

Clean Energy for the Future

9M 2020 – Financial Results

12 November 2020



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1. Headlines

Operations

- After Q3 - agreed to sell Egypt onshore assets to IPR Energy; keep Block 3 and offshore Block 6
- Operations continued uninterrupted; stringent health and safety protocols were put in place across all assets
- Group production avg. 63,000 boepd – down 6%
- Pearl Petroleum executed and completed local bypass project, adding 30MMscf/d of additional gas to production
- Pearl Petroleum expansion EPC declared *force majeure*; basic engineering works completed

Liquidity

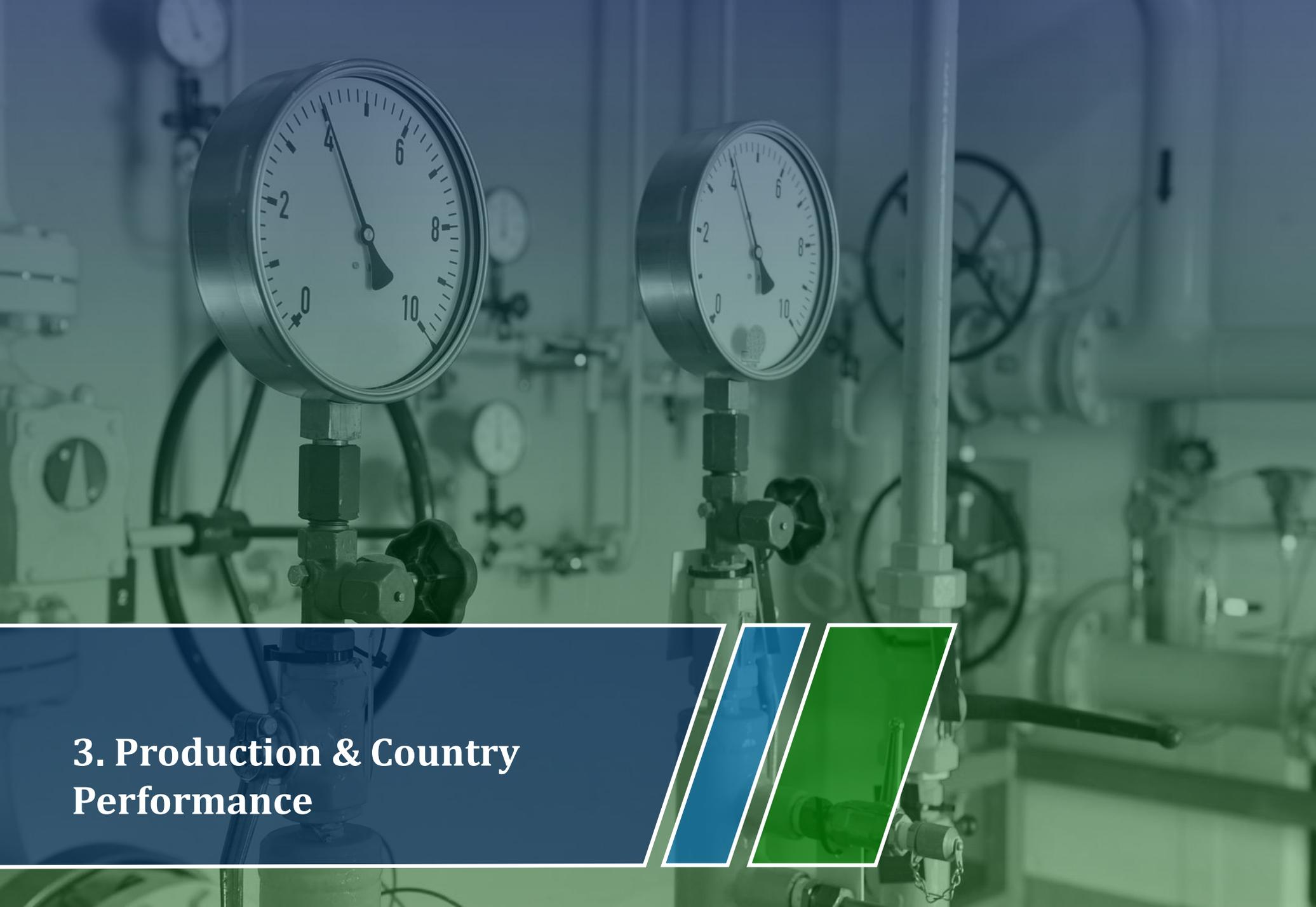
- Cash balance \$299mm at 30 September; post Sukuk redemption– cash balance 1 Nov 2020 is \$98mm
- Collected \$127mm in total – KRI \$74mm and Egypt \$53mm; with receivables in Egypt at \$128mm and KRI at \$40mm
- Received \$83mm cash dividends from Pearl
- Operating/G&A expenses at \$50mm - \$2mm lower vs \$52mm 9M'19

