

Clean Energy for the Future

Q3 2018 – Financial Results

14 November 2018



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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1. Headlines

Financials

- **Revenue** - \$351mm 9M; up 6% due to higher realized prices which, helped offset production decrease in Egypt
- **Gross Profit** - \$113mm 9M; up 31% driven by improved price realization
- **Net profit** - \$41mm 9M '18 vs. \$125mm 9M '17
 - Excluding one-off items related to KRI; net profit - \$41mm vs net loss \$6mm.
- **Net profit** - \$17mm Q3 '18 vs. \$102mm Q3 '17
 - Excluding one-off; net profit - \$17m vs \$6mm

Liquidity

- Cash balance at \$434mm
- Collected \$111mm in Egypt and \$77mm in KRI
- Egypt trade receivables are \$210mm; \$18mm receivables in KRI (later subsequently collected)
- Collections remain irregular in Egypt, \$10 million received Q3 from part cargoes but continue to balance investments against collections
- 6th & 7th cargo of Al Wastani condensate sold for \$11mm and \$12mm apiece
- Settlement of \$21mm of borrowings in Egypt

Operations

- Group production averaged 62,250 boepd in 9M 2018 – down 8%
- Decrease primarily result of natural field declines in Egypt
- Finalised KRI debottlenecking, targeting an output increase of up to 25%; adding up to \$50m per annum to top line
- Completed Balsam-8 ahead of schedule and under budget; adding over 5,000 boepd
- Block 6 offshore well on track for first drill in early 2019

Sukuk and Arbitration

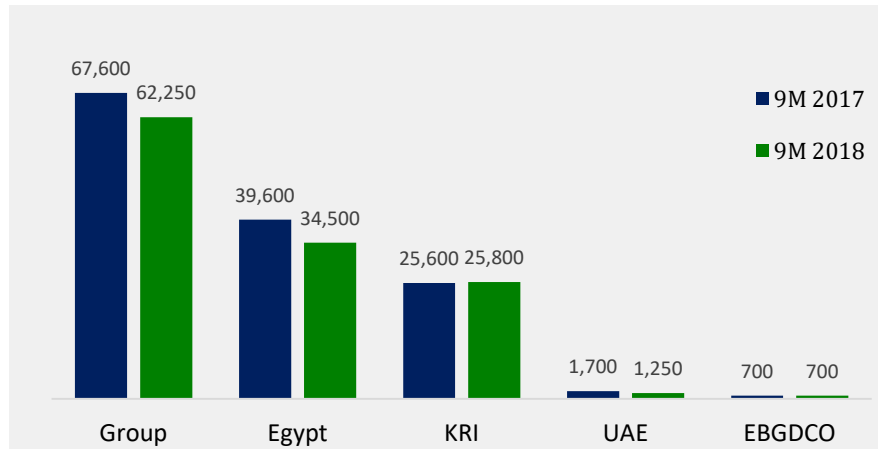
- Sukuk completion achieved on 13 August
- Paid \$235mm on sukuk redemptions, profit payments and early participation fees
- Bought back \$100mm (nominal value) of the Company's sukuk subsequent to period end
- Sukuk new profit rate 4% will save at least \$39mm per annum in profit payment
- NIOC judgement due before end October, timing now unknown
- MOL arbitration remains scheduled to start Nov 2018



