

Clean Energy for the Future

Q1 2017 – Financial Results

11 May 2017



Disclaimer

This presentation contains forward-looking statements which may be identified by their use of words like “plans,” “expects,” “will,” “anticipates,” “believes,” “intends,” “projects,” “estimates” or other words of similar meaning. All statements that address expectations or projections about the future, including, but not limited to, statements about the strategy for growth, product development, market position, expenditures, and financial results, are forward looking statements.

Forward-looking statements are based on certain assumptions and expectations of future events. The Company, its subsidiaries and its affiliates (the “Companies”) referred to in this presentation cannot guarantee that these assumptions and expectations are accurate or will be realized. The actual results, performance or achievements of the Companies, could thus differ materially from those projected in any such forward-looking statements. The Companies assume no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events, or otherwise.



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1. Headlines

Operations

- Group production up 16% to 69,900 boepd
- Q1 Egypt production up 24%
- First export of Condensate in Egypt completed in April 2017
- Direct sales to KRG through Jambour pipeline
- KRG requested appraisal and development plans for Khor Mor and Chemchemical
- Zora: a detailed geo-technical study is being carried out

Financials

- Company reported 44% increase in revenue and 83% increase in net profit reflecting increased production and improved realized prices
- Continued successful cost reduction with OPEX down by 23%
- CAPEX balanced in Egypt with collections
- Positive free cash flow during the quarter

Liquidity

- Ongoing difficulties with collections in Egypt, impacting liquidity and cash reserves
- Egypt collection at 42% and Kurdistan Region of Iraq at 119%
- Total trade receivables at \$ 1billion
- Focus on short term cash preservation
- \$298m of cash in hand at period end
- \$60m Zora loan repaid-Q2 2017
- Initiated Sukuk refinancing process

Arbitration

KRI Arbitration

- 3rd partial final award of 31 January 2017
- Dismissal of all KRG counter claims
- Quantum hearing in Q3 2017

NIOC Arbitration

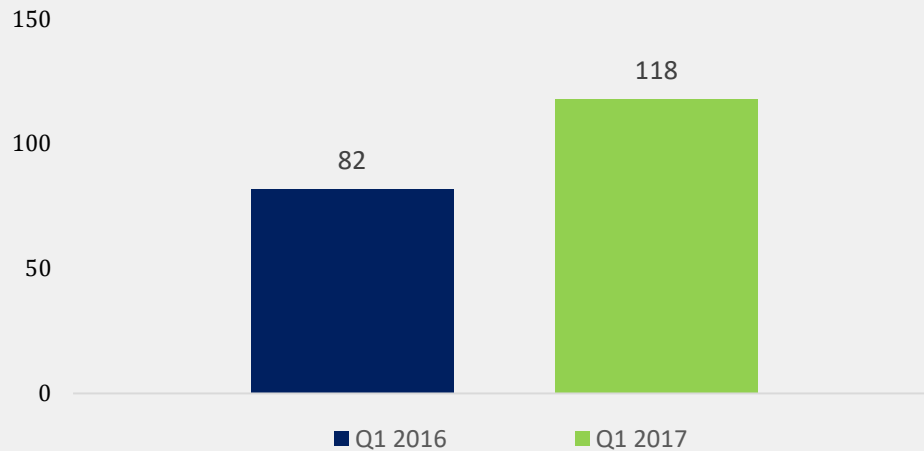
- Pleadings heard in November 2016, damages due end 2017/early 2018



