



Corporate Presentation

Clean Energy For the Future

November 2017



Disclaimer

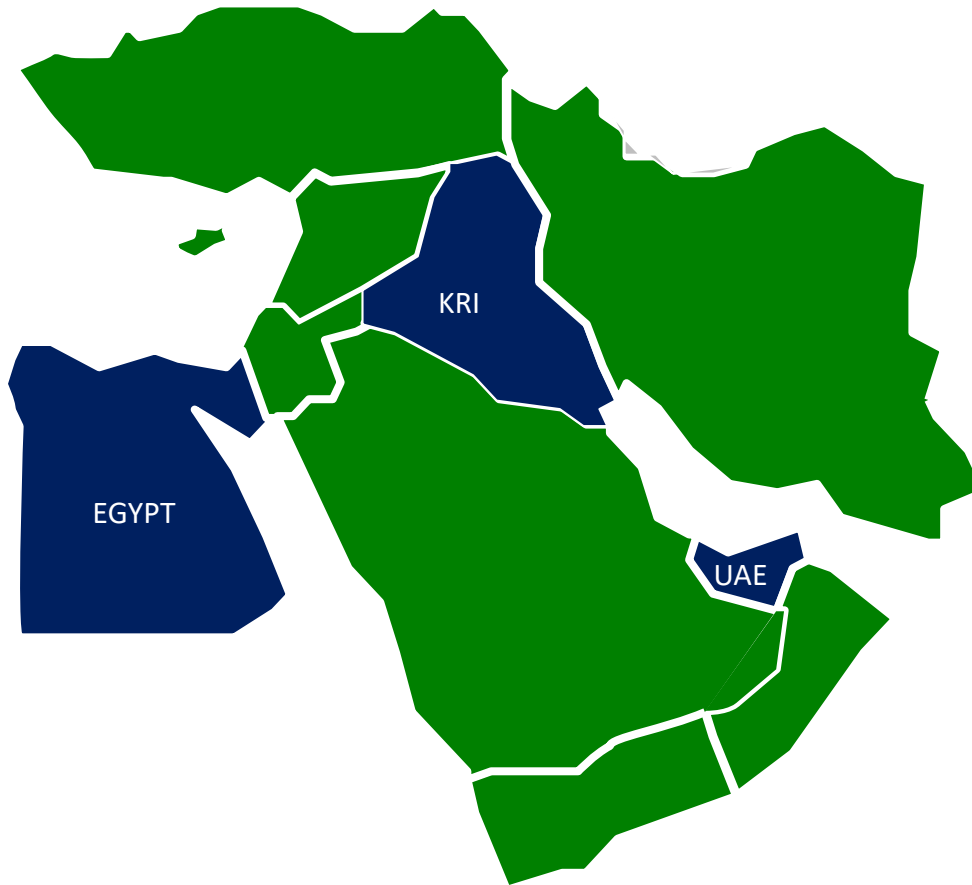
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Where are we today

MENA's largest independently listed, natural gas-focused E&P company



\$125m

9M 2017 net profit

\$562m

Cash – 31 Sept 2017

158%

Egypt collections 9M 2017

\$49m

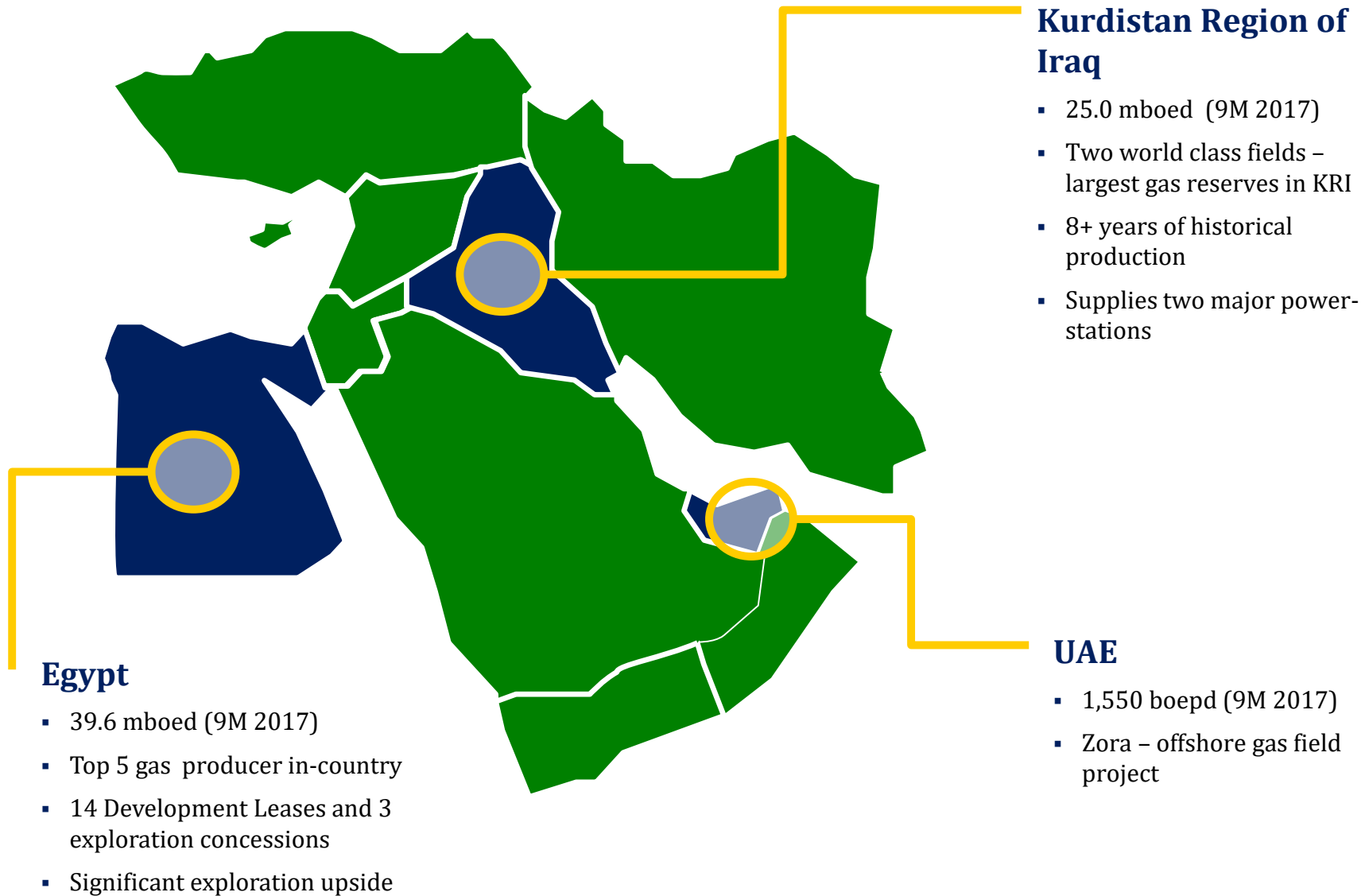
9M 2017 G&A and OPEX – lowest ever

67.6

9M 2017 group Production (boepd)

