Clean Energy For the MENASA Region's Tomorrow



Dana Gas Capital Markets Presentation

9M/3Q 2015 Financial Results 16th November 2015

Forward Looking Statement



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Presentation Outline



- Performance Highlights
- Quarter-on-Quarter Financial Performance
- Financing Update
- Country Performance
 - Egypt
 - Kurdistan Region of Iraq
- Zora Gas Project Update
- Summary



Performance Highlights

Dr Patrick Allman-Ward Chief Executive Officer

9M/3Q 2015 Performance Highlights



- Over 50% decline in hydrocarbon prices coupled with natural decline of production (in Egypt) impact gross revenues and profitability
- 9M revenue of \$ 324 million, down 40% on a y-o-y basis; 3Q revenue of \$ 93 million, down 47% on a q-o-q basis
- 3Q Net production at 60,800 BOEPD as a result of decline in Egypt, which was lower by 20%. KRG production remained constant at around 28,000 BOEPD (DG share of 40%). 9M Net production of 65,100 BOEPD
- Ongoing focus on reduction in overall cost
- 9M G&A lowered by \$ 5 million; Lower debt level following buy-back of Sukuk
- Cash collections of \$ 89 million with outstanding receivables of just over \$ 1 billion (Egypt \$ 252 million and KRG 804 million). Total cash on the balance sheet of \$ 142 million
- Near term production upside as a result of:
- Successful discoveries in Egypt (Balsam Horst and Balsam 3) as part of the GPEA initiative
- Zora Gas Field production (6,250 BOEPD) by 4Q 2015
- Potential reserves accretion in Egypt going forwards through incremental plays in North El Arish Offshore (Block 6), North El Salhiya (Block 1) and El Matariya (Block 3) onshore concessions
- On 2 July 2015, the LCIA Tribunal handed down its Partial Final Award ruling confirming the Consortium's contractual rights including a number of important issues addressed at the Arbitration Hearing which took place in London in the week of 20 April 2015. A further hearing was held on 21st September 2015 to determine the Consortium's monetary claim against the KRG for outstanding unpaid invoices for the produced condensate and LPG as of end June 2015 as per the pricing methodology determined by the Award.



Financial Performance

Azfar Aboobakar Head - Financial Control & Reporting

Financial Highlights: 9M 2014 vs 9M 2015



(In \$ million)	9M – 2014	9M – 2015	Percentage Change
Gross Revenue	541	324	(40)
Gross Profit	251	97	(61)
Net Profit	129	10	(92)
EBITDA	315	139	(56)

- Decrease in Gross Revenue was mainly due to sharp decline in hydrocarbon prices (refer slide 12)
 which eroded \$ 187 million off the top-line coupled with 14% decline in production in Egypt
- Gross profit was lower due to reason explained above and increase in cost of sales by \$ 8 million partially offset by lower DD&A charge.
- Net profit was lower due to reduced gross profit and a one off loss of \$ 11 million incurred on disposal
 of available for sale asset (investment in MOL). Optimization of G&A costs and lower Sukuk profit,
 contributed positively to the bottom line.

Financial Highlights: Q3 2014 vs Q3 2015



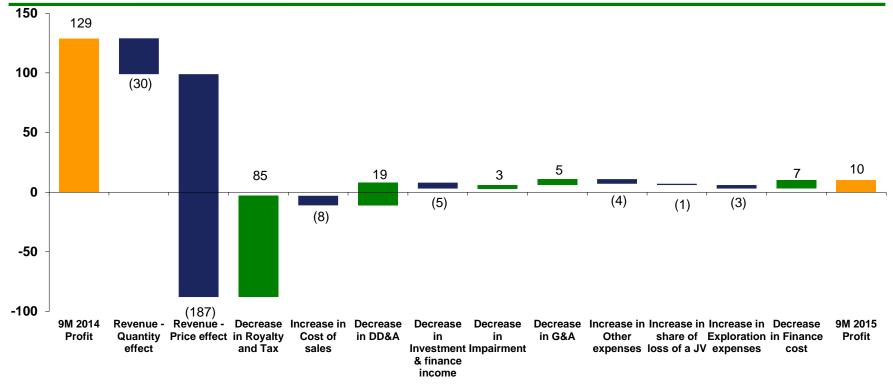
(In \$ million)	Q3 – 2014	Q3 – 2015	Percentage Change
Gross Revenue	174	93	(47)
Gross Profit	79	23	(71)
Net Profit / (Loss)	38	(9)	(124)
EBITDA	100	38	(62)

