دانــــة غــــاز
DANA GAS

14^{th} Annual General Assembly Meeting Held Remotely

Tuesday, 21^{st} April 2020
11:00 AM

14th ANNUAL GENERAL MEETING HELD REMOTELY
Tuesday, 21st April 2020 at 11:00 AM

MEETING AGENDA

1. **Chairman's Address to the Shareholders**
   Mr. Abdul Hameed Jafar

2. **The Chief Executive Officer's Statement**
   Dr. Patrick Allman-Ward

AGENDA ITEMS

1. Review and approve the report of the Company's Board of Directors on the Company's Activities and its Financial Position for the Financial Year ended 31 December 2019.

2. Review and approve the report of the Company's Auditor for the Financial Year ended 31 December 2019.

3. Discuss and approve the Financial Statements, Balance Sheet and Profit and Loss Account for the financial year ended 31 December 2019.

4. Consider the proposal of the Company's Board of Directors regarding distribution of a cash dividend of 5.5% of the Company's capital in the amount of AED 384 Million (5.5 fils per share) for the financial year ended 31 December 2019.

5. Consider and approve the Annual Remuneration of the Company's Board of Directors.

6. Absolving the Members of the Board of Directors from liability for the Financial Year ended 31 December 2019.

7. Absolving the External Auditors of the Company from liability for the Financial Year ended 31 December 2019.

8. Appointment of the External Auditors for the Financial Year 2020 and determination of their fees.

9. Special Resolution: To amend Article (31) of the Company's Articles of Association concerning the maximum number of the Board of Directors' resolutions passed by circulation.

10. Allow the Board of Directors of Dana Gas to conduct a feasibility study for the demerger of the Company and to start evaluating its assets and to present the study in another General Assembly meeting in due course for consideration.

CHAIRMAN'S ADDRESS

Mr. Abdul Hameed Jafar

Dear Shareholders,

Whilst it gives me great pleasure to report that Dana Gas's profit in 2019 rose to the highest in seven years, it comes at a time when the oil and gas sector faces one of its biggest crises in decades. From the beginning of 2020, global oil prices weakened further from last year due to persistent oversupply into the market and the anticipation of reduced demand in China as a result of travel restrictions put in place in response to the spread of the Coronavirus throughout the country. From March, and as the WHO declared the Coronavirus as a global pandemic, the consequent response by governments all over the world to restrict travel and lock down, led to massive further reductions in demand. This supply-demand imbalance resulted in oil prices crashing by 50% or more, falling to the mid-twenties. Indeed many analysts predicted further price falls into single digits as global stocks were rapidly approaching full capacity, until the fortunate OPEC++ agreement put on the brakes to decelerate this trend. However, the oversupply situation is continuing, albeit at a less alarming rate which has halted the downward price spiral at least for the time being. In the meantime, the global macro-economic outlook is gloomy, creating uncertainty on the timing of an upturn in oil demand and consequently oil and gas prices. Under these circumstances the outlook is therefore very uncertain.

Our ability to add production and strengthen our operations in 2019 has made us, for now, resilient to the tough trading conditions. The leadership team has worked tremendously hard over the last years to ensure that Dana Gas is financially robust. Over half of our income is protected in low oil price environments, owing to the long-term gas sales agreements we have in place both in Egypt and the Kurdistan Region of Iraq (KRI). Furthermore, precautionary measures and contingency plans have already been put in place with respect to the Coronavirus pandemic to safeguard our personnel and assets and ensure that our production continues to be unaffected.

Financial performance summary

The Company's profit for the year increased to $157 million versus a net loss of $186 million in 2018, buoyed by an uplift in production in the Kurdistan Region of Iraq (KRI) as well as earn-out and deferred income entitlements. It is worthy of note that on a like-for-like basis, profit from core operations increased by 80% to $115 million compared to $64 million in 2018. As a result of the Company's strong performance last year, which includes starting 2020 with a strong balance sheet of $425 million in cash, and in keeping with our objective of ensuring a regular annual dividend to shareholders, the Board has recommended to pay a dividend of 5.5 fils for 2019, which will be presented to shareholders at the coming annual meeting. If approved, it will be the Company's third consecutive dividend and highlights the positive financial and operational results that have been delivered to all our shareholders.