1.14bn

2P total mmboe reserves

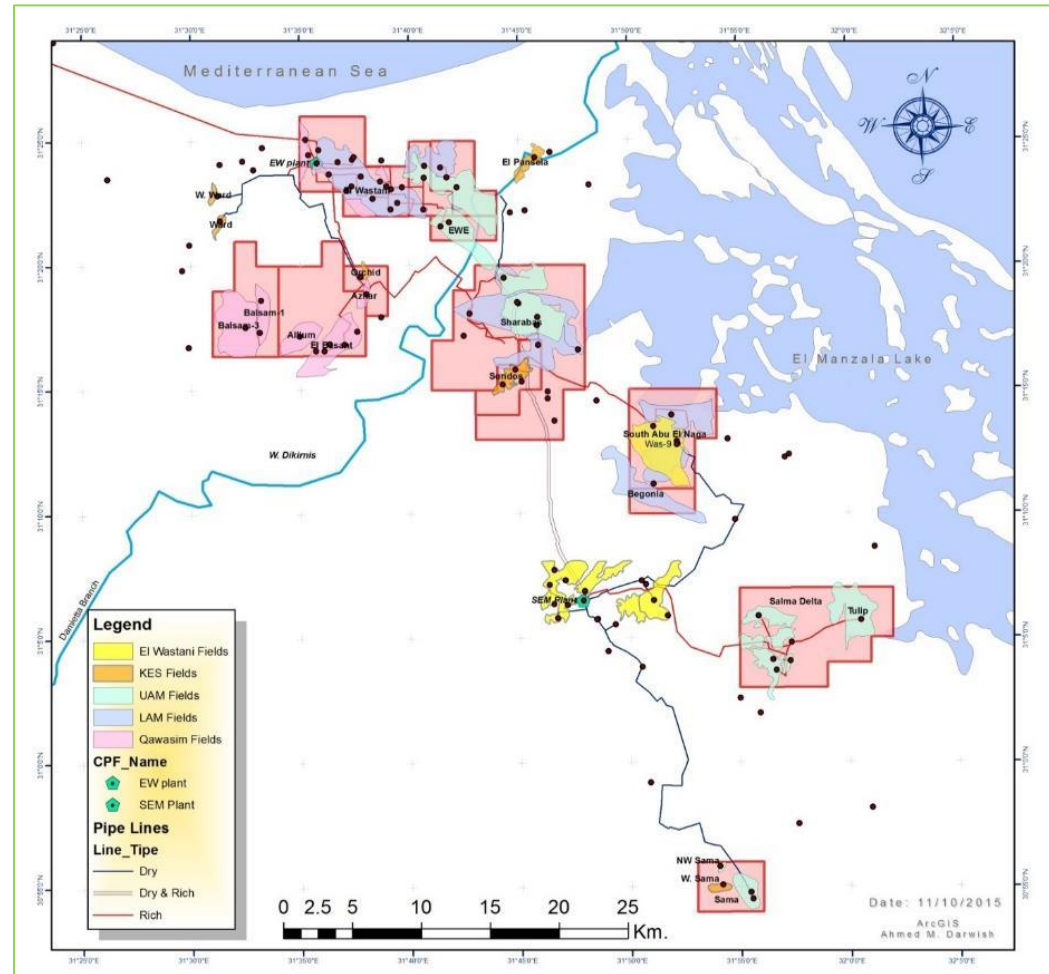


Egypt: Identifying Upside

- First entered Egypt in 2007
- Nile Delta acreage – 14 leases; 100% ownership; 2 processing plants
- Onshore and offshore blocks
- Production capacity at maximum output

Aug 2014 – *Gas Production Enhancement Agreement* with government to add production and pay down historical receivables

- Three condensate shipments sold in 2017 – total sales of \$22m.



Egypt: Growth potential

Continue to deliver to the GPEA with 19 wells successfully drilled

- 5 exploration, 9 development and 5 recompletions in addition to 2 workovers in 2016

North El Salhiya (Block 1 – 100% WI)

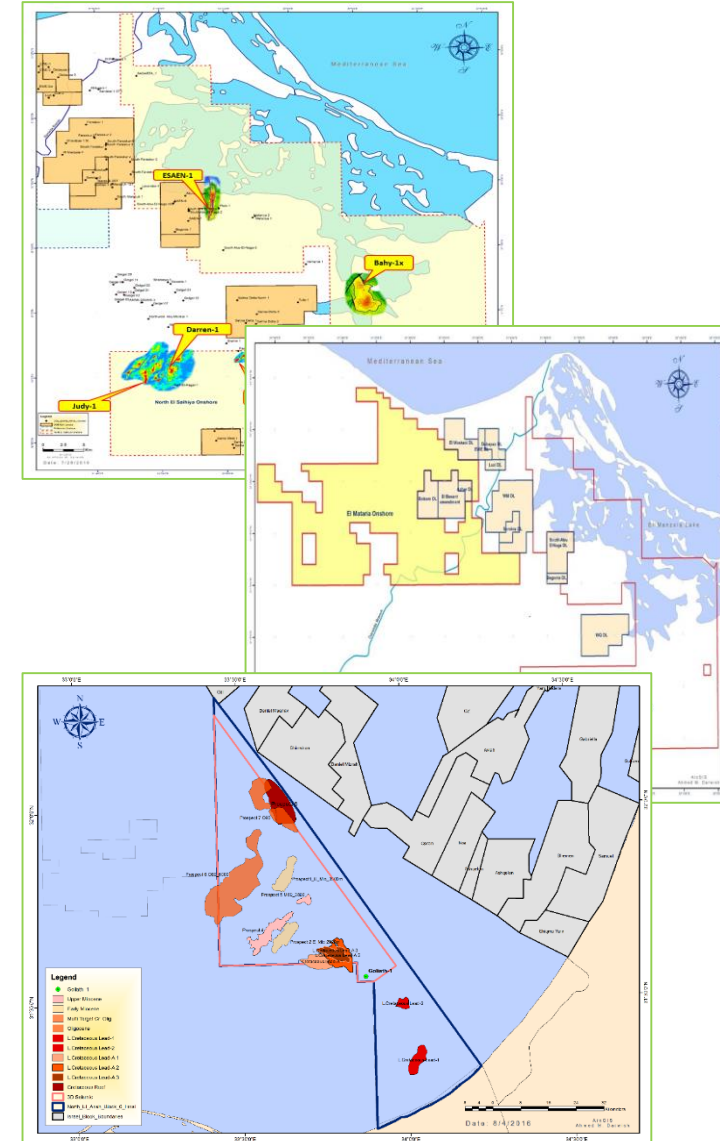
- Drilling two wells in Q4 2017 - ESAEN-1 and Bahy-2

North El Arish (Block 6 - 100% WI)

- Substantial and material prospect inventory
- Plans underway to drill the 1st offshore well in the block in 2018