- Decrease in revenue was mainly due to sharp decline in hydrocarbon prices (refer slide 12) which eroded \$ 59 million off the top-line coupled with lower production in Egypt
- Gross and Net profit lower mainly due to lower realized hydrocarbon prices and a one-off loss of \$ 11 million which was recognised on disposal of available-for-sale-asset (investment in MOL). This was partially mitigated by lower royalty & tax charge and DD&A

Profit After Tax Bridge – 9M 2014 Vs 9M 2015

(\$ million)



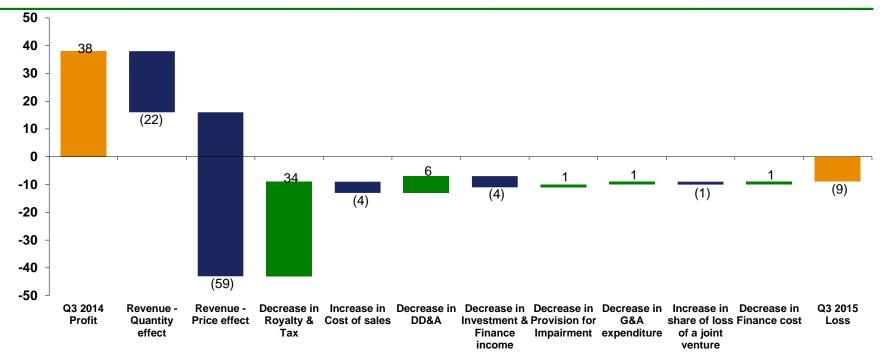


- Sharp decline in hydrocarbon prices impacted revenues by \$ 187 million together with reduced production in Egypt which impacted the topline by \$ 30 million
- Royalty & tax declined by 41% as they are linked to production and profitability in Egypt
- Decrease in DD&A linked to lower production in Egypt
- Decrease in G&A due to cost optimization across the Group
- Lower Sukuk profit due to conversions (in 2014) and company buyback 3Q 2015

Profit After Tax Bridge – 3Q 2014 Vs 3Q 2015

(\$ million)

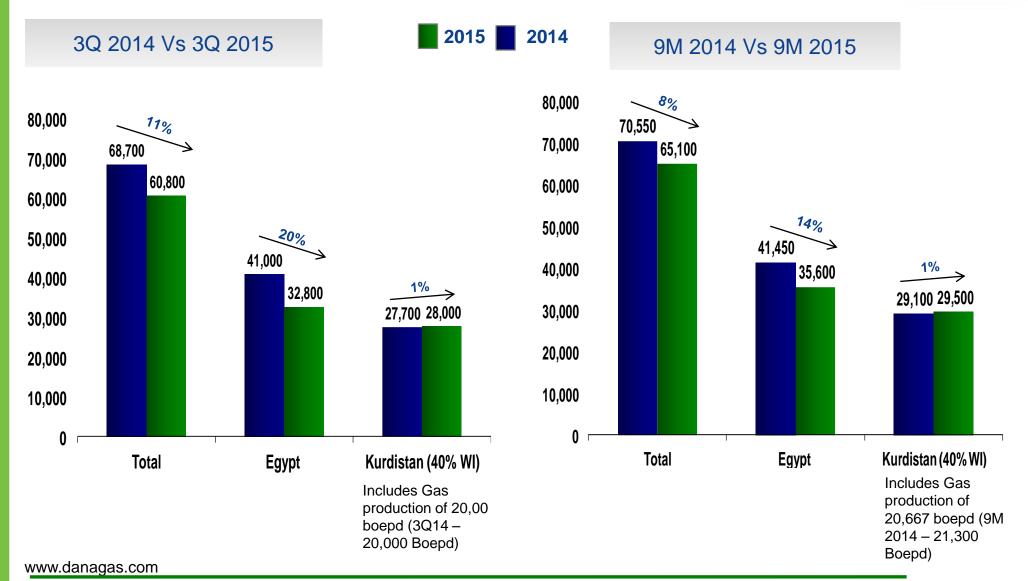




- Impact of lower hydrocarbon on realized prices impact top-line by \$ 59 million. Lower production (in Egypt) of 20% eroded \$ 22 million from the top-line
- Royalty & tax declined by \$ 34 million in line with lower production and profitability in Egypt
- Lower DD&A charge due to decline in production in Egypt
- Lower investment & finance income mainly due to recognition of one-off loss of \$ 11 million on disposal
 of MOL shares, partly mitigated by \$ 3 million gain on Sukuk buyback

