

Clean Energy for the Future

9M 2020 – Financial Results

12 November 2020



Disclaimer

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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

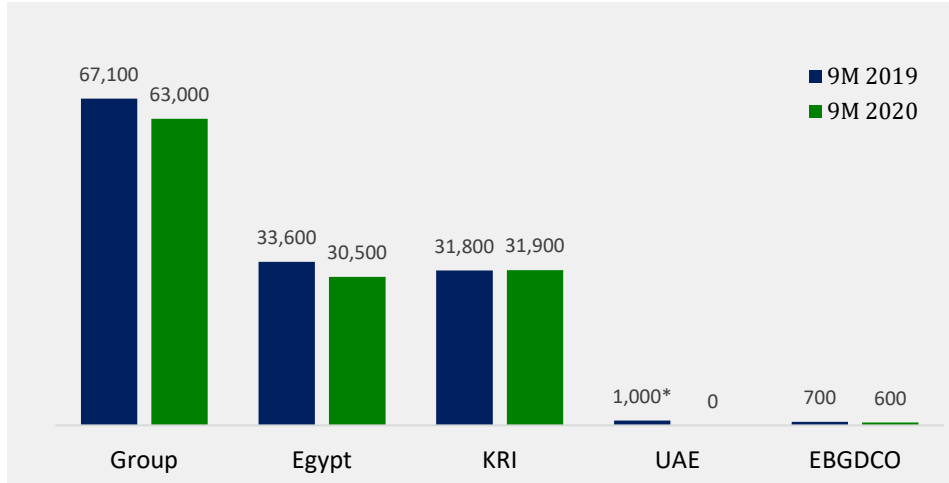
- Signed a \$90mm credit facility with Mashreq with significantly reduced financing cost vs Sukuk
- Full redemption of the Company's Sukuk
- NIOC arbitration; continue to await the award on damages



