

**Clean Energy For the MENA  
Region's Tomorrow**



Dana Gas Capital Markets Presentation

1Q 2014 Financial Results  
15 May 2014

# Forward Looking Statement

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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

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- 1Q 2014 Performance Highlights
- Quarter-on-Quarter Financial Performance
- Country Operations
  - Egypt
  - Kurdistan Region of Iraq
- UAE: Zora Project Update
- Summary

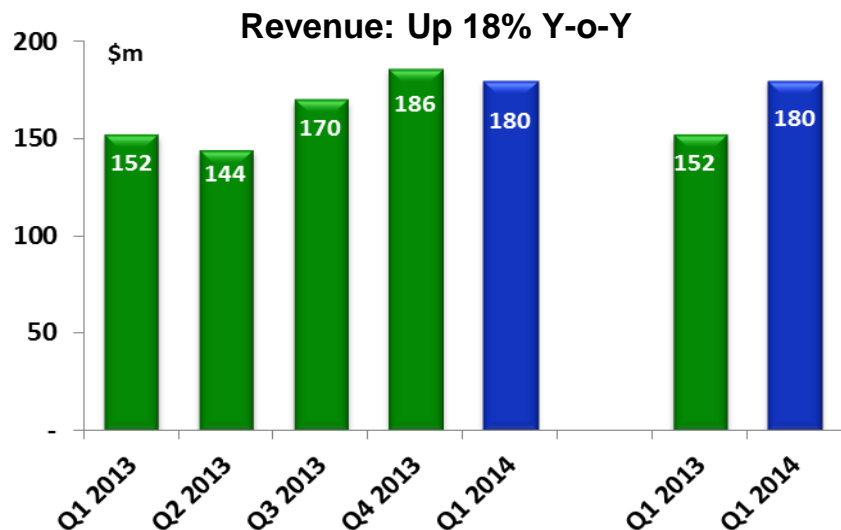
# Significant Achievements Despite Ongoing Challenges

- 67% growth in operating quarterly profit at \$ 45 million (AED 164 million) mainly due to higher production, increased sale of higher margin LPG in KRI and lower operating costs
- 18% growth in quarterly revenue having achieved 1Q 2014 revenue of \$ 180 million (AED 660 million) vis-à-vis 1Q 2013 revenue of \$ 152 million (AED 557 million)
- Higher average production of 68,800 BOEPD vis-à-vis 1Q 2013 average of 61,400 BOEPD indicating high quality of underlying assets
  - 17% volume growth in Egypt with 1Q 2014 average production of 39,100 BOEPD (1Q 2013 average of 33,400 BOEPD)
  - 6% increase in production in Kurdistan Region of Iraq (KRI) with 1Q 2014 average at 29,300 BOEPD (1Q 2013 average of 27,700)
- Lower collections in Egypt and KRI resulting in period end cash balance at \$ 155 million (AED 568 million) - total trade receivables now \$ 861 million (AED 3.1 billion)
- Sukuk conversion notices totaling to \$ 65.4 million (AED 240 million) received as of 30 April 2014 indicating positive investor sentiments and helping lower the cost of debt
- Completed debottlenecking and upgrade of the El Wastani plant in Egypt with output capacity increased by 25% to 200mmscfd

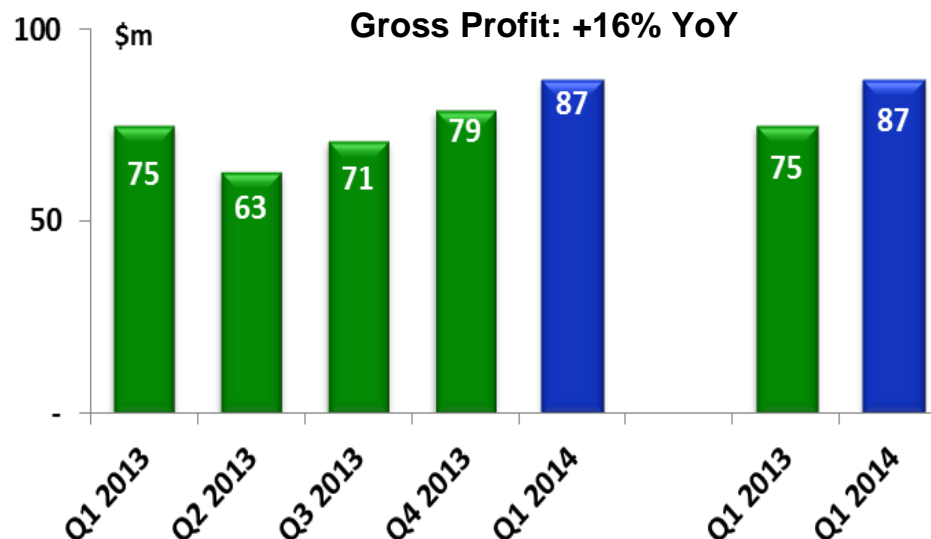
## Financial Performance

***Azfar Aboobakar – Head Financial Control & Reporting***

# Financial Highlights: 1Q 2014 vs 1Q 2013



Significant growth in revenue due to higher production and increase in sale of LPG (1Q 2013 impacted by shutdown in KRI) despite the impact of planned shutdown in Egypt (9 days for El Wastani debottlenecking and upgrade)



