

North Africa - Is the risk worth the reward?

IP Week, London



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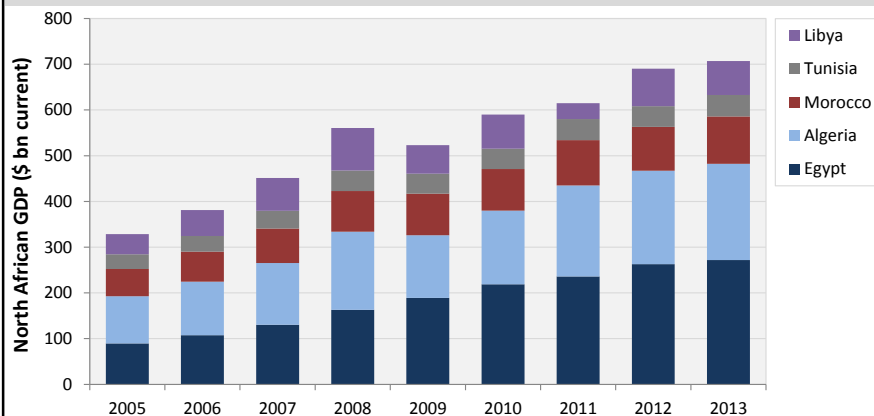
11th February, 2015

- North Africa – An important Hydrocarbon producing region in global context
- Region's potential and challenges
- Increasing importance of regional independents
- Dana Gas in Egypt, a major success story

North Africa is a key region for global oil & gas production and contributes large part of Africa's oil and gas productive capacity. North Africa is also fast developing into a major consumer of oil & gas underpinned by strong economic growth.

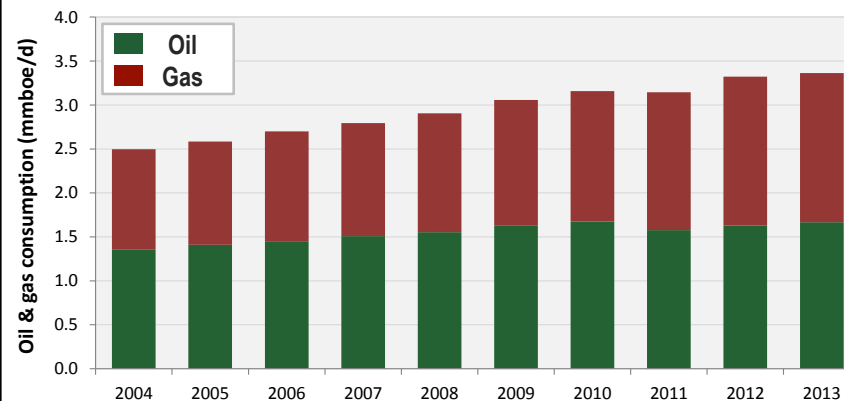
North African GDP trend

The North African GDP has grown at a rate of 10% per annum since 2005



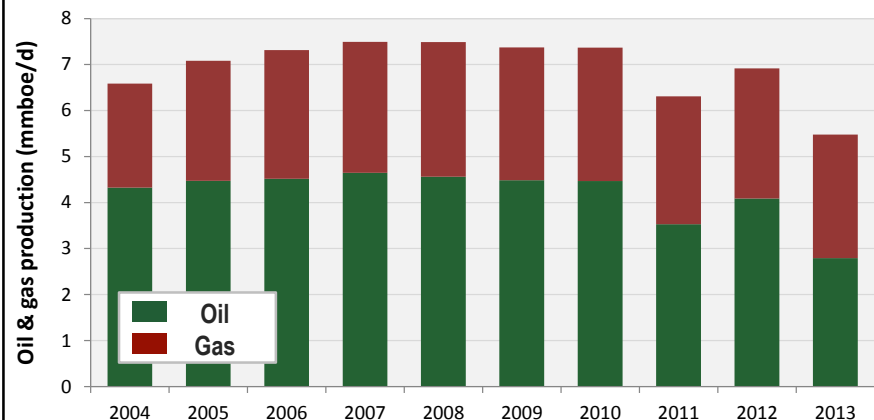
North African oil & gas demand

North Africa's oil and gas demand has increased at 3.5% per year



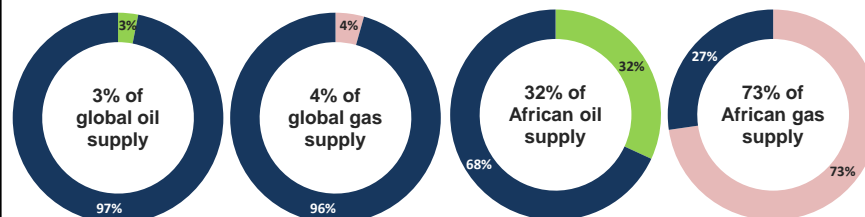
North African oil & gas supply

North African oil and gas production have dipped due to civil insecurity in both Libya and Egypt



North African oil & gas supply as % of Africa & global supply (2013)

North Africa accounts for 32% of Africa's oil production and 73% of its gas production. Its contribution to global oil and gas supply is relatively limited.

