Clean Energy For the MENA Region's Tomorrow

**Gas Arabia Summit, Dubai** 



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### Forward Looking Statement



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### **Presentation Outline**

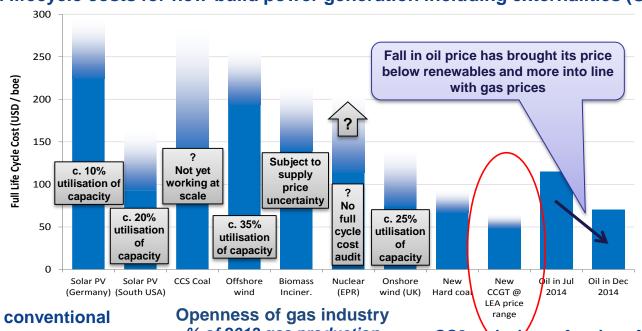


- Middle East Energy dynamics and growing role of gas
- Dana Gas Regions leading gas independent
- Providing solutions to local gas market challenges
- Summary

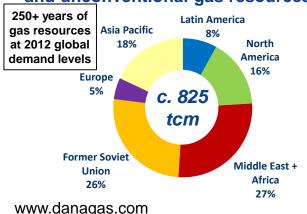
## Gas is the growth fuel of the 21st Century. It has strong environmental credentials, is cost competitive, is accessible and available in abundance



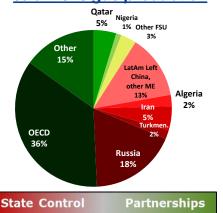
### Current full lifecycle costs for new-build power generation including externalities (USD per boe)



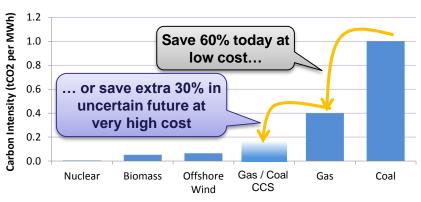
**Huge global conventional** and unconventional gas resources



