

Clean Energy for the Future

Q1 2019 – Financial Results

6 May 2019



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.

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 realized. 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.



Contents

- 1 Headlines
- 2 Production & Country Performance
- 3 Financial Update
- 4 Summary





1. Headlines

Operations

- Group production avg. 68,700 boepd – up 6%
- Increase primarily result of KRI expansion
 - KRI up 24% to 32,750 boepd
- Signed 20-year GSA with KRG for 2nd phase expansion
 - Allows go-ahead to add 250 MMscf/d gas production train by 2021
 - Part of \$800mm expansion plans
- All contracts completed to drill high-impact multi-Tcf Merak well in Egypt; spudding before mid-May

Financials

- \$35mm in net profit – up 150% principally due to:
 - Increase in KRI production (added \$14mm) and
 - Financing savings (\$10mm) due to lower sukuk profit
- \$119mm in revenue – flat compared to Q1 2018
- \$40mm in gross profit – lower due to one-off positive reversal in Q1 2018

Liquidity

- G&A and OPEX totaled \$16m; in line with \$17mm in Q1 2018 and reflects continued tight cost control program
- Collected a total of \$63mm from operations
- Egypt collection at 70% - trade receivables increased slightly to \$149mm, no arrears in KRI
- Continue to manage costs
- KRI - no requirement on DG to provide capex funding
- Shareholders approved a 5.5 fils cash dividend in April
- Cash balance at \$442mm – excluding a \$105mm post-AGM dividend payment

Arbitration

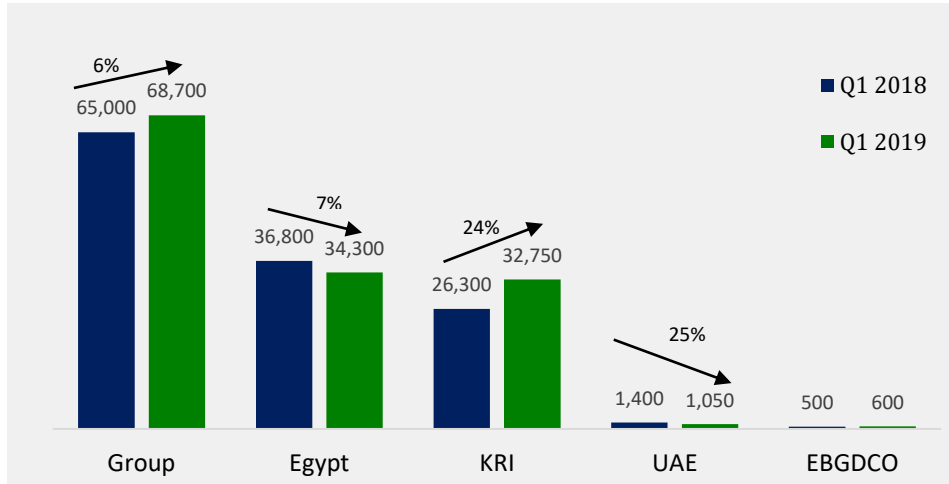
- MOL arbitration: ruling expected during Q2 2019
- NIOC: continue to await the award on damages



