



The Middle East's Leading Private Sector Natural Gas Company

2013 Quarter 1 Results Presentation

May 2013

# Disclaimer



This presentation contains forward-looking statements which may be identified by their use of words like “plans,” “expects,” “will,” “anticipates,” “believes,” “intends,” “projects,” “estimates” or other words of similar meaning. All statements that address expectations or projections about the future, including, but not limited to, statements about the strategy for growth, product development, market position, expenditures, and financial results, are forward looking statements.

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# Presentation Outline – First Quarter 2013

- Performance Highlights
- Financial Performance
  - Average Realized Prices
  - Net Profit
  - Trade Receivables Analysis
- Business Performance
  - Egypt
  - Kurdistan
- Summary

# Performance Highlights

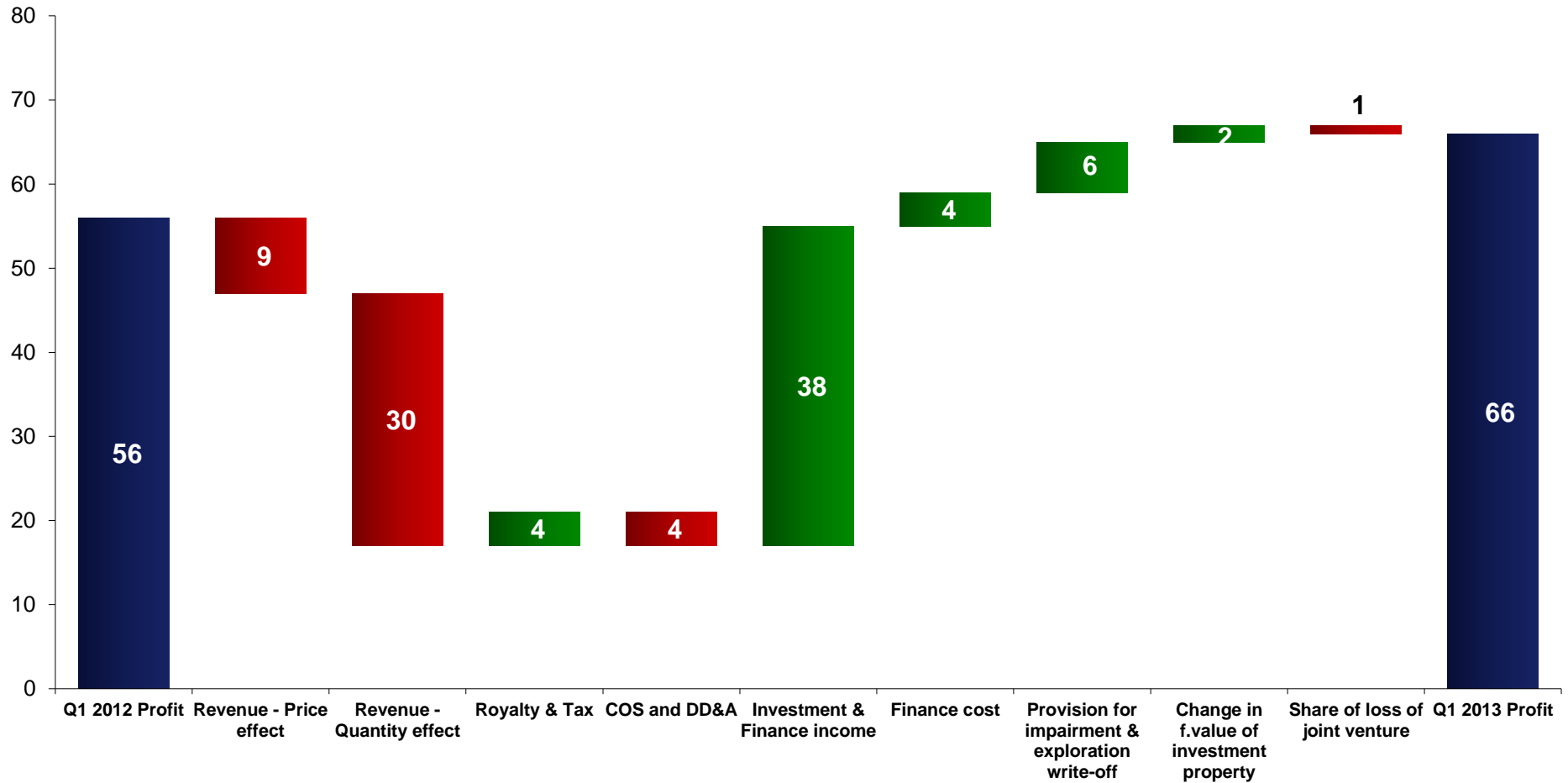
- Production up at 61,200 BOEPD, up 3% on Q-o-Q basis; marginal decline (3%) on Y-o-Y basis
  - Further upside in Egypt as newly discovered wells and compression facilities are being brought on stream
  - LPG production in Kurdistan expected to recommence in 2Q 2013 following repairs at the loading bay
- Begonia-1 discovery in Egypt being evaluated with testing results expected in Q2 2013
- Awarded a 100% interest in the North Al Arish offshore (Block 6) concession area in Egypt
- Prequalified as a non-operator in Lebanon's first Offshore Licensing Round
- Q1 2013 Profit After Tax: US\$ 66MM up 18% on a Y-o-Y basis
- \$73MM collected in Q1 2013 against Dana Gas share of receivables in Egypt & Kurdistan
  - 2013 YTD achievement of 100% billing to collection ratio in Egypt
- Stronger balance sheet with period end cash balance of \$ 342 million
  - Sukuk restructuring completed with overwhelming support from sukukholders and shareholders
  - Partial monetization of investments generating \$ 135 million