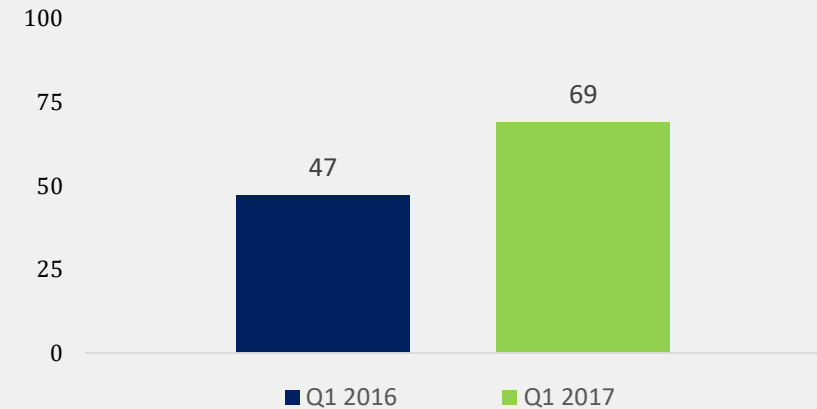
2. Financial Update

Financial Highlights

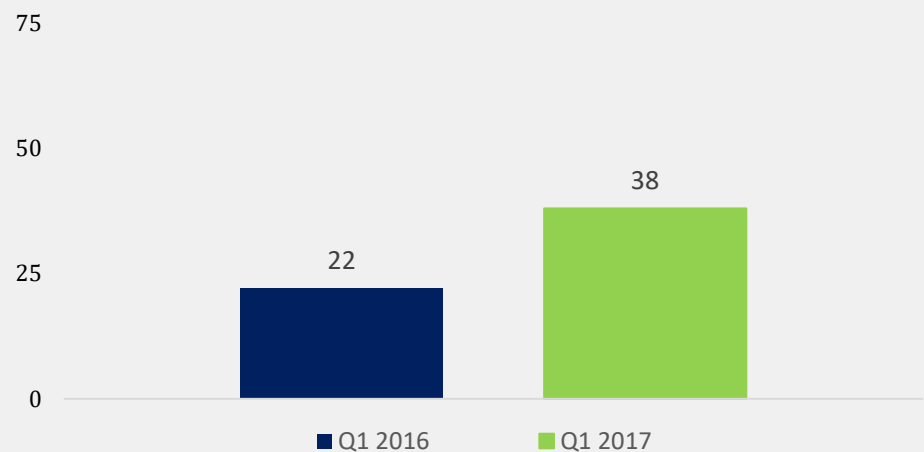
Gross Revenue (million USD)



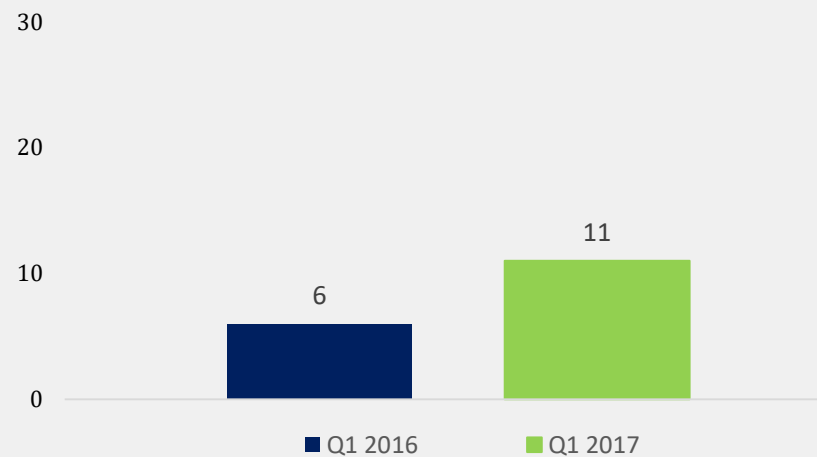
EBITDA (million USD)



Gross Profit (million USD)

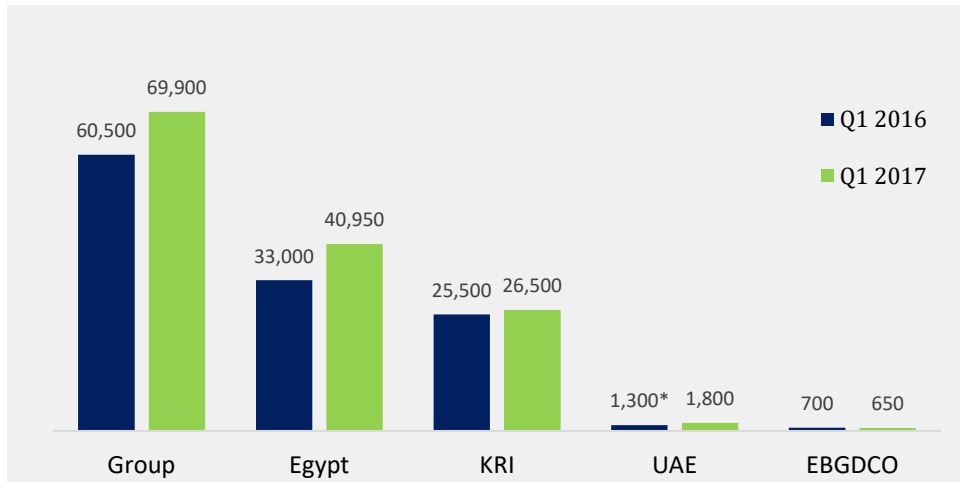


Net Profit (million USD)



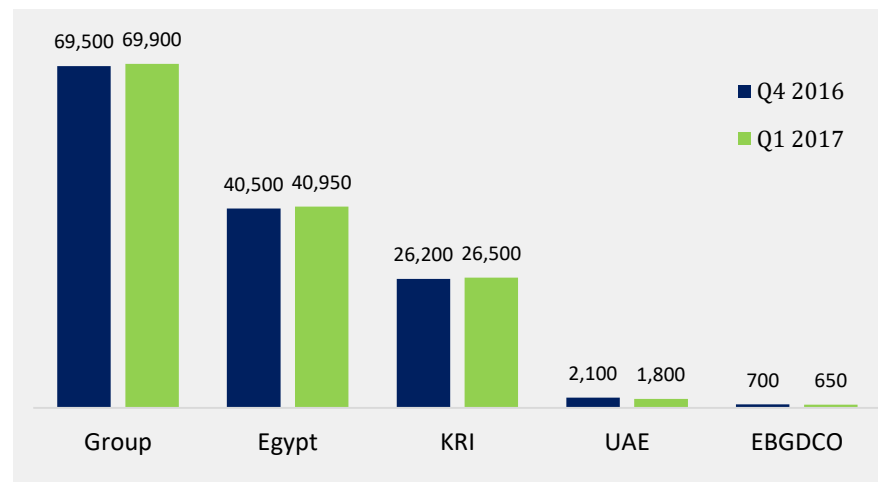
Production (boepd) & Realized Prices (USD/boe)

Average production Q1 2017 Vs Q1 2016

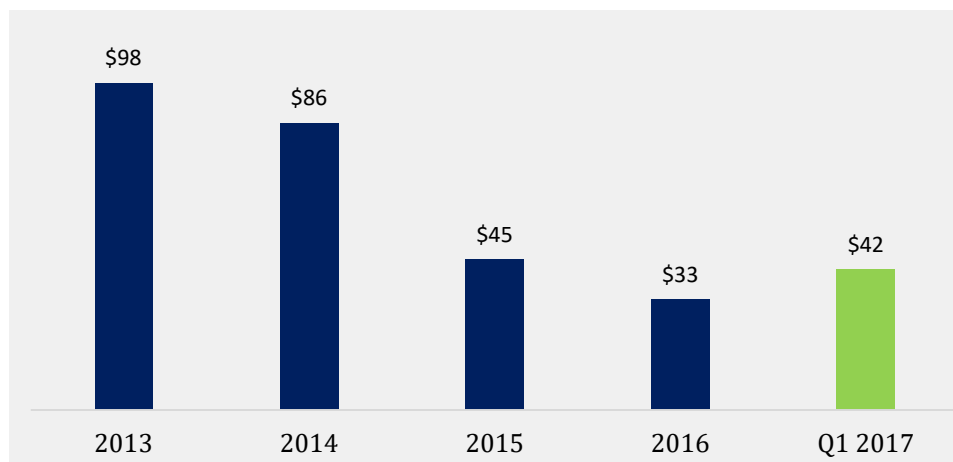


* Normalized

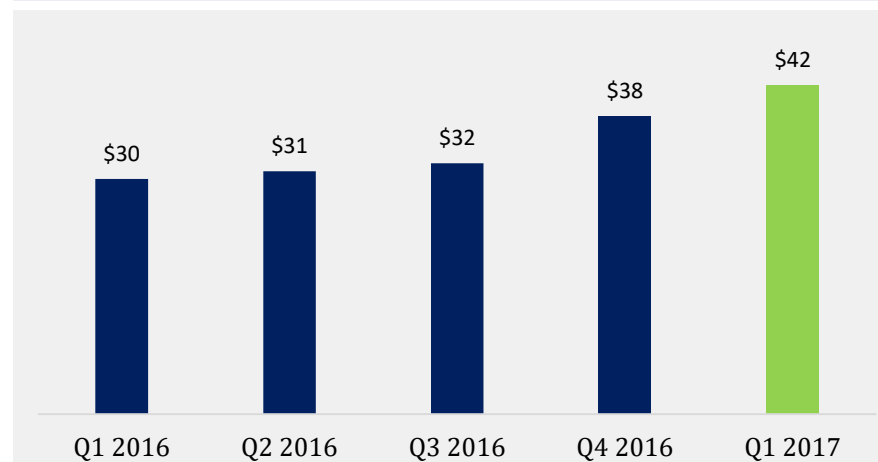
Average production Q1 2017 Vs Q4 2016



Average Realized Prices (USD/boe)

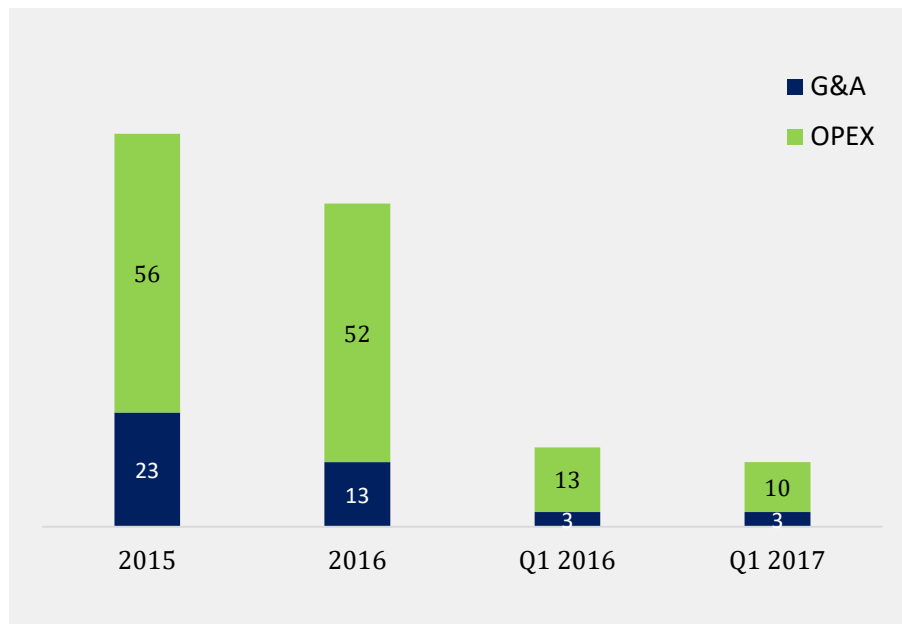


Average Realized Prices (USD/boe)



CAPEX & OPEX

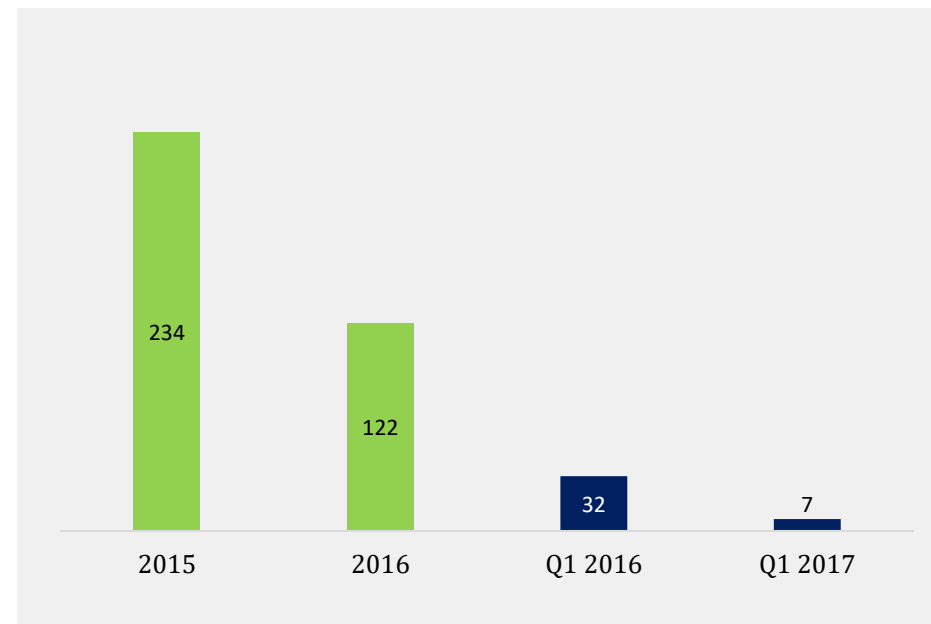
G&A / OPEX (million USD)



G&A / OPEX

- Company continues to optimise costs
- OPEX down 23% due to further rationalisation of costs in Egypt

CAPEX (million USD)

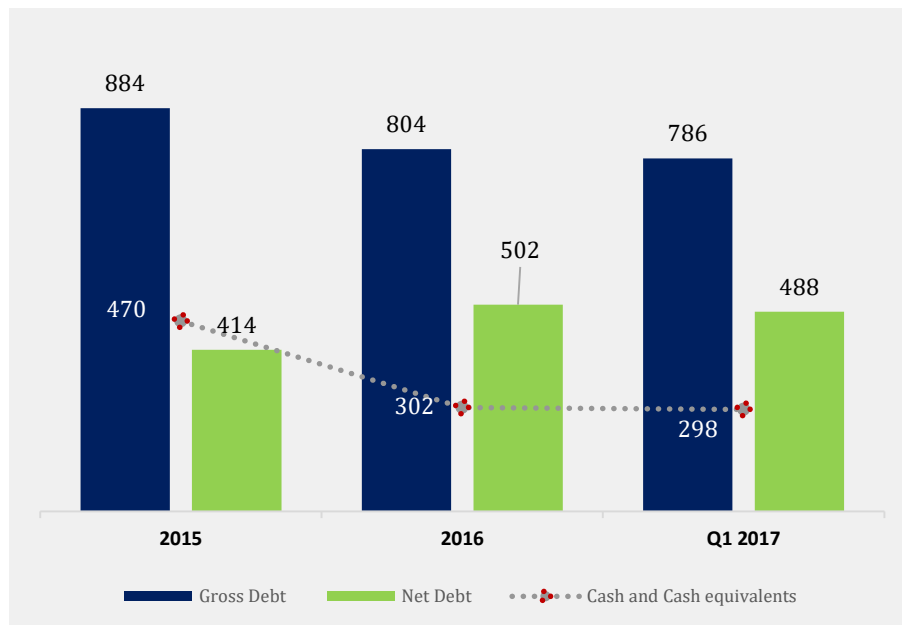


CAPEX

- Capex reduced by 78% in Q1 2017
- All non-critical CAPEX deferred in Egypt
- Matching expenditures with collections in Egypt
- Minimal CAPEX requirements in KRG and UAE

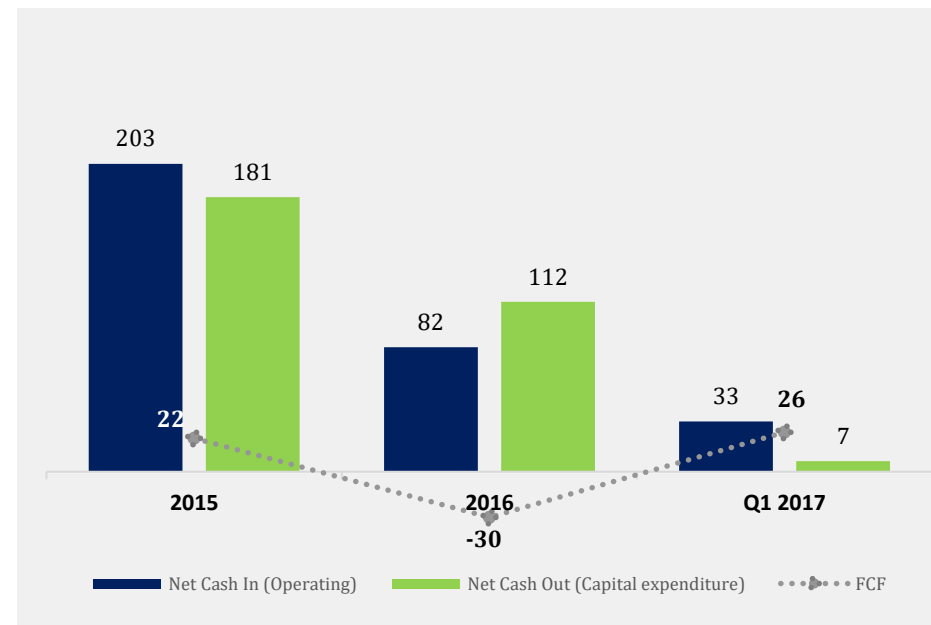
Liquidity and Debt

Gross Debt & Cash Balance (million USD)



- \$298m cash in hand end of Q1 2017
- Payment of Zora Loan (\$60m)
- Cash preservation– matching investments against collections

Free Cash Flow (million USD)

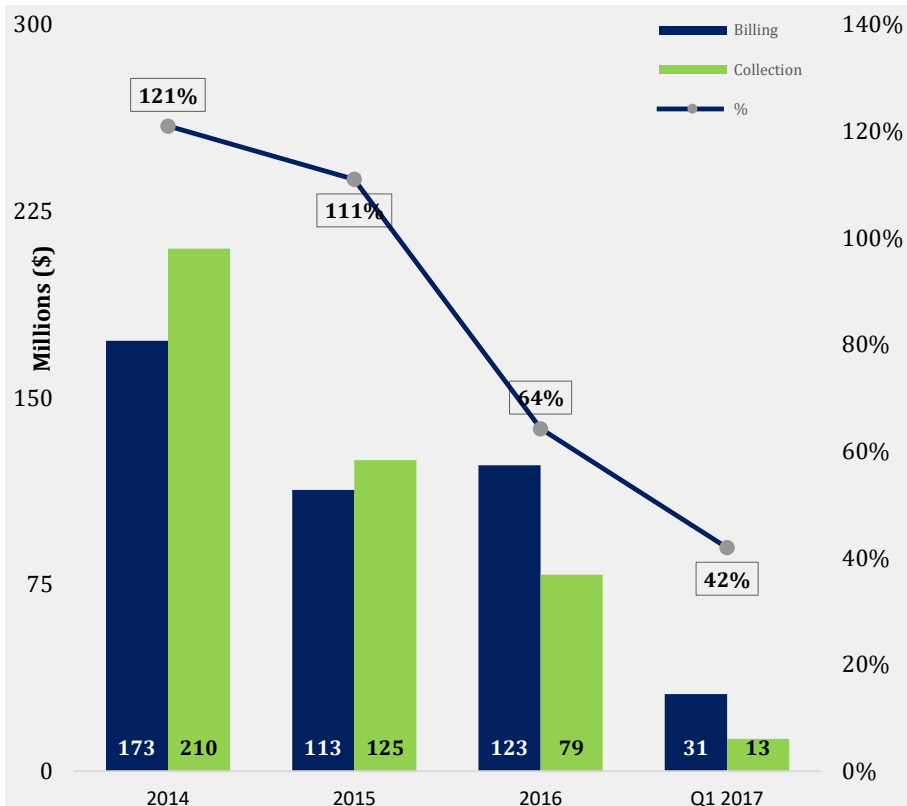


- Positive free cash flow due to improved collections in Kurdistan Region of Iraq and lower CAPEX
- KRI: Collections at 119%
- Egypt: Total collections of only 42%. Long-term uncertainty remains

Receivables & Collections

31 March 2017, total trade receivables is \$999 million

Egypt

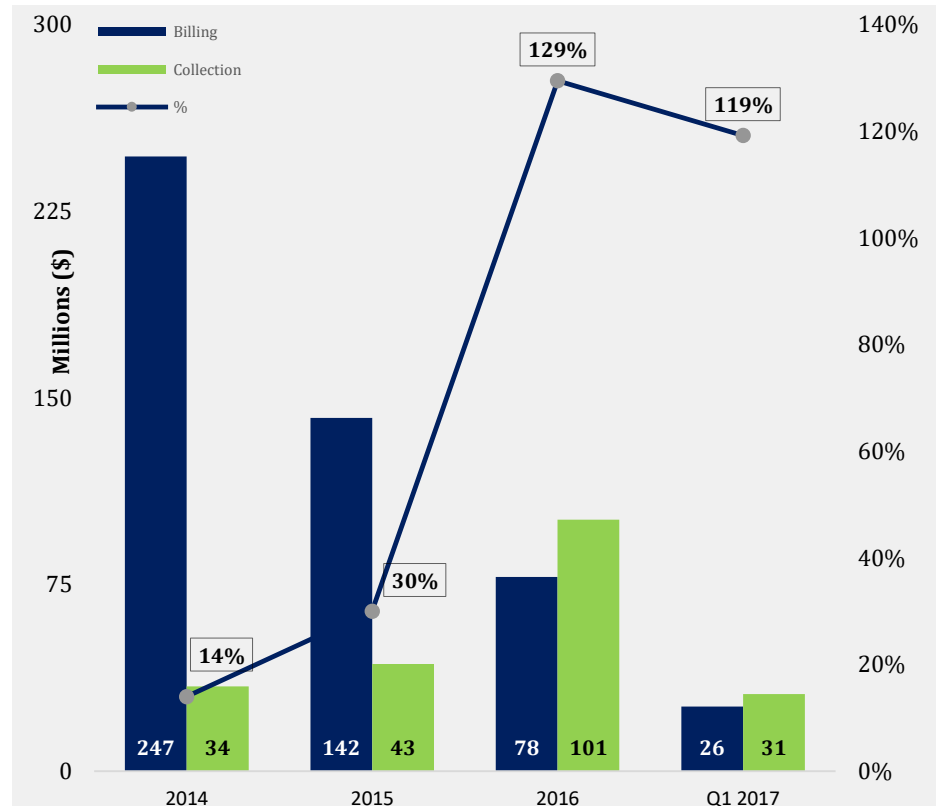


Total Trade Receivable

\$233m	\$221m	\$265m	\$283m
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Note: % calculated as collection divided by net revenue

Kurdistan Region of Iraq



Total Trade Receivable

\$746m	\$727m	\$713m	\$712m
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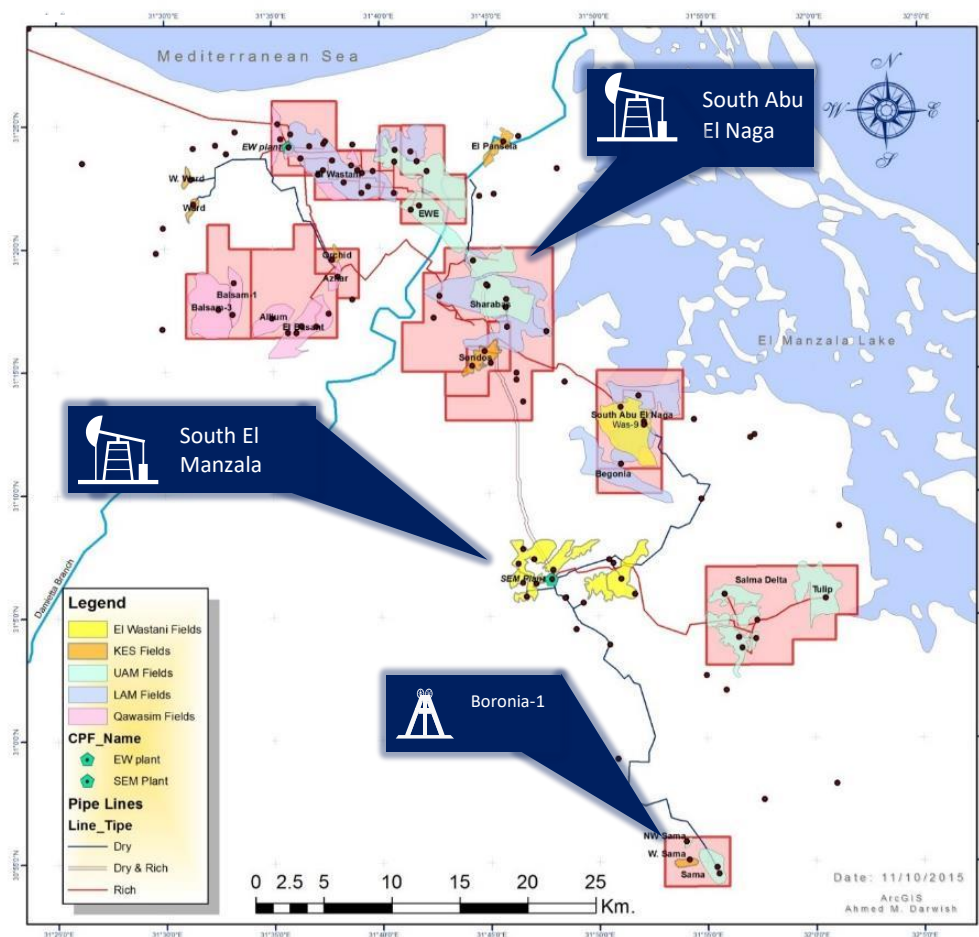
Note: % calculated as collection divided by net revenue



3. Country Performance

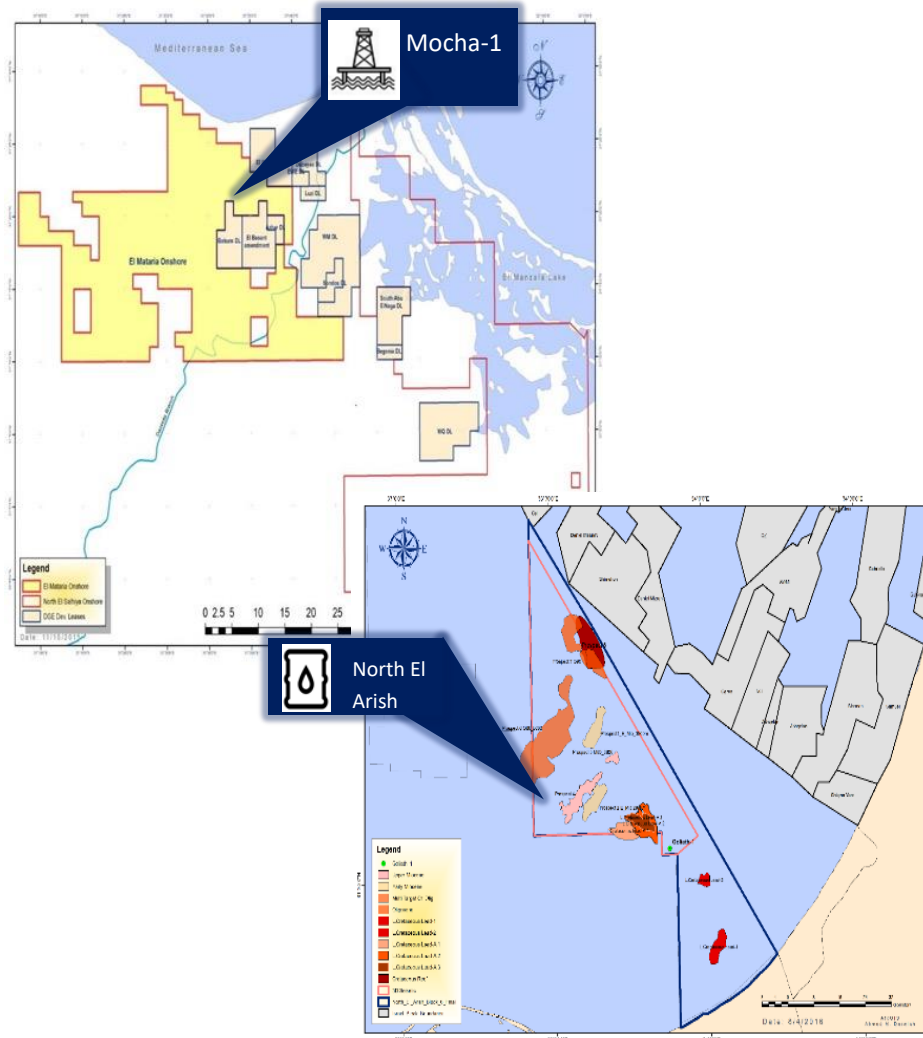
Egypt: Strong production

- Sustaining production at maximum plant capacity, with production exceeding 40,000 boed, a 24% increase compared to Q1 2016
- First shipment of international condensate loaded on 15 April 2017
Direct payment in US\$
- Planned shut-down of El Wastani plant in Q2
 - 6 days complete shutdown and 4 days partial shut-down
 - Only LPG production will be impacted during the partial shut-down



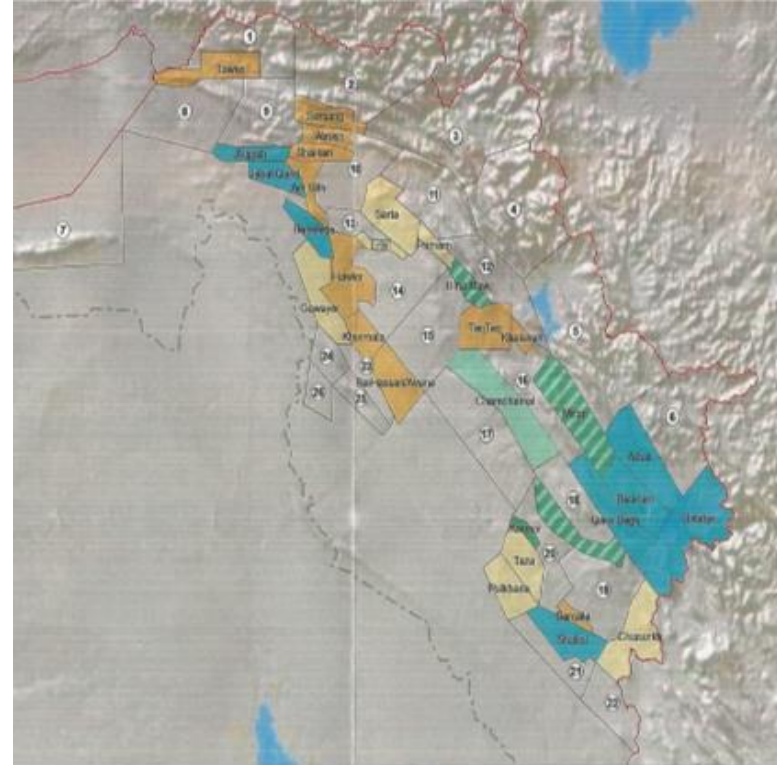
Egypt: Growth potential

- BP-operated Mocha-1 (Block 3)
 - Well drilling reached target depth
 - Gas not found in commercial quantities
 - Proven presence of a working petroleum system
 - No cost incurred by Dana Gas
- North El Arish (Block 6)
 - Substantial and material prospect inventory
 - Plans underway to drill the 1st offshore well in the block in 2018



Kurdistan Region of Iraq

- Dana Gas share of production averaged 26,500 boepd, in-line with the 25,500 boepd in the first quarter 2016
 - 309 MMscfd of natural gas (2016: 304)
 - 13,480 bbl/d of condensate (2016: 13,322)
 - 907 MT/d of LPG (2016: 737)
- Direct condensate sales to the KRG through the Jambour pipeline
- KRG requested a field appraisal and development plan for Khor Mor and Chemchemal



- Producing gas since February 2016
- Production decline on a quarter-by-quarter basis: 1,800 boepd in Q1 2017 v 2,100 boepd in Q4 2016
- Detailed geo-technical study being carried out to determine commercial options for well intervention activities to enhance production
- Any final decision on future expenditure will also be subject to the outcome of negotiations on sales gas price



Kurdistan Region of Iraq

- Third award of 31 January 2017
 - KRG in breach of its obligations under the agreement and has delayed the Claimants' rights to develop Khor Mor and Chemchemal
 - Order for the KRG to pay US\$121 million in respect of condensate and LPG lifted between 30 June 2015 and 31 March 2016
 - Entitlement to interest (LIBOR + 2% compounded monthly) on unpaid receivables
 - Dismissal all of KRG counter claims
- Quantum hearing in September 2017

UAE Gas Project

- Final hearing to determine damage claims took place on 3 November 2016 in The Hague
- Judgement expected end 2017/early 2018



A photograph of a large industrial facility, likely a refinery or chemical plant, featuring several tall, cylindrical distillation columns. The columns are interconnected by a complex network of pipes, ladders, and platforms. The scene is set against a clear sky, and the overall color palette is dominated by the metallic greys of the equipment and the blue of the sky. A semi-transparent blue banner is overlaid at the bottom of the image, containing the text '4. Summary'.

4. Summary

1

Operations and cost efficiencies strong; collections weak

2

Potential for exciting medium-term opportunities in Egypt and development of world class assets in Kurdistan Region of Iraq

3

Independent evaluation of Company's maximum potential value of assets at over US\$29 billion

4

Short-to-mid term priorities are maximizing production for minimal costs and balancing capex to collections

5

Initiated Sukuk refinancing process

6

Positive arbitration outcome in KRG and judgements expected end 2017/early 2018 wrt the NIOC arbitration



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