Operational performance - KRI

It is gratifying that the investments we have made in the KRI to date have flourished. Our most recent activity, the Khor Mor plant debottlenecking project was completed both safely and efficiently in the last quarter of 2018, increasing production output by 30% and adding $40 million in 2019 to the top line. It also drove our full-year group production up by 3% to 66,220 boepd, with the KRI production compensating for a decline in production in Egypt and the UAE. We are also very excited about the future growth potential in the KRI. Khor Mor and Chemchemal are world-class assets and we are moving ahead with the next phase of development of these fields.

Operational performance - KRI

In 2019 we also achieved other important milestones in the KRI. We are developing two gas processing trains of 250 MMscf/d each, boosting our gas and condensate production to 900 MMscf/d. We signed a new 20-year Gas Sales Agreement with the government for the gas production from the first train, to power the Region's electricity production. An international engineering, procurement and construction (EPC) contractor was appointed earlier this year and the work was initiated immediately following final approval by the KRG

Ministry of Natural Resources. Unfortunately, as a result of the government restrictions imposed due to the Coronavirus pandemic, the contractor has had to declare Force Majeure while restrictions continue. Both the contractor and the Company are committed to executing this contract as quickly as possible, and we will be resuming activities as soon as conditions allow.

Operational performance - Egypt
Our production in Egypt exceeded our forecast for the year as a result of diligent reservoir management practices. However production continues to fall in line with the natural depletion of the reservoirs. We remain very optimistic about the exploration potential of our offshore Block 6 Concession Area which contains several exciting prospects. As previously announced, we launched a Strategic Review of our Egypt assets last year. This was driven by the need to review our portfolio of assets comparing the resources required and the benefits delivered in terms of increasing production and further growth potential. The KRI holds over 90% of the Company's proven plus probable (2P) reserves of over 1 billion barrels of oil equivalent. The Strategic Review has resulted in bids for the Egyptian business. Discussions with the interested parties continue and further announcements will be made in due course.

Demerger
The Board and management continue to look at ways to enhance shareholder value and have been examining the possibility of splitting the Company in two distinct parts through what is technically called a demerger. The rationale is to enhance shareholder value through a separation of the different business potential of our upstream and mid-stream assets, and also allow for a revaluation of our enormous KRI reserves and resources.

In this regard, we are proposing to form a new company to hold the upstream assets in the KRI and Egypt. These will be demerged from Dana Gas PJSC. Meanwhile, Dana Gas PJSC will continue to hold our collection of midstream assets, primarily the UAE gas import project and related assets. These in fact are the original projects, based upon on which the Company was created in 2005. Shareholders in Dana Gas PJSC at the time of the demerger will equally have shares in both companies. The demerger will allow shareholders greater flexibility to subsequently manage their investment, as they may individually desire to elect towards their preferred company entity with different assets, business risks and opportunities. After careful consideration and consultation with the authorities, the Board is recommending to ask the shareholders for authorization to proceed with carrying out a feasibility study for the concept. If the outcome is positive and all of the necessary authorizations have been obtained, the shareholders will be asked to approve the demerger plan.

Arbitrations
With regard to the ongoing arbitrations, I am pleased to report that along with Crescent Petroleum, the Company received an overwhelmingly positive award from the London Court of International Arbitration in the arbitration case initiated against the MOL Group in 2017. Earlier this year, we also launched two new arbitration proceedings against the MOL Group and OMV Upstream. The arbitrations arose out of MOL and OMV's attempts to avoid paying reserve-based earn-out payments under the terms of the 2009 Share Sale Agreement when both companies acquired 10% stakes each in Pearl Petroleum.

Recognition and Conclusion
Finally, on behalf of the Board of Directors, I would like to express our gratitude for the continued support of our Honorary Chairman, His Highness Sheikh Ahmed bin Sultan Al-Qassimi, Deputy Ruler of Sharjah and Chairman of the Sharjah Petroleum Council.

Importantly, we thank our shareholders for their continued support for the Company, and their confidence in the growth potential of Dana Gas.

