



DANA GAS: NO IMPACT FROM CORONAVIRUS ON OPERATIONS

Sharjah, UAE; 2 March 2020: Dana Gas PJSC (“Company”), the Middle East’s largest regional private sector natural gas company, today issued a trading update to shareholders.

Dana Gas’s growth plan and operations remain unaffected by the coronavirus. Precautionary measures and contingency plans have already been put in place to safeguard personal and assets. The Company has robust operations and cash flows since a large part of the Company’s revenue comes from long term gas contracts rather than oil, whose price is largely uncorrelated to oil. This represents a natural hedge against low oil prices.

For the FY2019, the Company posted its highest annual net profit in seven years of \$157m (AED 575m) as compared to a net loss of \$186m (AED 682m) in FY2018. The cash balance is \$425m (AED 1,558m) vs \$407m (AED 1,495m). Group average production was 66,200 boepd vs 63,050 boepd, a 5% increase, led by an 18% rise in KRI output.

Patrick Allman-Ward, Chief Executive Officer, Dana Gas, said:

“The first two months of trading in 2020 has been robust despite the current unpredictable economic environment resulting from the coronavirus. We have appointed an EPC contractor, who will start immediately on building the first of Pearl Petroleum’s two gas processing trains in the KRI. This will see production output increase 60% to 650 MMscf/d when it comes online in Q1 2022. Our cash position remains strong at \$425 million and the Board is expected to propose the payment of a dividend to the AGM for the full year 2019.”

The Company has appointed an engineering, procurement and construction (‘EPC’) contractor for the first of two 250 MMscf/d gas processing trains planned at the Khor Mor gas processing plant in the Kurdistan Region of Iraq (‘KRI’). The appointment of a contractor follows final approval by the Ministry of Natural Resources of the Kurdistan Regional Government, which oversees the project.

The contract award marks a key milestone in Pearl Petroleum’s long-term expansion plan. Production in the KRI has already increased by 18% to 31,500 boepd in 2019 as a result of the successful debottlenecking project that took place in Q4 2018. This added \$40 million to the Company’s revenues in 2019. The implementation of the first 250 MMscf/d gas processing train will be carried out immediately and first gas is expected by Q1 2022. The second phase will take total production to 900 MMscf/d by the end of 2023.



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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.

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