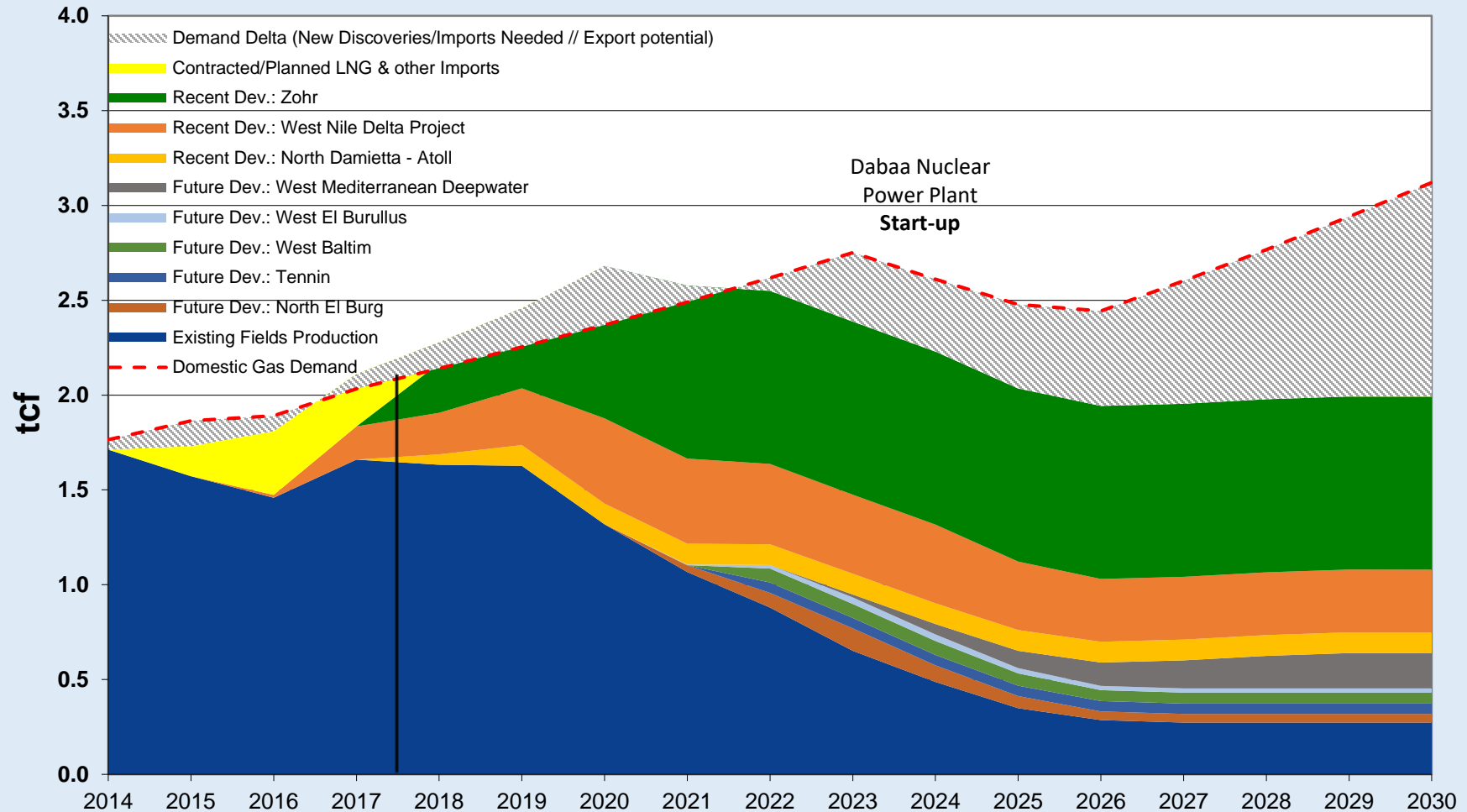
West El Manzala Concession

- Drilling the North El Basant well – targeted for Q1 2018



Egypt: Gas Market Fundamentals are Intact

EGYPT - Gas Supply & Demand Balance (tcf)
(Q3 2017 estimates)



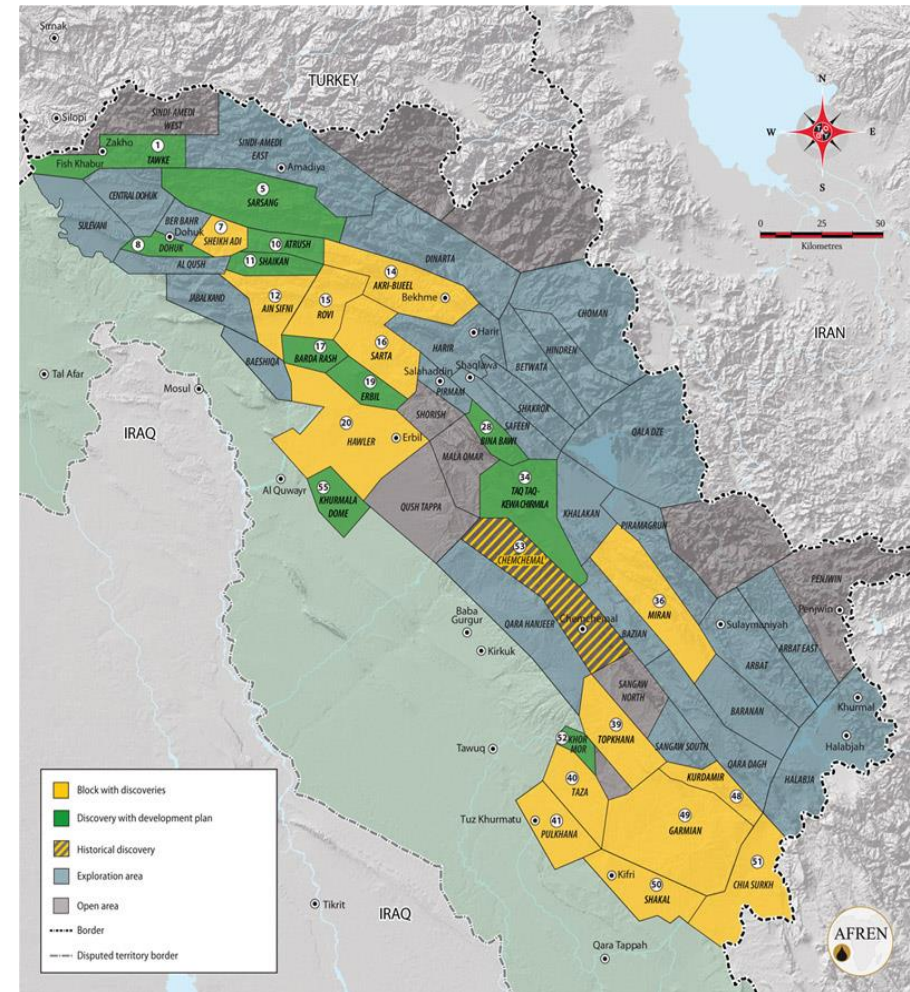
KRI: World Class Asset

Pearl Petroleum Company Ltd

- DG holding 35% (Dec 2015)
- Crescent (35%), OMW, MOL, RWE (10%)
- 2 major fields: 75 Tcf GIIP, 7 bln bbls STOIIP

Khor Mor and Chemchemical fields

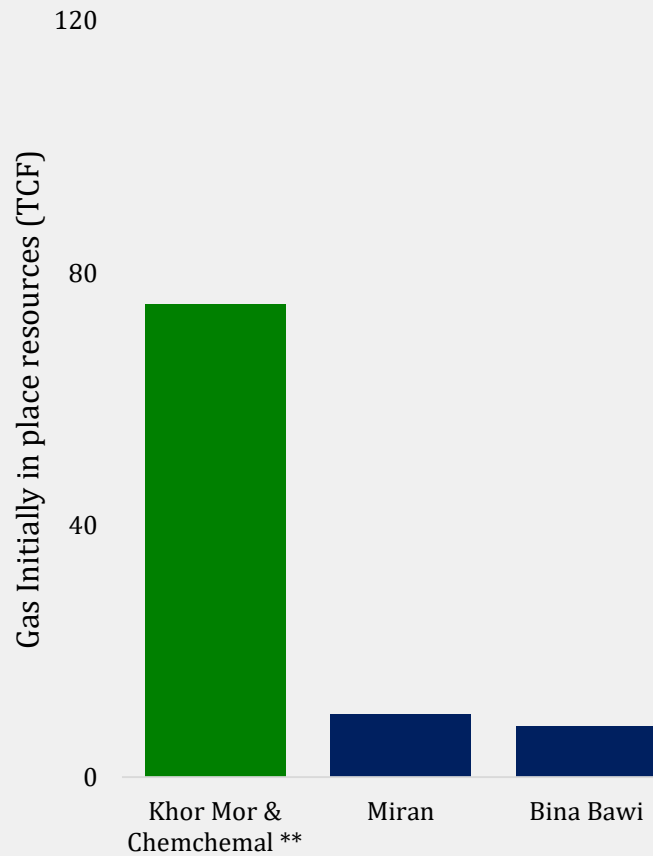
- Producing 75,000 boepd on average
 - 307 MMscf of gas
 - 13,269 bbls condensate
 - 828 MT LPG
- Operations maintained despite security situation
- Largest gas reserves in KRI
- \$1.1bn investment to date
- 9 years of historical production
- Supplies two major power-stations