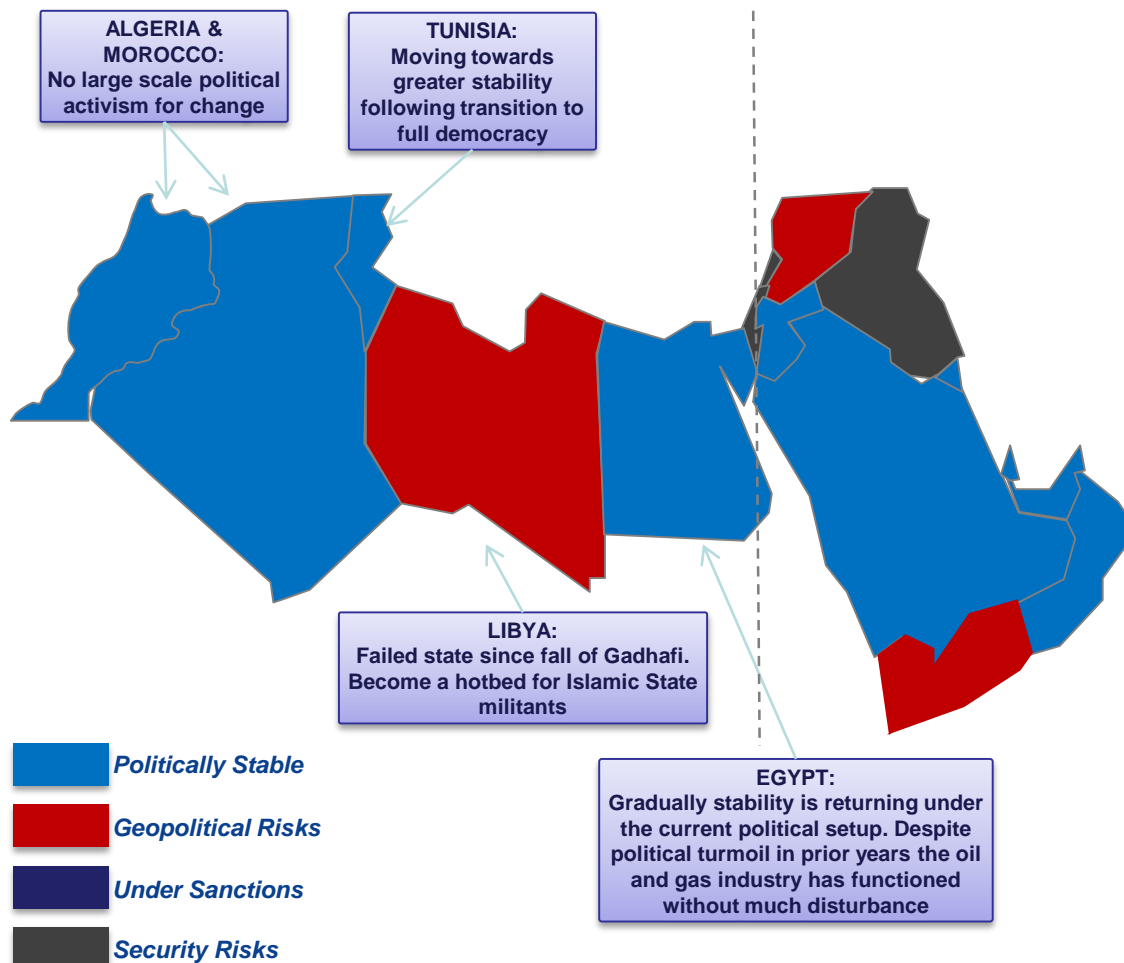


Post Arab Spring, major parts of North Africa have stabilised (with the exception of Libya) and region is open for business