Financials

- Net Profit of \$31mm before one-off impairments despite steep decline in energy prices
 - Including impairments, Net Loss \$379mm
- Revenue of \$262mm – 27% lower
 - Due to steep decline in oil prices, lower production in Egypt, ceasing operations in UAE
- Gross profit of \$54mm down from \$98mm in 9M'19
- Free cash flow of \$54mm

Corporate

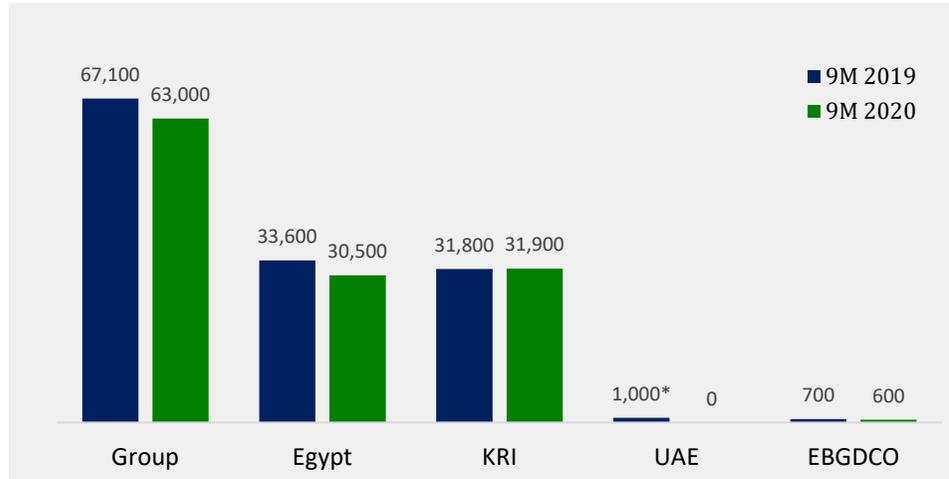
- Signed a \$90mm credit facility with Mashreq with significantly reduced financing cost vs Sukuk
- Full redemption of the Company's Sukuk
- NIOC arbitration; continue to await the award on damages

The image shows a close-up of industrial machinery, specifically two pressure gauges mounted on pipes. The gauges have white faces with black markings and numbers (0, 2, 4, 6, 8, 10). The background is filled with various pipes, valves, and other industrial components, all rendered in a monochromatic blue and green color scheme. A dark blue horizontal bar is positioned at the bottom left, containing the text '3. Production & Country Performance'. To the right of this bar, there are two overlapping, slanted rectangular shapes: a blue one on top and a green one on the bottom, both with white borders.

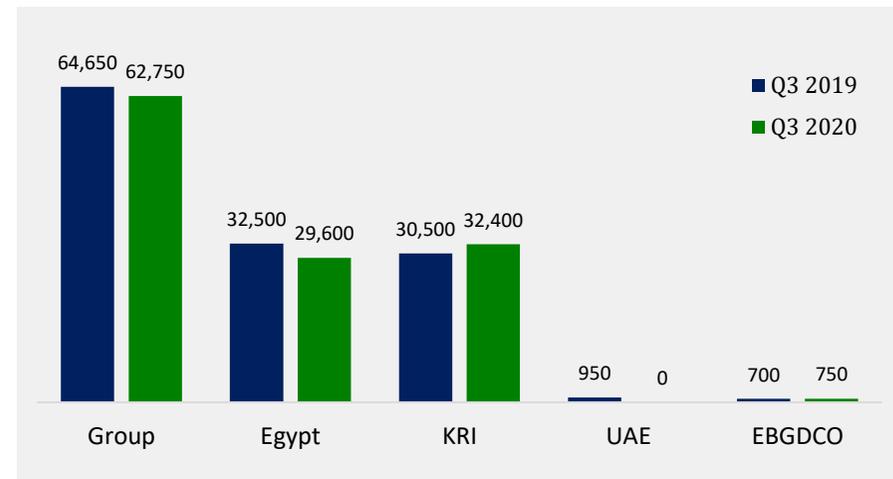
3. Production & Country Performance

Production (boepd) & Realized Prices (USD/boe)