We would also like to express our thanks to our employees, some of the best and most professional men and women in the oil and gas industry, for their commitment and contributions in 2019. The well-being of our employees is our number one priority. We always strive to provide them, as well as our service providers and community at large, a safe, healthy and environmentally friendly workplace.

In closing, I would like to thank our management team for their dedication and hard work, which have been vital to the success of Dana Gas and in achieving another year of excellent performance despite the challenges. Lastly, I would like to thank my fellow Board members for their oversight and policy guidance to the executive management team.

THE CEO'S STATEMENT
Dr. Patrick Allman-Ward

Dear Shareholders,

Introduction

I am very pleased to announce that Dana Gas delivered a strong financial and operational performance in 2019 and thereby continued to deliver on our commitments to both our shareholders and other stakeholders. Our strong operational performance continues into 2020 despite the recent and unprecedented global events. The low oil price environment as a result of the suppressed oil demand has puts considerable stress on all sectors of the petroleum industry. However, Dana Gas is naturally hedged against low oil prices due to the Company's product mix and stable gas sales agreements. Currently, natural gas constitutes 75% of the Company's production which is sold under long term gas sale contracts with host Governments at prices which are unaffected by low oil prices. These gas sales account for approximately half of the Company's income, leading to sustainable revenues even in low oil price environments.

We have maintained a rigorous approach to expenditure since the last price downturn in 2014. Through our continued and disciplined approach to cost control, we are well positioned to withstand the current low oil price environment should it persist. We remain committed to cost discipline and will again be reviewing current expenditure and all discretionary spending. We will take all necessary and appropriate measures to protect our business performance.

Dana Gas continues to demonstrate its commitment to safe and responsible operations. Our commitment to reporting transparency continues especially in these increasingly difficult times.

Financial Performance and Collections

In 2019, the Company's profit rose due to an increase in production from the Kurdistan Region of Iraq (KRI). The Company reported a Net Profit of $157 million (AED 575m) compared to a loss of $186 million (AED 682m) in the previous year. Revenue was $459 million (AED 1.68bn), some $11 million (AED 0.4m) less than in 2018. This was primarily due to lower average oil prices for the year offset by production increase of 30% in the KRI, adding $40 million to the top line in 2019. We ended the year with a cash balance of $425 million, compared to $407 million at the end of 2018.

The Company's collections and outstanding receivables position continued to improve in 2019. Dana Gas collected $285 million during the year, of which $138 million came from Egypt, $139 million from the KRI and $8 million from the UAE. Total dividends received in the KRI amounted to $121 million and included a special dividend of $42 million.

KRI Performance

For more than a decade we have been an integral part of KRI's regional economic development. Our KRI activities continue to be the focus of our efforts. In May 2019, our KRI reserves were re-certified by Gaffney Cline and Associates. This confirmed a 10% increase in our 'proved plus probable' (2P) reserves. Dana Gas's total share is now 1,087 million barrels of oil equivalent, up from 990 mmboe, when Gaffney Cline certified the fields in April 2016. This strongly suggests these two gas fields are the largest in Iraq, making them world-class assets.

Production output in the KRI jumped 18% year-on-year to 31,500 boepd. This was a result of our debottlenecking project that came on-stream in late 2018, lifting output close to 400 million scf/d. This success led us to sign a new 20-year Gas Sales Agreement with the Kurdistan Regional Government (KRG) for an additional 250 MMscf/d of gas, to be supplied from the Khor Mor Field. The contracted gas now represents the first phase of additional production from a two-phase expansion project. In 2019 we completed workover and drilling activities on seven Khor Mor wells comprising five workovers and two appraisal wells together with one important appraisal well in Chemchemal.

Egypt Performance

The Egyptian economy continued to improve in 2019, allowing the Government to make significant strides in paying overdue receivables to international energy companies. We were able to successfully reduce our receivables to $111 million, a 21% reduction compared to the 2018 year-end balance of $140 million. For Dana Gas, one of the key operational achievements last year was the drilling of the Company’s first offshore deep-water well, Merak-1 in 755 meters of water. The drilling operations tested the shallow objective Miocene section in mid-July, reaching a total depth of 3,980 meters. The well encountered excellent quality reservoirs but without commercial hydrocarbons and was abandoned. This was disappointing but show-cased our ability to drill challenging wells to the highest safety and environmental standards, without any incidents, on time and below budget. Major exploration potential still remains in the deeper Oligocene reservoir section in the Merak structure, which has been designed to be accessed cost effectively by deepening the existing well. In addition, there is further material exploration potential in other prospects. The Block 6 exploration acreage remains highly prospective and we anticipate further successful exploration activity.