MENA: Political landscape

North Africa

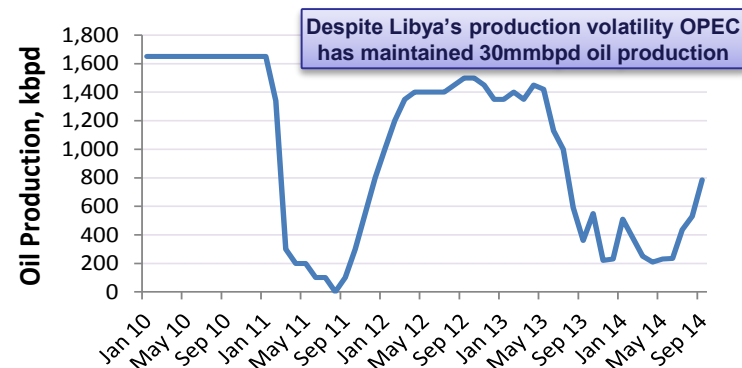
Middle East



CDS spread of Egypt, Algeria and Morocco - 5 yr Bonds

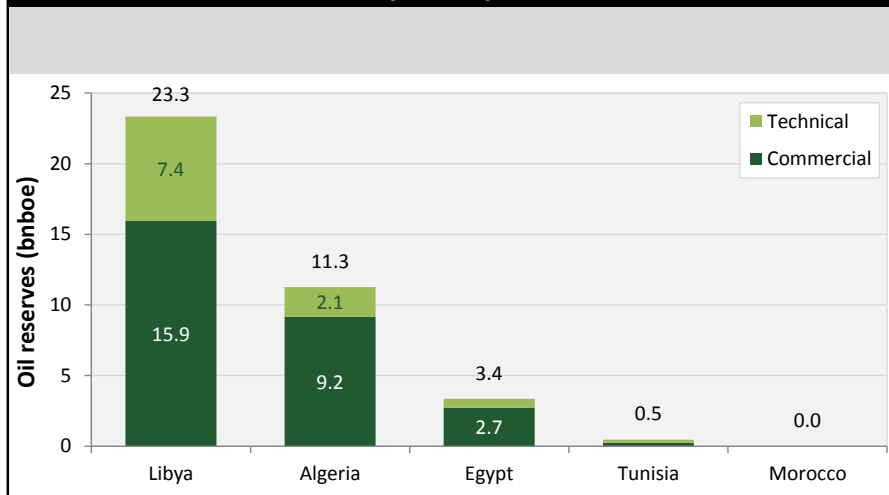


Libya oil production since 2010

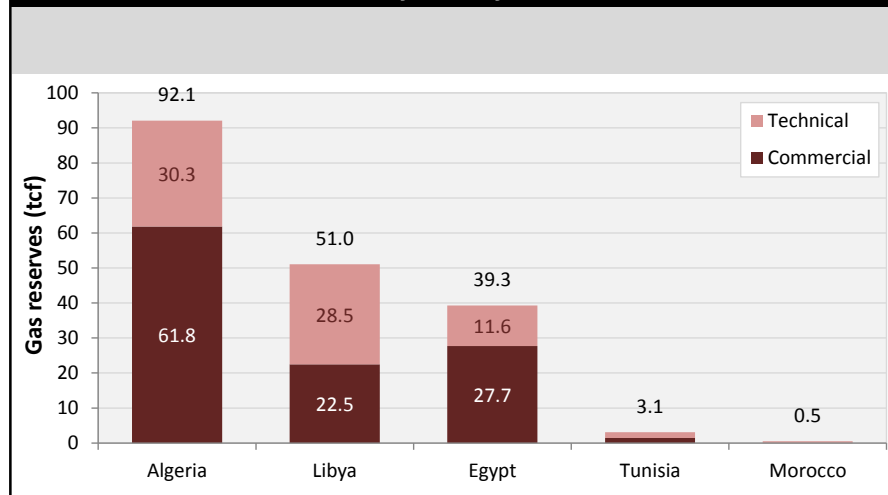


Libya and Algeria hold c. 90% of the oil and gas reserves in the North Africa. Egypt has leapfrogged Libya to become the region's second largest producer and is on the verge of becoming a net energy importer.

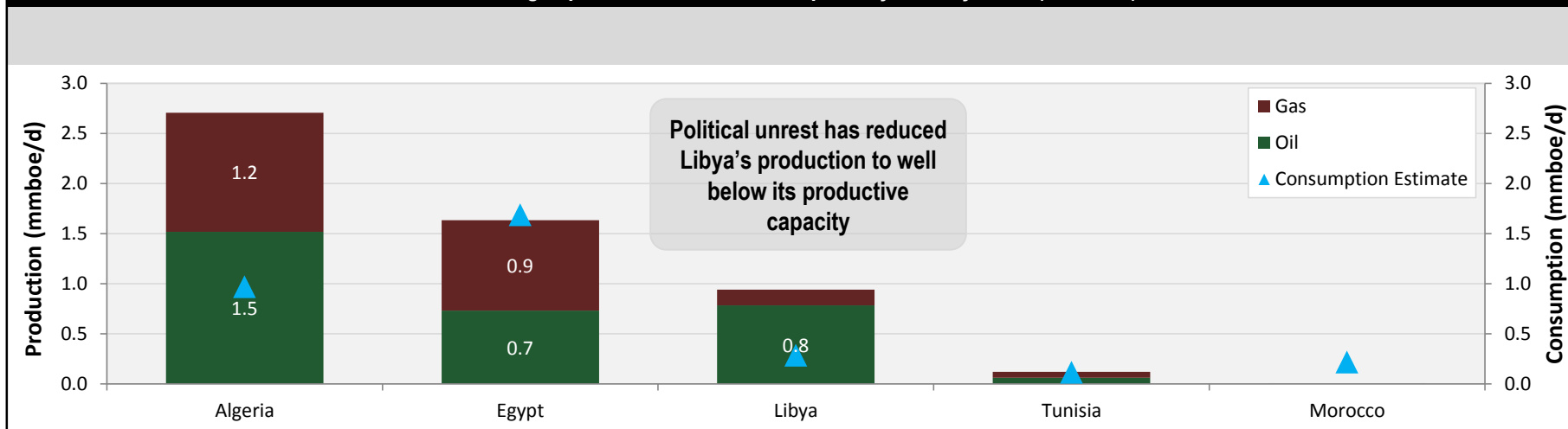
Oil reserves by country, 2014 (mmboe)



Gas reserves by country, 2014 (mmboe)

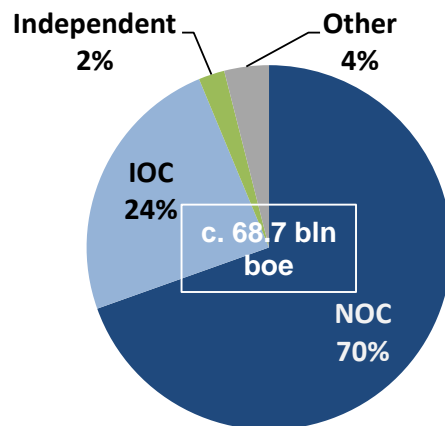


Oil and gas production and consumption by country, 2013 (mmboed)