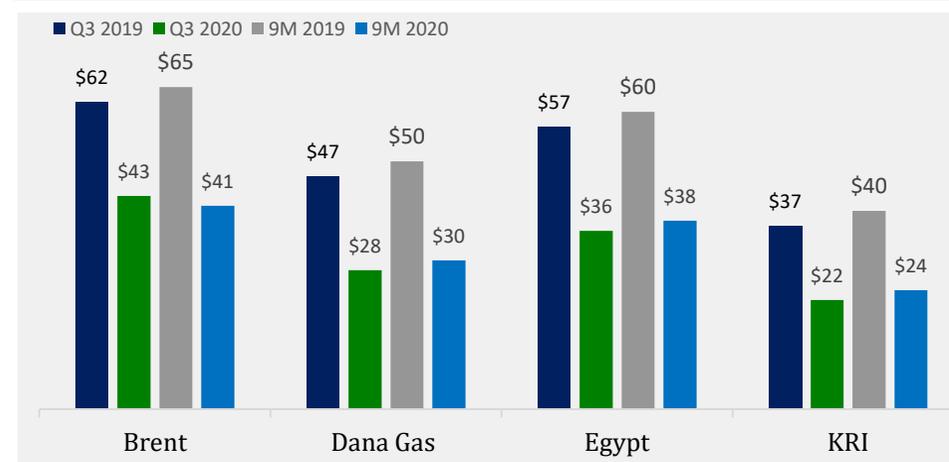
Average production 9M 2020 vs 9M 2019



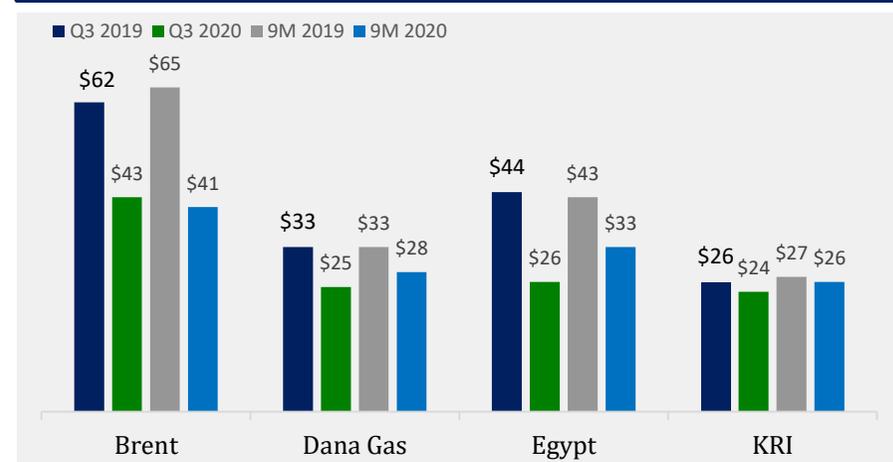
Average production Q3 2020 vs Q3 2019



Average Realized Price-Condensate (USD/bbl)



Average Realized Price-LPG (USD/boe)



