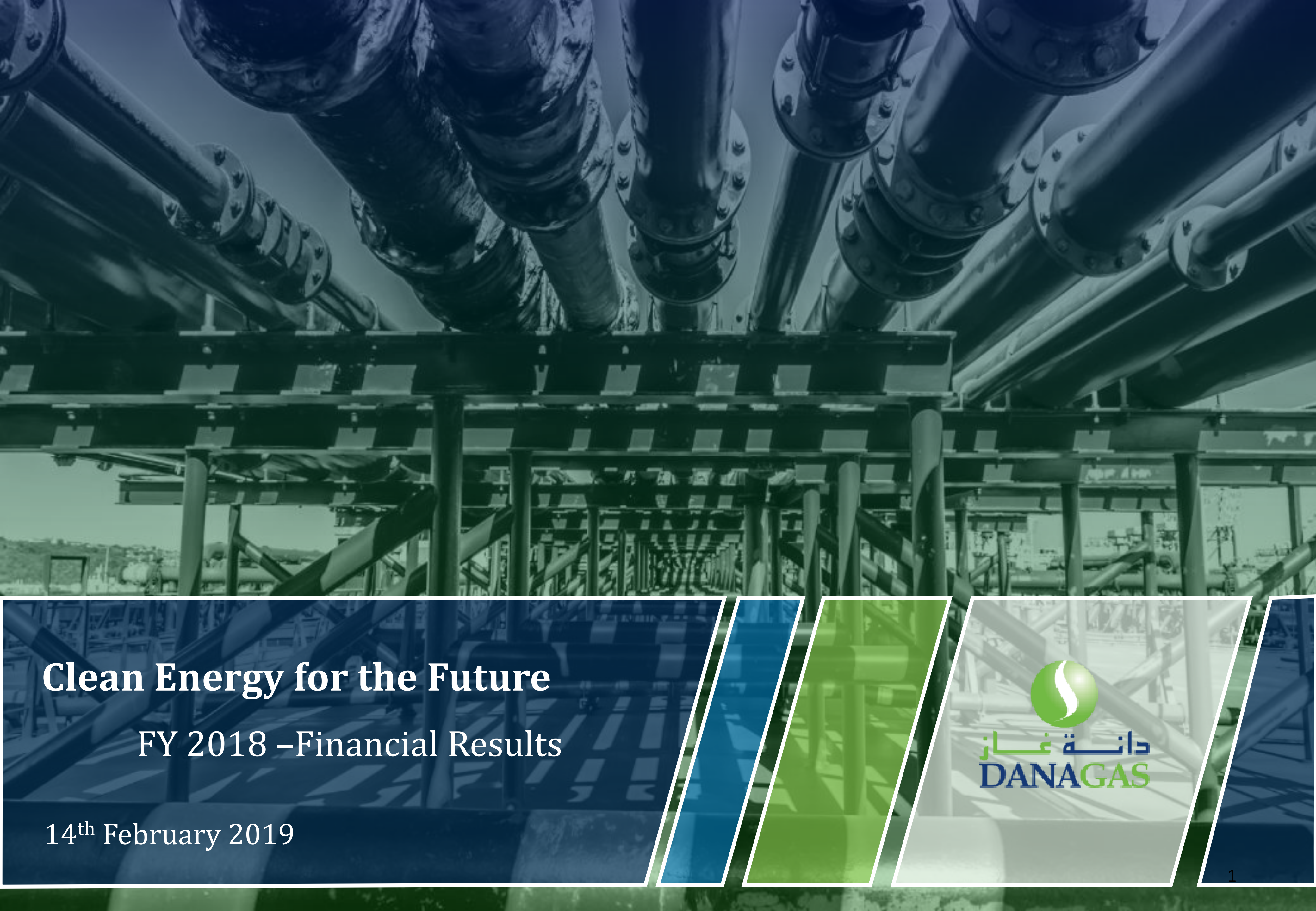

Clean Energy for the Future

FY 2018 –Financial Results

14th February 2019

دانـــة غــاز
DANAGAS

Disclaimer

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1. High level review

FY 2018: Deliverables

What we promised	What we delivered
Delivered on major growth projects	Completed debottlenecking project in KRI; and Balsam-8 project in Egypt
Received regular cash receipts	KRI payments are up to date and Egypt collections are up 27% year-on-year
Successful conclusion of sukuk refinancing	Consensual conclusion of refinancing; launched buyback; $40mm in ongoing annual financing savings
Distributed first ever dividend	Payment of first dividend - $95 mm 2019 dividend of 5.5 fils per share
Exciting pipeline of future growth projects	Key growth drivers include Block 6 off-shore drilling in Egypt and increasing KRI production by 125% in the next 3 years

2. Headlines

Highlights

Financials

- **Revenue** - $470mm; up 4% from $450mm in 2017 due to higher realized prices and KRI production helping offset production declines in Egypt and the UAE
- **Gross Profit** - $140mm; up 19% from $118mm in 2017 reflecting strong underlying operational performance
- Like-for-like **net profit** is $64mm for the year as compared to net profit of $5mm in 2017
- After taking into account one-off non-cash impairment provisions and reversals a **net loss** of $186mm vs. $83mm net profit in 2017