Production performance was above target in 2019. Significant reservoir management measures were taken to maintain maximum reservoir deliverability, producing an average of 33,000 boepd. The team in Egypt did an outstanding job limiting the natural decline rate to only 4%. Production from the recently awarded East South Abu El Naga development lease (in the North El Salhiya concession) commenced in January 2020, two months ahead of schedule which will have a positive impact on output in 2020.

Strategic Review

In the second half of 2019, the Company launched a Strategic Review of its asset portfolio. This was a triggered by the realization of the increased opportunities in the KRI and the positive investment climate which encouraged further expansion of the production facilities to develop the hydrocarbon resources, which are 10 times the size of our 2P reserves in Egypt. The Board decided, in light of the Company’s available resources, to focus efforts on developing these world-class resources in the KRI. As a result, a sales process for our Egyptian assets was initiated in 2019 to test the market. The process of clarifying and evaluating the offers is currently ongoing and due diligence is being carried out.

UAE

During 2019, production at the Zora Field in the UAE fell to 1,000 boepd, down from 1,200 boepd in 2018. From 3 September 2019, Dana Gas ceased production from the Zora Field and gave notice of relinquishment. We expect to complete the final decommissioning and abandonment activities before the end of 2020.

2020 plans and Capex

Our 2020 investment plan is ambitious. The Company has been planning Pearl Petroleum’s Khor Mor expansion plans since the Settlement Agreement in mid-2017. The current plan is to expand production output from the current 400 MMscf/d to 900 MMscf/d in two phases. The first train will raise Pearl’s output increase to 650 million scf/day by 2022. The second train will see output rise to 900 million scf/day by 2023. Pearl recently appointed an EPC contractor to construct the gas processing plant. They have regrettably had to declare Force Majeure as a result of the Covid-19 pandemic which has led to movement restrictions on staff, contractors and the delivery of goods. All parties remain committed to executing and completing this project. Construction of the gas processing plant will resume as soon as conditions allow us to do so.

Our plans in the KRI in 2020 also include drilling one exploration well, Qulaijan in Block 19, and the start of a five well development drilling campaign in Khor Mor to support the production increase. In light of the appraisal results, we are working with the KRG on a development plan for the Chemchemal Field. It is important to remember that Dana Gas has no funding commitments in the KRI, as the capital required is sourced from contractor financing, operating cash flow and third-party financing at the Pearl Petroleum level. In Egypt, our plan is to execute a well work over program this year that will further reduce the natural decline of our onshore fields and to drill some additional exploration wells in Block 3. We are also carrying out activities to mature the significant potential of Block 6 and define additional drilling locations, while seeking a farm-in partner to partner in drilling these additional deep-water exploration wells.

Cash and Sukuk

We ended 2019 with a strong balance sheet with $425 million held in cash, up from $407 million at the end of 2018. Should the sale of our Egyptian assets proceed, the funds raised will be used to pay down the outstanding amount of $397 million of our Sukuk when it matures in October this year. We will use our cash position to make up any shortfall. In case the sale does not proceed, we are already exploring different mechanisms to raise money to pay the Sukuk.

Current oil environment

I am pleased to report that our G&A and operational expenditure has remained flat since 2016, totalling around $70 million per annum. This is a result of the strict cost control programme which we have put in place since 2014. However, in the face of the current low oil price environment we are further reviewing all discretionary spending and are taking steps to reduce this where possible. We will continue to focus on cash flow optimisation, through further cost savings, and tight capex management.

