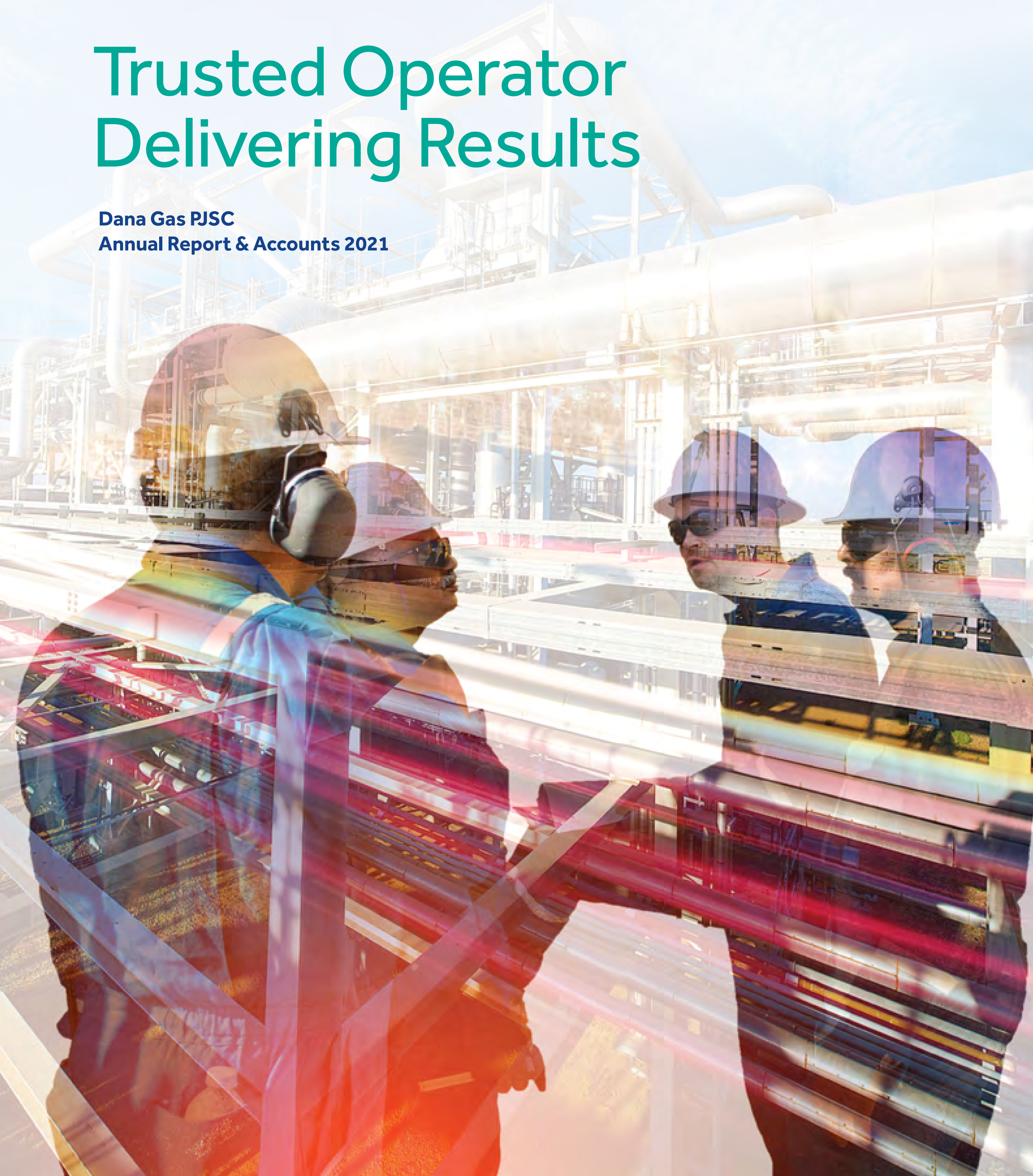
Trusted Operator Delivering Results

Dana Gas PJSC
Annual Report & Accounts 2021



Dana Gas is the Middle East's first and largest private sector natural gas company. It was established in December 2005 with a public listing on the Abu Dhabi Securities Exchange (ADX).

Dana Gas has exploration, production and transportation assets in Egypt, the Kurdistan Region of Iraq (KRI) and the United Arab Emirates (UAE), with an average production output of 62,100 kboepd in 2021. With sizeable assets and reserves in Egypt, the KRI and the UAE and further plans for expansion, Dana Gas aims to play an important role in the rapidly growing natural gas sector of the Middle East, North Africa and South Asia region (MENASA).

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Highlights of the Year

In 2021, Dana Gas delivered on its strategy to maximise shareholder value, producing an unprecedented strong set of financial results. Dana Gas reported record profitability, collections and production in the KRI. We were supported by a strong rebound in oil prices, but it is also a result of our continued focus on maintaining a low cost base and raising levels of efficiency across all our operations while continuing to invest and grow our production.

Financial and Operational Highlights

Production

62.1 Kboe/d

2020: 63.2 Kboe/d

2P Reserves

1,131 mmboe

2020: 1,146 mmboe

Gross Revenue

US$**452**mm

2020: US$349mm

EBITDA

US$ **269**mm

2020: US$146mm

Net Profit

US$**317**mm

2020: US$(376)mm

US$128mm excluding one-off items

Collections

US$**377**mm

2020: US$182mm

Cash Balance

US$**185**mm

2020: US$108mm

Dividend

8.0 fils per share

2020: 5.5 fils per share

The Middle East's first and largest private sector natural gas company.

62,100 Kboe/d
Group Production

283 MMscf
Average Daily Gas Production

8,530 bbl
Average Daily Condensate Production

1,131 mmboe
2P Reserves

US$**377**mm
Collections

US$**185**mm
Cash Balance

Why Invest in Dana Gas?
- MENA's largest independently listed, natural gas-focused E&P company
- Strong balance sheet and growth-oriented, cash-generative portfolio
- Highly experienced leadership and management team committed to governance, transparency, HSSE and sustainability
- World-class assets in Kurdistan Region of Iraq and Egypt, with significant exploration upside potential
- One of the highest dividend yielding companies in the UAE

Our Vision
To be the leading private sector natural gas company in the Middle East, North Africa and South Asia region (MENASA), generating value for our stakeholders.

Our Strategy
- Focus on sustainable growth in the MENASA region across the natural gas value chain.
- Leverage strategic relationships to maintain competitive advantage.
- Continuously enhance our technical and commercial skills to develop and operate assets safely and efficiently.