Operations

- **Group production** averaged 63,050 boepd – down 7%; decrease primarily result of natural field declines in Egypt and UAE
- **KRI** production boosted by completion of debottlenecking project, taking annual production to 26,650 boepd from 25,750 boepd last year
- Brought onstream the **Balsam-8 well –** ahead of schedule and under budget
- Achieved group production of 70,000 boepd in November
- **Block 6** offshore well on track for first drill in Q2 2019

Liquidity

- **Cash balance** at $407mm
- **Collected** a total of $334mm during FY 2018: $208mm from Egypt, $114mm from KRI and $12mm from UAE
- **Net trade receivables** in Egypt reduced by nearly 40% year end to $140mm; expecting to receive remaining overdue payments in 2019
- DGE exported a total of five **condensate** cargoes in 2018, collecting approximately $54mm
- No outstanding overdue receivables from KRI

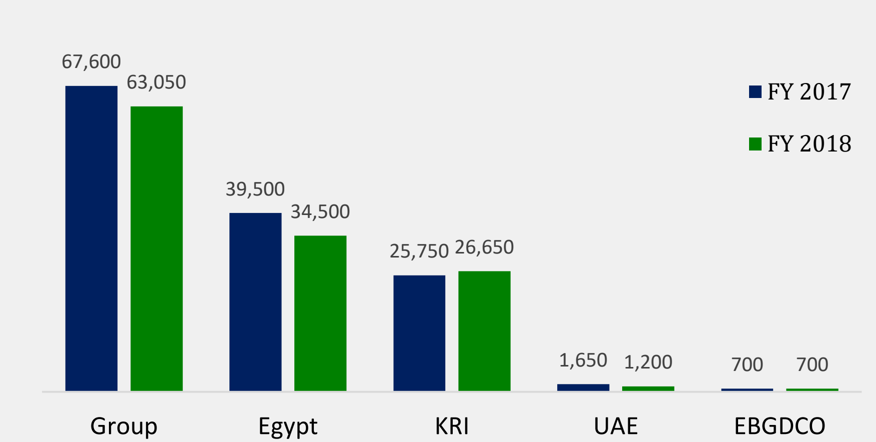
Dividend, Sukuk and Arbitration

- $95mm dividend payment in May
- Board proposes a 5.5% dividend, a 10% increase
- Consensual conclusion of Sukuk refinancing, $235mm payment of principal and accrued profit made to Sukuk holders (and other fees)
- Post further Sukuk buyback of $131mm at par value ($5mm post period), Sukuk reduced from $700mm to $399mm
- Result in $40mm in annual finance costs savings

