



**Building a better
working world**

Ernst & Young
P.O. Box 1350
BM Towers, Office No. 2501
Al Ittihad Street, Al Nahda
Sharjah, United Arab Emirates

Tel: +971 6 528 7526
Fax: +971 4 701 0722
ey.com/mena

5 February 2015

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

Preliminary un-audited results for the year ended 31 December 2014

Dear Sirs

We have pleasure in returning the preliminary un-audited results of Dana Gas PJSC and its subsidiaries for the year ended 31 December 2014 in the English and Arabic languages. As requested these are stamped by us for identification purposes only.

Yours faithfully

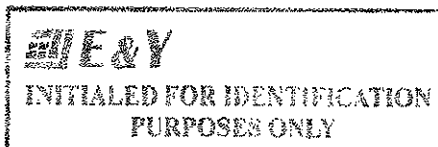
**Thodla Hari Gopal
Partner
Registration No. 689**



Preliminary Unaudited Results of Public Joint Stock Company

First - General Information:

Name of the Company	:	Dana Gas PJSC
Establishment date	:	20 th November 2005
Paid up capital	:	AED 6.961 billion
Subscribed capital	:	AED 6.961 billion
Authorized capital	:	AED 6.961 billion
Chairman of the Board	:	Dr. Adel Khalid Al - Sabeeh
Chief Executive Officer	:	Dr. Patrick Allman-Ward
Name of the external auditor	:	Ernst & Young
Company's mailing address	:	P.O.Box 2011, Sharjah
Tel.	:	06 556 9444
Fax	:	06 556 6522
E- Mail	:	mail@danagas.com



مس. 2011 • فاكس : +971 (6) 556 6522 • تليفون : +971 (6) 556 9444 • فاكس : +971 (6) 556 6522 • تليفون : +971 (6) 556 9444 • فاكس : +971 (6) 556 6522
P.O.Box: 2011, Sharjah, U.A.E. • Tel: +971(6) 556 9444 • Fax: +971(6) 556 6522
E-mail : mail@danagas.com • البريد الإلكتروني • web: www.danagas.com • الموقع الإلكتروني



Second - Preliminary Unaudited Results for the Year ended 31 December 2014

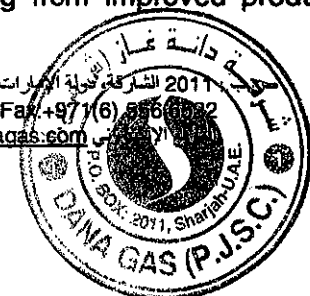
	All figures in Million			
	2014 US\$	2013 US\$	2014 AED	2013 AED
Total Assets	3,612	3,521	13,237	12,907
Shareholders' Equity	2,710	2,543	9,932	9,321
Gross Revenues	683	652	2,504	2,390
Gross Profit	303	288	1,110	1,055
Net Profit for the year after tax	125	156	457	571
Total Comprehensive Income for the Year	99	136	363	498
Basic Earnings per share	0.018	0.024	0.066	0.086
Diluted Earnings per share	0.017	0.021	0.064	0.078

Summary of the Company's Performance for Year ended 31 December 2014:

- Total assets at 31 December 2014 were \$ 3.6 billion (AED 13.2 billion) compared to \$ 3.5 billion (AED 12.9 billion).
- Gross Revenues for the year were higher by 5% compared to 2013 reflecting production growth in Egypt, partially offset by lower hydrocarbon prices in the last two months of 2014.
- The Group ended the year with an average production of 68,900 barrels of oil equivalent per day (boepd), an increase of 6% compared to last year's production of 64,700 boepd. Production in Egypt was higher by 9% at 14.6 millions of barrel of oil equivalent (mmboe) compared to 13.4 mmboe in 2013 whereas production in Kurdistan increased by 3% to 10.4 mmboe as compared to 10.0 mmboe in 2013.
- Dana Gas Net Profit for the year decreased by 20% to \$ 125 million (AED 457 million) as compared to \$ 156 million (AED 571 million) in 2013. The key variances in net profitability are due to impairment of \$ 22 million (AED 81 million) of oil and gas assets in Egypt during Quarter 4 2014 due to fall in oil prices and a one off gain of US\$ 39 million (AED 143 million) recognized on sale of MOL shares in first quarter 2013. Excluding the one off gain in 2013, profit from operations in 2014 was 9% higher as compared to that achieved in 2013 resulting from improved production performance and focus on decreasing costs.