Our Values
- We set and apply the highest standards of conduct and accountability.
- We respect and value everyone and embrace diversity.
- We aim to provide a safe, healthy and environmentally friendly workplace for our employees and business partners and to minimise any adverse effects of our operations on communities and the environment.

Where we Operate

Exploration, production and transportation assets in Egypt, the Kurdistan Region of Iraq (KRI) and the UAE, with 2P reserves exceeding one billion boe and average production of 62,100 boepd in 2021.

KRI

33,800 boe/d

- Largest independent producer in Iraq – 100,000+ boepd (gross)
- Two fields comprising the KRI's largest gas reserves
- 13+ years of continuous operations
- Supply gas to 3 major power stations in the KRI
- Expansion plans underway to increase daily gas production to 950 MMscf
- 2P reserves of 1,087 mmboe

Egypt

28,300 boe/d

- 14 development leases and one exploration concession
- Top 5 gas producers in the country
- 100% interest in high potential Block 6 offshore exploration concession area
- 2P reserves of 43.5 mmboe

UAE

UAE Gas Project

- Project to transport and process 600 MMscf/d of gas to the UAE
- Project currently subject to international arbitration
- Awarded $608 million in damages in favour of Dana Gas
- Expected second award in 2023

An industry-leading operating and financial performance.

Dana Gas now provides the highest returns on the ADX stock market and is an industry leader.

US$317mm

Record profit recorded in 2021

8.0 fils per share

45% increase in divident payment in 2021

Dear Shareholders,
I am pleased to report that your Company has delivered an industry-leading operating and financial performance, helped by the significant rise in the price of oil which averaged $71/bbl for the year, an increase of more than 70% year-on-year, and ended the year at more than $80/bbl. The gains were of course driven by a loosening of COVID-19 restrictions on movement and a consequent rebounding of global demand for oil and gas. Operationally, we continue to focus on efficiency to improve our competitiveness and maximise long-term shareholder value. In 2021, like many of our global peers, we made good on our ongoing promise to reward the long-term commitment of our shareholders by prioritising returns through regular dividend distributions. In that regard, the Board took the decision to increase dividend payment to the Company's shareholders in 2021, which I will elaborate upon later.

Focusing on our operations in a little more detail, one of the Board's key decisions last year was to abort the sale of our onshore assets in Egypt and to retain and operate these assets along with the prospective offshore exploration acreage, Block 6. It was a strategic decision based on changes to the market environment and has proven to be the right one, resulting in immediate and long-term value appreciation. Revenues from our Egypt operation were $261 million and most importantly, the Egyptian government paid most of its overdue receivables. We collected $193 million during 2021 as compared to $80 million in 2020, helping us to reduce our receivables in Egypt to the lowest level ever.

In the Kurdistan Region of Iraq (KRI), our joint-operated asset, Pearl Petroleum, continues to outperform projections, increasing production by 50% since 2017, and reaching a record-high daily output in December last year of over 450 MMscf/d.

At the same time, development of the KM250 gas expansion project is on track for first gas in April 2023, supported by a $250 million financing agreement signed with the US government's International Development Finance Corporation. Furthermore, the Government of the KRI has also settled its overdue receivables for 2019 and 2020.

Financially, the Company achieved a record net profit for the year of $317 million, and on an adjusted basis, it posted a net profit of $128 million when one-off non-cash impairments and other income are excluded. Revenue reached $452 million, up 30% year-on-year.

In light of the Company's strong performance and pursuant to its dividend policy, which takes into consideration factors such as our cash flow position, working capital requirements, investment opportunities and the overall market conditions of the energy sector, the Board of Directors made a recommendation, approved by the shareholders in December 2021, to pay an incremental dividend of 3.5 fils per share relating to the Company's performance in the first half of the year. With the further improvement in the Company's financial performance in recent months, the Board has recommended a final dividend payment for the fiscal year 2021 of 4.5 fils (to be approved at the Annual General Assembly in April), increasing the total dividend payable for fiscal year 2021 by 45% to 8 fils per share. Dana Gas now provides the highest returns on the ADX stock market and is an industry leader. The outlook for 2022 and beyond is positive given higher energy prices and the continued focus of management on optimising operating costs and the implementation of growth projects.

On behalf of the Board of Directors, I would like to extend my gratitude to all our shareholders for their continued support for Dana Gas and their confidence in the future growth potential of the Company.

I would also like to thank our management team and employees. Their commitment and dedication to make 2021 the highest performing year since the Company IPO in 2005 is commendable. We have delivered on notable achievements in 2021, and look forward to equally promising performance in 2022.

Last but not least, I would like to thank my fellow Board members for their continued oversight and guidance, as well as the members of our valued International Advisory Board for their advice, in helping to steer the Company to good fortune.

Mr. Hamid Dhiya Jafar
Chairman

Our operational achievements last year represent a significant reversal of fortunes from 2020.

US$128mm
Operational Net Profits

US$377mm
Total Collections

62,100 boe/d
Group Production

Dear Shareholders,

Introduction

The reaction of the energy and commodity markets to the increase in geopolitical tension is significant, with the first quarter of 2022 witnessing a rise in oil prices to highs not seen in nearly a decade. However, the recent spike in oil prices should not mask what is a demand-based recovery in the energy sector in 2021, driven by an improvement in global economic conditions. Our robust operational model and our commitment to growing our production while maintaining a low cost base has positioned us well to take advantage of the rebound in oil prices, helping us to deliver record profitability, collections, and production in the Kurdistan Region of Iraq (KRI).

Operations

The Board took a decision to terminate the agreement for the sale of our assets in Egypt to maximise value for our shareholders. The financial impact of keeping the Egyptian assets has been enormously positive and value-creative for our shareholders. This was due to the improvement in oil prices and the strong level of collections of $193 million in 2021. Our operational performance has also been excellent. We conducted a 5-well drilling and workover campaign, which added production to help partly offset the natural decline of our fields. We are now looking at all possible opportunities to extend the economic life of the assets. Last year, we successfully carried out major shutdowns of the El Wastani gas plant in Egypt and the Khor Mor gas plant in the KRI without a single HSSE incident, a notable achievement. Regarding the Block 6 concession area offshore in Egypt, the Company is in advanced preparations for drilling the deep-water Thuraya prospect. The Company was awarded an extension to the second exploration phase for 9 months until March 2022 and a further extension of time to drill the well is under discussion.