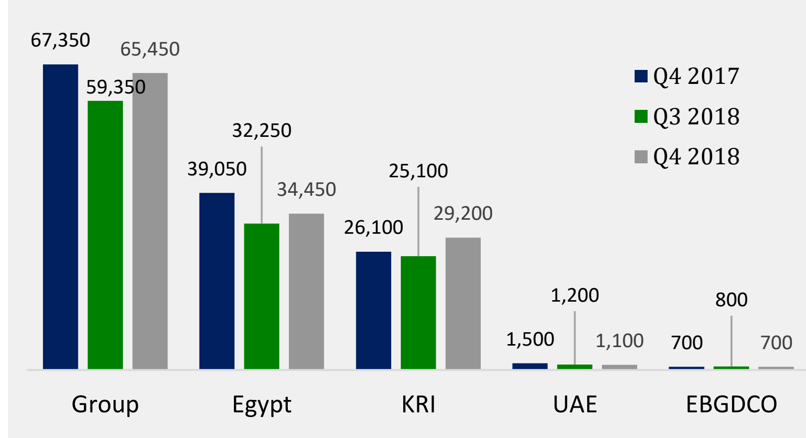
3. Operation Update

Average Production & Average Realized Prices

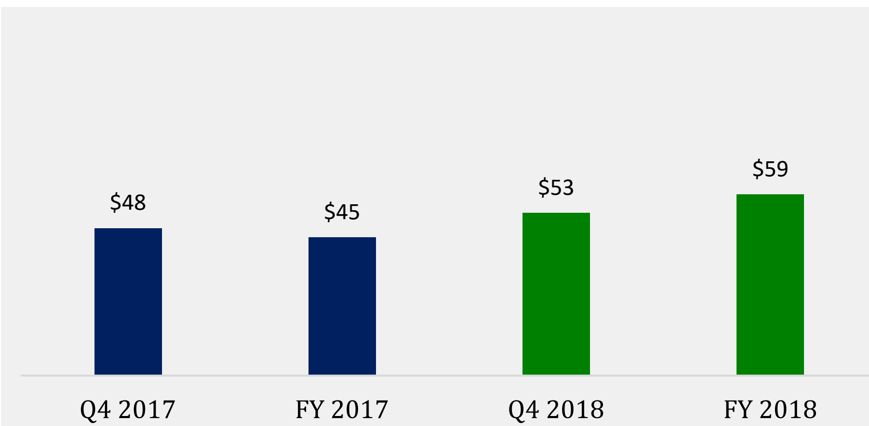
Production (boepd) FY 2018 Vs FY 2017



Production (boepd) Q4 18 Vs Q3 18 & Q4 17



Average Realized Price-Condensate (USD/bbl)



Average Realized Prices LPG (USD/boe)

Egypt: Programme Overview

Nile Delta Concessions

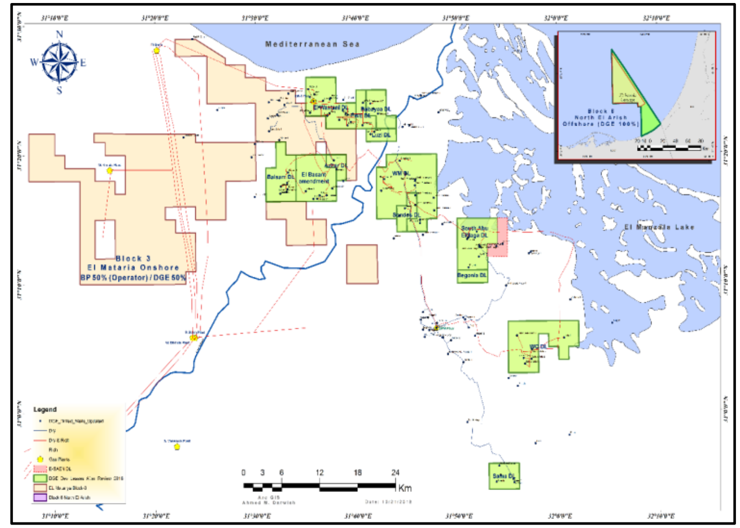
- 4 well drilling and work-over programme completed, 14 MMscf/d production capacity added
- Balsam-8 spudded 11 Aug; completed ahead of schedule and below budget with no incidents
- Added 25 MMscf/d gas and 1,100 bbl/d condensate, total 5,500 boepd
- Plans in place for Block 3 exploration drilling in 2019