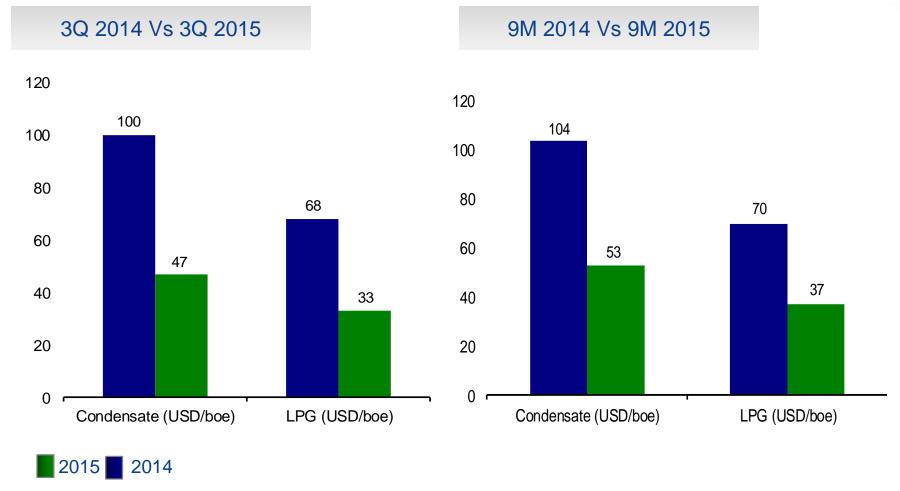
Production Performance (BOEPD)





Average Realized Prices



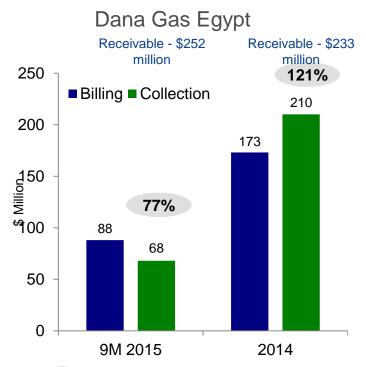


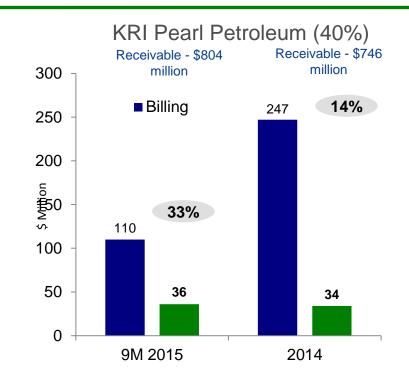
^{*} Liquids benchmarked to Brent

Trade Receivables

(\$ million)







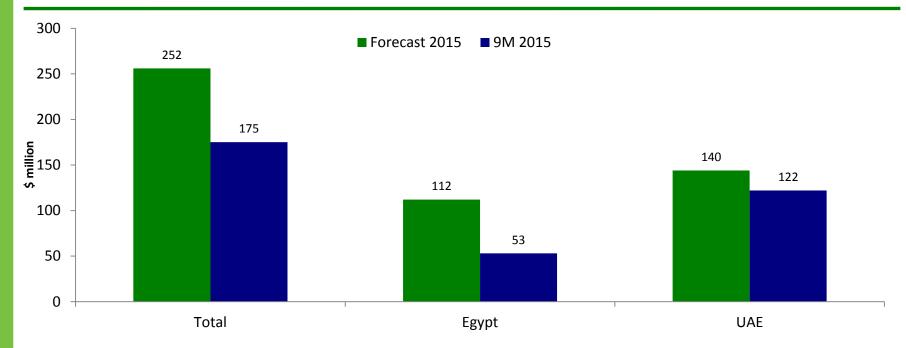
Note: % age calculated as collections divided by net revenue

