2012 INTERIM RESULTS

14 August 2012

Delivering Production Growth

Forward Looking Statements

This presentation contains statements that constitute “forward-looking statements”. Forward-looking statements appear in a number of places in this presentation and include statements regarding Dragon Oil plc’s (the “Company” or together with its subsidiaries “Dragon Oil” or the “Group”) intent, belief or current expectations with respect to its results of operations and financial condition. These statements reflect the Company’s current views with respect to future events and are subject to certain risks, uncertainties and assumptions. Should one or more of the risks or uncertainties materialise, or should underlying assumptions prove incorrect, actual results may vary materially from those described in this presentation as anticipated, believed, estimated, expected or intended.

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The updated field development plans as well as infrastructure and drilling projects are subject to approval by the Government of Turkmenistan.

OPERATIONAL AND CORPORATE RESULTS

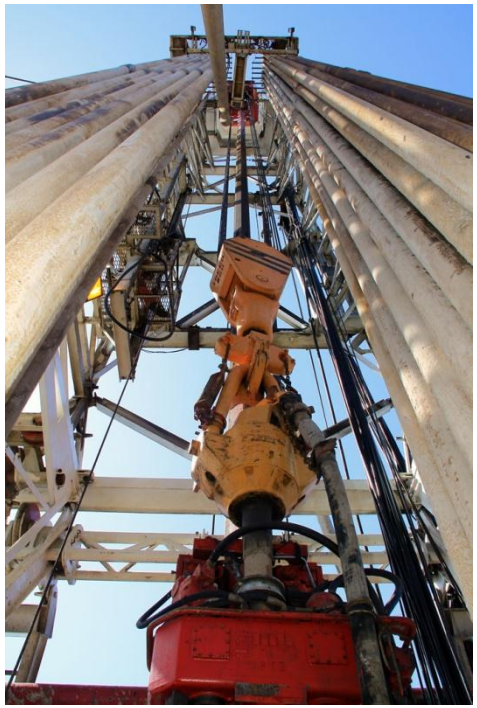
Dr Abdul Jaleel Al Khalifa
CEO

Key Highlights

- Gross production **growth of 10.7% in 1H 2012** to 64,200 bopd (1H 2011: 58,000 bopd)
- **Twelve wells**, including two sidetracks, completed in the Dzheitune (Lam) field
- Sanding issue under control
- Contract for **exploration Block 9 in Iraq** awarded to consortium of companies, including Dragon Oil
- Drilling rig secured to commence drilling in the **Bargou Exploration Permit**, offshore Tunisia
- Board and senior management appointments
- **US$200mn share buyback programme** ongoing
- Significantly increased interim dividend of **15 US cents** per share

Drilling Results

2012 drilling programme upgraded to comprise up to 16 wells from 13 wells originally



Well	Completion date	Depth (metres)	Type of completion	Initial test rate (bopd)
13/140A	January	2,237	Single sidetrack	2,123
A/165	January	3,060	Dual	2,272
28/166	February	2,810	Single	1,975
C/167	March	2,765	Dual	3,396
13/168	April	2,791	Single	1,008
28/169	May	2,010	Single	2,097
C/170A	June	2,730	Dual	2,072
13/171	June	Under further testing and optimisation		
28/172	June	2,007	Single	1,976
C/173	July	3,015	Dual	2,918
28/174	July	1,976	Single	1,705
13/144C	July	2,637	Single sidetrack	956

Rig Deployment

Above and below: Offshore drilling rigs.

	STATUS	DRILLING CAPACITY
JU 1	Contracted	5 wells
JU 2 (Caspian Driller)	Due at the end of 2012	6 wells
New JU 3	Contract to be awarded in early 2013	
LR 1	Contracted	3 wells till contract expires
LR 2	Owned	Sidetracks
LR 3 and 4	To be sourced for deployment on the Dzhygalybeg (Zhdanov) A and B	

Infrastructure Development

- Dzhygalybeg (Zhdanov) A and B platforms expected in 1Q and 1H 2013, respectively
- Evaluation of bids to construct the Dzheitune (Lam) D and E platforms ongoing
- Geophysical and geotechnical survey of locations for 10 future platforms
- Contract for a FEED study to expand crude oil storage at CPF awarded

