Clean Energy For the MENASA Region's Tomorrow

Dana Gas Capital Markets Presentation

9M / 3Q 2014 Financial Results
12 November 2014

Forward Looking Statement

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.

Forward-looking statements are based on certain assumptions and expectations of future events. The Company, its subsidiaries and its affiliates (the “Companies”) referred to in this presentation cannot guarantee that these assumptions and expectations are accurate or will be realised. The actual results, performance or achievements of the Companies, could thus differ materially from those projected in any such forward-looking statements. The Companies assume no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events, or otherwise.

Presentation Outline

- 9M 2014 Performance Highlights
- 3Q 2014 Performance Highlights
- Quarter-on-Quarter Financial Performance
- Egypt Performance
- KRI and Zora Project
- Summary

Performance Highlights

Dr Patrick Allman-Ward
Chief Executive Officer

Delivery of long-term strategic plan driving robust performance

- Continued delivery of medium term strategy of focusing on operational excellence and continued production increases through execution of prudent growth projects
- Solid quarter on quarter and year to date performance underpinned by:
  - A year-on-year increase in group production of 11% to 70,500 boepd
  - Strong focus on cost discipline, e.g. target reduction of 20% on G&A costs for the year
  - Resumption in LPG production and onset of local sales in KRI, resulting in collections of $18 mln in September
  - Result is increase of net profit of 36% year-on year to $ 38 mln
- Overall receivables position and outlook in Egypt has improved significantly:
  - GPEA in Egypt: breakthrough solution leading to recovery of receivables over time from direct export sale of incremental condensate production
  - Award of Blocks 1 and 3 strengthens robust position in Nile Delta with conventional and upside deep potential
- Steady performance across operations
  - Steady production growth in Egypt – 2 new fields brought on-stream and optimisation of other assets underway
  - GPEA: investments kick-off in Q1 2015 with incremental production from Q2, resumption of production growth trajectory up to 2017
  - KRI production unaffected by unrest - plant operating normally and at full capacity
  - Partial shut down of Khor Mor plant to replace molecular sieves resulting in increased LPG and condensate production – repairs completed ahead of schedule and under budget

Delivery of long term strategic plan driving robust performance (contd)

- Recommencement of income generation in KRI
  - Pearl Petroleum CL, the consortium in which DG holds 40% interest made first sale of liquid products locally
  - Cash advance of $18m received from local trading company against future deliveries
- UAE progress
  - $100 million Term Facility secured for the Zora Field Development Project – on-stream in H1 2015
  - Expected production 40 mmscfd (6,650 boepd)
  - Field will become immediately cash generative and operationally self sufficient
- Stronger liquidity position
  - $71 million received in Q3 in collections, current cash on balance sheet is $145 million
  - Sell downs of part of equity holdings will serve to further strengthen balance sheet in Q4
  - Significant portion of the cash reserves are ring-fenced for GPEA project in Egypt and the completion of the Zora in the UAE
  - Further payments from Egypt are expected as part of continued petroleum industry payments as per public announcements

Financial Performance

Azfar Aboobakar

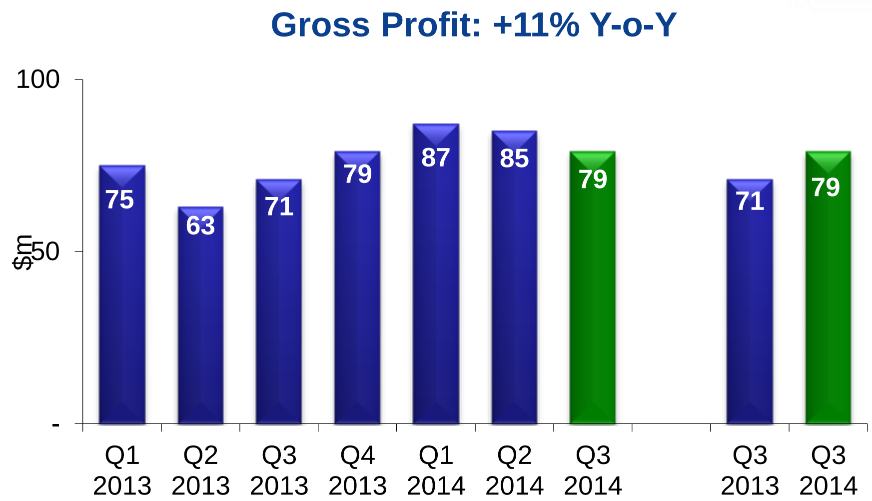
Head - Financial Control & Reporting

Financial Highlights: 9M 2014 vs 9M 2013

(In $ million)	9M – 2014	9M – 2013	Change
Gross Revenue	541	466	16%
Gross Profit	251	209	20%
Net Profit	129	121	7%
EBITDAX	316	261	21%

- Increase in revenue mainly due to increased production in Egypt and resumption of LPG production in Kurdistan which remained discontinued during first half of 2013 due to ongoing repairs to the damaged LPG loading bay.
- Gross profit higher due to improved production performance and focus on decreasing cost

Financial Performance - 3Q 2014 versus 3Q 2013



Higher production in Egypt and increase in sales of LPG in KRG provide the uplift in Y-o-Y revenue