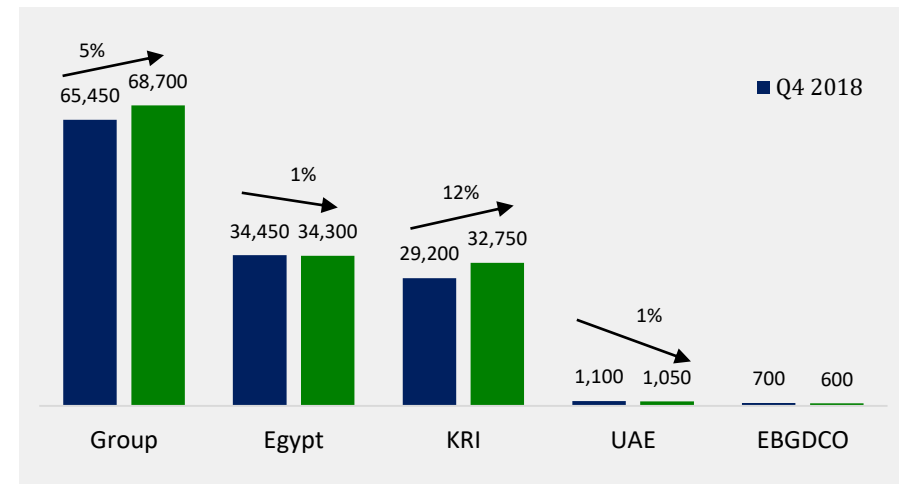
3. Production & Country Performance

Production (boepd) & Realized Prices (\$/boe)

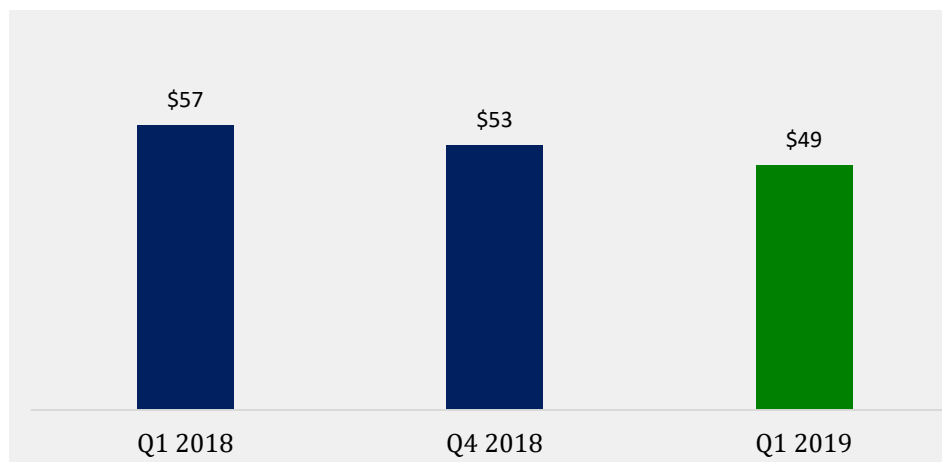
Average production Q1 2019 Vs Q1 2018



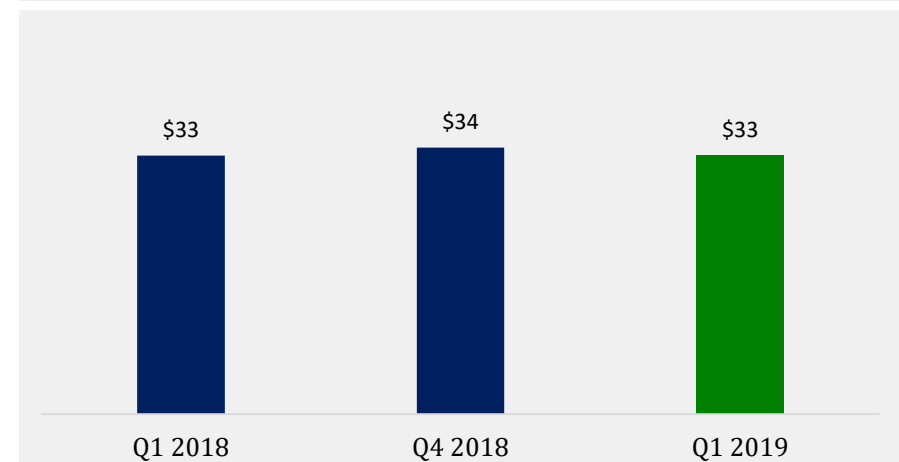
Average production Q1 2019 Vs Q4 2018



Average Realized Price-Condensate (\$/bbl)



Average Realized Price-LPG (\$/boe)