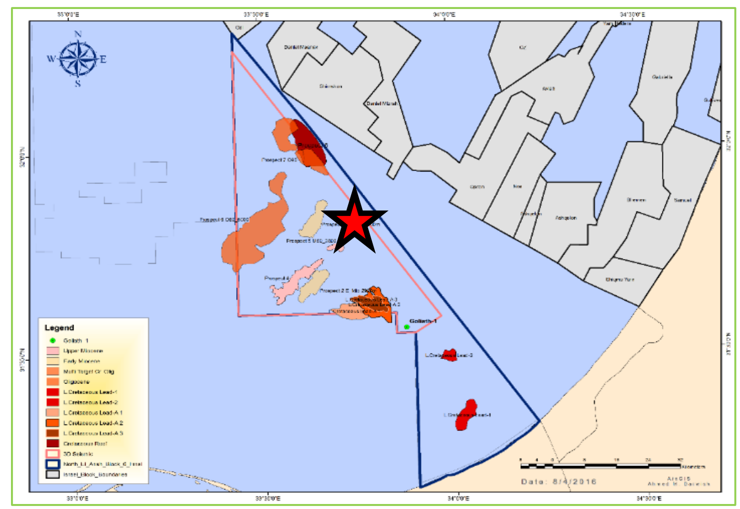
Block 6

- On track to drill first multi-TCF potential exploration well in Q2 2019

GPEA condensate sales

- 5 cargo exports in 2018 collecting $54mm; average volume 157,200 barrels





KRI: Expansion plans underway

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Ambitious programme to increase daily production to 900 MMscf and 35,000 bbl by 2022

10-Year Gas Sales Agreement

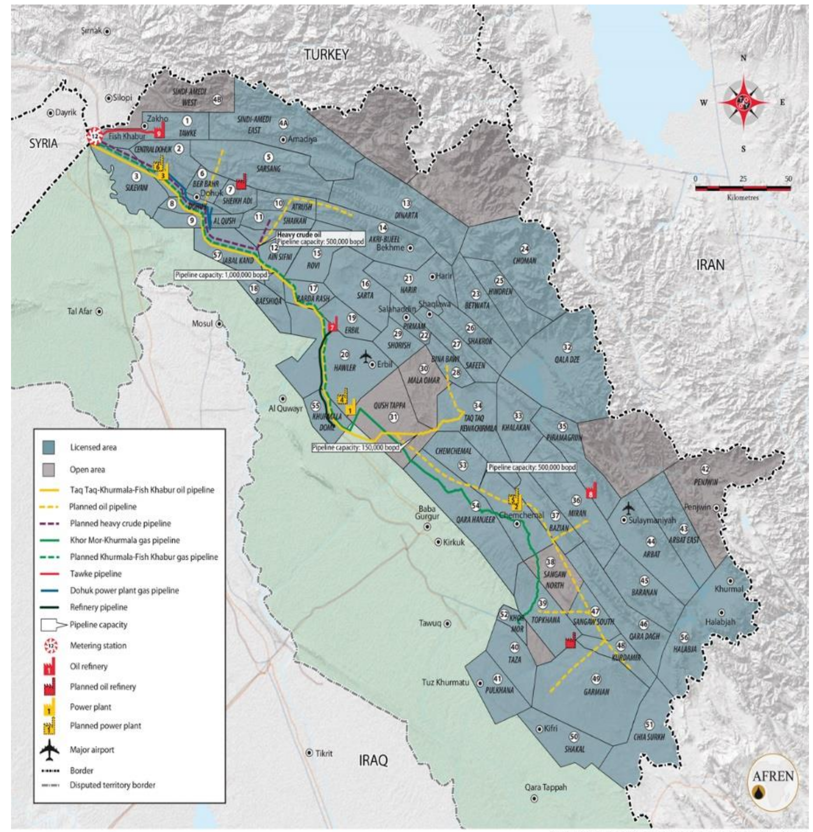
- Pearl Petroleum signed GSA with KRG in Jan '18 to sell additional gas supply from debottlenecking project that came online in October

