



Sustainability Report 2018

Our Pillars for Sustainable Development



دانة غاز
DANAGAS

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Welcome to Dana Gas's third Sustainability Report for the calendar year 2018 prepared in accordance with the GRI Standards: Core Option. This report details the company's sustainability performance in 2018, along with a review of the actions and sustainability initiatives related to its economic, environmental and social performance, which made up our sustainability goals in 2018.

About this report

At Dana Gas, we focus on achieving commercial success that creates shared value, ethics compliance, and respects all stakeholders and the environment. We continued in 2018 to engage with stakeholders through public consultations and supported their economic growth and infrastructure improvements within our countries of operation.

Our inaugural sustainability report was in 2016 and marked a new milestone towards advancing our sustainability journey in the years ahead. As was stated in 2016, and continuing in 2017 and 2018, we believe in integrating environmental, social and economic considerations into the business decisions and vision. 2018 showed that we continued to improve our sustainability progress with focused initiatives that helped to build greater accountability and trust with our stakeholders.

The content of the 2018 report follows the GRI principles of stakeholder inclusiveness, materiality completeness and sustainability context specific to Dana Gas. In 2018 we made improvements on sustainability data reporting and recording. For 2019, we have established commitments to continue focusing on social and environmental performance metrics.

The reporting boundary for our topic-specific standards, management approach, initiatives and plans include our operations and Joint Ventures in which we have company interest. Data are included based on our equity share of 100% in the UAE and Egypt, and 35% in the Kurdistan Region of Iraq (KRI).

As we continued to advance in our sustainability journey in 2018, we had opportunity to compare and also report against international frameworks such as the United Nations Global Compact (UNGC) and the International Petroleum Industry Environment Conservation Association (IPIECA).

To continue enhancing the transparency of our ongoing sustainability performance, the objective remains the same, to issue our sustainability report on an annual basis.

We invite our readers to read our 2018 sustainability report and welcome comments, feedback and questions at sustainability@danagas.com.



Key performance highlights 2018

SOCIO-ECONOMIC PERFORMANCE



1 of top 50
companies in
the region

contributing to the social and
economic development



Contributed
GDP growth

of KRI and Egypt in 2018



Secured supply of
low cost energy

for 4 million Kurdistan citizens



Saved KRI's
government USD
1.9 billion annually

in gas-for-diesel substitution

OUR PEOPLE



17 different
nationalities

10 of them representing
Executive Positions



7 of 8 trained
university interns
are female

1 male intern



Formal and
informal grievance
procedures

are maintained for raising
regional issues and complaints



16% female
and 84% male
employees

HEALTH & SAFETY



Ensured zero
injuries and
fatalities

among our employees



Fit-for-purpose
HSE training and
competency
programs

for employees and contractors
across the group



Maintained
OHSAS 18001
certification

for Dana Gas Corporate
Office in Sharjah



Maintained
HSEMS to ISO
and OHSAS
standards

for Dana Gas Egypt, Zora
and Khor Mor operations

ENVIRONMENT



No major
hydrocarbon
spills

to the environment



53% hazardous
waste was
recycled by
vendors



85,745 GJ
Total energy
consumption



Total water
footprint of
140,269 m³

sourced from wells and
municipal sources.



CEO statement

It is my pleasure to present Dana Gas's 2018 sustainability report to all our stakeholders. Sustainability continues to be the way we carry out our business, and we understand the ongoing need for continuous improvement by implementing our sustainability programs and aligning them with our business strategy. This 2018 report monitors our sustainability performance from the previous years whilst clearly identifying our priorities and progress against these as set out in our Sustainability Roadmap for 2020.

During 2018 there was continued social and economic challenges that resulted in further cost optimization and improved efficiencies. In 2018 our operational cost and general overhead remain at almost the same level as on 2017. Dana Gas continues to prioritize and support local suppliers, create job opportunities, build local staff capabilities and help communities improve their quality of life.

We continue to take pride in our diverse workforce and have built on the strengths from the experiences and skills of 17 nationalities representing the Middle East, Asia, North Africa, Europe and North America. The focus continues to be a one-identity work culture that encourages the right to challenge, equality and open communication. In line with one of our 2018 core values of respecting and



valuing everyone and embracing diversity, we remained committed and respectful to gender equality. We recognize that females are largely underrepresented in our workforce, which is a common issue faced by the O&G industry in the region. In 2018 we worked towards increasing the number of females employed in our company and industry. In 2018, as in prior years, we hosted a student internship program and field training for female local students in the UAE and Egypt to support their career pursuits in several disciplines, including engineering, human resources, information technology and finance.

The 2018 HSE strategy and policies focused on the commitment we continue to make for the health and safety of our employees and the protection of our local environment. We are proud that our Zora gas plant operations achieved 3,000,000 man hours and zero fatalities or recordable incidents in 2018. The Khor Mor gas plant achieved 850 days (2.3 years) with no lost time injuries or fatalities in 2018. We have multiple ISO and OHSAS certifications that speak to our robust HSE policies, procedures and performance. Our structured HSE processes and regular trainings provide the necessary environment for our employees to adhere to our HSE policies and procedures.

At the end of Q2 2018 the first well was spudded for drilling in the KRI as part of the PPCL drilling campaign. By the middle of Q3 of the year, three drilling rigs were in operation in KRI, drilling the CH3, KM10 and KM12 wells. Unfortunately, a sad event occurred on November 16, 2018 at the CH3 drilling location when one of the contractor drilling personnel was killed during the drilling operations. The incident that led to this tragic fatality is complex and is under detailed investigations.

With regard to the Company's strong cash position in 2018, the Board on March 14, 2018 took the decision to distribute a 5% dividend to the shareholders.

Our stakeholders' wellbeing continues to be important to us and in 2018 we were committed to avoiding unethical labor practices. In 2018 the formal and informal grievance procedure remained in place for raising issues and complaints, as part of our Stakeholder Engagement Plan (SEP). In addition, we support our stakeholders by focusing on fit-for-purpose and beneficial CSR activities that aim to create jobs and improve living standards through partnerships with local communities working on business stability, provision of energy, healthcare and education services and water resource management.

We recognize the environmental impacts inherent in our exploration and production activities and seek to identify and minimize them. Our HSSE unit manages our Environmental Management System (EMS) and maintains our compliance with a comprehensive framework of legal requirements. In 2018, we made strong efforts to achieve no major hydrocarbon spills at all operations. As stated in 2016 and 2017, we worked in 2018 to improve our energy efficiency and reduce our GHG emissions related to gas flaring.

The 2018 sustainability report provides an account on the progress we are making on our sustainability journey and responding to our stakeholder needs. We are committed to our Sustainability Roadmap for 2020, as we believe that it will enhance value for the company and create benefits for our communities. Dana Gas in 2018 and for 2019 continues to focus on further strengthening our pillars for sustainable development.

Thank you,

Patrick Allman-Ward
CEO



About Dana Gas

Dana Gas is the first and largest private sector natural gas company in the Middle East. It was established in December 2005 with a public listing on the Abu Dhabi Securities Exchange (ADX). Our head office is located in the Emirate of Sharjah, United Arab Emirates, along with our regional presence in Egypt and the Kurdistan Region of Iraq (KRI).

2018 Highlights

EMPLOYEES

146

2017: +1%



NATIONALITIES

17

2017: +1%



GROSS REVENUE

\$470

USD million

2017: +4%



AVERAGE PRODUCTION OUTPUT

63,050

boepd¹

2017: -7%



TOTAL PROVEN PLUS PROBABLE (2P) RESERVES

1,080

mmboe²

2017: -5%



¹ Barrels of oil equivalent per day (boepd)

² Million Barrels of Oil Equivalent (mmboe)



VISION

To be the leading private sector natural gas company in the Middle East, North Africa and South Asia (MENASA) region generating sustainable value for our stakeholders.



STRATEGY

- Focus on sustainable growth in the MENASA region across the natural gas value chain.
- Leverage strategic relationships to maintain competitive advantage.
- Continuously enhance technical and commercial skills to develop and operate assets safely and efficiently.



VALUES

- We set and apply the highest standards of conduct and accountability.
- We respect and value everyone and embrace diversity.
- We devise and implement innovative ways to improve our business and fulfill our commitments.
- We aim to provide a safe and environmentally friendly workplace for our employees and business partners, and to minimize the adverse effects of our operations on communities and the environment.





Our presence at a glance

Our operations in 2018 include oil and gas exploration and production assets in Egypt, KRI and the UAE, with plans to expand into new geographies in the Middle East, North Africa and South Asia (MENASA). In 2018 the PPCL drilling activities started with the first well spudded in late June 2018. From June to December three wells were actively drilling in Chamchamal and Khor Mor areas. These include CH3, KM10 and KM12RD wells.

MARKET PRESENCE

EGYPT

The fifth largest gas producer in Egypt

89
mmboe
2017: 117

KRI

Financial interest in 2 fields with the largest gas reserves in KRI

990
mmboe

UAE

First greenfield project, in a completely new area of investment, carried out to supply gas to Sharjah's public electric power stations

1
mmboe
2017: 25

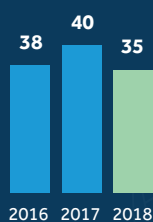
1,080 MMBOE

Total proven plus probable (2p) reserves

PRODUCTION

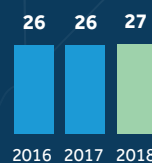
EGYPT

Mboed



KRI

Mboed



UAE

Mboed





NILE DELTA



PRODUCTION ASSETS



100%

Operator of 14 Development leases onshore



50%

Non-operated interest in El Matariya



2

Concession areas operator with 100% equity interest (North El Salhiya & North El Arish)

2018 MILESTONE

- DG saw revenue from the Gas Processing Enhancement Agreement (GPEA) with the Government of Egypt with five cargo sales of condensate
- 27% year-on-year increase in collection

Nature of activities:



Well Development



Hydrocarbon Exploration

KURDISTAN REGION OF IRAQ



PRODUCTION ASSETS



35%

Ownership in Pearl Petroleum Company Ltd., which has the right to appraise and develop Khor Mor and Chemchemical Fields

2018 MILESTONE

- DG continued to achieve uninterrupted production despite the ongoing security risks in KRI
- DG, including affiliates, provided USD 1.6 billion investments to date for the Khor Mor and Chemchemical Fields

Nature of activities:



Well Development



Production

SHARJAH



PRODUCTION ASSETS



100%

Operator of the Sharjah Western Offshore Concession (Zora Field)



100%

Operator of SajGas Processing Plant

2018 MILESTONE

- Production continued in 2018 with no interruptions from DG's first offshore upstream project which started up in February 2016

Nature of activities:



Well Development



Production

Our 2018 Annual Report, available on our website, provides details on our geographical operations and activities.



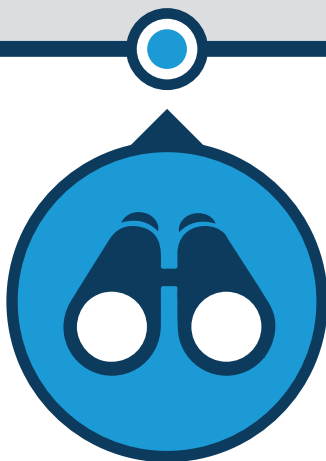
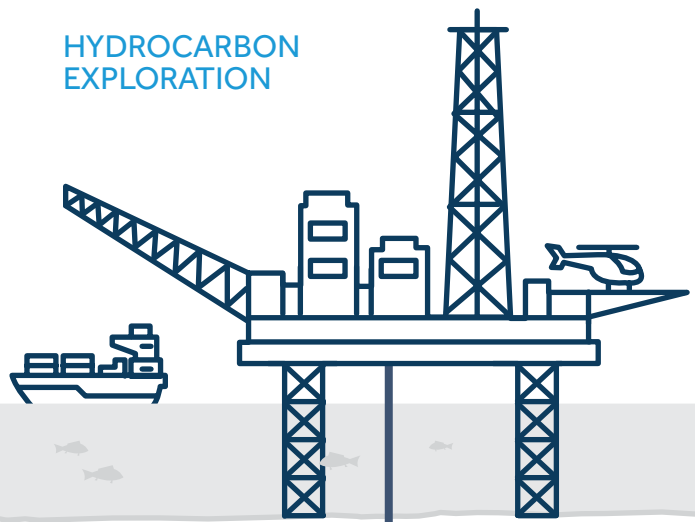
Our operations and production

Dana Gas is an upstream business specialized in exploring and producing oil and gas fields in the MENA region. Our activities start from identifying a commercial market for the hydrocarbon reserves, searching for potential natural gas fields, drilling exploratory wells and operating them to bring hydrocarbon resources to the surface. To achieve our activities across the value chain, we work with resource owners, contractors from engineering and construction, and joint ventures.

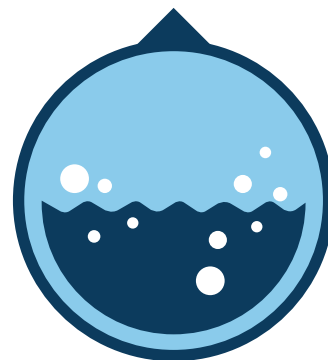
STEP 1: EXPLORATION



HYDROCARBON EXPLORATION



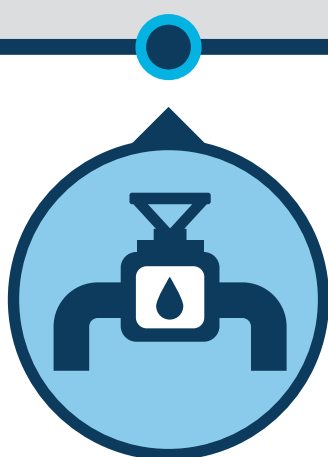
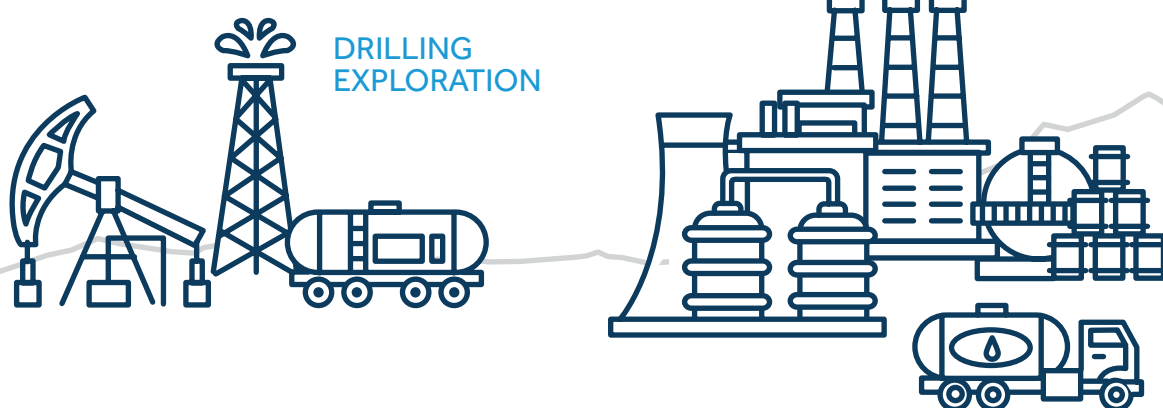
Once Dana Gas identifies a target market for hydrocarbons, the onshore and offshore exploration begins.



Seismic and acquisition programs help in gathering and interpreting data that is required for estimating the hydrocarbon reservoirs.



STEP 2: PRODUCTION



If the hydrocarbon reservoir is commercially viable, Dana Gas conducts drilling explorations to determine the method of extraction and number of wells needed for production.



Dana Gas plans and prepares for technical and equipment requirements to drill the deep, structurally complex hydrocarbon reservoirs.

The next steps include well operations, processing, and marketing of the hydrocarbon products. These are mainly done through our affiliates and joint ventures.

01



Our approach to sustainability

Our commitment to sustainability in 2018 continued to be the core of Dana Gas values, which justifies everything we do. Since our early beginnings, we have conducted Environmental and Social Impact Assessments (ESIA) for our projects to address our stakeholders' concerns in each community where business is undertaken. To meet our stakeholders' needs, we focus our efforts mainly on the support of local healthcare and educational services and help create job and business opportunities for local communities and businesses. These three areas are our pillars for sustainable development.



Managing our sustainability performance for the long-run

Advancing our sustainability journey continues to be very relevant and with increased importance as the past couple of years saw difficult economic conditions in the O&G sector although growth recovery did recover somewhat in 2018.