% of 2013 gas production

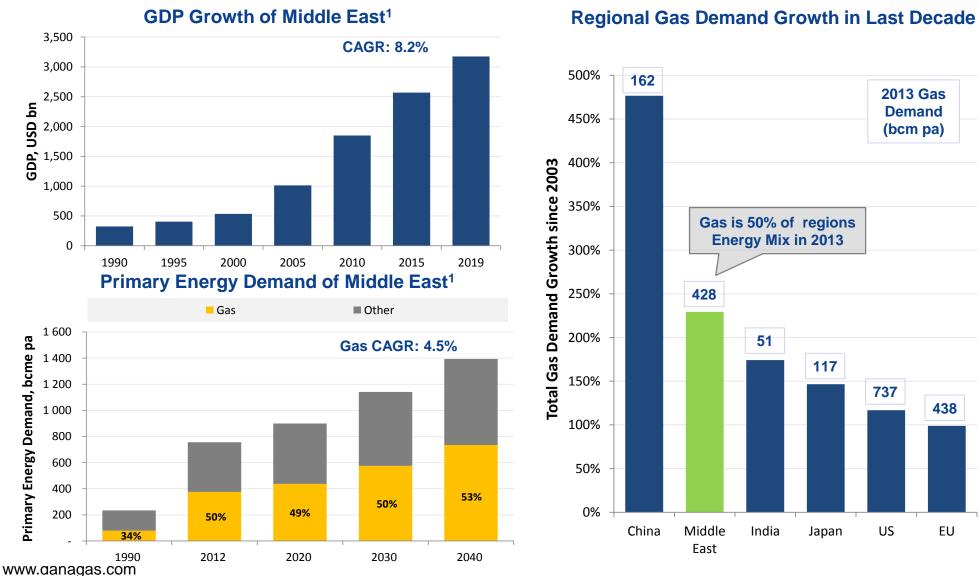


CO2 emissions of various fuels in power generation



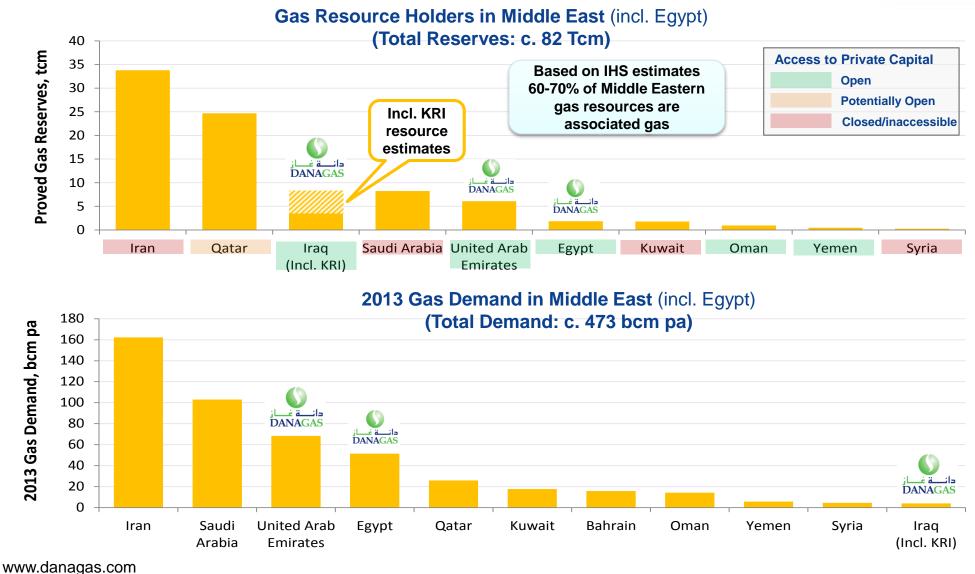
## Middle East gas demand is poised for continued growth as the region's population and economy grows in coming decades





# Middle East has abundant gas resources to fulfil both domestic and international gas demand for over a century



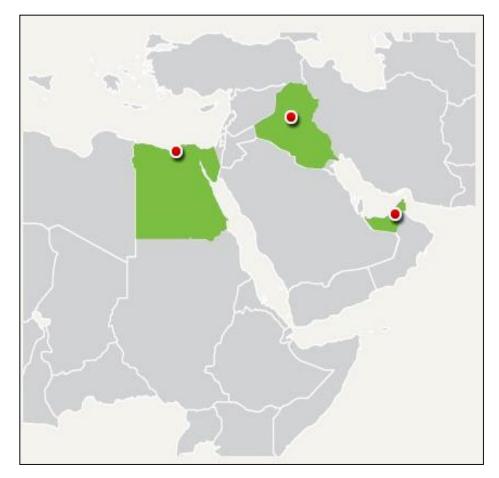


## Dana Gas is a gas focused regional independent E&P company and is listed on the ADX



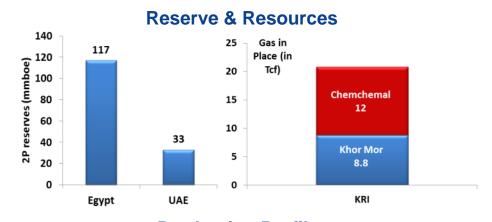
- Dana Gas is a MENASA focused gas independent headquartered in the UAE
- Dana Gas is quoted in the UAE stock exchange (Abu Dhabi Securities Exchange). Bloomberg: DANA:UH
- Shares outstanding: ca. 6,960 million Market capitalisation: approx. \$ 1.2 billion Enterprise value: \$ 1.8 billion
- Net Debt/(Cash)<sup>1</sup>: \$ 602 million (end 2014 Q3)
- Current Production: 70.5 kboed (2014 9M)
- 2P Reserves<sup>2</sup>: 150 mmboe
- Strong Corporate Governance structure and a unique pan-MENA Board of Directors access to business opportunities in the world's largest hydrocarbon region