Pearl Petroleum, our joint venture in the KRI, continued to make excellent operational progress. It achieved a significant milestone after reporting record sales of gas and LPG, with production of 452 million cubic feet of gas and 1,112 metric tons of LPG per day in December 2021. Pearl has been able to boost production output from 2017 to 2021 by 50%, with Dana Gas' share of production reaching a record 33,800 boepd. The development of Pearl's KM250 gas expansion project remains on track to deliver first gas in April 2023. Preparation for the drilling of 4 to 5 development wells, scheduled to commence in April 2022, is underway. To help fund the expansion, Pearl signed a $250 million financing agreement with the US International Development Finance Corp. This demonstrates the confidence international lenders have in the financial robustness of the project and our ability to satisfy international environmental and social performance standards.

Our overall group production output in 2021 was 2% lower at 62,100 boepd. Increased production in the KRI helped offset the drop in production in Egypt, which fell 7% to 28,300 boepd as a result of natural field depletion.

Financial

Our operational achievements last year represent a significant reversal of fortunes from 2020, when the lockdowns stemming from the global pandemic and a steep drop in oil prices put historic pressure on the oil and gas industry. Our success in navigating the challenges of 2020 is demonstrated by the record set of financial results that we have delivered for 2021.

The Company's net profit for 2021 is $317 million. The key drivers were higher oil prices, improved operational performance and other income.

The Company's liquidity and collections position remains robust. As of 30 December 2021, the Company's cash position was $185 million, an increase of 71% compared to $108 million at the end of 2020.

Excluding the exceptional and one-off items, the adjusted net profit or profit from operations increased by 256% on a like-for-like basis to $128 million, compared to an adjusted net profit of $36 million in 2021, reflecting underlying operating performance and higher oil prices. Full year 2021 gross revenues increased 30% to $452 million compared to $349 million in 2020, supported by buoyant oil prices and higher production in the KRI.

The Company's collections, $377 million in total, was the highest ever resulting from our positive relationships with our host governments. The KRI Government fully settled its overdue receivables for 2019 and 2020, while in Egypt an accelerated pace of payments reduced the level of receivables to the lowest level since we started operations in the country in 2007.

The payment of past outstanding receivables further strengthened the balance sheet. This allowed us to pay an interim dividend of $67 million (3.5 fils) for the first half of 2021, approved by the General Assembly on 9 December 2021. Together with the dividend of $86 million (4.5 fils) proposed by the Board for the remainder of 2021 this represents a record dividend payment of $153 million or 8 fils per share to Dana Gas shareholders for the fiscal year 2021 (a 45% increase on the $105 million or 5.5 fils dividend paid for the fiscal year 2020).

Our ongoing efforts to control and reduce costs allowed us to post our lowest G&A in 10 years. G&A was $11 million, down from $12 million in 2020. OPEX, however, increased slightly to $60 million from $55 million in 2020 due to a higher allocation of Dana Gas Egypt's overheads to OPEX as a result of reduced CAPEX activity. Our OPEX and G&A per barrel of oil equivalent remains within the industry's top quartile at $2.6 and $0.5 per boe respectively.

The Company's liquidity and collections position remains robust. As of 31 December 2021, the Company's cash position was $185 million, an increase of 71% compared to $108 million at the end of 2020. This is after paying cash dividends of $172 million in 2021 ($105 million in May and $67 million, in December). The cash position includes $67 million being Dana Gas' share of cash held at Pearl Petroleum. In 2021, Dana Gas received $122 million in dividends from Pearl Petroleum.

Arbitration

Last year, we were notified by Crescent Petroleum of the positive outcome of the long-standing case against the National Iranian Oil Company (NIOC), which has resulted in the issuance of a final award for the first arbitration. The arbitration was initiated in 2009, pursuant to which a merit award on liability was made in 2014 finding NIOC in breach of its contractual obligations. This first arbitration award covers the first 8.5 years of the 25-year gas sales agreement from 2005 to mid-2014. Dana Gas' entitlement for the first period is $608 million. In addition, a second arbitration comprising a much larger claim for the 16.5 years covering the remainder of the gas supply period from 2014 to 2030 is currently underway. The final hearing is fixed for October this year in Paris, and a final award for damages is expected in 2023.

HSSE, CSR and ESG

We continue to prioritise HSSE and Sustainability in our business and are proud of our performance in 2021. Our Total Recordable Injury Rate (TRIR) was 0.05, which is better than average compared to regional peer benchmarks, and represents an excellent performance given the significant increase (47%) in workforce exposure hours through the KM250 project construction and the scheduled shut-downs at the El Wastani and Khor

Carbon neutral

KRI operations became carbon neutral for the first time in 2021

950 MMscf/d

Expand production output in the Khor Mor field in 2 phases

0.05

Total Recordable Incidents Frequency (TRIF)

Mor gas plants for routine maintenance and facility upgrades. Indeed, both shutdowns were completed ahead of schedule and without incident, during a period necessitating that strict COVID-19 precautions be followed.

Our COVID-19 response evolved through the year with a suite of locally appropriate measures to manage the operational impacts of the pandemic. I am pleased that we have been able to successfully contain workplace exposure and the spread of infection through strict adherence to robust procedures across all locations. We have ensured that all staff and contractors across Dana Gas and our ventures have been fully vaccinated and are actively supporting take-up of booster programmes.

We have undertaken a number of measures to improve our Greenhouse Gas (GHG) management during the year. At our Pearl Petroleum (PPCL) venture in the KRI, this has included various measures to improve measurement, leak detection, and emissions reductions. Plant modifications enabled a reduction of an estimated 61,600 tCO_2e/year from the Khor Mor plant, which would otherwise have been flared, further reinforcing our commitment to zero routine flaring. We also voluntarily purchased 264,000 tonnes of accredited carbon credits, equivalent to PPCL's total annual GHG emissions in 2021, making the venture one of the first 'carbon neutral' O&G production businesses in the Middle East. Our carbon emissions intensity was 8.3 kilograms (kg) of carbon dioxide equivalent (CO_2e) per barrel of oil equivalent (boe) produced, which is top quartile performance in the international oil and gas industry.

We continued supporting a range of local community Social Investment projects across the portfolio in 2021, valued at over US$2 million. Further details of our Sustainability journey are available in our 2021 Sustainability Report and via the Dana Gas website.

Conclusion

In 2021, Dana Gas delivered on its strategy to maximise shareholder value, producing the best set of financial results since the Company was IPO'ed in 2005. We were supported by a strong rebound in oil prices, but it was also a result of our continued focus on maintaining a low cost base and raising levels of efficiency across all our operations while continuing to invest in growing our production. As a result, we achieved record output levels of gas, condensate and LPG from the KRI.

The high level of collections from our partner governments, which has also been aided by buoyant oil prices and management's positive relationships with its host governments, is particularly gratifying for the Company. The strength of the current collection levels will support our plans to make further investments to grow production, as well as giving us the option to exploit any new investment opportunities which would bring benefits to the Company and its shareholders.