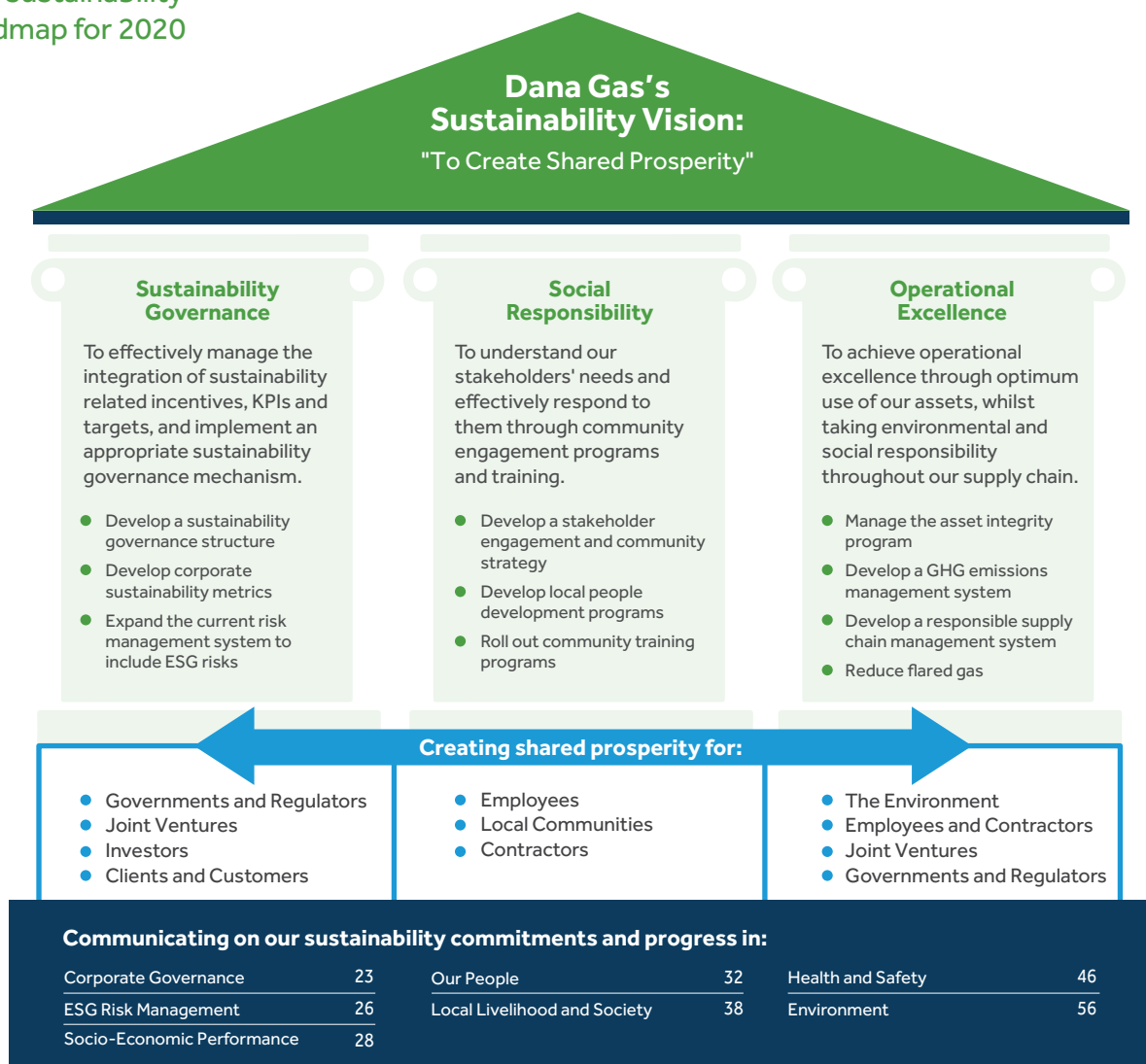
In 2018 as in 2017 we focused on improving our resource efficiencies for the long term, safeguarding our assets' and employees' integrity and balancing the long-term interests of our stakeholders with stability and incremental growth. In 2018 we paid close attention to

managing environmental risks and minimizing impacts from the operations. And there were improvements from previous years in the reduction of leaks and spills. Improved asset integrity management of assets in the year greatly improved the reliability of equipment that carried or processed liquids and gases.

In 2016, we developed a sustainability roadmap and launched our inaugural sustainability report to help us structure our sustainability initiatives, measure and enhance our sustainability performance whilst meeting our stakeholders'

expectations. During 2017 we worked on the objectives of the sustainability roadmap, aimed at achieving DG's vision of creating shared prosperity for all stakeholders. In 2018 we saw further progress on a more strategic approach to the sustainability roadmap, with emphasis on community development, in particular within the KRI. We monitored and tracked the progress of our commitments over the period of 2018 and this will continue onward to 2020 through our annual sustainability reports.

Our sustainability roadmap for 2020



DG's sustainability team

Dana Gas continued to develop the integrated sustainability team with seasoned representatives from various departments (HSSE, CSR, Investor and Government Affairs and Country Representatives) to engage with DG's stakeholders, and to monitor the company's sustainability performance.

Internship at Dana Gas

July and August 2018

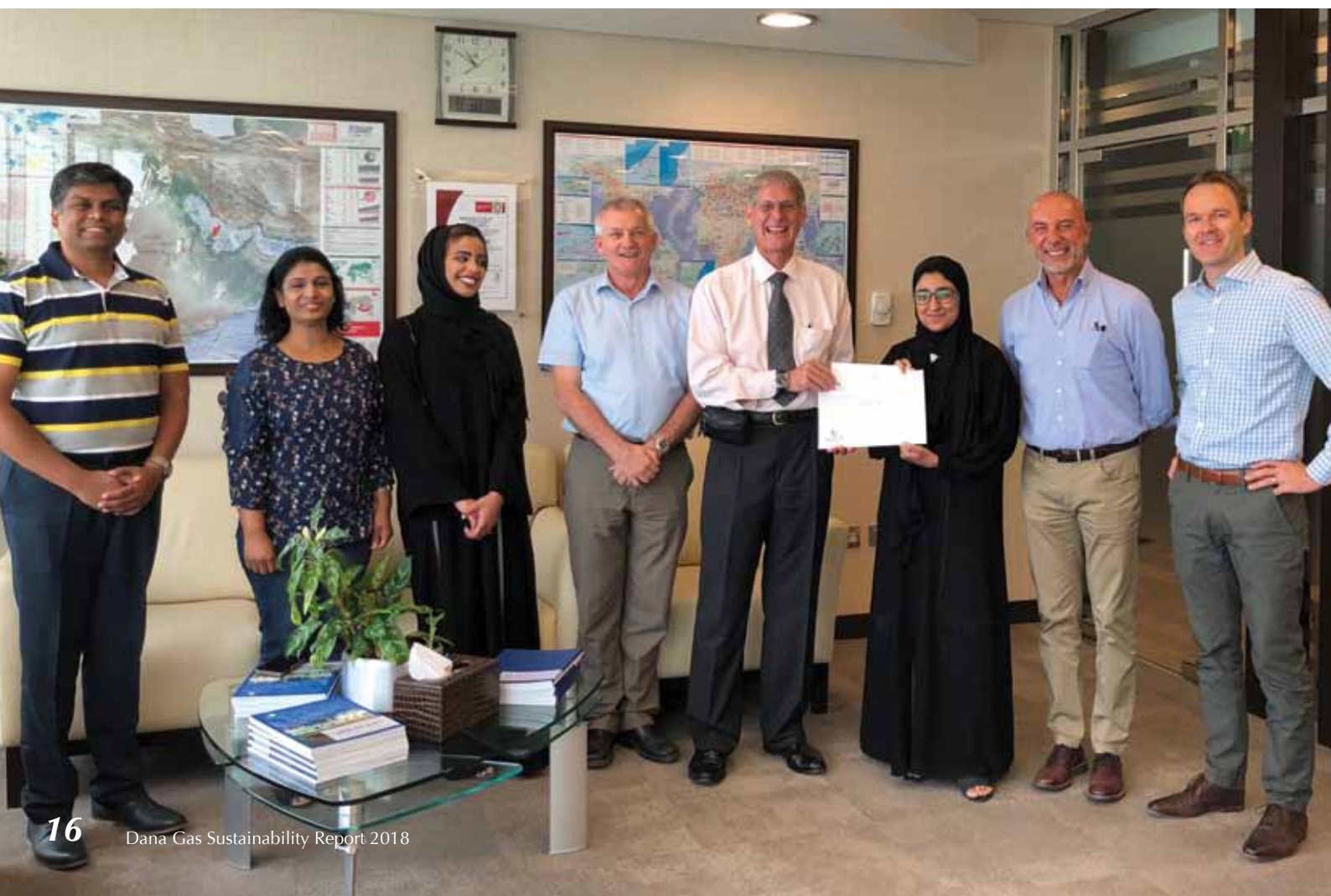
“

I am sincerely thankful to Dana Gas Sharjah Office for agreeing to provide the internship opportunity during the summer of 2018. This experience provided me with a better understanding of the oil and gas industry and gave me much needed practical and on-the-job experience. I really do respect the employees of Dana Gas who gave their time to coach and teach me in the areas of environmental management, water treatment and asset integrity related to corrosion and chemicals. In particular, I would like to thank Mr. Bruce Basaraba, Head of HSSE and Sustainability for guiding me in my project. Also thanks to Mr. Muhammad Iqbal Gondal, the HSSE Lead at Dana Gas for providing me with the opportunity to spend time with the Operation Teams at the Zora and SajGas Plants. It truly was an excellent 4 week internship experience and I promise to never forget what Dana Gas and the kind people there did for me.



Amna Al Blooshi
4th Year Student, Chemical Engineering,
American University Sharjah

”



Educating Generation Z to Plant Trees for Sustainable Environment

By Muhammad Iqbal Gondal, Dana Gas HSSE Lead

Under the theme of “Education is one of the best sustainable investments we do”, I started educating my children for Environmental Sustainability and how it could be achieved best by planting trees. “Tree planting” projects can help children develop their environmental awareness and knowledge for sustainability of the natural environment.

Trees are not just important to the human environment and to the protection to flora and fauna but they form the basis for long-term health and protection of all eco-systems and help to reduce the impact of global warming.

As a father of young children, it was important to introduce them to the importance of trees which help form the life-blood of nature. My children gained a big sense of appreciation for what trees contribute to a healthy and sustainable world. And they had fun planting trees as part of the education program.



A Goal for “Save the Environment - grow trees for the sustainable future” was set for Generation Z in 2018.



Engaging with our stakeholders

Throughout 2018 Dana Gas encouraged and deeply valued open communications with our stakeholders to continue strengthening the respected relationships based on transparency, trust and collaboration.

The inputs we receive from our stakeholder engagements, whether as feedback or concerns, focused us to identify and prioritize the sustainability needs of importance for our operations. This helped us to develop the strategy and programs for the years ahead in the areas where we conduct business.

The seven-category chart shown as per the original sustainability roadmap back in 2016, continued in 2018 to represent DG's main stakeholders. The company encourages different platforms to understand and manage their expectations. These include public consultation meetings, site visits, presentations to local communities, participation in regional forums and joint business groups, formal and informal grievance procedures and periodic internal meetings.

Dana Gas stakeholders





In 2018, we continued with steps towards engaging all those affected by or interested in our operations and projects to ensure their inclusion in the engagement process with identifying the material, economic, environmental and social aspects relevant to our business and stakeholders. The Stakeholder Engagement Planning (SEP) process was used to engage with local communities on the impacts of planned projects and operations. The stakeholder engagement plan is a 'live' document, which is reviewed and updated regularly to suit our activity requirements.

Because of the major drilling campaign beginning in H2 2018 in Kurdistan, there was a strong effort for community engagement in and around the three primary drilling locations in Chamchamal and Khor Mor. The three areas of focus for the communities in the proximity of the drilling locations include employment opportunities, small business participation, and infrastructure support for agriculture, roads, electricity, and water.



Objectives of our stakeholder engagement plan

The 2018 objectives of our stakeholder engagement plan in the UAE, Egypt and Kurdistan:



IDENTIFY

all those affected or interested in the project to ensure their inclusion in the engagement process.



UNDERSTAND

the views of the key stakeholders, and make sure stakeholders understand the potentially positive and negative impacts of our activities.



INFORM

the public and partners about our activities - being timely, transparent, honest and open.



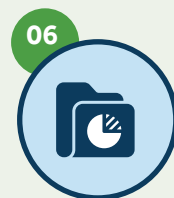
RELATIONSHIP & TRUST

through open dialogue and engagement with stakeholders, based on timely and open communication and transparency.



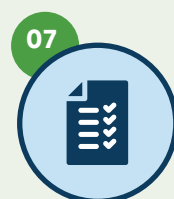
ENGAGE WITH ALL STAKEHOLDERS

including vulnerable and marginalized groups by having an inclusive approach to consultation, participation and regular feedback.



MANAGE EXPECTATIONS & CONCERNS

by providing a method for stakeholders to engage with us about their concerns and expectations in a format that is acceptable to local tradition and customs.



COMPLIANCE

with local and national government regulations and international best practices as defined by recognized standards and associations.

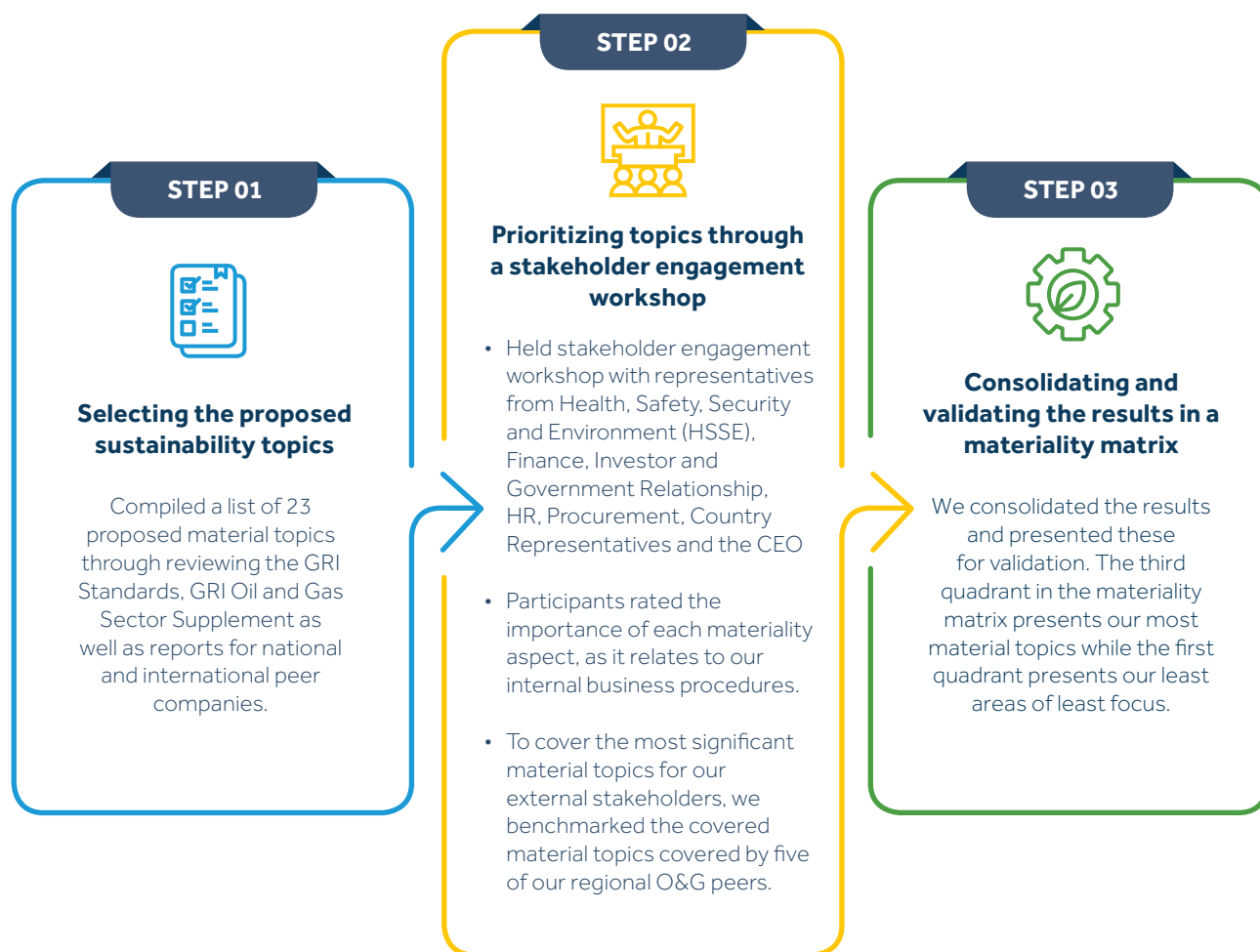
Working on sustainability priorities

In 2016, as part of the Sustainability Roadmap to 2020, we conducted our first materiality assessment process to identify the significant economic, environmental and social impacts that influence the assessments and decisions of our stakeholders.