Two of the largest gas fields in MENA

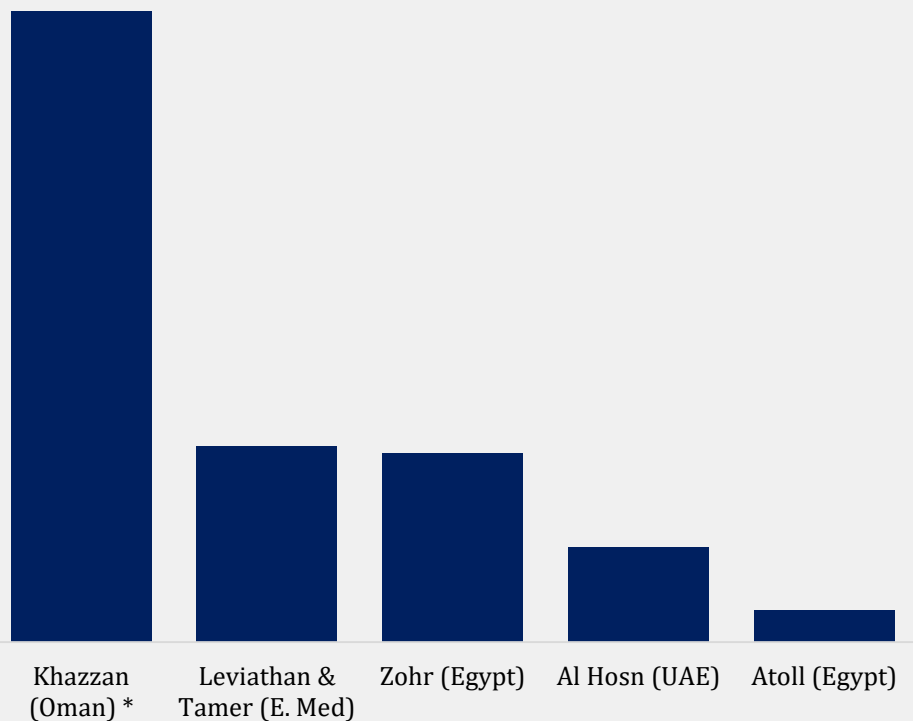
Large Gas Developments in MENA

Kurdistan



MENA

(Source: Company Disclosure)



Notes: Volumes exclude associated liquids and oil upsides; * Recoverable volume expected to be 10-15% of gas initially in place; ** PPCL latest P50 estimate of total gas In place resources is 75 TCF

Sept 2017: KRG & Pearl Reach Final Settlement

“The Parties have **mutually agreed to fully and finally settle all their differences** amicably by terminating the Arbitration and related court proceedings... **implementing a mechanism for settlement of \$2,239 million...**”

Settlement Highlights:

- Pearl Petroleum receive \$1 billion from KRG
- US\$600 million cash and US\$400 million for investment
- Pearl to increase gas and condensate production at Khor Mor by 500 MMscf and 20 mbbl per day respectively - a 160% increase over current production levels – c. 2 years
- Balance of sums, \$1,239 million, to be reclassified as outstanding cost recoverable by Pearl from future revenues generated
- Profit share allocated to Pearl from future revenues adjusted upwards to a level similar to overall profit levels normally offered to IOCs under KRG's PSC
- KRG to purchase 50% of the additional gas on agreed terms to boost gas supply for power plants in the KRI
- Awarded adjacent blocks 19 and 20 to Khor Mor concession and extension of the term of the contact until 2049

Settlement – in numbers	
Total	\$2.239 billion
Cash	\$600 million
Investment fund	\$400 million
Outstanding cost recoverable	\$1.239 billion
Production increase (2 years)	500 MMscf/d
	20,000 bbl/d

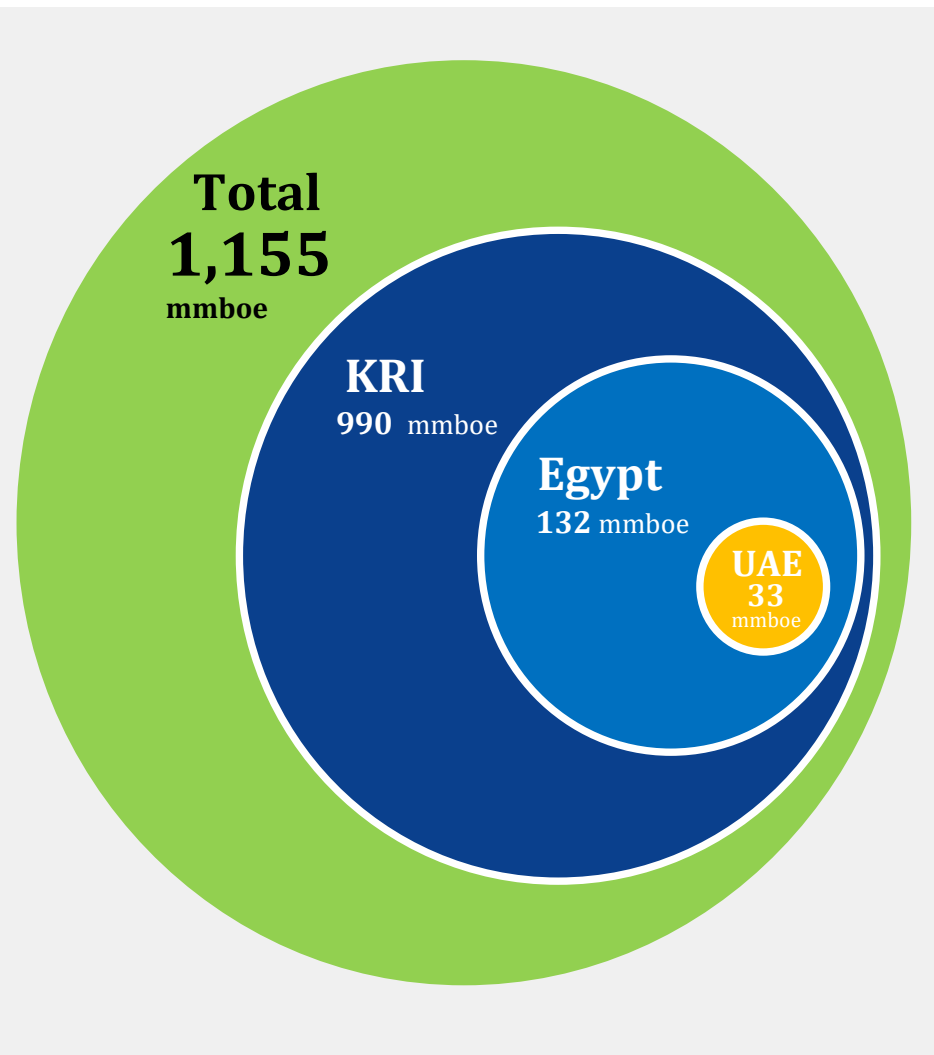
UAE: Zora Gas Field

- Producing gas since February 2016
- 9M 2017 production was 1,550 boepd
- 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

