



## **Dana Gas reports a 483% increase in H1 2019 Net Profit to \$140 million (AED 513mm)**

### **Highlights**

- 7% increase in group production to 68,200 boepd
- 187% increase in Net Profit on a like-for-like basis
- H1'19 net profit includes certain reserve based earn out entitlements of \$71mm
- Independent certification raises Dana's share of hydrocarbon reserves in KRI by 10% to over 1 billion BOE
- Cash balance of \$404mm (AED 1.5 bn) following a \$105mm dividend payment in May

**Sharjah, UAE; 7 August 2019:** Dana Gas PJSC ("Company"), the Middle East's largest regional private sector natural gas company, today announced its Financial Results for the first half ended 30 June 2019.

The Company's H1 2019 net profit jumped 483% to \$140 million (AED 513mm) in H1 2019 compared with \$24 million (AED 88mm) in H1 2018. This was mainly due to the recognition at fair value of certain reserve based earn out entitlements amounting to \$71 million. These are due from certain shareholders in Pearl Petroleum as considerations linked to the original share sale agreements, which were contingent upon proving up additional reserves in Pearl Petroleum which were confirmed by the recent independent reserves report by Gaffney Cline.

Excluding the reserve based earn outs of \$71 million, net profit from core operations increased by 187% to \$69 million (AED 253mm) versus \$24 million (AED 88mm) in H1 2018. This was principally due to an increase in KRI production post debottlenecking which added \$20 million (AED 73mm), Sukuk profit savings and reimbursement of arbitration costs, reflecting the Company's solid operational performance.

Revenue for the first six months of the year advanced 3% to \$242 million (AED 887mm) as increased production in the KRI added \$27 million (AED 99mm) to the topline which was partially offset by \$15 million (AED 55mm) in reduced revenue due to price declines and \$5 million (AED 18mm) due to lower production in Egypt.

### **Dr Patrick Allman-Ward, CEO of Dana Gas, commented:**

*"Dana Gas's net profit of \$140million in the first half 2019 is a clear reflection of the Company's strong operational and financial performance with strongly rising production and revenues from the KRI. An independent certification exercise has shown a 10% increase in the*

*Company's 2P reserves in the KRI to over 1 billion boe. This external reserve auditor's report confirms our view that the Khor Mor and Chemchemical Fields are world class and are probably Iraq's biggest gas fields."*

### **Production & Operations**

The Company's average production in H1 2019 was 68,200 boepd, a 7% increase as compared with 63,600 boepd in H1 2018. Output in the KRI was up significantly to 32,400 boepd in H1 2019 compared to 26,100 boepd in H1 2018, while Egypt output was 4% lower at 34,100 boepd during the same time frame.

### **Liquidity and Collections**

The Company's collections during H1 2019 were excellent. In the KRI, the Company billed \$81 million (AED 297mm), and the full amount has been paid. The Company also received a \$49 million (AED 180mm) dividend from Pearl Petroleum in H1 2019 compared to \$44 million (AED 161mm) in H1 2018. In Egypt, we billed \$58 million (AED 213mm) and collected \$81 million (AED 297mm) in payments, reducing our receivables to \$117 million (AED 429mm). This represents a 42% drop compared to same period last year and at its lowest position since 2011.

Company's cash position is \$404 million (AED 1.5bn) as at 30 June 2019, little changed from the \$407 million (AED 1.5bn) in FY 2018, and includes a dividend payment of \$105 million (AED 384mm) made in May and ongoing Sukuk profit payments.

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### **About Dana Gas**

Dana Gas is the Middle East's first and largest regional private sector natural gas Company established in December 2005 with a public listing on the Abu Dhabi Securities Exchange (ADX). It has exploration and production assets in Egypt, Kurdistan Region of Iraq (KRI) and UAE, with 2P reserves exceeding one billion boe and average production of 63,050 boepd in 2018. With sizeable assets in Egypt, KRI and the UAE, and further plans for expansion, Dana Gas is playing an important role in the rapidly growing natural gas sector of the Middle East, North Africa and South Asia (MENASA) region. [www.danagas.com](http://www.danagas.com)

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