In doing so, we followed a robust approach of engaging our internal stakeholders from different business department. Throughout 2018 we focused on the key aspects and priorities of the updated materiality assessment findings.

In 2018 we reviewed the materiality topics again for applicability, importance and priority. The main steps of our assessment process are illustrated below.

Dana Gas assessment process



Materiality matrix

In 2018, we managed the material topics' performance as well as set commitments to enhance our impact in the areas that matter most to our business and our stakeholders.

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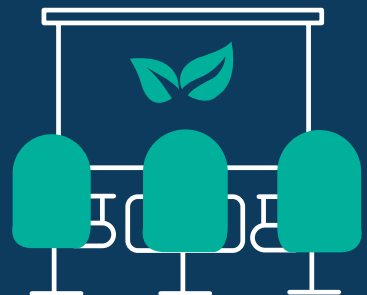
ECONOMIC

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02

Sustainability governance

Our corporate governance reinforces our adherence to the highest standards of accountability, integrity and fairness across our business. It also ensures that we involve our stakeholders in our key business decisions to maintain strong relationships with them, based on transparency and trust. Our 2018 Annual Report, available on our website, articulates our commitment to transparent communication and provides a detailed account on our corporate governance framework.



Corporate governance

At Dana Gas, as in years before, throughout 2018, our corporate governance reinforces adherence to the highest standards of accountability, integrity and fairness across the business.

We assure to involve each stakeholder in our key business decisions to maintain strong relationships with them, based on transparency and trust. The 2018 Annual Report, available on our website, indicates our commitment to transparent communication and provides a detailed account on our corporate governance framework.

Our governance framework is guided by the company's Articles of Association, which are in line with the provisions of the UAE's Ministerial Resolution concerning Governance Rules and Corporate Discipline Standards. The Dana Gas Board and Senior Management provide robust oversight to ensure controls and standards are met. The governance practices form a comprehensive framework that integrates our Organizational Structure, Risk and Internal Controls and, Audit and Assurance. Dana Gas continually reviews and assesses its governance framework in view of the business performance, changes in legislations and best practices.



Our governance structure

The Board of Directors has the highest authority over the company's risk management and stewardship on all related economic, environmental and social policies and decisions. Throughout 2018 the three permanent Board Committees were responsible for overseeing the strategies, plans and policies as well as monitoring the company's integrity and compliance in the areas of Audit & Compliance, Corporate Governance, Remuneration & Nominations and the Board Steering Committee.



The Board of Directors

The Board is independent from the management and is comprised of leading businesspersons from the GCC countries with technical and financial experience. From the 12 members of the Board, eight are Independent Directors, three are non-executives and one is an Executive Director. At all times, we ensure that at least one-third of the directors are independent and the majority is in non-executive positions. The Board is elected by the General Assembly every three years. In 2015, Mr. Hamid Jafar was elected as the Chairman of the Board.



**H.H. Sheikh Ahmed
Bin Sultan Al-Qasimi**
Honorary Chairman



**Mr. Hamid Dhiya
Jafar**
Chairman



**Mr. Rashid Saif
Al-Jarwan**
Vice Chairman and
Chair for the Board
Steering Committee



Mr. Majid Hamid Jafar
Board Managing Director



Mr. Varouj Nerguizian
Director & Chair of
Audit and Compliance
Committee



Mr. Said Arrata
Director & Chair of
Reserves Committee

International Advisory Board

Dana Gas has adopted the concept of the International Advisory Board (IAB). The purpose of this Board is to provide strategic advice to the Board of Directors and the management, as well as to identify specific business opportunities and build relationships worldwide.

The Board Committees in 2018

The board has three permanent committees, each having a written charter setting out their respective scope and responsibilities:



Audit and Compliance Committee (A&CC)

The principal duties of the A&CC are monitoring the integrity of the company's financial statements, reviewing the financial and accounting policies and procedures of the Company and ensuring the independence of the Company's external auditor. It is also responsible for evaluating the integrity of the Company's risk management and all the duties stated in the Ministerial Resolution 518/2009 and 7/R.M./2016.



Corporate Governance, Remuneration, and Nomination Committee



**Mr. Hani Hussain
Alterkait**

Director & Chair of
CGR&N Committee



Mr. Ziad Galadari

Director



**Mr. Abdulla
Al-Majdouie**

Director



Mr. Nureddin Sehweil

Director



Mr. Shaheen Almheiri

Director



Mr. Jassim Alseddiqi

Director

Whistleblowing mechanism

Dana Gas has an established whistleblowing mechanism whereby employees can anonymously raise complaints regarding weak administration, fraud or corruption. We have a dedicated Compliance Officer, leading the Business Ethics Sub-Committee, who is responsible for addressing the complaints raised. All financial complaints are addressed to the Internal Controls & Risk Manager and promptly communicated to the Audit & Compliance Committee. In 2018 the Whistleblower mechanism was utilized and each notice was responded to according to the type of notification received.

The CGR&NC oversees the compliance of the Company, the General Assembly, the Board of Directors and executive management with the established corporate governance standards. The Committee assists the Board with the appointment of senior executives, appraisal of management performance, succession planning and remuneration policies as well as the nominations and election of the Board of Directors' membership.



Board Steering Committee (BSC)

The BSC is responsible for setting the strategic direction of the company, and supporting activities in budgeting, planning, business performance, exploration and development. They facilitate the decision making process of the Board by submitting matters for consideration.

Environmental, Social & Governmental (ESG) risk management

The oil and gas industry in 2018 witnessed an increase in oil prices with Brent averaging USD 72/bbl in 2018 as compared to USD 55/bbl in 2017.

Our region of operations continues to face areas of geo-political instability and falling revenues due to the past recent oil price slump from 2015-2017. In these ongoing challenging circumstances in 2018, we found it was important to further review, develop and adapt our ESG Risk Management to current scenarios for continued business growth and profitability.

5 Key ESG Risk Management

01 HSSE



02 Corporate Governance



03 Corporate Social Responsibility & Alignment with Stakeholders' Interests



04 Succession Planning & Talent Management



05 Compliance with Environmental Laws & Regulations





Our ESG risk assessment highlights the importance of HSSE and our assets' integrity to our business performance. We actively manage the risk to prevent the occurrence of any major health, safety, environmental or security incident that can lead to fatalities, closure of facilities and/or loss of

production. HSSE incidents can negatively affect the balance sheet, profits and our corporate reputation. Most of all, the safety of our employees and contractors is a priority. We strive to ensure that our cost optimization strategy does not compromise our HSSE measures.



We have an Integrated Governance Framework with clear accountability channels, transparency requirements and independence thresholds. Our Board, Audit and Compliance Committee review key strategic risks on a quarterly basis. The country general managers and the respective functional

heads are accountable for identifying and managing these risks. Furthermore, the Executive Committee oversees their activities to make sure that risk management is an integral part of our day-to-day activities.



Our CSR focus is to improve healthcare standards and offer educational development for individuals in rural areas where the Company's concessions are located. We also conduct various stakeholder engagement

activities such as public consultation meetings and offer formal and informal grievance procedure for raising issues and complaints.



We actively manage our staff value proposition so that we retain our talents and support their succession planning preemptively. We have developed numerous retention strategies such as

finding the balance between work and family and promoting talent development and competency assurance. We welcome open communication and feedback from our employees.



Stringent compliance with applicable environmental regulations and legislation in the UAE, KRI and Egypt is an integral part of our daily operations. The HSSE Unit maintains a database of all legislation relevant

to DG's business activities and ensures we operate in accordance with the environmental operating permits granted by the governments.

Socio-economic performance



\$470m
Direct economic
value generated



\$54m
Operating cost
similar to 2017



\$0.027m
Loss per share
(USD 186m reported net loss)



\$106m
increase from USD 47m
capital expenditure in 2017

Supporting KRI's access to affordable fuel

Over the past 5 years, Dana Gas and its partner, Crescent Petroleum, continued to make a positive contribution to the social and economic well-being of the KRI. There continues to be substantial contribution towards KRI's social and economic development, mainly by helping KRI offset the use of expensive and high emission diesel fuel to natural gas as an affordable, clean and reliable fuel for supplying two of KRI's major gas power plants, Erbil and Chemchamal.

2018 saw significant drilling and construction activity in the region, with focus on drilling commencing in H2 2018 in the areas of Chamchamal and Khor Mor. The debottlenecking project at the Khor Mor Gas Plant in Q3 2018 was a major CAPEX Project that saw a multitude of employment and business opportunities for the Khor Mor communities. The debottlenecking project was a great enhancement to the Khor Mor Plant and the increased gas production that resulted in this project is extremely positive for the KRI and the Pearl petroleum partners.

CASE STUDY

Employing local businesses in KRI

DG in 2018 continued to provide energy to the surrounding villages and towns in its Kurdistan operations area, supplying electricity back into the grid and benefitting the communities with reliable energy to give a better standard of living. The Khor Mor plant generates its own electricity and is committed to providing uninterrupted supply of electricity to residents in the nearest village.

In 2018, our Khor Mor site utilized up to 70 tanker trucks to transport LPG, and as many as 70 trucks to transport condensate (NGL). Most of these truckers are independent and live in the immediate area of Khor Mor where their incomes support their families and the local economy. Over the past 10 years, through the direction of our JV, we provided CSR support to the local people with provision of enhanced services for transport, health care and education.

Prioritizing local procurement

In 2018, as in previous years, we continued to work with local suppliers in Egypt, the UAE and KRI. We play an integral part in the economic development of the countries of our operations by doing business with local suppliers, creating job opportunities and strengthening their capabilities. These areas of engagement have created a more sustainable climate for local people for employment, and businesses investment security.



"Dana Gas in 2018 played a significant role in supporting economies and meeting social demands of local communities particularly in the Khor Mor and Chamchamal regions of Kurdistan through development of hydrocarbon production and future sales."



Chris Hearne
Chief Financial Officer



Kurdistan

A 10 year contribution to the economy, society and the environment.



USD 1.3 billion total investment



USD 10.7 billion-18.3 billion GDP contribution



20,000 temporary jobs during construction phase and 2,200 (2017) permanent jobs during operational phase



USD 19.2 billion fuel cost savings to KRG



29m tCO₂e greenhouse gas emissions savings



Over 80% local staff employment



USD 0.3 billion local procurement

NOTE: Pearl Petroleum the Operator (Dana Gas share is 35%).



"The benefits of our Kurdistan and Egypt CAPEX and OPEX projects in 2018 flowed beyond the direct economic benefits created, and in turn provided shared prosperity to our stakeholders across the value chain. The primary areas of benefits were with job opportunities to nationals and local businesses as well as improved healthcare standards, infrastructure upgrades, and educational opportunities."



Azfar Aboobakar
Head of Financial Control & Reporting



Generating stable economic returns

The longevity of our operations and market presence depends on our ability to grow a profitable business that meets our shareholders' expectations. This continued to be a high priority in 2018 in the business outlook alongside securing financial liquidity, which requires ongoing collection of cash and outstanding receivables from our customers. 2018 was a far better year for collections of cash in Egypt and Kurdistan, and outstanding receivables have been reduced to a more promising level.

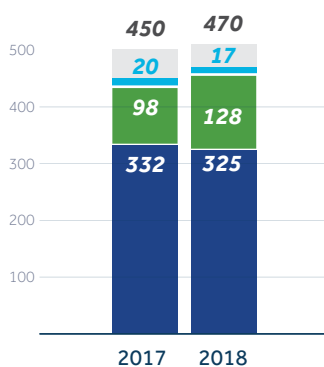
In 2018, our revenue was USD 470 Million, which is 4% higher than 2017 primarily due to higher annual realized prices of O&G that reached USD 53 per barrel of oil equivalent (boe) in 2018 compared to USD 40 per boe in 2017.

In line with our prudent spending commitment set in 2018, we operated our assets as efficiently as possible, keeping our operational cost and general overhead remain at almost the same level as on 2017. These efforts helped us achieve stable performance throughout the year.

For 2019, we will emphasize on profit, EBITDA, further reduction of outstanding receivables and assurance for acceptable financing terms and conditions. In addition, we are planning more drilling in the KRI and Egypt. Focus will continue on several operational efficiency projects, particularly with gas compression in Egypt and preparations for new gas plants in the KRI.

GROSS REVENUE

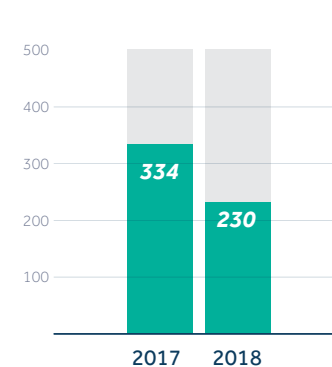
Million USD



● Egypt ● KRI ● UAE

UNDERLYING EBITDA

Million USD



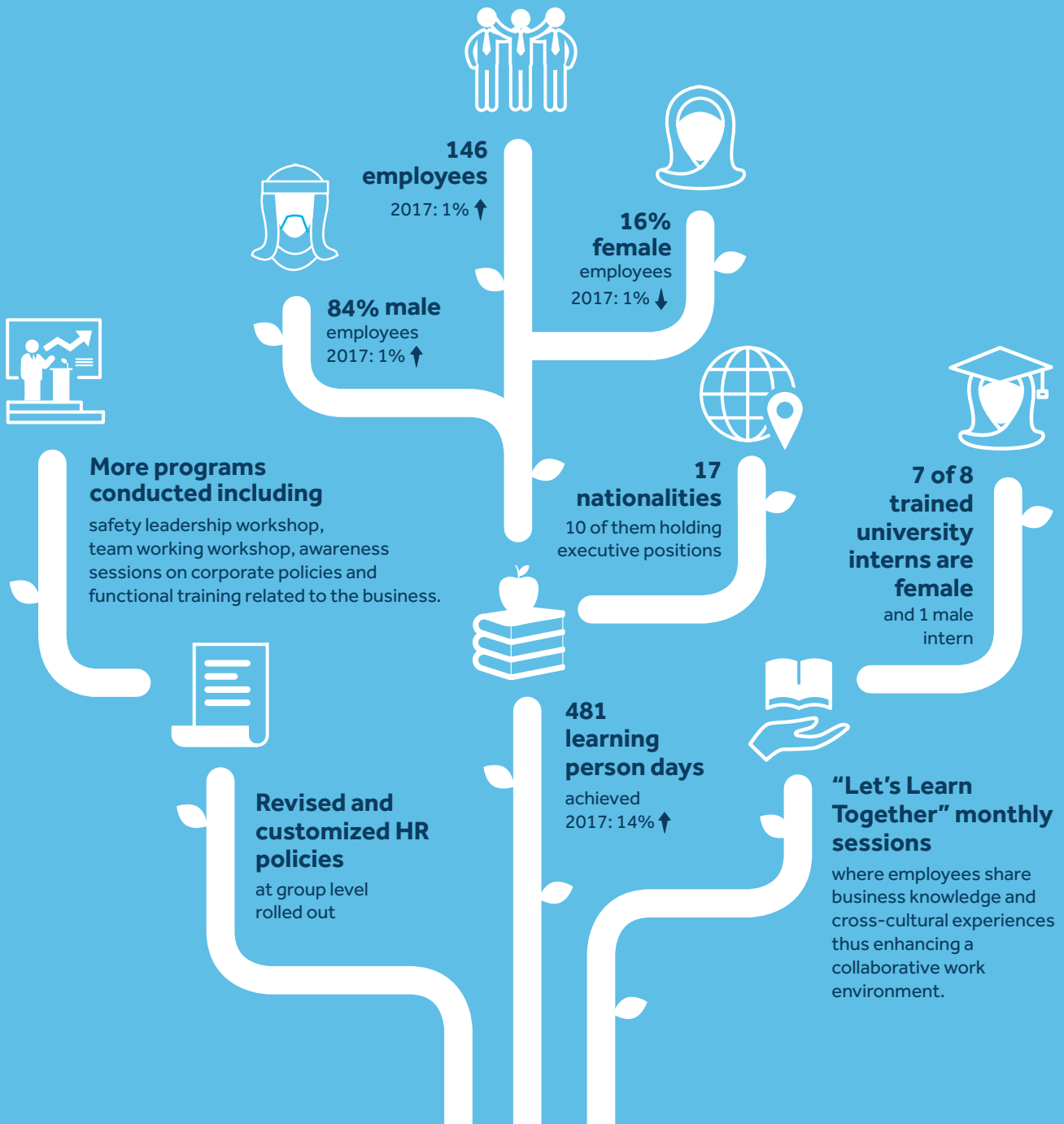


03

Social responsibilities

The business success in 2018 continued to be a direct result of our employees' competence, dedication and positive contributions. As in 2017, we maintained our high performance and results oriented work culture in 2018 by attracting and retaining the best talent through competitive employment packages, career development programs, and providing MENA regional project experience. At Dana Gas we promote an open and inclusive environment that accepts and promotes cultural diversity and tolerance.