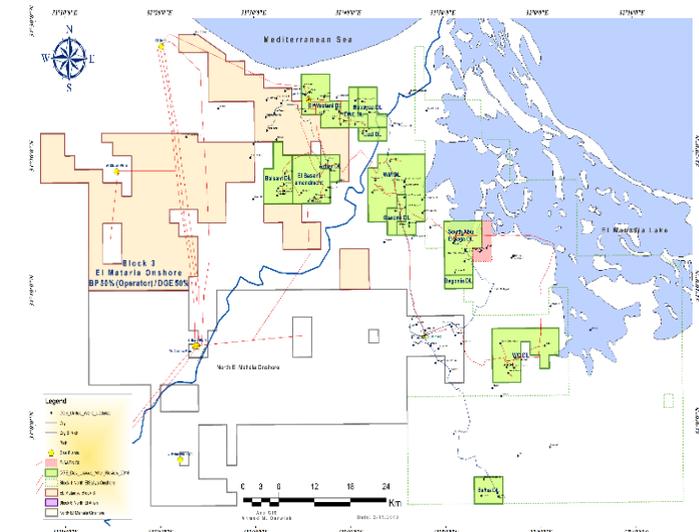
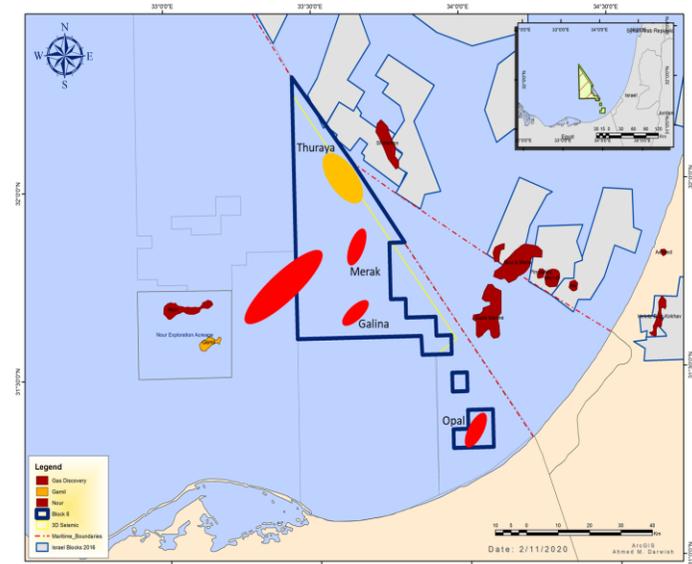
Egypt: Programme Overview

Operations

- Operations continued as normal
- Health and safety measures brought in; no COVID cases reported.
- Produced 30,500 boepd in 9M 2020 (144 MMscf of gas; 4,045 bbl/d of condensate and 211 MTPD of LPG)

Sale of Dana Gas onshore assets to IPR Energy

- Transaction includes Dana Gas' 100% working interests in the El Manzala, West El Manzala, West El Qantara and North El Salhiya onshore concessions and associated development leases
- Consideration of up to \$236 million, consisting of \$153 million base cash consideration and contingent payments of up to \$83 million subject to average Brent prices and production performance between 2020-2023 as well as the realization of potential 3rd party business opportunities
- Dana Gas to retain interests in its onshore and offshore exploration concessions, respectively El Matariya (Block 3) and highly prospective North El Arish concession (Block 6)
- Subject to regulatory approvals the transaction is expected to be complete in Q1 2021



KRI: Energising the country

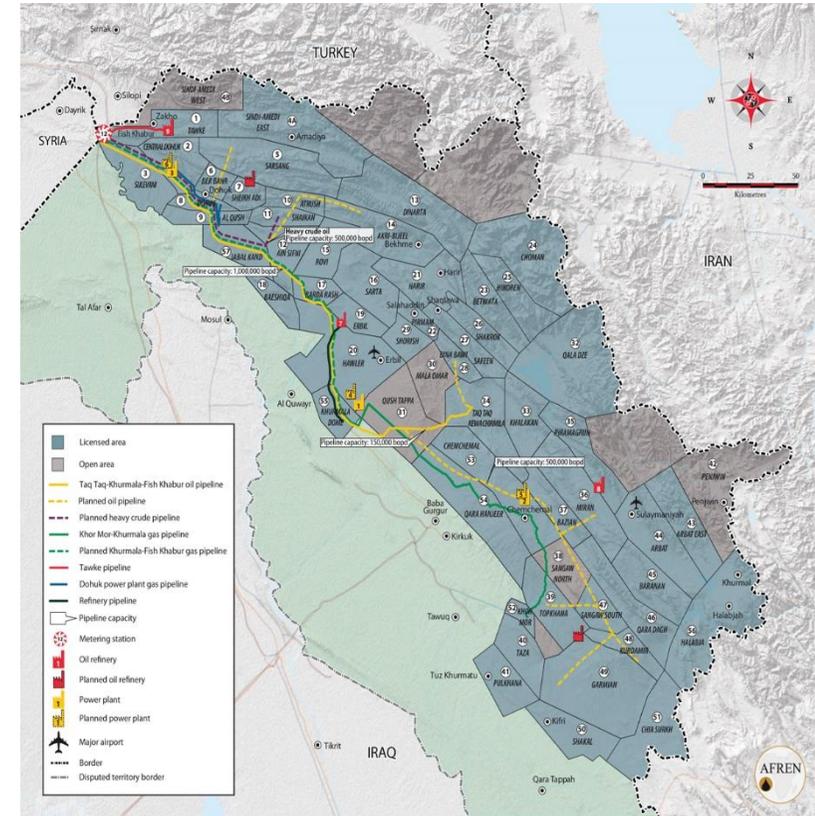
Ambitious programme to increase daily production to 900 MMscf and 35,000 bbl by 2024