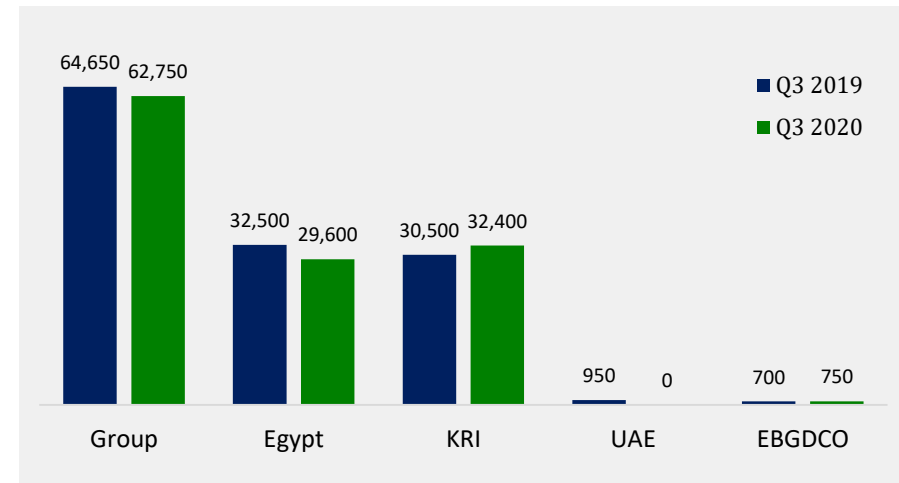
3. Production & Country Performance

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

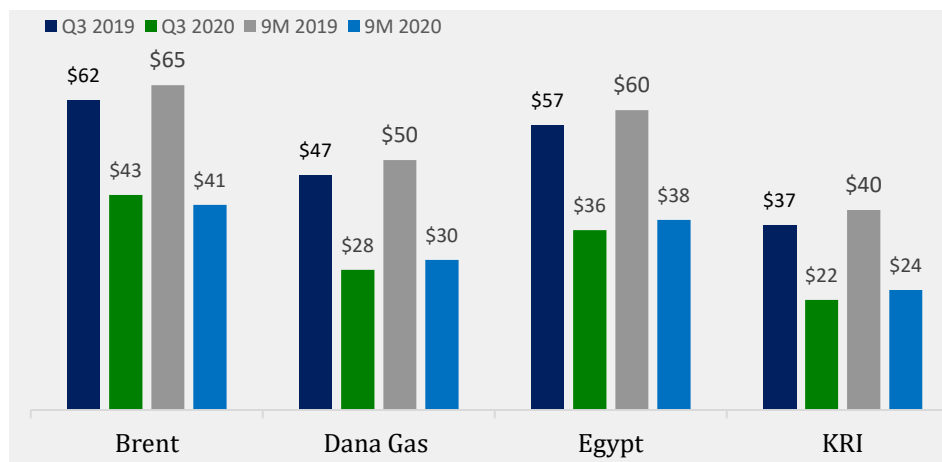
Average production 9M 2020 vs 9M 2019



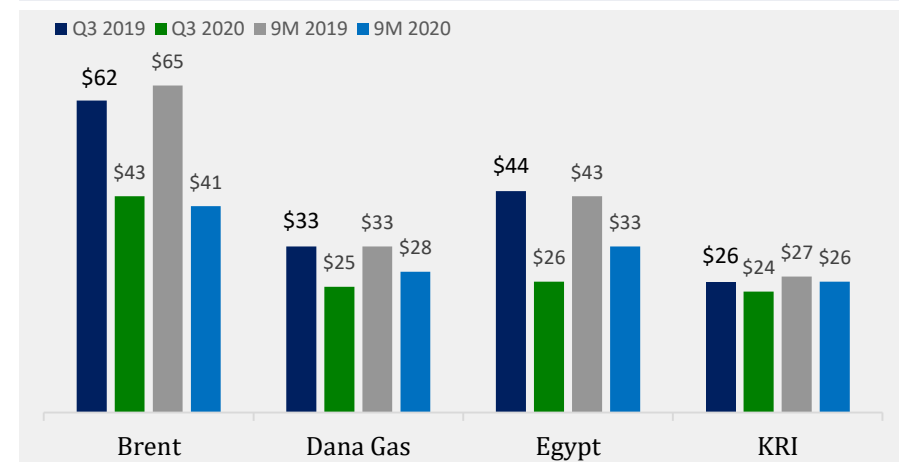
Average production Q3 2020 vs Q3 2019



Average Realized Price-Condensate (USD/bbl)



Average Realized Price-LPG (USD/boe)



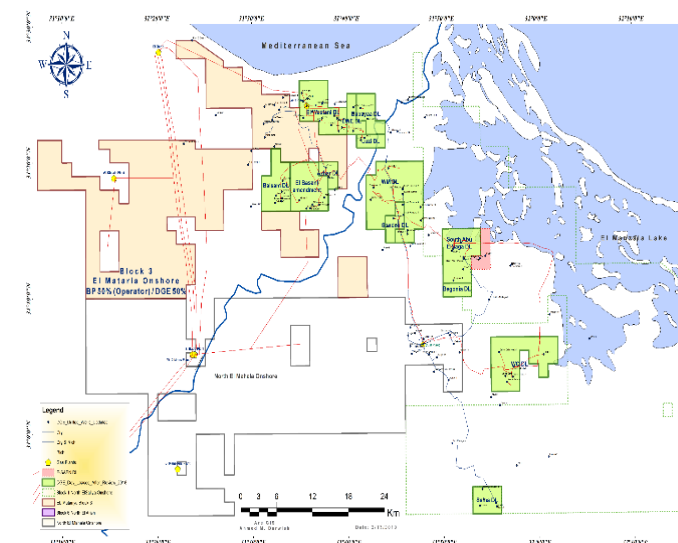
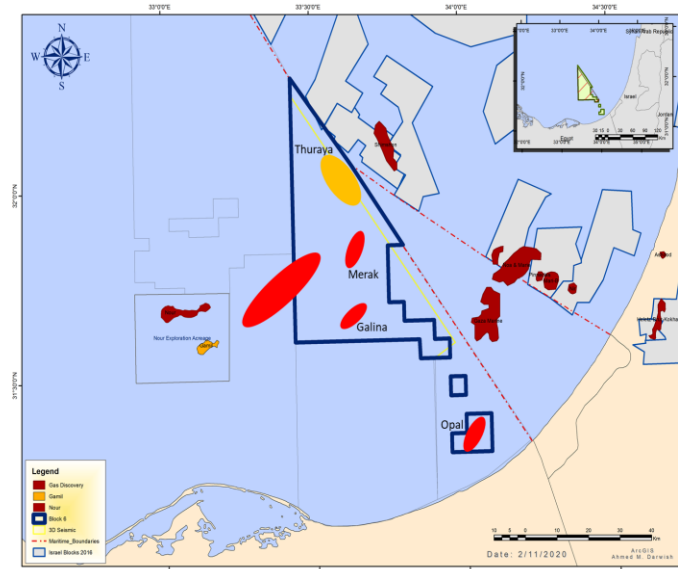
Egypt: Programme Overview