2018 People highlights



Our people



146

Employees (84% male
and 16% female)



1%



17

Nationalities (10 of them
holding executive positions)



90%

of trained university interns
were female

By end of 2018, our team was comprised of 146 employees with the majority, 65%, located in Egypt followed by 33% in the UAE and 2% in KRI. Our overall workforce had a slight increase from 2017 of 145 employees to 146 in 2018. We continued to hire new staff as required in 2018 to support our exploration and production needs, including additional female employees.

Dana Gas is a partner to several Joint Ventures in our upstream operations,

either in the form of financial or operational shares. In that case, we report on our equity share of employees on Full Time Equivalent (FTE) units in our official reports. In our 2018 sustainability reporting boundary for 'Our people' we only include our Dana Gas employees, and exclude our equity share employees as they are not covered under our recruitment, performance management, training, and other HR policies.

Commitments for 2019



Continue to focus on hiring of UAE National candidates where need and purpose are clearly defined



Continuous improvements to the Annual Employee Performance Management process



Continue revising selected corporate human resource processes and policies



Planned and fit-for-purpose effort and focus on employee learning and development in line with business requirement and individual development plans



Applicable internship opportunities for national candidates with focus on females



Maintain an organizational structure that supports the organizational and business goals for 2019 and future years



"Dana Gas describes itself as an equal opportunity employer and provides for an inclusive and tolerant work environment where everyone can contribute and develop equally. People are valued and the Company strives to maintain a culturally diverse and motivated workforce."



Ramganes Srinivasan
Head of Human Resources



Diversity and equal opportunities

Our diverse workforce represents 17 nationalities from North America, Europe, North Africa, the Middle East and Asia with 10 different nationalities represented at the executive level. We continued to believe as in previous years that this special combination of knowledge, skills, cultural norms and experiences has further established a dynamic, innovative and high performing work environment.

Our human resource policies, practices and corporate code of conduct, reinforce our inclusive and equality work environment and our drive for zero tolerance towards discrimination. In 2018 there were no incidents of discrimination reported. The Human Resources team and the Executive and managerial teams all encourage open communication and equality, where employees' concerns are addressed.

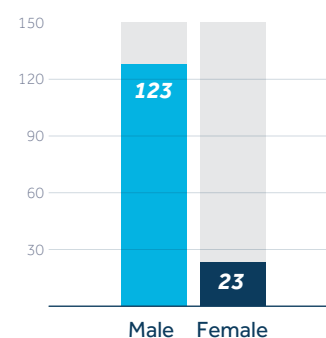
All our permanent employees are entitled to health care, parental leave, long-term financial and non-financial incentives, children's education support and annual travel benefits. In 2018, two of our employees who were entitled to parental leave returned to our workplace.

The O&G sector in 2018 as in previous years, continues to have one of the lowest women

representations among all other industry sectors and is rightly challenged in reaching an improved level of gender balance, globally and regionally. With women accounting for 16% of our total workforce in 2018 at Dana Gas, we face similar employment challenges due to our location in high-risk geopolitical territories, particularly in KRI and Egypt, and the nature of our business related to exploration and production of hydrocarbons.

In 2018 both in the UAE and in Egypt, Dana Gas has provided internship and learning opportunities across multiple disciplines to a total of 8 students out of which 7 were female students. We continued to provide incentives and opportunities, specifically in technical roles, to include more women in DG's leadership positions in the next few years.

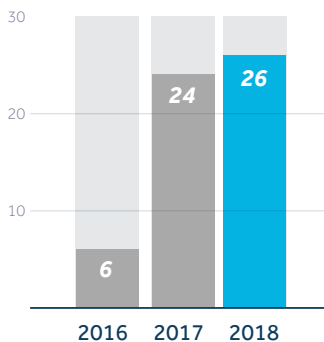
2018 GENDER BREAKDOWN OF LONG-TERM EMPLOYEES



Training and development

Our business success depends on our employees' ability to achieve their full potential. We encourage them to enroll in various learning and development opportunities within our well-rounded 70:20:10 capacity building model. This model illustrates our training breakdown between on-the-job training (70%), mentoring (20%), and on a need-for-basis, training courses (10%).

AVERAGE HOURS OF FORMAL TRAINING PER YEAR PER EMPLOYEE



In 2017 the number of training hours per employee was 24 hours, and grew slightly to 26.35 hours per employee in 2018. This is a result of placing higher emphasis on business and technical skill training and development related to improved and more focused individual performance planning.

In 2018, over 90% of the HSSE training programs were conducted by internal HSSE leaders. This reduced our dependence on external services and allowed us to conduct most of our HSSE courses in-house, wherever applicable and achievable, in light of prudent budget spending.



In 2018, all our employees received regular performance and career development reviews.

List of 2018 training programmes



Safety Leadership Workshop



Team Building Workshop



Awareness Sessions on Corporate Policies



Functional / Technical Training related to the business



HSE and Risk Training Sessions

Grievance mechanisms

In 2018 we continued with promoting a culture that encourages transparency and integrity of our employees and local communities. Our formal and informal grievance procedures for raising issues and complaints within our Stakeholder Engagement Plan (SEP) are applied in our areas of operations. In 2018 any issues raised by the communities were

handled according to the engagement plan procedures in Egypt, UAE and Kurdistan. Typical issues raised in the year by the communities are requests for employment, small business engagement activities, improved water resources, road maintenance, electric power supply, and improved education and healthcare. No major grievances against the operations,

including the exploration and production activities were identified in 2018 from any of our key stakeholders. Minor issues were raised in the communities and these were dealt with immediately by the local community relations and operational teams.

01



Identification of grievance

- Face to face with project or contractor staff
- Phone or letter
- Meeting or other source
- Comments boxes

02



Grievance is recorded in Grievance Log and its significance is assessed

03



Grievance is acknowledged

04



A response is developed

05



Grievance Officer with responsibility delegates resolution of grievance to relevant department(s) or personnel

- HR
- Liaison team
- Sub-contractors



Employee engagement in 2018

Throughout 2018, Dana Gas promoted open two-way dialogue with our employees to provide an opportunity to receive their feedback, which ultimately improves openness and ownership. We conducted regular staff Town Hall events in Sharjah and Cairo where we share our HSE, CSR, operational and financial results as well as provide updates on changes and progress that affect them and the company. And in the year we discussed the outlook ahead for 2019 and onwards with particular emphasis on growth opportunities we are working on in Kurdistan and the drilling of the Merak well in Block 6 offshore Egypt.

Towards the preparation for our 2018 sustainability report, we started capturing the attrition statistics, both voluntary and involuntary, in a comprehensive manner. These statistics are reported to the Dana Gas Board and shareholders as part of the human resource updates they require.

Our employee engagement initiatives support our HR objectives towards:

Equality, tolerance, & development



Talent attraction & employee retention strategies



A collaborative workplace where there is cultural diversity



Talent development & competency assurance



Improve operational & behaviour changes



Sharing of ideas & opinions



Encouraging the right balance between work & family



Working safely & respecting the environment



Programs for performance management & evaluation



Employee engagement, open communication & feedback



A work environment that invites everyone's 'right to question'



Our grievance procedures help us proactively identify and manage potential risks, by assessing our project operations and identifying anticipated impacts. This ensures we take appropriate actions and resolutions beforehand.

For our operations in Egypt, we nominated our HR and Community

Liaison Officers as our Grievance Officers, based at the South El-Manzala station and El-Wastani Plant, and HR based in Cairo. In Kurdistan there is a full time CSR team that handles the issues raised by the communities. With the strong growth in drilling and operations planned in 2019 for Khor Mor and Chamchamal, the plan is to

expand the CSR Team and hire a full time manager. In the UAE these issues are handled by the Public Relations team. All grievances raised are managed through the country teams before reaching the relevant person. In 2018 Dana Gas did not receive any complaints related to unethical labor practices in Egypt, Kurdistan or the UAE.

06



If not resolved immediately, it is escalated to the General Manager in Egypt and notified as a Level 3³ complaint

07



Sign-off of the resolution by the Grievance Officer for Level 1⁴ and 2⁵, and the General Manager in Egypt for Level 3 grievances

08



Communication of the response

09



Record complaint response

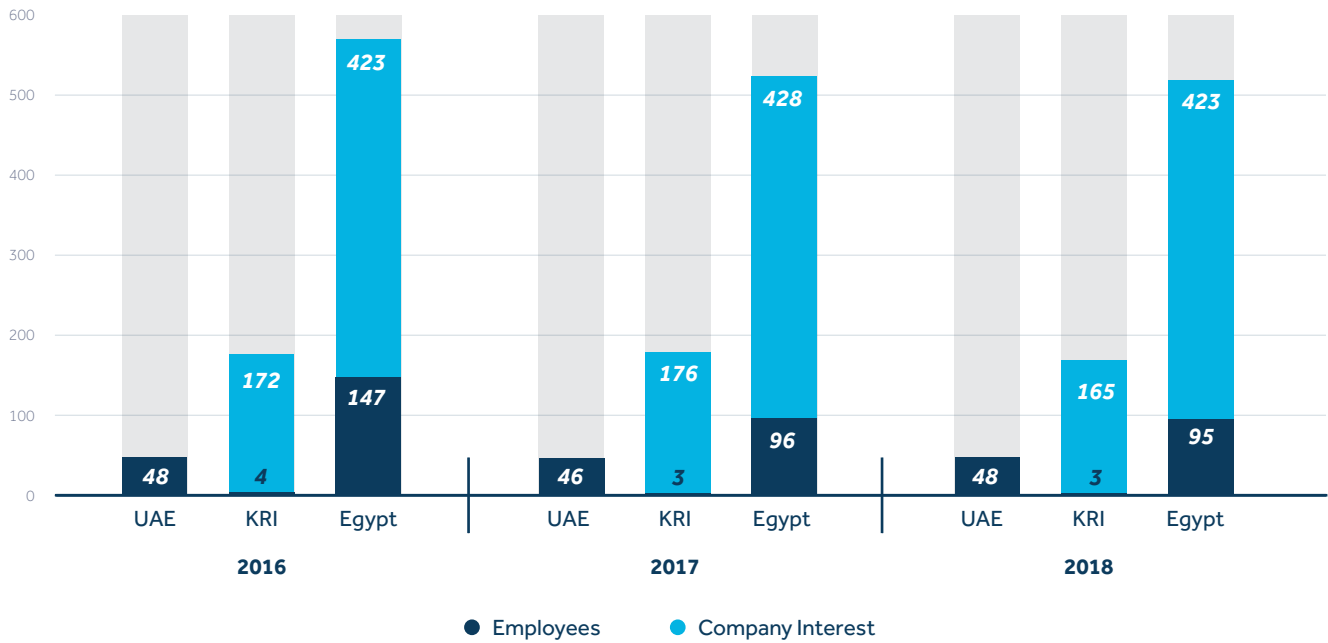
³ A level 3 complaint is a one-off complaint that results in a serious breach of DGE's policies or national law.

⁴ A level 1 complaint includes issues that do not require compensation and that can be resolved through face-to-face meetings.

⁵ A level 2 complaint includes widespread and repeated issues that are already being addressed proactively and where resolution is readily achievable.

In our 2018 sustainability reporting boundary for 'Our People' we only include our Dana Gas employees.

DANA GAS EMPLOYEES AND COMPANY INTEREST*



*In an effort to make our reporting boundaries consistent with our financial reports, we include DG's company interest employees in the total number of employees, accounted under our JVs through equity share, in KRI and Egypt. More details on our JV and Equity Share are available in DG's 2018 Annual Report.



Corporate Social Responsibility (CSR) contributions in 2018

During 2018 my family and I participated in several sporting events including running, swimming, cycling and walks to support the Year of Zayed and to raise money for worthy causes. There are three events that stand out each with a special theme.



Darkness Into Light Walk, May 2018

This was a very special initiative to bring awareness of mental health, depression and suicide risks to the local communities. The symbolization of the annual walk starting in darkness (04:15am start) and ending in daybreak, seeing the simplicity of the sun rising while on the walk. My family and I all took part in the walk at Kite Beach, Dubai with contributions and donations to the local partner in UAE, Al Jalila Foundation.



Run for the Oceans, June 2018 (fight against marine plastic pollution)

The seas and oceans are at a risk from marine plastic pollution as one of the biggest environmental and sustainability issues today. Between June 8th and July 8th Adidas donated USD 1 for every kilometer run for registered participants globally. My family and I took part in several official runs (in high summer) that collectively totaled over 200 km.



Dubai Women's Run, November 2018

The event had over 2,000 female runners to run in the 5km and 10km races. The objectives of Dubai Women's Run are beyond sports with core objective to have the initiative culminate into a celebration of womanhood and everyone participating to run for a reason - "Themselves." My wife Meera took part in the 10km run. In keeping to the values of Sheikh Zayed who strongly advocated the rights and respect for women. The run also coincided with the Dubai 30x30 challenge – doing 30 minutes of exercise for 30 days.

Local livelihood & society



Significant improvement
on learning and
development



481
Learning person days



Executive Leadership
Workshop programs
conducted

Throughout 2018 the objective was to consider the local people in our business areas, and to how best and most effectively contribute to local economies.

The first and most fundamental step of our Corporate Social Responsibility (CSR) activities every year is stakeholder engagement, such as our field assessment

trips that assess community needs and inform our project focus. CSR has been part of our community engagement strategy since our beginnings in 2005. This continues to be the way in 2018 and onwards, in our social license to operate. Sustainability is integrated within our business, and serves as a core to any future success we achieve.



“Dana Gas continued in 2018 to be engaged on delivery of planned long-term sustainability to its stakeholders. The goal is to make positive contributions to the communities which we consider as key partners.”



Bruce Basaraba
Head of HSSE and Sustainability



Commitments for 2019



Education and training with focus on skill improvements for self-employment and small business sustainability.



Environmental and waste recycling initiatives.



Small business development to provide support for future projects and operations in Company operating areas.



Improved public health, safety, security and environment awareness and practices for communities.



Engaging community personnel in short term and longer term employment opportunities by project.



Our community efforts as in years before, as well as in 2018, focused on improving healthcare and education standards in rural areas of our concessions. We organize staff visits to communities during which we conduct knowledge sessions with educational institutes, hospitals and local entrepreneurs to increase their awareness about the environment,

health, safety and wellness. Sometimes the activities are large scale but often it is as modest as arranging a fun day with orphanages and disabled children's centres. In 2018, we spent USD 1.4 million to continue operating our local communities programs in the KRI (USD 1.35 million) and Egypt (USD 50,000).

Our CSR activities

Sharing knowledge and improving education in our communities

Egypt

In 2018 we made a financial contribution to the development of improved public education services with emphasis on advanced teacher training. We worked with the American University of Cairo to support advanced teacher skill training of 80 school teachers in each of the Governorates we operate.

57357 Visit

DGE Team in BP Paralympic Race

Ramadan Boxes Labelling

Soccer Competition



KRI

In 2018 we continued supporting schools by providing school buses, stationery and financing renovation works to primary schools in the Khor Mor area, near the operations.

Chemchemical Taekwondo Team

Amar foundation (Khanke IDP Camp)



UAE

During 2018 we continued the strong partnership with the American University of Sharjah and the Sharjah Higher Colleges of Technology for Women to develop youth through internships and design projects.

'Sidreh of Wishes' (Tree of Wishes)
Grant wishes to the orphans.



