



Dana Gas reports \$139 million (AED 511mm) net profit in H1 2021

Gross Profit increased by 133% to \$91 million (AED 333mm)

H1 2021 Highlights

- Revenue increased by 19% to \$216 million (AED 792mm)
- Average group production of 64,000 boepd, driven by 8% increase in KRI output
- KRI and Egypt collections reached \$185 million (AED 678mm), a five-year high.
- Operational cash flow increased by 97% to \$146 million (AED 536 mm)
- Operations continue uninterrupted despite the ongoing Covid-19 pandemic with stringent health and safety protocols in place across all assets
- Dana Gas prevails in arbitration against IPR Wastani regarding the decision not to sell its onshore asset in Egypt.

Sharjah, UAE; 11 August 2021, Dana Gas PJSC (the “Company”), the Middle East’s largest regional private sector natural gas company, today announced its financial results for the half year ended 30 June 2021.

The Company has delivered one of its strongest half-yearly results with H1 2021 net profit of \$139 million (AED 511mm) compared to a loss of \$19 million (AED 69mm) in H1 2020. Excluding the reversal of impairment related to Egypt assets, the Company posted an adjusted net profit of \$61 million (AED 225mm) versus an adjusted net profit of \$18 million (AED 66mm) in H1 2020, an increase of 239% reflecting higher oil prices and improved operational performance.

Revenue for the first six months of 2021 was up by 19% and stood at \$216 million (AED 792mm) as compared to \$181 million (AED 664mm) in H1 2020. The increase was due to higher realized prices during the period.

As a result of the increase in net profit, the Company’s retained earnings turned from accumulated losses of \$20 million to positive \$142 million, which will underpin the Company’s ability to pay dividends in the future.

On 23 April 2021 the Company terminated its agreement for the sale of its Egyptian assets and will therefore continue to own and operate them in order to maximise returns for its shareholders. This will involve carefully monitoring expenditure and ensuring drilling and workover activities are value generative. Dana Gas Egypt’s operational cash flow increased in 1H 2021 by 175% to \$80 million reflecting the increase in oil price and higher collections during the period. This reinforces the correctness of the Board decision not to sell the assets.



IPR Wastani Petroleum Limited (IPR) initiated an arbitration disputing DGE's right to terminate the Sale and Purchase Agreement. On 17 July 2021 the Tribunal dismissed IPR's claim in its entirety, and ruled that Dana Gas' termination of the SPA was valid.

During the period, the Company also sold its interest in EBGDCO, a natural gas liquids extraction plant in Egypt, for \$11.4 million (AED 42 million). The Company owned a 26.4% interest in EBGDCO through Danagaz Bahrain alongside its other partners.

Dr Patrick Allman-Ward, CEO of Dana Gas, commented:

"The Company has delivered a very strong set of results for the first half of 2021 as a result of our robust financial and operational performance supported by the rebound in oil prices. Our revenues grew by 19% in the first six months which, coupled with our low-cost structure, has helped the Company increase gross profits by 133% and generate a net profit of \$139mm. Our collections in both Egypt and the KRI have significantly improved, adding to our liquidity and overall financial strength.

"Our operations remain unaffected by the pandemic, thanks to the stringent safety protocols that we have put in place across all our assets to ensure that production continues uninterrupted. We have even managed to increase production slightly to 64,000 boepd.

"We are pleased with the progress we have made in the KRI and are steadily moving ahead with our expansion plan according to schedule. In Egypt, we are going to continue to operate our onshore producing assets in a way to maximize value for the benefit of all our stakeholders and to prepare to drill our material offshore exploration well as soon as practicably possible."

Operations & Production

The Company's average production in H1 2021 was 64,000 boepd, slightly higher than 63,250 in H1 2020, driven by increased production in the KRI which helped to offset a decline in Egypt. Production in KRI increased by 8% to 34,300 boepd, while Egypt's output declined by 6% to 29,150 boepd as a result of natural field depletion.

Liquidity and Collections

Dana Gas's H1 2021 collections from the KRI and Egypt increased 106% year-on-year to \$185 million (AED 678mm), the highest level in more than five years. The Company saw its share of receipts by Pearl Petroleum in the KRI jump 85% to \$87 million (AED 319mm) in the first half of 2021 as compared to \$47 million (AED 172mm) in the corresponding period last year. In Egypt, Dana Gas collected \$98 million (AED 359mm) during H1 2021, compared to \$43 million (AED 158mm) received in the same period of 2020, representing a 128% increase. The Company's cash position was \$125 million (AED 459mm) as of 30 June 2021, slightly higher than the \$108 million (AED 396mm) at the end of 2020. The cash balance includes USD 61 million (Dana Gas 35% share) held by 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 63,200 boepd in 2020. 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

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