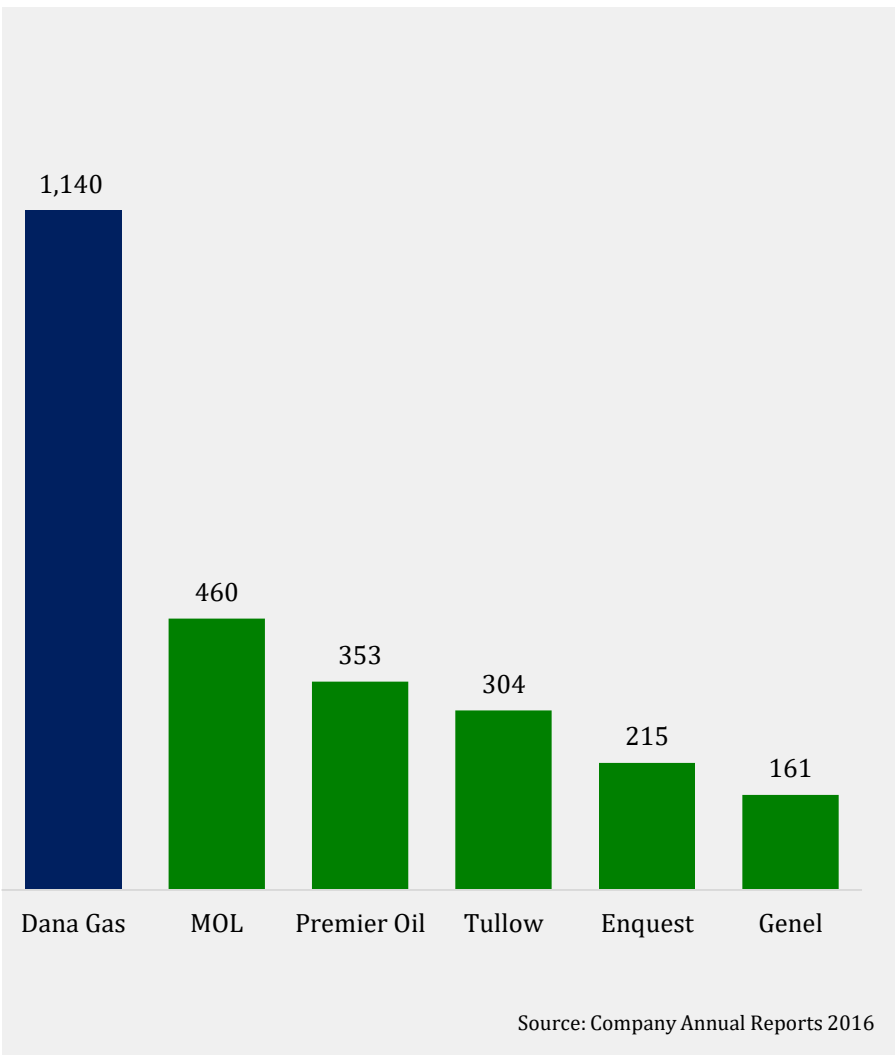


Substantial Reserves

Total Reserves Comparison

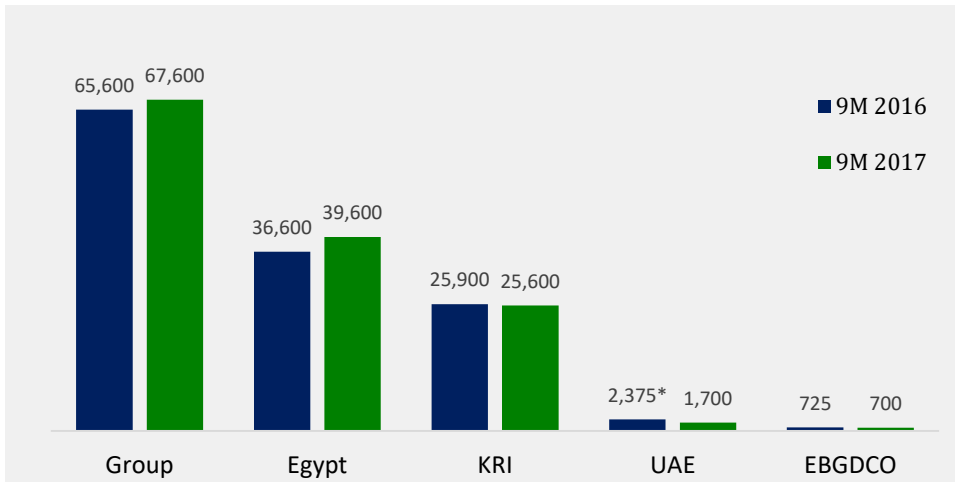


Reserves Comparison / 2P (MMboe)



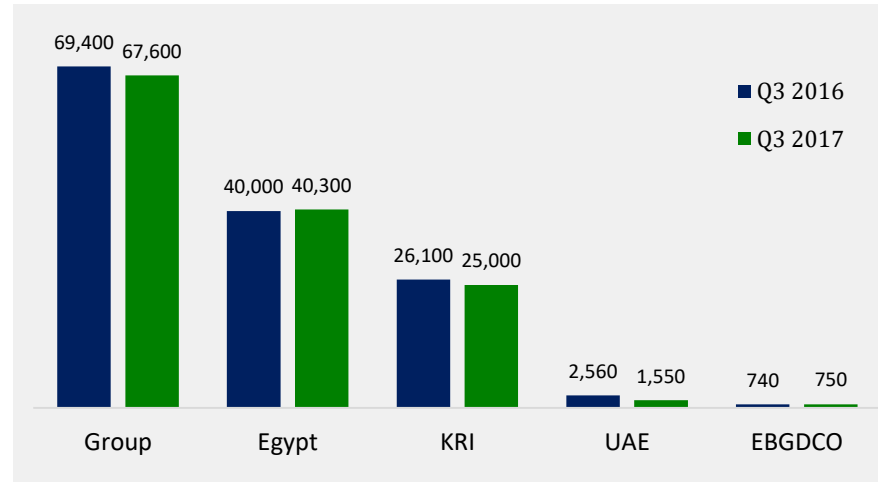
Production (boepd) & Realized Prices (USD/boe)

Average production 9M 2017 Vs 9M 2016

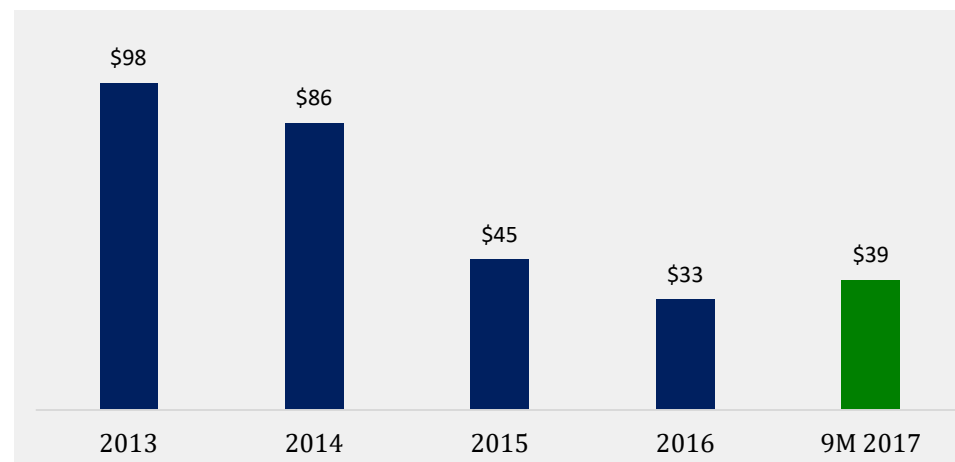


* Normalized

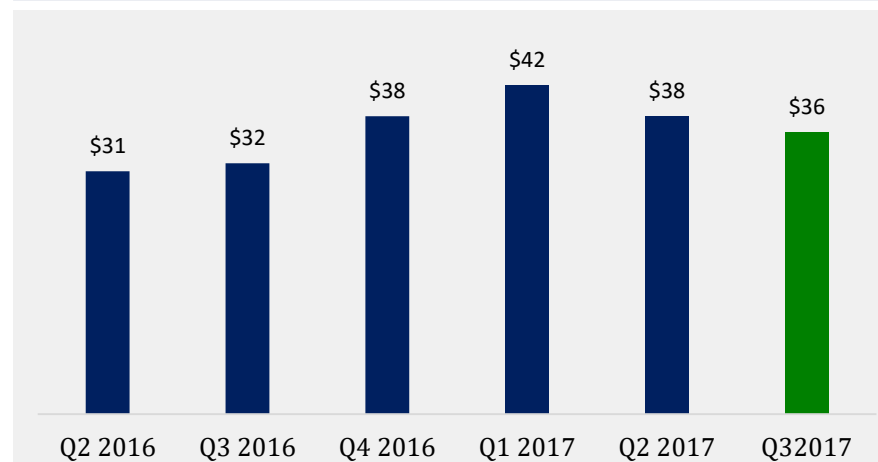
Average production Q3 2017 Vs Q3 2016



Average Realized Prices (USD/boe)