While some COVID-19 and inflationary risks to the global economy remain, we are very optimistic about the Company's outlook for 2022, especially if oil prices remain at current or similar levels. In the meantime, we will continue to look for ways to maintain the efficiency of our operations and create shareholder value by developing our world-class fields in the KRI and exploiting the growth potential of our Egyptian assets.

I would like to thank the Dana Gas Board, staff, investors and stakeholders for their tireless efforts and continued support and we collectively look forward to delivering another year of robust business performance in 2022.

Dr. Patrick Allman-Ward
Chief Executive Officer

We have undertaken a number of measures to improve our Greenhouse Gas (GHG) management during the year.

Board of Directors

Mr. Hamid Dhiya Jafar
Chairman of the Board

Hamid Jafar attended St. Paul's School in London, and subsequently studied at Churchill College, Cambridge University, where he obtained a Bachelor of Engineering Degree (specialising in Thermodynamics & Fluid Flow), followed by a Masters Degree.

Mr. Abdul Hameed Jafar is the Founder and Chairman of the Crescent Group of companies headquartered in Sharjah in the UAE, with regional offices in the Middle East and the UK. The group is engaged in a variety of commercial ventures, including container port operations, logistics, real estate, power generation and private equity.

Mr. Jafar also promoted a culture of transparency and accountability in the Gulf Region through the 'Pearl Initiative' (whose Board of Governors he initially chaired), founded in cooperation with the United Nations Office of Partnerships.

Mr. Jafar is the founder of the UAE Chapter of the Young Presidents' Organization and the World Presidents' Organization (now YPO Gold), and is a member of the International Chief Executives Organization. In addition, Mr. Jafar has a wide range of philanthropic interests involving disabled and disadvantaged children, cancer treatment and education. He is a member of the Board of Trustees of the American University of Sharjah.

Mr. Rashed Saif S. Al Jarwan Al Shamsi
Vice Chairman and Chairman of the Board Steering Committee

Rashed Saif Al Jarwan Al Shamsi holds a Bachelor's Degree in Petroleum & Natural Gas Engineering from Pennsylvania State University, USA.

Mr. Rashed Al Jarwan is the Vice Chairman of Dana Gas. He also serves on the board of several institutions such as the Emirates General Petroleum Corporation (EMARAT), Oman Insurance Company, Mashreq Bank, Al Ghurair Holding Company and Gulf Marine Services.

He has extensive oil and gas experience over more than 40 years. Mr. Al Jarwan held the position of Acting CEO for one year and General Manager in Dana Gas for 3 years. Earlier he held the position of General Manager in ADGAS for 8 years and several technical and managerial posts in the ADNOC Group of companies in Abu Dhabi for 28 years.

In addition, Mr. Al Jarwan is the Chairman of the Board Steering Committee in Dana Gas.

Mr. Varoujan A. Nerguizian
Director and Chairman of Corporate Governance, Remuneration & Nominations Committee (CGR&NC)

Mr. Varoujan Nerguizian holds a Sciences Economiques Degree from Saint Joseph University, Lebanon and from Université Lyon Lumière, France (1976).

Mr. Varoujan Nerguizian was appointed General Manager of the Bank of Sharjah, UAE in 1992 and Group CEO since 2020. He has been the Chairman and General Manager of Emirates Lebanon Bank SAL, Lebanon (member of Bank of Sharjah Group) since 2008.

Mr. Nerguizian is a Founding Member of Dana Gas and the Chairman of the Audit & Compliance Committee. He is also a Founding Member and Chairman of the Lebanese Educational Fund SA and the Lycée Libanais Francophone Privé in Dubai, a non-profit educational initiative that has catered to the needs of the Lebanese and Francophone communities of the UAE since 2003. He serves on the Board of Growthgate and is a member of the Board of Trustees of the American University of Sharjah and the Conseil Stratégique de l'Université Saint Joseph, Beirut, Lebanon.

Mr. Majid Jafar
Board Managing Director

Mr. Majid Jafar is the CEO of Crescent Petroleum, the Middle East's oldest private oil and gas company, and Vice Chairman of the Crescent Group of companies, which includes interests in port management, logistics, venture capital, private equity and real estate. He is also Managing Director of the Board of Dana Gas (PJSC), the leading publicly listed natural gas company in the Middle East, in which Crescent is the largest shareholder. His previous experience was with Shell International's Exploration and Production and Gas and Power Divisions.

In addition to his professional commitments, Majid Jafar is an advocate for responsible energy and sustainable development, and serves on the Energy Business Council of the International Energy Agency (IEA), the Advisory Board of the Responsible Energy Forum, the Stewardship Board of the Global System on Energy at the World Economic Forum, and the Board of Trustees of the Arab Forum for Environment and Development (AFED). He promotes education and youth employment and is a Board Member of the Queen Rania Foundation and the Kalimat Foundation for Children's Empowerment, as well as a founding patron of the Prince's Trust International.

He also serves on the Panel of Senior Advisers of the Royal Institute of International Affairs (Chatham House) in London, the International Advisory Board of the Atlantic Council in Washington DC, and the Board of Fellows of Harvard Medical School. He is a member of the GCC Board Directors Institute and the Young Presidents' Organization (YPO), an Accredited Director of the Institute of Directors (IoD Mudara), and has been named a Young Global Leader by the World Economic Forum.

Majid Jafar attended Eton College and graduated from Cambridge University (Churchill College) with Bachelor and Masters Degrees in Engineering (Fluid Mechanics and Thermodynamics).
He also holds an MA (with Distinction) in International Studies and Diplomacy from the University of London's School of Oriental and African Studies (SOAS), an MBA (with Distinction) from the Harvard Business School, and an Executive Certificate in Public Policy from the Harvard Kennedy School of Government.

Mr. Ziad Abdulla Ibrahim Galadari
Director

Mr. Ziad Abdulla I. Galadari holds a Bachelors of Laws (LLB) Degree from UAE University.

Mr. Ziad Galadari is the Founder and Chairman of Galadari Advocates & Legal Consultants. He has been practising as an Advocate, Legal Adviser and Arbitrator since 1983.

Mr. Galadari is the Chairman of Galadari Investments Group. In addition, he serves as a Member of the Board of Dubai World Trade Centre and Emirates Integrated Telecommunications Company PJSC (DU). He is a member of the Lawyers International Association and Institute of Chartered Arbitrators.