Operations

- Operations continued as normal
- Health and safety measures brought in; no COVID-19 cases reported
- Completed a local bypass project, which has allowed 30 MMscf/d (gross) of additional gas to be produced
- Produced 31,900 boepd (DG share) in 9M 2020 (136 MMscf of gas; 5,170 bbl/d of condensate and 350 MTPD of LPG)

Expansion project update

- Expansion plans approved to add an additional 500 MMscf/d through 2x 250 MMscf/d gas processing trains
- EPC contractor for the construction of the 1st gas processing train (KM250) appointed in Q1'20
- COVID-19 had a major impact due to movement restrictions, and other preventative measures delayed expansion project
 - EPC contractor declared force majeure wrt timeline
 - Drilling program deferred
 - Basic engineering work has been completed
 - Plans in place to enable civil engineering works to be carried out under strict protocol and controls
 - New completion date of KM 250 is projected in Q1 2023
 - All parties remain committed to implementing the expansion project as soon as conditions allow



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UAE Gas Project

- In 2014 Arbitration Award was found in favor of Crescent Petroleum (Dana Gas partner) on all issues
- In October 2017 Tribunal indicated final judgement on the amount of damages (to cover the period from 2005-2014) would likely be delivered in second half of 2018
- The Tribunal did not issue its Award within that period with members of the Tribunal resigning prior to the issuing of an Award. As a result a new Tribunal has been constituted
- The new Tribunal agreed they could issue an Award on the basis of the existing evidence and following a clarification hearing
- Clarification hearing was held in August 2020
- The new Tribunal is expected to issue its damages Award in early 2021
- Crescent Petroleum (CP) commenced a new arbitration to address the claims from 2014 until the end of the contract in 2030





2. Financial Update

Financial Highlights

Gross Revenue (\$mm)



EBITDA (\$mm)



Gross Profit (\$mm)



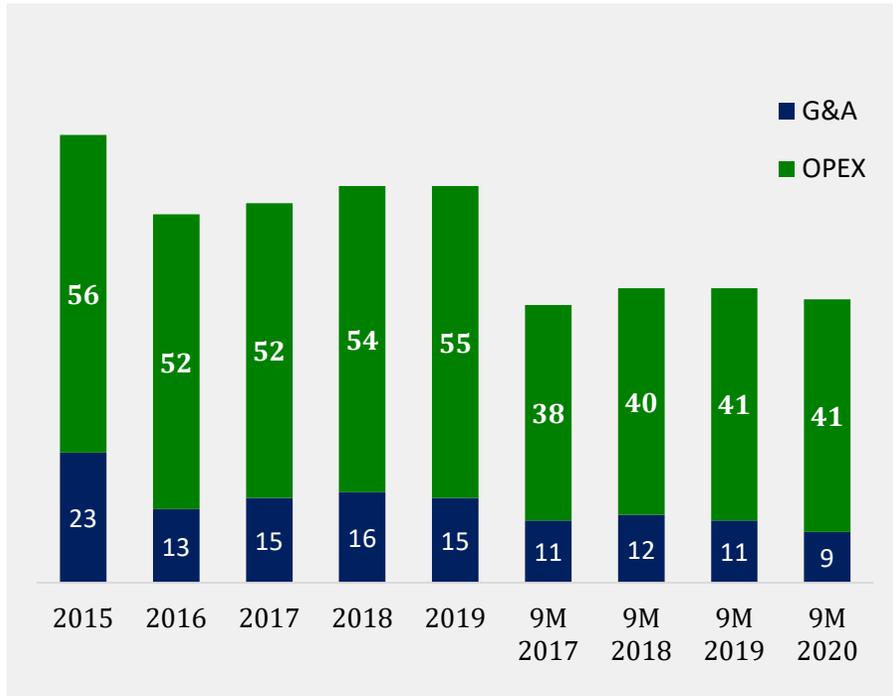
Net Profit (\$mm)