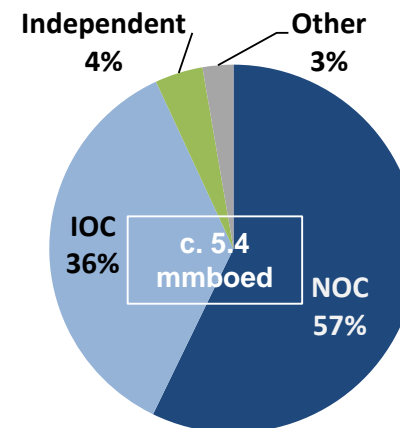


NOCs and IOCs are dominant resource holders and producers across North Africa effectively controlling more than 90% of reserves and production. Dana Gas is the leading oil & gas independent in the region.

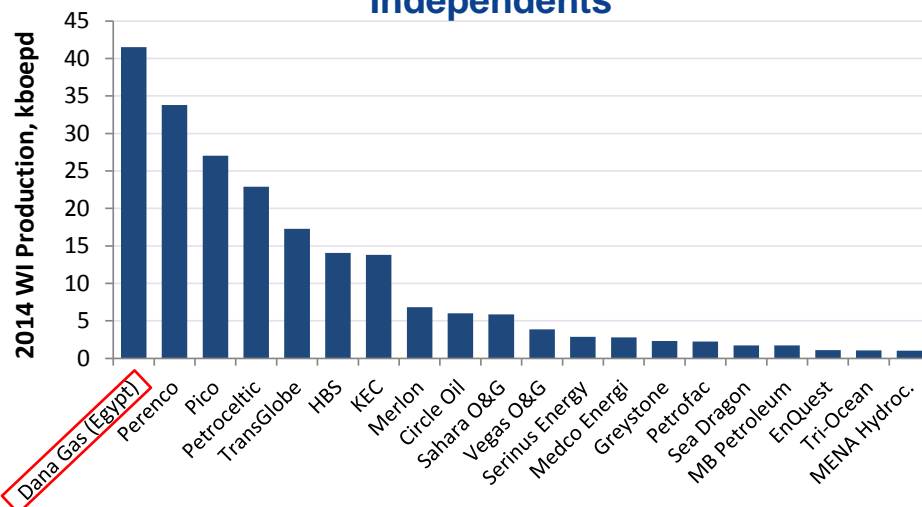
N. Africa Reserves by Company Type



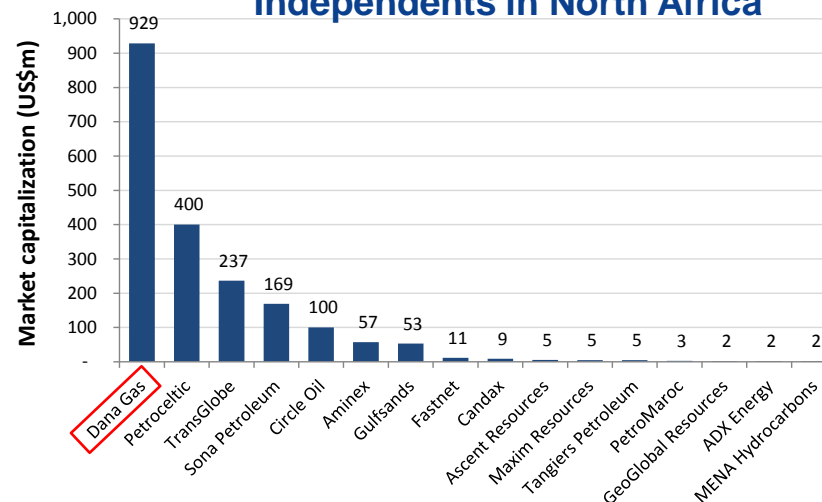
N. Africa Production by Company type (2014E)



2014E North Africa Production ranking of Independents



Market Cap ranking of listed Small Independents in North Africa



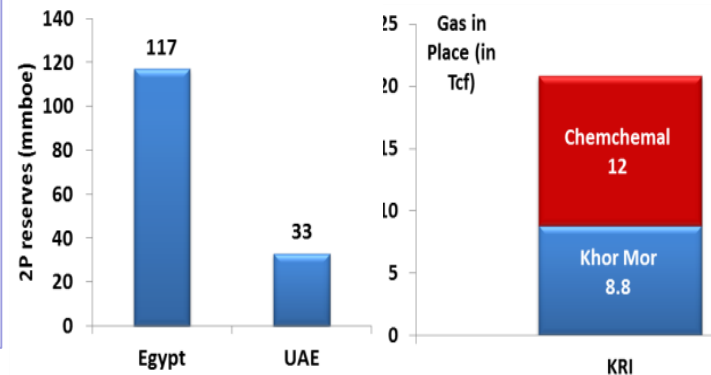
Dana Gas is a gas focused regional independent E&P company and is listed on the ADX. Dana Gas works across the gas value chain addressing both domestic and export market needs