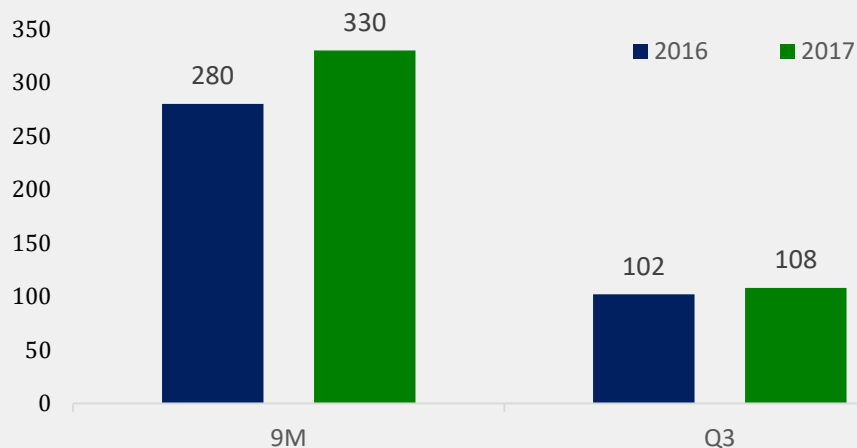


Average Realized Prices (USD/boe)

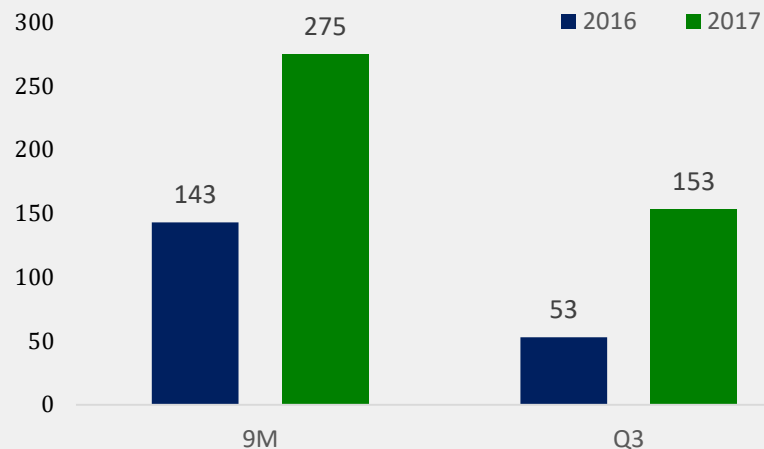


Financial Highlights

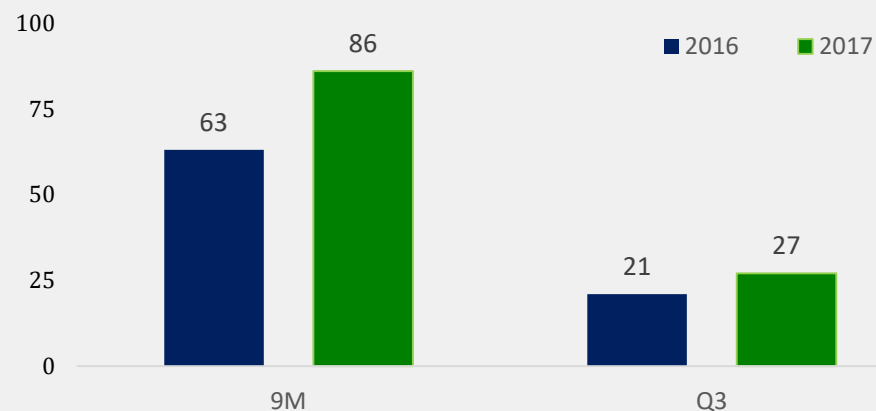
Gross Revenue (million USD)



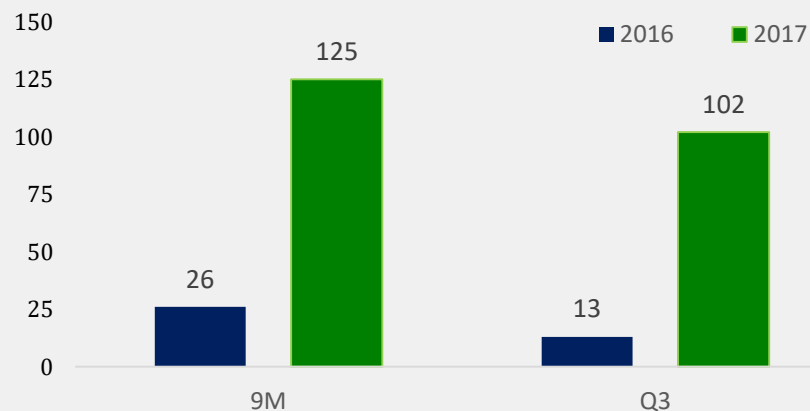
EBITDA (million USD)



Gross Profit (million USD)

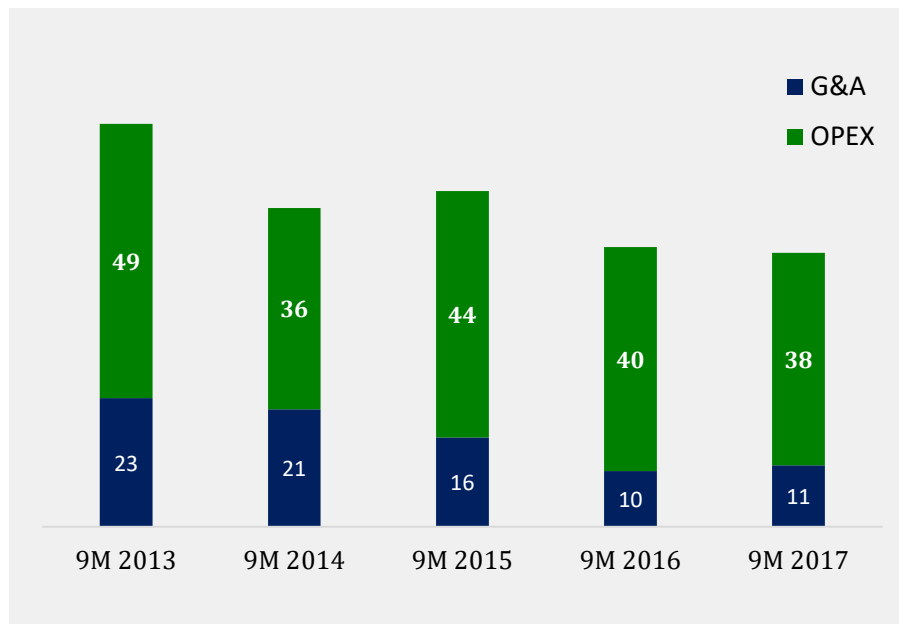


Net Profit (million USD)



