Clean Energy For the Future



Q3 2016 – Financial Results

9 November 2016



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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Content



- Headlines
- Financial Update
- Country Performance
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Key Takeaway

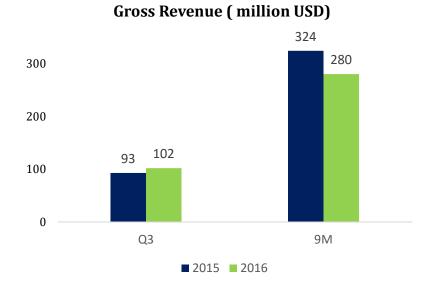


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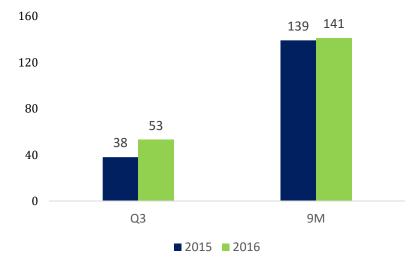
Financials	 Good results in challenging market conditions Increased Q3 revenues generated by enhanced production Net profit benefited from accrued interest in KRG G&A realized cost savings - \$1m (Q3) and \$6m (9M)
Liquidity	 > Prudent use of capital > Balance sheet - \$322m cash > Total collections of \$147m (9M) - long-term uncertainty remains > Collections at 121% at KRI; and 77% in Egypt > Refinancing coming - Sukuk due October 2017
Operations	 > Quarterly group production up 14% to 69,400 boepd > Block 3 discovers wet gas at shallower level in Messinian and continues farm-out process on Block 6 > Zora Gas Field well intervention under review
Arbitration	 PPCL pleadings heard in September regarding: entitlement to receivables in respect to excess gas; substantial damages claims for wrongful interference KRG withdrew claims to challenge Second PFA in October Final hearing to determine damages against NIOC on 3 November

Financial Highlights

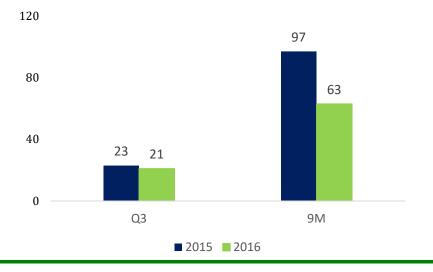




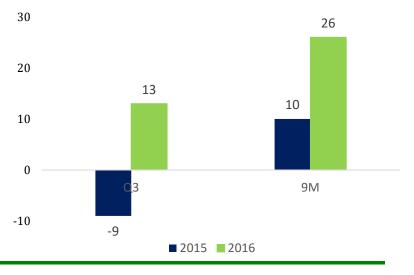
EBITDA (million USD)



Gross Profit (million USD)



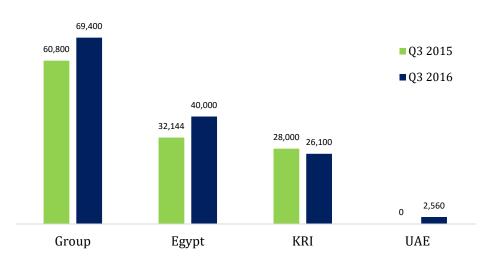
Net Profit (million USD)



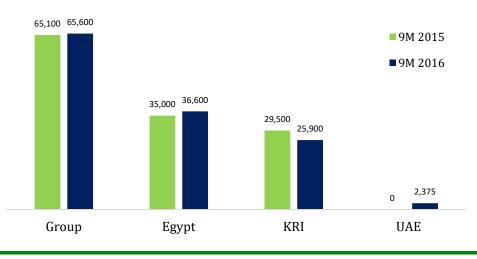
Production (boepd)



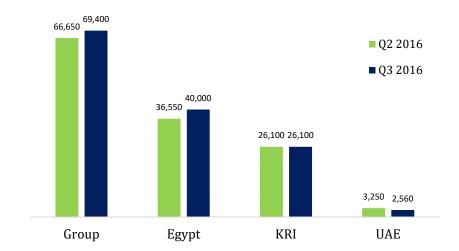
Q3 15 VS Q3 16



9M 15 VS 9M 16



Q2 16 VS Q3 16



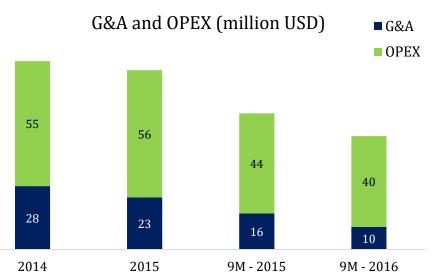
Average Realized Prices (USD/boe)