Mr. Hani Abdulaziz Hussain Al Terkait
Director and Chairman of Reserves Sub-Committee

Mr. Hani Abdulaziz Hussain Al Terkait holds a Bachelor's Degree in Chemical Engineering from the University of Tulsa in the US.

Mr. Hani Al Terkait served as the Oil Minister in Kuwait until 2013 and Chief Executive Officer of Kuwait Petroleum Corporation (KPC) from 2004 until 2007.

Mr. Al Terkait currently serves on the board of several companies such as Kuwait Foundation for the Advancement of Science and Kuwait Foundation for the Advancement of Science. He previously held various executive positions in several oil and petrochemical companies in Kuwait, such as the Kuwait National Petroleum Co., Petrochemical Industries Co., Public Authority for Industry, Hoechst German and the Ikarus Petroleum Industries Company.

Mr. Shaheen Mohamed Abdulaziz Rubayea Almheiri
Director

Mr. Shaheen Mohamed Abdulaziz Rubayea Almheiri holds a Bachelor's Degree in Business Communications Technology from Staffordshire University in the UK.

Mr. Shaheen Almheiri has been a Board member of Al Rubaya Group since 2001. Al Rubaya Group is a leasing and real estate management company, commercial agencies and representation international companies.

He also holds the position of Vice Chairman, Electromechanical Co., Sole Agent for Siemens in Abu Dhabi, United Arab Emirates.

Previously, Mr. Almheiri was the Assistant Director of Marine Management at the Abu Dhabi Environment Authority until 2010. In addition to his board membership of the National Corporation for Tourism and Hotels since 2010, he also is a member of the Audit Committee.

Mr. Jassim Mohamed Rafie Alseddiqi Alansaari
Director and Chairman of Audit & Compliance Committee (A&CC)

Mr. Jassim Alseddiqi is the Chief Executive Officer of Shuaa Capital, the leading asset management and investment banking platform with c. US$13 billion in assets under management.

Jassim is known for his dynamic and innovative approach, having pioneered many investment strategies in the region. He is currently the Chairman of GFH Financial Group, Islamic Arab Insurance Company (SALAMA), Eshraq Investments, Khaleeji Commercial Bank and The Entertainer. He also serves on the boards of First Abu Dhabi Bank (FAB), Dana Gas and the Abu Dhabi Chamber of Commerce and Industry.

Jassim holds a Bachelor of Science in Electrical Engineering from the University of Wisconsin-Madison and a Masters of Science in Electrical Engineering from Cornell University, USA. He has also served as a noted lecturer at the Abu Dhabi-based Petroleum Institute.

H.E. Younis Al Khoori
Director

H.E. Younis Al Khoori is the Undersecretary at the Ministry of Finance UAE, a position he has held since 2007. In this role, H.E. is responsible for managing the day-to-day activities of areas such as governing budget, revenue operations, revenue diversifications, financial policies and procedures, and support functions.

H.E. also supervises the UAE's tax and budget-related matters as well as agreements including 'avoidance of double taxations' and exchange of tax information with the OECD and FATCA. With such an important role in the financial sector, H.E. also assists in managing the UAE's relations with regional and international institutions such as the IMF, World Bank, Arab Monetary Fund, and OPEC Fund.

Prior to his current roles, H.E. worked as the IT Director at the Department of Finance from 1997 to 2005. From 1995 to 1997, he was a Project Engineer at Abu Dhabi National Oil Company (ADNOC). In addition to his roles, H.E. has served on the board of several organisations, which include the Central Bank of the UAE, the UAE General Pension and Social Services Authority, the Emirates Development Bank, UAE University, Al-Etihad Credit Bureau, the Federal Tax Authority and the Arab Monetary Fund.

H.E. holds a Bachelor of Science in Computer Engineering from Boston University, USA and a Master of Science in Engineering Management from Northeastern University, USA.

Mr. Ajit Vijay Joshi
Director

Ajit Joshi is the Head of Public & Private markets at Shuaa Capital psc. He is responsible for overseeing the Group's investments in publicly listed securities and private equities, while implementing a turnaround investment approach.

Ajit has over 16 years of professional experience in technology consulting, equity research, investment banking and investment management. Prior to joining the Group, he worked with Bank Muscat's investment banking team where he advised and executed equity and debt advisory transactions across GCC's petrochemicals, contracting, oil gas services, marine and hospitality sectors.

Ajit holds a Bachelor of Engineering degree in computer engineering and an MBA from the Indian Institute of Management Lucknow.

Ms. Najla Ahmed Al-Midfa
Director

Najla Al-Midfa is Chief Executive Officer of the Sharjah Entrepreneurship Center (Sheraa), a government entity launched in 2016 with a mandate to build the entrepreneurial ecosystem in Sharjah, and support entrepreneurs as they build and grow innovative startups that will contribute positively to the region's economy.

Prior to Sheraa, she held a senior position at Khalifa Fund for Enterprise Development, focused on SME financing, and was a consultant at McKinsey and Company's New York office, primarily serving clients across the financial institutions sector. Her previous professional experience also includes roles within PricewaterhouseCoopers and Shell.

Najla is a board member of the United Arab Bank, the Emirates Development Bank, and the Emirates Schools Establishment. She is also a Co-Chair of the 4th Industrial Revolution Working Group in the UK-UAE Business Council, Vice-Chairperson of Young Arab Leaders, and a board member of Endeavor UAE.

Najla is a fellow of the Aspen Institute's Middle East Leadership Initiative, as well as an Eisenhower Global Fellow. Najla holds an MBA from Stanford University.

International Advisory Board

Dana Gas has adopted the concept of the International Advisory Board (IAB). The purpose of this Board is to provide strategic advice to the Board of Directors and management, to identify specific business opportunities and build relationships worldwide.

(Left to right)

Mr. Kai Hietarinta
Former Vice Chairman of Neste Oy of Finland

Dr. Joseph Stanislaw
Former CEO of Cambridge Energy Research Associates (CERA)

Mr. Nordine Ait-Laoussine
Former Algerian Oil Minister and former Head of Sonatrach

Sir Graham Hearne
Chairman of the International Advisory Board, former Chairman of Enterprise Oil plc of the UK

Ms. Razan Jafar
Secretary of the International Advisory Board

Mr. Hamid Dhiya Jafar
Chairman of Dana Gas

Mr. Said Arrata
Chairman and CEO, Delta Oil and Gas (UK)

Lord Simon of Highbury
Former Chairman of British Petroleum (BP)

Dr. Burckhard Bergmann
Former Board member of Russian gas company, Gazprom

Dr. Nader Sultan
Former CEO of Kuwait Petroleum Corporation and Director of the Oxford Energy Seminar

Senior Executive Management

Dr. Patrick Allman-Ward
Chief Executive Officer

Dr. Patrick Allman-Ward is CEO of Dana Gas. He is an accomplished international energy executive with over 36 years of experience in the oil and gas industry. He has held senior positions in locations all over the world, including Europe, the Far East and the Middle East.