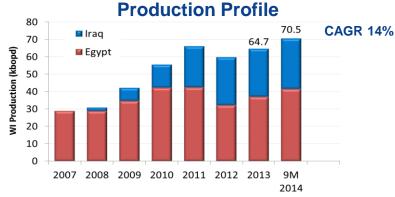
## Dana Gas is operating at the heart of the World's Largest Hydrocarbon region



# Given strong gas demand fundamentals and resource potential, Dana Gas is uniquely positioned to grow across the region



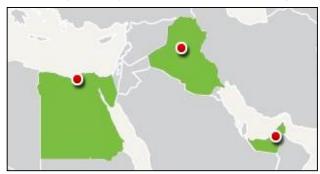




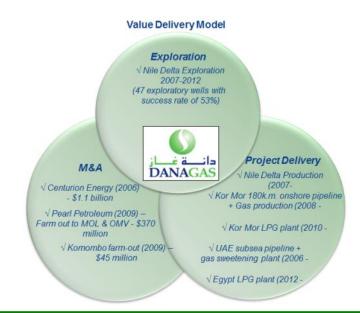
Mid Stream and Downstream asset

- EBGDCo Liquid Extraction plant (LPG)
- UGTC & SajGas Gas Transportation and Processing
- 35% in Crescent Natural Gas Corporation Limited (CNGCL) Gas marketing

## Dana Gas is operating at the heart of the world's largest hydrocarbon bearing region



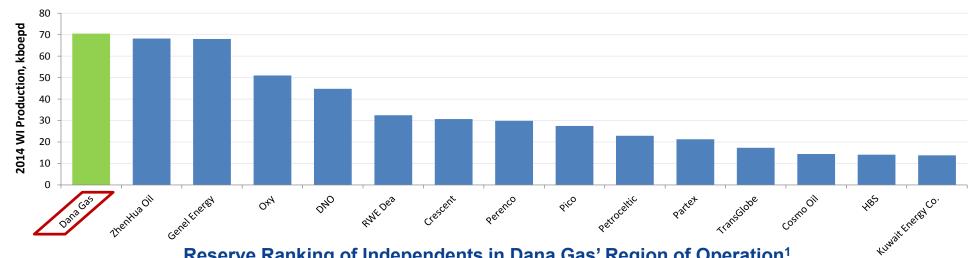
#### **Business Model across the gas value chain**



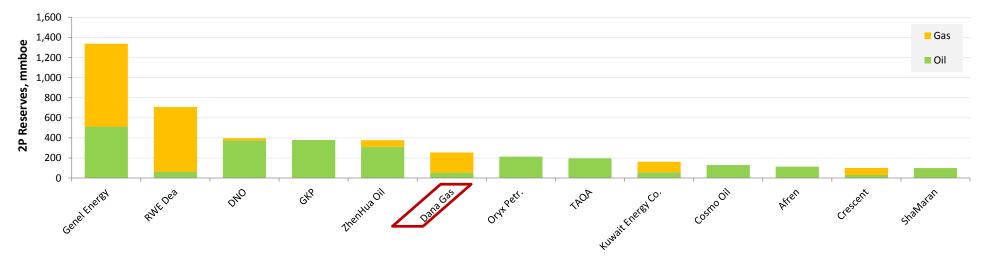
## Dana Gas is a leading reserve holder and producer in its core areas in MENA region