HSSE and CSR

During 2019, we continued our commitment to the highest HSSE standards. We take a proactive approach in managing potential hazards and risks to protect our employees, contractors, local communities and the environment in which we work. We saw continued HSSE performance improvements through 2019 along with reducing risks to our people, environment, assets and reputation from our ongoing operations. Notwithstanding the two lost-time injures reported in 2019, we achieved some notable operational HSSE successes. These included a third-party audit of our Sharjah and Egypt offices, which demonstrated full compliance with internationally recognised ISO standards and our Zora Gas plant achieved four years of injury-free work.

Corporate social responsibility and sustainable development remain core to our values, and we continue to support our local communities. Initiatives include supplying better quality education; delivering improved medical services; and, infrastructure, such as electricity supply and roads; as well as supporting employment opportunities in our local communities.

Our fourth Sustainability Report will be published this year, in accordance with the Global Reporting Initiatives Standards. In it, we will highlight our actions, progress and initiatives related to economic, environmental and social performance matters.

Conclusion

Our overall business performance in 2019 was strong, and I would like to take the opportunity to thank the Board, Dana Gas management and staff, as well as our many contractors and other stakeholders for their support in making last year such a success. Our operations continue to remain strong. However, we are entering an unprecedented time of uncertainty with unstable oil prices impacting all industries. Our focus this year remains on what we can control: keeping our staff safe, our facilities operational, protecting our environment, supporting our local communities and prudently managing our cash position.

14th ANNUAL GENERAL MEETING HELD REMOTELY
Tuesday, 21st April 2020 at 11:00 AM

BOARD RECOMMENDATIONS TO THE AGM

Introduction:

According to Article 177 of the Commercial Companies Law of 2015, the General Assembly (AGM) convenes annually to consider and approve the following: (1) the Board of Directors' Report on the Company's activities and financial position during the year; (2) the External Auditor's report; (3) the Company's financial statements including its balance sheet and profit and loss account, (4) the Board's proposals on distribution of dividend in cash or bonus shares; (5) the Board's proposal regarding the Board of Directors' remuneration determination; (6) absolving the Directors from liability or to decide to hold them legally liable for any specific action (7) absolving the Company's Auditors from liability or to decide to hold them legally liable for any specific action; (8) appointment of the Company's External Auditors and determination of their fees and any other matters the Annual General Assembly has the authority to resolve.

The Board of Directors, at its meeting on 11 March 2020, considered the Agenda items to be presented for this Fourteenth Annual General Meeting and resolved to submit the following recommendations to the AGM:

Recommendation No. (1):

"Approval of the Board of Directors' Report on the Company's Activities and its Financial Position during the Financial Year ended 31 December 2019"

The Report of the Board of Directors on the activities and the financial position of the Company for the Financial Year ended 31 December 2019 is laid before your good selves for discussion and approval. The contents of the Report are set out before the AGM by the Chairman and the Chief Executive Officer and has been posted more than a week prior to the date of the AGM on the website of the Company and on the ADX website for perusal by the Shareholders.

Accordingly, the Board of Directors recommends that the AGM adopts the following resolution:

"Resolved to approve the Board of Directors' Report on the Company's activities and its financial position during the Financial Year ended 31 December 2019."

The recommendation is laid before the General Assembly of Shareholders for consideration and approval.

Recommendation No. (2):

“Approval of The Company’s External Auditors’ Report for the Financial Year ended 31 December 2019”

The Auditors’ Report on the Company’s Financial Statements for the Financial Year ended 31 December 2019 will be read out by the Company’s Auditors to the AGM and is laid before the AGM for deliberation and ratification.

If the AGM approves the Auditors’ Report, the Board of Directors recommends that the AGM adopts the following resolution:

“Resolved to approve the External Auditors’ Report by PricewaterhouseCoopers (PwC) for the Financial Year ended 31 December 2019.”

The matter is laid before the General Assembly of Shareholders for consideration and approval.

Recommendation No. (3):

“Approval of the Company’s Financial Statements, Balance Sheet and Profit & Loss Account for the Financial Year ended 31 December 2019”

The Board of Directors discussed and approved the Company’s Financial Statements, Balance Sheet and Profit & Loss Account for the Financial Year ended 31 December 2019 audited by the Company’s Auditors PricewaterhouseCoopers, in its meeting on 11^{th} March 2020. The Financial Statements, Balance Sheet and Profit & Loss Account have been posted on the Company’s website and ADX website more than a week prior to the AGM to enable perusal by the Shareholders.