Egypt: Programme Overview

Block 6

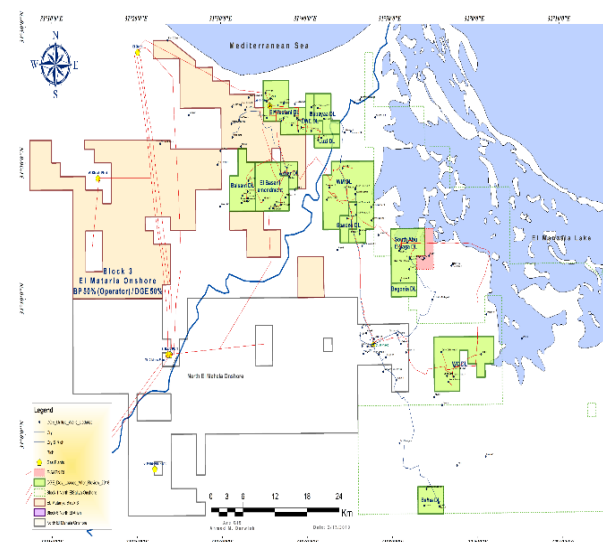
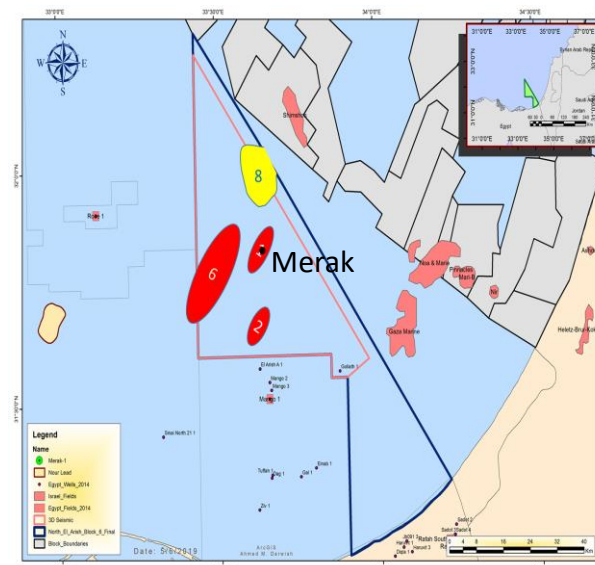
- Contracted ADES/Vantage to operate drill-ship (March)
- On track to spud first multi-Tcf Merak well in May
- 60-days to drill, results expected in Q3 2019

GPEA condensate sales

- One cargo export in Q1 2019 collecting \$9mm
- Second cargo sold post-Q1 for \$9mm

Development Lease programs

- Plans to drill new exploration well at South El Bassant in H2 2019
- Active well intervention campaign, comprising workovers, recompletions of 15-wells during 2019 to maximize production from existing assets



KRI: Expansion plans underway

Ambitious programme to increase daily production to 900 MMscf and 35,000 bbl by 2023