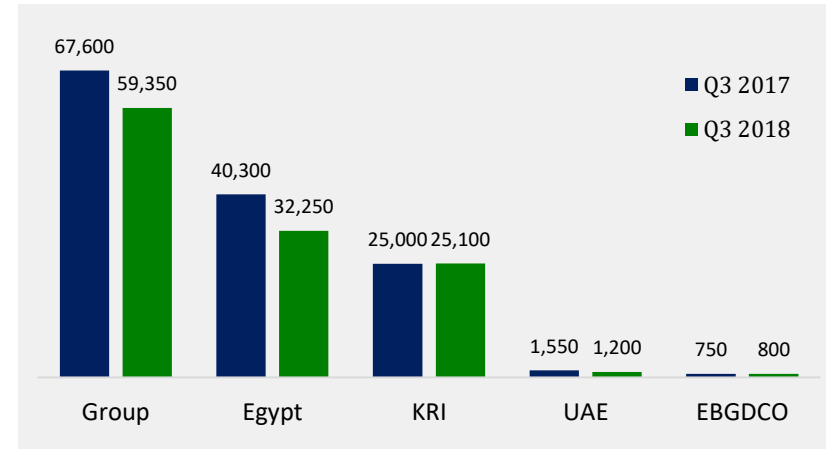
2. Operation Update

Average Production & Average Realized Prices

Production (boepd) 9M 2018 Vs 9M 2017



Production (boepd) Q3 2018 Vs Q3 2017



Average Realized Price-Condensate (USD/bbl)



Average Realized Prices LPG (USD/boe)



Egypt: Programme Overview

Nile Delta Concessions

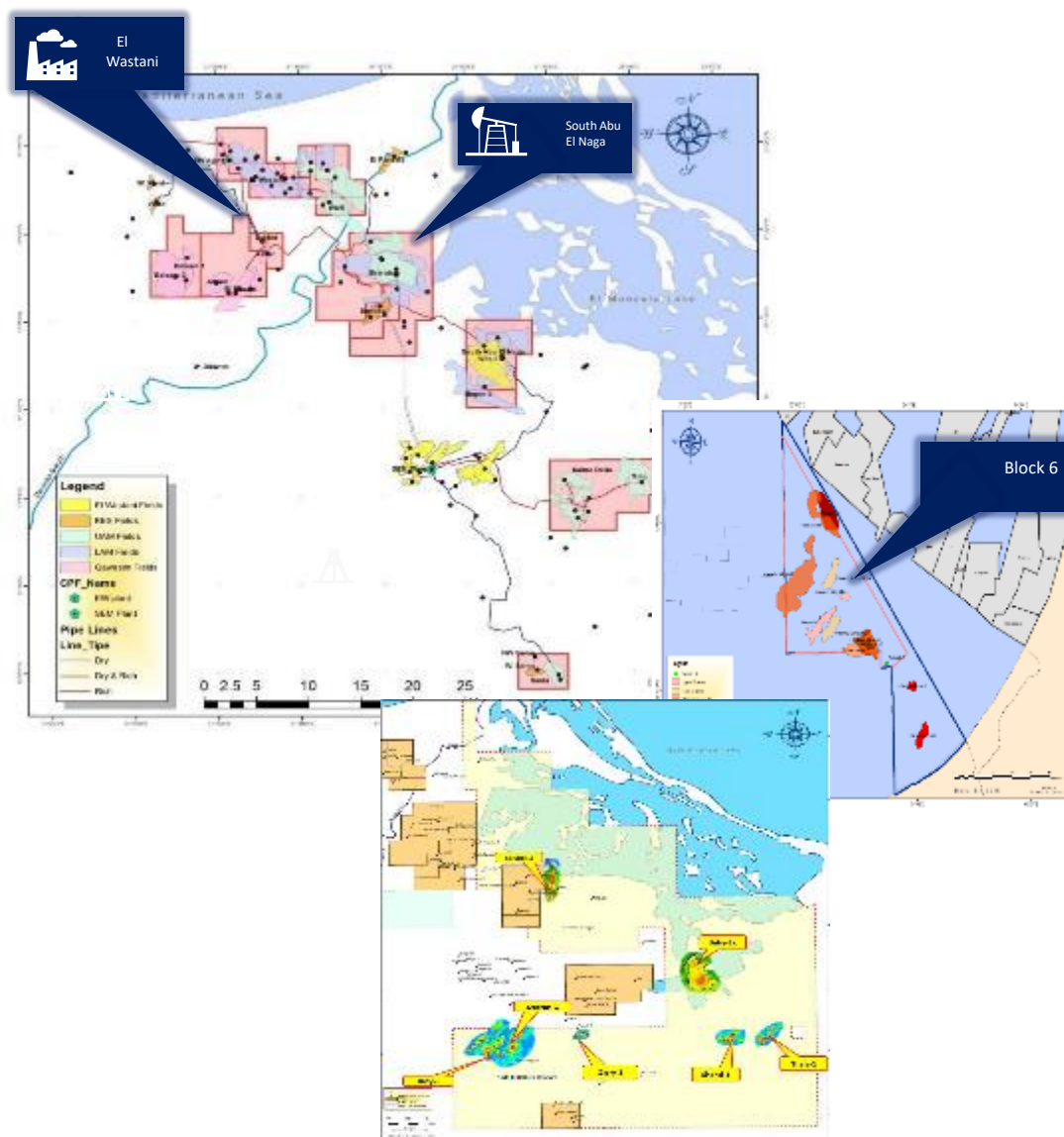
- Balsam-8 spudded 11 Aug; completed ahead of schedule and below budget
- Producing 5,300 boepd (25 MMscf/d and 1,100 bbl/d)