* Excluding one-off items

CAPEX & OPEX

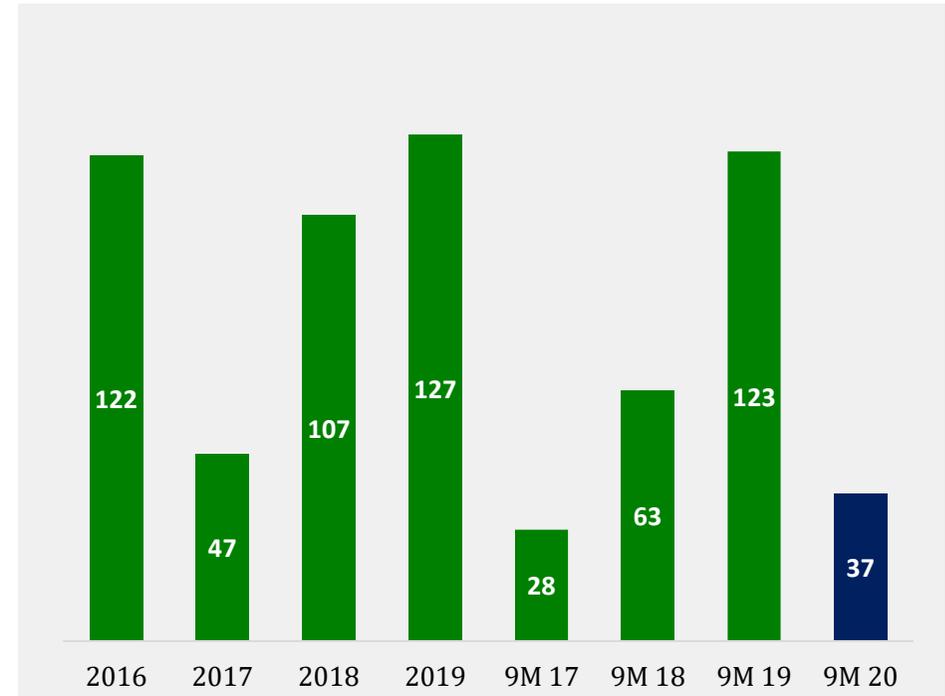
G&A / OPEX (million USD)



G&A / OPEX

- Company continues to optimise costs with additional cost reduction measures to deal with current price environment reducing G&A by \$2mm(18%) in 9M 2020
- OPEX flat at \$41mm
 - \$18mm in KRI and \$23mm in Egypt

CAPEX (million USD)