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

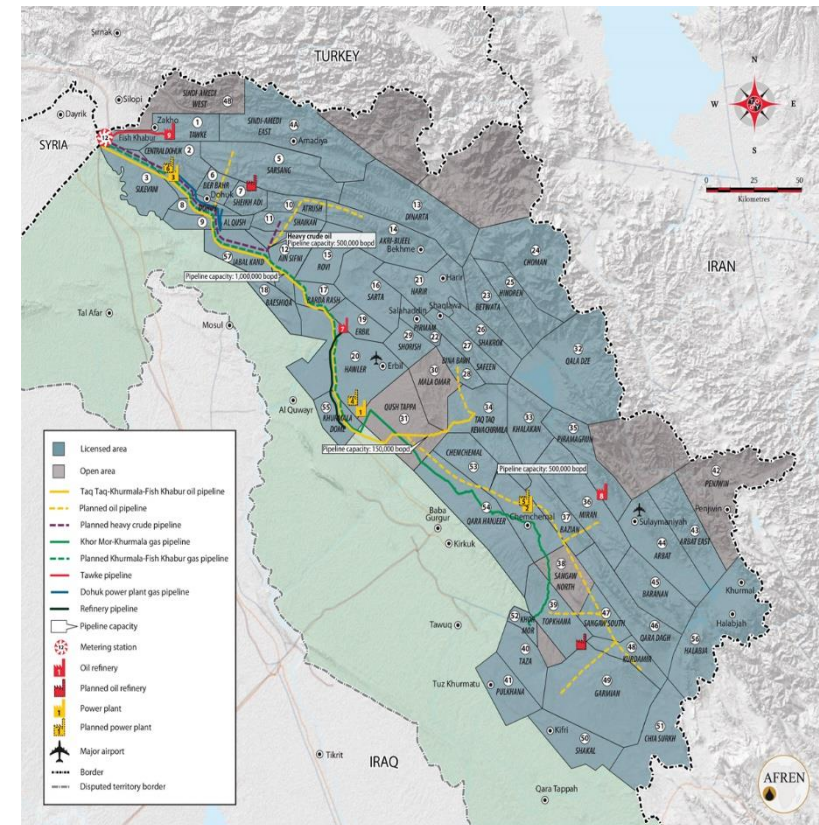
Ambitious programme to increase daily production to 900 MMscf and 35,000 bbl by 2024