Dr. Allman-Ward started his career at Shell in 1982, where he gained extensive experience in a wide range of fields and held many senior positions. Dr. Allman-Ward joined Dana Gas in August 2012 as the General and Country Manager of Dana Gas Egypt. In 2013 Dr. Allman-Ward was selected by the Dana Gas Board to take over as CEO of the Dana Gas Group. Dr. Allman-Ward studied geology at Durham University and earned his PhD from the Royal School of Mines, Imperial College London.

Mr. Chris Hearne
Chief Financial Officer

Chris Hearne is the Chief Financial Officer (CFO) of Dana Gas. He joined the Company in early 2016. Previously, Mr. Hearne was with Serica Energy plc, an international oil exploration and production company listed on the AIM market in London, where he served as CFO and Director from 2005. Mr. Hearne has over 20 years' experience within the oil industry, having been CFO and Senior Vice President of Erin Energy, a NYSE listed company with oil assets across Africa, and with Intrepid Energy North Sea Limited.

Mr. Hearne was originally an investment banker and has extensive experience of corporate finance transactions, including capital markets and M&A. He spent 10 years with Lehman Brothers International and Robert Fleming & Co.

Mr. Neville Henwood
Legal and Commercial Director

Neville Henwood is Legal and Commercial Director of Dana Gas. Mr Henwood joined Dana Gas in August 2020.

Previously Mr Henwood spent 14 years with Rio Tinto, most recently as General Counsel for the Copper & Diamonds business. He was also Chief Counsel – Rio Tinto Procurement, and Corporate Counsel and Company Secretary for Energy Resources of Australia.

Prior to joining Rio Tinto he spent over 20 years in private practice, focused on resources and energy and commercial litigation. He was admitted to practise in the Supreme Court of the Northern Territory and the High Court of Australia in 1985.

Mr. Mike Seymour
Head of HSSE and Sustainability

Mike Seymour is Head of Corporate HSSE and Sustainability for Dana Gas. He joined the company in early 2020. He is an accomplished HSSE and Sustainability professional with over 30 years international experience in environment, health and safety, social performance and non-technical risk management, particularly in the upstream oil and gas industry.

Prior to joining Dana Gas, Mr Seymour was Principal Adviser on environmental and social risk to the UK Government's Export Credit Agency, UK Export Finance. Previously, he spent 20 years with Shell International in various positions around the world for the Upstream Exploration & Production and Gas & Power businesses.

An Environmental Scientist by background, he started his career in UK-based consultancies, spending 10 years advising multinationals, financial institutions and donor agencies on environment and occupational health and safety management.

Mr. Ramganesh Srinivasan
Head of Human Resources

Ramganesh Srinivasan joined Dana Gas in 2009 and has been heading the HR function since 2015. He has over 18 years of human resources experience in multinational and multicultural organisations. Prior to moving to the oil and gas industry, Ram worked in various capacities in HR in the IT sector.

Mr. Srinivasan's areas of specialisation in HR include HR Strategy, Organization Design and Job Measurement, Reward Management, and Learning and Development. He is also experienced in People Capability Maturity Model (PCMM), Six Sigma and Integrated Competency and Learning Management.

Mr. Srinivasan holds an MBA in HR and Systems from the University of Madras in 2002 and has undertaken various executive certification programmes throughout his career. He completed the HR Management and Analytics programme in 2019 (Wharton Executive Education) and an executive programme on leadership in 2020 (IMD).

Mr. Michael Pyszka
General Manager – Egypt

Michael served as General Manager of Dana Gas Egypt from 2016 to 2018; he initially joined the company in 2015 as the Head of Production & Operations. In 2021, Michael returned to Dana Gas to take up the role of General Manager Egypt again.

Mr. Pyszka has 30 years of experience in the oil and gas industry with 20 years in senior management positions. A petroleum engineer by background, he worked as Asset Manager UK/ Netherlands responsible for Petro Canada's North Sea production operations; he also spent an extensive period of time in a Libyan JV at different levels of the organisation, including as a Member of the Management Committee.

Mr. Shakir Shakir
Iraq Country Manager

Shakir is the Iraq Country Manager for Dana Gas and has held this position since 2007. Prior to this, Shakir was the Iraq-Countrywide Cognizant Technical Officer (CTO) and the General Development Specialist and Activity Manager for the United States Agency for International Development (USAID) – Iraq Mission, from 2003 to 2007. He also helped to develop several sectors like Oil and Gas, Agriculture, Education, Local Governance, Economic Growth, Power Generation and built infrastructure projects in the Kurdistan region and Iraq under USAID.

From 2001 to 2003, he managed the Integrated Rural Agricultural Rehabilitation Program in the United Nations Food and Agriculture Organization (UNFAO) in the Kurdistan Region of Iraq.

Shakir is a member of the Iraqi Physics and Mathematics Society. He obtained a Bachelor of Science in Physics from the College of Science of the Al-Mustansiriyah University, Baghdad in 1993. He completed the Iraq Public Policy and Leadership Program at the American University of Sharjah, UAE in 2013.

Operational Review

Our robust operational model and our commitment to growing our production while maintaining a low cost base has positioned us well to take advantage of the rebound in oil prices, helping us to deliver record profitability.

Kurdistan Region of Iraq (KRI)	Egypt
420 MMscf/d Gross Gas Production	**136** MMscf/d Gross Gas Production
14,850 bbl/d Gross Condensate Production	**3,335** bbl/d Gross Condensate Production
1,000 MT/D Gross LPG Production	**204** MT/D Gross LPG Production
33,800 boepd Net Production	**28,300** boepd Gross Production

Kurdistan region of Iraq (KRI)

'We aim to advance the development of our world class assets in the KRI, where over 90% of Dana Gas' proven reserves, currently over 1 billion boe, are located'

Dr Patrick Allman-Ward, CEO

2021 Highlights

- Production of 33,800 boepd, a 5% increase
- Record sales gas and LPG production of 452 MMscf and 1,112 MT in December 2021
- Pearl Petroleum restarts KM250 expansion project
- $250 million financing agreement with the DFC to help fund KM250 expansion

