



Preliminary Unaudited Results of Dana Gas PJSC

First - General Information:

Name of the Company	:	Dana Gas PJSC
Establishment date	:	20 th November 2005
Paid up capital	:	AED 6.977 billion
Subscribed capital	:	AED 6.977 billion
Authorized capital	:	AED 9.000 billion
Chairman of the Board	:	Mr. Hamid Dhiya Jafar
Chief Executive Officer	:	Dr. Patrick Allman-Ward
Name of the external auditor	:	Ernst & Young
Company's mailing address	:	P.O. Box 2011, Sharjah
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Second - Preliminary Unaudited Results for the Year ended 31 December 2017

All figures in Million

	2017 US\$	2016 US\$	2017 AED	2016 AED
Total Assets	3,782	3,765	13,864	13,800
Shareholders' Equity	2,866	2,781	10,505	10,192
Gross Revenues	450	392	1,649	1,437
Gross Profit	118	103	432	378
Net Profit/(Loss) for the year after tax	83	(88)	305	(323)
Basic Earnings/(Loss) per share	0.012	(0.013)	0.044	(0.046)

Summary of the Company's Performance:

1. Total assets at 31 December 2017 were \$ 3.78 billion (AED 13.86 billion) compared to \$ 3.76 billion (AED 13.80 billion). Shareholder's equity continues to be strong at \$ 2.9 billion (AED 10.5 billion).
2. The Company ended the year with an average production of 67,600 barrels of oil equivalent per day (boepd), an increase of 1% compared to last year's production of 67,050 boepd.
3. Gross Revenues for the year were higher by 15% compared to 2016 mainly due to increase in realized liquid prices in 2017, coupled with higher production in Egypt and Kurdistan. Realised prices for liquids were higher by 21% in 2017 and contributed a positive increase of \$ 49 million (AED 179 million). Production increase added a further \$ 9 million (AED 33 million) to the topline.



Summary of the Company's Performance for Year ended 31 December 2017 (continued):

4. Gross Profit for the year higher by 15% at \$ 118 million (AED 432 million) mainly due higher realized prices during the year partly offset by higher DD&A in KRI and Zora operations.
5. Net Profit for the year is \$ 83 million (AED 305 million) a 200% turnaround from a net loss of \$ 88 million (AED 323 million) in 2016. In 2016 the main contributor to the net loss was a one-time interest reversal of \$66 million (AED 242 million) on overdue receivables due from KRG following the Third Partial Final Award. In 2017, apart from good production growth and higher realized prices; the company's profitability also benefited from a very successful settlement with the KRG at end of August 2017. The profit growth in 2017 was impacted by an impairment of \$ 34 million (AED 125 million) against Zora assets following receipt of the year end reserve report.
6. Cash and bank balance at year-end stood at \$ 608 million (AED 2.2 billion), an increase of 101% compare to year-end balance of \$ 302 million (AED 1,107 million). The increase was mainly due to receipt of \$ 210 million (AED 770 million) dividend by Pearl following settlement with KRG and receipt of an industry payment \$ 110 million (AED 403 million) in Egypt during the month of May and June 2017.
7. Dana Gas share of collections in the Kurdistan Region of Iraq stood at \$ 466 million (AED 1,708 million). Pursuant to the Settlement Agreement with the KRG dated 30 August 2017, KRG settled the outstanding receivables amounting to \$ 1.98 billion (DG Share: \$ 695 million) as of 30 August 2017 by payment of \$ 1 billion (DG Share: \$ 350 million) in cash with the residual receivable being converted to petroleum cost and classified as "Oil & Gas interest" under "Property, plant & equipment". Consequently at year end, Dana Gas 35% share of trade receivable balance stood at \$ 7 million (AED 26 million) and represents amounts due against local sales for the month of December 2017. Of the \$ 350 million (AED 1.3 billion) Dana Gas share, Pearl paid out a dividend of \$ 210 million (AED 770 million) and the balance \$ 140 million (AED 513 million) is held with Pearl as funds for further development.
8. In Egypt, the Company collected \$ 164 million (AED 601 million) during the year and hence realized 129% of 2017 billing. Out of the total, \$ 113 million (AED 414 million) was received in US Dollars, \$ 44 million (AED 161 million) in equivalent Egyptian pounds and \$ 7 million (AED 26 million) was offset against payables to government owned contractors. At year end the trade receivable balance reduced to \$ 228 million (AED 836 million) from \$ 265 million (AED 971 million) at end of 2016.



Dr. Patrick Allman-Ward
Chief Executive Officer