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

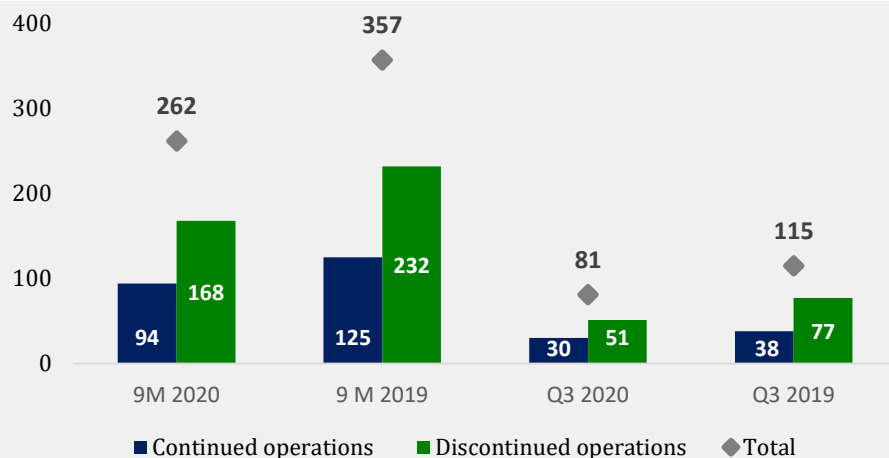




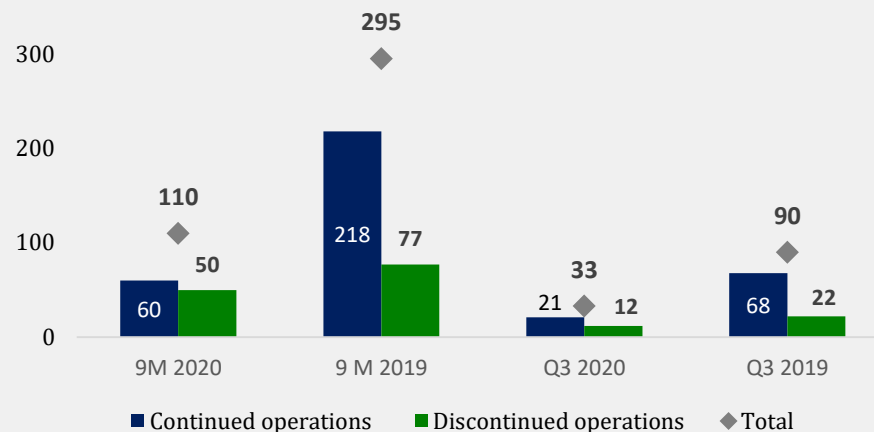
2. Financial Update

Financial Highlights

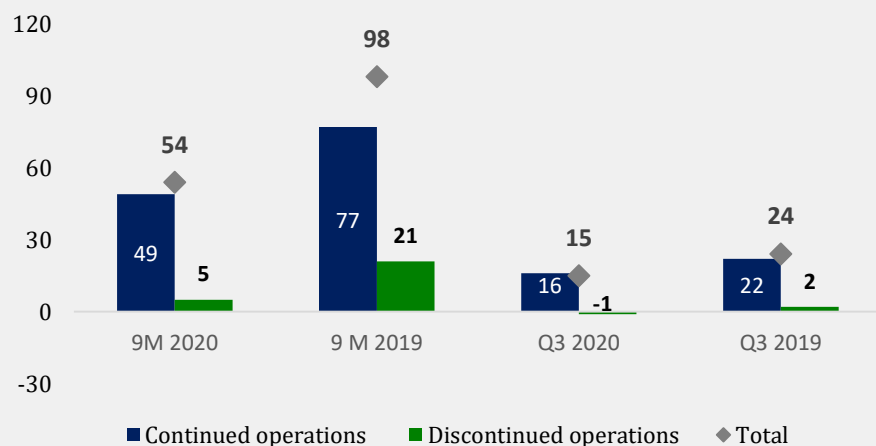
Gross Revenue (\$mm)



EBITDA (\$mm)



Gross Profit (\$mm)