2011 الشارقة، دولة الإمارات العربية المتحدة • تليفون: +971(6) 556 9444 • فاكس: +971 (6) 556 6 522
 P.O.Box: 2011, Sharjah, U.A.E. • Tel: +971(6) 556 9444 • Fax: +971(6) 556 6 522
 E-mail: mail@danagas.com • البريد الإلكتروني: • web: www.danagas.com

E&Y
 INITIALED FOR IDENTIFICATION
 PURPOSES ONLY



Summary of the Company's Performance for Year ended 31 December 2014 (continued):

5. Dana Gas Net loss for the 4th quarter ended 31 December 2014 was \$ 4 million (AED 15 million) as compared to Net profit of \$ 35 million (AED 128 million) in the 4 quarter of 2013. This loss is mainly due to impairment in oil and gas assets in Egypt, as explained above, and due to lower realized hydrocarbon prices during Quarter 4, 2014.
6. Annual Basic and Diluted Earnings per share stood at 6.6 fils and 6.4 fils, respectively.
7. Cash balance at year end of \$ 184 million (AED 674 million) reduced by 10% compared to \$ 204 million (AED 748 million) in 2013. In December 2014, cash balance was boosted by receipt of \$ 60 million as part of Egypt industry payment. This year end receipt of \$ 60 million will be used in Egypt to pay for the overdue payables, fund future investment requirements and address operational expenses.
8. In Egypt, the Group received cash of \$ 163 million (AED 597 million) (2013: \$ 134 million / AED 491 million) and EGAS/EGPC offset the Block-6 signature bonus of \$ 20 million (AED 73 million) and payables to government owned contractors of \$ 27 million (AED 99 million) against the amounts due to the Group. The monies received are being used in Egypt to pay for the overdue payables, fund future investment requirements and address operational expenses At year end the trade receivable balance stood at \$ 233 million (AED 854 million) compared to \$ 274 million (AED 1,004 million) at end of 2013.
9. In the Kurdistan Region of Iraq, following commencement of direct, local sales of condensate and LPG by PPCL, Dana Gas share of collections for the year 2014 stood at \$ 34 million (AED 125) compared to \$ 69 million (AED 253 million) in 2013. This included a cash advance of US\$ 18 million (AED 66 million) received as a guarantee against future lifting of the products. At year end the trade receivable balance stood at \$ 746 million (AED 2,734 million) – (2013: \$ 515 million / AED 1,888 million).
10. On 21 October 2013, Dana Gas, along with Crescent Petroleum and Pearl Petroleum (which holds the petroleum rights in the Kurdistan Region of Iraq), commenced arbitration proceedings at the London Court of International Arbitration (LCIA), in accordance with the agreement with the KRG which was signed in April 2007 and is governed by English Law.

On 21 March 2014, Dana Gas, along with Crescent Petroleum and Pearl Petroleum filed an Interim Measure Application to the Tribunal. The companies were successful in their application to the Tribunal for interim measures and the Tribunal made an order on 10 July 2014 for the KRG to restore the previous regular payments to the companies as of 21 March 2014, the date of the application, and until the case is concluded. The KRG failed to comply with and challenged the tribunal's order, although since September 2014 the company was enabled to commence local sales of condensate and LPG to third parties. On 17 October 2014, the Tribunal dismissed the KRG's challenge and re-affirmed its order for interim measures of 10 July 2014.

INITIALED FOR IDENTIFICATION PURPOSES ONLY

2011 الشارقة، دولة الإمارات العربية المتحدة • تلفون: +971 (6) 556 9444 • فاكس: +971 (6) 556 6522 • بريد الإلكتروني: mail@danagas.com • P.O.Box: 2011, Sharjah, U.A.E. • Tel: +971(6) 556 9444 • Fax: +971(6) 556 6522 • web: www.danagas.com



Summary of the Company's Performance for Year ended 31 December 2014 (continued):

11. The conversion period for convertible sukuk issued on 8 May 2013 commenced on 31 October 2013 and will expire 25 trading days prior to the scheduled redemption date of 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. During the year 2014, the Company has received voluntary early conversion notices for the convertible sukuk amounting to USD 72,926,080. Accordingly 357,094,708 ordinary shares calculated at a conversion price of AED 0.75 (nominal value of AED 1) were required to be delivered to satisfy the said voluntary early conversion notices. As of 31 December 2014, all the required ordinary shares were issued to satisfy the notices. The difference between the conversion price of AED 0.75 and nominal value of AED 1 calculated on ordinary shares issued up to 31 December 2014 was debited to convertible bonds – equity component reserve.
12. During the period, Dana Gas Egypt concluded a Gas Production Enhancement Agreement (GPEA) with the Egyptian Natural Gas Holding Company (EGAS) and the Egyptian General Petroleum Company (EGPC). This landmark agreement forms the basis for an important development program to increase production from current levels of over 40,000 boepd from the Company's development leases in the Nile Delta. Under the GPEA the Company will undertake a long term staged work program over a seven year period with project work expected to start in the next few months and first export sales of incremental volumes of condensate following the completion of tie-in activities. This will enable accelerated pay down of all the receivables by 2018.
13. In February 2014 Dana Gas signed the Block 6 Concession Agreement with the Egyptian Ministry of Petroleum. In September 2014, Dana Gas Egypt was awarded the North El Salhiya (Block 1) and El Matariya (Block 3) onshore concessions in the Nile Delta as part of the 2014 EGAS bidding found. The two blocks are located adjacent to the Company's existing Development Leases and have a 6 year exploration period, comprised of two phases of 3 years each.

Dana Gas Egypt with BP as partner and operator will participate in the Block 3 Concession Area on a 50:50 basis. The parties are in the final stages of negotiating an agreement, which once finalized will see BP fund all of the cost (including Dana Gas's share) of one exploration well up to an agreed maximum limit. In the event that the well proves commercial, BP has the option to back into 50% of the deep potential of Dana Gas' adjacent Development Leases.