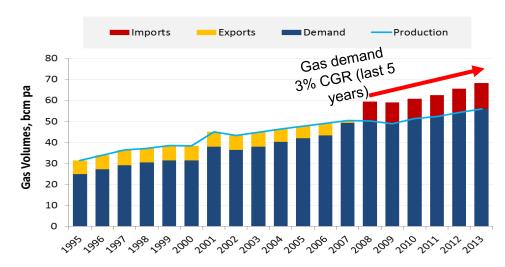
www.danagas.com

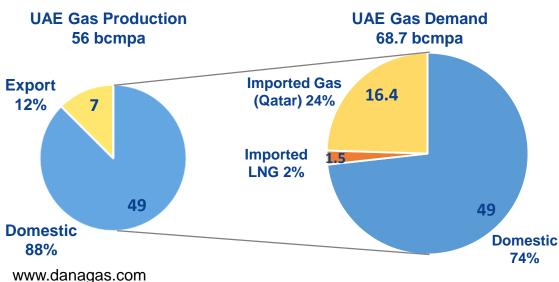
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To meet its growing gas demand, the UAE needs to tap into its domestic resources and create greater connectivity to global LNG markets. As Dana Gas, we are focused on developing gas resources in the region for local needs

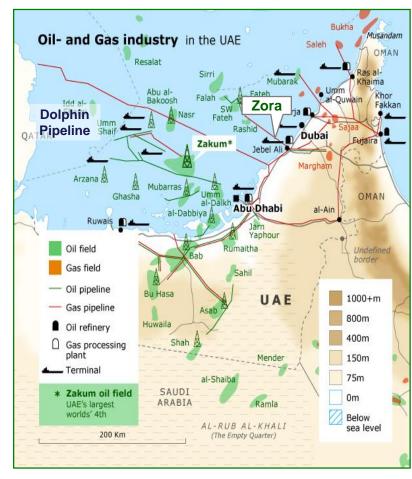


#### **UAE Gas Demand Balance**





#### Map of UAE with major oil and gas infrastructure



### **UAE: Zora Project Update**



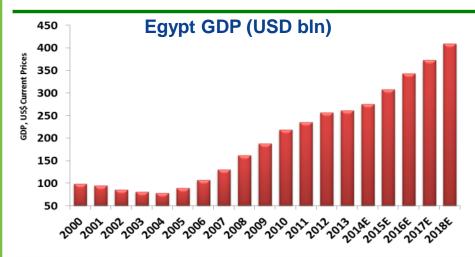


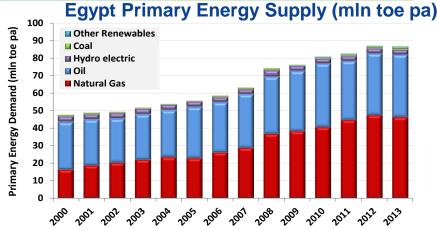
Offshore platform under fabrication

- Overall project progress is in line with plans for first gas in 1H 2015 with a capacity of 40 mmscfd (6,650 boepd)
- All major facilities contracts now awarded
- Offshore platform fabrication progress 70%
- Line Pipe manufactured and transported to Abu Dhabi and coating in progress
- All onshore and offshore major procurement items ordered
- Onshore plant site work started

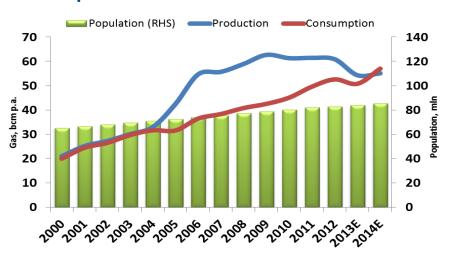
## Despite a challenging business environment; Egypt gas fundamentals are robust