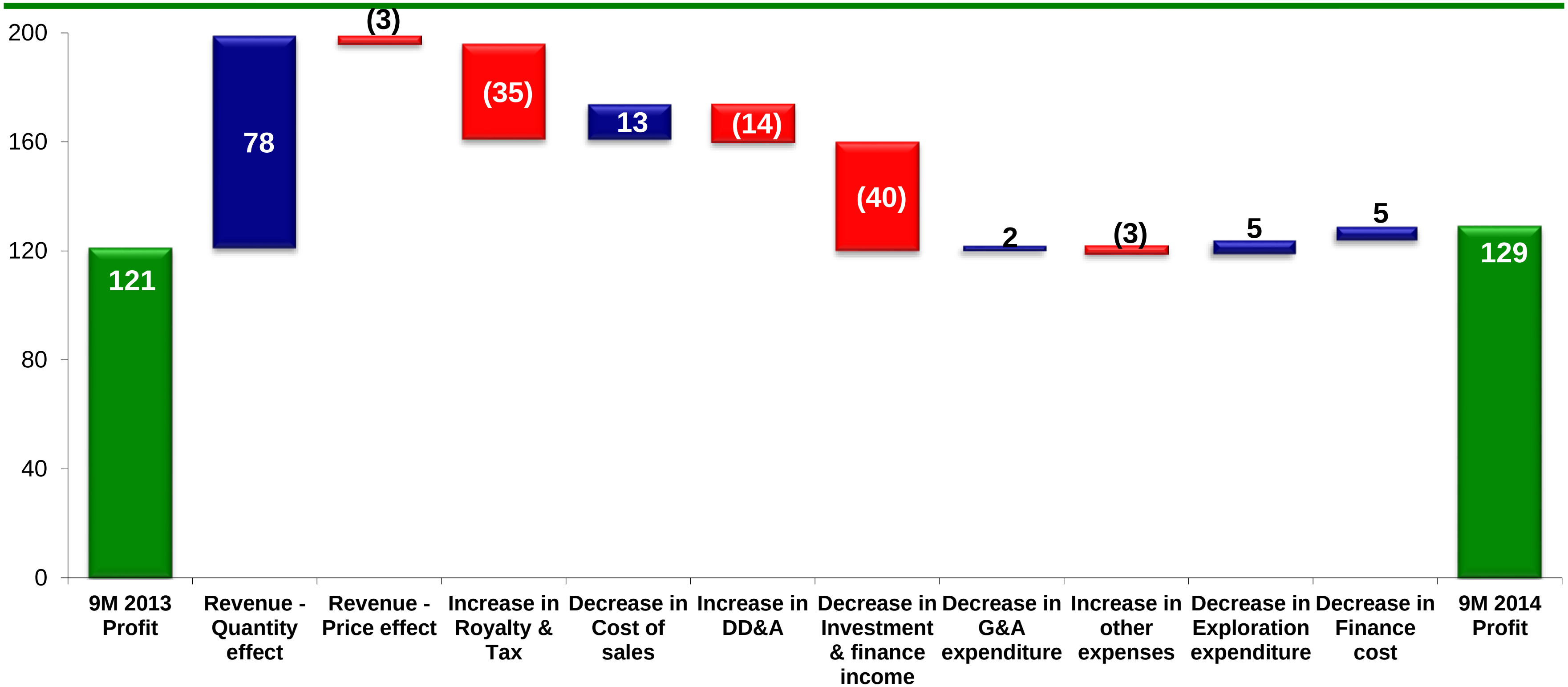
Revenue in the trailing quarter (3Q 2014 versus 2Q 2014) impacted by lower price realization in line with lower oil prices globally

Higher sale of high margin LPG, higher overall production and lower operating costs result in higher gross profits in 3Q 2014 as compared to 3Q 2013

Net profit after tax in 3Q 2014 at $ 38 million was higher by 36% compared to 3Q 2013 profit of $ 28 million

Profit After Tax Bridge – 9M 2014 Vs 9M 2013

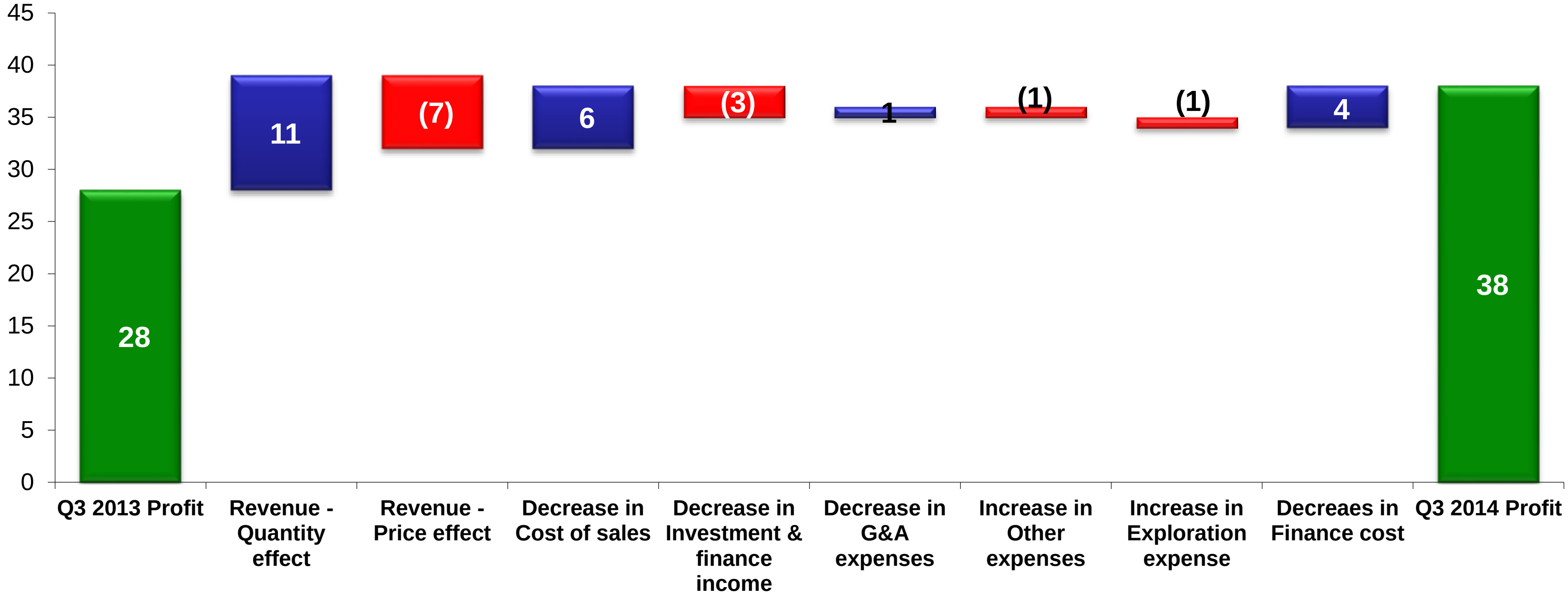
(all figures in $ million)