Gas Sales Agreements (GSA) between Pearl and KRG

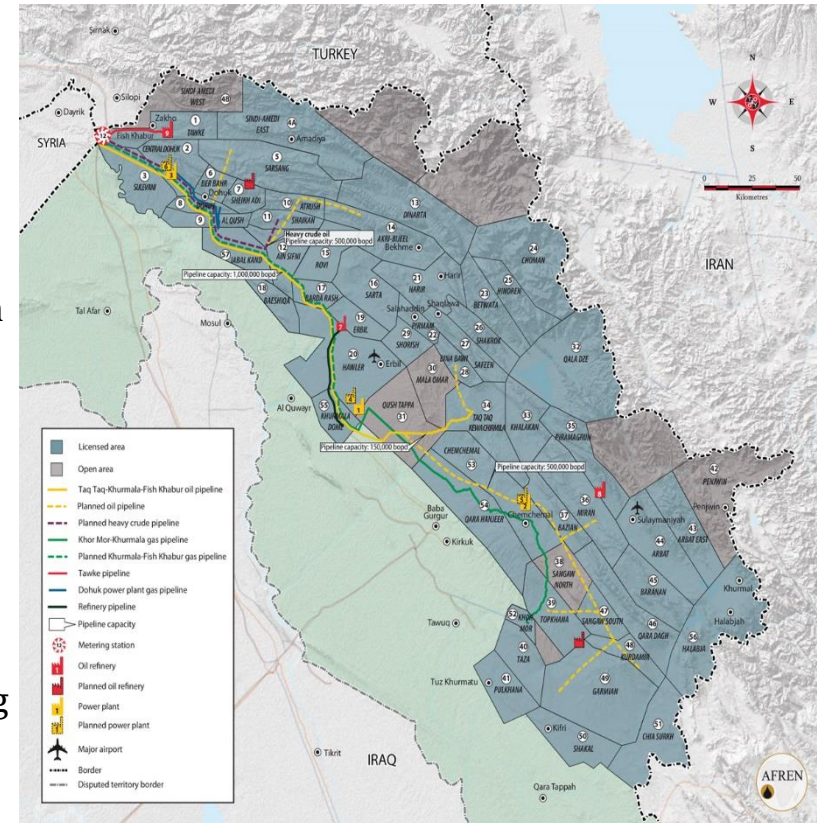
- Signed a GSA in January 2018 to sell additional gas from debottlenecking project that came online in October 2018
- Signed another 20-Year GSA in March 2019 to sell an additional 250 MMscf/day in gas sales to fuel local power plants
- Expected to add (\$175-\$200mm) at an oil price of (\$60-\$70) to Dana Gas revenue.

Debottlenecking of existing plant completed

- Raised output by 30%, increasing gas and condensate production from 305 MMscf/d and 13,000 bbl/d to 400 MMscf/d and 15,000 bbl/d
- Added \$14mm to the Company's bottom line in Q1 2019

Future Growth Plans

- Currently undertaking multi-well drilling programme in Khor Mor and Chemchemical Fields
- Expansion plans to grow production by an additional 500 MMscf/d and liquids production by 20,000 bbl/d over the coming four years
- \$800mm of planned capital expenditure at Pearl (Consortium) level
- Capex will be fully funded through contractor financing, multi-lateral / ECA loans, bank debt, bond raises and retained earnings from incremental production, no cash call



© 2013 Wilkat International FZ LLC, The Oil & Gas Inc. Kurdistan Region of Iraq 2013. All rights reserved.

MOL (Pearl Petroleum shareholder)

- MOL expressing dissatisfaction with outcome – wanted to renegotiate terms with Pearl (namely certain contingent payments)
- Following the hearing scheduled last November 2018, a ruling is expected in Q2 2019

UAE Gas Project

- In October 2017 Tribunal indicated final judgement on the amount of damages would likely be delivered in second half of 2018
- To date no award has been made by the Tribunal and Dana Gas has not received any updates as to when this may happen