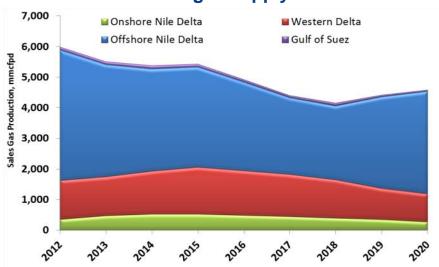




Gas consumption in Egypt to exceed production for first time since 1995

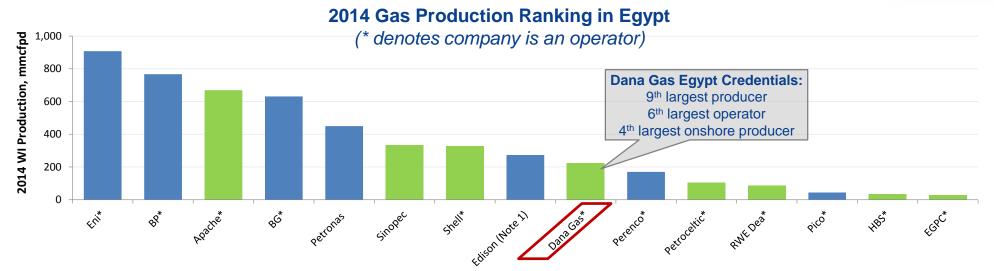


Onshore Nile Delta steady and critical gas supply source

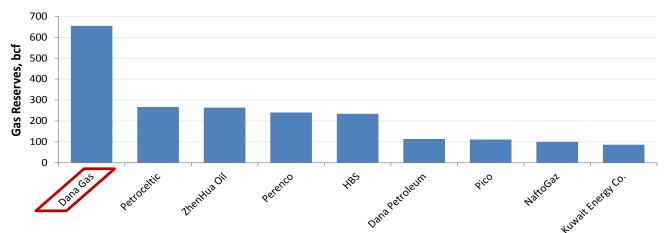


## Dana Gas is the largest independent gas producer and 4<sup>th</sup> largest onshore producer in Egypt









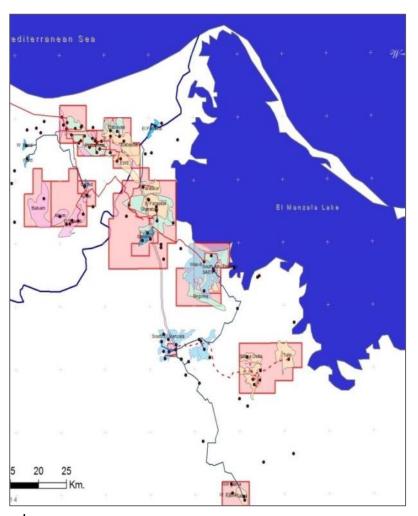
**EBGDCO LPG Plant** (Dana Gas holds 26.4% of the project)



## Gas Production Enhancement Agreement helps Egypt increase production while delivering long term value to Dana Gas



## GPEA initiative allows Dana Gas to optimise core Nile Delta asset



#### **Investment highlights:**

- Drilling includes 37 new wells and an equivalent number of work-over wells over a 7 year period in existing concessions in Nile Delta
- Investment to boost incremental production by c. 270 bcf of natural gas, 9 mmboe of condensate and 450k tonnes of LPG
- Capital expenditure to be funded by a combination of project financing and internally generated funds from Egypt

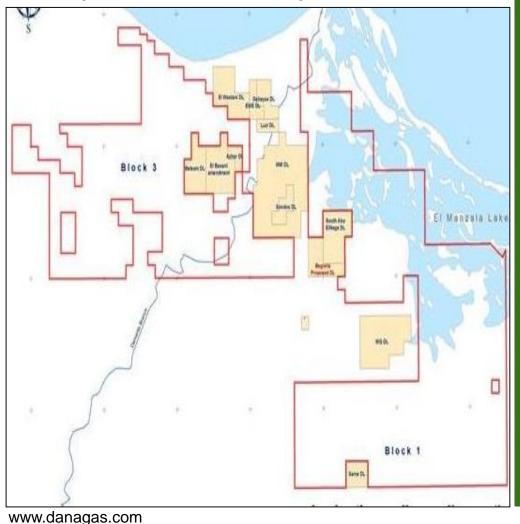
#### **Commercial framework**

- Financial proceeds from incremental condensate sales at international market prices are to be retained by Dana Gas and the government share of proceeds will be applied directly to pay down outstanding receivables
- Under the agreed commercial arrangement,
   Dana Gas' receivables are expected to fall from the current level to nominal levels by mid-2018

