,279
Gross Profit	213	119	781	436
Net Profit for the year after tax	43	24	158	88
Total Comprehensive Income for the Year	75	125	276	458
Earnings per share	0.006	0.004	0.024	0.013

Summary of the Company's Performance for Year ended 31 December 2010:

Results for the year ended 31 December 2010

During the current year, Dana Gas achieved Gross Revenues of AED 1.78 billion as compared to AED 1.27 billion in 2009; an increase of **40%**. The increase in revenue was contributed by higher production in Egypt and Kurdistan (combined increase of 31% over last year) coupled with higher hydrocarbon prices. As a result the company realized a record gross profit of AED 781 million, which was 79% higher than last year (2009: AED 436 million)

The Group achieved a net profit after tax of AED 158 million during the current year as compared to AED 88 million in 2009. Earnings before interest, tax, depreciation, amortization and exploration write offs ("EBITDAX") was AED 1,034 million compared to AED 1,440 million in 2009. This decrease was mainly due to a one-off gain on sale of a 10% interest in Kurdistan recorded in 2009.



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Results for the year ended 31 December 2010 (continued)

The above net profit **excludes** an unrealized gain of AED 118 million recorded in 2010 for the Company's investment in MOL (the Hungarian oil and Gas Company, who are one of our partners in Kurdistan). This is booked directly to equity under "Comprehensive Income" in line with the Company's published accounting policy.

Liquidity and Financial Resources

During the period, the operating cash flow and the Group's cash and bank balances were principally used to fund its capital expenditure programme in Egypt, Kurdistan and Sharjah Offshore.

The Group's cash and bank balances as at 31 December 2010 stood at AED 583 million (2009: AED 781 million) of which 94% was held with local banks in the UAE.

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 growth through a strategy of targeted acquisitions and new business development across the gas value chain. We continue to balance our capital expenditure with the available sources of finance to ensure we maintain a robust Balance Sheet.

Dana Gas Egypt operations

Dana Gas Egypt ended 2010 by achieving the production target of 42,000 barrels of oil equivalent per day (boepd) with production for the full year of operations of 15.4 MMBOE i.e. averaging 42,300 boepd. This represents an increase of 22% over last year's with production commencing from five new fields. During the year, the Company continued its exploration success by adding seven new discoveries in the Nile Delta from eleven exploration wells drilled.

The U.K. based advisory firm, Gaffney, Cline & Associates have carried out an independent evaluation of Dana Gas Egypt's hydrocarbon reserves as at 31 December 2010. Following this review, the Company's gross proved reserves (1P) as at 31 December 2010 are estimated to be 89 millions of barrels of oil equivalent "MMBOE (31 December 2009: 47 MMBOE). The gross proved and probable reserves (2P) as at 31 December 2010 are estimated to be 152 MMBOE (31 December 2009: 132 MMBOE). The gross proved, probable and possible reserves (3P) as at 31 December 2010 are estimated to be 253 MMBOE (31 December 2009: 228 MMBOE).

The 2P reserves results give a total reserves addition of 15% (after 2009 production). The total production replacement ratio associated with this 2P reserves increase is 229%.



Kurdistan Region of Iraq (KRI) Project (Pearl Petroleum Company Limited)

In April 2007, the Group entered into agreements with the Kurdistan Regional Government of Iraq for the development of its substantial gas resources on the Khor Mor and Chemchemical gas fields. Since then, the focus has been on developing, processing and transporting natural gas on a fast-track basis, from the Khor Mor field including processing and the extraction of LPG and condensate, provide natural gas supplies to fuel domestic electric power generation plants near the major urban centers of Erbil and Suleymania. Further development of the gas reserves are planned to supply natural gas as feedstock and energy for local industries.

During the year production in the Kurdistan Region of Iraq (Dana's 40% share) was 4.81 million BOE i.e averaging 13,200 boepd. The first train of the LPG plant was in partial operation until the year end, producing gas and condensate. In January 2011, commissioning of the first train of the LPG plant has been completed.

Dana Gas holds a 40% share of the total assets of Pearl Petroleum Company and at 31 December 2010, Dana Gas investment in Kurdistan exceeds AED 1.3 billion.

UAE Gas Project

The UAE Gas Project to process and transport imported gas continues to await the commencement of gas supplies by National Iranian Oil Company ("NIOC") to Crescent Petroleum. Dana Gas has a 35% interest in Crescent National Gas Corporation Limited (CNGCL) and owns 100% of SajGas and UGTC. After a delay of over 4 years, we understand that NIOC has recently introduced hydrocarbons into the completed upstream facilities (within Iran) to progress the commissioning and testing activities. This potentially allows for contractual gas deliveries to commence. Notwithstanding this, Crescent Petroleum has served NIOC with an arbitration notice in July 2009 and the arbitration process is underway.

About Dana Gas PJSC

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.

Dana Gas is the Middle East's first and largest private sector natural gas company. The group currently operates in the MENASA (Middle East, North Africa & South Asia) Region across the natural gas value chain; from exploration and production, through gas processing and transportation, to the distribution, marketing and utilization of gas as feedstock and fuel to the petrochemical, industrial and the power sectors. Since its establishment, the Company has grown from a small core team at its head office in Sharjah to a regional, as well as international natural gas company with offices in Sharjah, Egypt, Saudi Arabia, Bahrain, the Kurdistan Region of Iraq and in the United Kingdom.

