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**2 February 2014**

**The Board of Directors  
Dana Gas PJSC  
P O Box 2011  
Sharjah  
United Arab Emirates**

**Preliminary results for the year ended 31 December 2013**

**Dear Sirs**

**We have pleasure in returning the preliminary results of Dana Gas PJSC for the year ended 31 December 2013 in the English and Arabic languages. As requested these are stamped by us for identification purposes.**

**Yours faithfully**

**Anthony O'Sullivan  
Partner  
Registration No. 687**

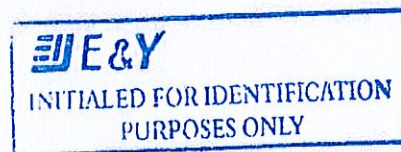




## **Preliminary Unaudited Results of Public Joint Stock Company**

### **First - General Information:**

<b>Name of the Company</b>	:	Dana Gas PJSC
<b>Establishment date</b>	:	20 <sup>th</sup> November 2005
<b>Paid up capital</b>	:	AED 6.602 billion
<b>Subscribed capital</b>	:	AED 6.602 billion
<b>Authorized capital</b>	:	AED 6.602 billion
<b>Chairman of the Board</b>	:	Dr. Adel Khalid Al - Sabeeh
<b>Chief Executive Officer</b>	:	Dr. Patrick Allman-Ward
<b>Name of the external auditor</b>	:	Ernst & Young
<b>Company's mailing address</b>	:	P.O.Box 2011, Sharjah
<b>Tel.</b>	:	06 556 9444
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## **Second - Preliminary Unaudited Results for the Year ended 31 December 2013**

	<b>All figures in Million</b>			
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
	<b>US\$</b>	<b>US\$</b>	<b>AED</b>	<b>AED</b>
		<b>Restated</b>		<b>Restated</b>
Total Assets	3,521	3,480	12,907	12,755
Shareholders' Equity	2,543	2,417	9,321	8,859
Gross Revenues	652	633	2,390	2,320
Gross Profit	288	355	1,055	1,301
Net Profit for the year after tax	<b>156</b>	<b>165</b>	<b>571</b>	<b>605</b>
Total Comprehensive Income for the Year	136	194	498	711
Basic Earnings per share	0.024	0.025	0.086	0.092
Diluted Earnings per share	0.021	0.025	0.078	0.092

### **Summary of the Company's Performance for Year ended 31 December 2013:**

1. Gross Revenues for the year were higher compared to 2012 reflecting production growth in Egypt.
2. Production in Egypt was higher by 14% at 13.4 millions of barrel of oil equivalent (mmboe) compared to 11.8 mmboe in 2012. Production in Kurdistan remained at similar level as in 2012 at 10 mmboe. Repairs to LPG loading bay were completed and capacity of 900 tonnes per day was restored in July 2013, however, production of LPG has remained low since then due to under lifting by the Ministry of Natural Resource ("MNR") of Kurdistan Region of Iraq ("KRI").
3. Dana Gas Net Profit for the 4<sup>th</sup> quarter ended 31 December 2013 increased by 12% to AED 128 million (US\$ 35 million) from AED 114 million (US\$ 31 million) in the 4<sup>th</sup> quarter of 2012.
4. Dana Gas Net Profit for the year, however, decreased by 5% to AED 571 million (US\$ 156 million) as compared to AED 605 million (US\$ 165 million) in 2012. The decline was mainly due to reduction in Gross Profit of the Company for the following reasons:
  - a) With production and revenue increase in Egypt, there was a corresponding increase in royalty (Government's entitlement of production) and DD&A.
  - b) Lower sales of the high-margin LPG in KRI in 2013, as explained above, impacted profits on a year-on-year basis.





## **Summary of the Company's Performance for Year ended 31 December 2013 (continued):**

5. Annual Basic and Diluted Earnings per share stood at 8.6 fils and 7.8 fils, respectively.
6. Cash balance improved by 24% to AED 748 million (US\$ 204 million) by end of 2013 compared to AED 601 million (US\$ 164 million) in 2012, aided by a US\$ 53 million payment of outstanding receivables from Egypt in December 2013.
7. The Group collected AED 491 million (US\$ 134 million) in Egypt during 2013 against its share of receivable (2012: AED 596 million/US\$ 163 million). At year end the trade receivable balance stood at AED 1,004 million (US\$ 274 million) – (2012: AED 866 million/US\$ 236 million).
8. Collections in Kurdistan stood at AED 253 million during 2013 (US\$ 69 million). The group has not received any significant payment since July 2013 and is taking steps to ensure that payments are resumed as soon as possible. At year end the trade receivable balance stood at AED 1,888 million (US\$ 515 million) – (2012: 1,298 million/US\$ 354 million).
9. On 21 October 2013, Dana Gas, along with Crescent Petroleum and Pearl Petroleum (which holds petroleum rights in the Kurdistan Region of Iraq), commenced arbitration proceedings at the London Court of International Arbitration (LCIA), in accordance with an agreement with the Kurdistan Regional Government of Iraq (KRG) which was signed in April 2007 and is governed by English Law.
10. On 31 October 2013, conversion period for convertible Sukuk issued on 8 May 2013 commenced, which will expire 25 trading days prior to 31 October 2017. During this period, Sukuk holders have the right to convert all or part of the convertible Sukuk into ordinary shares of the Company. Subsequent to year end, during the period from 1 January 2014 to 15 January 2014, the Company has received conversion notices for the convertible sukuk amounting to USD 20.65 million. Accordingly, 101,116,167 ordinary shares calculated at a conversion price of AED 0.75 (nominal value AED 1) will be issued to satisfy the Notices. The Company has applied to the Competent Authorities to increase the capital of the Company to effect the same.

Further, during the period from 16<sup>th</sup> January 2014 till 30<sup>th</sup> January 2014, the Company has received conversion notices for the Convertible sukuk amounting to USD 17.41 million. Accordingly, 85,256,403 ordinary shares calculated at a conversion price of AED 0.75 (nominal value AED 1) will be issued to satisfy the Notices. The Company will be applying to the Competent Authorities in due course to increase the capital of the Company to affect the same.