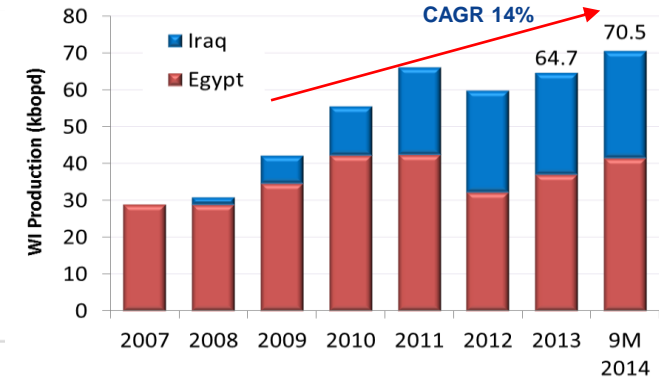
Overview

- Dana Gas is a MENA focused gas independent headquartered in the UAE
- Market cap: \$ 891 mln
- 2P reserves (2013YE): 150 mmboe
- Production (2014E): 70.5 kboed

Reserve & Resources



Production Profile



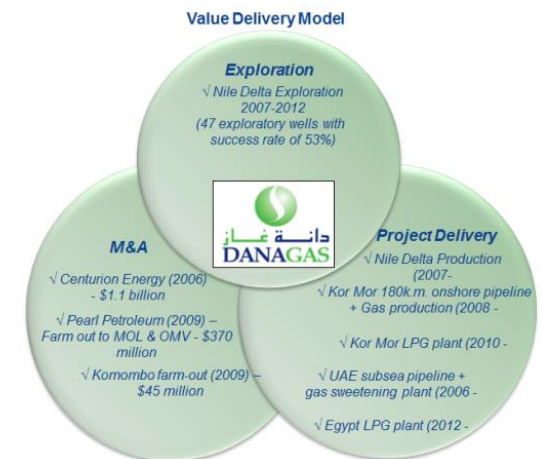
Dana Gas is operating at the heart of the world's largest hydrocarbon bearing region



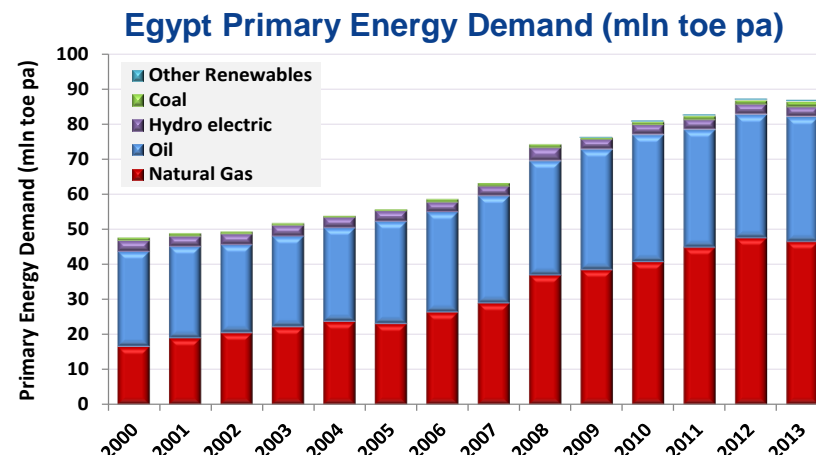
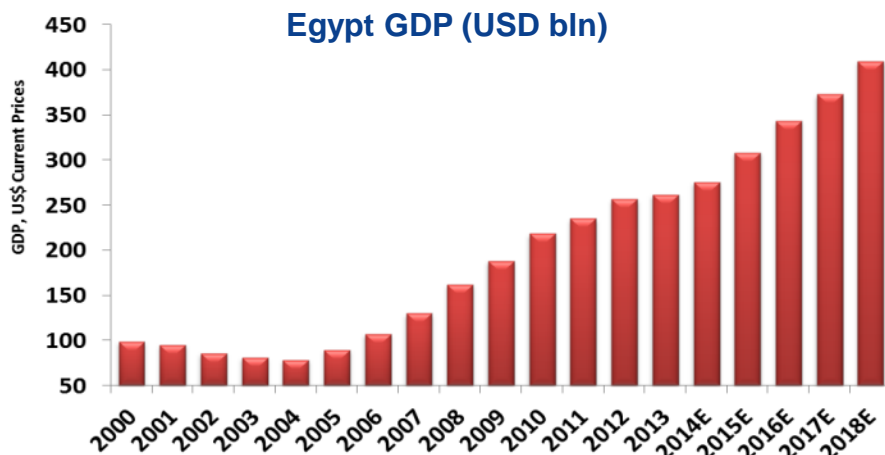
Mid Stream and Downstream assets in MENA

