



## **Dana Gas reports \$157 million (AED 575m) Net Profit in FY2019**

***80% increase Y-o-Y in Net Profit from core operations***

### **Highlights**

- FY 2019 Net Profit of \$157 million (AED 575m) vs a Net Loss of \$186million (AED 682m) in 2018
- Highest annual profit in 7 years
- Production up 5% to 66,200 boepd vs 63,050 boepd in 2018
- KRI production increases 18%; adding \$40 million in revenues as a result of the debottlenecking project
- Year-end cash balance of \$425 million (AED 1,558m)

**Sharjah, UAE; 12 February 2020:** Dana Gas PJSC (“Company”), the Middle East’s largest regional private sector natural gas company, today announced its Preliminary Unaudited Financial Results for the full year ended 31 December 2019.

The Company reported a Net Profit of \$157 million (AED 575m) in 2019 compared to a loss of \$186 million (AED 682m) in 2018. Net Profit from core operations, on a like-for-like basis, excluding one off impairment, earnout and deferred income, increased by 80% to \$115 million (AED 422m) compared to \$64 million (AED 235m) in 2018.

The increase in profitability in 2019 was supported by a significant increase in production from the KRI, which added \$40 million which helped offset partly the impact of lower prices. In addition, during the year, the Company recognised earn out and deferred income entitlements which contributed positively to the bottom line.

Revenue was \$459 million (AED 1.68bn) in 2019 compared to \$470 million (AED 1.72bn) in 2018 due to lower realised prices and lower production in Egypt partly offset by increase in production in KRI.

Following these results, the Company’s book value per share stands at AED 1.38 as of year-end 2019.

### **Dr Patrick Allman-Ward, CEO of Dana Gas, said:**

*“Dana Gas registered strong performance metrics in 2019 underscoring its increasing financial resilience in what has been a challenging year for the oil industry. Net profit from our normal operations nearly doubled to \$115 million, supported by an increase in production from the Kurdistan Region of Iraq despite the drop in realised prices. The strong set of results are supportive of a dividend payment, subject to necessary approvals.”*

*“Looking ahead, the company’s expansion plan in the KRI is on schedule, with delivery from the first gas train expected in 2022. This will raise production to 650 MMscf/d from the current rate of circa 400 MMscf/d. Over 90% of Dana Gas’s proven reserves are located in the KRI, so we will continue our focus here as we look to delivering on this vast potential.”*



## **Operations & Production**

In H2 2019, the Company launched a strategic review of its assets in Egypt as part of a process to optimise its portfolio. The Company has since received numerous bids and is finalising the technical and commercial evaluation, with a final decision due by the end of March. Other developments that took place in 2019 included the drilling of the deep-water Merak-1 well, Block 6, in Q2 2019, on schedule and under budget. The well, unfortunately, did not encounter commercial hydrocarbons. The Block remains highly prospective with three other material prospects identified and earmarked for drilling.

In the KRI, Pearl Petroleum embarked and completed two appraisal wells and 6 workovers in Khor Mor and one appraisal well in Chemchemical. Pearl has also been progressing with its expansion plans in Khor Mor which will take production up to 650 MMscf/d in Q1 2022, and 900 MMscf/d in 2023.

Group production rose 5% during 2019, averaging 66,200 boepd versus 63,050 boepd in 2018. Production was boosted by an 18% jump in output from the KRI, which reached 31,500 boepd. This offset drops in production from Egypt, which fell 4% to 33,000 boepd versus 34,500 boepd in 2018, and the UAE, which averaged 1,000 boepd in 2019.

## **Liquidity and Collections**

The Company's cash balance at year-end stood at \$425 million, a 4% increase from \$407 million at the end of 2018.

The Group collected a total of \$285 million in 2019(2018: \$334m) with Egypt, KRI and UAE contributing \$138 million (2018: \$208m); \$139 million (2018: \$114m) and \$8 million (2018: \$12m) respectively.

In KRI, regular payments have been received, and there are no outstanding receivables as of year-end.

In Egypt, the Company successfully reduced its receivables to \$111 million (AED 407m). This represents a 21% reduction compared to 2018 year-end balance of \$140 million (AED 513 million).

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## **About Dana Gas**

Dana Gas is the Middle East's first and largest regional private sector natural gas Company established in December 2005 with a public listing on the Abu Dhabi Securities Exchange (ADX). It has exploration and production assets in Egypt, Kurdistan Region of Iraq (KRI) and UAE, with 2P reserves exceeding one billion boe and average production of 66,200 boepd in 2019. With sizeable assets in Egypt, KRI and the UAE, and further plans for expansion, Dana Gas is playing an important role in the rapidly growing natural gas sector of the Middle East, North Africa and South Asia (MENASA) region. Visit: [www.danagas.com](http://www.danagas.com)



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