Providing support to our local economies and stakeholders

Kurdistan

With the presence of Dana Gas in Kurdistan, we have established partnerships with local and nationwide associations that have assisted in creating employment opportunities and improved lives by:

- Assisting entrepreneurs with micro financing to support local businesses and help create both short and long term employment growth
- Supplying Qadir Karam town and 5 villages with electrical power
- Providing fuel for generators to 13 villages that are not linked to electricity lines
- Providing electrical generation equipment, constructing a generator building, and supporting the hiring of two operators for the Turka Village, in the Chamchamal region, for constructing the 50KV electricity generation station.
- Providing access to clean potable water supplies for villages in both Khor Mor and Chamchamal regions.
- Providing funding to support employment of 10 local persons in Qadir Karam as part of the Green Team Program of the Credan CSR Program.
- Assisted with the construction of a bakery to provide bread for the needs of internally displaced people in the Sulaimaniya region.

Since June 2011, Dana Gas, as part of the CSR program in Kurdistan, with the operating partner Crescent Petroleum, has been providing free electricity supplies from the Khor Mor Gas Plant to the local villages in and around Qadir Karam and Khor Mor. The amount of electric power provided to the villages is approximately 16,000 kWh per day, which is approximately 30% of the total electric power generated at the Khor Mor Gas Plant. The commercial value of this free electric power supply is USD 96,000/month (based on the commercial cost of 0.2\$/kwhr). Since the start of electric power supply to the priority villages, the total value of this CSR initiative is USD 8,640,000.

Provided an annual donation to the AMAR International Charitable Foundation USD 145,000 who operates

the Khanke Camp for Internally Displaced People (IDP) on the outskirts of Dohuk in Northern Kurdistan. The Khanke Camp includes a medical and health care center as well as education facilities for children and adults. Dana Gas provides charitable support for the operation and maintenance of the health care and education facilities at the Khanke Camp.

The camp has 18,000 mostly Yazidi residents and the medical clinic is a vital part of the infrastructure.

The education facilities are critical for preparing the children and young adults for learned life skills and provide job skills for better employment opportunities.



"Khor Mor in 2019 will continue with providing a mix of focused CSR activities for local education support, community health care, small scale agriculture projects, community social support, provision of potable water to communities and electricity generation to villages in the areas of the plant."



Bruce Basaraba
Head of HSSE and Sustainability



Egypt

Dana Gas has had a long and strong presence in the three Governorates it operates within the Nile Delta region of Egypt. 2018 was a year of support to our long-standing Egypt partnerships with local and nationwide associations.

Highlights of support by Dana Gas in Egypt during 2018 include:

- Women empowerment program to support disadvantaged women as part of the Income Generation Program in the country.
- Supporting the American University of Cairo Teacher Training Program for provision of advanced teacher upgrading for 80 teachers from the three Governorates we operate in.
- Distribution of healthy dry food products to the villages around the Dana Gas operations during Ramadan, with support directed to the poorest families.
- Conducted competitions for best academic students in high schools in areas of operations. Held football matches amongst top students in the region to recognize their academic achievement.
- Provided one kidney dialysis unit to the Abu Qir Hospital neonatal and intensive care unit.
- Conducted in-depth health, safety and environment training sessions to various government ministry departments in each of the three Governorates.
- Conducted technical training sessions on oil and gas exploration and production for governmental universities.
- Dana Gas Egypt employees participated in the Orphanage Association for support towards special needs children.

UAE

Dana Gas Head Office Sharjah in 2018 was involved in several social activities, amongst others, in order to promote corporate social responsibility:

- Dana Gas currently sponsors the Dana Gas Chemical Engineer Chair at the American University of Sharjah (AUS), and intends to continue this sponsorship in 2019. The total value of this donation to AUS is USD 800,000 in 2018.
- For several years Dana Gas and AUS have worked closely to develop research in the field of oil and gas. In 2018 We supported the Chemical Engineering internship program. In the year we placed two internship students in the IT and HSSE Departments.
- Dana Gas provided annual sponsorship of USD 20,000 to "The Centre for Economic Growth (CEG) INSEAD UAE, a collaboration between the region's private sector and a leading global business school, to provide original research and projects on the key economic topics impacting the region.
- Dana Gas continued in 2018 to further strengthen mutual relationships with the neighboring industries located within the border areas of the Zora Gas Plant in the Hamriyah Free Zone and the SajGas Plant in the Saja Industrial Zone. This has proved to be a positive initiative for sharing or resources related to emergency response, security and for operational issues.
- Dana Gas in the year provided education funding to support five orphans as part of the Sharjah "Give Education to Orphans" initiative which is a large scale academic empowerment project to provide orphans with access to education. Total value is USD 5000.
- Dana Gas provided financial support to the Sharjah "Sidreh of Wishes (Tree of Wishes) program which grants wishes to orphans. Total value is AED 10,000.

Supporting social and healthcare infrastructure in our communities

In 2018, across the countries of our operations, we have made financial contributions towards:

- Providing machinery/equipment as requested by nearby communities
- Supporting orphaned children programs
- Maintaining local access to roads
- Sponsoring local sports teams
- Supporting municipalities and governorates with infrastructure development, repairs and provision of materials.
- Arranging "Meet the Zora Gas plant neighbors"
- Building strong mutual cooperation with Sharjah Civil Defense
- Supporting hospitals and medical clinics
- Supporting small scale agriculture projects
- Participating in fund raising events for disadvantaged and disabled children

In 2019, our commitment will be the continued support for the communities near the areas we operate. In 2018 we were quite successful with providing in-kind contributions for post secondary internship and training opportunities for students in local universities. This again will be repeated in 2019. And the need continues both in Egypt and Kurdistan for us to assist with health care for disadvantaged women and children, to support orphans and promote youth development in the rural areas.

2018 Teacher training program

The main objective of this teacher training program is to enable primary and preparatory school teachers to enrich their students' learning experience, and promote their wellbeing and confidence. It aims at fostering the teacher's skills and competencies in a variety of areas, namely, in the use of technology, modern

teaching methodology, effective classroom management, and objective assessment. The teacher is introduced to pedagogies and learning theories that promote the students' cognitive, social, and emotional development.

In 2018, 80 public school teachers were selected from the Dakahlia and Damietta Governorates to participate in this Dana Gas funded project that was conducted by the American University of Cairo. The key outcome of the program is to see the teachers apply the newly learned teaching methods and theories at their schools. The planned graduation ceremony for the participating teachers is April 2019.

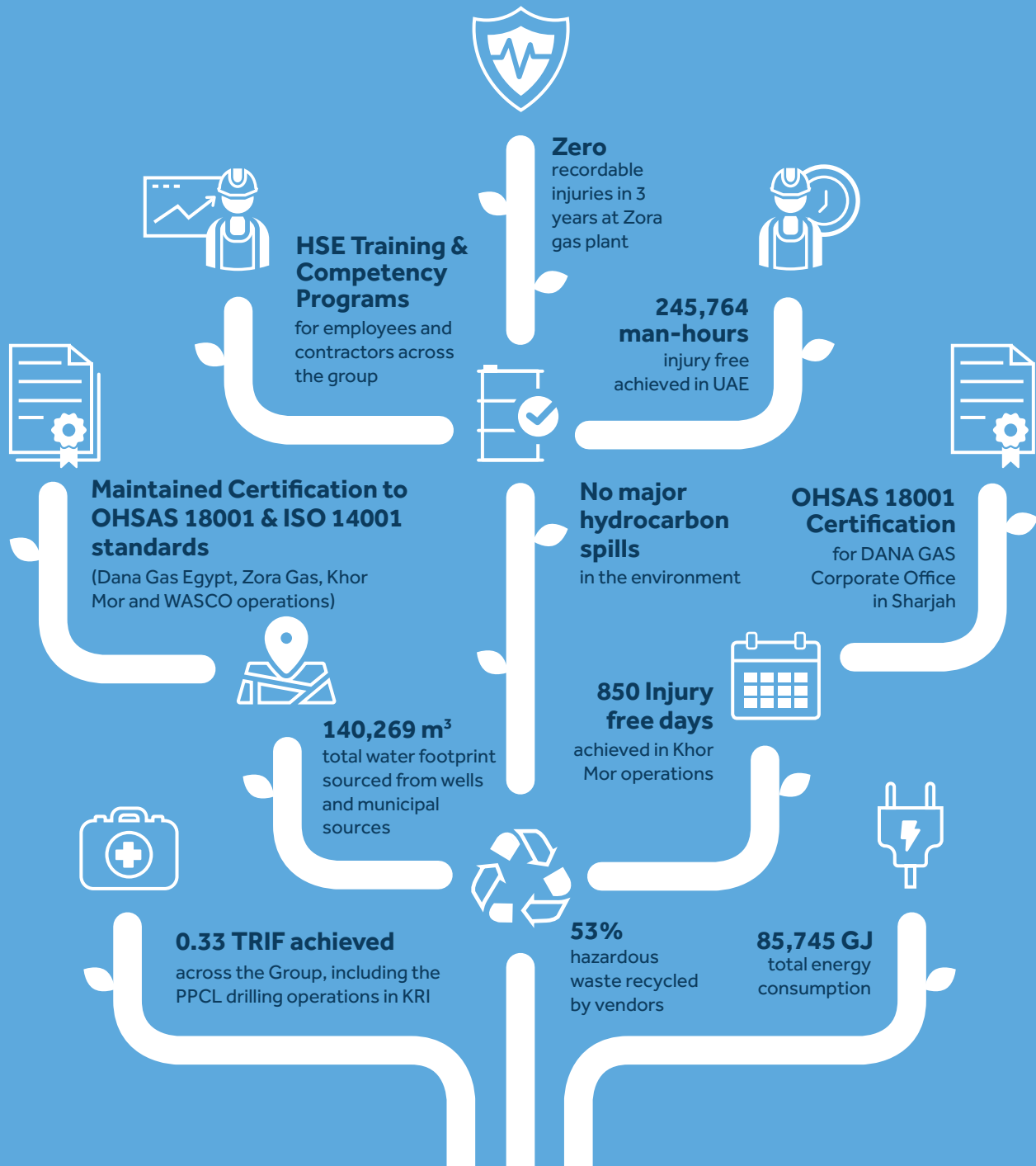


04

Operational excellence

Dana Gas, as part of the world's gas and liquefied products sector, manages health, safety and environmental risks associated with the processing and transportation of hydrocarbons and waste water, physically demanding jobs, harsh work conditions and exposure to other hazards such as heat and noise. Our operations in the UAE, Egypt and KRI expose our employees, contractors and assets to additional risks associated with extreme temperatures, dust and humidity.

2018 HSSE highlights





Health & safety



Ensuring our employees' health, safety and security is a priority in our business strategy and continues to be the number one priority in everything we do.

The objective is to maintain a safe working environment which adheres to the goal of zero incidents and no loss of primary containment across all our operations. This is important for our continued operational continuity, the safety of our communities, regulatory compliance and sound business reputation.



ZERO

recordable injuries in 3 years at Zora gas plant



HSE Training & competency programs for employees and contractors



0.33

TRIF achieved across the Group



OHSAS 18001 maintained for Dana Gas Corporate Office in Sharjah



850

injury free days in Khor Mor operations



OHSAS 18001 & ISO 14001 standards for Dana Gas Egypt, Zora Gas, Khor Mor and WASCO operations



3

years zero LTI in Zora Gas Plant

Commitments for 2019



Achieve zero uncontrolled spills.



Achieve zero security incidents.



Support the Behavioral Based Safety (BBS) to WASCO workforce at El Wastani Plant in Egypt.



Maintain SajGas Processing Plant under preservation mode in the UAE.



Further develop the required fit-for-purpose HSSE and Asset Integrity KPIs across all countries of operation.



Continue on the journey of improving our contractors' HSE performance and results.

An account on our key material aspects by our employees

OCCUPATIONAL SAFETY

"The focus in the year was having effective management controls and a strong commitment from management in managing risks."

KHALED FARID
HSSE Manager, Dana Gas, Egypt Office



EMERGENCY PREPAREDNESS

"In 2018 we continued to demonstrate that we were prepared to manage emergency situations, having competent people ready to respond and work in closed association with local civil authorities for emergency response."

BRUCE BASARABA
Head of HSSE and Sustainability



PROCESS SAFETY & ASSET INTEGRITY

"During the year we continued with the priority for managing the asset integrity system to give assurance that our assets are safe and reliable."

MERVYN CHASE
UAE General Manager



WORKFORCE HEALTH

"The health and well-being of our employees are still the important parts of our values at Dana Gas. Employee well-being also means for us striking that balance of work and home life."

FATIMA AL OBAIDLY
External Affairs Manager & Investor Relations Officer

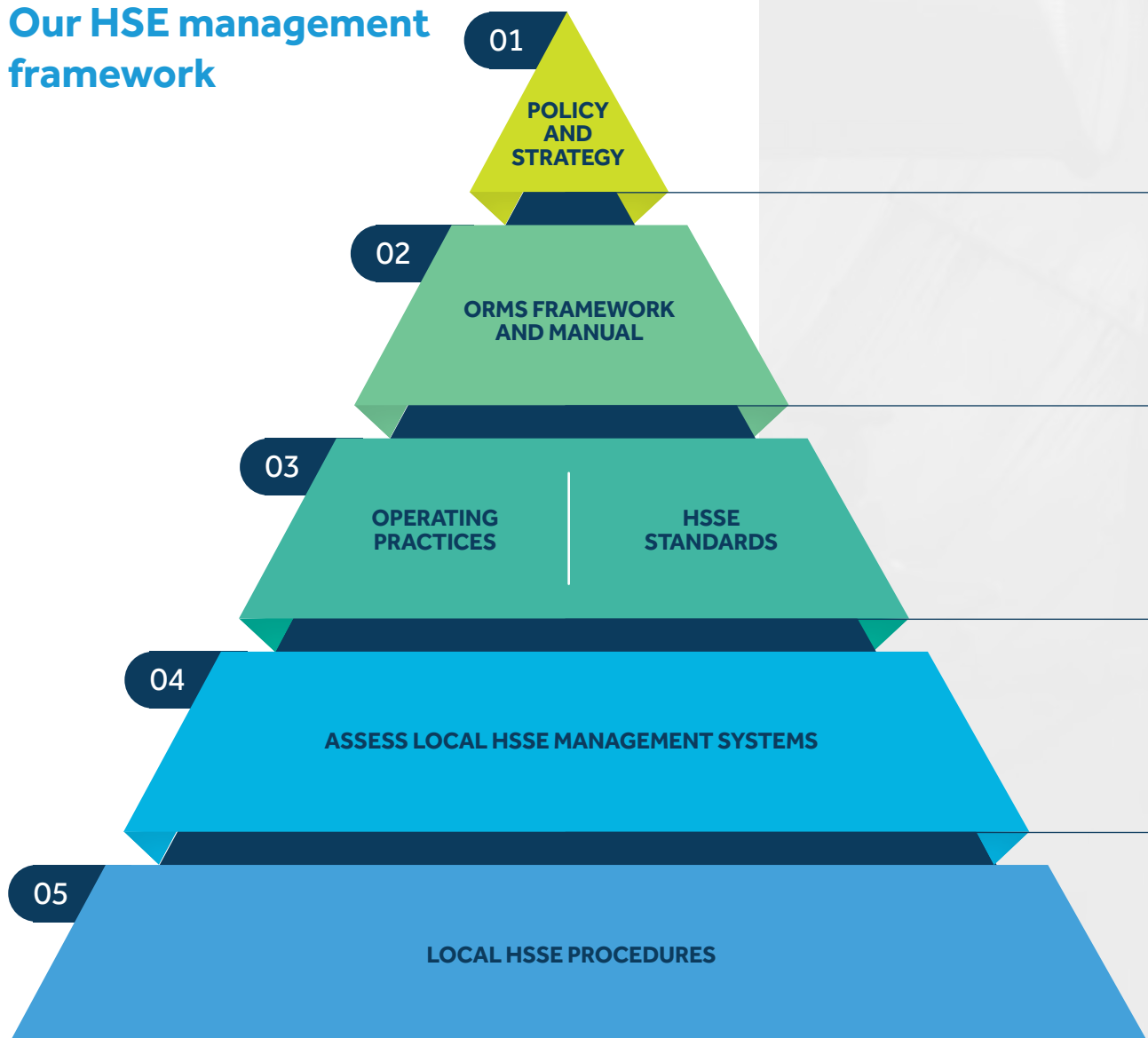




We are in compliance and follow the corporate HSE Management Framework and Plan as stipulated by the Dana Gas Health, Safety and Environmental policy⁶. Our HSE framework includes an Operating Risk Management System Framework (ORMS), operating practices and HSSE standards, keeping us well positioned to maintain as low as reasonably practicable (ALARP) risks across our operations. In 2018 we successfully passed the third party

compliance audit to maintain the internationally recognized OHSAS 18001 standard for the Dana Gas Corporate Safety Management System (SMS). The OHSAS 18001 standard for workplace health and safety in 2018 has changed to become the ISO 45001 standard for health and safety. In 2019, Dana Gas will re-certify to the new ISO 45001 standard.