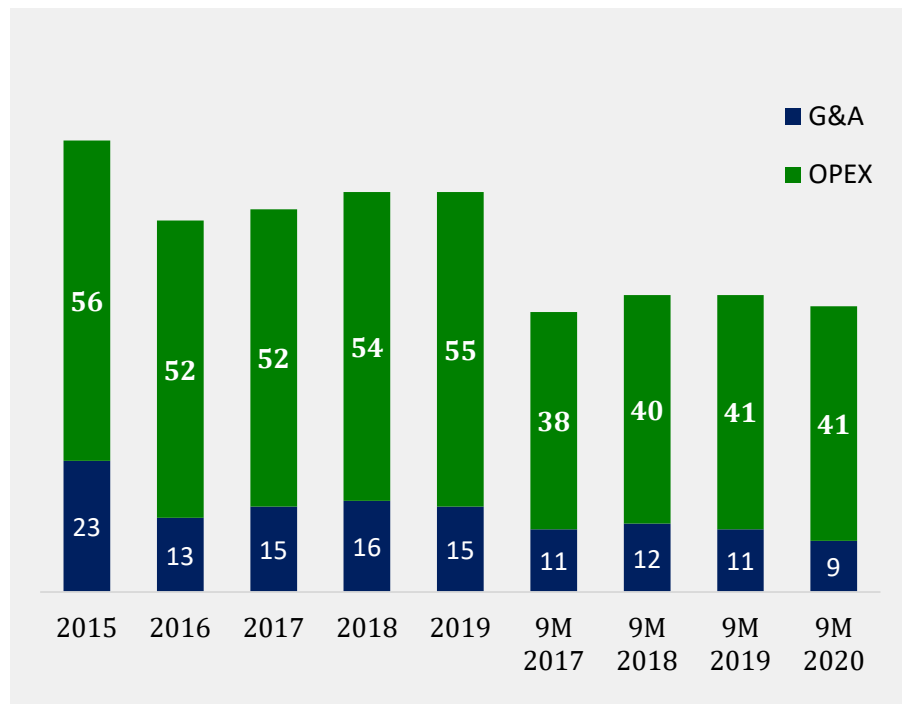
Net Profit (\$mm)



* Excluding one-off items

CAPEX & OPEX

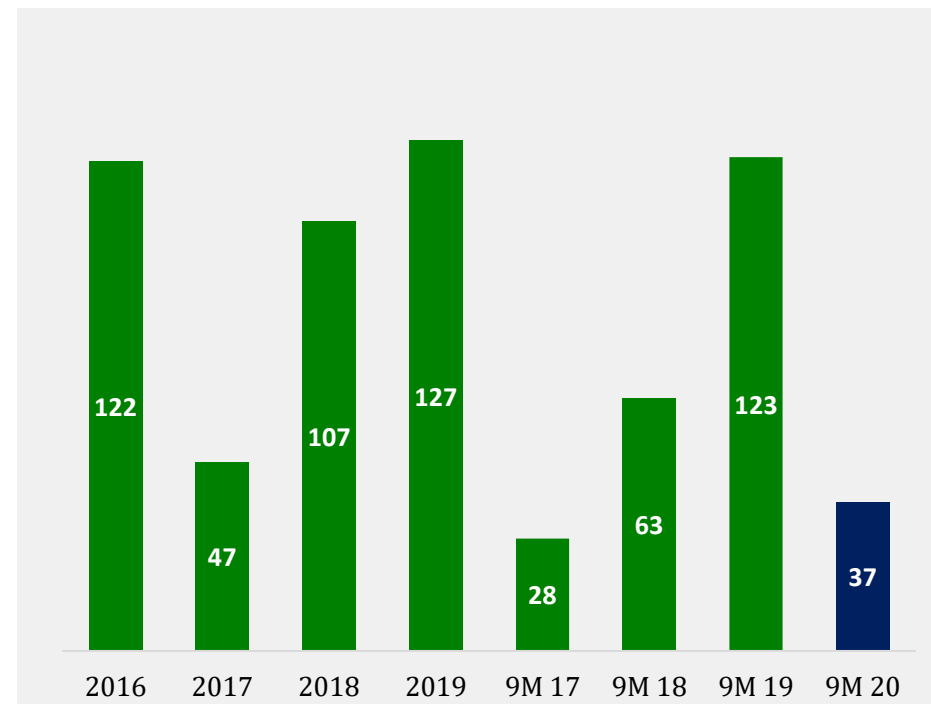
G&A / OPEX (million USD)



