



Dana Gas reports record net profit of \$279 million (AED 1bn) in 9M-2021

9M 2021 Highlights

- Revenue increased by 27% to \$334 million
- Average group production reached 63,200 boepd
- Collections reach \$256 million in first nine months of 2021, up 102%
- Board proposes 27% increase in annual dividends

Sharjah, UAE; 14 November 2021, Dana Gas PJSC ("Company"), the Middle East's largest regional private sector natural gas company, today announced its financial results for the nine months ended 30 September 2021.

The Company's reported record net profit of \$279 million (AED 1,025mm) as compared to a loss of \$379 million (AED 1,390mm) in 9M 2020. The key drivers were higher oil prices, improved operational performance and other income. 9M 2021 profit included 'Other Income' of \$608 million (AED 2,229mm) and a \$78 million (AED 286mm) reversal of impairments related to Egypt assets.

Excluding the other income and impairments, the Company reported profit from operations of \$99 million (AED 364mm) versus \$31 million (AED 113mm) for 9M 2020, an increase of 220% reflecting strong underlying operating performance on the back of higher oil prices.

Revenue for the first nine months of 2021 increased 27% to \$334 million (AED 1,224mm) compared to \$262 million (AED 960mm) in 9M 2020, supported by higher oil prices and higher production in Kurdistan Region of Iraq (KRI).

In the light of the Company's solid financial performance in the year to date, the Board of Directors of Dana Gas has determined to pay dividend of 7 fils per year payable in six monthly instalments of 3.5 fils, thereby increasing Dana Gas's annual dividend by 27% from the existing 5.5 fils. A General Assembly Meeting will be held on the 9 December 2021 to approve the first interim dividend of 3.5 fils per share to be paid in December 2021.

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

"The steps the Company has taken to increase production and reduce its cost structure and the progress it has made in increasing collections has well positioned Dana Gas to benefit from rising energy prices and create shareholder value. Operationally, the company's production in the KRI grew by 7% and is on track with its expansion plans, with first gas from the KM250 project scheduled for April 2023. In Egypt, a five-well drilling program has been concluded and the additional production has almost entirely offset natural well declines. Our strong production and robust operational performance, coupled with high oil prices, has resulted in a much stronger financial position. This has been recognized by the Board who have called for a General Assembly to approve a new dividend policy to return additional cash to shareholders."

NIOC Arbitration

Dana Gas has been informed by Crescent Petroleum that an award for damages in the first arbitration against NIOC has been made by the international arbitration tribunal on 27 September 2021. This first arbitration covers the period of the first 8.5 years of the 25-year gas sales agreement from 2005 to mid-2014. The sum due to Dana Gas is \$608 million (AED 2,229mm). In addition, a second arbitration with a much larger claim for the 16.5 years covering the remainder



of the gas supply period from 2014 to 2030 is currently underway, with the final hearing fixed for October of next year (2022) in Paris, and for which a final award on damages is expected the following year in 2023.

DFC \$250mm Financing

On 8 September 2021, Pearl Petroleum Limited, the consortium led by Dana Gas and Crescent Petroleum and which Dana Gas owns a 35% interest, signed a \$250 million financing agreement with the US International Development Finance Corporate (DFC) to support the KM250 gas expansion works currently under way at the Khor Mor gas plant in the KRI. The agreement is for 7-years and will provide funding towards the total project cost of \$630 million. The remaining financing has already been secured through a regional bank facility and EPC contractor financing. In the third quarter, the Pearl Petroleum drew down \$100 million from the facility.

Operations & Production

The Company's average production in 9M 2021 was 63,200 boepd versus 63,000 boepd in 9M 2020. The slight increase was driven by an improvement in output of 7% in KRI to 34,000 boepd which offset the 4% decline in Egypt to 29,200 boepd as a result of natural field depletion.

Liquidity and Collections

Dana Gas' 9M 2021 collections from the Kurdistan Region of Iraq (KRI) and Egypt have increased 102% year-on-year to \$256 million (AED 938mm) from \$127 million (AED 466mm) in the same period the previous year.

In the KRI, Dana Gas saw its share of collections from sales of condensate, LPG and gas rise 77% to \$131 million (AED 480mm) in the first nine months of 2021 as compared to \$74 million (AED 271mm) in the same period the previous year. The Company's effort to collect its outstanding overdue receivables was also successful. As of 31 October 2021, the outstanding overdue receivables due from 2019 and 2020 have been fully repaid.

In Egypt, Dana Gas collected \$125 million (AED 458mm) during the first nine months of 2021, compared to \$53 million (AED 195mm) received in the same period of 2020, representing a 136% increase. Total outstanding receivables is now \$65 million.

The Company's cash position was \$200 million (AED 733mm) as of 30 September 2021, higher than the \$108 million (AED 396mm) at the end of 2020. The cash balance includes \$123 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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