Debottlenecking of existing plant <u>completed</u>

- Raised output by 30%, increasing gas and condensate production from 305 MMscf/d and 13,000 bbl/d to 400 MMscf/d and 15,000 bbl/d
- Expect to add up to $50 million annually to revenue without incurring any additional operational costs

Future Growth Plans

- Currently undertaking multi-well drilling programme in Khor Mor and Chemchemal Fields
- Expansion plans to grow gas production by 500 MMscf/d and liquids production by 20,000 bbl/d over the coming three years
- $600mm of planned capital expenditure at Pearl (Consortium) level
- Capex will be fully funded through contractor financing, multi-lateral / ECA loans, bank debt, bond raises and retained earnings from incremental production, no cash call



UAE

- Field has been underperforming since it came onstream in late 2015
- Problem lies with reservoir quality
- Currently producing at around 6 MMscf/d
- No further interventions to raise production are economically viable
- Production expected to stop sometime in 2019
- Investment in Zora Gas Field being written down following year-end independent reserves report
- Report reclassified Zora reserves from 2P reserves to 2C (contingent) resources

Arbitration & Sukuk Update

MOL [Kurdistan Region of Iraq]

- Following the hearing scheduled in late November 2018, a ruling is expected in February-March

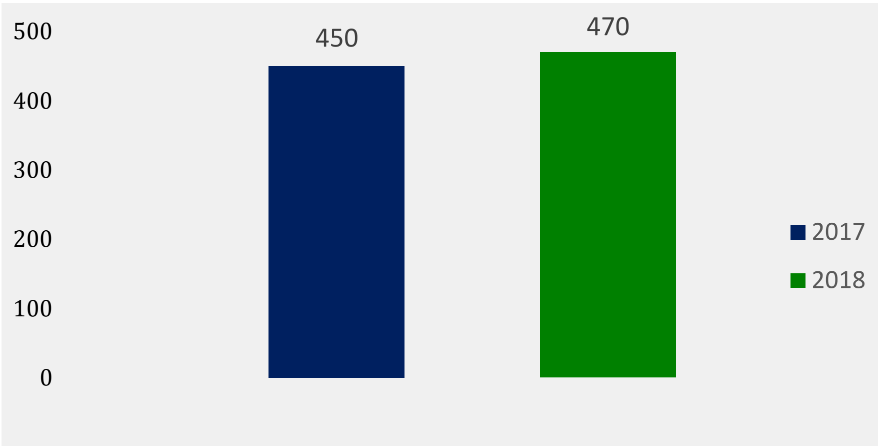
UAE Gas Project

- In October 2017 Tribunal indicated final judgement on the amount of damages would likely be delivered in second half of 2018
- To date no award has been made by the Tribunal and Dana Gas has not received any updates as to when this may happen