Block 6

- On track to drill first exploration well in early 2019
- Various companies expressed interest in a potential farm-in

GPEA condensate sales

- 4 cargo sales in 2018; avg volume 157,200 barrels
- Received \$44.5m (YTD)



KRI: Expansion plans underway

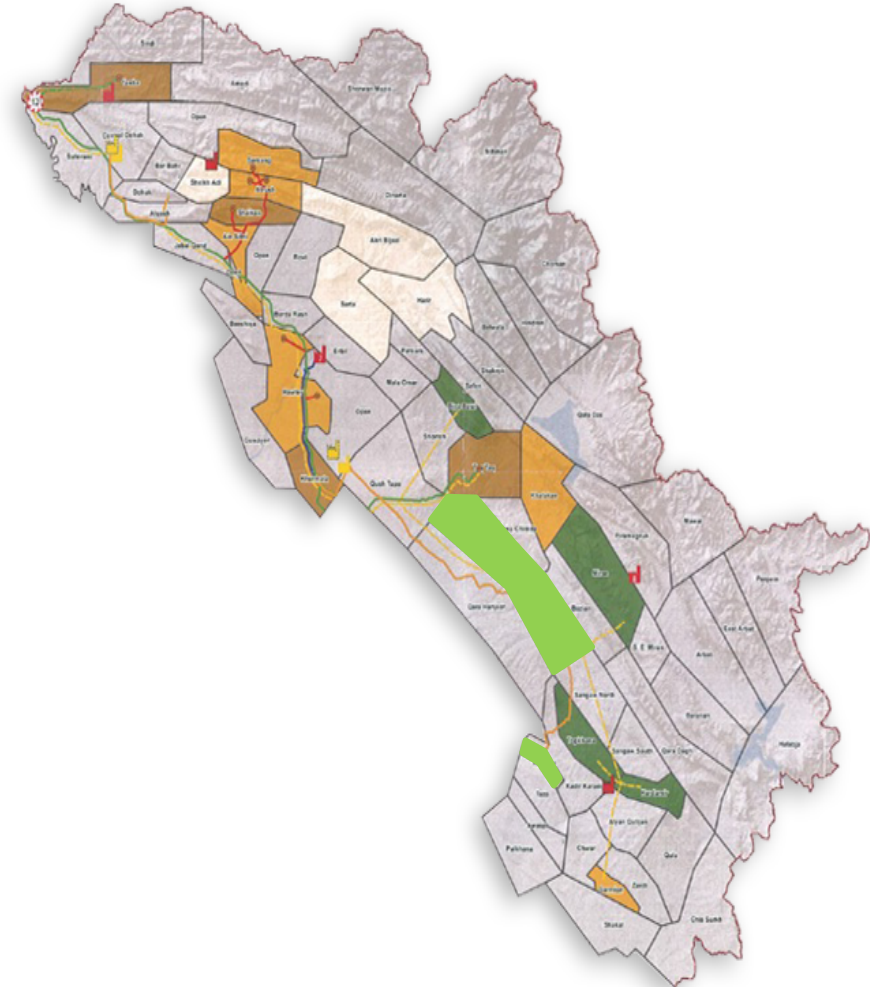
Ambitious programme to increase production from 300 to 900 MMscf/d by 2022