Gas Treatment Plant

- Approval in place to commence tendering for an EPIC GTP project by the year-end
- Expected capacity of 2,900 boe/d of condensate

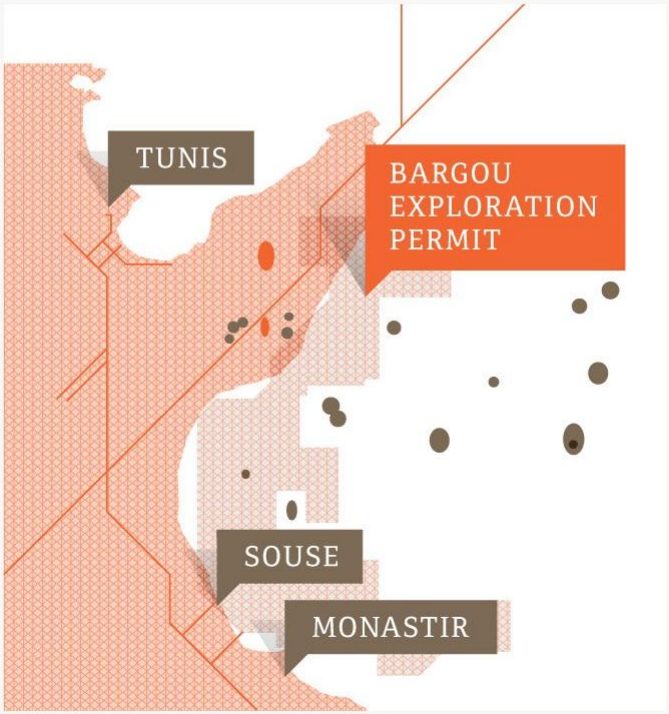
Water Injection

- One of the wells in the Dzheitune (Lam) 75 area is being converted into an injector-type well
- Finalising procurement of equipment

Diversification

The Bargou Exploration Permit

Farm-in agreement in an offshore block in Tunisia



Tunisia — Bargou Permit

4,616km^2
shallow offshore

- Joint Venture of Dragon Oil (55%), Cooper Energy (30% and operator) and Jacka Resources (15%)
- Approval from the Tunisian Hydrocarbons Consultative Committee for the farm-in agreement received
- Rig and well management services secured to drill the Hammamet West-3 well
- Drilling scheduled to commence before March 2013
- Cost capped at $26.6mn with Dragon Oil contributing $20mn
- A pilot hole followed by a horizontal section to intersect the fractures within the Abiod formation

Diversification (cont.)

Iraq

Block 9

Basra province
900km^2 onshore

- Consortium of Kuwait Energy (40% and operator), Dragon Oil (30%) and Turkish Petroleum Corporation (30%)
- Iraqi Ministry of Oil and the consortium recently initialled the contract
- Next step: approval by the government authorities before finalisation of the contract later this year
- 5-year exploration period to establish commerciality
- US$6.24/boe remuneration fee
- Work includes: de-mining, seismic acquisition and interpretation, drilling a well

Other opportunities

- Focus on Africa, Middle East, parts of Asia
- Recently pre-qualified for bidding in Afghanistan

Other events

Appointments

- Thor Haugnaess appointed Independent Non-executive Director bringing oilfield services-related experience to the Board
- Ali Al Hauwaj appointed Exploration Manager to head our exploration team and develop the Group's exploration expertise

US$200mn Share Buyback

- Up to 5% of the issue capital
- 15.7mn shares bought at US$139.3mn
- Weighted average purchase price of £5.61

Interim Dividend

- Increased interim dividend of 15 US cents
  - 67% increase over 2011 interim dividend

Investment in People and Communities

Our Talent

- 91% of our total manpower come from Turkmenistan
- Advanced in-house training programmes
- Knowledge transfer through partnerships with educational institutes in the region

Community Support

- IHSAN project improved sanitary facilities in three girls' secondary schools in Basra, Iraq
- Construction of a polyclinic in Hazar, Turkmenistan to serve the local community commenced