If the Shareholders approve after discussion the 2019 Audited Financial Statements as presented, the Board of Directors recommends that the AGM adopts the following resolution:

Accordingly, the Board of Directors recommends that the AGM adopts the following resolution:

“Resolved to approve the Company’s Financial Statements including the Balance Sheet and Profit & Loss Account for the Financial Year ended 31 December 2019.”

The matter is laid before the Annual General Assembly of Shareholders for discussion and approval.

Recommendation No. (4):

“Recommendation to distribute a cash dividend of 5.5% of the Company’s capital in the amount of AED 384 Million (5.5 fils per share) for the Financial Year ended 31 December 2019”

Article 177 (6) of the Commercial Companies Law provides that the General Assembly of Shareholders of the Company shall consider and approve the proposals of the Board of Directors concerning distribution of dividends, whether in cash or bonus shares.

In light of the tangible improvement of the Company’s financial position the Board of Directors discussed the Company’s dividend policy and decided in its meeting on 11 March 2020 to recommend to the AGM to distribute a cash dividend.

Article 239 of the Commercial Companies Law requires allocation of 10% of the Company’s annual net profits to the Legal Reserve. Article 61 of the Company’s Article of Association has provided that 10% of the Company’s annual net profit shall be allocated to Voluntary Reserves.

The remaining net profits may, upon the recommendation of the Board of Directors, be distributed to the Shareholders as dividend or be carried forward to the following year.

The Board of Directors recommends that the AGM adopts the following resolution:

a. **"Resolved to approve the recommendation of the Board of Directors to distribute a cash dividend of 5.5% of the Company's capital in the amount of AED 384 Million (5.5 fils per share) for the Financial Year ended 31 December 2019;**
b. **To approve the profits appropriations as follows:**

	USD Million	**AED Million**
Retained earnings brought forward	**443**	**1,624**
Net profit for the year ended 31 December 2019	157	575
Dividend paid during the year	(105)	(384)
Balance available for appropriation	**495**	**1,815**
Allocation to legal reserves (10% of Net Profit)	(16)	(59)
Allocation to voluntary reserves (10% of Net Profit)	(16)	(59)
Proposed Dividend (5.5%)	(105)	(384)
Balance after appropriation	**358**	**1,313"**

Recommendation No. (5):

"Approval and Determination of the Annual Remuneration of the Members of the Board of Directors"

According to Article 177 (7) of the Commercial Companies Law, the AGM shall determine and approve the Annual Remuneration of the Members of the Board of Directors. Further information is included in the Board of Directors' Report under the section on the Board of Directors' Remuneration.

The Board of Directors recommends that the AGM adopts the following resolution:

"To approve the Annual Remuneration for the Board of Directors for 2019 in a total amount of around AED 8.25 Million (excluding VAT)."

The matter is laid before the General Assembly of Shareholders for consideration and approval.

Recommendation No. (6):

"Absolving the Members of the Board of Directors from liability for the Financial Year ended 31 December 2019"

According to Article 177 (8) of the Commercial Companies Law, the AGM shall decide either to absolve the members of the Board of Directors from liability or to dismiss them or hold them liable and initiate legal proceedings against them for any specific action taken by the Board during the financial year.

The Board of Directors recommends that the AGM adopts the following Resolution:

"Resolved to absolve the Members of the Board of Directors from liability for their management of the Company during the Financial Year ended 31 December 2019."

The matter is laid before the General Assembly of Shareholders for consideration and approval.

Recommendation No. (7):

"Absolving the Auditors of the Company from liability for the Financial Year ended 31 December 2019"

According to Article 177 (9) of the Commercial Companies Law, the AGM shall decide either to absolve the Auditors of the Company from liability or to dismiss them or hold them liable and initiate legal proceedings of liability against them for any specific action taken by the Auditors during the financial year.

The Board of Directors recommends that the AGM adopts the following Resolution:

"Resolved to absolve the Auditors of the Company, PricewaterhouseCoopers, from liability for their audit work with the Company during the Financial Year ended 31 December 2019."