- During 9M 2015, Dana Gas Egypt received cash of \$ 53 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, Dana Gas share of collections for the nine months stood at \$ 52 million, however a portion of the collection was adjusted against cash deposit of \$ 18 million received in September 2014 against future lifting of the product

2015 Capital Expenditure

(\$ million)





- Capital expenditure incurred in Egypt during 9 months of 2015 includes drilling and completion cost relating to Balsam wells and Signature bonus paid for Block-1 and Block-3
- UAE includes capital expenditure relating to Zora field offshore development project. The project includes construction and installation of an unmanned platform, drilling of two lateral wells, 12" subsea and onshore pipeline and an onshore gas processing plant



Financing Update

Ranga Kishore Head of Financing

Financing Update



Sukuk

- Ordinary Sukuk (9%) outstanding of approx. \$400 million following buy back of \$25 million
- Convertible Sukuk (7%) outstanding of approx. \$350 million post buy back of US\$2 million
- 2014 redemptions of Convertible Sukuk worth \$73 million approx. 357 million shares issued
- Maturity in October 2017

Zora Financing - \$100 million

- Signed on 25th June 2014 with ENBD, CBD, CBI and Barwa Bank in a syndication facility
- Drawn down \$89 million with \$3.5 million in pipeline. Remaining draw down in due course

Mashreq Facility (Fully secured) – \$25 million

- Secured against lien on EGP deposits
- Fully drawn down for GPEA capital expenditure of which approx. \$7 million has been utilised

Building & Equipment Financial Lease – approx. \$25 million

- Equipment financial lease through CorpLease for \$12.2 million; fully drawn down and utilized for GPEA Capex
- Building financial lease through CorpLease for \$13.4 million signed. \$3 million disbursed with balance pending

MOL Equity

All of the remaining 1.1 million MOL shares have been sold raising approx. \$54 million

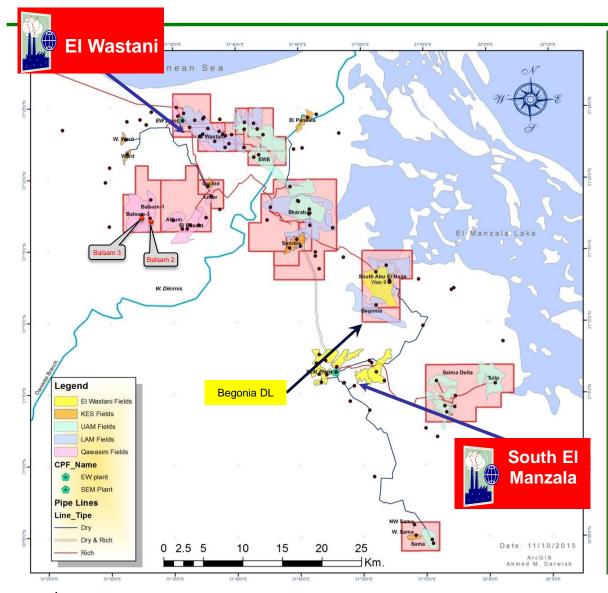


Country Performance

Iman Hill Technical Director

Egypt: Nile Delta Operations





Development Leases:

 Onshore acreage consisting of 14 Development Leases in the prolific Nile Delta region

Production:

 3Q 2015 avg 32.1 kboe/d versus 40.5 kboe/d for 3Q 2014.
 Decline is due to natural field production decline which will be reversed as GPES wells are drilled and come on-stream (first well due before end 2015)

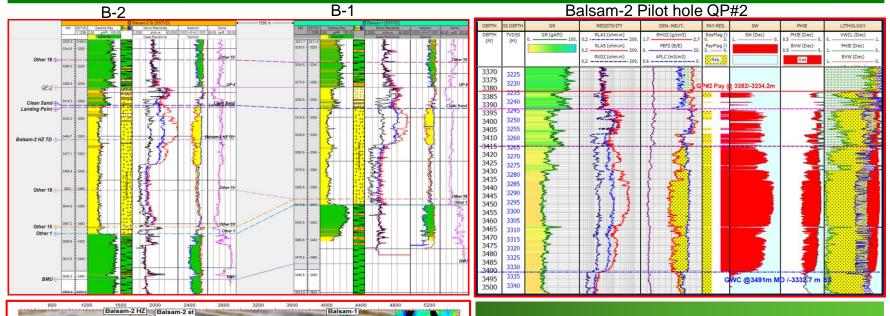
Operations:

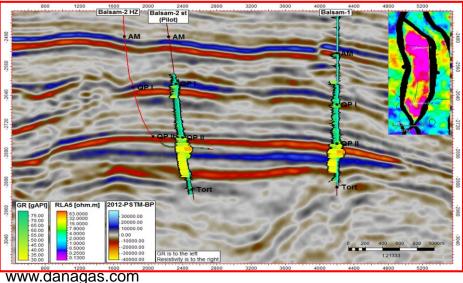
- Balsam-2 pilot hole completed and horizontal nearing completion
- Balsam-3 exploration well is a discovery, coming in on prognosis. Successfully completed and tested
- 1500 HP rig now moved to the Salma Delta-4 location

^{*} Excluding EBGDCO share of Production

Egypt: Balsam Horst Update: Balsam1 & Balsam-2



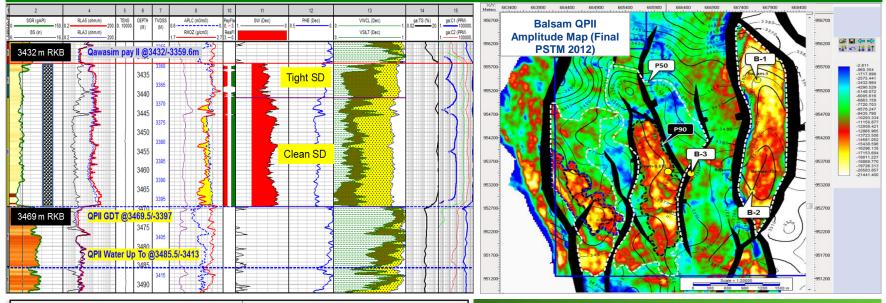


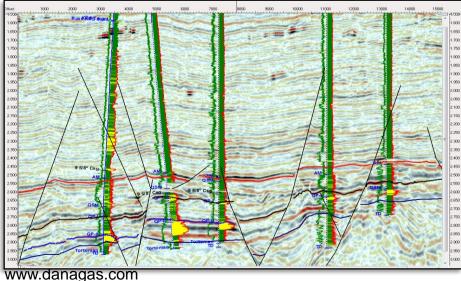


- Excellent results in Balsam-2:
- Longest gas column encountered in Dana Gas Egypt portfolio
- Thicker Pay section than Balsam-1 found, potentially indicating a bigger hydrocarbon filled structure
- There is more gas and it will flow at higher production rates than anticipated because the reservoir rock properties are better
- Proven plus probable reserves in the Horst structure have increased by more than 50%

Egypt: Balsam 3 Discovery



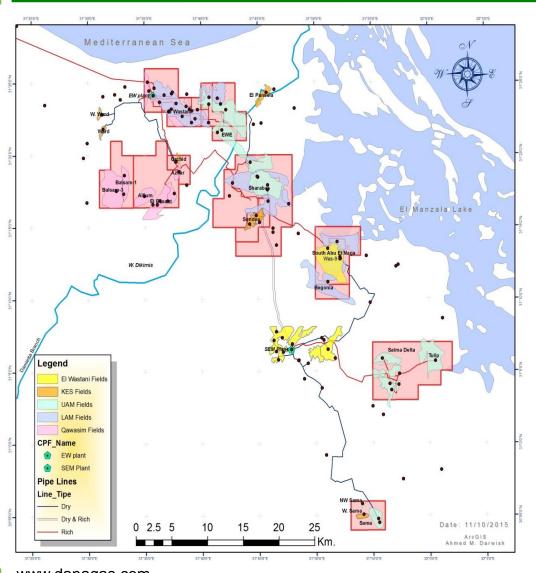




- Balsam-3 discovery well has proved up the play in the Western part of the Development Lease
- Both of the reservoir intervals were encountered as per internal prognoses
- This is a separate hydrocarbon filled structure from Balsam Horst increasing the resource base in this Development Lease
- Based on the results of this well, 2 further
 Exploration and 1 Development well are planned in the Business Plan