4. Financial Update

Financial Highlights

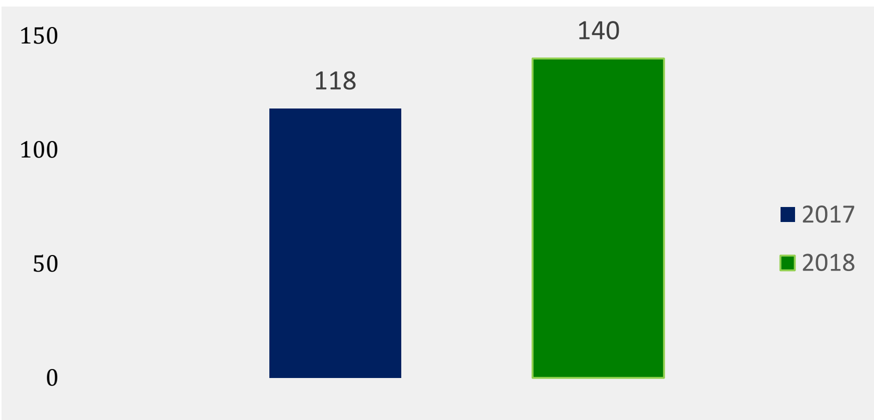
Gross Revenue ($mm)



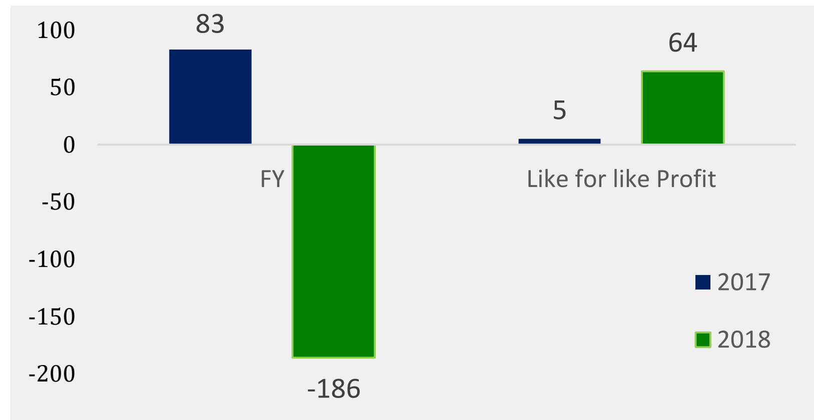
Like for like profit ($mm)

	2018	2017
Profit before impairment and reversals	**64**	**5**
Impairment	(250)	(36)
Reversals	-	114
Net (Loss)/Profit	(186)	83

Gross Profit ($mm)

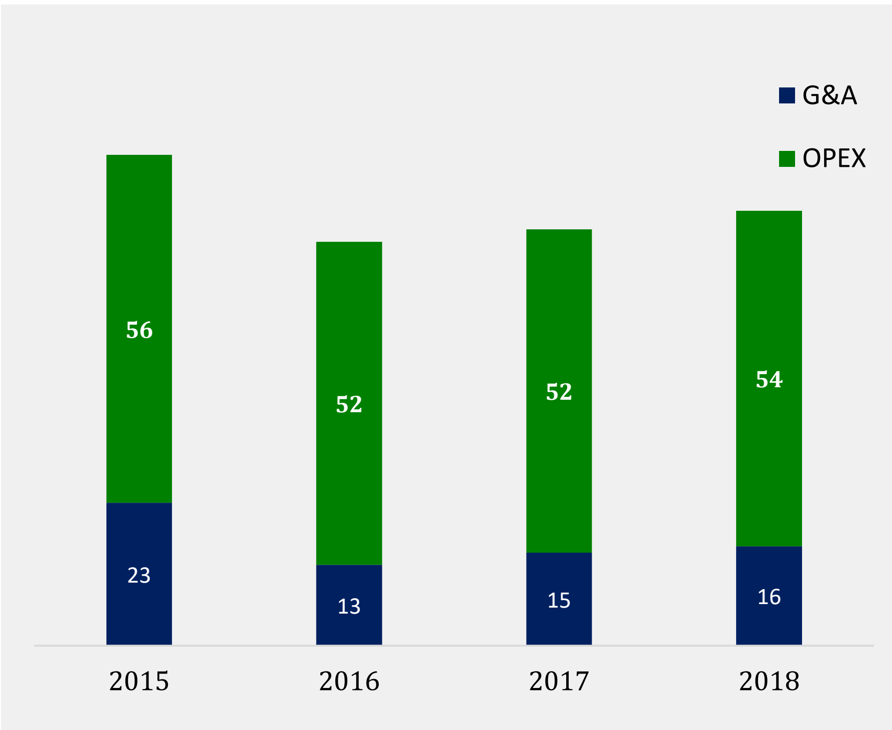


Net Profit ($mm)