Gross Gas Production MMscf/d

2021	420
2020	393
2019	382

Gross Condensate Production bbl/d

2021	14,850
2020	14,839
2019	14,638

Gross LPG Production MT/D

2021	1,000
2020	1,004
2019	991

Gross Gas Production

420 MMscf/d

Gross Condensate Production

14,850 bbl/d

Gross LPG Production

1,000 MT/D

Overview

The Kurdistan Gas Project was established in 2007 in the Kurdistan Region of Iraq (KRI). Dana Gas and Crescent Petroleum entered into an agreement with the Kurdistan Regional Government (KRG) for exclusive rights to appraise, develop, produce, market, and sell hydrocarbons from the Khor Mor and Chemchemal Fields, allowing the government to benefit from stable gas supply for regional power generation. Production from the Khor Mor gas processing plant and the 180 km pipeline supplies gas to power stations in Chemchemal, Bazian and Erbil, generating over 2000 MW of electricity. Production from these newly built facilities began in October 2008, which was within 15 months from project initiation – an industry record. In 2009, Pearl Petroleum (PPCL) was formed as a consortium, with Dana Gas and Crescent Petroleum as shareholders (initially 50% each). Today, Dana Gas and Crescent Petroleum each owns 35% after OMV, MOL, and RWE joined PPCL, purchasing a 10% share each.

The Kurdistan Gas Project was the first time that an international oil and gas company began producing gas in the KRI. To date, all of the gas produced by PPCL has been used for in-country power generation, providing affordable electricity in the KRI.

In addition, the Khor Mor processing plant produces natural gas liquids (NGL or gas condensate) and liquefied petroleum gas (LPG), which are sold to the KRG and local traders. Initially, the Khor Mor plant produced around 300 million standard cubic feet per day (MMscf/d).

Following a number of process improvements at the Khor Mor gas plant, including a bypass project completed in 2020 as well as a debottlenecking programme carried out earlier in 2018, production was boosted by 50% from 305 MMscf/d in 2018 to reach a record level of 452 MMscf/d by the end of 2021.

Full-time operations are predominantly staffed by local nationals, which represent over 80% of the workforce. Local staff continue to be trained to increase this further. The Company has a long history of contributing directly to local communities, including supply of local power to neighbouring communities and various education and infrastructure programmes, which continued in 2021. Given the extreme stress experienced by the KRI through the COVID-19 pandemic, PPCL committed further social investment support to the local health authorities through procurement of essential medical equipment and supplies, including PCR testing machines, test kits and laboratory equipment.

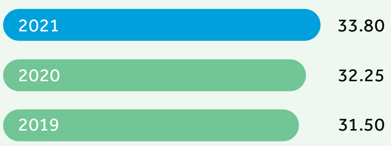
Dana Gas undertook significant activity in the KRI during 2021 and KRI operations remain a key Company focus. The Company recorded strong operational and financial performance, bolstered by higher production output, regular collections, and the payment of overdue receivables.

Production and operations

The Khor Mor facilities are jointly operated by Dana Gas and Crescent Petroleum on behalf of PPCL. In 2021, despite the challenges of the COVID-19 pandemic, PPCL's production operations in the KRI continued uninterrupted, with committed gas supply to customers maintained. We continued to follow a rigorous and stringent set of COVID-19 controls and preventative measures to prevent the spread and impact of the virus at the gas plant. We also promoted the vaccination of our staff and contractors and our vaccination rate among the workforce is now very high.

Pearl's production (Dana Gas 35%) in the KRI increased by 5% year-on-year to 96,600 boepd (33,800 boepd for Dana Gas), consisting of 420 MMscf/d sales gas, 14,850 bbl/d condensate and 1,000 MTPD of LPG. The increase in average production was primarily due to debottlenecking activities that were completed in the second half of 2020.

Net Production kboepd



Net Production

33,800 boepd

Operational Review continued

This was a notable achievement by the KRI team who delivered the project safely, ahead of time and below budget. In December 2021, Pearl achieved a significant milestone after reporting record sales gas and LPG production of 452 million cubic feet of gas and 1,112 metric tons of LPG per day. This is also testament to the tireless efforts of our staff at the plant to optimise plant efficiencies and reliability.

Reserves

The significant reserves in Khor Mor and Chemchemal were independently audited by GCA in May 2019. Its report showed that Dana Gas' share of the Khor Mor and Chemchemal 2P reserves was 4.4 Tscf gas, 136 MMbbl condensate and 13.3 million MT of LPG. The report showed that Dana Gas reserves increased by 10% to 1,087 MMboe. Part of the increase in reserves was due to the booking of 18 MMbbl of oil reserves for the first time in the Khor Mor field. This places the Khor Mor and Chemchemal fields among the biggest gas fields in the whole of Iraq, making them world-class assets.

Expansion Project

The Company's ambitious expansion programme in the KRI aims to increase daily production to approach 1 billion scf/d of gas and 35,000 bbl of condensate.

This expansion involves the addition of 2 incremental gas processing trains of 250 MMscf/d each. The Company is making good progress on the construction of the first gas train (KM250 expansion project) at the Khor Mor field in the KRI after Pearl Petroleum agreed to lift its force majeure, which was declared in 2020 due to COVID-19 restrictions, alongside the contractor and government regulators in Q2 2021. The project's civil engineering work has been ongoing since December 2020 and the drilling programme is scheduled to take place in March 2022. The project is now scheduled to come onstream in Q2 2023.

The KM250 expansion involves a total investment of $630 million and will add 250 MMscf/d of gas to the current production. Under a Gas Sales agreement signed in March 2019 with the KRG Ministry of Natural Resources, Pearl Petroleum will sell the additional quantities of gas to supply local power stations with affordable and environmentally cleaner fuel, and further enhance electricity supplies in the region.

In September 2021, Pearl Petroleum signed a $250 million financing agreement with the US International Development Finance Corporation (DFC) to help fund the KM 250 expansion project. The remaining financing requirements were earlier secured through a regional bank facility and the EPC contractor.

The 7-year DFC financing arrangement will support an increase in gas production capacity by 50% to 700 million standard cubic feet to meet rising demand for clean natural gas for electricity generation and industry in the KRI.

Total investment by Pearl Petroleum at Khor Mor to date exceeds US$2.1 billion with total cumulative production of over 341 million barrels of oil equivalent (boe) in natural gas and liquids. The uninterrupted supply of gas to power plants in Erbil, Chemchemal and Bazian provides fuel for over 80% of the KRI's power generation. It has resulted in significant fuel cost savings through substitution of diesel, representing both environmental and economic benefits for the Kurdistan Region and Iraq as a whole.