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)



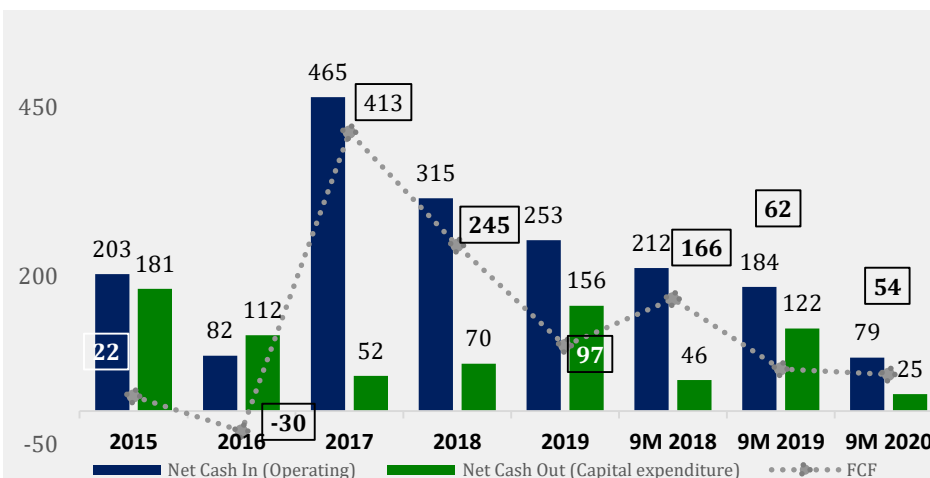
CAPEX

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

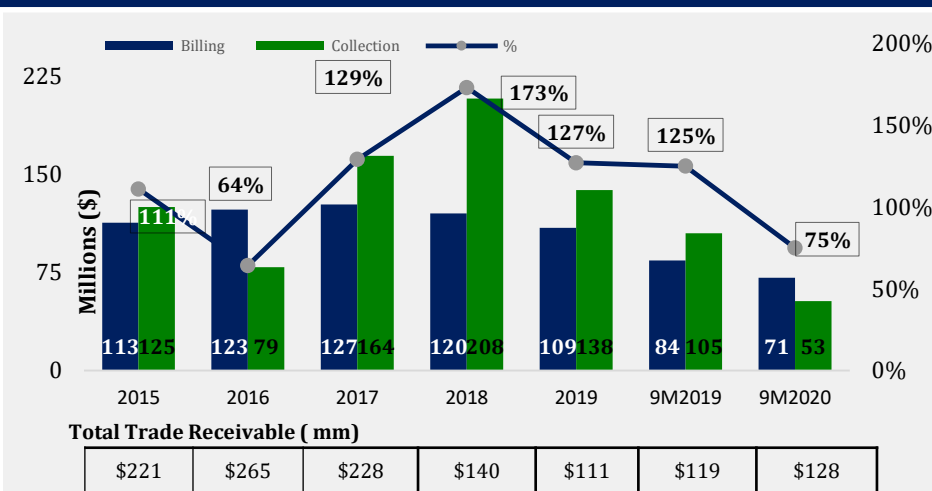
Cash Flow, Liquidity & Receivables

- 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

A photograph of a large industrial facility, likely a refinery or chemical plant, featuring several tall, cylindrical distillation columns. The columns are interconnected by a complex network of pipes, ladders, and platforms. The scene is set against a clear sky, and the overall color palette is dominated by the metallic greys of the equipment and the blue of the sky. In the lower-left corner, there is a semi-transparent blue rectangular area containing the text '4. Summary'. To the right of this area, there are two overlapping, slanted rectangular shapes: a blue one in front of a green one, both also semi-transparent and containing faint, darker images of the industrial structure.

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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