Debottlenecking of existing plant complete

- 10-year GSA signed, sell additional quantities of gas
- Increase production by 60 to 80 MMscf/d
- Expect to add up to \$50 million annually to the Company's top line without incurring any additional operational costs

2018 Field Development Plans

- Submitted a detailed Field Development Plan (FDP) for Khor Mor Field and appraisal programme for Chemchemical
- Drilling of 3 wells in Kor Mor and Chemchemical in 2018



- Producing gas since February 2016
- 9M 2018 production average 1,250 boepd
- Any final decision on future expenditure to assess the economic viability of the project will be subject to the outcome of negotiations on sales gas price, which are currently ongoing.



MOL arbitration

- hearing is scheduled to start on 26 November 2018 in London for up to 3 weeks.

UAE Gas Project

- Final hearing of the remedies phase against NIOC for non-performance of the contract (including claims for damages and indemnities for third party claims up to 2014) took place in November 2016 and October 2017
- Tribunal indicated 12 months required for judgement, hence due end October 2018, final award has to date not been received, and is still awaited and timing unknown
- Dana Gas has been informed that Crescent Petroleum has commenced a second arbitration with a new Tribunal, to address the claims for damages from 2014 until the end of the contract period in 2030

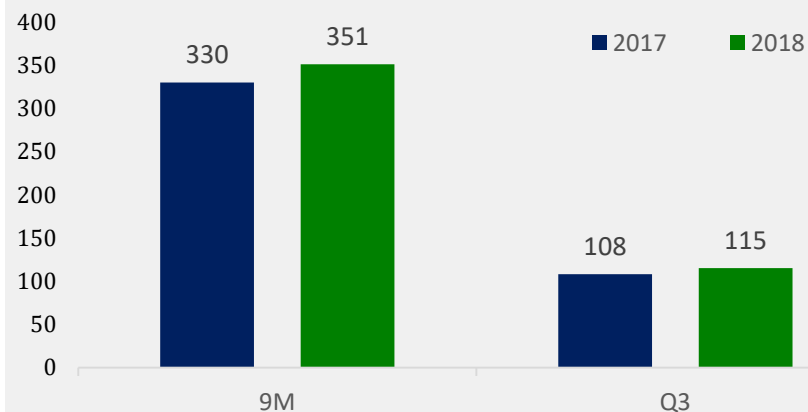




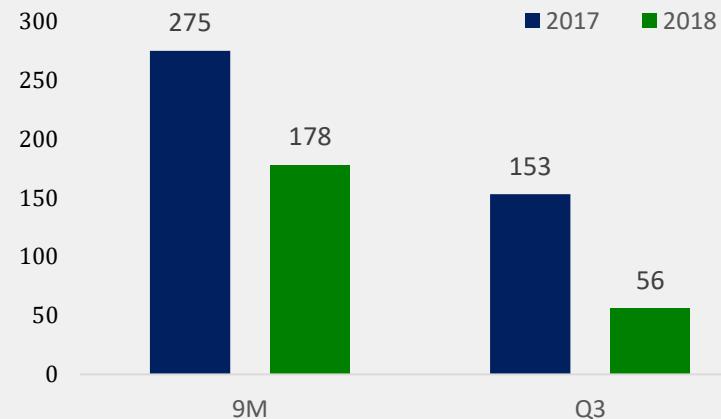
3. Financial Update

Financial Highlights

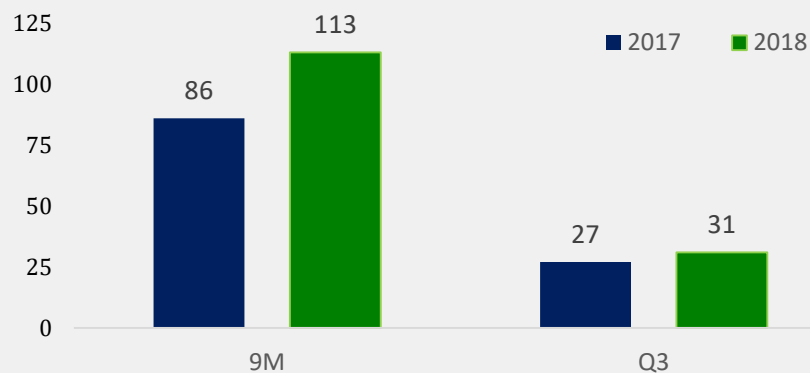
Gross Revenue (million USD)



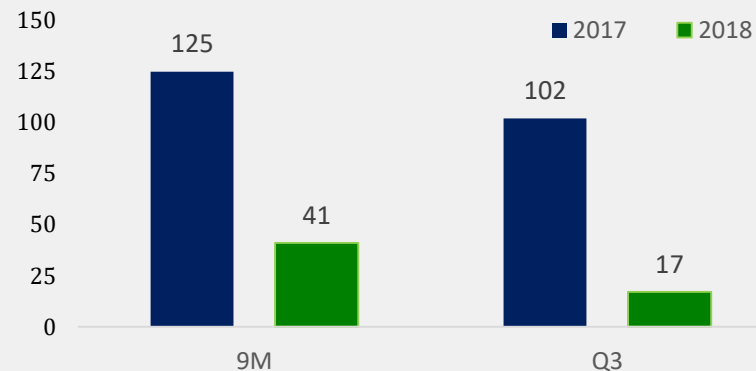
EBITDA (million USD)



Gross Profit (million USD)



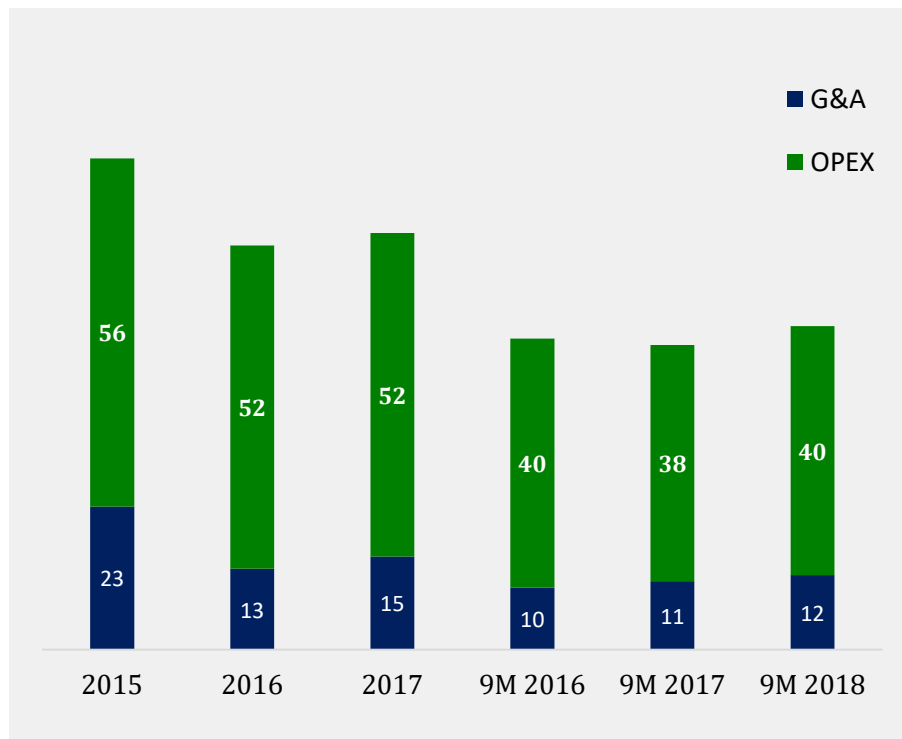
Net Profit (million USD)*



* Excluding one-off items; \$41m (9M '18) vs loss \$6m ('9M '17) | \$17m (Q3 '18) vs \$6m (Q3 '17)