- Higher production in Egypt (up 15%) contributed $ 40 million and higher sales of LPG in KRG contributed $ 38 million to gross revenue. Lower prices impacting the top line by $ 3 million
- Higher production and lower capital expenditure in Egypt resulted in a 20% increase in royalty & tax
- Increase of $ 14 million in DD&A due to higher production, offset by $ 13 million savings in cost of sales
- Investment & finance income lower by $ 40 million in 9M 2014 due to a one off gain of $ 39 million recognised in 1Q 2013 on partial disposal of MOL shares

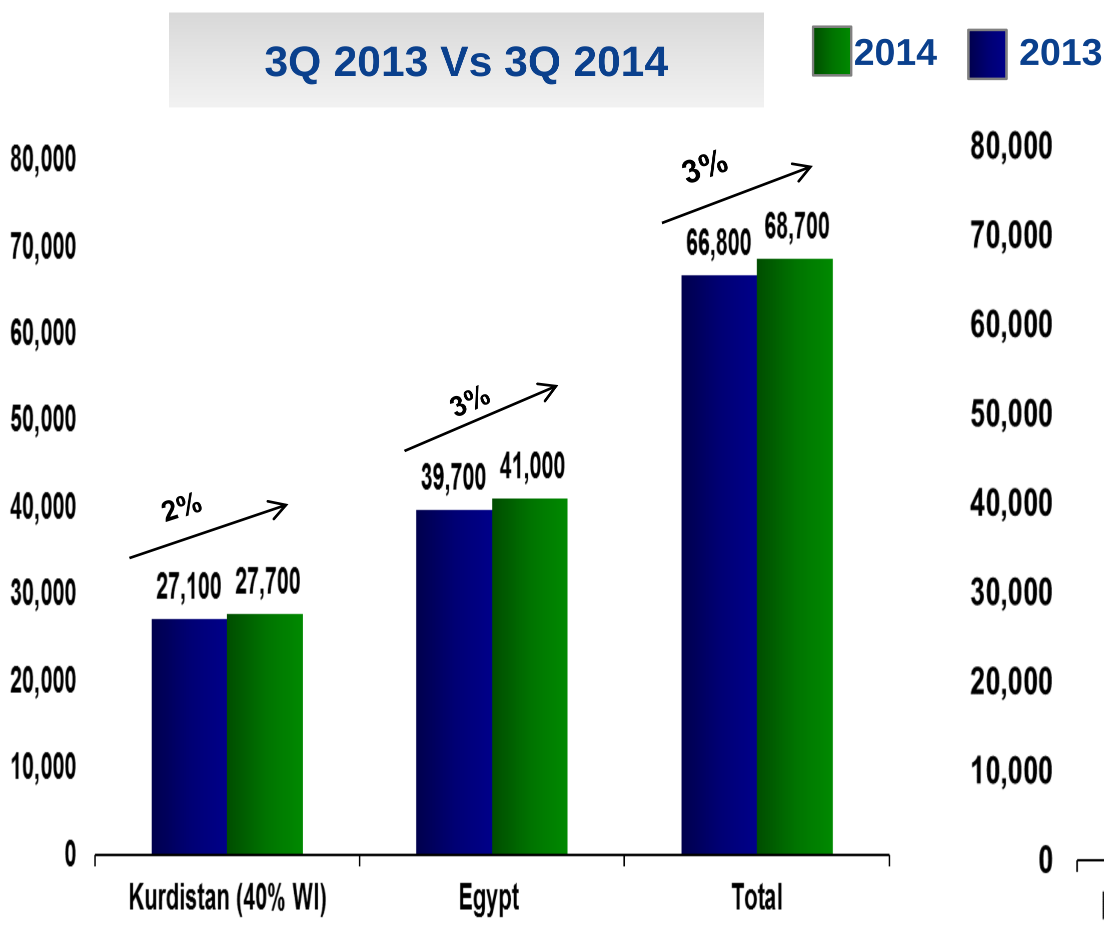
Profit After Tax Bridge – 3Q 2014 Vs 3Q 2013

(all figures in $ million)