Our HSE management framework



⁶ DG's HSE policy is accessible at: <http://www.danagas.com/en-us/HSSE/Dana%20Gas%20HSE%20Policy%20-2016.pdf>

The Dana Gas SMS provides the required safety management policies and procedures to manage and control the safety risks and controls for a safe operation. We complement these efforts with awareness programs, risk assessments, and HSE trainings to support our employees and contractors in complying to our HSSE policies and procedures.

The Health, Safety, Security and Environment (HSSE) Unit is entrusted with the responsibility of ensuring that all employees are trained and competent

with company safety policies and procedures. The HSSE Unit develops and monitors annual HSE plans, inclusive of standards and targets. These are shared across the departments as we continue on the journey of developing an effective safe workplace. All our employees are responsible for improving our HSSE performance and adhering to DG's safety related procedures as a minimum standard. HSSE KPI's are developed annually for each employee as part of the corporation's Individual Goals and Performance Appraisal (IGPA) system.

Delegation authority:

Board of Directors

The Policy provides the highest level statement from the Executive Management of Dana Gas. It is supported by the Group HSSE Strategy.

Chief Executive Officer

A set of mandatory Requirements of the Business that describe how we manage HSSE and Asset Integrity at all stages of the Asset Lifecycle and in our day-to-day business. They form the basis for Group Operating Practices and Standards.

Technical Director and Head of HSSE

Practices set out how we will operate, standards set out the quantitative or qualitative level to which we will operate. Both aim to ensure that we achieve ALARP level of risk in everything that we operate in a common manner across the Group.

Country Manager

Roles, responsibilities and accountabilities are established to ensure that the Dana Gas ORMS is adopted at the local asset level and in all activities undertaken by the Company.

General/ Asset Manager

Local procedures developed at the asset level describing how risks are managed and how compliance with the ORMS will be delivered.



DG's 2018 progress on OHSAS & ISO certifications

UAE certificates

Dana Gas Corporate Office in Sharjah maintained OHSAS 18001/ISO 45001 certification for the Corporate Safety Management System.

Exterran, the Operation and Maintenance contractor for the Zora Gas Plant, maintained OHSAS 18001/ISO 45001, ISO 14001 and ISO 9001 standards for HSEQ Management System.

Egypt certificates

Dana Gas Egypt maintained OHSAS 18001/ISO 45001 and ISO 14001 standards for the HSE Management Systems.

WASCO, our operator of El Wastani assets in Egypt, maintained OHSAS 18001/ISO 45001 and ISO 14001 for the HSE Management System.

Our 2018 Annual Report includes details on our HSSE risks and the measures we have taken to reduce them.

Occupational safety

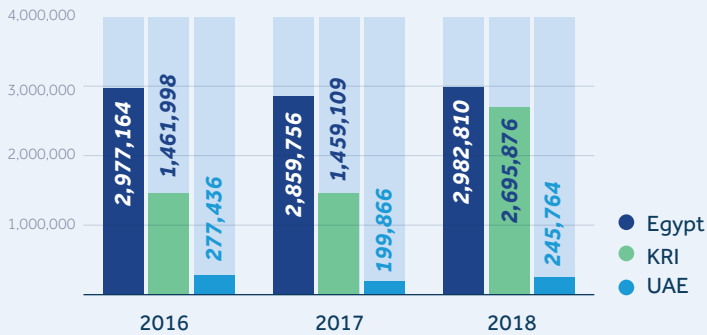
During 2018, we focused our efforts on reducing the inherent safety risks across operations and processes. We achieved this through increasing our number of safety observations, management site visits and the efficiency and timely close out of actions from incident investigations.

There was a concentrated effort in the KRI to focus strongly on the contractor HSE management of the drilling operators for CH3, KM10 and KM12RD drilling operations, and the debottlenecking project that occurred during Q2 to Q4, 2018 at the Khor Mor Plant. Both the drilling activities and the construction work at the Khor Mor plant involved thousands of additional contractor man-hours. For the debottlenecking project there was zero lost time injuries and no major spills. Unfortunately on November 16, 2018, while drilling of the CH3 well there was a severe gas kick and this resulted in the fatality of one contractor drilling staff. This was extremely upsetting for Dana Gas and the Pearl Petroleum partners, family, relatives and of course the friends of the deceased. The investigation that led to this fatality began immediately after the incident, and continued into 2019. The objective of the drilling company and Dana Gas is to determine the root cause and learn from this in order to prevent these types of incidents from ever occurring again. There was one non-fatal shooting security incident in one of the drilling rigs which resulted into a contractor lost time incident.

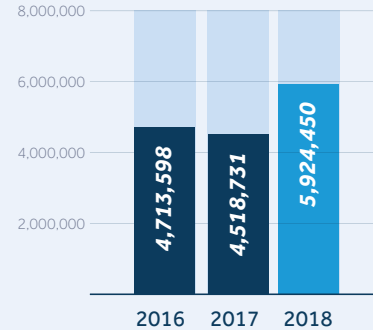
We conducted Quantitative Risk Assessment (QRA) Studies and ESIA Studies in Egypt and Kurdistan related to drilling activities. Pre drilling of the three wells in Kurdistan, DWOP workshops and risk assessments were conducted with the drilling teams and operators, to fully assess the risks prior to spudding of each well. For the debottlenecking project in Kurdistan there was a comprehensive HAZOP conducted prior to final engineering design and construction commencement. Risk assessments were completed at various phases of the project. To improve our contractors' safety management performance, we aim to focus on their safe behavior and intervention by 2019. Some initiatives taken are:

- Effort to apply project requirements for HSSE standards and procedures.
- Monitoring the contractors' compliance.
- Holding contractors accountable to their required HSSE performance as per the agreed expectations.
- Assessing HSSE competency for the contractors' employees.
- Strong emphasis on road and motor vehicle safety amongst contractors and company drivers.

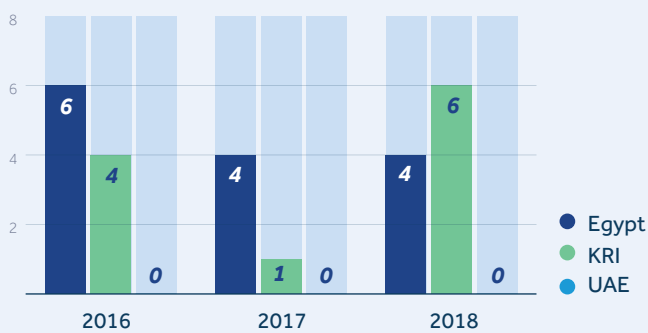
MAN-HOURS⁷ BY LOCATION



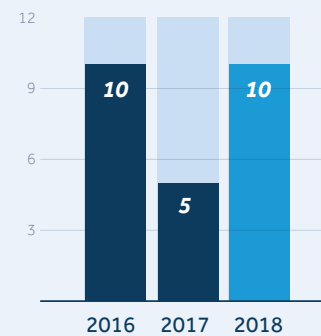
TOTAL MAN-HOURS



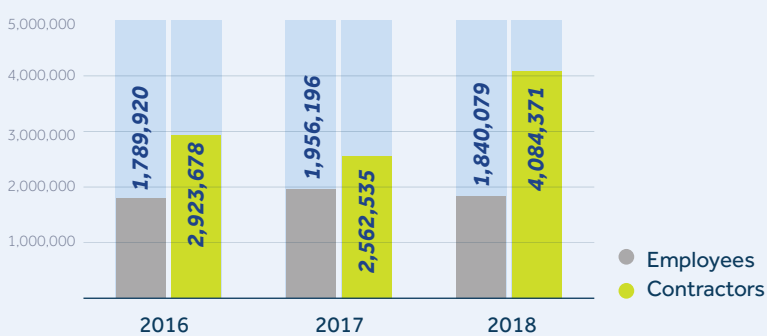
RECORDABLE INJURIES



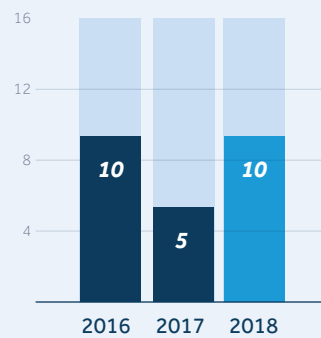
TOTAL RECORDABLE INJURIES



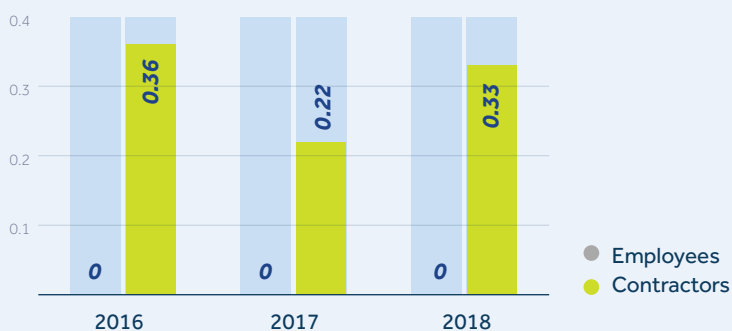
MAN-HOURS BREAKDOWN BY WORKGROUP



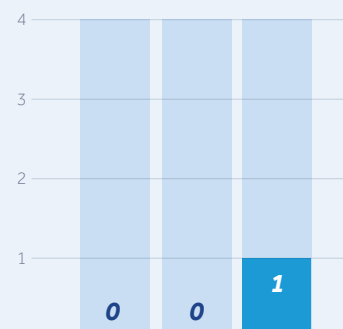
HIGH POTENTIAL INCIDENTS



TOTAL RECORDABLE INJURIES FREQUENCIES (TRIF⁸)



FATALITIES



⁷ The Man-hours worked covers 100% of operations in Egypt and the UAE and 35% coverage for KRI based on our equity share approach

⁸ TRIF is calculated based on the number of recordable injuries per 200,000 man-hours worked



The journey for continuous improvement of process safety and asset integrity

During 2018 a lot of attention was given on further steps to ensuring the integrity and reliability of safety critical process equipment related to hydrocarbon containment, transport and processing. These measures resulted in no major uncontrolled release of gas or liquids. The objective is to safeguard employees' and assets' exposure to incidents across the production lifecycle. In 2018 one of the main risks for Dana Gas was Asset Integrity Management. This includes asset and operational performance. Additional mitigation activities were taken in the year to further reduce the probability of asset integrity and safety process failures. The need to extend the life of our existing assets is important when considering our production continuity. Actions to further mitigate the risks associated with process safety and asset integrity include:

- Regular inspections utilizing intelligent pigging, ultra sonics and radiography.

- Testing of materials in certified labs, including metals, contaminants, liquids and other elements.
- Improved operating practices of operators and technicians.
- Higher level of preventive maintenance and utilizing condition based monitoring.
- An integrated approach to asset integrity into operations, maintenance and HSE.
- Improved competency level of asset integrity specialists and maintenance technicians.
- Conducting technical reviews, root cause analysis of failed parts, and internal and external audits.

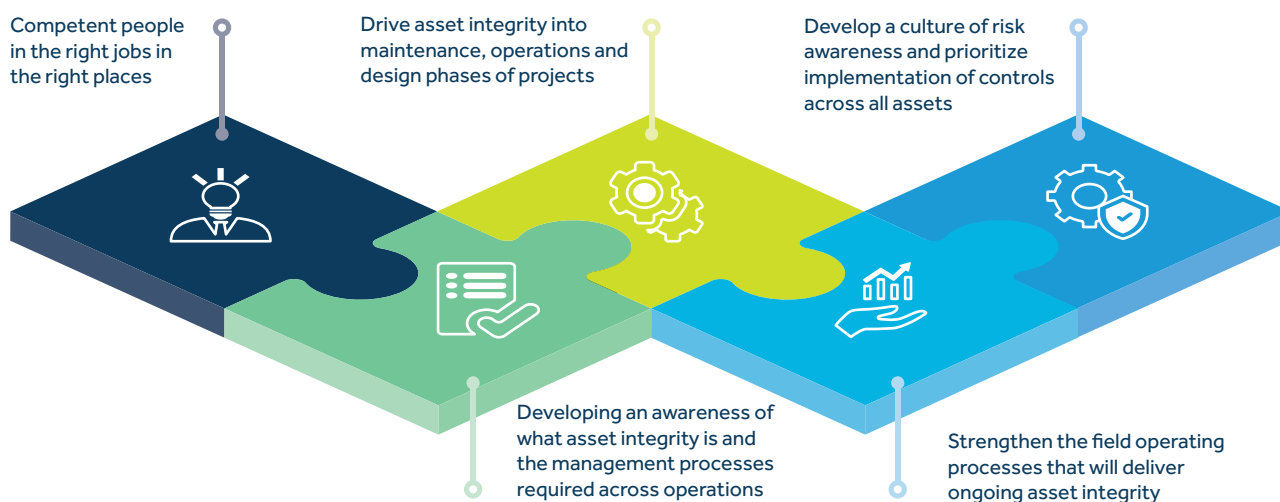
In 2018 elements of Asset Integrity Management Systems performed under management programs as part of the CMMS for Kurdistan, Egypt and the UAE.

This was comprised of the following:

- Zora Gas Plant maintains a fully integrated asset integrity system.
- The SajGas Plant continued to protect the non-operating equipment under the asset preservation program, as per their asset integrity system as integrated to the CMMS.
- WASCO operations, along with DGE, in Egypt at El Wastani introduced the formal Asset Integrity Management System, and integrated with their CMMS.
- Khor Mor operations focused on the reliability of rotating equipment and corrosion management for their core elements of the asset integrity system. In 2019 they will extend this into other elements.

Note: A fit-for-purpose asset integrity KPIs were included in DG's Group 2018 scorecard.

DG's asset integrity framework





Workforce health and well-being

Throughout 2018 we made every effort to promote employee health and lifestyle awareness as well as provide a healthy working environment in our workplace for employees in order to keep them motivated and productive.

In 2018 we conducted a series of health awareness campaigns similar to those in prior years to promote proactive health and well-being for our workforce.

These include:

- Focus on hygiene and sanitation, sleep patterns, diet, shiftwork tips and personal wellbeing.
- Communication on personal well-being, fitness, and stress management.
- Emphasis on importance of regular medical check-up for all staff.
- Conducted HSE training campaigns to improve safety awareness and culture. For example, pinch point, hand injury, on-job safety coach program, drops, slips and trips.
- Identified potential occupational health risks for facility workers.
- Conducted hygiene audits in offices, workshops, field accommodations and canteens.
- Communicating health tips to all our employees.
- Supported employees who participated in charity running and fitness events.

Emergency preparedness

Each of our operation continues to have robust Emergency Response Plans. This includes El Wastani Plant in Egypt, which is under the direction of WASCO, our operator in Egypt, and Zora Gas Plant which is under the control of Exterran, our operator in the UAE. In KRI, Khor Mor Plant has a full emergency response plan controlled by the Plant's HSE and Security unit.

Regular emergency drills and practices are conducted as well as regular training sessions with the workforce and management teams. The Civil Defense team is included in some of the drills, in particular at Zora with the Sharjah and Hamriya Civil Defense. In Egypt for El Wastani plant, the local police and military are also included in the process as well as fire and medical aid teams in

the Governorate. In Kurdistan the civil defense authorities are active participants in the emergency response drills as required for the Khor Mor operations, drilling and pipelines.



Health awareness

At Dana Gas we value employee health highly. We make every possible effort to provide a healthy working environment in our workplace to keep our employees safe, motivated and productive.

In 2018, we conducted a series of health awareness campaigns to sustain an optimal health status for our workforce.

These include:

- In KRI the focus was on hygiene and sanitation.
- In the UAE the focus was on hygiene and sanitation.
- In Egypt:
 - Conducted HSE training campaigns to improve safety leadership, awareness and culture.
 - Conducted hygiene audits and education programs on personal hygiene and sanitation.
 - Communicating health tips to all our employees in Egypt through awareness campaigns.
 - Sports team building activities as part of the CSR activities.