CAPEX & OPEX

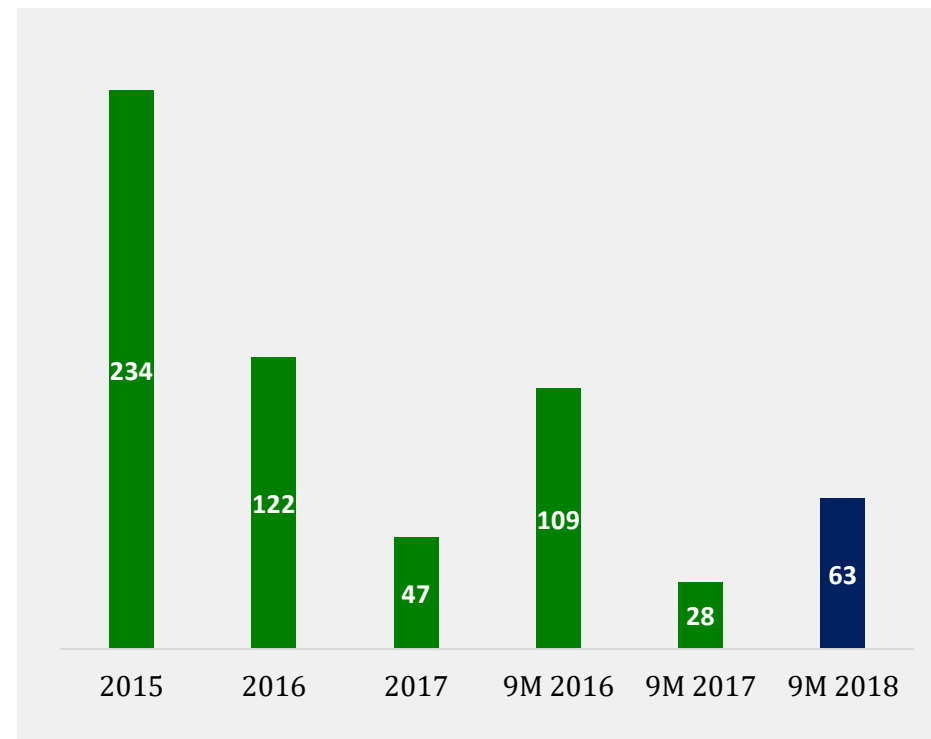
G&A / OPEX (million USD)



G&A / OPEX

- OPEX and G&A maintained at similar level vs 9M '17

CAPEX (million USD)



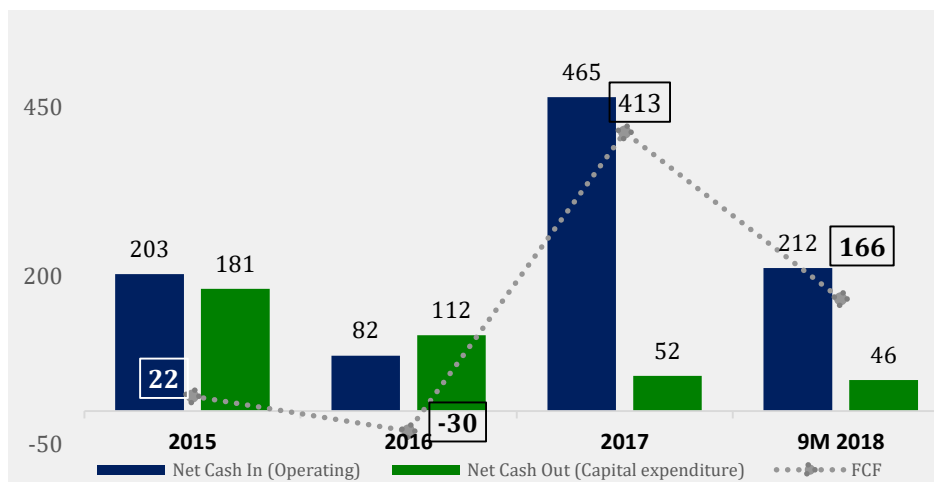
CAPEX

- \$36 million in Egypt and \$27 million in KRI
- No capital call on Pearl Petroleum in KRI in 2018
- Continue to match expenditure with collections in Egypt

