

Clean Energy for the Future

Q2 2017 – Financial Results

16 August 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.

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1. Headlines

Operations

- H1 Group production 6% higher at 67,550 boepd
- H1 Egypt production up 13%
- Successful completion of El Wastani gas plant shut-down
- Second export of condensate sale (July)
- Zora Gas Field well interventions uneconomic at current gas price

Financials

- H1 - \$23m net profit on \$222m revenue – up 77% and 25%
- Higher profits due to increase in Company's entitlement in Kurdistan Region of Iraq (KRI), higher oil prices, cost management, finance costs reduction
- OPEX in H1 reduced by a further 7%
- Positive free cash flow of \$142m

Liquidity

- Collected \$198m in H1
- Industry payment of \$110m in Egypt – of which \$60m is earmarked for accounts payable and balance for further investments
- Total trade receivables lowered to \$900m
- \$337m of cash in hand at period end
- Continued focus on short term cash preservation

Arbitration & Sukuk

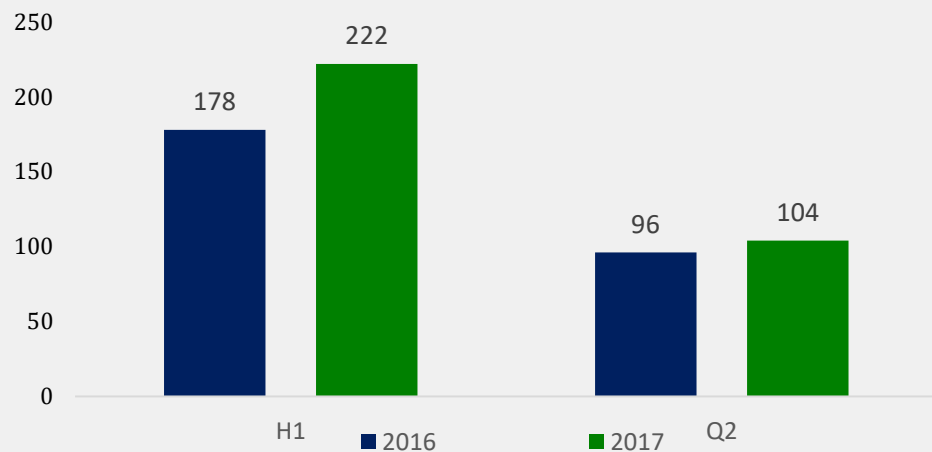
- Initiated Sukuk restructuring process. Injunctions obtained from Sharjah, London and BVI courts
- KRG quantum hearing in Q3 2017
- NIOC Arbitration damages due before mid 2018

The background of the slide is a photograph of an industrial facility, likely an oil or gas refinery. A prominent feature is a vertical pipe with a complex valve assembly at the top, including a handwheel and various fittings. The scene is set against a clear blue sky. In the foreground, there are blurred structures and pipes. Overlaid on the bottom left is a dark blue trapezoidal shape containing the text. To the right of this shape are two parallel, slanted rectangular bars: the first is blue and the second is green, both with white borders.

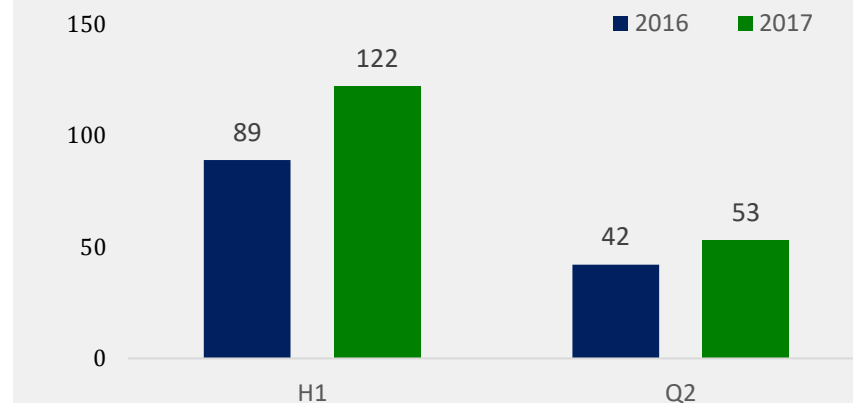
2. Financial Update

Financial Highlights

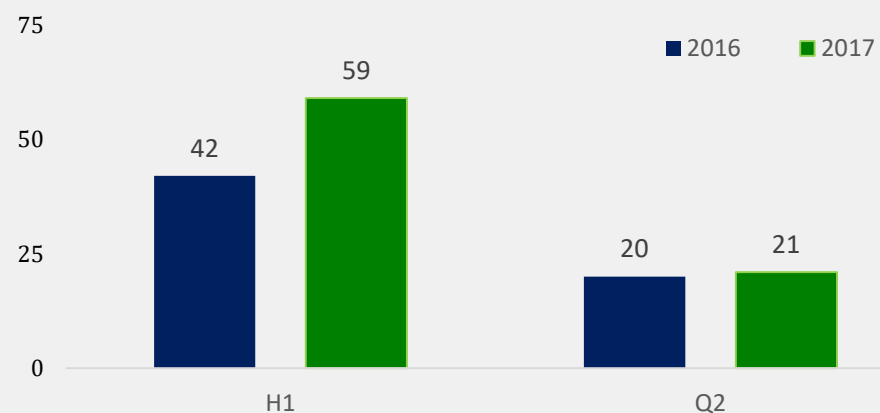
Gross Revenue (million USD)



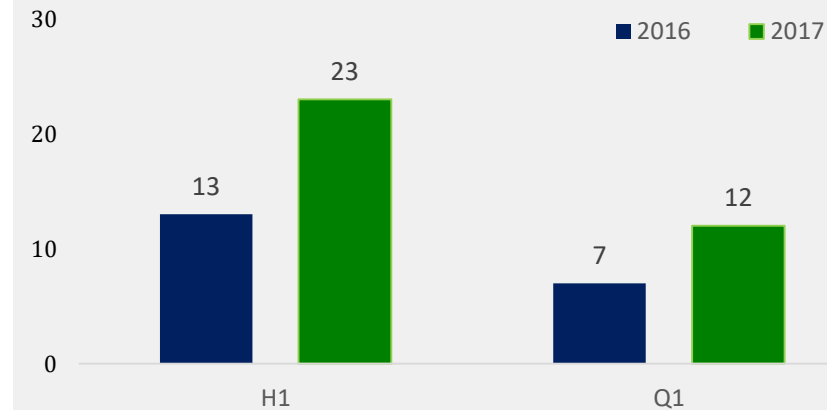
EBITDA (million USD)



Gross Profit (million USD)

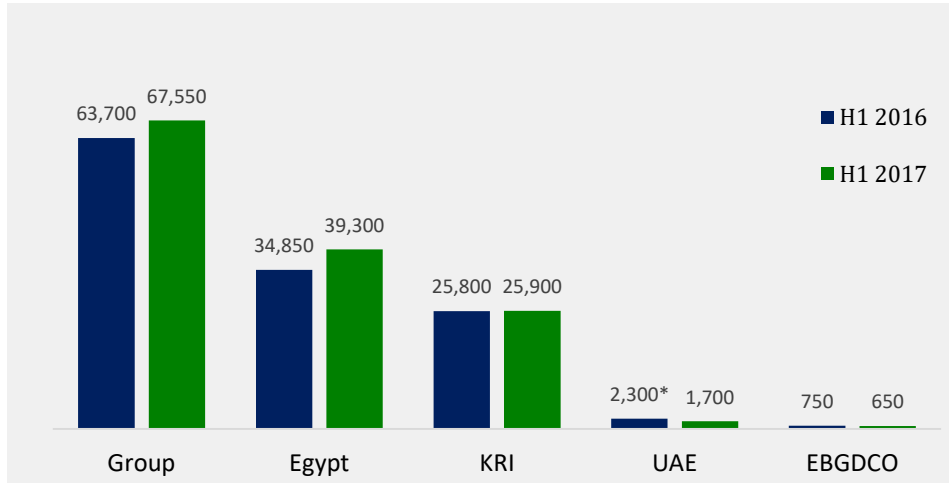


Net Profit (million USD)



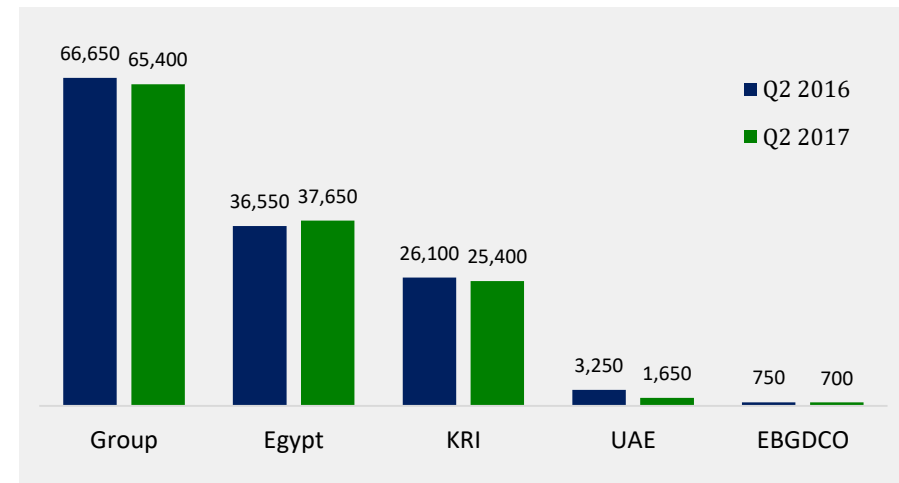
Production (boepd) & Realized Prices (USD/boe)

Average production H1 2017 Vs H1 2016

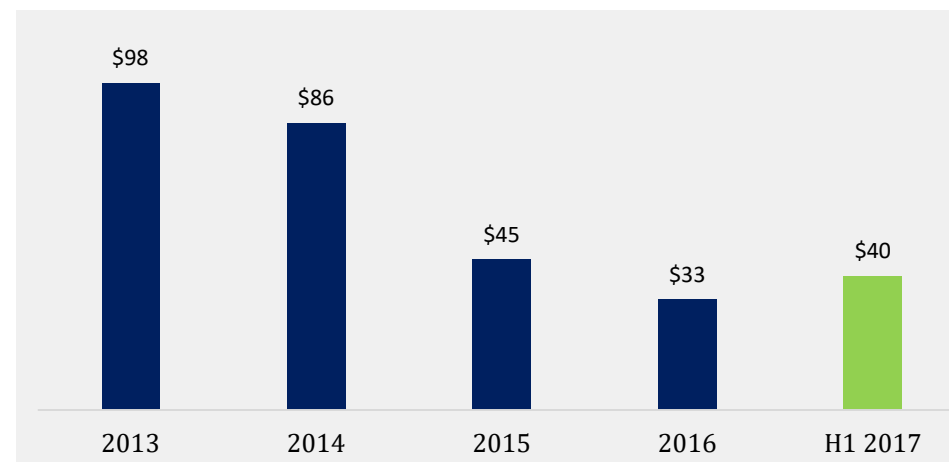


* Normalized

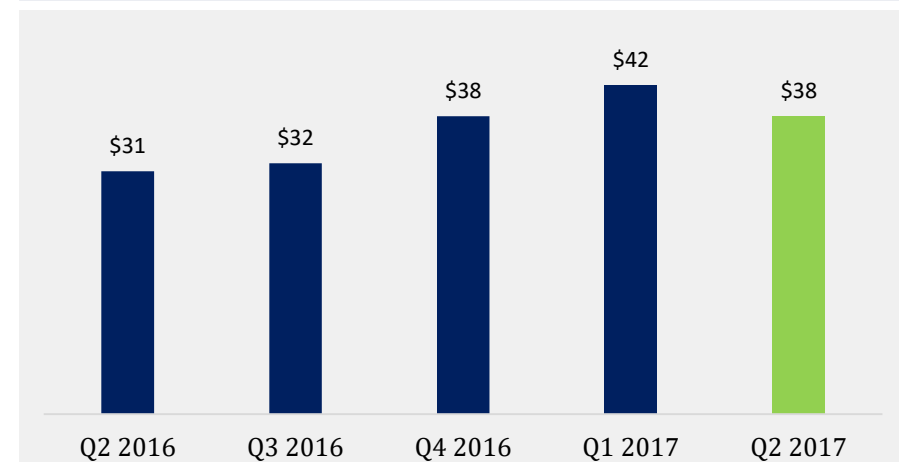
Average production Q2 2017 Vs Q2 2016



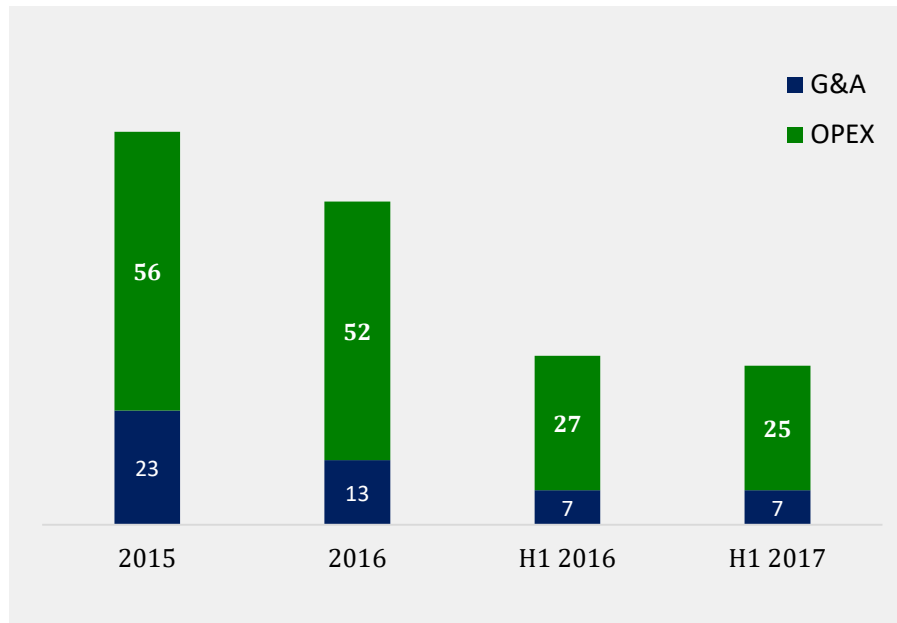
Average Realized Prices (USD/boe)



Average Realized Prices (USD/boe)



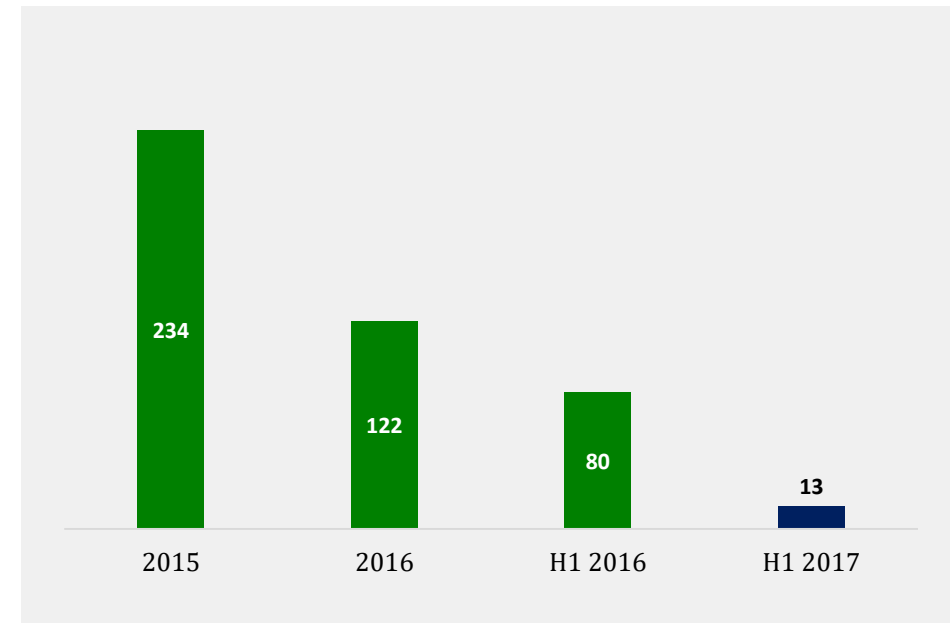
G&A / OPEX (million USD)



G&A / OPEX

- Company continues to optimise costs
- Operating cost reduced by a further 7%

CAPEX (million USD)



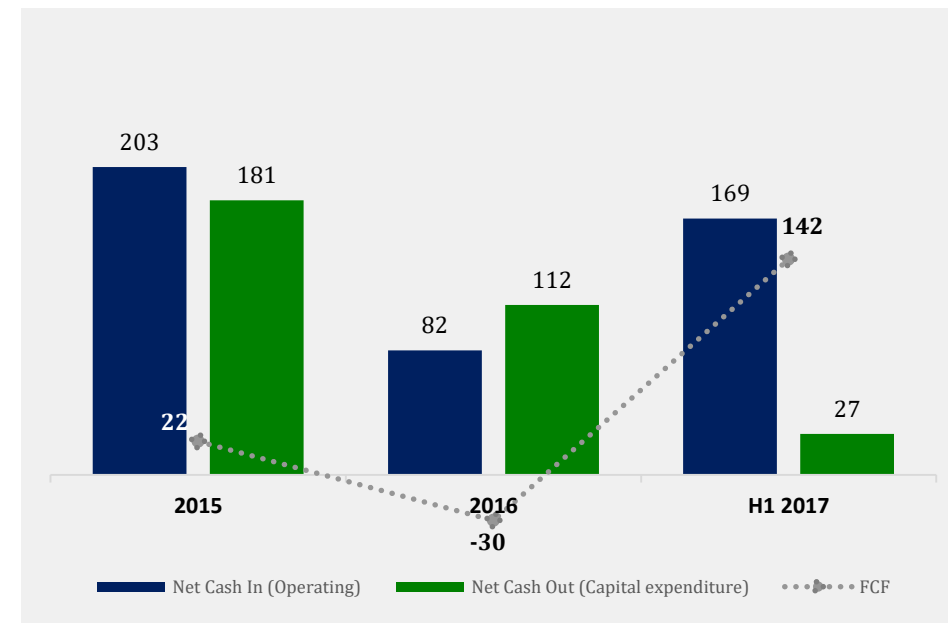
CAPEX

- Capex at \$13m – minimal outlay
- Continue to balance capex with available sources of cash
- Planning to drill 3 wells in Egypt in Q4

Cash Flow and Liquidity

- Positive free cash flow due to improved collections, higher revenues, lower capital expenditure
- Collected \$198m in H1 2017
- \$337m cash in hand end of H1 2017
- Payment of Zora Loan (\$60m)
- Cash preservation- matching investments against collections
- Large part of collections, \$60m, will be used to pay down payables accumulated over last 18 months in Egypt
- Sukuk reclassified from borrowings to Capital received on issuance of Sukuk to reflect the Company's legal position

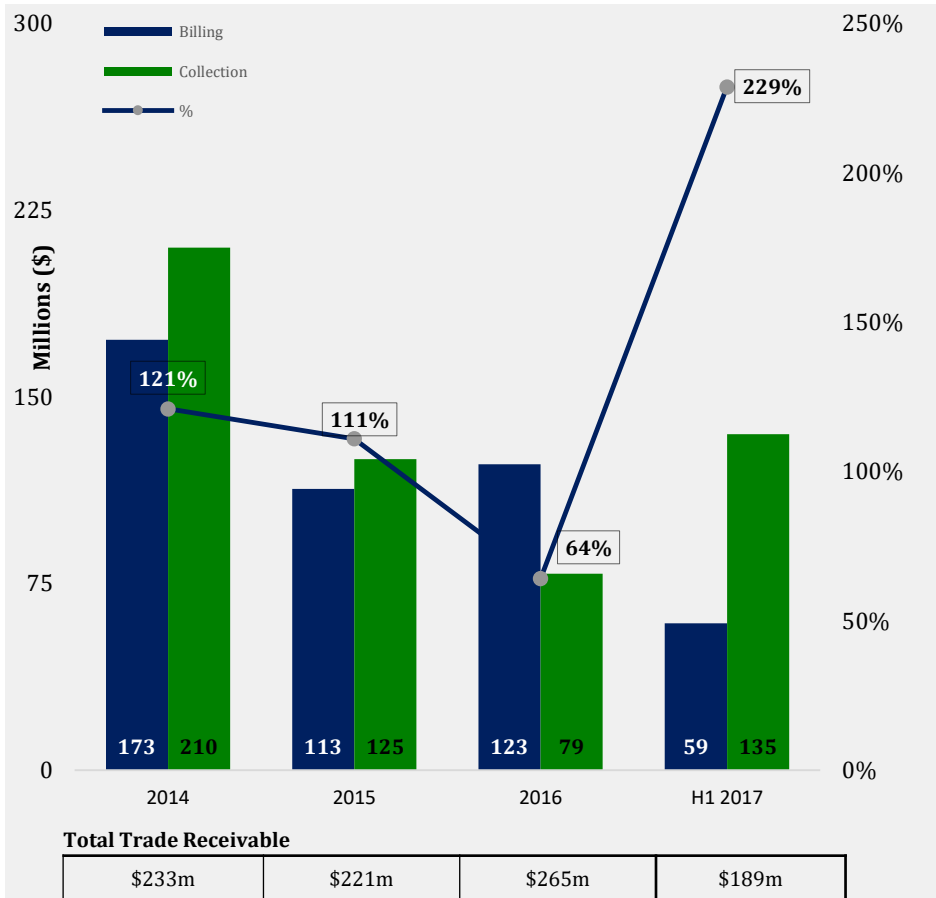
Free Cash Flow (million USD)



Receivables & Collections

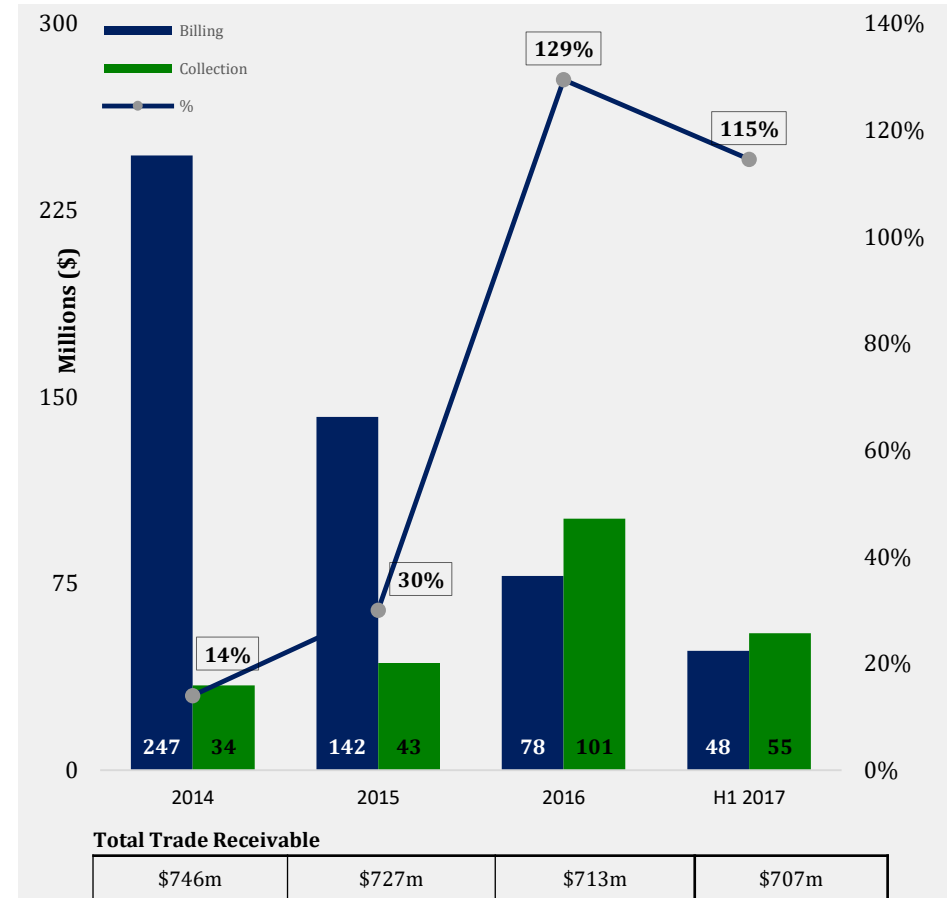
30 June 2017, total trade receivables is \$900 million

Egypt



Note: % calculated as collection divided by net revenue

KRI



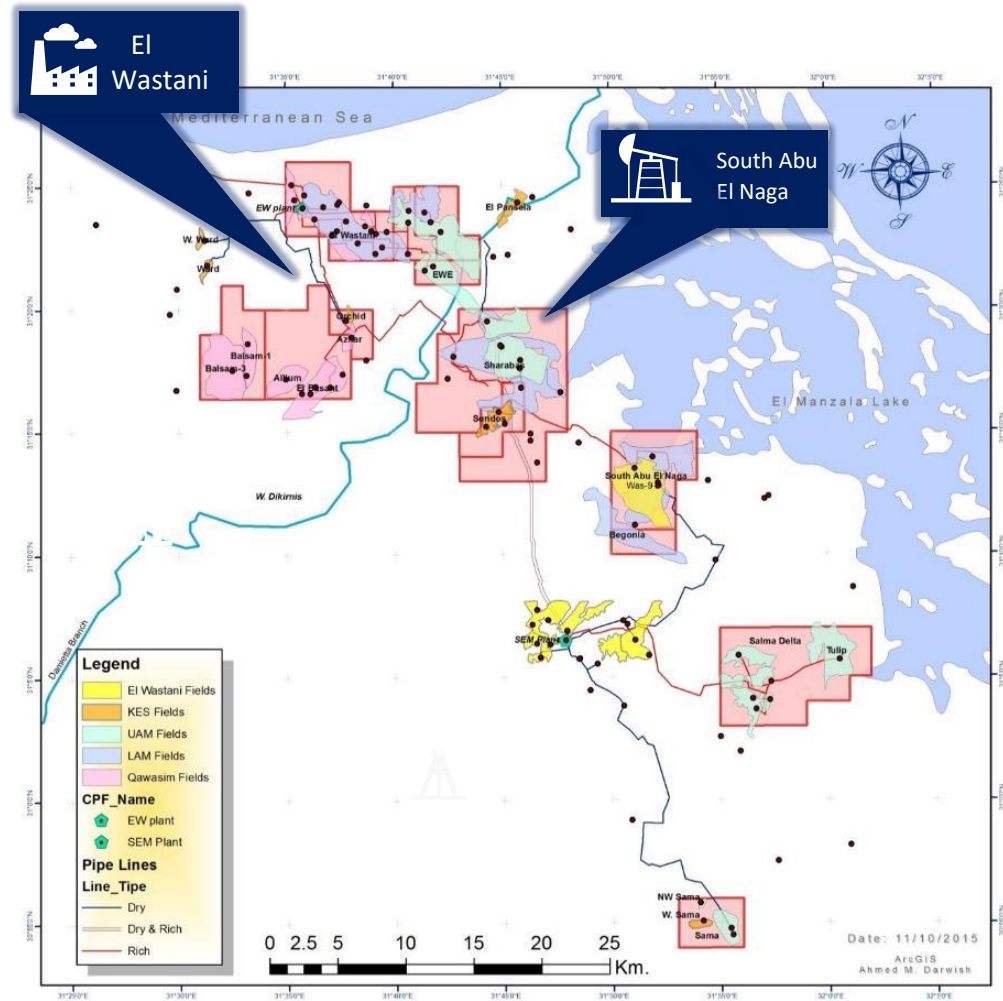
Note: % calculated as collection divided by net revenue



3. Country Performance

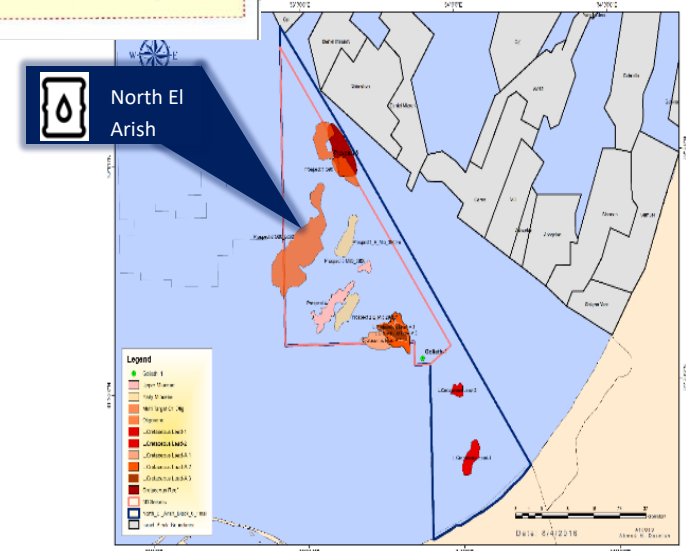
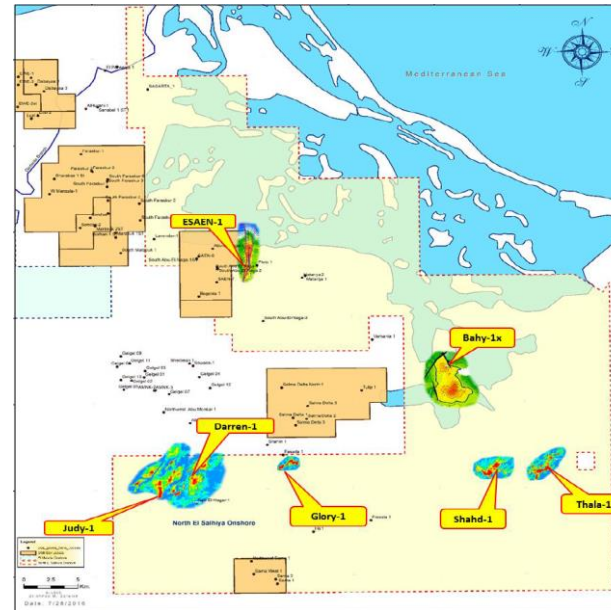
Egypt: Strong production

- Successfully completed planned shut-down of El Wastani plant in June
 - 5 days complete shutdown and 4 days partial shut-down
 - Work conducted by WASCO
 - Excellent HSSE performance
- Faraskur Compression nearing completion
- Sustain production at maximum plant capacity – c. 40,000 boepd until year-end
- Second shipment of international condensate sold in July



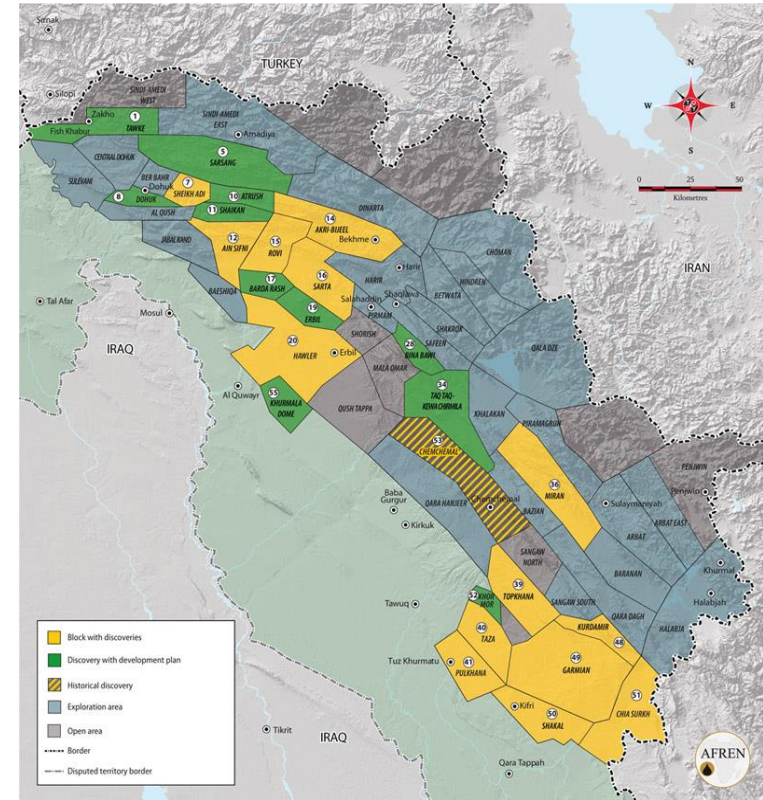
Egypt: Growth potential

- North El Salhiya (Block 1)
 - 100% owned concession
 - Drilling to commence Q4 2017
 - 3 onshore wells: North El Basant, ESAEN-1 and Bahy-2
- 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 25,900 boepd in 1H of 2017
 - 302 MMscfd of natural gas
 - 13,063 bbl/d of condensate
 - 898 MT/d of LPG
- Direct condensate sales to the KRG through the Jambour pipeline
- A planned shutdown is due in H2 2017 for essential repair works



- Producing gas since February 2016
- H1 2017 production was 1,700 boepd, 26% decline
- Preliminary results of FDP indicates further well intervention uneconomic at current gas prices
- Result will need to be taken into consideration during annual reserves audit
- Any final decision on the plant to be taken towards year-end



Kurdistan Region of Iraq

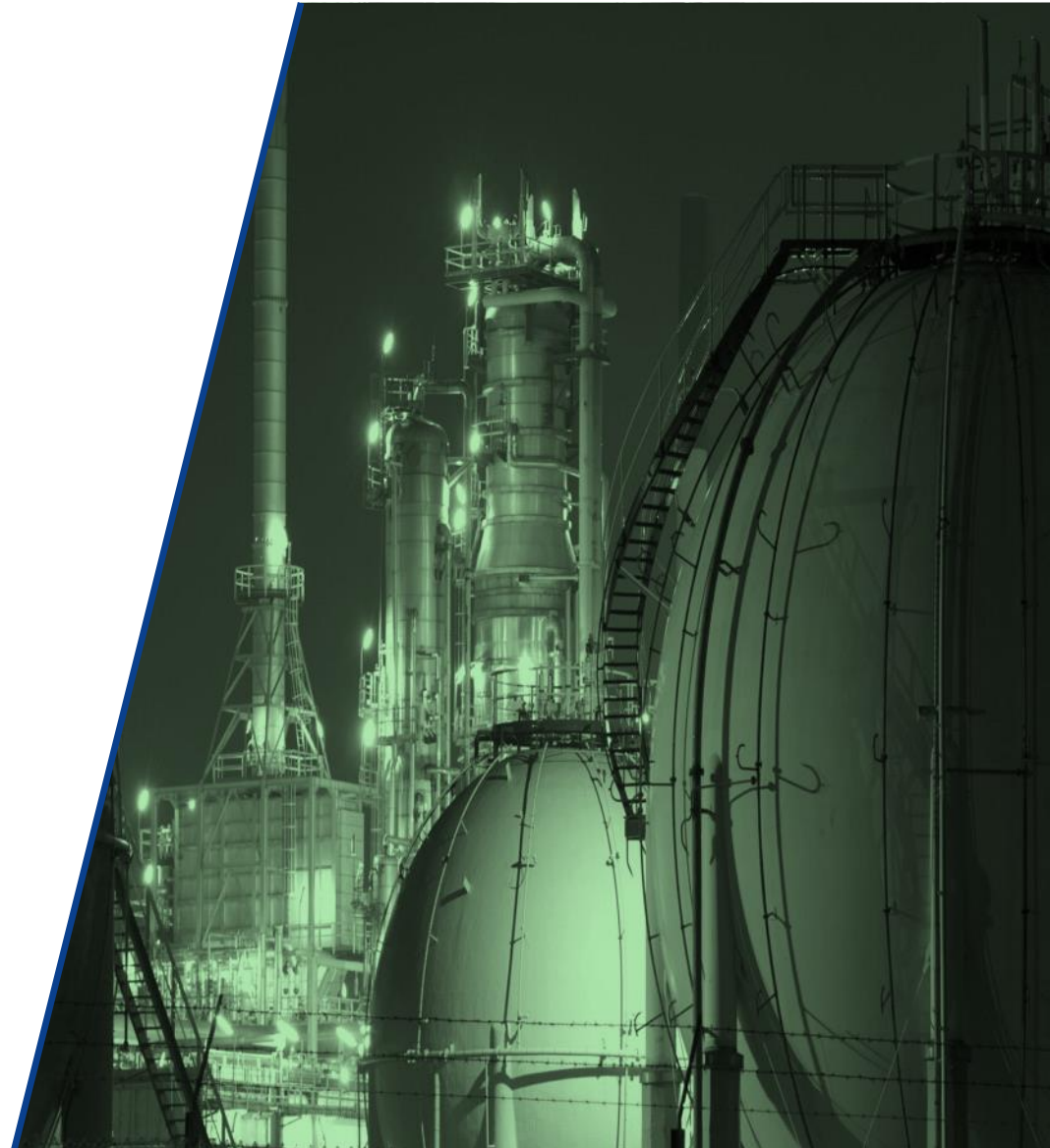
- Quantum hearing in September 2017
- Continue to pursue money owed from 2 and 3 Partial Final Award

UAE Gas Project

- Judgement expected before mid 2018

Sukuk

- No offer currently on the table and DG is pursuing litigation-driven outcomes





4. Summary

1

Solid second quarter – operations, financials and cost efficiencies

2

Strong collections from Egypt and KRI

3

Potential for exciting medium-term opportunities in Egypt and development of world class assets in KRI

4

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

5

Initiated Sukuk restructuring process

6

Positive arbitration outcome in KRG and in NIOC arbitration judgement on damages claim expected by mid 2018



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