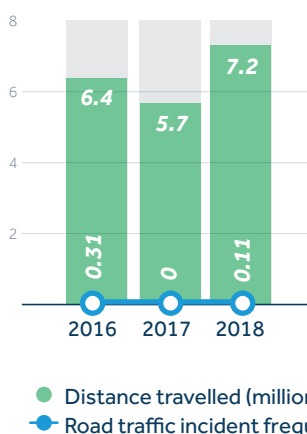
Control of safety and security for motor vehicle transport and driving

Integrating security measures for operating motor vehicles and driving in our HSSE management system is critical, and in 2018 we saw a large increase in overall kilometers driven primarily because of the added drilling activities in Kurdistan commencing H2 2018. Our assets are located in areas where there are poor road conditions, remote destinations and with unstable socio-political conditions. Corporately and at each operation there is a robust and fit-for-purpose Journey Management Plan that is the control mechanism to minimize all possible risks resulting from road journeys. It outlines the approval process, procedures required to organize trips from offices to field sites, all possible hazard scenarios and ways to mitigate them.

These efforts throughout the year are supported with a vehicle tracking system as well as a personal tracking device for company vehicles.

All employees are required to follow the Dana Gas Journey Management System for their site visits. We are also working towards reducing our contractors' road incidents by ensuring they similarly follow our Journey Management Procedures. There is a "no night driving" policy strictly enforced at our operations in Egypt. Night driving in areas designated as a risk is approved only by exception based on a full risk assessment of the driving requirement, based on route, distance, destination, and need for the night trip.

THE DISTANCE TRAVELLED AND ROAD TRAFFIC INCIDENT FREQUENCY FOR 2016 - 2018



Note: Road Traffic Incident Frequency is calculated as per the 2012 OGP Benchmark data: 200,000/kilometers driven X # of Major Road Traffic Incidents.

CASE STUDY

Conducting a major drilling campaign in Kurdistan



In line with our business growth plans in Kurdistan where the major drilling projects commenced H2 2018, with the drilling of three wells, two in Khor Mor and one in Chemchemal, extensive contractor activity increased compared to previous years. The commencement of the 2018 drilling campaign in Kurdistan is the first of its kind for over ten years.

Throughout the extensive drilling activities, we focused on upholding high HSE performance and results. Two experienced drilling contractors were selected, with a separation in spud dates, June, July and late August for the three wells. This was necessary to allow for adequate preparations and supervision of each drilling location. Added drilling risks in technically complex locations made for more detailed technical assurance and safety assurance of each drilling operation, as well as placing more emphasis on readiness and competency of the drilling crews.

Over 1.5 million additional contractor man-hours in KRI drilling activities were recorded from June to December 2018. Contractor man-hours include the drilling rig manpower and major sub-contractors to each drill rig.



Environment



No major
hydrocarbon spills
in the environment



53%
hazardous waste
recycled by vendors



85,745 GJ
total energy
consumption



140,269 m³
total water footprint
sourced from wells and
municipal sources

Dana Gas recognizes the environmental impacts inherent in our exploration and production activities. Necessary measures to identify and minimize risks to the environment are included in all aspects of our project activities. Our impacts on the environment include, but are not limited to, produced water handling, managing effluents and waste from drill

cuttings and drilling mud, minimizing noise generated from plant equipment and vehicles, and control of emissions to minimum amounts released to atmosphere from venting, combustion and flaring. To the greatest extent possible, we mitigate impacts under our direct control and within our sphere of influence.

Compliance with environmental legislation

In 2018 we were fully compliant with the applicable environmental laws and regulations in the UAE, KRI and Egypt by consolidating and monitoring our operations against a comprehensive framework of legal and operational/technical requirements. In cases where environmental grievances are raised, we commission third party studies to test their validity, and we plan mitigation actions, if required. Where requirement is identified, either because of the company's needs, or by regulation, environmental and social impact assessments are conducted.

For the major drilling campaign in 2018 in Kurdistan, an internationally recognized Erbil based environment consulting company was hired to conduct the ESIA for the Chamchamal and Khor Mor drilling locations. The ESIA was undertaken in Q1 2018 and finalized in late Q2 2018. The MNR authorities for environment and social responsibility reviewed the ESIA before the drilling campaign started in late June 2018. During 2018 both in Egypt and Kurdistan there were several additional ESIA studies undertaken for construction, drilling and infrastructure projects.

Commitments for 2019



DGE to conduct ESIA studies for new onshore drilling projects.



Further improve ESIA processes with international requirements.



Zora Gas Plant to consider steps to further reduce water consumption.



Continue research on suitable ways to reduce emissions at processing plants.



DGE emphasis on environmental awareness & reduced impacts to sensitive areas.



Higher level of awareness for GHG emissions amongst the operators & contractors.



Khor Mor Plant look at further methods to improve existing waste management system.



Including emission level measurements on ESIA studies & assets operating in sensitive ecological areas.



Zora Gas Plant to develop EMP based on risks, operating conditions & ongoing optimization efforts.



DGE to organize IMO Training, Lvl 1, 2 & 3 for DGE drilling team & conduct offshore emergency drills.



For Egypt Merak 1 well, DGE to prepare Oil Spill Response Contingency Program with regulatory approvals.



Conduct special studies on long-term sustainability of existing water wells in plant vicinity by local hydrologist.

An account on our key material aspects by our employees

ACCIDENTAL SPILLS TO THE ENVIRONMENT

"At Dana Gas Egypt we believe that our ability to achieve a 'zero hydrocarbon spill' objective at our operations is doable."

DONALD DORN LOPEZ
GM Dana Gas Egypt



GREENHOUSE GAS EMISSIONS (GHG)

"Reducing GHG emissions is a key factor at our operations and we make efforts each year to find ways to reduce the levels of emissions produced."

PATRICK ALLMAN-WARD
Dana Gas CEO



FLARED GAS

"Flaring contributes substantially to GHG emissions and is a waste of clean fuel for energy production. We continue to look at ways to minimize flaring requirements in the operations."

MERVYN CHASE
UAE General Manager



ENERGY CONSUMPTION

"We have demonstrated in 2018 that there are opportunities to reduce our energy demand and consumption within our facilities."

BRUCE BASARABA
Head of HSSE and Sustainability





Energy consumption

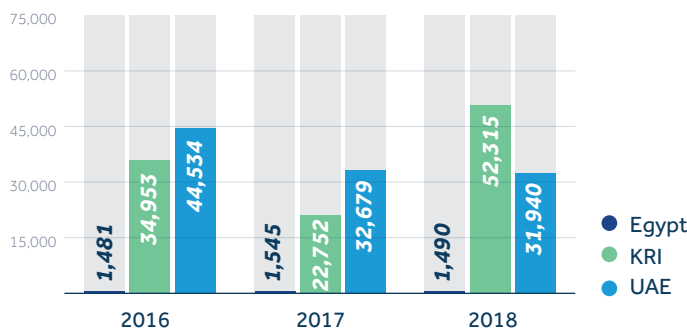
During 2018 the primary source of energy was produced by hydrocarbon fuel, either via the electrical grid or from onsite electric generation using natural gas or diesel fuel. The electrical grids in the UAE, Egypt and Kurdistan where we are located are provided with cheap reliable electricity from the burning of clean natural gas. Thus the carbon foot print for us where electricity is from the national grid is less than when we generate electricity using diesel fuel generators as is used at the Zora Gas plant.

Energy conservation is imperative in the O&G industry given it is the most energy-intensive of all industrial processes. We recognize the huge opportunities for efficiency improvements in our operations and seek to adopt efficient practices to make the best use of our natural resources. Consideration in the next few years will be on adapting to renewable energy sources in particular where we have remote locations that require intermittent provision for electrical energy.

In 2018, our total energy consumption amounted to 85,745 GJ, which is a significant increase from 57,185 GJ in 2017 due to the addition of three drilling rigs in Kurdistan in H2 2018. Each drill rig generates its high demand electrical requirements using a number of diesel electric generators. This increased drilling activity in 2018 has a significant impact on energy consumption. This will continue in 2019 as the drilling campaign will be throughout the year using 4-6 drill rigs as part of the exploration drilling and well workover projects.

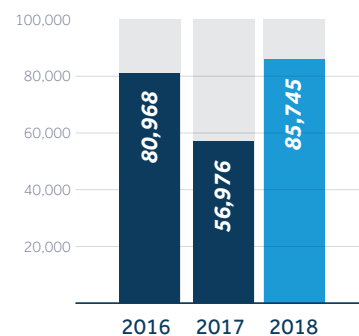
DIRECT ENERGY

Non-renewable Sources (Diesel & Natural Gas) - (GJ)



TOTAL DIRECT ENERGY

Consumption (GJ)



"There was a strong effort in 2018 to focus on energy reduction in the operations. We saw slight reduction in the overall energy consumed at the Zora Gas Plant, SajGas Plant, and in the DGE HQ Office. In 2019 more effort will go into energy use reductions in the facilities. There are more things we can be doing."

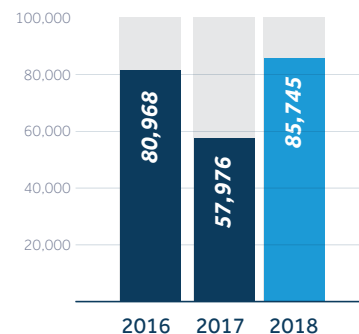


Bruce Basaraba
Head of HSSE & Sustainability



TOTAL CONSUMPTION

Energy within our organization (GJ)



Note: Direct Energy is defined as electrical energy that Dana Gas generated onsite at the asset location using diesel or natural gas fuel.

Note: In 2018 Dana Gas includes the energy consumed on the drilling rigs in Kurdistan, commencing June 2018. 35% equity share applies to the drilling rig energy consumption rates.

Greenhouse Gas Emissions (GHG)

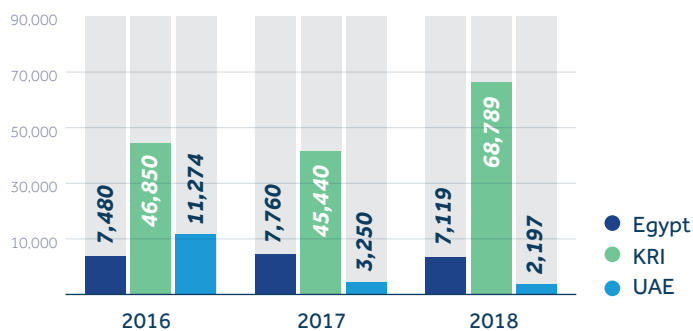
Dana Gas recognizes the negative implications of GHG emissions on the global climate and environment. The challenge to reduce GHG worldwide is not an easy task. We have attempted again in the year to reduce the impact of GHG at our assets by taking steps to reduce emissions utilizing improved operating

practices, replacing older equipment that was more prone to leakage and improved asset integrity of containment facilities for hydrocarbons. Our GHG emissions include carbon dioxide (CO₂) from fossil fuel combustion and flaring, as well as methane (CH₄) from leakage, fugitive emissions and venting.

Gas flaring is the highest contributor to our GHG emissions due to testing and commissioning of new wells and plants where volumes of gas are flared. A reduction in daily flared gas at the operations has been achieved each year as additional steps in operational procedures were taken, plus improvements in asset integrity and reliability.

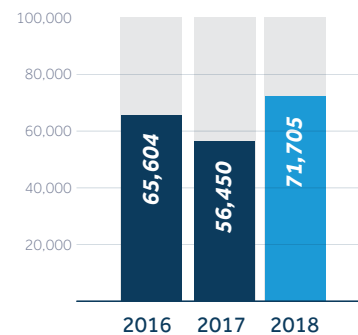
DIRECT GHG EMISSION

Scope 1 - (Tonnes CO₂e)



TOTAL DIRECT GHG EMISSION

(Tonnes CO₂e)



Note: GHG Emissions in 2018 include the three drilling rigs in Kurdistan as of June 2018, as per 35% Dana Gas equity share.



"In 2019 there must be a strong participation and reporting for safety and environment observations by our employees and contractors. This is one way we can get better in preventing safety and environment incidents."



Khaled Farid
DGE HSE Manager





Flared gas

Gas flaring is part of the 24 hour operation of a gas processing plant and is an important safety practice during start-up, commissioning, emergency cases and shutdown. Gas flaring is an industry practice to assure a safe and controlled release of pressure from equipment, pipes and valves as well as to mitigate risks associated with fires and explosions in our wells or plants. From an air quality perspective, we capture and burn the flared gas as opposed to cold venting it, which is considered a safer approach for the environment.

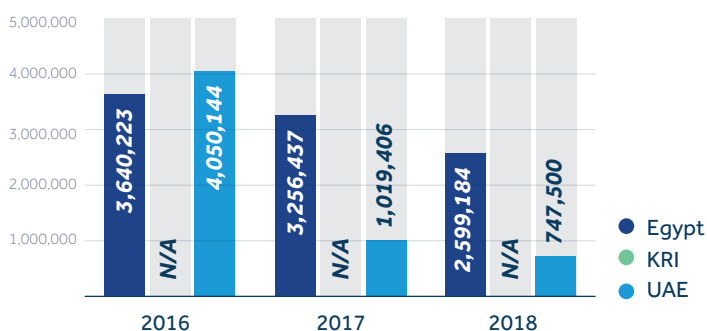
Dana Gas recognizes the environmental concerns associated with burning the flared gas and in 2018 we explored cost effective and efficient technologies to further reduce the amount of flared gas.

In 2018, the amount of flared gas reduced significantly to 3,346,684 m³ due to improved operational efficiencies and reduced feedstock for processing gas as compared to the 2017 amount of 4,275,843 m³.



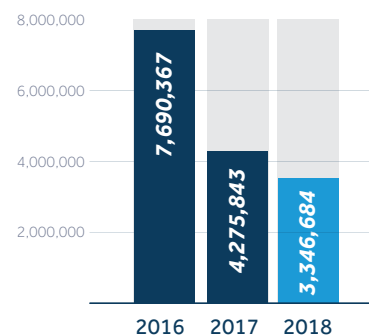
FLARED HYDROCARBON

Volume (m³)



TOTAL FLARED HYDROCARBON

Volume (m³)



Water consumption

Efficient and effective water management is an essential aspect of our overall commitment to best industry practices in the production of oil and gas. Each of the operations has water management activities and we operate in the UAE, KRI and Egypt where fresh water supplies are limited.

We use water for drilling, production and cooling purposes as well as municipal water for our offices and accommodation camps.



Waste management

Throughout 2018 Dana Gas was compliant with the applicable regulatory laws' provisions on waste management for waste handling and storage, and worked towards further reduction practices. Waste management plans are in place for each site for the collection, handling, transport and disposal of hazardous, non-hazardous and recyclable waste. The HSE teams monitor and audit the operational procedures to ensure compliance with all laws and plans. At each location, local approved waste handling contractors are responsible for transport of wastes to designated recycle and disposal sites.

In Kurdistan there is an onsite landfill and a sewerage treatment plant that removes

contaminants from waste streams using physical, chemical, and biological processes before being disposed or recycled. In the UAE and Egypt, we contract a third party to dispose of hazardous waste within designated sites and dispose the non-hazardous waste at the municipality landfill. As for recycling, we segregate and contract a number of companies to collect recyclable items, such as plastic bottles, paper and tins.

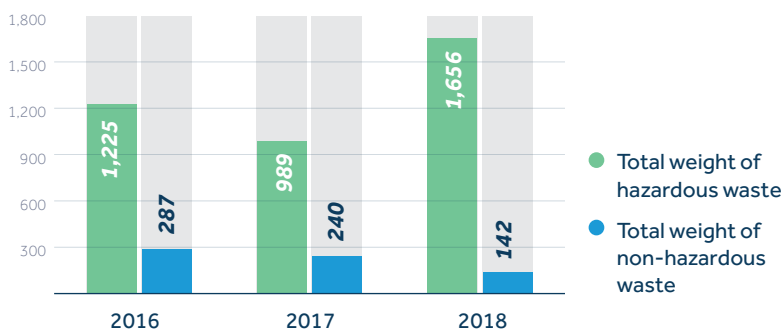
In 2018 the total non-hazardous waste generated contributed 92% of our total waste. It is mainly comprised of drilling fluids and cuttings from drilling operations, paper and cardboard, plastic, tins, and electrical products that are temporarily stored onsite and then

collected by a local waste vendor for reuse or recycling. The remaining 8% is hazardous waste, comprised of empty metal barrels, used oil filters, expired chemicals and empty plastic barrels. During the year there was an increase of non-hazardous waste, mostly drilling mud and cuttings, attributed to the addition of three drilling rigs in operation during the second half of the year in Kurdistan.