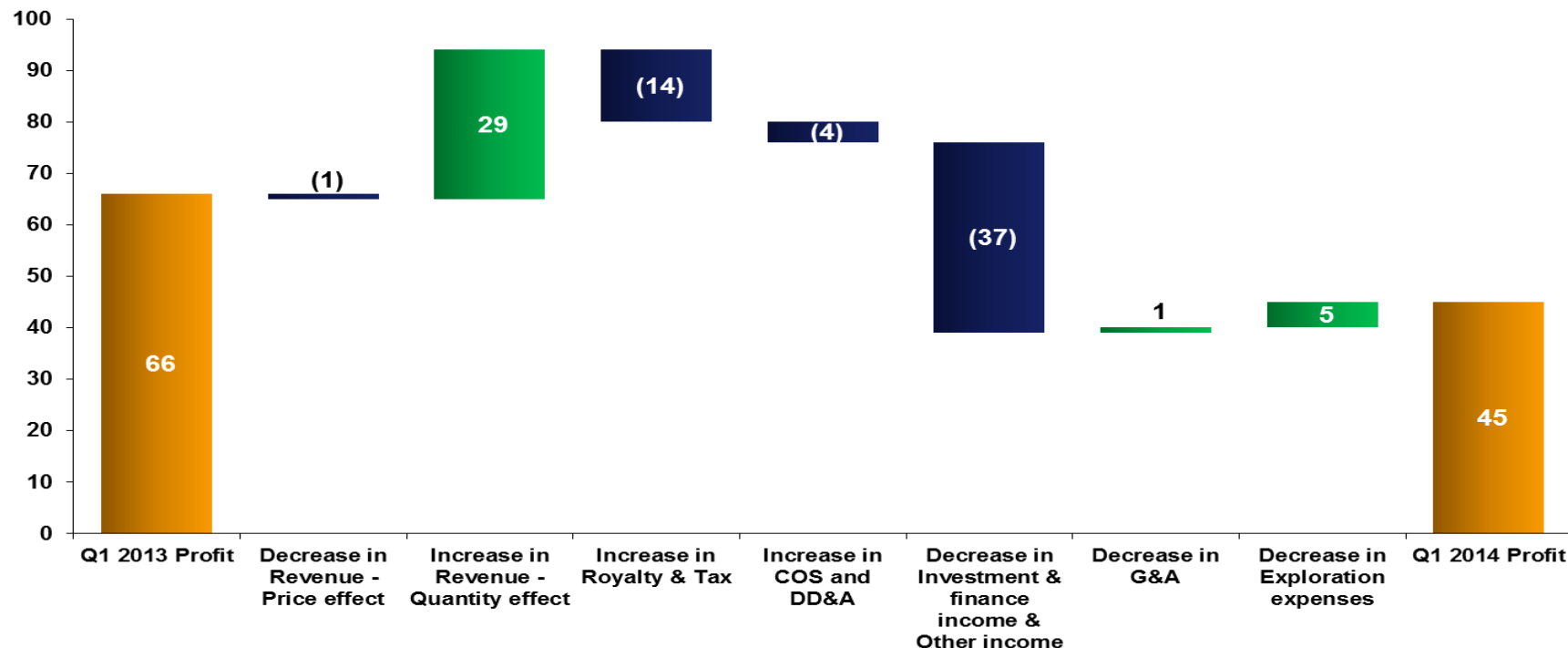
Sharp increase in gross profit of \$ 87 million, achieved mainly due to higher production in Egypt and higher sales of LPG in Kurdistan

Operating profit higher by 67% due to higher production and lower costs

Net profit declined (lower by 32%) due to one-off gain of \$39 million in Q1 2013, following the partial sale of MOL shares. However, on a trailing quarter basis, Net profit was higher by 29% due to increased production in Egypt and higher sales of LPG in Kurdistan

# Profit After Tax Bridge – 1Q 2014 Vs 1Q 2013

(all figures in \$ million)



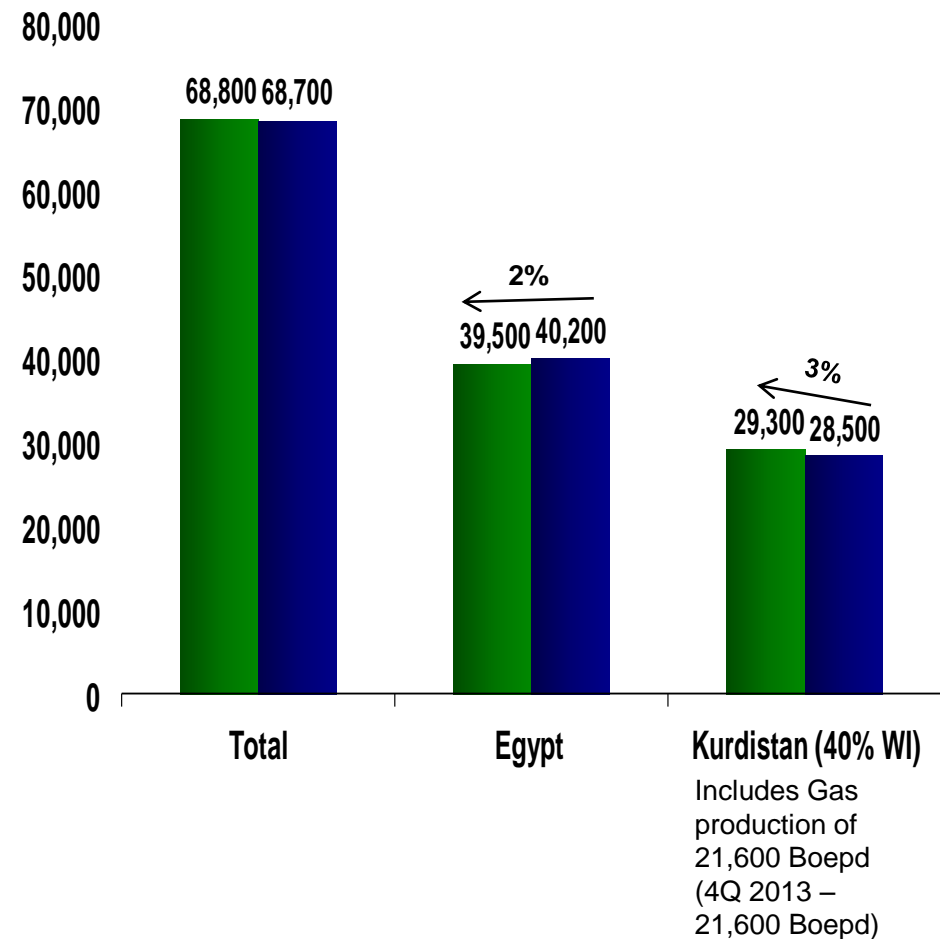
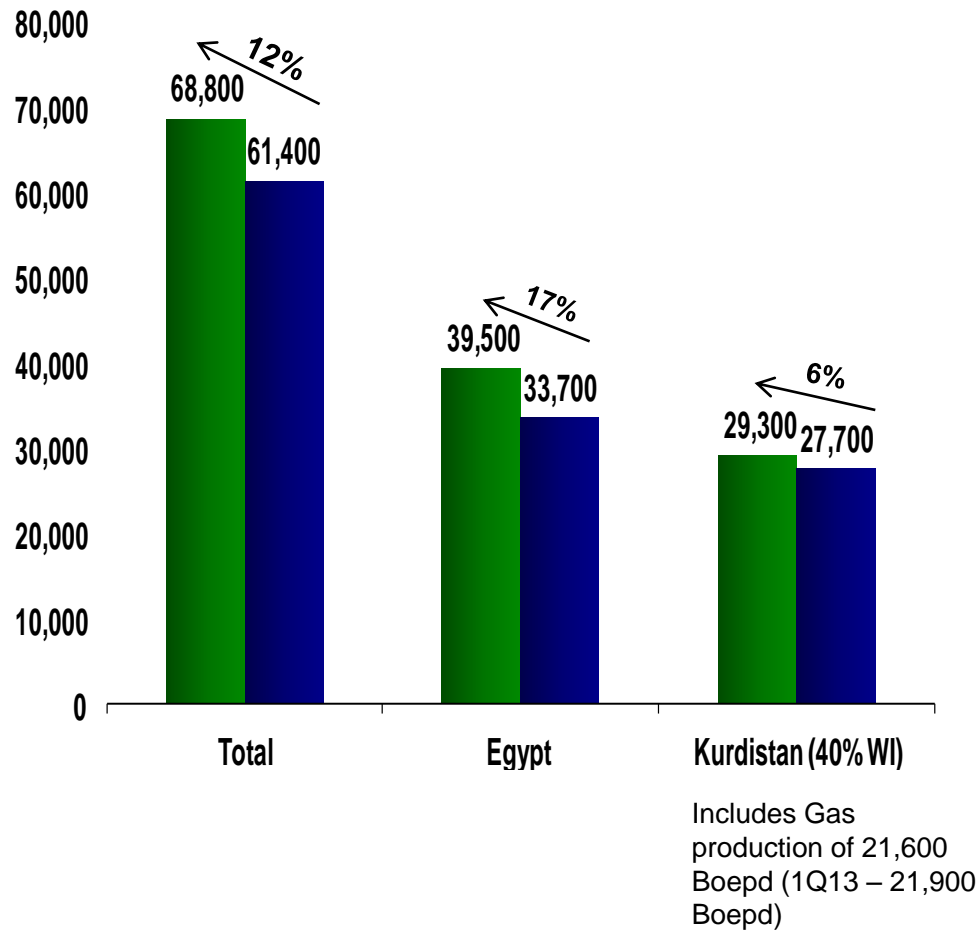
- Increase of 17% in production from Egypt contributed \$17 million and higher sales of LPG in Kurdistan contributed \$11 million to gross revenue
- Higher production and lower capital expenditure in Egypt resulted in a 26% increase in royalty & tax
- Increase of \$5 million in DD&A due to higher production was partially offset by a \$1 million saving in cost of sales
- G&A declined by \$1 million during the quarter
- Investment & finance income decreased by \$37 million due to one off gain of \$39 million recorded in Q1 2013 following the partial sale of MOL shares

# Production(BOEPD)

Q1 2014 Vs Q1 2013

■ 2014 ■ 2013

Q1 2014 Vs Q4 2013



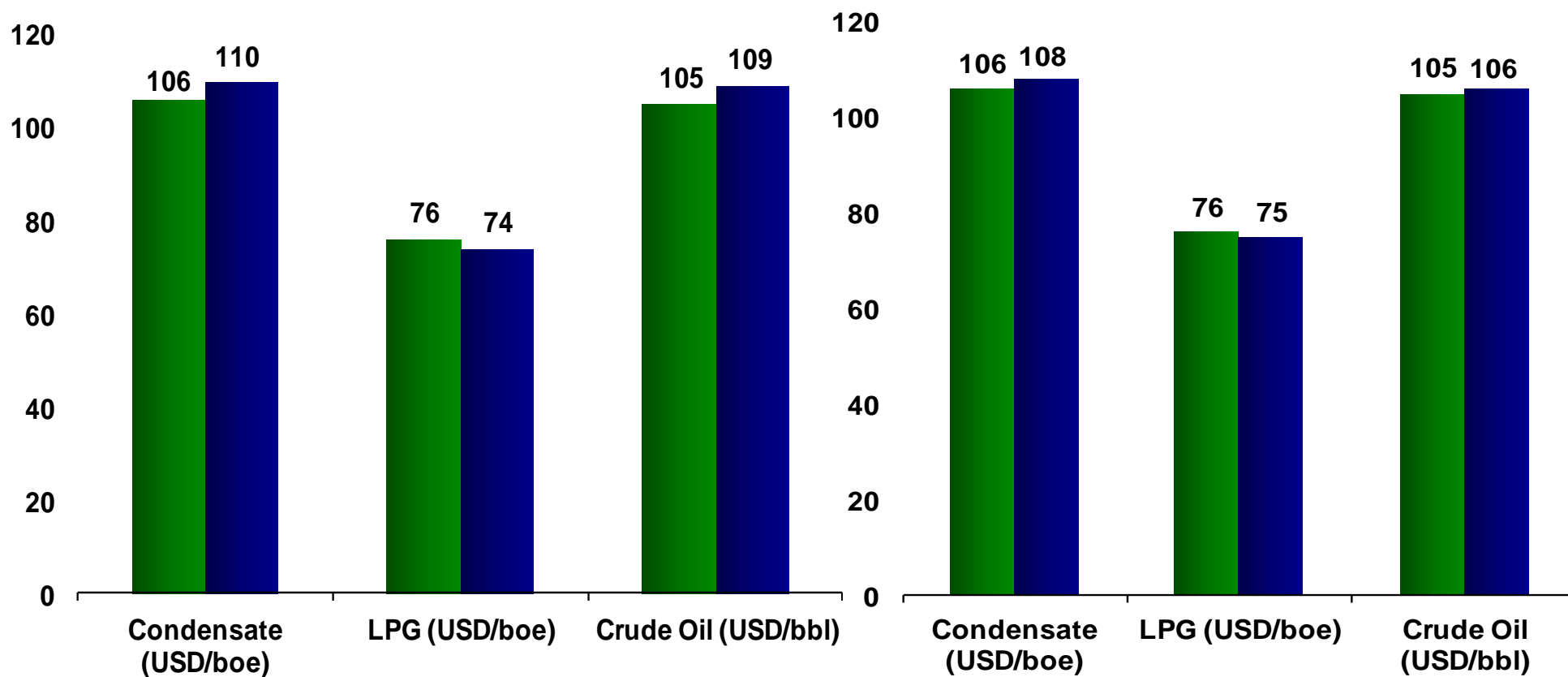


# Average Realized Prices

Q1 2014 Vs Q1 2013

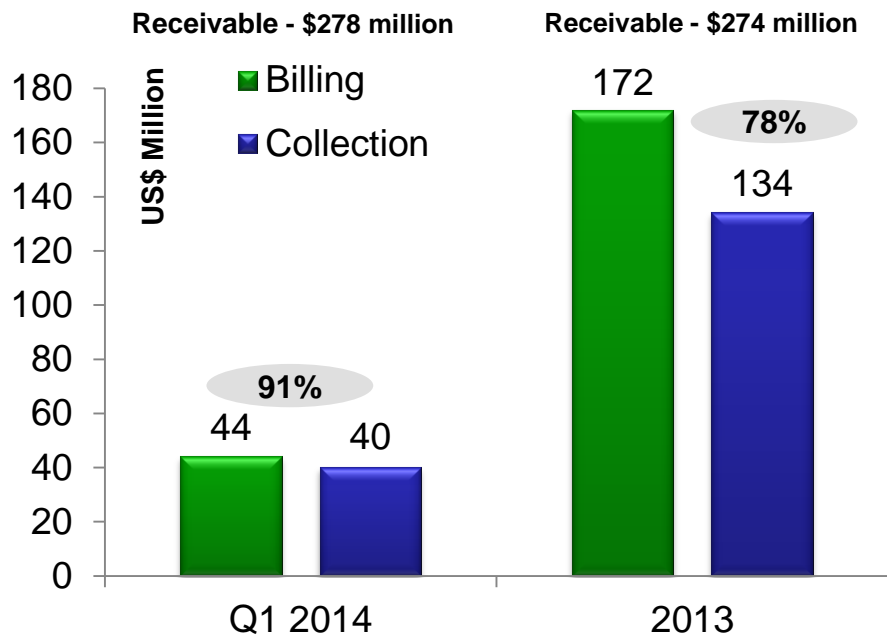
■ 2014 ■ 2013

Q1 2014 Vs Q4 2013

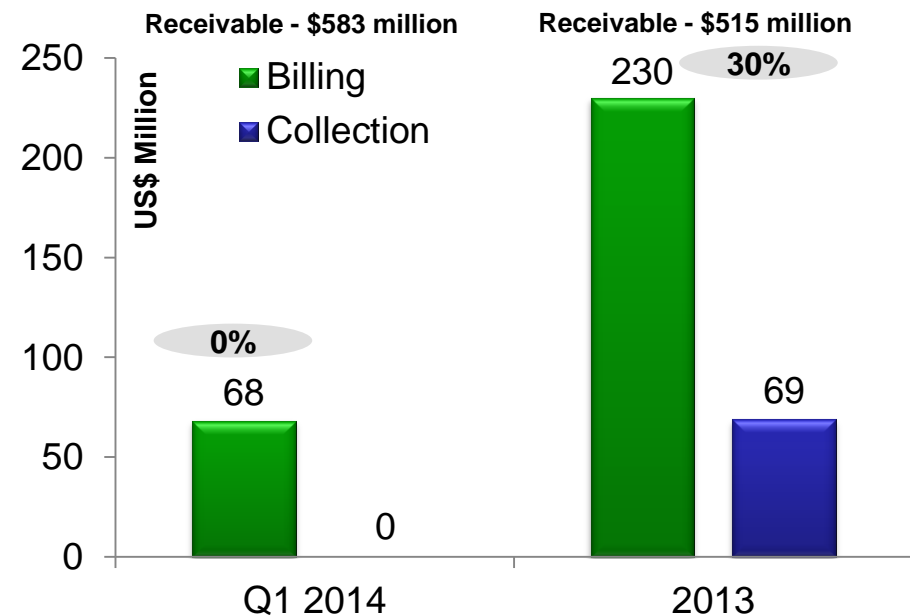


\* Liquids benchmarked to Brent

### Dana Gas Egypt



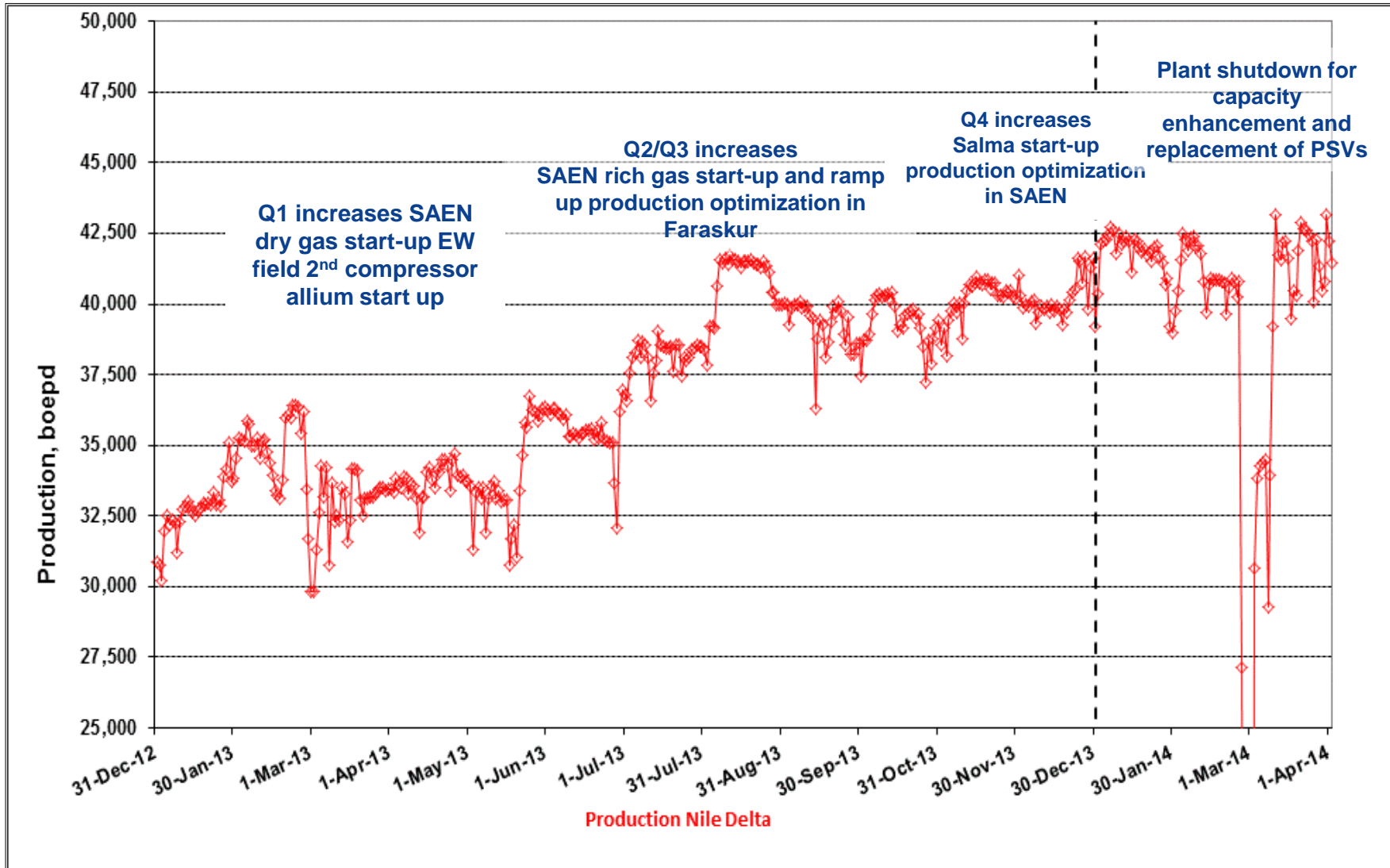
### Pearl Petroleum (40%)



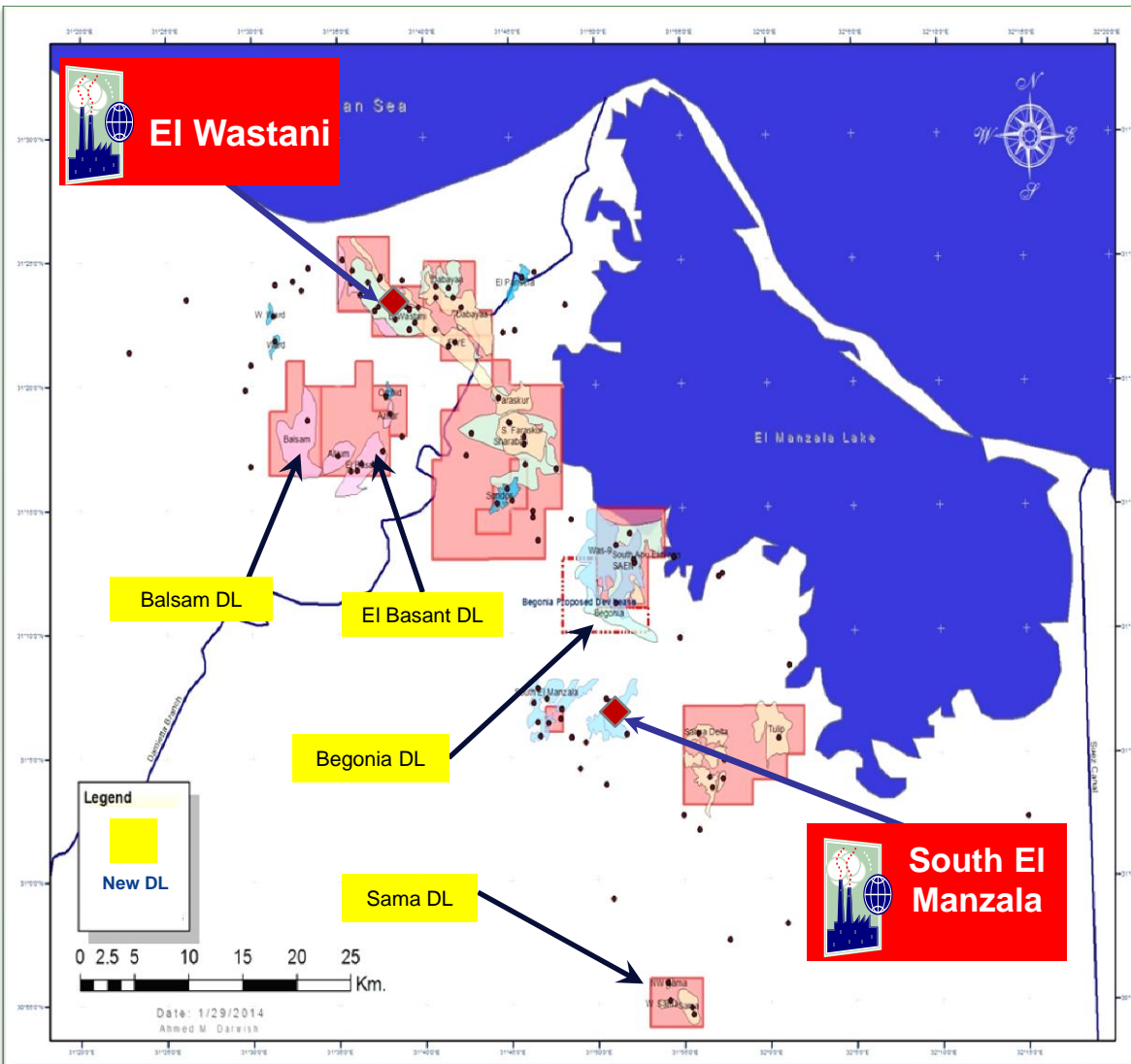
- In Egypt, the Company received cash of \$3 million and offsets against receivables agreed with EGPC were made for Block-6 signature bonus (\$20 million) and payable to government owned contractors (\$17 million)
- During the first quarter of 2014, no cash was received in Kurdistan

## Dana Gas: Country Business Highlights

# Consistent Increase in Nile Delta Production



# Egypt: Nile Delta Operations



## Development Leases:

- Balsam (Awarded)
- Begonia (Under Discussion)
- El Basant (Amended)
- Sama (Amended)

## Production:

39.1 kboepd ( Q1 2014 Avg)

## Projects:

- EW Capacity De-bottlenecking (200mmscf/d of raw rich gas) completed in March 2014
- El Basant Compression Station completion date is July 2014
- Salma/Tulip tie-in (Phase 1): (4 wells) completed in Q4/2013 and (Phase 2): additional 2 wells will be completed in 1H 2014

# Operations in Kurdistan Region of Iraq



- DG share of production (40%) averaged 29,300 BOEPD during 1Q 2014:
  - 130 MMSCFD (40%) of natural gas
  - 6,000 bbl/d (40%) and 148 tonnes/d (40%) of condensate and LPG, respectively
- Production of LPG continued to ramp up during 1Q with potential for further upside based on installed capacity (900 tonnes/d)
- During 1Q average per day lifting by the MNR of Kurdistan Region of Iraq was 370 tonnes (100%).

# Dana Gas Kurdistan Assets – Substantial Resources Upside\*

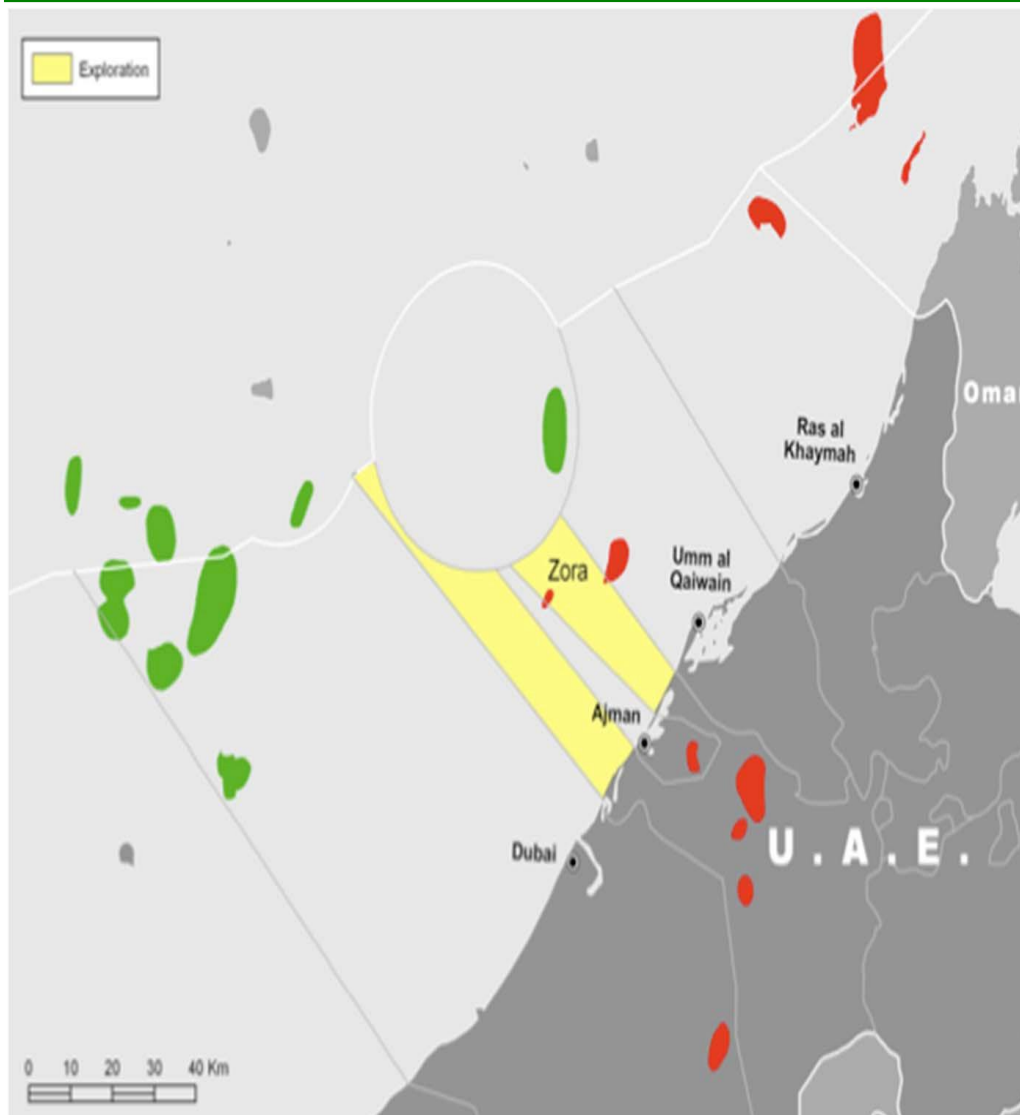


- Pearl Petroleum appointed Gaffney, Cline & Associates Limited (GCA), to provide an estimate of hydrocarbons in-place as at 31st December, 2012 for both the Khor Mor and Chemchemical fields
- GCA have estimated the gas initially in-place volumes (unrisked\*) for 12 Khor Mor and 3 Chemchemical fault blocks
- Dana Gas has calculated an aggregated arithmetic sum Best Estimate (P50) volume of 22 Tscf for Khor Mor and 30 Tscf for Chemchemical fields. Dana Gas' 40% share of these Best Estimate in-place volumes for Khor Mor and Chemchemical combined corresponds to 20 Tscf
- The GCA report also indicates that both fields have considerable additional upside potential
- GCA report also stated that certain Khor Mor fault blocks may contain oil instead of gas and determined oil initially in-place volumes (unrisked\*) for these individual blocks
- Dana Gas has calculated an aggregated arithmetic sum Best Estimate (P50) in-place oil volume (unrisked\*) of around 1.8 billion barrels, in place of around 3 Tscf of gas in these blocks

*\* Note that a risk factor accounting for geological and commercial uncertainties has not been assessed or applied at this time. However, both fields are surrounded by producing oil and/or gas fields which calibrates and reduces the geological and reservoir risks. The reported hydrocarbon volumes are estimates based on professional judgment and are subject to future revisions, upwards or downwards, as a result of future operations or as additional information becomes available.*



# UAE: Zora Project Update



- Project Management team on board
- Overall Project Actual progress is in line with plans for first gas in 1H 2015 with a capacity of 40 mmscfd (6,650 BOEPD)
- Platform fabrication contract awarded in November 2013 to ADYARD and the actual progress is 29.55 % against planned 24.32 %
- LOA issued to Exterran for Onshore Gas Treatment Plant
- LOA issued to NPCC for Offshore Pipeline Construction and Platform Transportation & Installation
- Kick off meetings held with Exterran and NPCC and works in progress for Onshore Gas Treatment Plant and Offshore Pipeline Installation engineering and procurement activities
- Onshore Pipeline installation contractors prequalified and ITT preparation underway
- 20 major drilling service contracts in progress
- Orders placed for major long lead items including linepipe



## Summary

# Summary

- Achieved excellent results due to an increase in overall production and sales, and tighter control of operational and capital expenditure
- Macro-economic challenges faced by Egypt remain an area of concern
- Seeking a solution to the problem of outstanding receivables in Egypt that benefits both parties. Discussions underway to establish a clear payment schedule. Step up in investments to significantly enhance production in the near future once this is agreed.
- Despite the ongoing arbitration, continuing to meet all contractual obligations and operate gas production facilities at Khor Mor at full capacity to provide the much needed power supply to the people of the KRI
- Ongoing requests for exchanging convertible Sukuk to equity enabling lower debt obligation and growing investor confidence
- Despite obvious challenges, we remain optimistic regarding the Company's future potential and continue to focus on delivering maximum value to our shareholders.

## Reach Us:

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