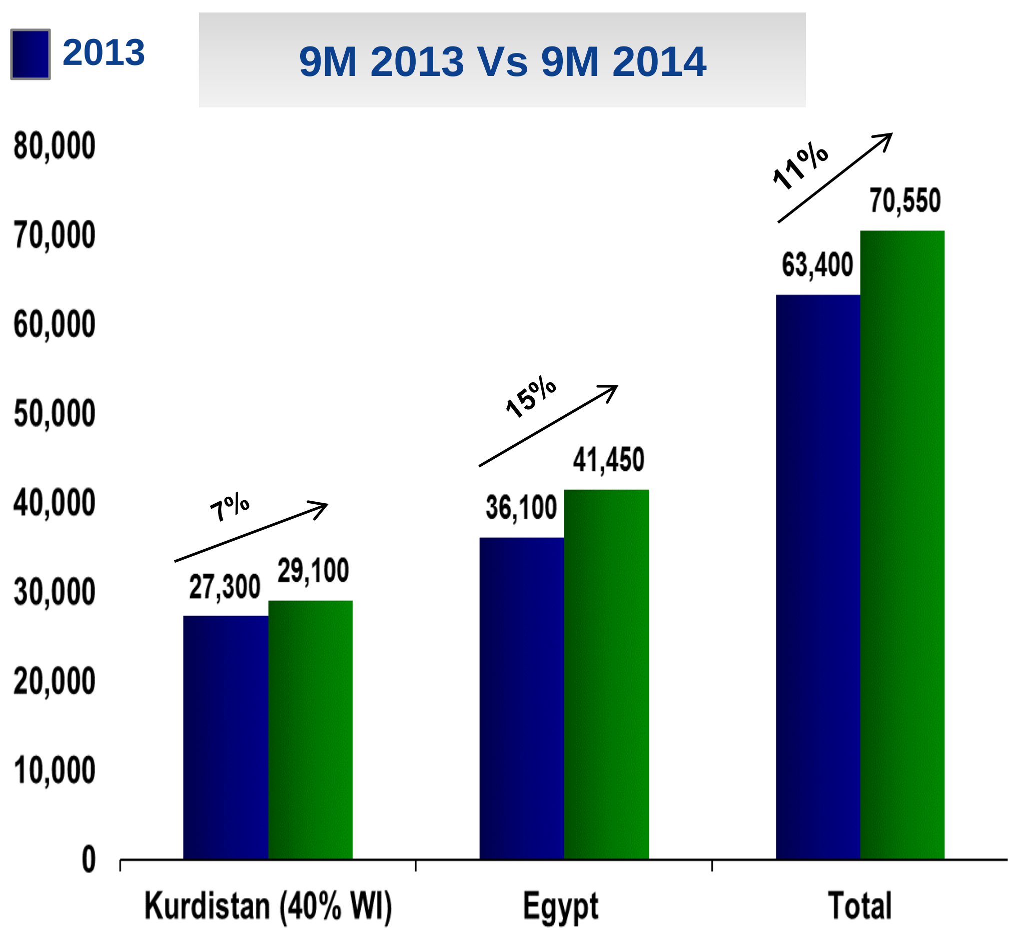


- Higher sale of hydrocarbons contributed $ 11 million to gross revenue with lower prices negatively impacted the top line by $ 7 million
- Saving of $ 6 million and $ 1 million in cost of sales and G&A due to focus on lowering cost
- Finance cost declined by $ 4 million during the quarter following Sukuk conversions
- Lower investments and finance income mainly due to partial sale of MOL shares in 3Q 2014

Production Performance (BOEPD)



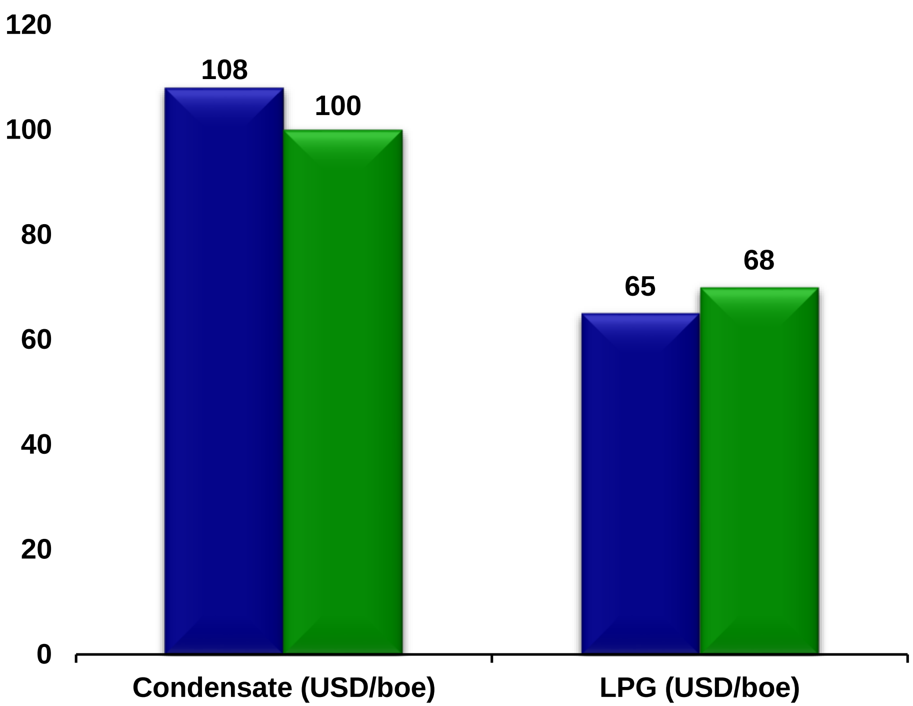
Includes Gas production of 20,00 boepd (3Q13 – 21,700 Boepd)

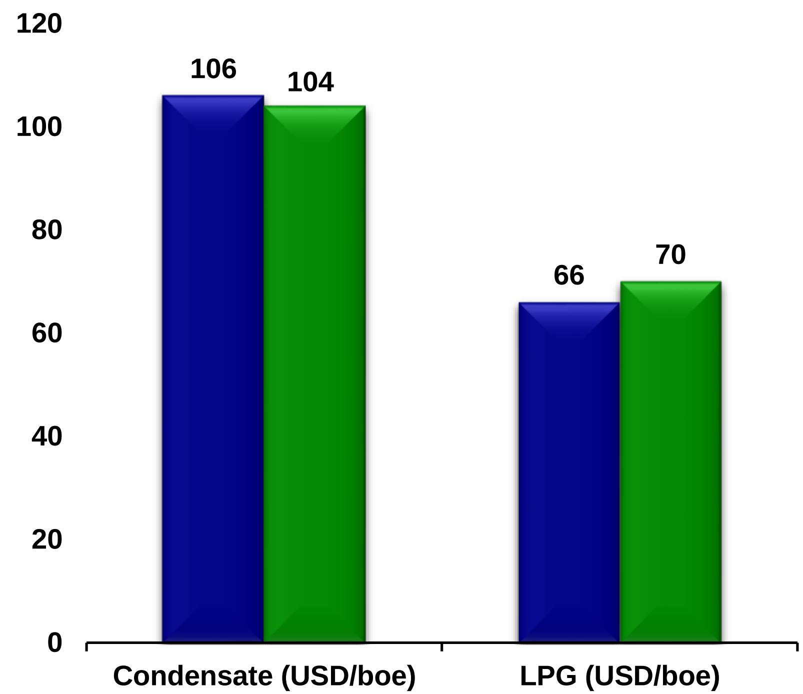


Includes Gas production of 21,300 boepd (9M 2013 – 21,700 Boepd)