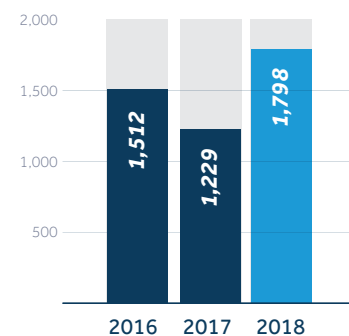


53% of our hazardous waste was recycled by vendors in 2018

WEIGHT OF WASTE



TOTAL WEIGHT OF WASTE



In 2018 we extracted 140,269 m³ of water from wells and municipal sources to support our drilling, processing and administrative operations. The major portion of this volume of water was for the extensive drilling activities in Kurdistan which include 3 drill rigs in operation for 6 months of the year.

This is a significant increase from 2017, where we extracted 49,630 m³.



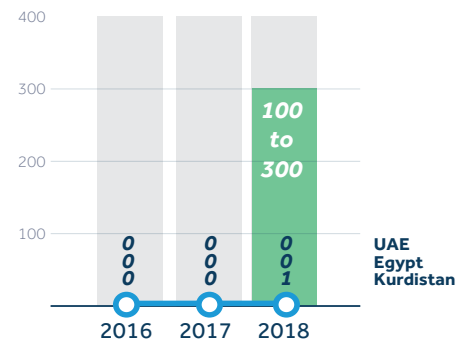
Preventing spills to the environment

In 2018 there was significant improvement in reduction of accidental spills of contained liquids and gases. As per the required reporting standards for loss of primary containment, there was no major spill reported. There were several minor spills as per classification occurring on older produced water lines but these were controlled effectively to mitigate any significant losses to the environment. There was no loss of containment for the storage of condensate at any of the operations. Several tanker trucks at Khor Mor that are classed to load and transport condensate did have leaks, noticed as per inspection procedures at the loading facilities. These tankers were off-loaded, and instructions given for repair and to be re-inspected before approved for hauling condensate. Approximately 60 condensate trucks load and transport condensate daily at Khor Mor. Dana Gas Egypt, with the El Wastani facility utilizes an extensive government in-country condensate pipeline system to transport this product to local facilities.

Dana Gas remains fully committed in 2019 to minimizing the number and volume of hydrocarbon spills as low as reasonably practicable. Our hydrocarbon spillage risks have a small to medium potential impact on the nearby soil and environment. We mitigate these risks by having strict procedures for handling hydrocarbons, for maintaining assets to prevent leaks, and to assure the integrity of assets through the asset integrity management system. Each location has implemented spill mitigation plans and maintains good behavior and competency, and has good standards for housekeeping on site.

In 2018, we made significant efforts to reduce hydrocarbon spills, particularly in Egypt where most of them were occurring. As a result, we achieved a record of zero major spills this year mainly due to effective asset integrity and maintenance management of any asset that is identified in the handling, transport, storage or processing of hydrocarbon products.

NUMBER OF HYDROCARBON SPILLS & VOLUME IN BARRELS



● Volume of hydrocarbon spills in barrels

● Number of hydrocarbon spills

Note: The loss of hydrocarbon and drilling fluids occurred on July 25 at the KM12 drilling location in Kurdistan when the well experienced a gas kick.

- In 2018 there was a number of spills in KRI related to drilling. Each spill was in the range of 100 to 300 barrels.
- Zero spills (major) in Egypt and UAE.

Environmental management approach

At Dana Gas, as part of the Corporate and Business Unit HSSE Management Framework, the HSSE departments are responsible for the site Environmental Management System (EMS).

Environmental impacts and risks of our activities are determined and evaluated by conducting environmental impact assessment studies followed by appropriate mitigations, ongoing monitoring and regular evaluation of impacts. Our EMS in the UAE and Egypt are in line with the ISO 14001 requirements and include environmental performance plans, procedures and documentation controls.

Acknowledging the need to proactively measure and improve the tracking of our environmental performance, in 2019 we shall continue with our commitment to establish environmental KPIs for

improved environmental monitoring, assuring regulatory compliance, reduction in loss of primary containment incidents, and establishing impact reduction targets.



“With added drilling and construction activities in 2018, particularly in the KRI, emphasis on sound approaches to environmental management were made to ensure there was minimum risks and impact on the environment.”



Bruce Basaraba
Head of HSSE & Sustainability





Appendix (A)

Acronyms & Glossary

A&CC	Audit and Compliance Committee	HR	Human Recourse
ADX	Abu Dhabi Securities Exchange	HRMS	Human Resources Management System
ALARP	A Low As Reasonably Practicable	HSE	Health, Safety and Environment
AUS	American University of Sharjah	HSSE	Health, Safety, Security and Environment
BBS	Behavioral Based Safety	IAB	International Advisory Board
bn	Billion	IFC	International Finance Corporation
boe	Barrel of Oil Equivalent	IPIECA	International Petroleum Industry Environment Conservation Association
boepd	Barrels of Oil Equivalent Per Day	ISO	International Organization for Standardization
BSC	Board Steering Committee	KPI	Key Performance Indicators
CEO	Chief Executive Officer	KRI	Kurdistan Region of Iraq
CGE&N	Corporate Governance, Remuneration, and Nomination	LPG	Liquefied Petroleum Gas
CH₄	Methane	m³	Cubic meter
CO₂	Carbon Dioxide	MENA	Middle East and North Africa Region
CO₂e	Carbon Dioxide Equivalent	MENASA	Middle East, North Africa and South Asia Region
CSR	Corporate Social Responsibility	Mboe	Thousand Barrels of Oil Equivalent
DG	Dana Gas	Mmboe	Million Barrels of Oil Equivalent
EBITDA	Earnings Before Interest, Taxes, Depreciation and Amortization	N/A	Not Applicable
EBRD	European Bank for Reconstruction and Development	NGL	Natural Gas liquids
EMS	Environmental Management System	O&G	Oil and Gas
ERP	Emergency Response Plan	OHSAS	Occupational Health and Safety
ESG	Environmental, Social and Governance	ORMS	Operating Risk Management System Framework
ESIA	Environmental Social Impact Assessment	QRA	Quantitative Risk Assessment
FTE	Full Time Equivalent	SCA	Securities and Commodities Authority
GCC	Cooperation Council for the Arab States of the Gulf	SEP	Stakeholder Engagement Plan
GDP	Gross Domestic Product	ToT	Train of the Trainers
GHG	Greenhouse Gas	TRIF	Total Recordable Injuries Frequency
GJ	Gigajoules	UAE	United Arab Emirates
GPEA	Gas Processing Enhancement Agreement	UNGC	United Nations Global Compact
GRI	Global Reporting Initiative	USD	US Dollar
HAZOP	Hazard and Operability	2P	Proven Plus Probable



Appendix (B) GRI Content Index

GRI CONTENT INDEX

GRI Standard Disclosure	Disclosure	Page number(s) and or URL(s)	Omissions
General Disclosures			
GRI 102: General Disclosures 2018	Organizational profile		
	102-1 Name of the organization	Dana Gas	
	102-2 Activities, brands, products, and services	8-9	
	102-3 Location of headquarters	Sharjah, UAE	
	102-4 Location of operations	8, 10-11	
	102-5 Ownership and legal form	8	
	102-6 Markets served	4	
	102-7 Scale of the organization	8, 10-11	
	102-8 Information on employees and other workers	5, 8, 30, 35-37	
	102-9 Supply chain	12-13	
	102-10 Significant changes to the organization and its supply chain	No major changes to the organization or supply chain in 2018.	
	102-11 Precautionary principle or approach	Our risk management approach covered in page (26).	
	102-12 External initiatives	15, 38-43	
	102-13 Membership of associations	24-25	
	Strategy		
	102-14 Statement from senior decision-maker	6-7	
	Ethics and integrity		
	102-16 Values, principles, standards, and norms of behavior	9	
	Governance		
	102-18 Governance structure	22-25	
	Stakeholder engagement		
	102-40 List of stakeholder groups	20-25	
	102-41 Collective bargaining agreements	Collective bargaining is illegal in the UAE.	
	102-42 Identifying and selecting stakeholders	18, 20	
	102-43 Approach to stakeholder engagement	19	
	102-44 Key topics and concerns raised	19	



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GRI Standard Disclosure	Disclosure	Page number(s) and or URL(s)	Omissions
	Reporting practice		
	102-45 Entities included in the consolidated financial statements	4	
	102-46 Defining report content and topic boundaries	4	
	102-47 List of material topics	21	
	102-48 Restatements of information	Not Applicable in 2018.	
	102-49 Changes in reporting	No changes in reporting in 2018.	
	102-50 Reporting period	4	
	102-51 Date of most recent report	4	
	102-52 Reporting cycle	4	
	102-53 Contact point for questions regarding the report	4	
	102-54 Claims of reporting in accordance with the GRI Standards	4	
	102-55 GRI content index	64-67	
	102-56 External assurance	This report has not been externally assured. However, we may seek for external assurance in the future.	



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GRI Standard Disclosure	Disclosure	Page number(s) and or URL(s)	Omissions
Materiality topics			
Occupational safety & workforce health			
GRI 103: Management Approach 2018	103-1 Explanation of the material topic and its boundaries	21	
	103-2 The management approach and its components	46-55	
	103-3 Evaluation of the management approach	46-55	
GRI 403: Occupational and Health Safety 2018	403-1 Workers representation in formal joint management-worker health and safety committees	Partially covered in our HSE Management Framework mentioned in page (48).	
	403-2 Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	50-53	
Process Safety and Asset Integrity			
GRI 103: Management Approach 2018	103-1 Explanation of the material topic and its boundaries	21	
	103-2 The management approach and its components	50-53	
	103-3 Evaluation of the management approach	50-53	
Emergency Preparedness			
GRI 103: Management Approach 2018	103-1 Explanation of the material topic and its boundaries	21	
	103-2 The management approach and its components	53	
	103-3 Evaluation of the management approach	53	
Compliance with Regulations			
GRI 103: Management Approach 2018	103-1 Explanation of the material topic and its boundaries	21	
	103-2 The management approach and its components	56	
	103-3 Evaluation of the management approach	56	
GRI 307: Environmental Compliance	307-1: Non-compliance with environmental laws and regulations	56	
Anti-corruption and Bribery			
GRI 103: Management Approach 2018	103-1 Explanation of the material topic and its boundaries	21	
	103-2 The management approach and its components	24-25	
	103-3 Evaluation of the management approach	24-25	
GRI 205: Anti-corruption	205-1 Operations assessed for risks related to corruption	All our operations are assessed (100%).	
	205-2 Communication and training about anti-corruption policies and procedures	24-25	
	205-3 Confirmed incidents of corruption and actions taken	None	



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GRI Standard Disclosure	Disclosure	Page number(s) and or URL(s)	Omissions
Spills to the Environment			
GRI 103: Management Approach 2018	103-1 Explanation of the material topic and its boundaries	21	
	103-2 The management approach and its components	56-58	
	103-3 Evaluation of the management approach	58	
GRI 306: Effluent and Waste 2018	306-1 Water discharge by quality and destination	61	
	306-2 Waste by type and disposal method	61	
	306-3 Significant Spills	56, 58	
Financing and Investor Relations			
GRI 103: Management Approach 2018	103-1 Explanation of the material topic and its boundaries	21	
	103-2 The management approach and its components	28-29	
	103-3 Evaluation of the management approach	28-29	
GRI 201: Economic Performance 2018	201-1 Direct economic value generated and distributed	10-11, 29	
GRI 203: Indirect Economic Impact 2018	Disclosure 203-1 Infrastructure investments and services supported	28-29	
	203-2 Significant indirect economic impacts	28-29	
Greenhouse Gas (GHG) Emission			
GRI 103: Management Approach 2018	103-1 Explanation of the material topic and its boundaries	21	
	103-2 The management approach and its components	56-59	
	103-3 Evaluation of the management approach	59	
GRI 306: Emissions 2018	305-1 Direct (Scope 1) GHG emissions	59	
	305-2 Energy indirect (Scope 2) GHG emissions	59	
Flared Gas			
GRI 103: Management Approach 2018	103-1 Explanation of the material topic and its boundaries	21	
	103-2 The management approach and its components	56-60	
	103-3 Evaluation of the management approach	60	
Flared Gas	OG6: Flared gas	60	
Energy			
GRI 103: Management Approach 2018	103-1 Explanation of the material topic and its boundaries	21	
	103-2 The management approach and its components	56-58	
	103-3 Evaluation of the management approach	58	
GRI 306: Energy	302-1 Energy consumption within the organization	58	
	302-4 Reduction of energy consumption	58	



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GRI Standard Disclosure	Disclosure	Page number(s) and or URL(s)	Omissions
Water			
GRI 103: Management Approach 2018	103-1 Explanation of the material topic and its boundaries	21	
	103-2 The management approach and its components	57-60	
	103-3 Evaluation of the management approach	60	
GRI 303: Water	201-1 Direct economic value generated and distributed	60	
Hydrocarbon Reserves	OG1: Volume and type of estimated proved reserves and production	60	
Human Rights of Employees and Contractors			
GRI 103: Management Approach 2018	103-1 Explanation of the material topic and its boundaries	21	
	103-2 The management approach and its components	32-33	
	103-3 Evaluation of the management approach	32-33	
GRI 401: Employment	401-1 New employee hires and employee turnover	32-33	
Biodiversity and the Marine Environment			
GRI 103: Management Approach 2018	103-1 Explanation of the material topic and its boundaries	Partially covered in page 27	
	103-2 The management approach and its components	Partially covered in page 27	
	103-3 Evaluation of the management approach	Partially covered in page 27	
Biodiversity Assessment	OG4: Significant operating sites in which biodiversity risk has been assessed and monitored	Partially covered in pages 26-27	
Training and Education of the Employees			
GRI 103: Management Approach 2018	103-1 Explanation of the material topic and its boundaries	21	
	103-2 The management approach and its components	34-35	
	103-3 Evaluation of the management approach	34-35	
GRI 404: Training and Education 2018	404-1 Average hours of training per year per employee	34	
	404-3 Percentage of employees receiving regular performance and career development reviews	34	
Diversity and Equal Opportunities			
GRI 103: Management Approach 2018	103-1 Explanation of the material topic and its boundaries	21	
	103-2 The management approach and its components	32-33	
	103-3 Evaluation of the management approach	32-33	
GRI 405: Diversity and Equal Opportunities 2018	405-1 Diversity of governance bodies and employees	32	



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GRI Standard Disclosure	Disclosure	Page number(s) and or URL(s)	Omissions
Local Community Development and Engagement			
GRI 103: Management Approach 2018	103-1 Explanation of the material topic and its boundaries	21	
	103-2 The management approach and its components	28, 40-43	
	103-3 Evaluation of the management approach	28, 40-43	
GRI 202: Market Places 2018	202-2 Proportion of senior management hired from the local community	Senior management in the operating business units of Kurdistan and Egypt is predominantly from the local region in 2018.	
Procurement Practices to Support Local Suppliers			
GRI 103: Management Approach 2018	103-1 Explanation of the material topic and its boundaries	21	
	103-2 The management approach and its components	29, 40-43	
	103-3 Evaluation of the management approach	29	
GRI 204: Procurement Practices 2018	204-1 Proportion of spending on local suppliers	29	
Diversity, Women's Empowerment and Equal Opportunities			
GRI 103: Management Approach 2018	103-1 Explanation of the material topic and its boundaries	21	
	103-2 The management approach and its components	33-34	
	103-3 Evaluation of the management approach	33-34	
GRI 103: Employment	401-3 Parental leave	32	
Nationalization and Job Creation			
GRI 103: Management Approach 2018	103-1 Explanation of the material topic and its boundaries	21	
	103-2 The management approach and its components	33-34	
	103-3 Evaluation of the management approach	33	
Research, Development and Innovation			
GRI 103: Management Approach 2018	103-1 Explanation of the material topic and its boundaries	21	
	103-2 The management approach and its components	61	
	103-3 Evaluation of the management approach	61	
Waste Management			
GRI 103: Management Approach 2018	103-1 Explanation of the material topic and its boundaries	21	
	103-2 The management approach and its components	61	
	103-3 Evaluation of the management approach	61	
Grievance Mechanisms			
GRI 103: Management Approach 2018	103-1 Explanation of the material topic and its boundaries	21	
	103-2 The management approach and its components	38	
	103-3 Evaluation of the management approach	38	

