



## **Dana Gas Board recommends a 5.5 fils cash dividend for the Financial Year 2019**

**Sharjah, UAE; 12 March 2020:** The Board of Directors of Dana Gas PJSC (“Company”), the Middle East’s largest regional private sector natural gas company, will recommend to shareholders at the Annual General Meeting on 14 April 2020 the distribution of an AED 5.5 fils per share cash dividend for the financial year ended 31 December 2019.

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. Net Profit from core operations, on a like-for-like basis, excluding one off items increased by 80% to \$115 million (AED 422m) compared to \$64 million (AED 235m) in 2018. The year-end cash balance is \$425m (AED 1,558m) vs \$407m (AED 1,492m).

**Patrick Allman-Ward, CEO, Dana Gas, said:**

*“This is our third consecutive year where we have delivered positive operational and financial results. Throughout 2019, we have added to our production and strengthened our operations, making us more resilient to the tough trading conditions the oil industry is facing currently. Since half of Dana Gas’ income is protected in low oil price environments, we are competitive and opportunistic at the current environment. This has led to the Board making a recommendation to distribute a cash dividend of 5.5 fils/share for the financial year ended 31 December 2019 subject to the approval at the Annual General Meeting”.*

The Company continues to see strong operational performance in the first two months of 2020 and its long-term growth plans remain unaffected by the coronavirus. Precautionary measures and contingency plans have already been put in place to safeguard personnel and assets

### **Operations & Production**

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.



The Company recently announced the appointment of 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 appointed contractor has already begun work. The long-term expansion plan will boost gas and condensate production to 650 MMscf/d from its current 400 MMscf/d output by Q1 2022 and the second train will be ready by end of 2023, taking production output to 900 MMscf/d. With the price of oil ranging between \$50 to \$70 per barrel, each of these two new gas production trains will generate between \$150 to \$200 million to the Company's share of revenue and project's cash flows per annum.

The Company is continuing with its Strategic Review of its Egyptian assets and has been encouraged by the level of interest that it has received to date.

### **Arbitration**

The Company, together with Crescent Petroleum, commenced arbitration proceedings against MOL Hungarian Oil and Gas Public Limited Company ('MOL') on 14 February 2020 arising out of MOL's attempts to avoid paying reserve based earn out payments to the Company and Crescent Petroleum arising out of the terms of the Sale and Purchase agreement entered into between the Parties in 2009, through which MOL acquired their 10% shareholding in Pearl Petroleum. The arbitration will also address the separate and additional crude oil earn out payments arising out of the 2009 Sale and Purchase agreement.

The reserve based earn out payment obligations are the same obligations which MOL sought to illegitimately avoid leading to the 20 September 2017 arbitration against MOL. On 14 May 2019, the Tribunal dismissed all of MOL's claim, ruling in favour of Dana Gas and Crescent Petroleum.

Furthermore, the Company together with Crescent Petroleum, has commenced arbitration proceedings against OMV Upstream International GMBH ('OMV') on 14 February 2020 arising out of OMV's attempts to avoid paying reserve based earn out payments to the Company and Crescent Petroleum arising out of the terms of the Sale and Purchase agreement entered into between the Parties in 2009, through which OMV acquired their 10% shareholding in Pearl Petroleum.

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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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