Gas Production Enhancement Agreement (GPEA) Execution Update

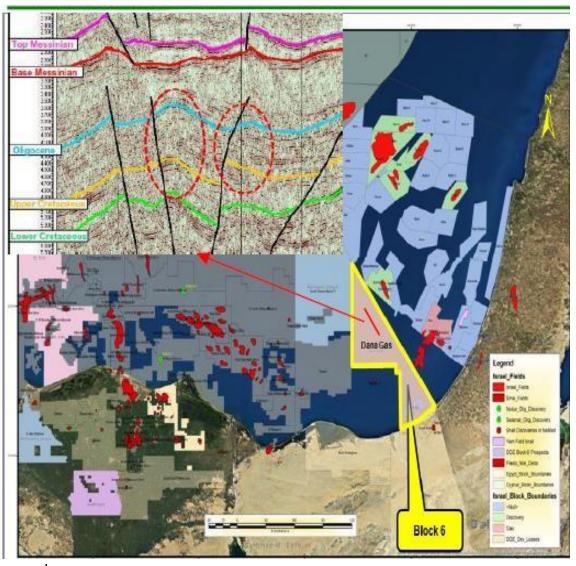




- 3 drilling and workover rigs secured with spud dates during May/June
 - o 2000 HP rig Balsam-2
 - 1500 HP rig Balsam-3,
 Salma Delta-4
 - 650 HP workover work started in October 2015
- Plans underway to lay approximately 130 km pipeline to tie new wells into DGE infrastructure
- Upgrade of DGE domestic and export capacity to accommodate increased production from GPEA project under consideration

Egypt: Block 6 – North El Arish Offshore Update

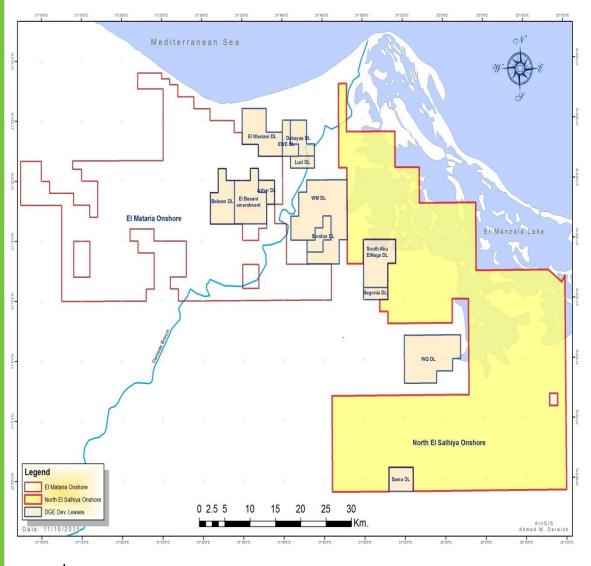




- 1782 sq km of full fold 3D seismic acquired in Sept-Oct 2015 by PGS Ramform Titan boat.
- Boat product PSTM seismic processing to be completed by mid/end December 2015
- Farm-out activity initiated
- Integration of regional 2D multi client seismic data into evaluation completed