Average Realized Prices

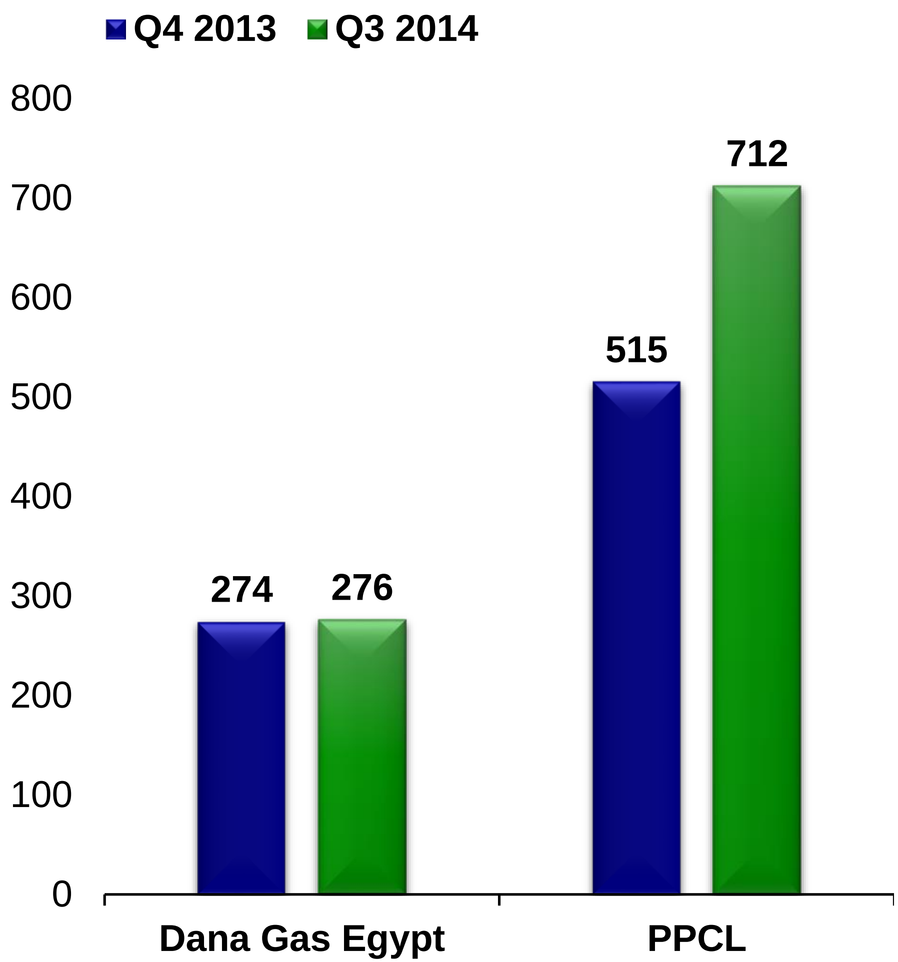
3Q 2013 vs 3Q 2014 2014 2013 **9M 2013 vs 9M 2014**





** Liquids benchmarked to Brent*

Trade Receivables (all figures in US$ 'mm)



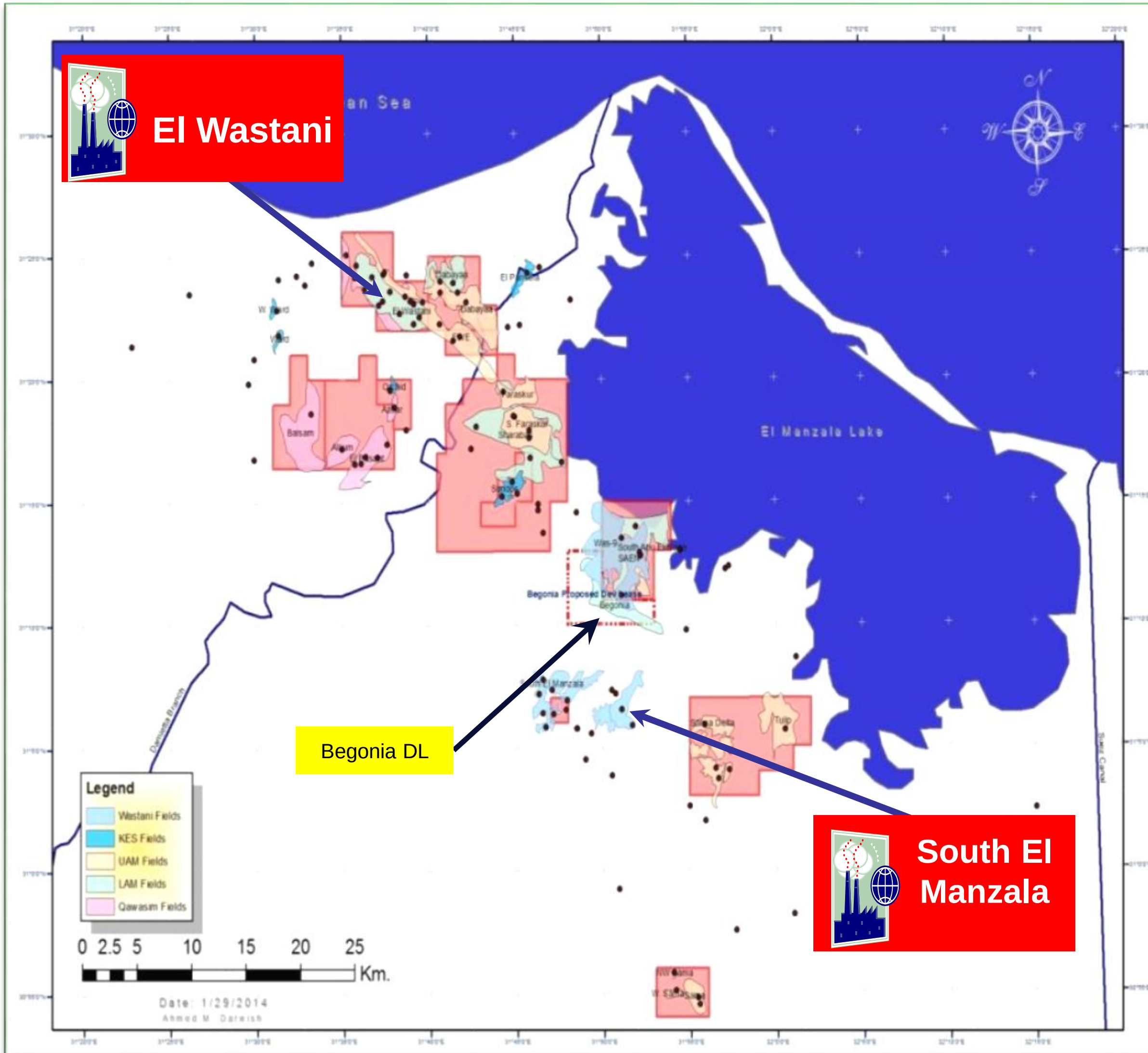
- In Egypt, the cash collections were $ 81 million in 9M 2014. In 3Q 2014, Dana Gas collected $ 53 million, out of which $ 36 million was in Egyptian Pounds, which is earmarked to settle payables to service providers for its Egypt operations and $ 11 million which is ring-fenced towards funding for the Gas Production Enhancement Agreement in Egypt. The balance amount was to cover ongoing operational costs. In addition, offsets against receivables agreed with EGPC were made for Block-6 signature bonus ($ 20 million) and payable to government owned contractors ($ 26 million)
- In Kurdistan, the company received $ 18 million as cash advance guarantee against future production deliveries following the local sales contracts signed in September