The matter is laid before the General Assembly of Shareholders for consideration and approval.

Recommendation No. (8):

"Appointment of the Company's Auditors and determination of their fees"

According to Article 177 (5) and Article (243) (2) of the Commercial Companies Law, the General Assembly shall appoint one or more auditors for a renewable period of one year provided that their term shall not exceed three consecutive years.

The Company shall appoint the auditors nominated by the Board of Directors and approved by the General Assembly. The General Assembly shall determine the fees of the auditors as the Board of Directors may not be authorized in this regard.

The Board of Directors recommends that the AGM adopts the following resolution:

"Resolved to appoint PricewaterhouseCoopers (PwC) as the Company's External Auditors for the Financial Year ending 31 December 2020, and fix their remuneration at AED 308,380."

The matter is laid before the General Assembly of Shareholders for consideration and approval.

Recommendation No. (9):

Special Resolution: "To amend Article (31) of the Company's Articles of Association concerning the maximum number of the Board of Directors' resolutions passed by circulation"

Article 31 of the Company`s Articles of Association provides for the issuance of resolutions by circulation in cases of urgency which shall be valid and effective as if they were adopted in a meeting that had been properly called for and validly held so long as the said resolutions by circulation shall not exceed four (4) in any given year, agreement and approval by the majority of the Board of Directors that the matter requiring issuance of a resolution by circulation is urgent, delivered in writing to all members of the Board of Directors for approval, approved in writing by majority of the members of the Board of Directors and presented to the following meeting of the Board of Director for inclusion in the minutes.

The Board of Directors considered in its meeting of 11 March 2020 a proposal to amend Article (31) of the Company's Articles of Association concerning the maximum number of the Board of Directors' resolutions passed by circulation.

The Board of Directors decided to recommend that the AGM adopts the following resolution:

"Resolved to remove the first sub-clause of Article (31) of the Company's Articles of Association concerning the maximum number of the Board of Directors' resolutions passed by circulation."

The matter is laid before the General Assembly of Shareholders for consideration and approval.

Recommendation No. (10):

Special Resolution: "Allow the Board of Directors of Dana Gas to conduct a feasibility study for the demerger of the Company and to start evaluating its assets and to present the study in another General Assembly meeting in due course for consideration"

Dana Gas is intending to pursue a feasibility study for a potential demerger of its Upstream Business into a new Company, which, as part of the demerger, will also be listed on Abu Dhabi Securities Exchange ("ADX").

Currently, the Company owns upstream oil and gas producing assets including Dana Gas Egypt and a 35% stake in Pearl Petroleum, its Kurdistan Region of Iraq E&P focussed business. These assets will be collectively known as the "Upstream Business".

The Company's "Midstream Business" will be the UAE Gas Project. This project is currently under arbitration and two separate damages claims are being made in relation to the periods 2005-2014 and 2014-2030.

If the demerger is executed, the existing Shareholders in Dana Gas PJSC will own shares in two separate entities. Both companies would continue to be publicly listed on Abu Dhabi Securities Exchange.

The Upstream Business and the Midstream Business have quite distinct investment prospects, and the Dana Gas Board believe that there are a number of advantages to be realised by shareholders from structuring these as separate listed businesses, which is the reason the Company is pursuing a feasibility study on the potential demerger. These advantages include:

1. The Demerger would allow shareholders greater flexibility to manage investment, as may be desired, towards their preferred company entity with different assets, business risks and opportunities;
2. the Demerger would allow the market to more clearly value each separate business;
3. as independent groups, the Midstream Business and the Upstream Business would both be able to manage more appropriately the funding of their business strategies, with capital allocation supported by direct access to forms of capital most appropriate to finance growth opportunities; and
4. following the Demerger, both the Midstream Business and the Upstream Business would benefit from improved allocation of resources, increased focus and greater flexibility in strategic and operational execution.

The Board of Directors decided to recommend that the AGM adopts the following resolution:

"Resolved to allow the Board of Directors of Dana Gas to conduct a feasibility study for the demerger of the Company and to start evaluating its assets and to present the study in another General Assembly meeting in due course for consideration."

The matter is laid before the General Assembly of Shareholders for consideration and approval.