

Schroder Investment Management Limited  
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**CONFIDENTIAL**

**Korea National Oil Corporation**  
**19<sup>th</sup> August 2010**

Dear Sirs,

**Letter of Intent: Proposed Offer by the Offeror for the Company**

In this letter and the schedule hereto:

<b>"Associates"</b>	means, in relation to Schroder Investment Management Limited: (i) any subsidiary or holding company of Schroder Investment Management Limited or any subsidiary of any such holding company (such terms being as defined in section 1159 of the Companies Act 2006); or (ii) any other entity controlling or controlled by Schroder Investment Management Limited;
<b>"City Code"</b>	means The City Code on Takeovers and Mergers;
<b>"Company"</b>	means <i>Dana Petroleum Plc</i> ;
<b>"Offer Document"</b>	means the formal documentation containing the Offer;
<b>"Offeror"</b>	means <i>Korea National Oil Corporation</i> ;
<b>"Offer"</b>	means the proposed takeover offer within the meaning of section 974 of the Companies Act 2006 by the Offeror for the Company at a price of no less than £18 per ordinary share in the company; and all references in this letter to the "Offer" shall mean this proposed offer, whether made by or on behalf of the Offeror or any of its subsidiaries (and, if made by or on behalf of a subsidiary, all references to the "Offeror" shall be deemed to include that subsidiary);
<b>"Press Announcement"</b>	means the press announcement proposed to be made in respect of the Offer, a draft of which (dated <b>20<sup>th</sup> August 2010</b> ) is attached to this letter;
<b>"Proposed Announcement Date"</b>	means a date no later than <b>20<sup>th</sup> August 2010</b> ; and
<b>"Shares"</b>	means <b>14,315,380 ordinary shares</b> in the issued share capital of the Company.

2. This letter is written in connection with the Offer. The terms and conditions of the Offer will be substantially as set out or referred to in the Press Announcement, together with such additional terms and conditions as may be required to comply with: the City Code; and/or the requirements of the Financial Services Authority acting in its capacity as the United Kingdom Listing Authority; and/or The London Stock Exchange; and/or as are customarily included in offers made under the City Code.
3. We, Schroder Investment Management Limited, act on our own behalf and/or on behalf of our Associates as discretionary investment managers on behalf of clients who are the beneficial holders of the Shares.
4. We hereby express our intention, based on the information available to us at the date hereof and subject to law and regulation, that in respect of such of the Shares as are held on behalf of such clients to whom the Offer is made, we and/or our Associates will, or will procure that the registered holders, so far as reasonably practicable and unless and until the Offer lapses or is withdrawn, accept the Offer in respect of the Shares (including any other shares in the Company issued after the date hereof and attributable to or derived from such Shares and held by such clients) by not later than the first closing date of the Offer as set down in the Offer Document dispatched to the shareholders of the Company.
5. We understand that it is the intention of the Company that the Press Announcement to the public of the Offer be published on the Proposed Announcement Date. In the event that the Press Announcement has not been published by 5 p.m. (London time) on the business day in London immediately following the Proposed Announcement Date, in substantially the form of the attached draft, this letter of intent shall automatically lapse and be of no further force or effect.
6. If the Offer Document has not been posted within 28 days of publication of the Press Announcement (or within such longer period as the Offeror, with the consent of the Panel on Takeovers and Mergers, determines, being not more than six weeks after the Press Announcement) this letter of intent shall automatically lapse and be of no further force or effect.
7. Notwithstanding anything contained in this letter, and subject to law and regulation, we and our Associates reserve and retain the right to transfer the Shares (or any of them) to any replacement fund manager or custodian nominated by our underlying client in circumstances where such underlying client has terminated our or our Associates' professional relationship in respect of the Shares or where the relationship continues but our client has changed the investment mandate that we have so that our or our Associates' holding the Shares is no longer consistent with the new mandate. In any such circumstances, the provisions of this letter of intent shall, in respect of the relevant Shares, automatically lapse and be of no further force or effect.
8. Notwithstanding anything contained in this letter, we and/or our Associates shall at all times reserve and retain the right to deal with the Shares in our absolute discretion or on the instructions of our clients or otherwise. Nothing in this letter is intended to, nor shall it, create any legal obligation or liability on us, our Associates or our clients.

Furthermore, our or our Associates' intentions in respect of the Shares may change whether in the light of further information, changed circumstances or otherwise.

9. We acknowledge that you may, disclose this non-binding indication of an intention to accept the Offer in accordance with Rule 8 of the City Code and make reference in the Press Announcement and the Offer Document to this non-binding indication of an intention to accept the Offer, including details of our identity. We understand that, if the Offer is made, this letter of intent may be made available for inspection during the Offer period in accordance with the requirements of the City Code.
10. Save as set out in paragraph 9 above, the giving and contents of this letter of intent are confidential and may not be disclosed to any third party, unless:
  - (i) the consent of both parties has been obtained;
  - (ii) a party is required to do so by law or the rules of any regulatory body to which such party is obliged to adhere, in which case the party proposing to make such disclosure will, so far as reasonably practicable, consult with and take into account the reasonable requirements of the other as to the timing and content of any such disclosure; or
  - (iii) the information is disclosed to an agent or adviser of either party in connection with the Offer and such party agrees to be bound by these confidentiality provisions.
11. The terms of this letter of intent shall be governed by and construed in accordance with English law.
12. This letter has been signed in duplicate on behalf of Schroder Investment Management Limited. Please acknowledge receipt of this letter and confirm your agreement to its terms by countersignature on behalf of the Offeror. One copy of the letter should then be returned to us.

Yours faithfully



**For and on behalf of Schroder Investment Management Limited**

Sharon Wilson - Authorised Signatory

We acknowledge receipt of this letter and confirm our agreement to its terms.

**For and on behalf of the Offeror**