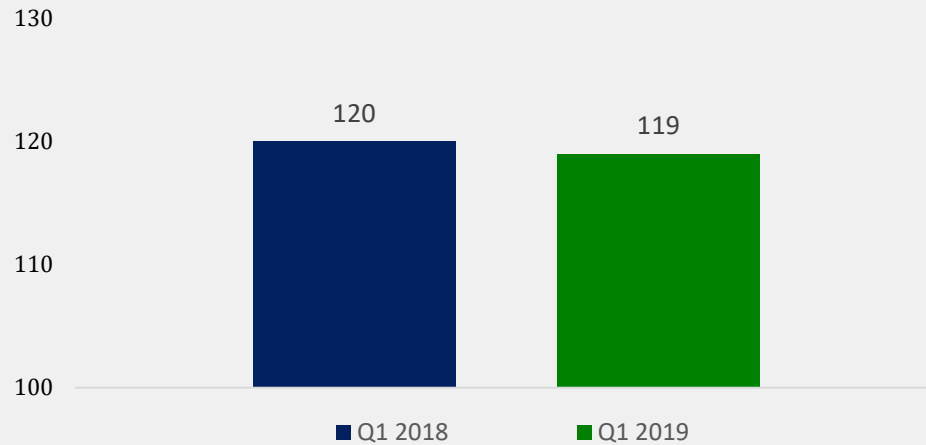




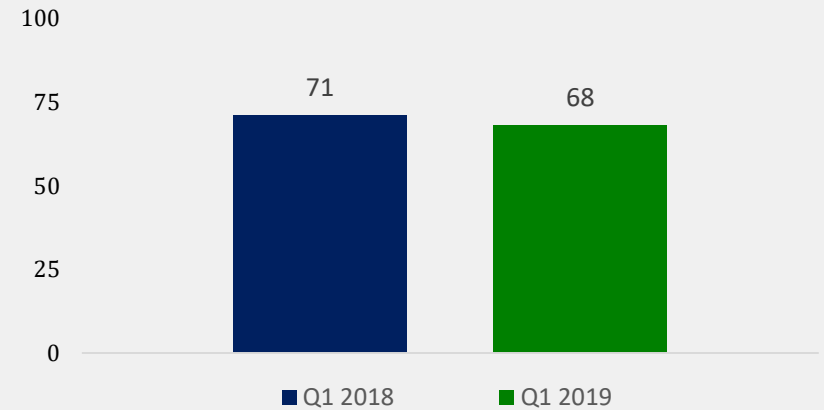
2. Financial Update

Financial Highlights

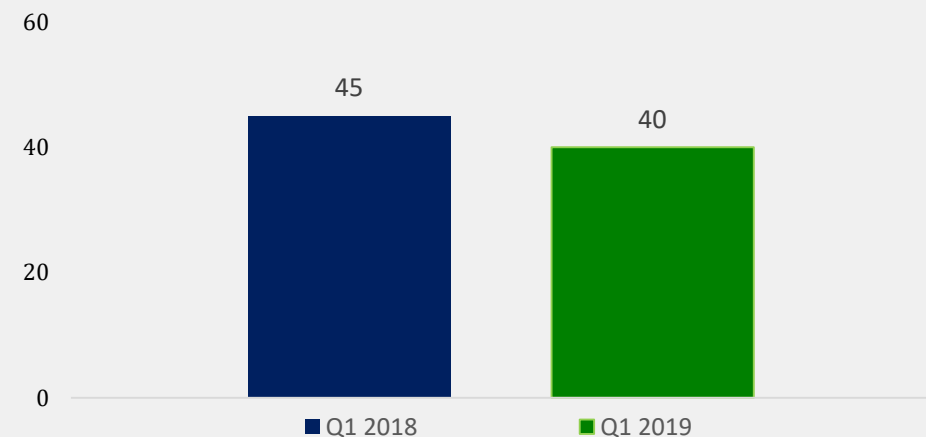
Gross Revenue (\$mm)



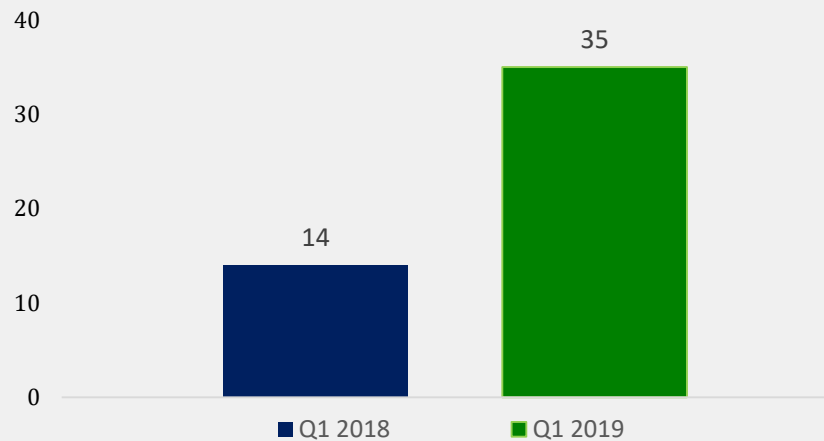
EBITDA (\$mm)