1H 2012 FINANCIAL RESULTS

Tarun Ohri

Director of Finance

1H 2012 Results Summary

US$mn	1H 2012	1H 2011	Change
Revenue	**588.4**	527.4	+12%
Cost of sales	**(169.3)**	(109.7)	(54%)
Operating profit	**404.2**	407.3	(1%)
Profit for the period	**308.9**	309.4	(0.2%)
Net cash generated from operating activities	**483.7**	413.7	+17%
Earnings per share, basic (US cents)	**60.47**	59.98	+1%
Earnings per share, diluted (US cents)	**60.34**	59.80	+1%
Interim dividend per share (US cents)	**15.00**	9.00	+67%
Cash balance (excl. A&D)	**1,666.5**	**1,256.7**	+33%

1H 2012 Income Statement

US$mn	1H 2012	1H 2011	Change	Comments
Revenue	**588.4**	527.4	+12%	94% was attributed to higher volume of crude oil sold, with the balance due to higher realised sales price
Cost of sales	**(169.3)**	(109.7)	(54%)	Cost of sales includes operating and production costs and depletion charge. 25% was attributed to higher production costs, 45% due to change in the lifting position and 30% due to higher depletion charge mainly on account of increased entitlement barrels
Administrative expenses (net)	**(14.9)**	(10.4)	(44%)	Increase is primarily due to a rise in head office and other corporate costs
Operating profit	**404.2**	407.3	(1%)	
Finance income	**10.2**	9.0	14%	Increase is due to the higher cash balance
Income tax expense	**(105.5)**	(106.9)	1%	Effective tax rate in 1H 2012 was 25.4%
Net profit	**308.9**	309.4	(0.2%)	

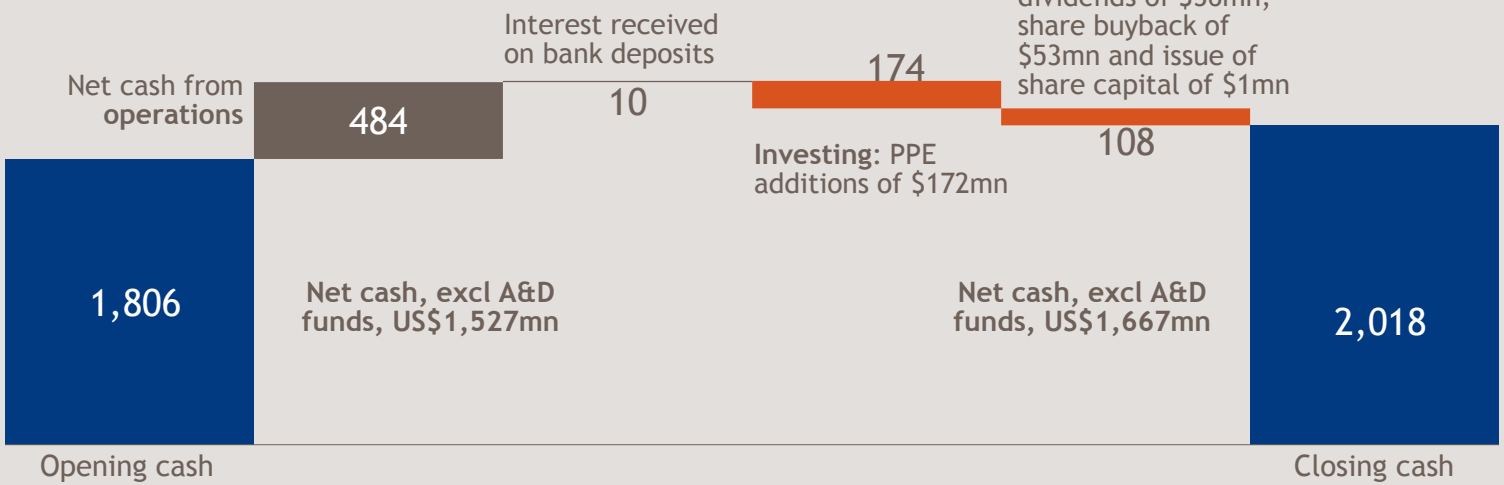
1H 2012 Cash Flow

Cash and term deposits total US$2,018mn as at 30 June 2012 and include:

- Term deposits of less than three months of US$151mn
- Term deposits of more than three months of US$1,718mn
- Includes abandonment and decommissioning fund of US$352mn

- Net cash from operations up 17%
- Capital expenditure in 1H 2012 was US$208mn and US$172mn cash outflow after movement in payables
- Cash maintained with international and UAE banks

Cash flow in 1H 2012 (US$mn)



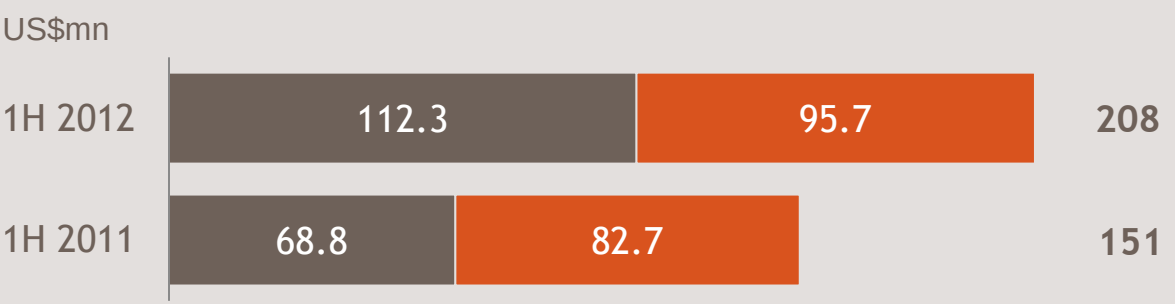
1H 2012 Balance Sheet

US$mn	1H 2012	2011	Comments
Non-current assets			
Property, Plant & Equipment and intangible assets	**1,457.7**	1,354.0	Increase primarily due to capital expenditure incurred offset by the depletion and depreciation charge
Current assets			
Inventories, trade & other receivables	**134.9**	191.5	Decrease in trade and other receivables at the end of the period
Cash & term deposits	**2,018.3**	1,805.8	Increase primarily due to cash generated from operations; Includes US$352 (2011:US$279m) in A&D funds
Total assets	**3,610.9**	3,351.3	
Total equity	**2,791.5**	2,588.5	Increase attributed to profit for the period
Liabilities			
Non-current liabilities	**134.6**	116.4	Increase primarily due to increase in deferred tax liabilities
Current liabilities	**684.8**	646.4	Increase in A&D liability and trade payables partly offset by a reduction of current income tax liability
Total equity & liabilities	**3,610.9**	3,351.3	

1H 2012 Capital Expenditure

Total capital expenditure for 1H 2012:

- Infrastructure (54%)
  - Dzhygalybeg (Zhdanov) A and B platforms
  - Block-4 gathering station
- Drilling (46%):
  - 12 wells completed



OUTLOOK

Dr Abdul Jaleel Al Khalifa

CEO

Outlook for 2H 2012

Production

- Complete up to 16 wells, including two sidetracks
- Target annual production growth of 10-15%

Rigs

- Caspian Driller expected for delivery at the end of 2012
- Two platform-based rigs being sourced to deploy on the Dzhygalybeg (Zhdanov) A and B platforms

Platforms

- Dzhygalybeg (Zhdanov) A platform due in 4Q 2012, ready for drilling in 1Q 2013
- Plans to award a contract to build the Dzheitune (Lam) D and E platforms

Infrastructure and Drilling Spend

- Infrastructure capex of US$250-300 million
- Drilling capex of US$250-300 million

And Medium Term

Production

Target 10-15% of production growth on average per annum for 2012-15

- Complete 15 to 20 development wells per year in 2013-15

2015 Target

Reach the 100,000 bopd production target in 2015

- Water injection pilot project to evaluate options to enhance oil recovery

Platforms and rigs

- At least five new platforms planned in the Dzheitune (Lam) field
- A new jack-up rig will be secured

Gas and Diversification

- Progress gas monetisation
- Actively pursue the diversification strategy

Investor and analyst enquiries

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