Egypt: Block 1 - North El Salhiya Exploration

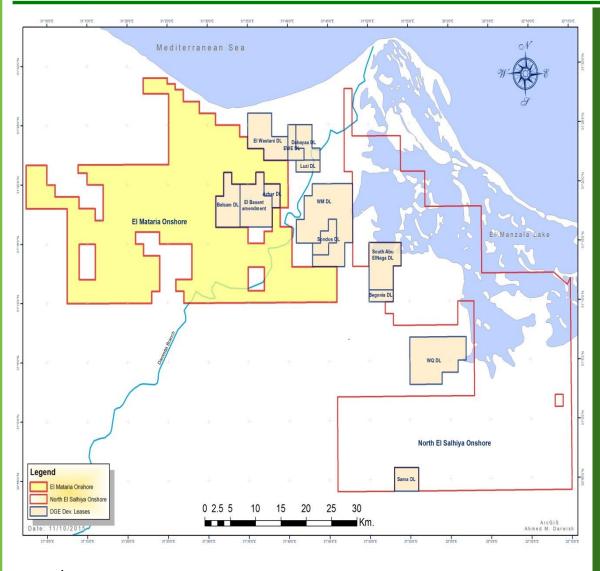




- North El Salhiya (Block-1) onshore concession in the Nile Delta ratified on 15th January 2015
- Block-1 (100% WI) –
- Targets prolific Abu Madi play
- Other plays include: Kafr El Sheikh and Oligocene
- Activities
- Negotiations ongoing with preferred bidder for 450 sqkm of 3D seismic
- Reprocessing of ~800
 sq.km of 3D seismic
 ongoing by Western Geco
- Tender prepared for reprocessing of 2D and processing of new 3D data

Egypt: Block 3 - El Matariya Exploration





- El Matariya (Block-3)
 onshore concession in the
 Nile Delta ratified on 15th
 January 2015
- Block-3 (50% WI); BP to operate as 50:50 JV partner
- Targeting deeper, highpotential Oligocene play which is proven and tested in offshore Nile Delta by BP/BG
- The first exploration well on the El Matariya Onshore Concession (Block 3) scheduled to commence drilling in 1H 2016
- Messinian portfolio being worked up, additional drill targets likely to be matured

Operations in Kurdistan Region of Iraq





- DG share of production (40%) averaged 28,000 boepd during 3Q 2015. Gross production details are as follows:
 - o 300 MMscfd of natural gas
 - 12,627 bbl/d of condensates
 - o 633 MT/d LPG
- The Mol sieve bed for the first train at Kor Mor plant was replaced in October 2015
- Upon expiry of the direct local sales contract, KRG has commenced direct lifting of LPG and Condensate from 20 September and 7 October 2015, respectively from the Khor Mor plant through a nominated local contractor



Zora Gas Project Update

Iman Hill Technical Director

Zora Offshore drilling activity – First Gas Achieved





- Drilling of Sharjah well Lateral A and Lateral B completed
- Well cleaned up and flowed [50 MMSCFD] first gas 18th September 2015
- Drilling Rig SGD-2 demobilized and departed Zora on 22nd October 2015

Zora Offshore Platform - Successfully Installed





- Topsides installed offshore on 30th October and Platform installation complete
- Accommodation vessels and hook up team being mobilized
- Offshore Hook-up and Commissioning work ongoing
- First gas delivery for plant commissioning expected 4Q 2015

Zora Gas Processing Plant - Nearing Completion





- Main construction, Installation and Erection complete
- Systems
 powered up,
 Pre commissioning
 activities
 ongoing in
 preparation to
 receive gas



Summary

Summary



- Average realized prices of condensate and LPG in the first nine months of the year was \$53 and \$37, a decline of roughly 50% on 2014 prices
- Sharp focus on opex optimization, reduction in capex, cost cutting, work force downsizing, and other cost reduction initiatives.
- First major gas discovery in Egypt in 2015 in Balsam-3. In addition to the Balsam-3 discovery we have
 also proved up additions to our field reserves with the Balsam-2 development well. Both wells were
 drilled to depths greater than 3,500m. Balsam-2 encountered the longest gas column at 78 meters
 ever penetrated in our history.
- Preliminary reserves estimates put additional 2P reserves at 165 bcf, (approx 28 mboe).
- Zora Gas first gas before the end of the year and target production capacity will be approximately 40 MMscf/d or 6,650 boepd, adding 10% to group production
- Project delay mainly due to difficult drilling operations and slower delivery of gas processing plant
- Topsides and platform have been mated and hook-up and commissioning work is underway
- Achieved nearly one million man-hours without a lost time injury on the project to date
- Outstanding receivables remain a major area of concern now amounting to over \$1 billion
- On 21 September 2015, the Claimants made an application to the LCIA for a final monetary award against the KRG for outstanding unpaid invoices for produced condensate and LPG calculated as per the pricing methodology determined by the Tribunal on the 30th June in its Partial Final Award. The Tribunal will inform the parties of its ruling in due course.
- On 30th November a 3 week hearing will commence in the LCIA regarding the amount of damages to be awarded to the Claimants in arbitration case against RWE S&T for breach of confidentiality



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