CAPEX & OPEX

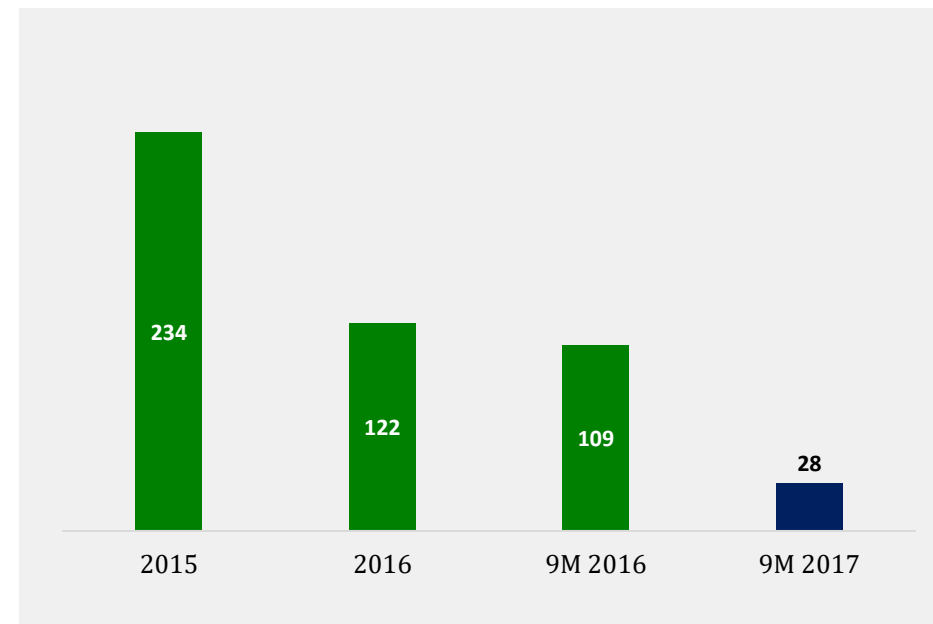
G&A / OPEX (million USD)



G&A / OPEX

- Company continues to optimise costs
- Disciplined, low spending approach
- Third year of cost management programme reducing costs by 32% since 2013

CAPEX (million USD)



CAPEX

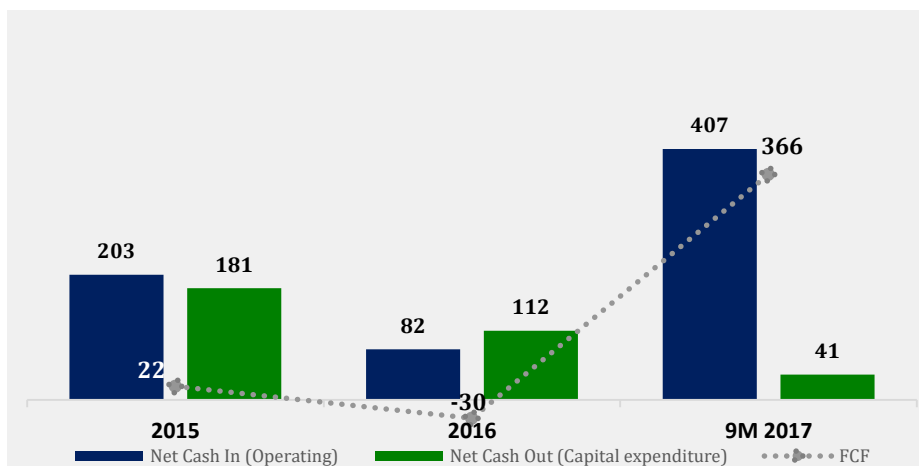
- Capex at \$28m – minimal outlay
- Upcoming commitments in Egypt – 3 well drilling programme in Egypt; 2 wells in Block 1
- Preparing an increase in spending in Kurdistan

Cash Flow, Liquidity & Receivables

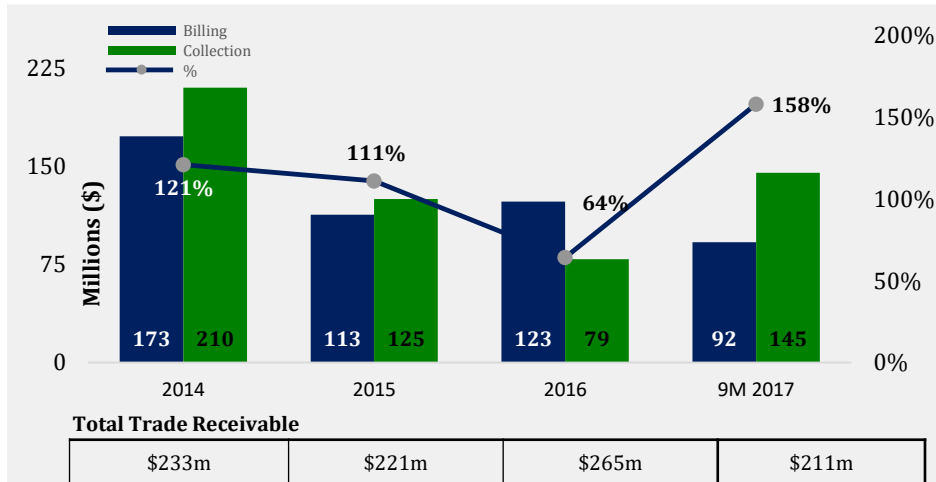
- Positive free cash flow as a result of Settlement Agreement with Kurdistan; as well as higher revenues and low capital expenditure
- \$562m cash in hand end of Q3 2017*
- Kurdistan receivables paid and balance reclassified as '*outstanding petroleum costs to be recovered from future revenues*'
- Egypt 9M collection - \$145 m; 158% collection rate
- KRI 9M collection - \$433m; inc. \$350m settlement, \$16m against Peremptory order and \$67m from local sales

* Excludes amount of \$140m kept at pearl level and will be used towards the development of Khor Mor and Chemchamal

Free Cash Flow (million USD)