Egypt Operations

Dr Mark Fenton

General Manager

Egypt: Nile Delta Operations



Development Leases:

Onshore acreage consisting of 13 Development Leases in the prolific Nile Delta region

One additional DL (Begonia) is under discussion with the government

Production:

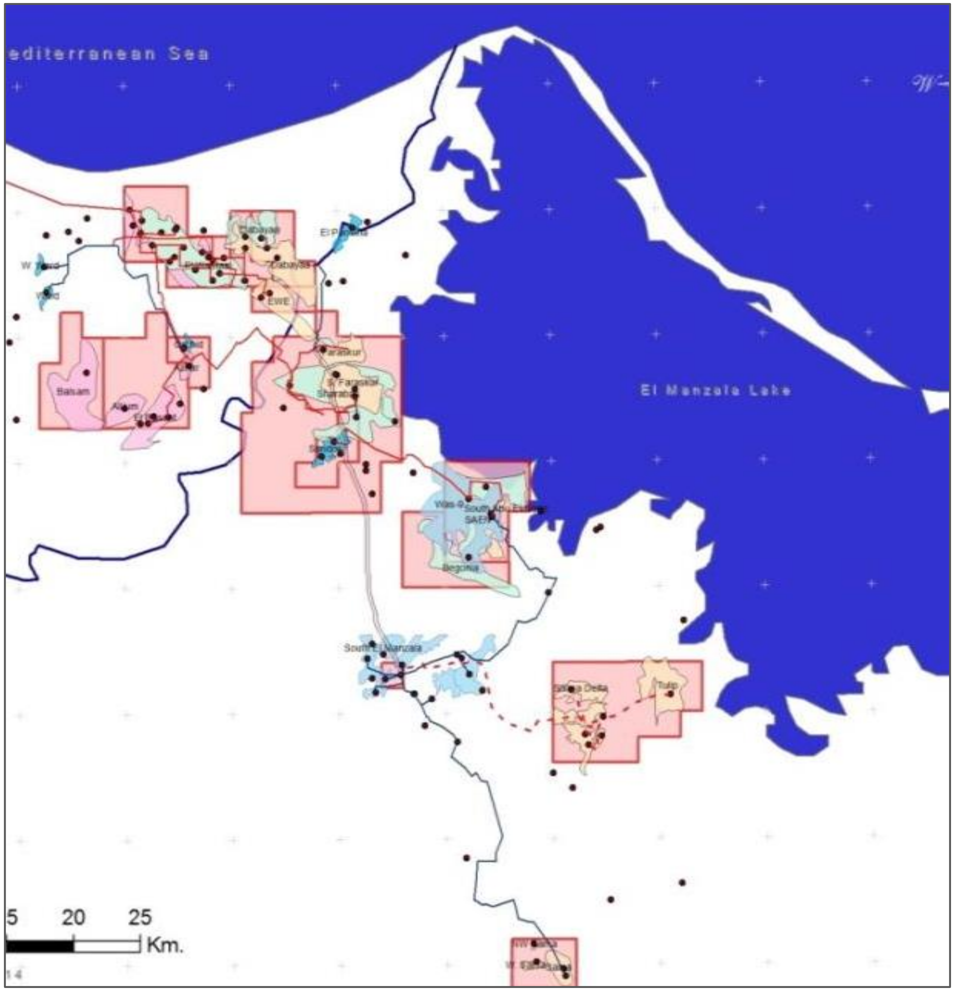
40,500 boepd (3Q 2014 Avg) is slightly lower than 2Q 2014 but continues to be significantly higher than the 39,350 boepd produced in 3Q 2013

Commercial:

Gas Production Enhancement Agreement (GPEA) is signed on 12th of August 2014 allowing Dana Gas to recover current and future receivables from direct sale of incremental condensate production

Gas Production Enhancement Agreement helps Egypt increase production while delivering long term value to Dana Gas

GPEA initiative allows Dana Gas to optimise core Nile Delta asset



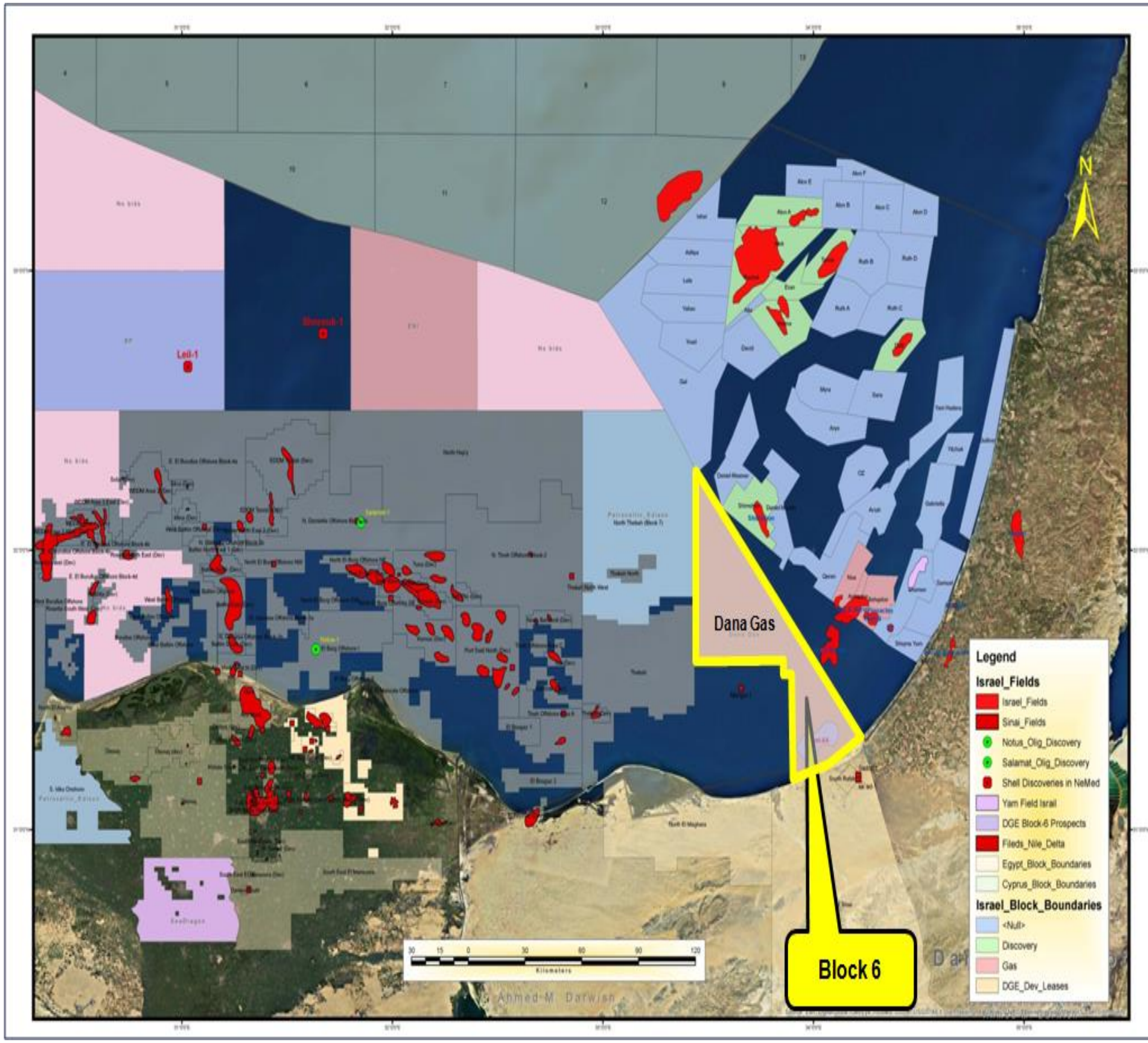
Investment highlights:

- Drilling includes 21 new wells and equivalent number of work-over wells over a 7 year period in existing concessions in Nile Delta
- Investment to boost incremental production by c. 270 bcf of natural gas, 9 mmboe of condensate and 450k tonnes of LPG
- Capital expenditure to be funded by a combination of project financing and internally generated funds from Egypt

Commercial framework

- Financial proceeds from incremental condensate sales at international market prices are to be retained by Dana Gas and the government share of proceeds will be applied directly to pay down outstanding receivables
- Under the commercial arrangement, Dana Gas' receivables are expected to fall from the current level to nominal levels by mid-2018

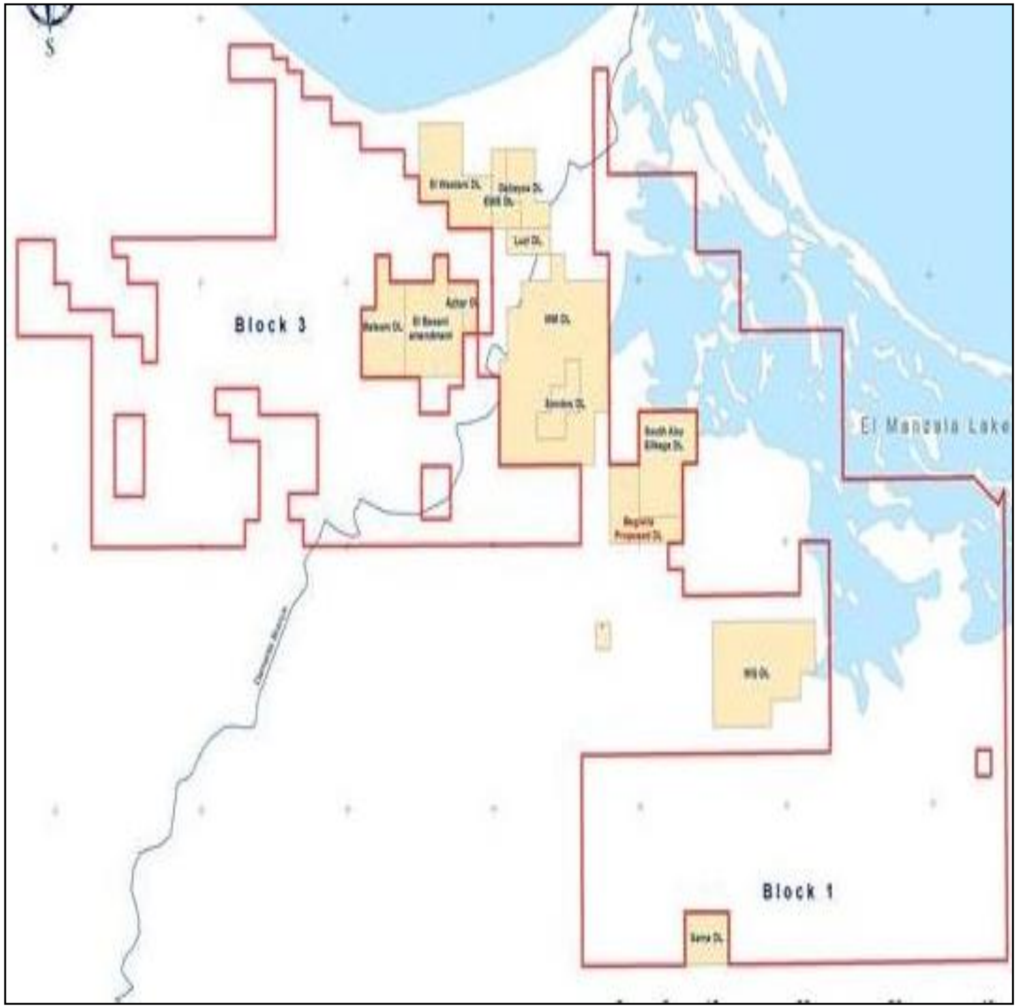
Block 6 – North El Arish Offshore Opportunity



- G&G studies prior to commencing seismic acquisition in 4Q 2014 / 2Q 2015
- Environmental Impact Assessment to be completed prior to seismic operations
- Seismic reprocessing of vintage 2D seismic data across the block 4Q 2014
- The initial seismic acquisition will consist of ~2000 LKM of 2D seismic to cover the deeper water sections of the block where there is currently very limited seismic coverage (scheduled for 1Q 2015)

Newly awarded exploration blocks in Nile Delta enables Dana Gas to build on its core area production and utilising existing infrastructure

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



- Awarded the North El Salhiya (Block 1) and El Matariya (Block 3) onshore concessions in the Nile Delta in the 2014 EGAS bidding round
- Block 1 (Dana Gas 100% WI) is an extension of the company's existing, successful conventional gas business
- Block 3 (Dana Gas 50% WI) targets deeper Oligocene opportunities. BP to operate as 50:50 JV partner
  - BP will operate Block 3 as 50/50 partner and target deeper, high-potential Oligocene play which is proven and tested in offshore Nile Delta by BP and BG
  - BP and Dana Gas in discussions on possible joint participation in some of Dana Gas's 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

- DG share of production (40%) averaged 27,705 boepd during 3Q 2014:
  - 120 MMscfd (40%) of natural gas
  - 5,202 bbl/d (40%) and 206 tons/d (40%) of condensate and LPG, respectively
- Production of LPG continued to ramp up during 3Q 2014 with potential for further upside based on installed capacity (900 tons/d)
- During 3Q average per day lifting of LPG by the MNR of Kurdistan Region of Iraq and local traders was 514 tons (100%).
- Domestic, direct sales of liquid hydrocarbons commenced in September 2014

UAE: Zora Project Update

Offshore platform under fabrication

- Overall project progress is in line with plans for first gas in 1H 2015 with a capacity of 40 mmscfd (6,650 boepd)
- All major facilities contracts now awarded
- Offshore platform fabrication progress 70%
- Line Pipe manufactured and transported to Abu Dhabi and coating started
- All onshore and onshore major procurement items ordered
- Onshore plant site work started

Summary

Summary – Dana Gas is a company that can deliver

- Significant investment and drilling programme in Egypt starting Q1 2015, which will be fully funded from project finance and retained earnings, will result in free cash flow by 2017 and result in a reduction of receivables from the Egyptian government to nominal values by 2018.
- Recently awarded two onshore exploration concessions in Nile Delta adjacent to existing development leases:
  - Block 1 (DG 100%) represents growth opportunities for conventional portfolio
  - Block 3 (DG 50% with BP as partner and operator) has deep exploration potential at the Oligocene level that in the case of success could prove to be a world-class natural gas resource
- We have received $71 million in the quarter and whilst a substantial proportion of these funds are committed to our GPEA project in Egypt and the Zora project in UAE, our balance sheet for the moment remains better than expected
- Selling liquid products in KRI locally and receiving monies directly has put KRI cash flows back onto a sustainable footing and improved the medium term corporate cash flow forecast
- The Zora Gas Field project in the UAE on schedule for first sales in H1 2015, it will become immediately cash generative and operationally self sufficient
- At a corporate level we are firmly on track to generate substantial annual free cash from our operations from 2016 onwards
- With sustained operational performance and financial security, we continue to strengthen the Company and position it for significant shareholder value creation in 2015 and beyond.

Reach us:

Dana Gas
P. O. Box 2011, Sharjah, UAE
www.danagas.com

E-mail : rsingh@danagas.com
Direct : +971 6 519 4401
Fax : +971 6 556 6522