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

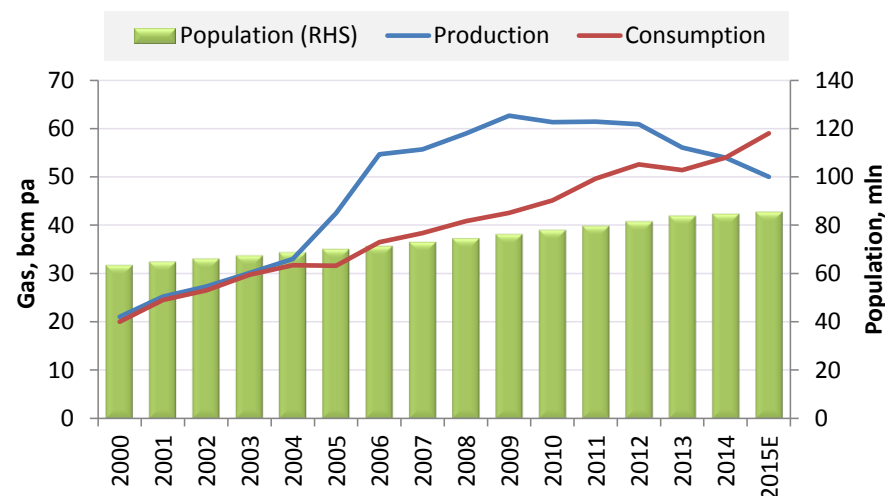
Business Model across the gas value chain – Meeting energy needs of domestic and export markets



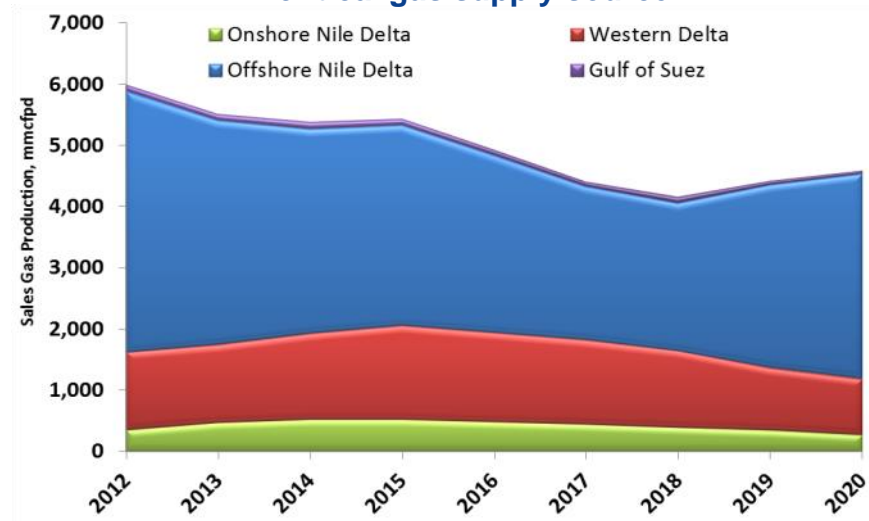
Despite a challenging business environment; Egypt gas fundamentals are robust.
Dana Gas continuous to play a key role in increasing gas production in the core Nile Delta region



Gas consumption in Egypt in 2015 expected to exceed production (LNG imports expected to fill the gap)



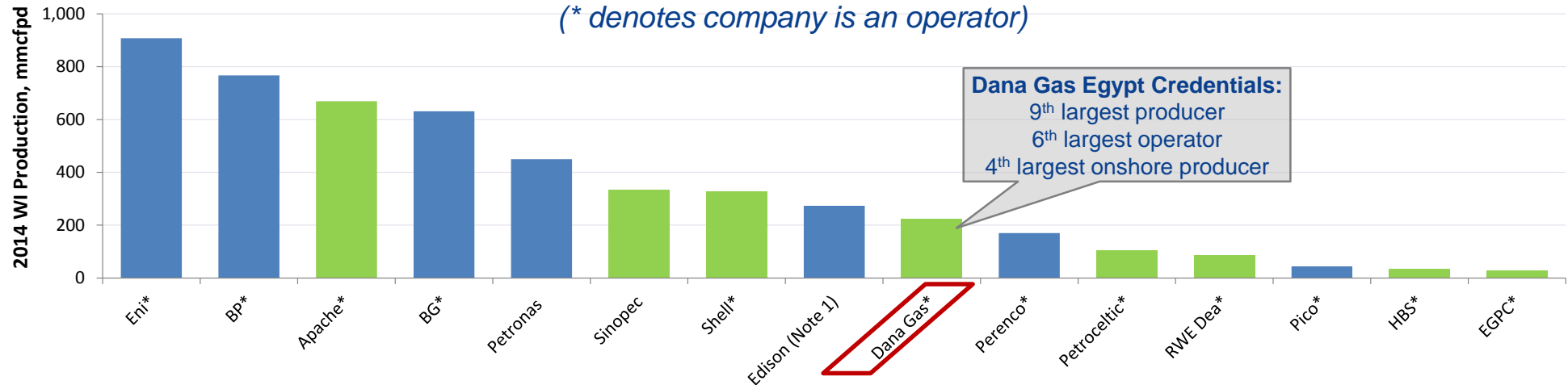
Onshore Nile Delta steady and critical gas supply source



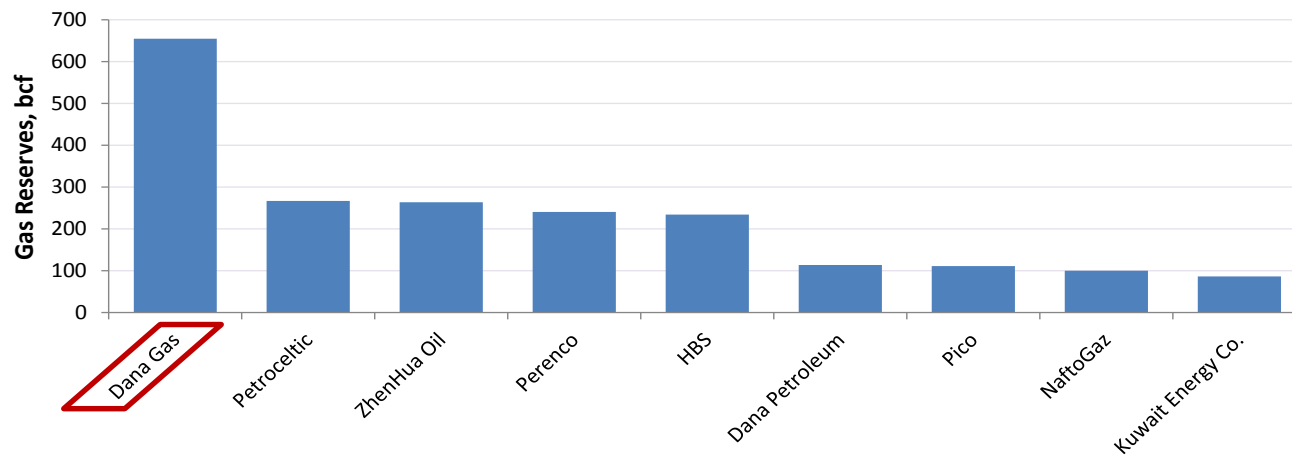
Dana Gas is the 6th largest operator and 4th largest onshore producer in Egypt

2014 Gas Production Ranking in Egypt

(* denotes company is an operator)



Gas Reserve Ranking of Independents in Egypt



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



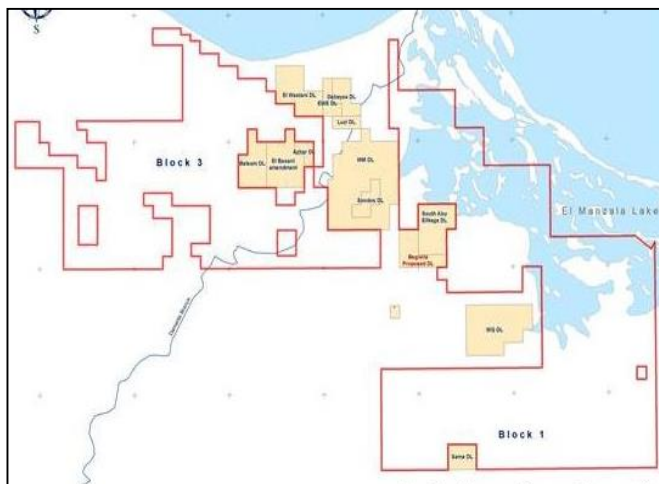
1. Edison holds 100% operating interest in Abu Qir, but the development is operated by a 50:50 JV with EGPC – Edison not designated as operator

- 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

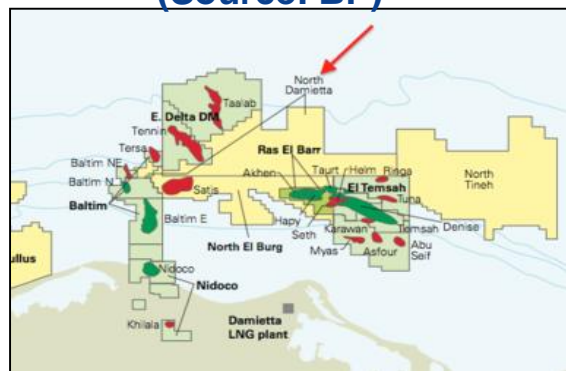
- Financial proceeds from incremental condensate sales at international market prices are to be retained by Dana Gas and the government share of proceeds will be applied directly to pay down outstanding receivables
- Under the agreed commercial arrangement, Dana Gas' receivables are expected to fall 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. BP partnership can potentially unlock proven deeper Oligocene play in onshore areas

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

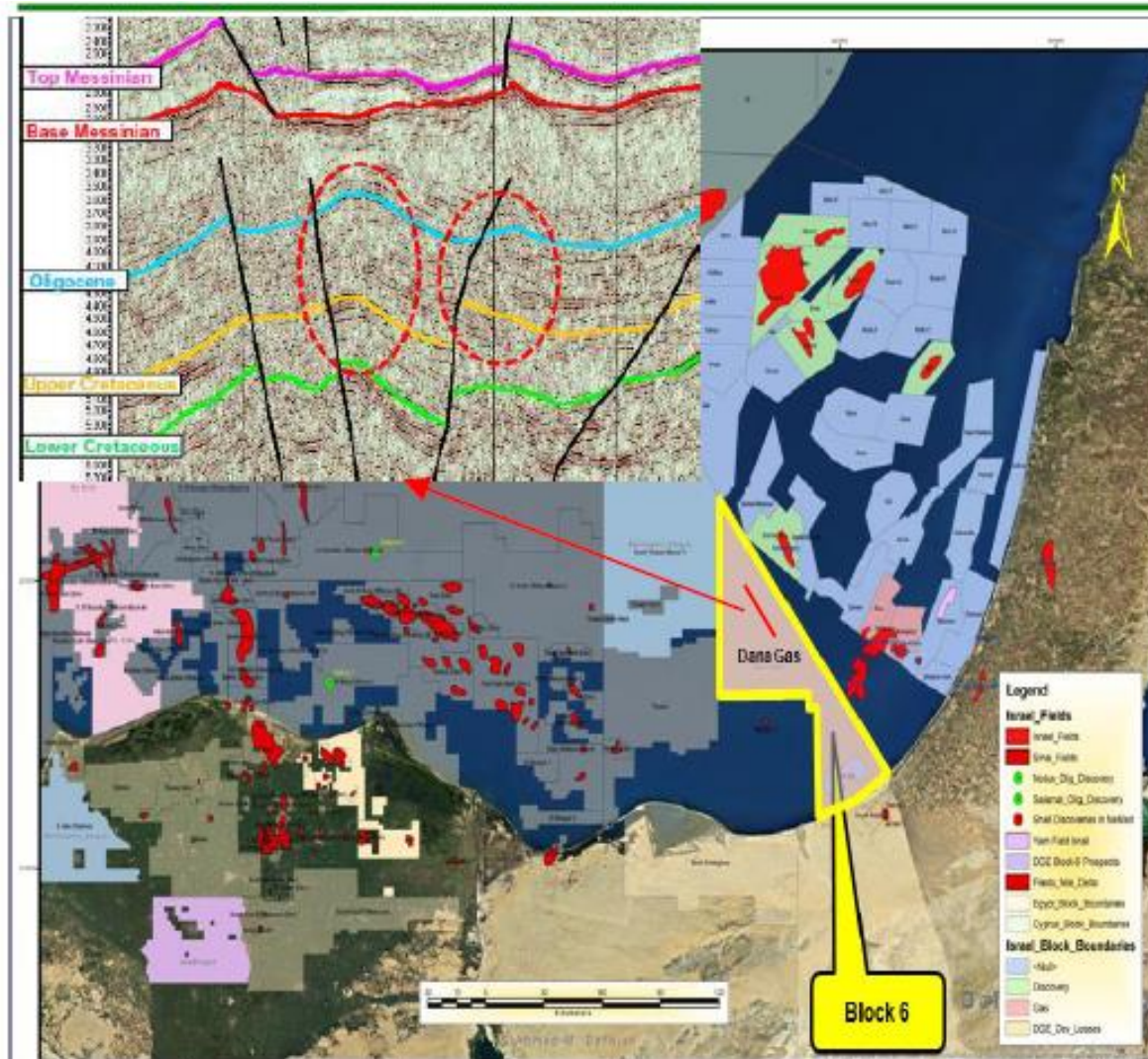


East Nile Delta – Oligocene Play BP - 2013 Salamat Discovery(Gas condensate) (Source: BP)



- 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 1H 15
- 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

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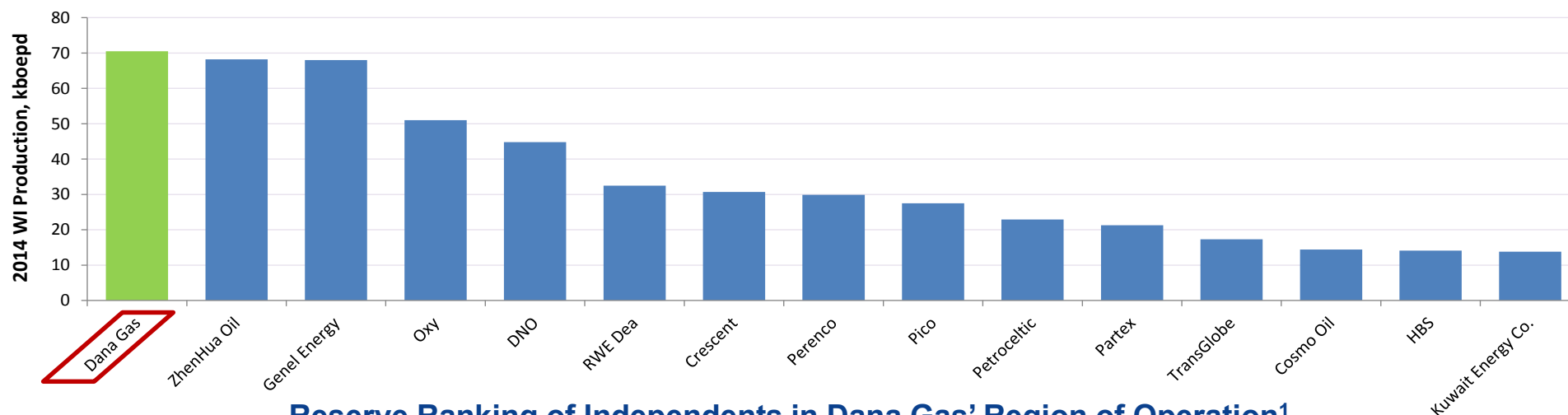
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Dana Gas is a leading reserve holder and producer in its core areas in MENA region

2014 Production Ranking of Independents in Dana Gas' Region of Operation¹



Reserve Ranking of Independents in Dana Gas' Region of Operation¹