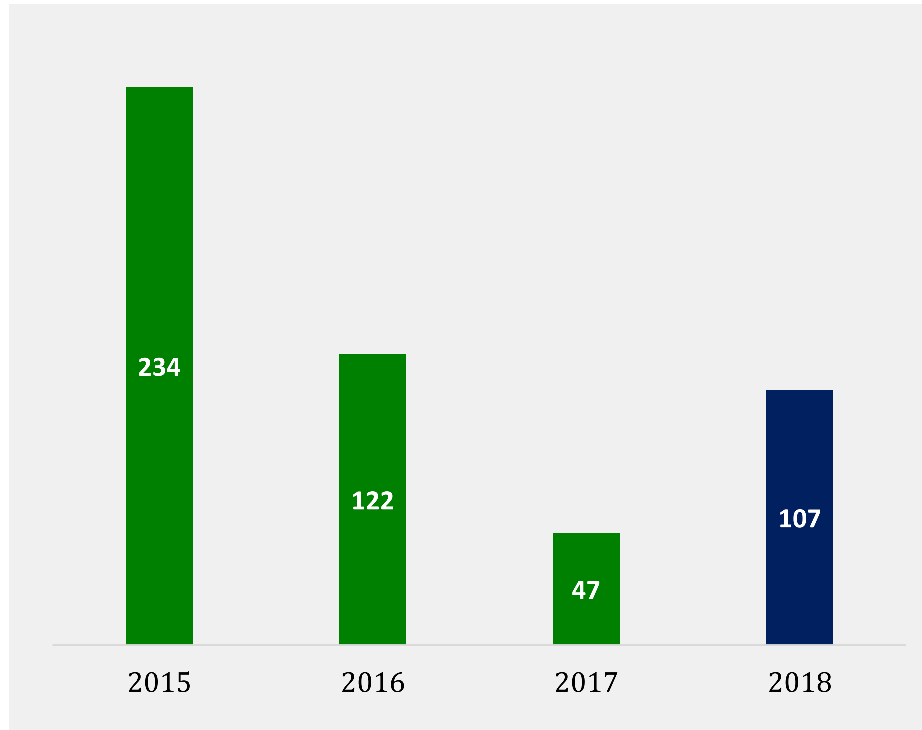


CAPEX & OPEX

G&A / OPEX ($mm)



CAPEX ($mm)



G&A / OPEX

- OPEX and G&A maintained at similar levels in 2018 reflecting continued tight cost control

CAPEX

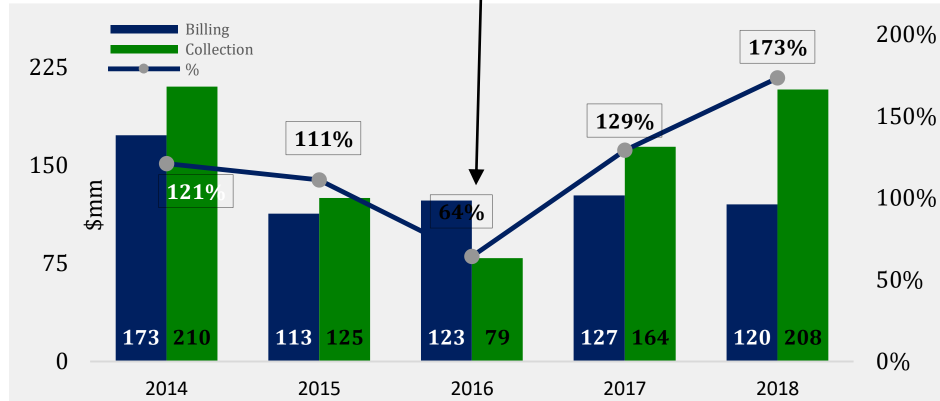
- $57mm in Egypt and $ 50mm in KRI
- $20-30mm annual maintenance Capex in Egypt
- Continue to balance expenditure with collections in Egypt
- No direct funding requirement in KRI