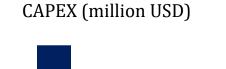


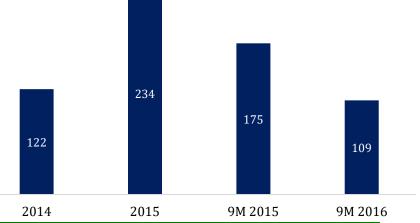
OPEX and CAPEX

- Reduced operating expense and G&A
 - > G&A 37% lower (9M)
 - > OPEX 9% lower (9M)
- CAPEX lower requirements in H2 2016
- GPEA all annual investment commitments largely fulfilled
- Zora Project completed and brought on-stream





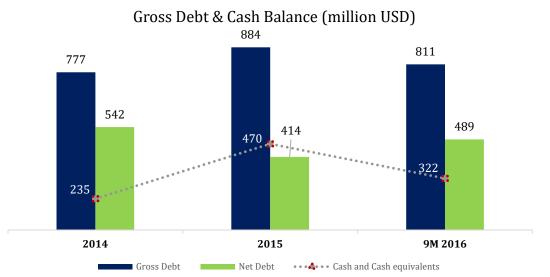






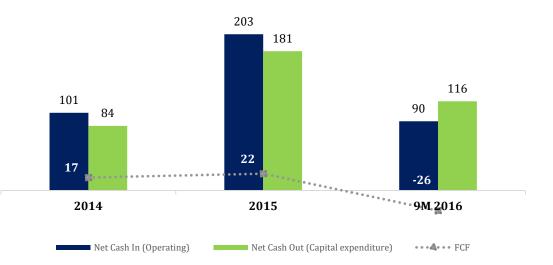
Liquidity and Debt





- Decline in total debt
- Preservation of cash matching investments against collections
- Negative free cash flow due to Zora capex payments
- Collections has been unreliable; watching closely as expected collections are weighted towards end of second half
- Total collections of \$147m (9M) longterm uncertainty remains
 - > Collections at 121% at KRI;
 - ➢ 77% in Egypt
- \$14m quarterly coupon

Free Cash Flow (million USD)



Receivables and Collections

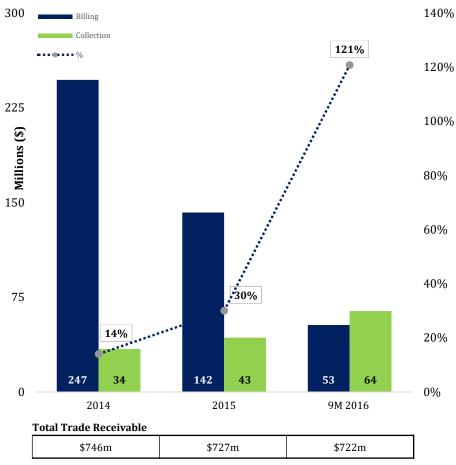
Egypt

30 September 2016, total trade receivables is \$968 million

300 140% Billing Collection 121% % 120% 225 111% 100% Millions (\$) 80% 150 60% 40% 75 20% 173 210 113 125 90 69 0 0% 2014 2015 9M 2016 **Total Trade Receivable** \$233m \$221m \$242m