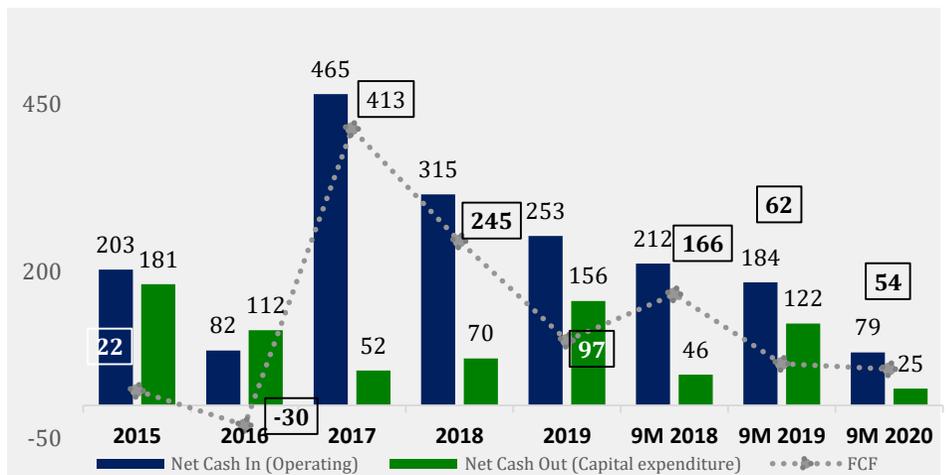
CAPEX

- Reduced Capex by 70%
- Total \$37mm vs \$123mm (9M 2019)
 - \$21mm in Egypt and \$16mm in KRI
- All non-essential capex was deferred

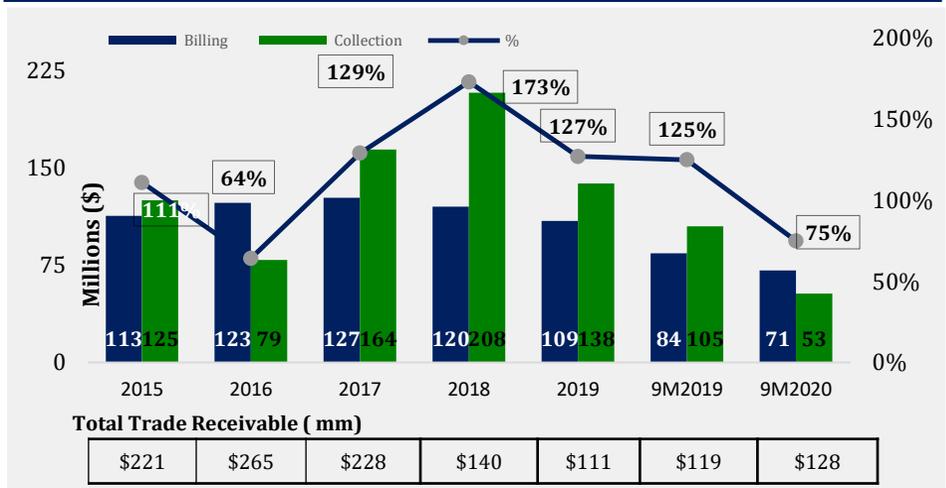
Cash Flow, Liquidity & Receivables

- Positive FCF - \$54mm
- Q3 cash balance of \$299mm vs. \$425mm FY'19; excellent cash management
 - Cash Dividend of \$104mm paid in May
 - Sukuk buyback \$88.5mm (nominal value), profit payment \$12mm
 - \$36mm of cash held at Pearl Petroleum
- Secured \$90mm credit facility at favorable terms
 - Initial margin of 3% plus LIBOR for one year
 - Financing costs significantly reduced - \$3mm finance costs vs \$21.2mm sukuk profit payments
 - Facility will be repaid when the sale of the Egyptian assets is completed
- Sukuk fully redeemed 31 October
 - Cash balance of \$98mm following sukuk payment
 - Company's total borrowings stands at \$162m consisting of \$90mm credit facility and \$72mm non-recourse project debt at Pearl
- Collected \$127mm in 9M 2020
 - \$53mm in Egypt; Egypt trade receivables stands at \$128mm
 - KRI realized 81% of billed revenue with \$74mm of collections (DG share)
- Received a \$83 mm in dividends from Pearl in 9M 2020

Free Cash Flow (mm\$)



Egypt Receivables (mm\$)



Note: % calculated as collection divided by net revenue



4. Summary

- Strong and resilient operational performance in 9M 2020
 - Operations uninterrupted despite difficulty of working through the pandemic
 - Net profit of \$31mm (before impairment) despite low commodity price environment confirms operational efficiency
 - Sustainable revenues through gas sales under long-term contracts with host governments
- Delivered on the two clear strategic objective set out by the Board in 2020
 - Agreement in place to sell Egypt for up to \$236 million
 - \$530 million Sukuk (original balance) redeemed
- Strengthened the balance sheet to better position the Company in the future
 - Signed \$90 million credit facility at significantly reduced interest rates vs sukuk
 - Egypt sale proceeds used to pay down debt
- Focused the Company on its future growth opportunities in Egypt and KRI



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