# Financial Performance

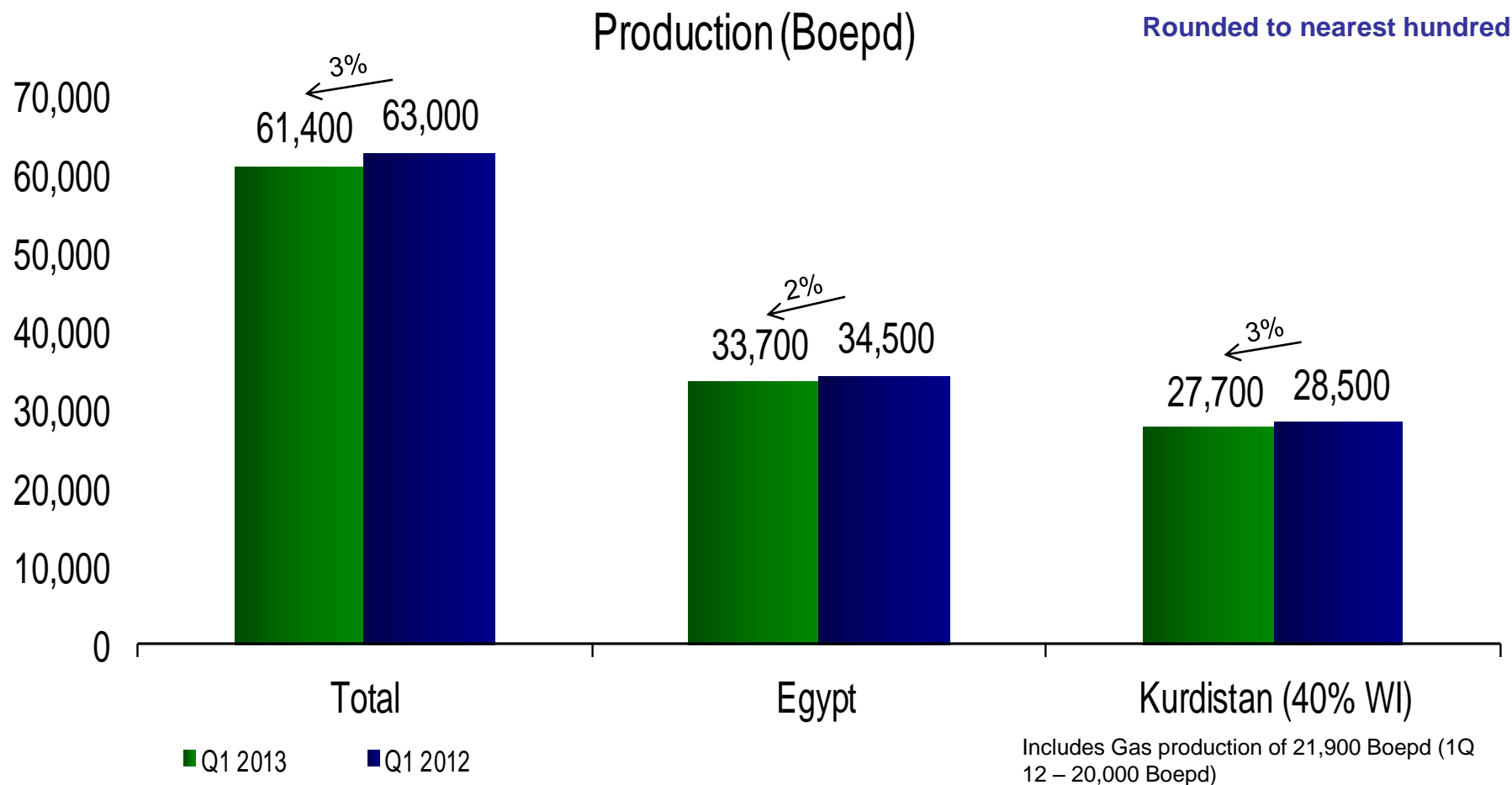
# Financial Highlights

	Q1 – 2013	Q1 – 2012	Change %age
<b>Gross Revenue</b>	152	191	(20)
<b>Net Profit</b>	66	56	18
<b>EBITDAX</b>	88	125	(30)
<b>EPS (AED fils)</b>	3.7	3.1	19