Liquidity & Receivables

Figure hidden

- YE cash of $407mm
- $95mm dividend payment in May 2018
- $235mm payment attributed to Sukuk restructuring
- $131m of Sukuk buyback at nominal value ($5mm post period) – reducing the outstanding Sukuk to $399mm
- Received $334mm in FY 2018
  - $208mm in Egypt
  - $114mm in KRI
  - $12mm in UAE
- Egypt YE 2018 trade receivables at $140mm vs $228mm at YE 2017
- Continuing to balance investments against collections in Egypt

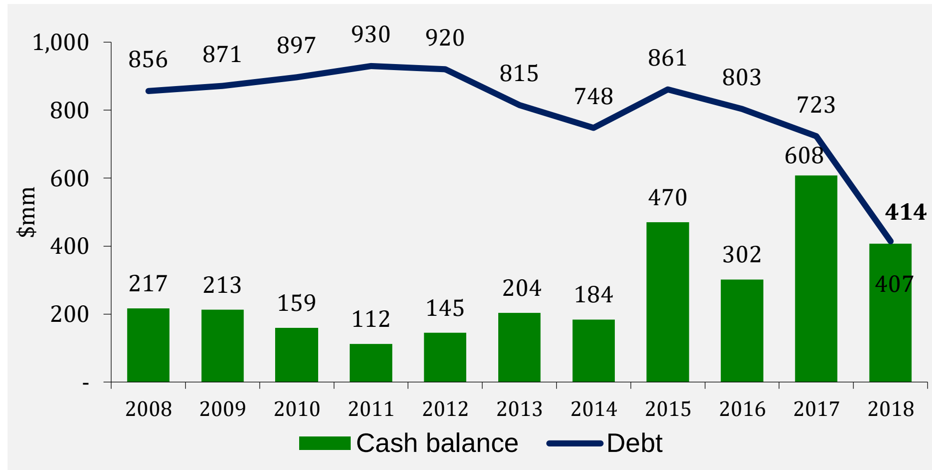
Egypt Receivables (mm $)



Total Trade Receivable

$233mm	$221mm	$265mm	$228mm	$140mm

Debt and Cash Balance (mm $)



5. Summary

Summary

1. Strong operational and financial performance. Full delivery of 2018 objectives: KRI production expansion, remediate Egypt production decline, resolution of sukuk restructuring, improved collections, payment of dividend.

2. Delivered on two major projects: fast track debottlenecking project in KRI resulting in 30% increase in production and Balsam-8 in Egypt delivering additional 5,500 boepd.

3. Completed consensual sukuk restructuring with 95% Sukukholders staying in the new sukuk. The restructuring and buyback program has reduced the Sukuk from $700 million to $399 million. The Company will save $40 million in ongoing annual financing costs.

4. Total collection was $334 million with Egypt, KRI and UAE contributing $208 million, $114 million and $12 million respectively. In KRI, regular payments have been received and there are no outstanding receivables. In Egypt the outstanding receivables has been reduced to $140 million at year end, a 40% reduction y-o-y.

5. Huge future growth potential. In KRI PPCL has expansion plans to grow production by a further 500 MMscf/d of gas and 20,000 bbl/d of condensate over the coming three years. In Egypt, Block 6 high-impact multi-Tcf Merak well is to be drilled in the second quarter 2019 and represents a genuine game-changer for Dana Gas.

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