## Newly awarded exploration blocks in Nile Delta enables Dana Gas to build on its core area production and utilising existing infrastructure



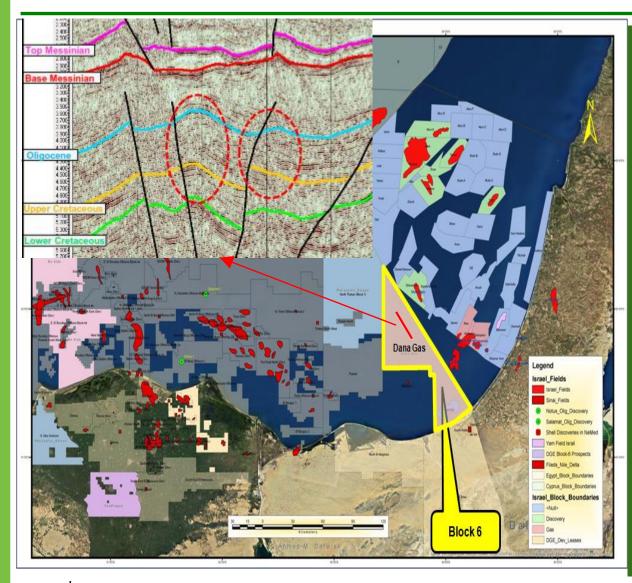
### Blocks 1 & 3 located adjacent to Dana Gas' prolific Nile Delta development leases



- Awarded the North El Salhiya (Block 1) and El Matariya (Block 3) onshore concessions in the Nile Delta in the 2014 EGAS bidding round
- Block 1 (Dana Gas 100% WI) is an extension of the company's existing, successful conventional gas business
- Block 3 (Dana Gas 50% WI) targets deeper Oligocene opportunities. BP to operate as 50:50 JV partner
  - BP will operate Block 3 as 50/50 partner and target deeper, high-potential Oligocene play which is proven and tested in offshore Nile Delta by BP and BG
  - BP and Dana Gas in discussions on possible joint participation in some of Dana Gas's adjacent Development Leases linked to exploration success in Block 3

# Dana Gas' investment into exploration assets highlights its long term plans for investment in Egypt and its future upsides in the country

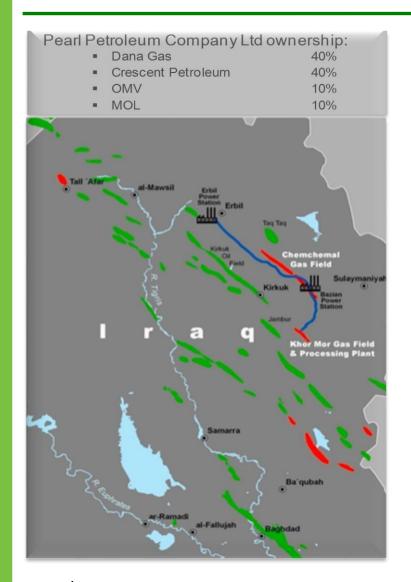




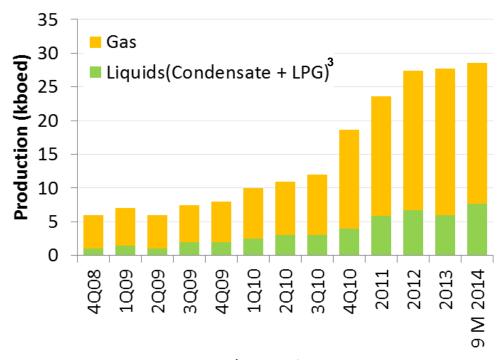
- G&G studies prior to commencing seismic acquisition in Q4-14 / Q2-15
- Environmental Impact
   Assessment ahead of seismic operations
- Seismic reprocessing of vintage 2D seismic data across the block Q4-14
- The initial seismic acquisition will consist of ~2000 lkm of 2D seismic to cover the deep water portion of the block where there is currently very limited seismic coverage