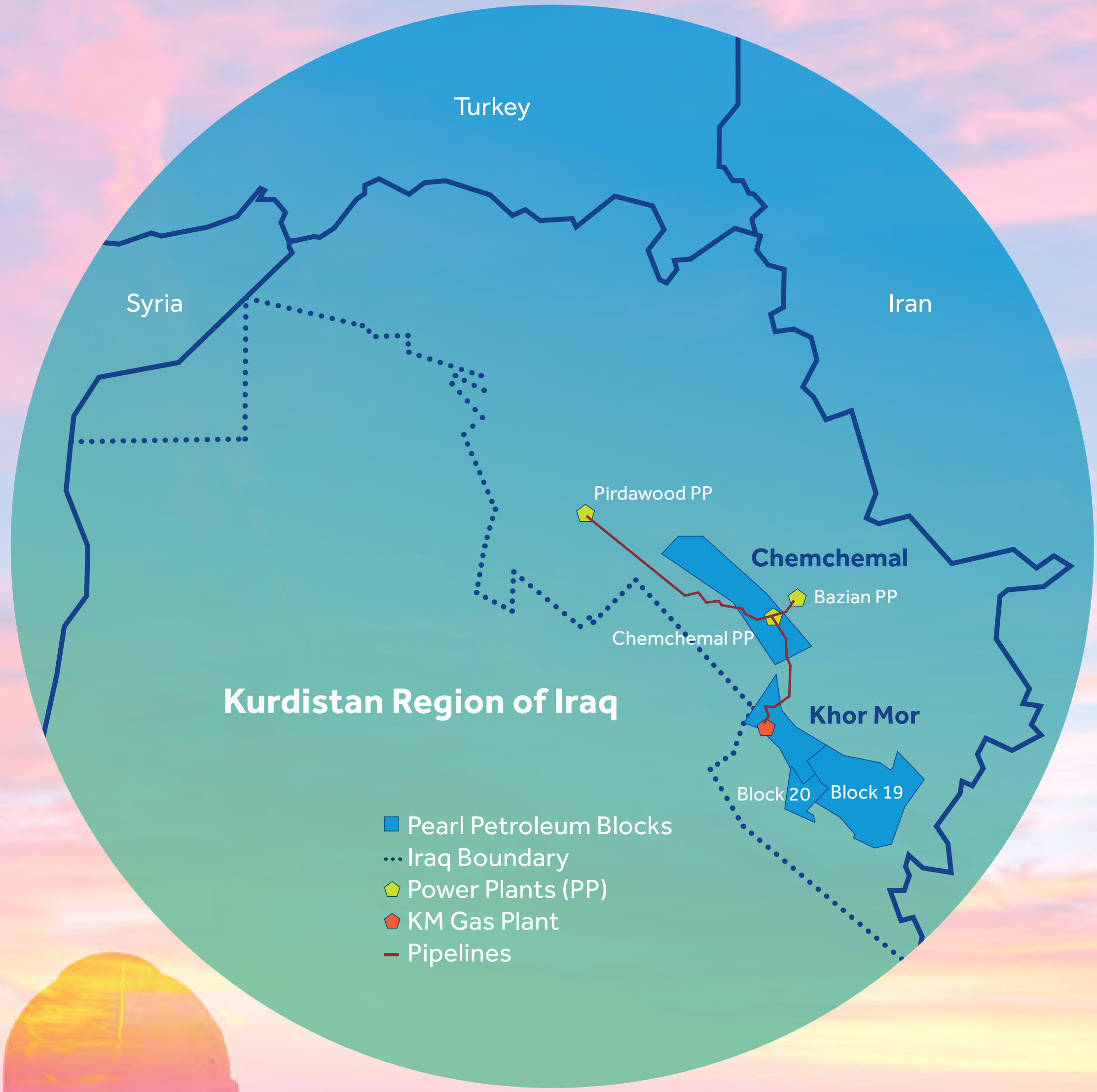
The displacement of diesel fuel for power generation in the KRI with gas has also enabled emissions savings of 42 million tonnes of CO2. Pearl Petroleum also achieved an important milestone after becoming carbon neutral for the first time in 2021, thereby making a major contribution to reducing greenhouse gas emissions and reducing local air pollution in the region, as well as supporting the transition to cleaner energy sources to tackle global climate change.

250 MMscf/d

The KM250 expansion involves a total investment of $630 million and will add 250 MMscf/d of gas to the current production.

US$**250**mm

In September 2021, Pearl Petroleum signed a $250 million financing agreement with the US International Development Finance Corporation (DFC) to help fund the KM 250 expansion project.


Turkey
Syria
Iran
Pirdawood PP
Chemchemal
Bazian PP
Chemchemal PP
Kurdistan Region of Iraq
Khor Mor
Block 20
Block 19
Pearl Petroleum Blocks
Iraq Boundary
Power Plants (PP)
KM Gas Plant
Pipelines

Egypt

The financial impact of keeping the Egyptian assets has been enormously positive and value-creative for shareholders.

2021 Highlights

- Produced an average of 28,300 boepd
- El Wastani Plant shut-down successfully completed; no incidents
- Dana Gas has engaged with EGAS to negotiate better terms for its 4 onshore concessions

Gross Gas Production MMscf/d

2021	136
2020	143
2019	154

Gross Condensate bbl/d

2021	3,335
2020	3,984
2019	4,766

Gross LPG Production MT/D

2021	204
2020	211
2019	222

Average Gas Production

136 MMscf/d

Average Condensate Production

3,335 bbl/d

Average LPG Production

204 MT/D

Overview

Dana Gas has operated in Egypt through its subsidiary, Dana Gas Egypt (DGE), since 2007, where it has focused on developing and providing natural gas and gas liquids, including condensate and LPG. Since entering Egypt, DGE has become the nation's fifth largest gas producer.

DGE operates 14 development leases onshore in the Nile Delta, all with a 100% working interest. In addition, DGE operates the Block 6 North El Arish offshore concession area with a 100% working interest, currently in the exploration phase.

In April 2021, the Board of Dana Gas decided to terminate the proposed sale of the onshore assets and continue to invest into the business in Egypt. Since then, Dana Gas has actively engaged with EGAS in negotiations to revise the existing terms of the 4 onshore concessions in order to unlock their remaining potential and extend the life of the assets.

Proposed new terms include an improvement in the Cost Recovery Limit, CAPEX Amortisation and Profit Oil/Gas Share among others; these improved terms will extend the life of the existing concessions and also enhance the economics of future projects.

In exchange for better terms, Dana Gas has identified a number of development and exploration activities, which under the proposed new terms will become economic and add production and reserves, thus further extending the life of the assets.

The Company also remains committed to the continued operation of its remaining offshore exploration assets in Egypt, where it retains a 100% equity interest in the North El Arish (Block 6) concession. