

Clean Energy For the Future



Dana Gas Capital Markets Presentation

1Q 2015 Quarterly Financial Results

05 May 2015

Forward Looking Statement

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Presentation Outline



- 1Q 2015 Performance Highlights
- Quarter-on-Quarter Financial Performance
- Egypt Performance
- KRI production and Zora Project update
- Summary

Performance Highlights

Dr Patrick Allman-Ward
Chief Executive Officer

1Q 2015 Performance Highlights



- Group production has remained strong: Q1 2015 68,700 boepd vs Q1 2014 68,800 boepd
 - Significant achievement despite severe fall in oil prices (reducing capex availability); difficult macro-economic environment in Egypt; unpredictable security environment in Iraq
 - In fact, DG is 'bucking the industry trend' as we gear up to execute the Gas Production Enhancement Agreement (GPEA) with 3 drilling and work over rigs secured to spud first wells in May with additional gas and condensate to be brought on stream in the second half of the year
 - In KRI LPG sales doubled as plant was brought up to full production capacity after being brought back on line in July 2014
- Financially, we remained profitable. Gross revenues of \$ 115 million (Q1 2014: US\$ 180 million); EBITDA of US\$ 55 million (Q1 2014: \$ 106 million) and net profit at \$12 million (Q1 2014: \$ 45 million) were all lower due to lower oil prices.
 - Lower revenues were offset by lower royalty and tax charges and further G&A cost reductions; posting a profit in this environment is a significant achievement
- Cash balance of \$144 million (YE 2014: \$ 184 million) remains healthy with positive triggers due later in the year
 - Reduction is due to expenditure linked to the remaining equity investments required for the Zora project together with the sukuk profit payment
 - Position should stabilize with higher oil prices, continued local sales in KRI and possible further bullet payments in Egypt
- Zora Gas Field project has progressed well: the installation of the offshore pipeline and platform has been completed with onshore gas processing facilities work well under way. The drilling rig commenced operations on the 8 April and first sales remain on track for mid-year 2015.
 - The field is expected to produce up to 6,650 boepd. It is an important milestone for Dana Gas as it plays into our long-term strategy of diversifying our producing assets base.
 - The Zora project has achieved 1 million man-hours with Zero Lost Time incidents to date, a great credit to the project management team and the contractor management and staff

Financial Performance

Azfar Aboobakar

Head - Financial Control & Reporting

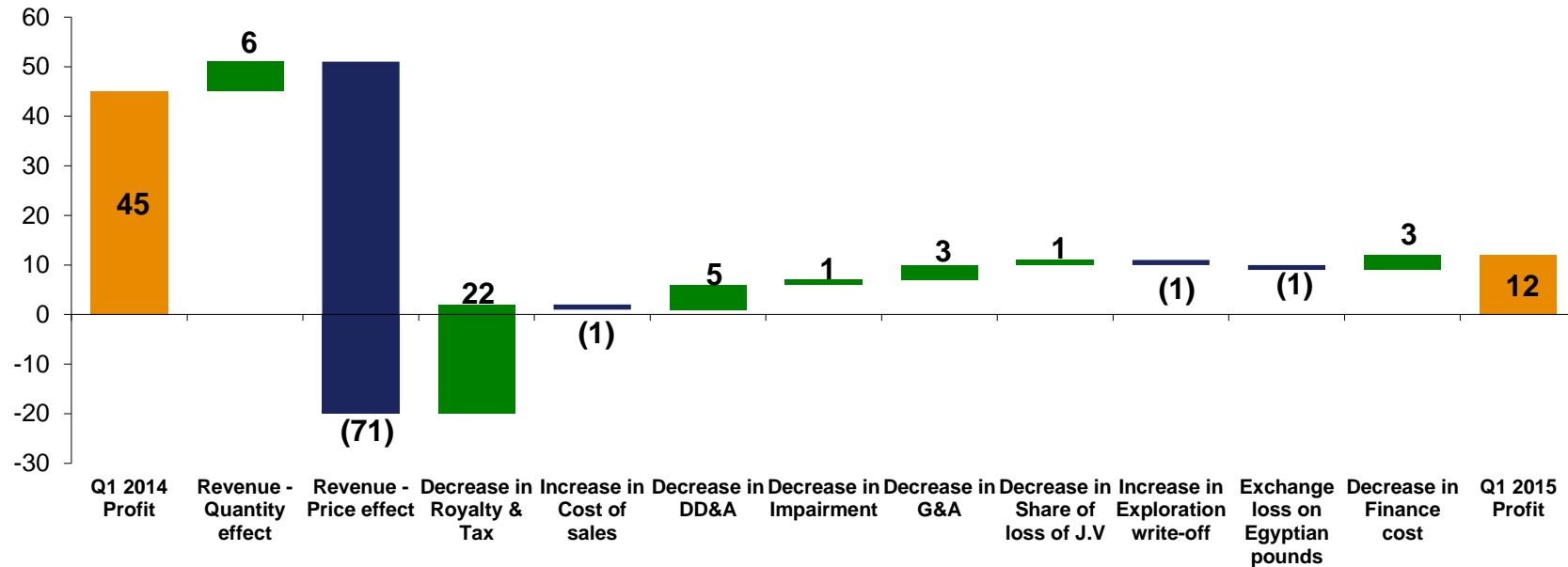
Financial Highlights: Q1 2014 vs Q1 2015

(In \$ million)	Q1 – 2014	Q1 – 2015	Percentage Change
Gross Revenue	180	115	(36)
Gross Profit	87	37	(57)
Net Profit	45	12	(73)
EBITDA	106	55	(48)

- Whilst overall production was maintained, decline in revenue was due to sharp decline in hydrocarbon prices in Q1 2015 as compared to Q1 2014
- Gross and Net profit lower due to lower realized hydrocarbon prices partially mitigated by lower royalty and tax charge. Lower G&A due to cost optimization also contributed positively to the bottom line

Profit After Tax Bridge – Q1 2014 Vs Q1 2015

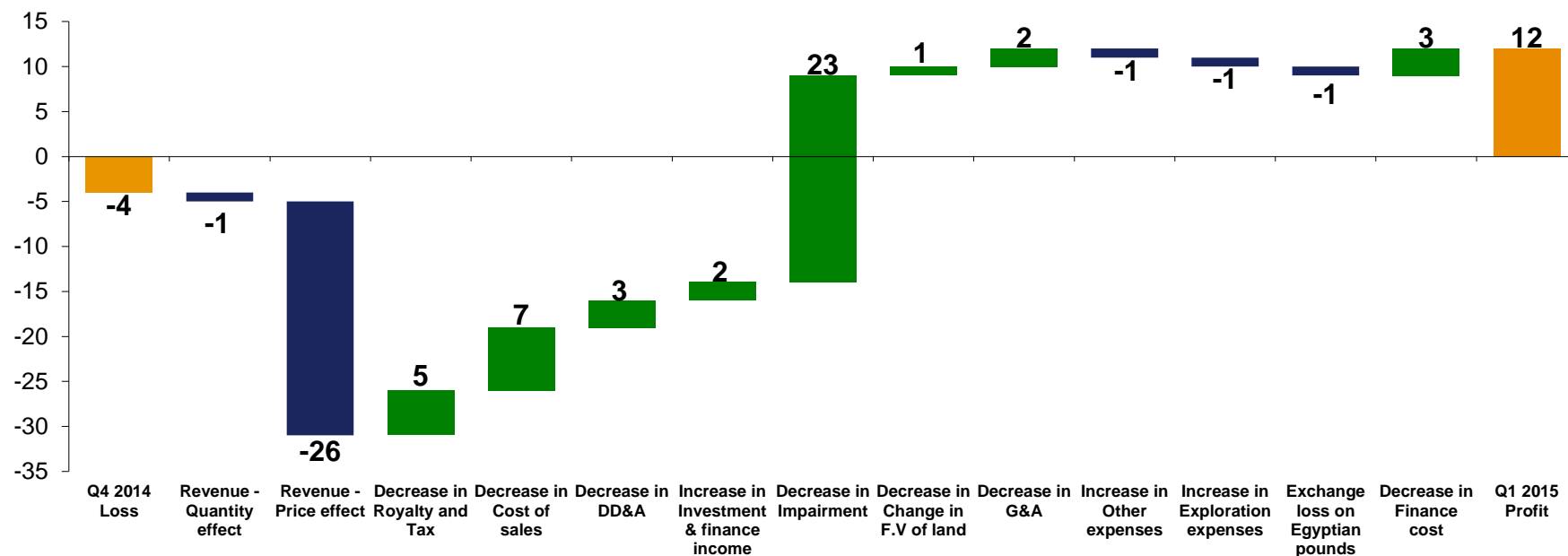
(all figures in \$ million)



- Sharp decline in hydrocarbon prices impacted revenues by \$ 71 million, which was partly mitigated by increased production in KRI which contributed \$ 6 million to the topline
- Linked to lower revenue in Egypt, royalty & tax declined by 33%
- Decrease in G&A due to cost optimization across the Group
- Lower Sukuk Profit distribution due to conversions in 2014

Profit After Tax Bridge – 4Q 2014 Vs 1Q 2015

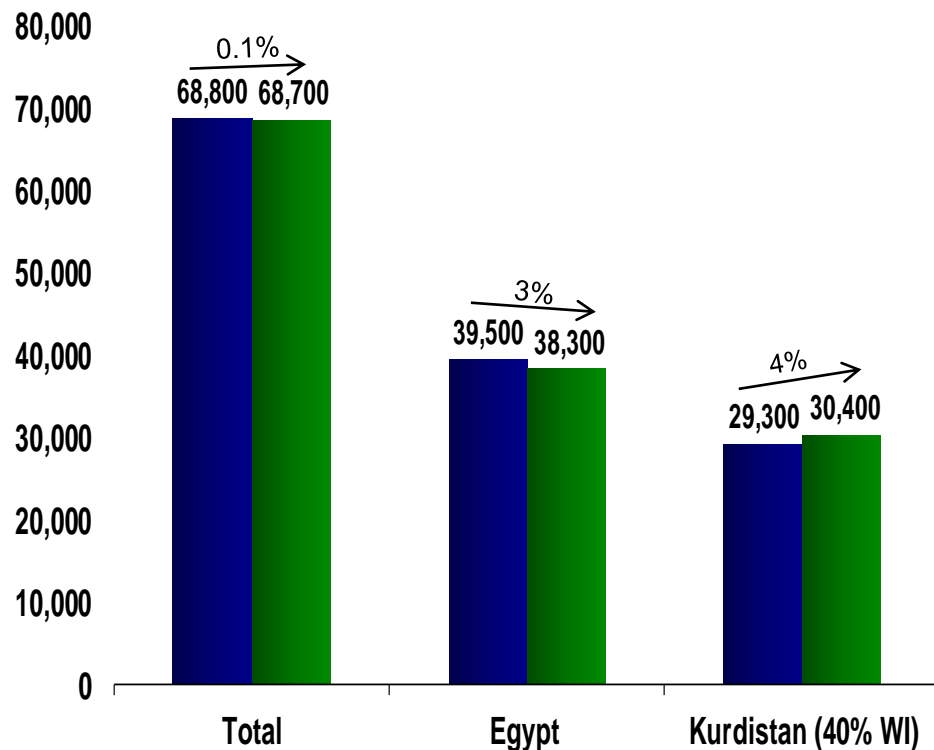
(all figures in \$ million)



- Lower hydrocarbon realized prices negatively impacted the top line by \$ 26 million
- Linked to lower revenue in Egypt, royalty & tax declined by \$ 5 million
- Saving of \$ 7 million and \$ 2 million in cost of sales and G&A respectively due cost optimization
- Impairment charge of \$ 22 million in 4Q 2014 not repeated in 1Q 2015

Production(BOEPD)

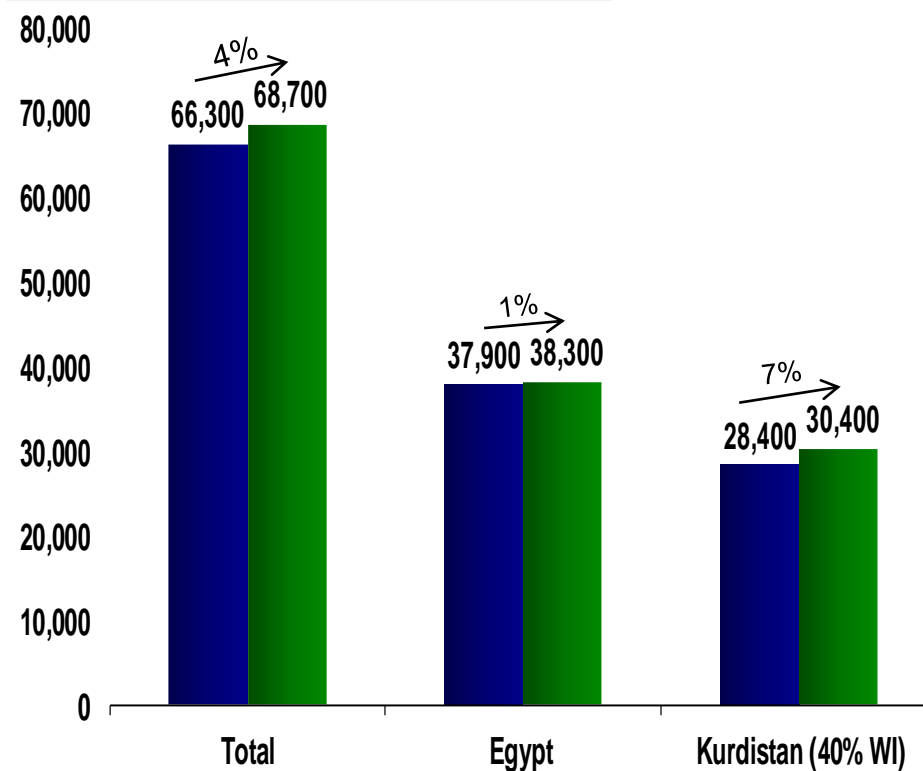
1Q 2014 Vs 1Q 2015



Includes Gas production of 21,300 Boepd (1Q 2014 – 21,600 Boepd)

2015 2014

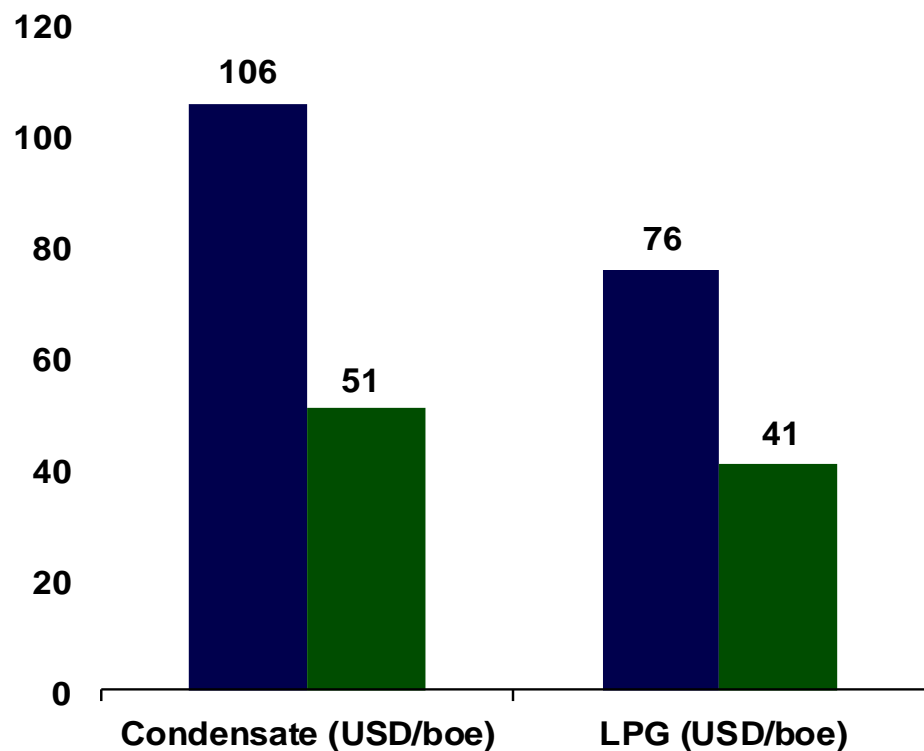
4Q 2014 Vs 1Q 2015



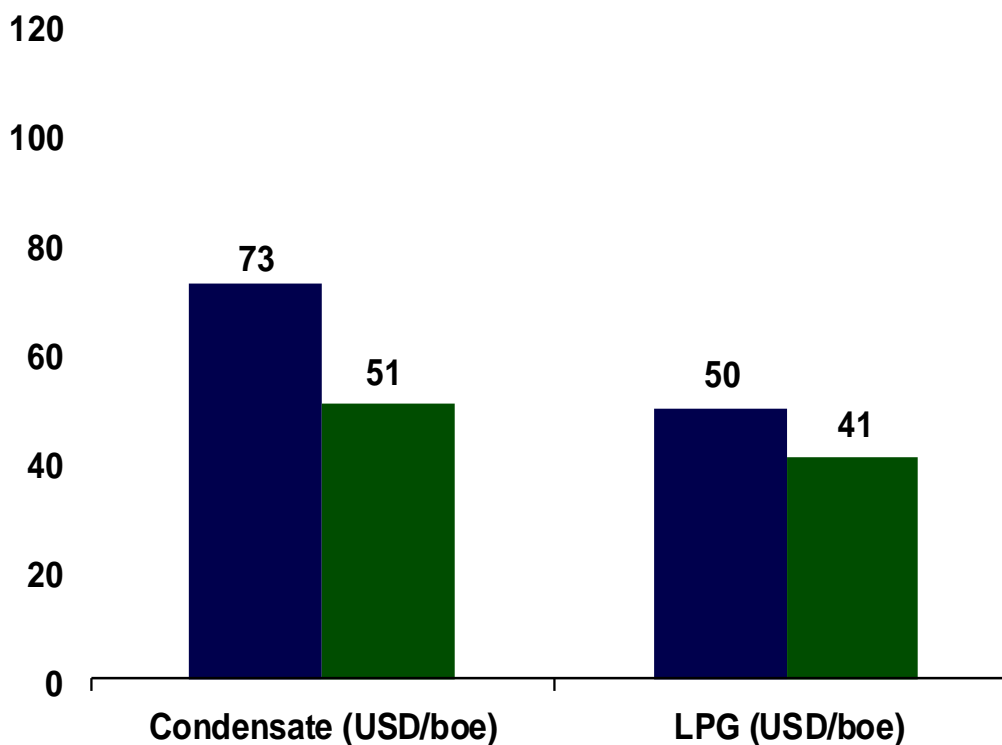
Includes Gas production of 21,300 Boepd (4Q 2014 – 19,800 Boepd)

Average Realized Prices

1Q 2014 Vs 1Q 2015



4Q 2014 Vs 1Q 2015



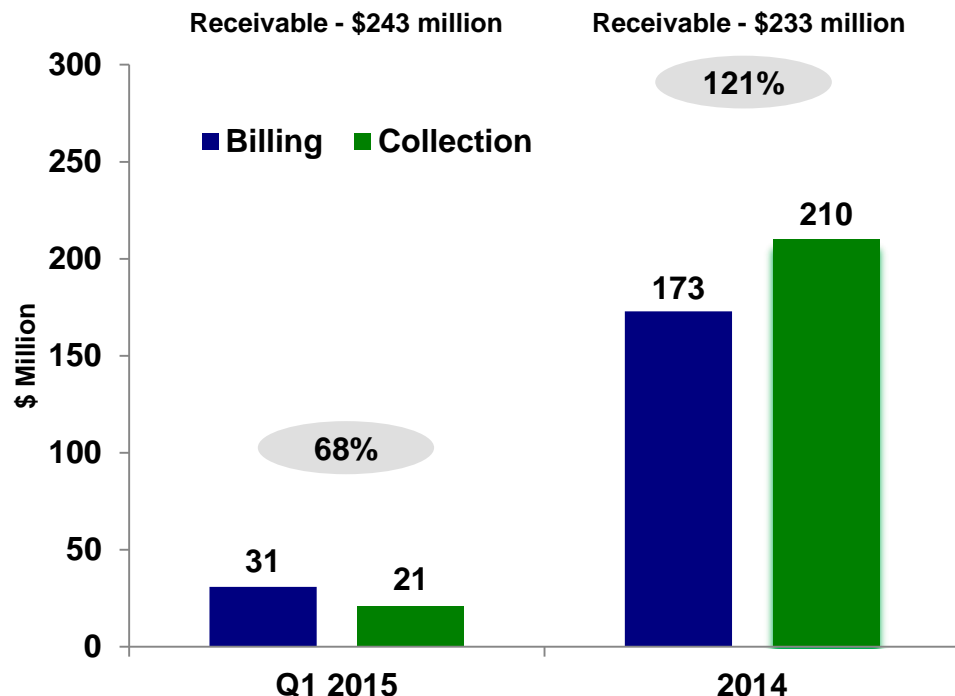
2015 2014

* Liquids benchmarked to Brent

Trade Receivables

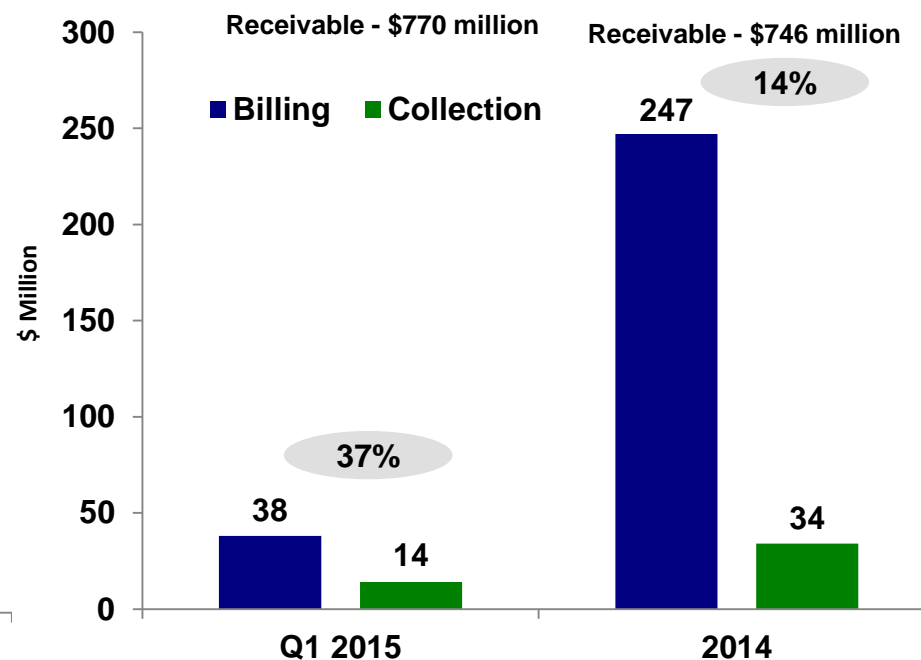
(all figures in \$ million)

Dana Gas Egypt



Note: % age calculated as collections divided by net revenue

KRI Pearl Petroleum (40%)

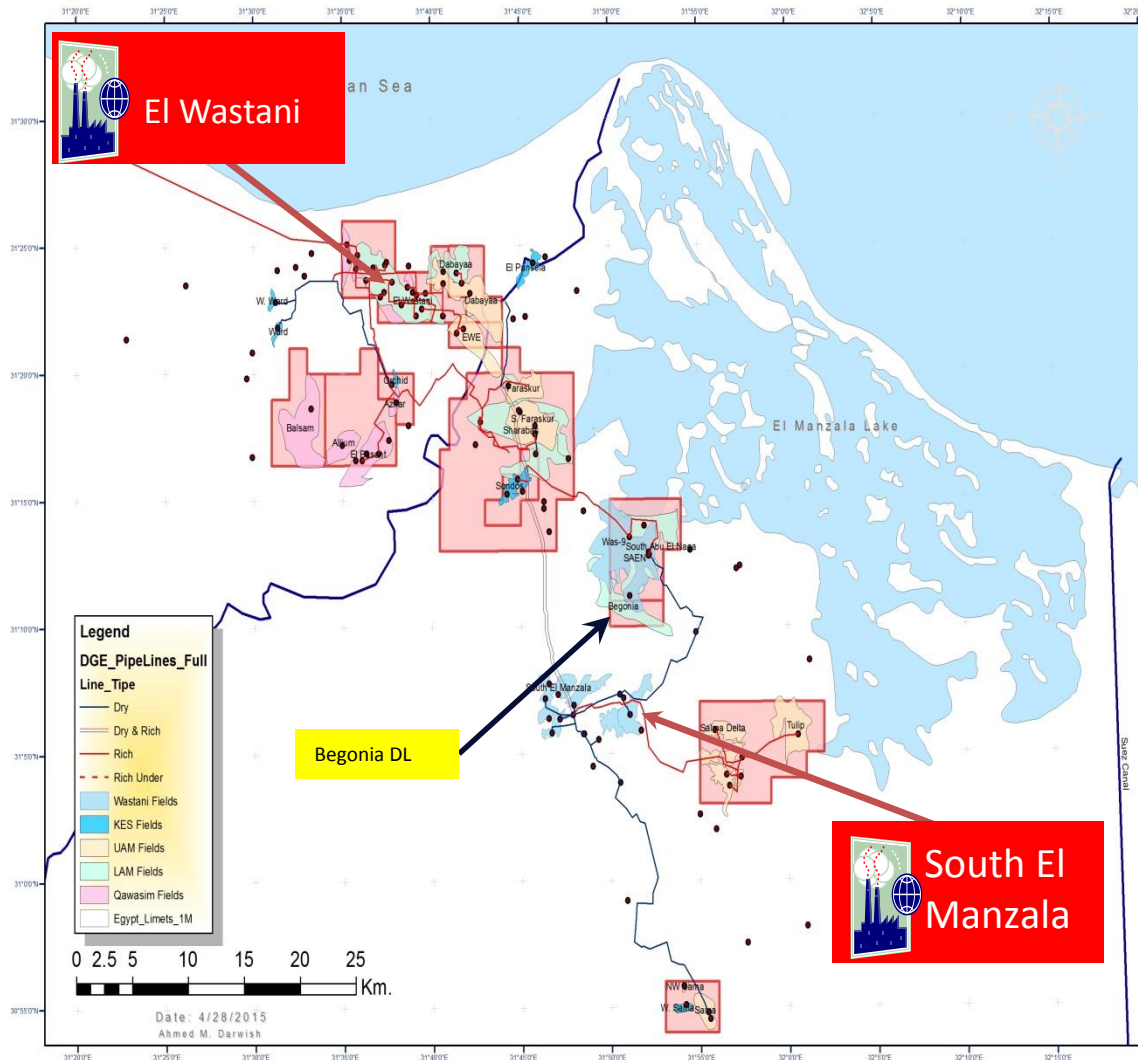


- During 1Q 2015, Dana Gas Egypt received cash of \$ 5 million and EGAS/EGPC offset the Blocks 1&3 signature bonus of \$ 12.5 million and payable to government contractors of \$ 3 million against the receivables
- In KRI, revenues from local sales during 1Q 2015 was adjusted against cash deposit of \$ 18 million received in September 2014

Egypt Operations

Dr. Mark Fenton
General Manager Egypt

Egypt: Nile Delta Operations



Development Leases:

Onshore acreage consisting of 13 Development Leases in the prolific Nile Delta region. One additional Development Lease (Begonia) was approved in Jan-15

Production:

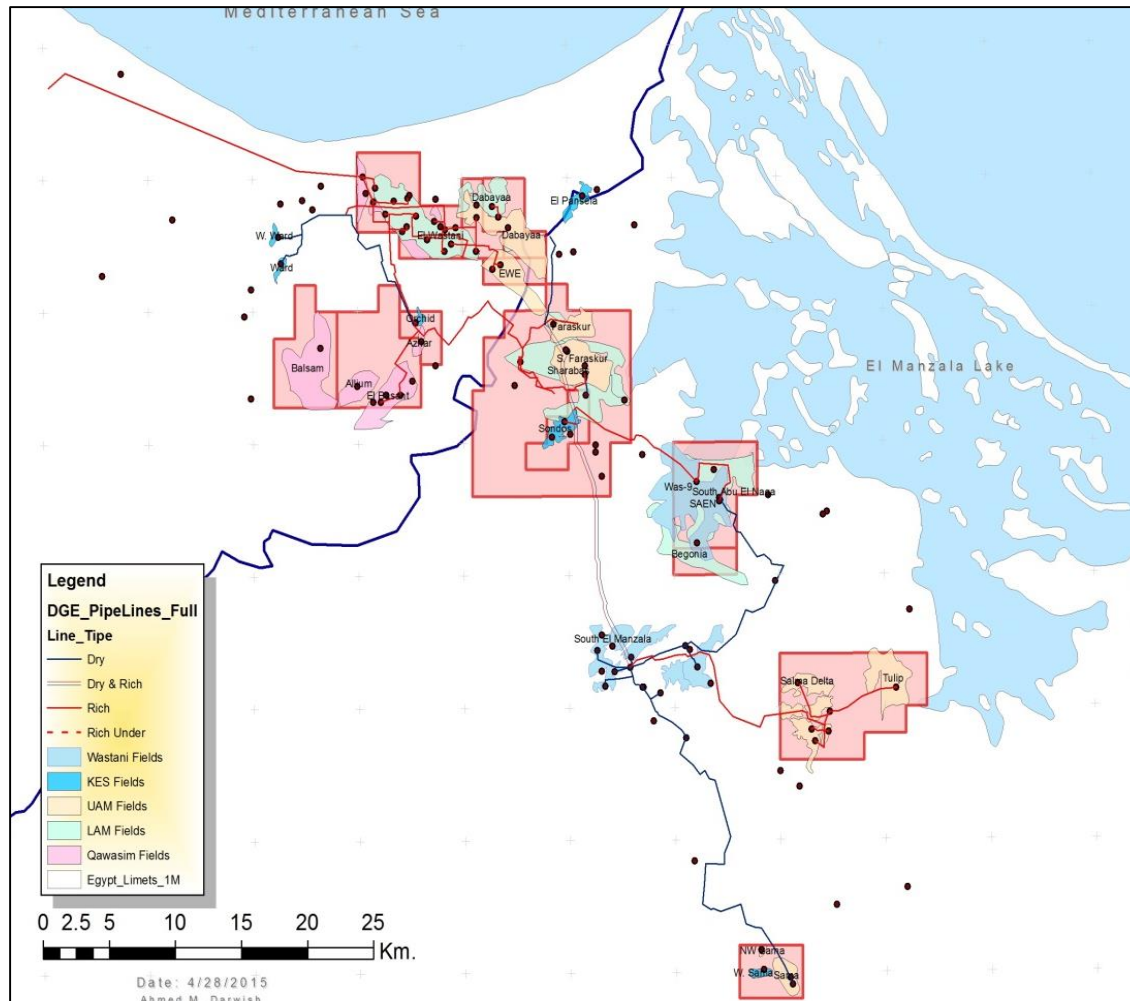
1Q 2015 actual avg 37.7 kboe/d versus 38.9 kboe/d for 1Q 2014. Decline is due to natural field production decline which will be reversed once production from the GPEA project commences

Commercial:

A Gas Sales Agreement between DGE and EGAS covering production from new development leases of Balsam and Begonia was agreed in Feb-15

Gas Production Enhancement Agreement Update

Gas Enhancement Project – Execution Progress



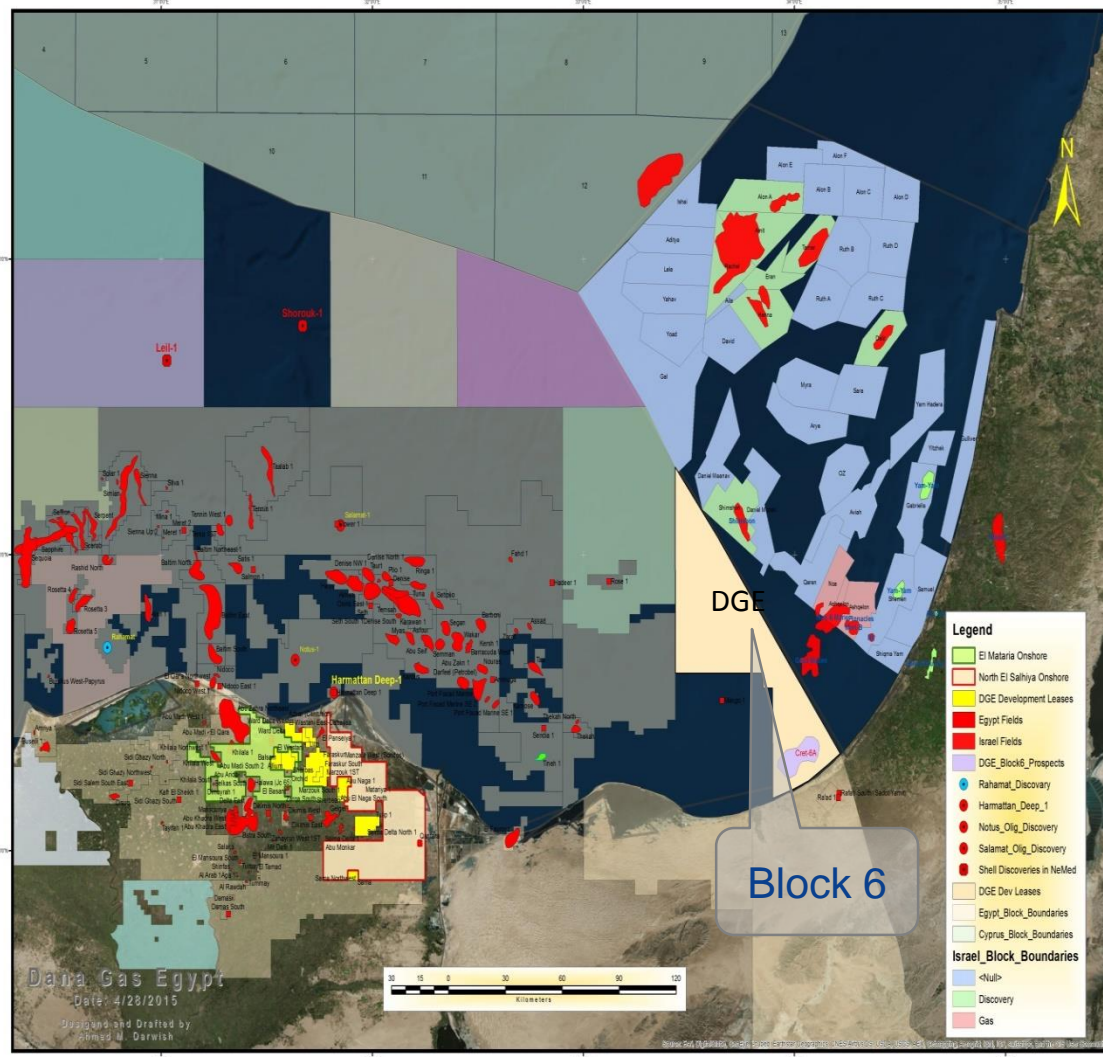
3 drilling and workover rigs secured with spud dates during May/June

- ✓ 650 HP workover – 14 activities planned
- ✓ 2000 HP rig - Balsam-2
- ✓ 1500 HP rig - Balsam-3

Plans underway to lay approximately 130 km pipeline to tie new wells into DGE infrastructure

Upgrade of DGE domestic and export capacity to accommodate increased production from GPEA project under consideration

Block 6 – North El Arish Offshore Opportunity



Integration of regional 2D multi client seismic data into evaluation

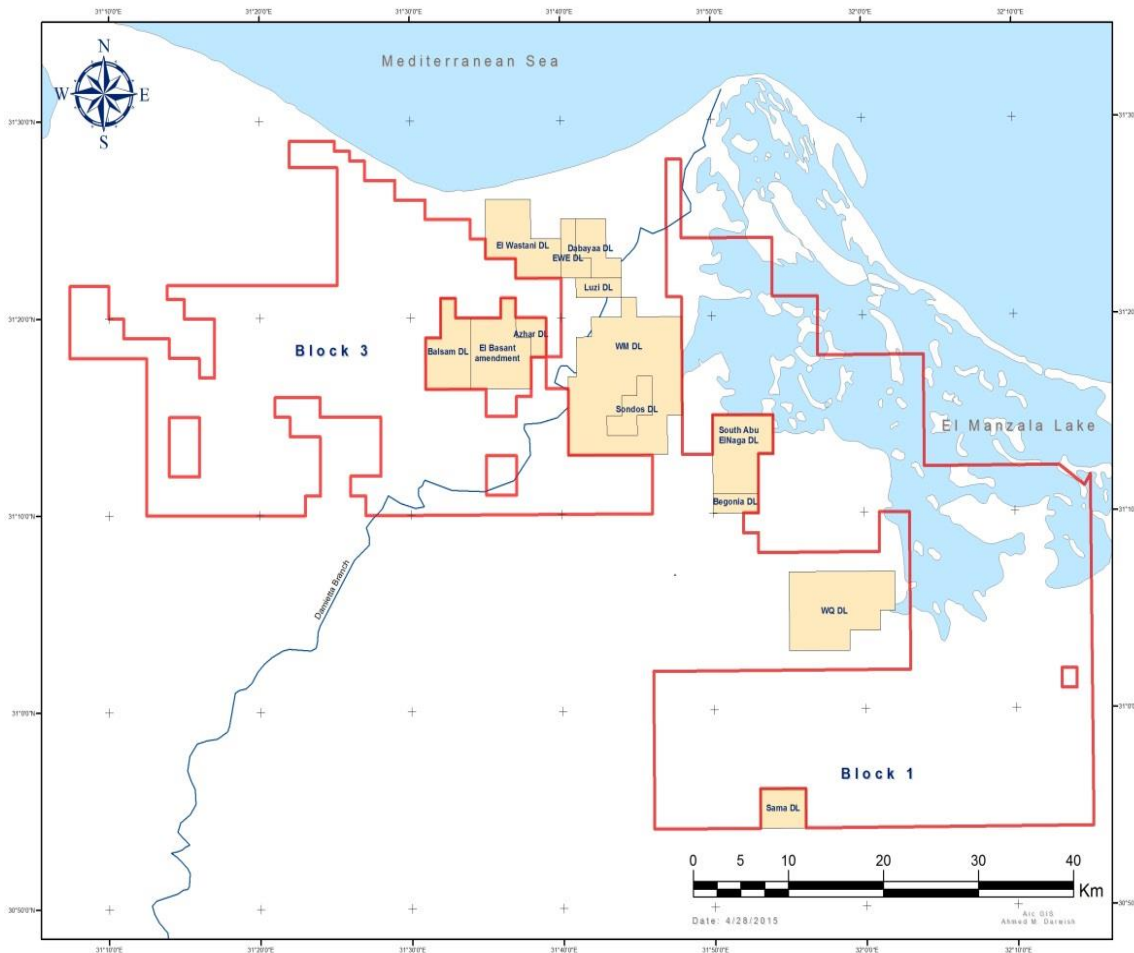
Environmental Impact Assessment completed

Bids received for seismic processing / reprocessing program

Seismic acquisition will occur once relevant government approvals received

Blocks 1 & 3 – Onshore Nile Delta Opportunities

Blocks 1 & 3 located adjacent to Dana Gas' prolific Nile Delta development leases



North El Salhiya (Block-1) and El Matariya (Block-3) onshore concessions in the Nile Delta ratified on 15th January 2015

Block-1 (100% WI) - planning and tender preparation for 500-750 SQM of 3D seismic acquisition done

Block-3 (50% WI) targets deeper Oligocene opportunities. BP to operate as 50:50 JV partner

- ✓ Targeting the deeper, high-potential Oligocene play which is proven and tested in offshore Nile Delta by BP/BG
- ✓ Planning for deep exploration well commenced with expected spud in early 2016
- ✓ In discussions with BP on joint participation in some of Dana Gas's existing / adjacent Development Leases linked to exploration success in Block 3

KRI and Zora Project Update

Paul Gayton
Technical Director

Operations in Kurdistan Region of Iraq



- Gross production averaged 76,070 boepd during 1Q 2015:
 - 318 MMscfd of natural gas
 - 14,243 bbl/d of condensate
 - 750 MT/d of LPG
- Dana Gas has a 40% WI
- Production of LPG increased from 420 MT/D in 1Q 2014 to 750 MT/D in 1Q 2015
- All liquids continue to be sold in the domestic market.
- Achieved Zero Lost Time Incidents in 1Q 2015

UAE: Zora Project Update



- Overall project progress is in line with plans for first gas in mid 2015 with a capacity of 40 mmscfd (6,650 boepd)
- Offshore Pipeline pre-commissioning ongoing
- Offshore platform jacket installed
- Drilling Rig mobilized to site
- Topsides pre-commissioning ongoing
- Onshore plant final hookup started.
- Project Achieved Zero Lost Time Incidents during the Quarter
- 1 Million Man-hours incident free: Nov 2013 – February 2015

UAE: Zora Project Update

**Offshore
Trenching
for the
Zora Gas
Pipeline**



UAE: Zora Project Update



**Slug Catcher
Being Positioned**



**Onshore Gas
Plant
Construction**

Summary

Summary

- Despite the difficult operating environment DG has delivered stable production with further upside later in 2015 with enhanced production following the GPEA in Egypt and incremental production in the UAE
- Financial performance has been better than current industry conditions might have dictated
- Ongoing sharp focus on collections and further lowering of G&A and other operating costs
- On track for Zora gas production in terms of budgets and timelines – first gas in mid-2015
- Capital expenditure remains focused on quick wins (Zora Project – UAE) and strategic growth (GPEA – Egypt)
- We have exciting exploration blocks with potential to create long-term growth in Egypt in Blocks 1, 3 and 6 (North El Arish) with limited capex expenditure required in 2015
- Arbitrations are all progressing: recent KRG hearing (20-24 April) considered selected issues with a ruling expected mid year; RWEST case has progressed into quantum stage to commence second half of 2015; in UAE gas project damages quantification phase has commenced
- Q1 HSSE performance has been encouraging with no fatalities, LTIs or Recordable injuries. The Zora project milestone of 1 mln man-hours without LTI is a notable achievement. Nevertheless this remains a focus area for DG both currently and in the future

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