### Rich gas and condensate producer with strong growth track record





#### Khor Mor Field Production, Dana Gas net share (40%)

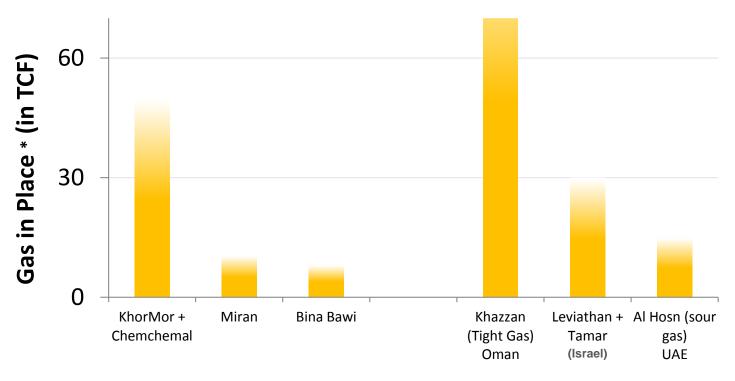


- Pearl has invested over \$1.1bn of capital in the region and produced c.100 mmboe of oil and gas (incl. over 400 bcf of gas) from the Khor Mor Field.
- Gas produced from the Khor Mor field is supplied to local power stations generating c. 1750 MW electricity, which enables the 5mln strong population of the KRI to receive continuous electricity and has benefitted the regional government by saving it over \$11bln in fuel costs over last five years.

# Khor Mor and Chemchemal are potentially largest gas fields in the KRI and comparable to large scale gas developments in the region



## Large Gas Developments in MENA (Source: Company disclosure)



**Kurdistan Gas Fields** 

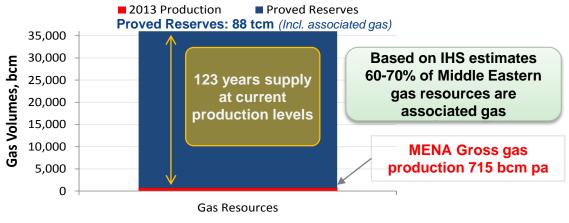
Key MENA gas fields under development

<sup>\*</sup> Excludes associated liquid and oil upsides

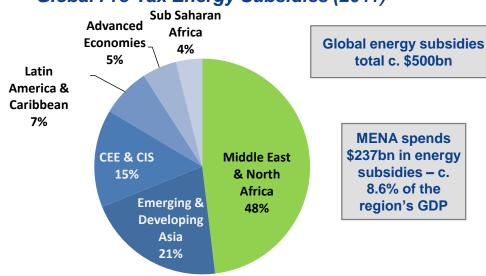
MENA gas markets have huge potential and strong fundamentals for growth. Market based pricing could accelerate the development of gas as the region's preferred fuel for economic growth



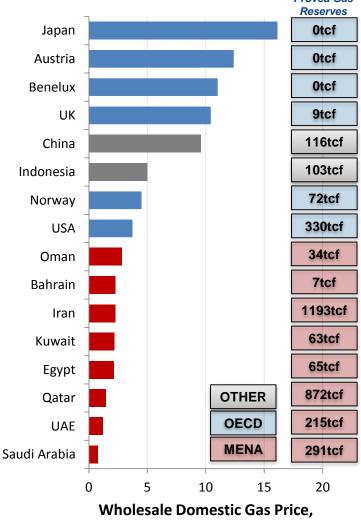




### Global Pre-Tax Energy Subsidies (2011)



#### Global Wholesale Domestic Gas Prices



\$/mmbtu



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