Note: % calculated as collection divided by net revenue

Kurdistan

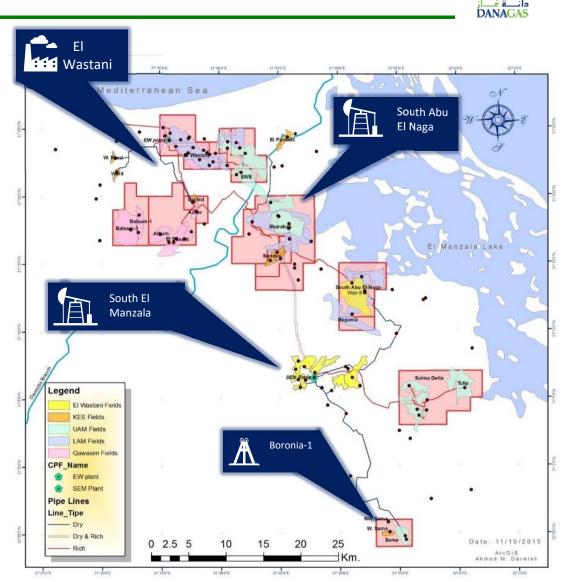


Note: % calculated as collection divided by net revenue



Egypt: strength in numbers and progress

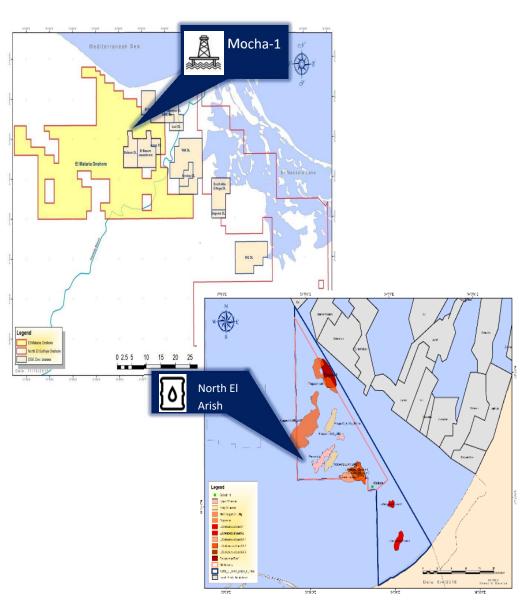
- Breaks 40,000 boepd in Q3, a 24% increase in Production this year. El-Wastani plant producing at capacity for the first time
- Continue to deliver to the GPEA with 19 wells successfully drilled
 - 5 exploration, 9 development and 5 recompletions in addition to 2 workovers
 - A further 11 exploration wells in the next 2 years
- El Wastani extension and debottlenecking underway for an a potential additional 25% increase in production
- Balsam-6 has been drilled into the Graben area and is currently being tested. Results due mid-Dec
- Boronia-1 well has been drilled and tied back to South El Manzala gas plant



Egypt: strengths in numbers and progress



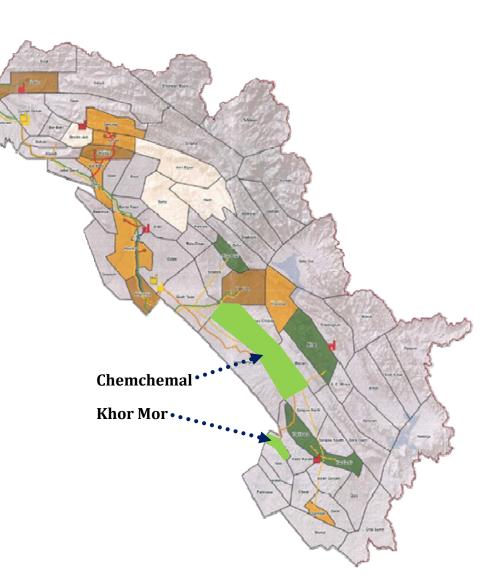
- BP-operated Mocha-1 (Block 3) discovered wet-gas in the Messinian M90 formation during drilling
 - Plans being made to drill up-dip producer well to bring on-stream by end Q1 2017
 - Primary target is the multi TCF
 Oligocene reservoir at a depth of
 6,000m. Results expected early Q1 2017
- North El Arish (Block 6) farm-out continues
 - 7 interested parties examining dataroom
 - Substantial and material prospect inventory emerging



Kurdistan



- DG share of production averaged 26,100 boepd during Q3 2016.
 - > 308 (Q3 2015: 300) MMscfd of natural gas
 - > 13,085 (Q3 2015: 12,627) bbl/d of condensate
 - > 861 (Q3 2015: 633) MT/d of LPG
- Operation have remained steady throughout the quarter.



UAE



- Producing gas since February 2016.
- Production rate of Sharjah-2 well has declined, currently producing 2,560 boepd
- Q4 workover deferred
- Further analysis to optimize the well intervention program and to determine what additional work may be required to have an impact on the flow rates





Kurdistan Region of Iraq

- > Sept 2016 LCIA heard remaining contractual issues
- > In limine issues concerning Consortium damage claims and KRG counterclaims
- > Minor damages and losses claims by the Claimants
- > Quantum hearing expected in H1 2017
- > KRG withdrew claims to challenge Second PFA (14 October)

UAE Gas Project

- > Final hearing to determine damage claims on 3 November in The Hague
- > Judgement expected in H1 2017



'Mixed' bag – further savings, improved production but lack of collections and oil price continues to weigh on results

Exciting opportunities in Egypt in 2017

Strong production – further supply to come on-stream in 2017

Mid-term priorities – managing for margin and review capex in light of receivables

Sukuk refinancing – studying different options



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