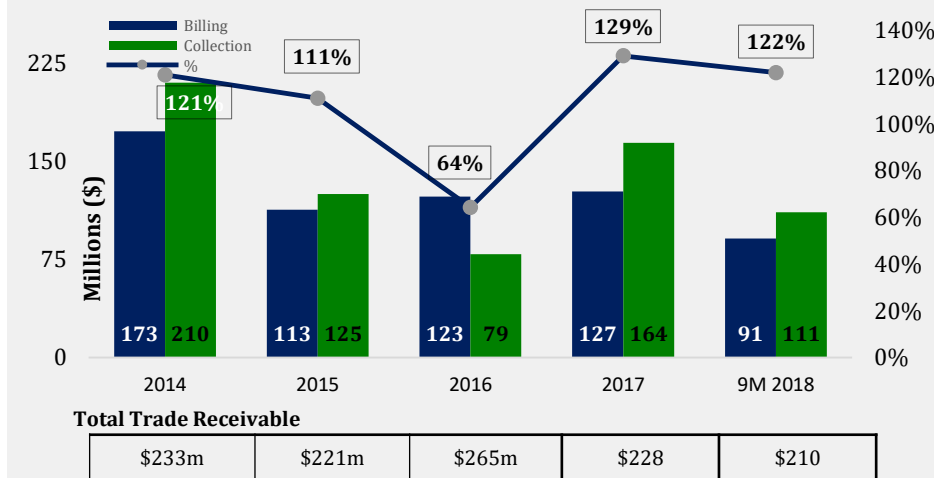
Cash Flow, Liquidity & Receivables

- Cash of \$434m
- Positive FCF - \$166 million
- Full payment of Egypt financial lease loans of \$21.4m
- \$235m payment attributed to Sukuk restructuring
- \$100m (nominal value) of Sukuk buy back subsequent to period end – reducing the outstanding Sukuk to \$430m
- 9M 2018 total payments received \$197m
 - \$77m payments in KRI
 - \$111m in Egypt of which \$32.5 million from condensate exports; govt collections vs billing 86%
- Additional \$62 million received from the KRI development fund
- Egypt 9M 2018 trade receivables at \$210m (vs \$228m end 2017)
- Continuing to face challenges with irregular payments in Egypt, hence remaining prudent in managing and spending money

Free Cash Flow (million USD)



Egypt Receivables (million USD)



Note: % calculated as collection divided by net revenue

A photograph of several tall industrial distillation columns at a chemical plant at night. The columns are illuminated by bright lights, and the sky is dark. The image has a greenish tint. In the bottom left corner, there is a dark blue rectangular area containing the text '4. Summary'. To the right of this area, there are three slanted rectangular shapes: a blue one, a green one, and a yellow one, all with white outlines.

4. Summary

Summary

1

Completed our sukuk restructuring, reaching a consensual deal with our Sukukholders with 95% staying in our new sukuk. We have perfected all of the documentation and executed a \$100 million (nominal) buyback in accordance with the terms of the Sukuk restructuring settlement agreement.

2

Delivered strong financial results, supported by much higher realized prices for product; significant savings on Sukuk and disciplined capex/opex approach

3

Delivered on two major projects: fast track debottlenecking project in KRI and Balsam-8 in Egypt – both are now tied-in

4

Block 6 represents a genuine game-changer for Dana Gas and we are very excited by prospect of drilling first well in early 2019

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