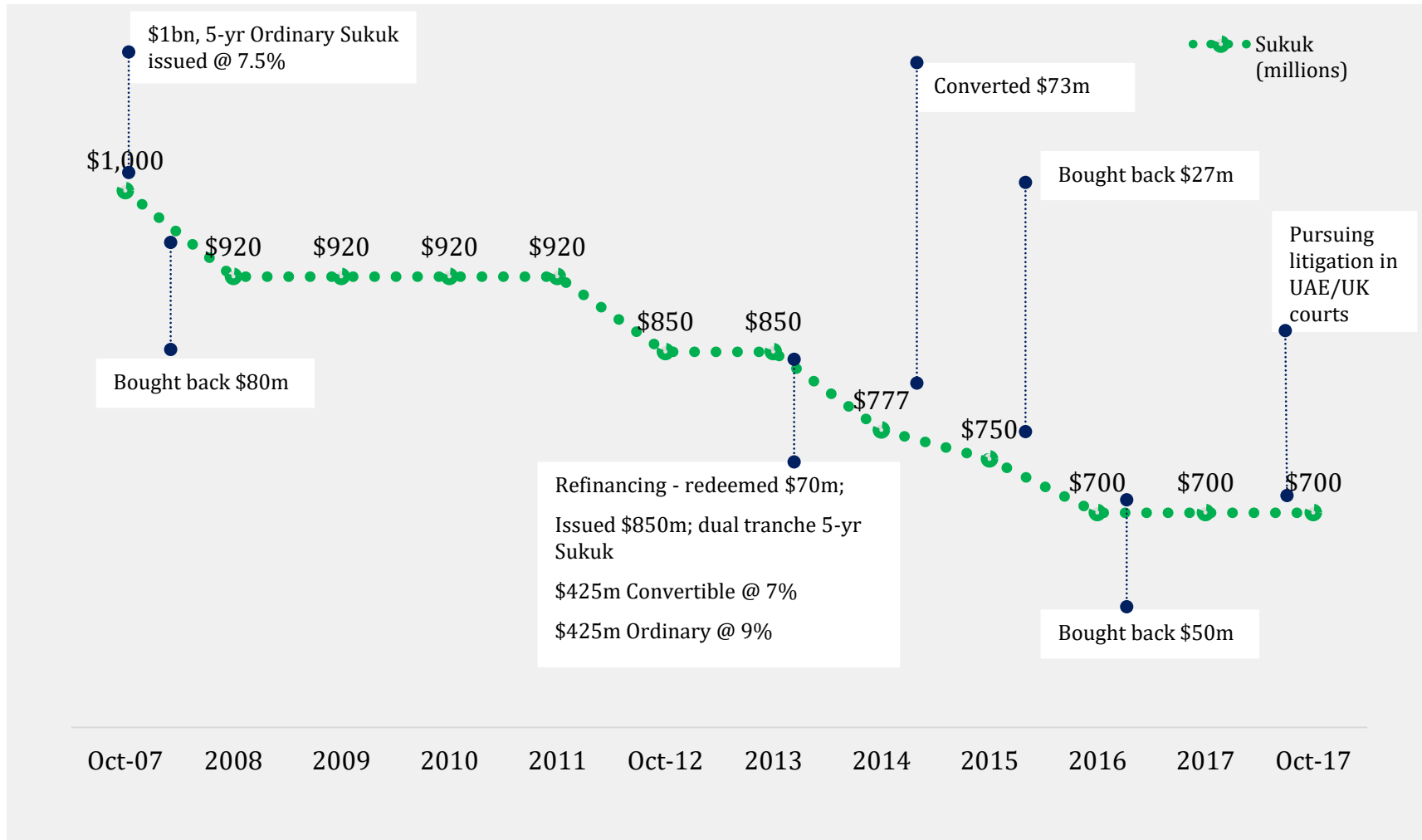


Receivables-Egypt (million USD)



Note: % calculated as collection divided by net revenue

History - Sukuk (\$/million)



Arbitration & Sukuk Update

MOL (Pearl Petroleum shareholder)

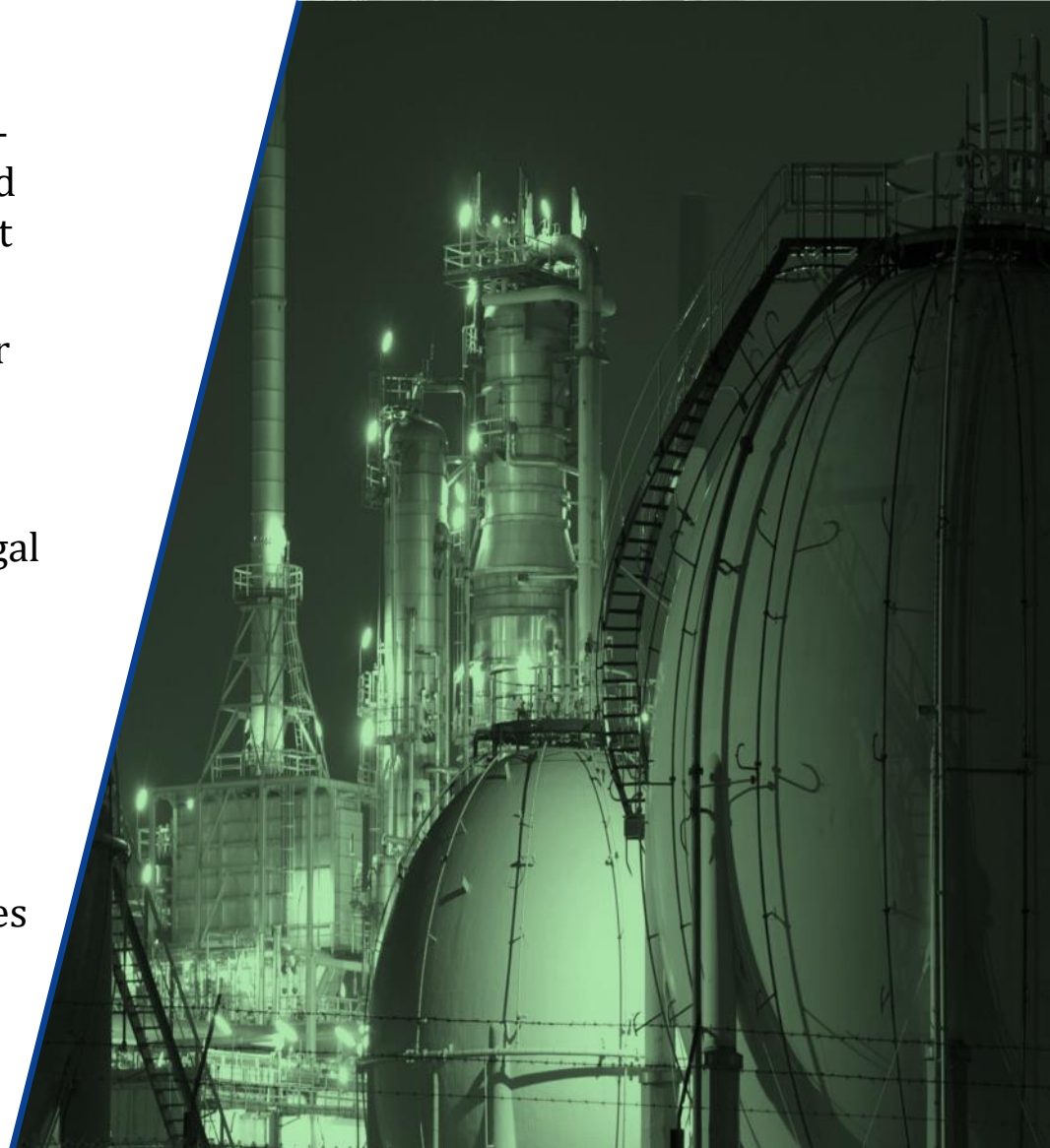
- MOL expressing dissatisfaction with outcome – wanted to renegotiate terms with Dana Gas and Crescent Petroleum (namely certain contingent payments)
- Obtain formal declaration to resolve the matter

UAE Gas Project (NIOC)

- Oral hearings took place – clarifying certain legal matters
- Judgement expected by within the next 12 months

Sukuk

- Dana Gas is pursuing litigation-driven outcomes



Summary as of Q3 2017

Operations

- 9M Group production 3% higher at 67,600 boepd
- 9M Egypt production 8% higher at 39,600 boepd
- 9M KRI production steady at 25,600 boepd
- Third export of condensate sale in Egypt (October)
- South Faraskur Compression completed – added 5MMscf/d
- 3 well drilling program starting in Egypt, 2 wells on Block 1

Financials

- 9M - \$330m revenue and \$86m gross profit – up 18% and 37% respectively vis-à-vis 9M 2016
- 9M - \$125m net profit principally due to a result of accounting changes linked to Settlement Agreement
- Higher realised prices, higher production volumes and cost management had a major part to play in improved financials
- G&A and OPEX continues to remain low
- Positive free cash flow of \$366m

Liquidity

- KRG: received cash entitlement of \$210m + \$140m in development fund; reclassified receivables
- No new industry payment from Egypt – 9M received total payments of \$145m
- Total trade receivables in Egypt now \$211m
- \$562m of cash in hand at period end

Arbitration and Sukuk

- Reached a settlement agreement with KRG
- Dana & Crescent initiated arbitration against MOL
- Initiated Sukuk restructuring process. Injunctions obtained from Sharjah, London and BVI courts. Company is pursuing the litigation route to resolve the matter.
- NIOC Arbitration damages result due by H1 2018

Key Focus / Strategy: 2017 - 2018

1.

Resolve Sukuk restructuring

2.

Invest to double production of gas and condensate and further develop our world-class fields in the KRI

3.

Deliver full asset value through operational efficiencies and maintaining cost competitiveness

4.

Improve collections and reducing receivables in Egypt whilst balancing capex with cash from receivables

5.

Realising material asset growth potential through high impact appraisal & exploration drilling

6.

Grow asset base through focused portfolio management

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