Gross Profit (\$mm)

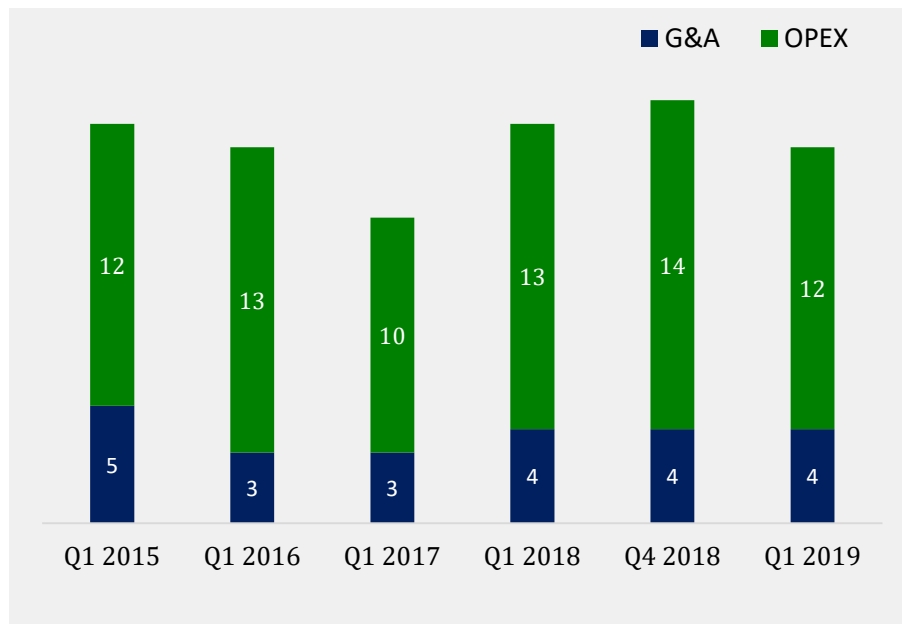


Net Profit (\$mm)



CAPEX & OPEX

G&A / OPEX (\$mm)



G&A / OPEX

- Company continues to optimise costs
- OPEX and G&A maintained at similar levels in Q1 2018 reflecting continued tight cost control

CAPEX (\$mm)



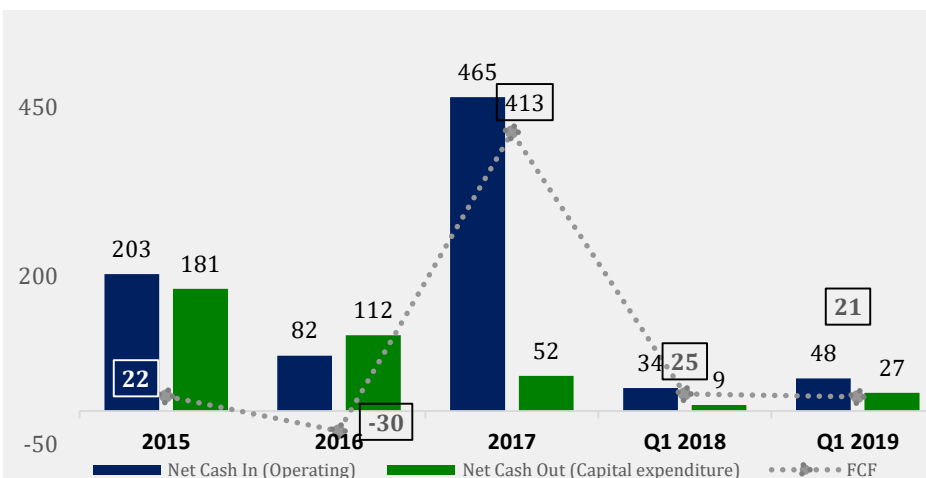
CAPEX

- \$6mm in Egypt and \$20 mm in KRI
- \$20-30mm annual maintenance Capex in Egypt
- Continue to match expenditure with collections in Egypt
- No direct funding requirements in KRI in 2019