# Profit After Tax Bridge – Q1 2013 Vs Q1 2012

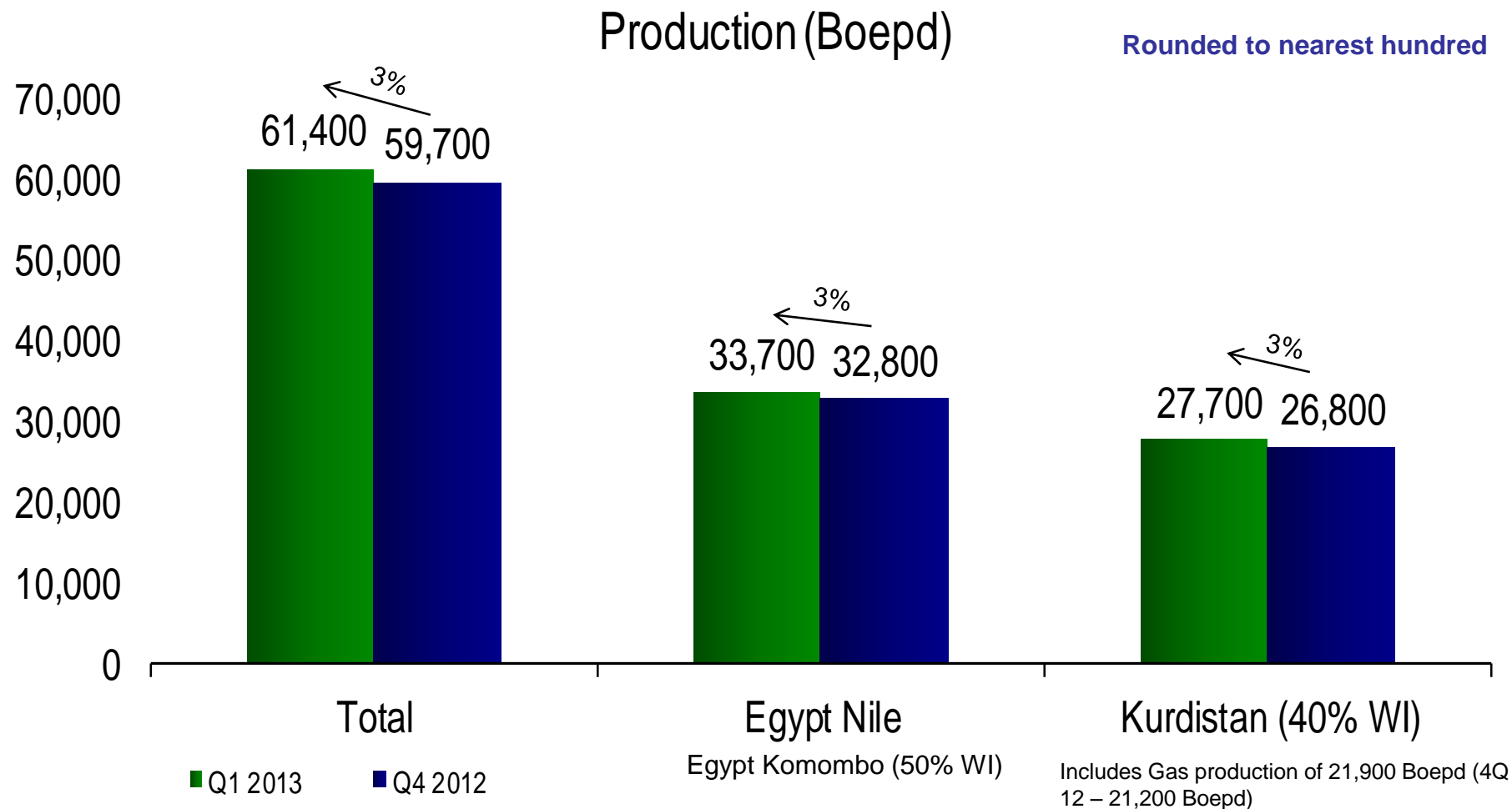


# Production – Q1 2013 Vs Q1 2012

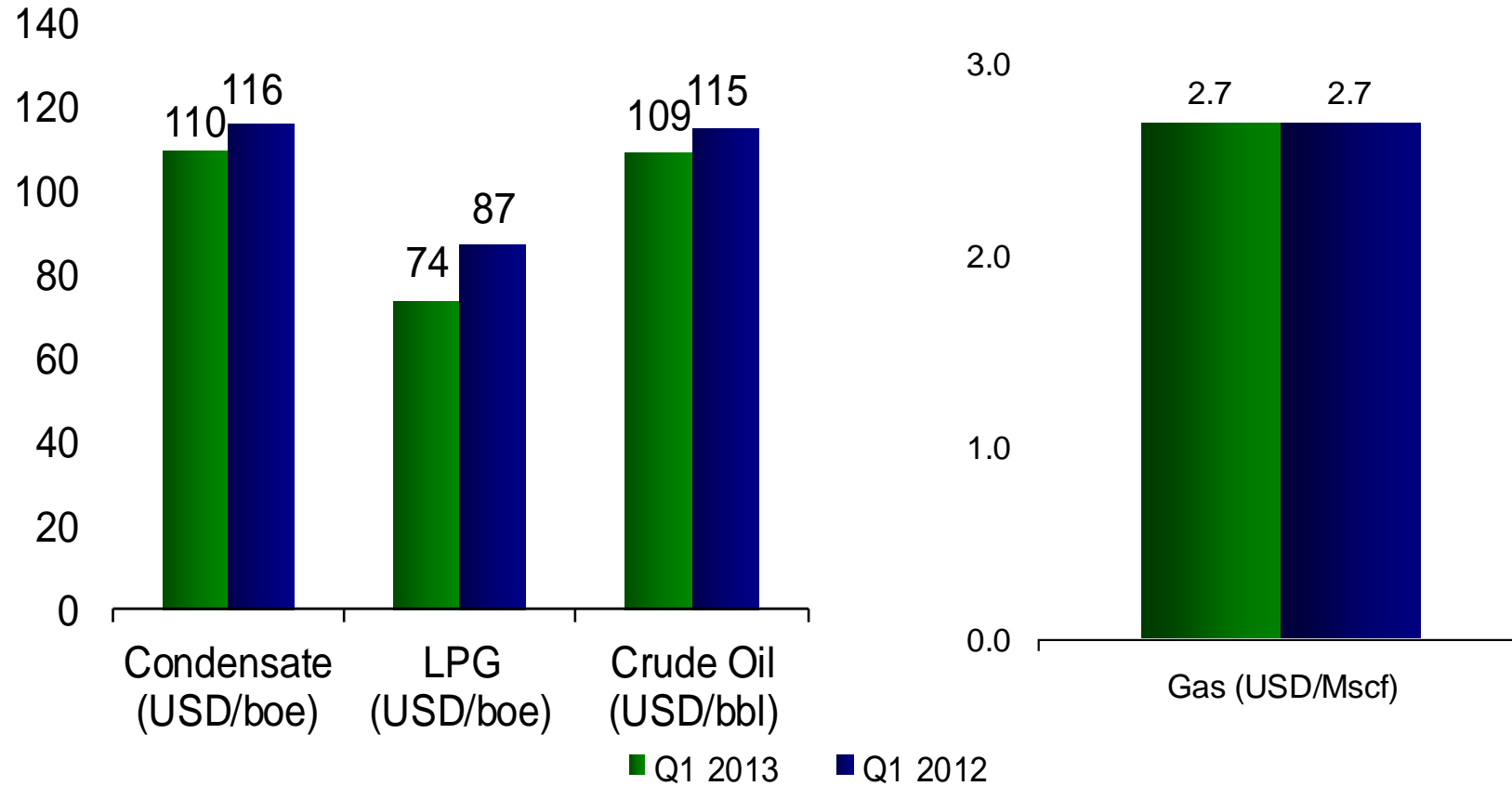




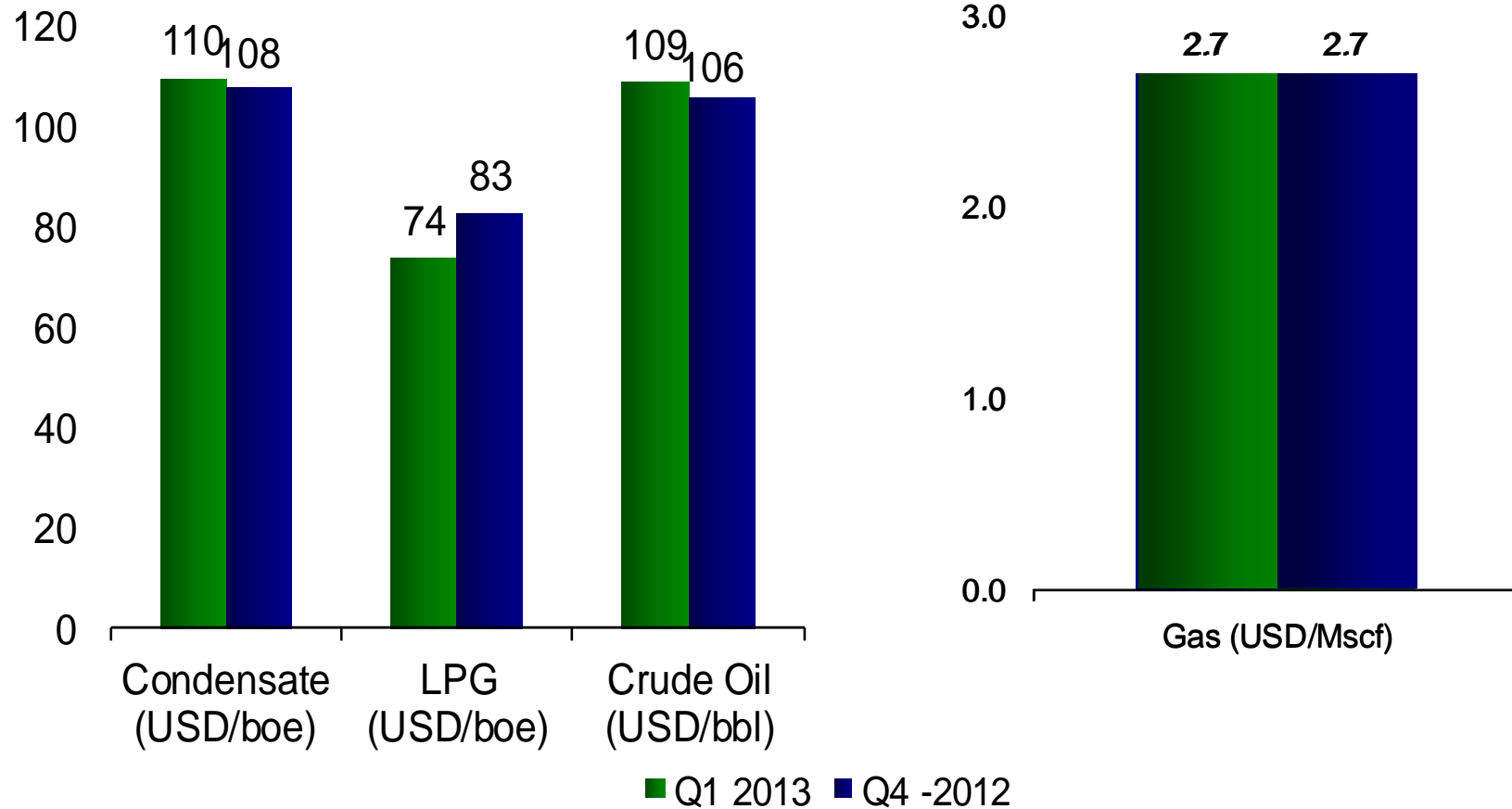
# Production – Q1 2013 Vs Q4 2012



# Average Prices – Q1 2013 Vs Q1 2012

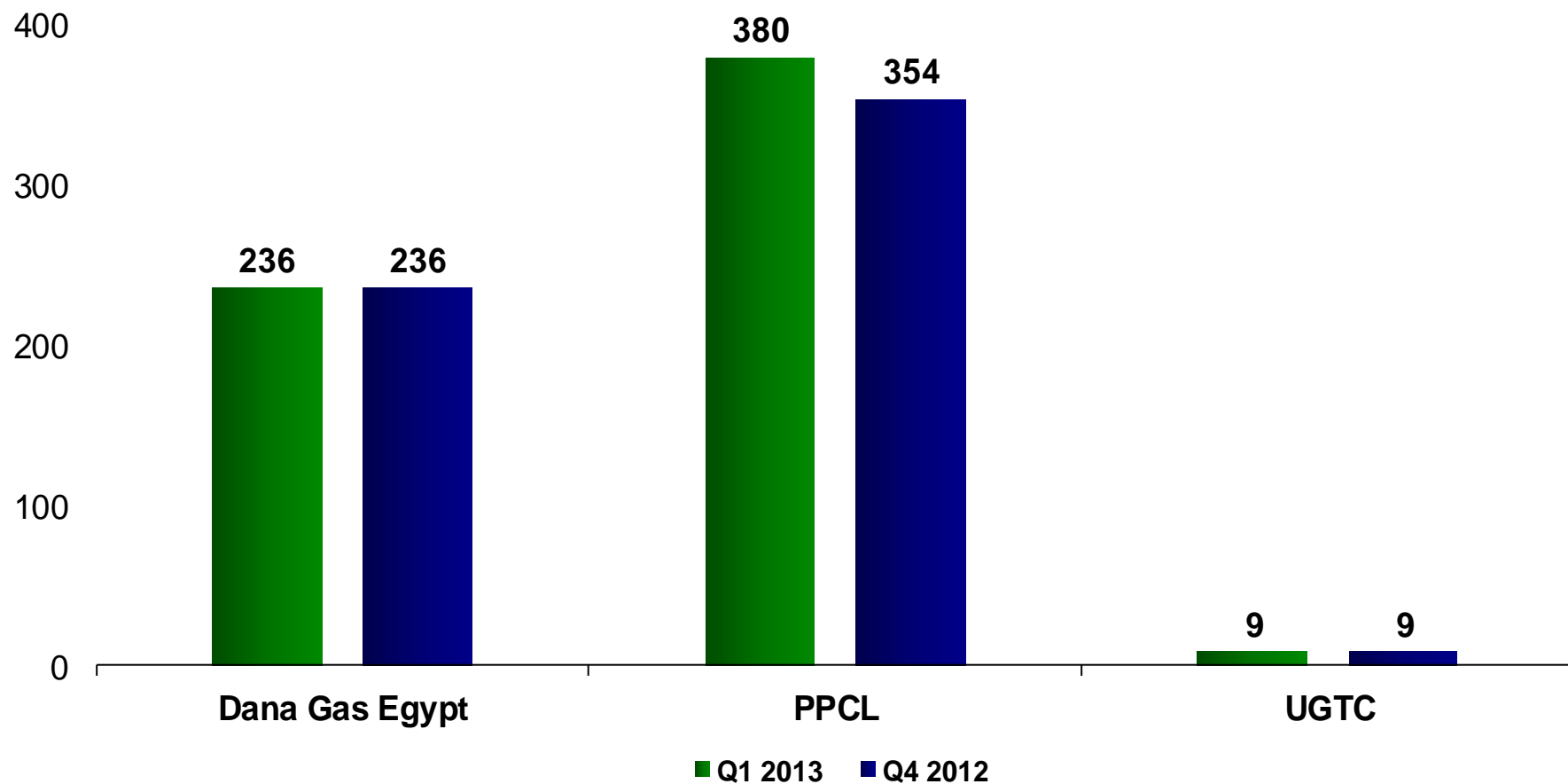


# Average Prices – Q1 2013 Versus Q4 2012



## Trade Receivables – As of 31 March 2013

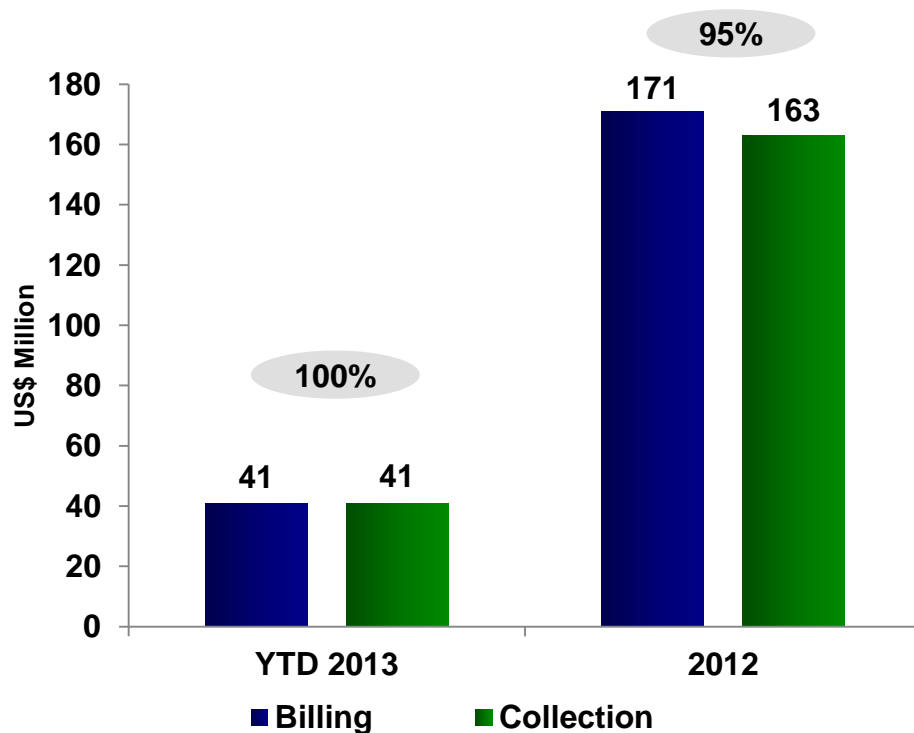
(all figures in US\$ 'mm)



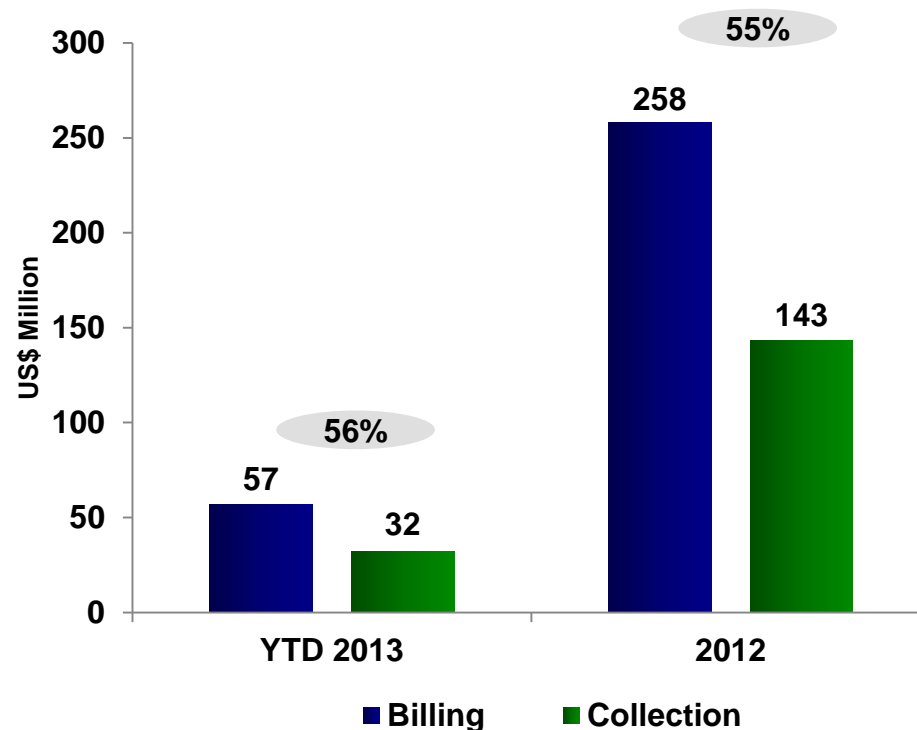
# Billing & Collection – As of March 2013

(all figures in US\$ 'mm)

## Dana Gas Egypt



## Pearl Petroleum (40%)



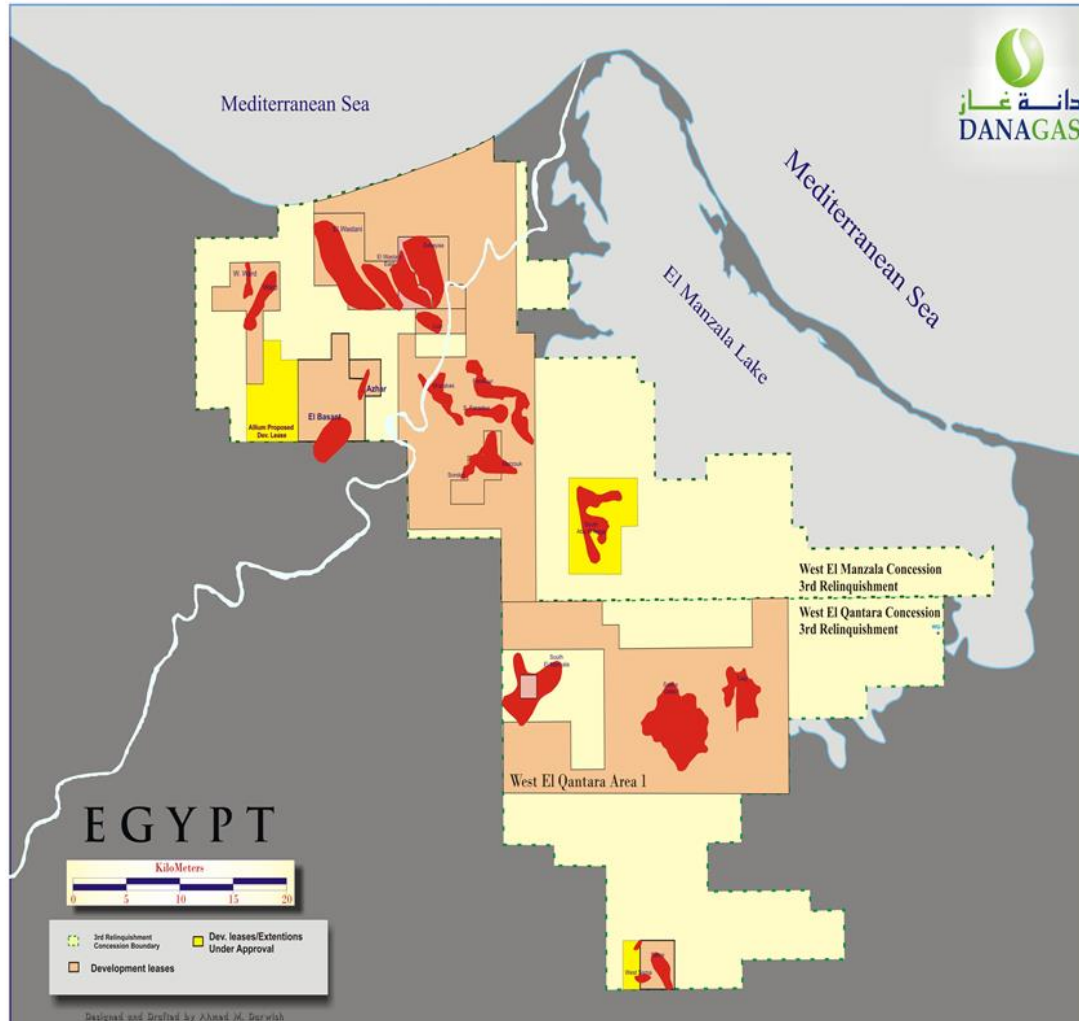
*Note: percentage calculated as collections divided by net revenue*

## Business Performance - Egypt

# Egypt Business Environment

- Egypt Government announced a new licensing policy for future oil and gas exploration contracts that will allow Egypt to obtain a bigger share of the production. The new policy will not impact the 8 oil and gas exploration licenses in the Mediterranean Sea that Egypt awarded recently
- Phased increase in gas prices with high consumption factories (steel, fertilizers etc.) increased to \$4 /MMBTU in late 2011 followed by \$6 /MMBTU in 2013 for cement industry. Discussions on for further increase for steel/fertilizer sectors to \$6 /MMBTU
- Egypt to receive first shipment of Qatari LNG by the end of May
- In principle agreement between Iraq and Egypt for supply of 4 million barrels of crude a month on a 3 month credit term. Deal follows after Libya agreed offer Egypt crude supplies worth around \$1 billion on a one year credit term
- Ongoing geo-political concerns impacting IMF rescue loan negotiations, currency and the investment climate

# Egypt: Q1 2013 Results



## Discoveries:

Begonia -1 potential under evaluation; full interpretation of testing results expected to be completed by Q2 2013

## New Development Leases:

- Sama Amendment (West Sama)
- El Basant Amendment (Allium)
- Balsam

## New Fields on Stream:

- Allium (West Manzala)
- South Abu El Naga (Dry Gas) (West Manzala)
- West Al Baraka 2 (Komombo)

## Production Rate:

33.3 kboepd

## Projects in Progress:

- South Abu El Naga (Rich Gas)
- El Basant Compression Station
- Capacity De-bottlenecking
- Salma/Tulip



# EBGDCO: Q1 2013 Results



## Production:

Gas plant throughput started averaged 75 MMSCFD until February 2013 since when it is averaging 85-90 MMSCFD

Extensive communication with the Ministry and EGPC ongoing to achieve the contracted flow rate through increasing gas supply

Exploratory discussions with gas suppliers to increase feedstock gas

Plant recovery is: 97% for C3 and 100% for C4.

## Collections:

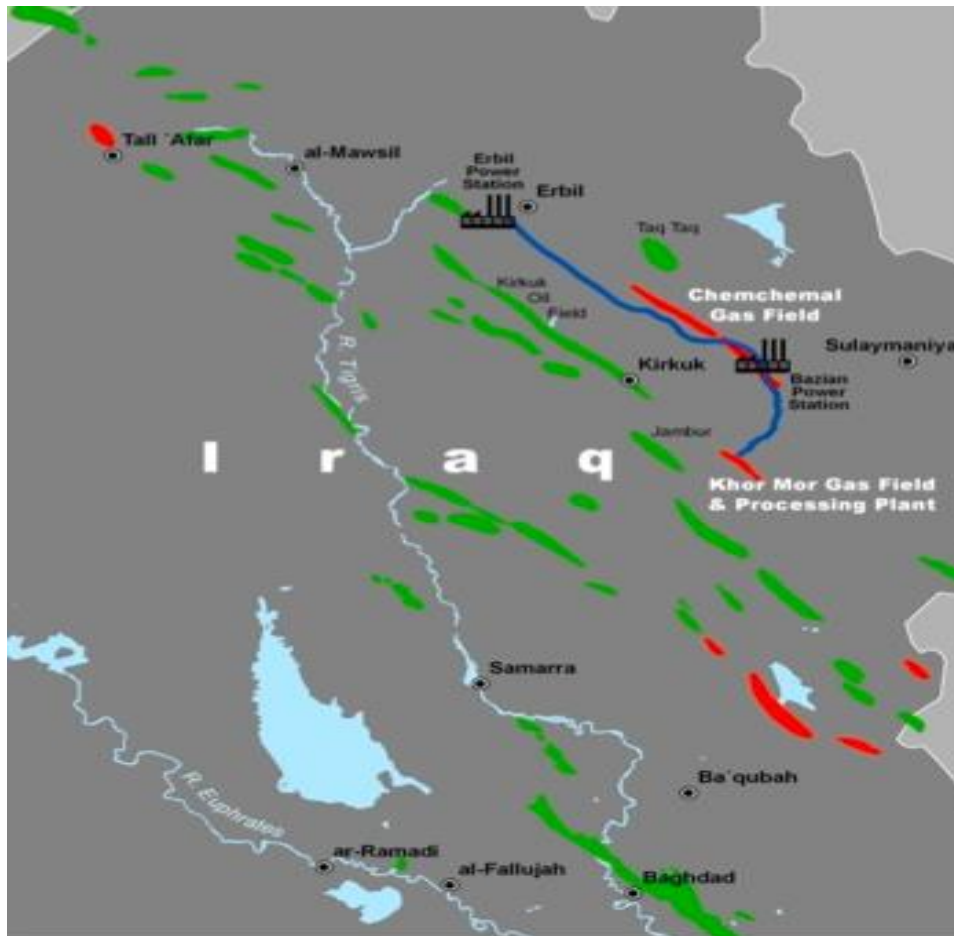
Q4 2012 and Q1 2013 are \$5.6mm and \$5.4mm respectively representing the full value of 9 cargos.

## Business Performance – Kurdistan, Iraq

# Kurdistan, Iraq: Q1 2013 Results

## Pearl Petroleum Company Ltd ownership:

▪ Dana Gas	40%
▪ Crescent Petroleum	40%
▪ OMV	10%
▪ MOL	10%



## Q1 2013 RESULTS & PLANS

### Production via:

- Early Production Facility
- Train 1 & 2

Gas production 320 – 330 MMscf/d and 14,500 bpd condensate (gross).

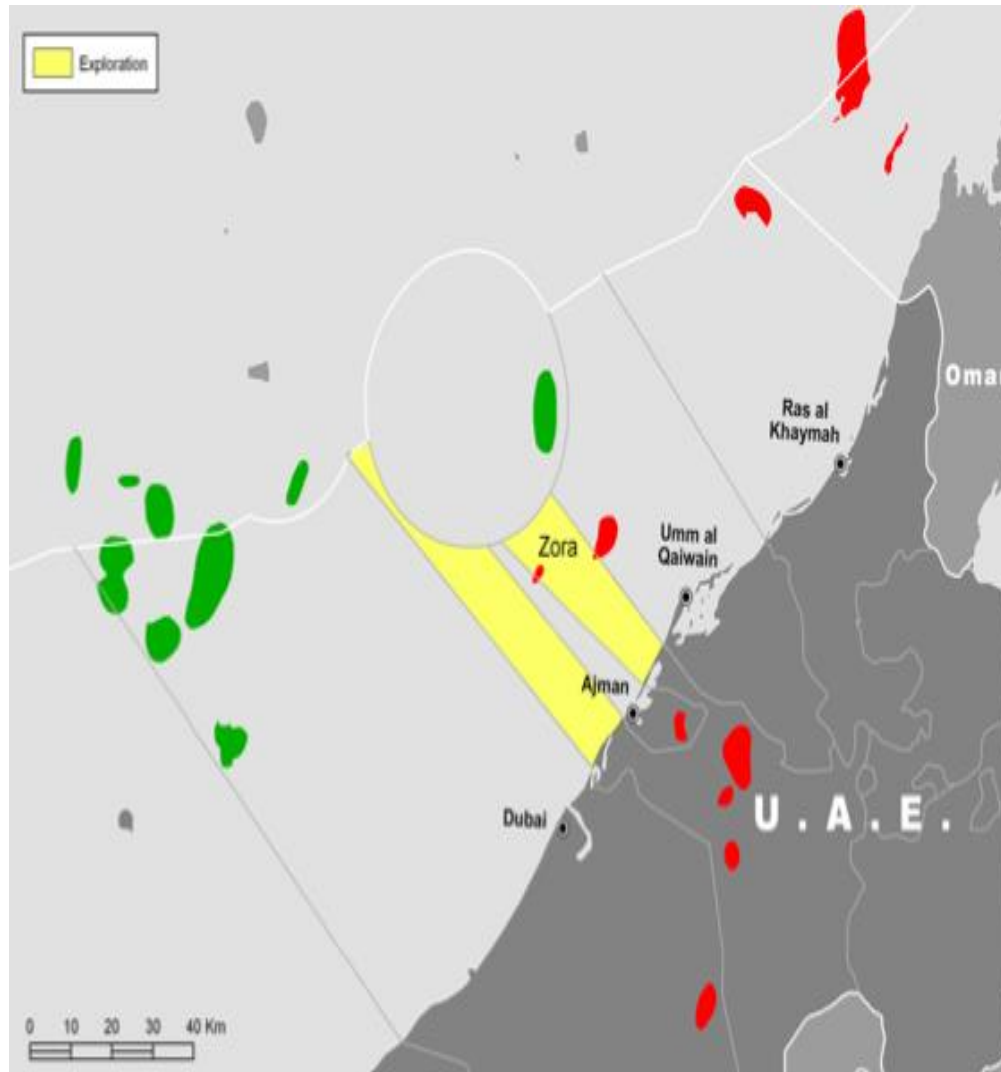
Currently meeting needs of two power stations.

### Current Plans:

LPG production and sales are expected to resume in June 2013 once the loading bay, damaged by a third party tanker in June 2012, is repaired.

## UAE Project

# Sharjah Western Offshore Concession



## Zora Gas Field discovered in 1979

Development Plan of \$140 million includes:

- Install platform and 25km flow-line
- Gas processing plant onshore
- Re-entry of existing wells and/or drilling of one well
- Initial flow rate of 40 MMscfpd

Field to be developed using a single offshore platform linked to onshore processing facilities and will supply gas for power generation in northern UAE

## Summary

# Summary

- Upside in production as new discoveries and compression facilities come on stream in Egypt
- Significant enhancement in price realization going forward:
  - LPG production comes back on stream in Kurdistan, Iraq
  - Increase in gas throughput to improve capacity utilization in Egypt
- Building long-term asset enhancement through investments in UAE (Zora project), new opportunities in off-shore Egypt and optionality in Lebanon
- Ongoing focus on receivables –improvement seen in Egypt and ongoing negotiations with the regional government in Kurdistan, Iraq
- Strong balance sheet and cash position to support capital investment and growth initiatives

**Thank You**