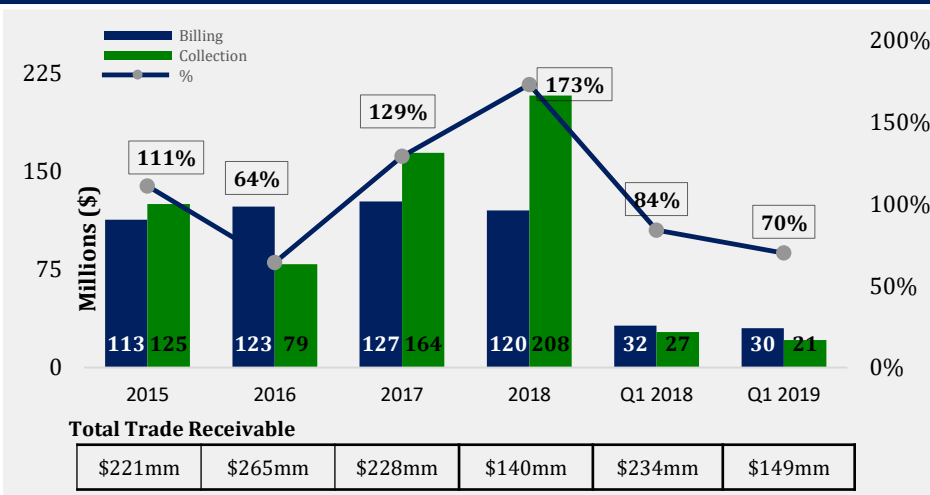
Cash Flow, Liquidity & Receivables

- \$442mm cash
- Cash Dividend of \$104.5mm – to be paid in May
- Positive FCF - \$21mm
- \$133mm of Sukuk buyback at nominal value (\$7mm in Q1 19) – reducing the outstanding Sukuk to \$397mm
- Company will continue to pay the Sukuk profit rate at 4% rather than increase to 6% until maturity in October 2020.
- With future commitments, Dana Gas remains prudent in managing and spending money
- Egypt Q1 19 collection at \$21mm or 70% collection rate
- Egypt trade receivables increased to \$149mm as of 31 March 19
- KRI realized 98% of billed revenue with \$39mm of collections

Free Cash Flow (\$mm)



Egypt Receivables (\$mm)



Note: % calculated as collection divided by net revenue

A photograph of an industrial facility, likely a refinery or chemical plant, featuring several tall, cylindrical distillation columns. The columns are interconnected by a complex network of pipes, ladders, and platforms. The scene is set against a clear sky, and the overall color palette is dominated by the metallic greys of the equipment and the blue of the sky. In the lower-left corner, there is a semi-transparent blue rectangular area containing the text '4. Summary'. To the right of this area, there are two overlapping, slanted rectangular shapes: a blue one in front and a green one behind it, both with white borders.

4. Summary

1

Good, strong start to the year with tangible results coming through on our commitments from 2018. KRI output increase which contributed \$14mm and finance cost savings of \$10mm. All of this is reflected in our net profit which more than doubled to \$35mm

2

Cash levels are robust even with a dividend payment and \$60 million on capital expenditure for Block 6 due imminently. We will remain vigilant regarding cost control and cash management

3

20-year Gas Sales Agreement was agreed with the KRI, triggering a further \$800mm in investment to build two additional 250 MMscf/d gas production trains

4

Ready to spud the Merak well in Block 6 Egypt, which could be a 'game-changer' for Dana Gas

Reach Us:
Dana Gas PJSC
P. O. Box 2011, Sharjah, UAE

www.danagas.com
E-mail : mohammed.mubaideen@danagas.com
Direct : +971 6 519 4401

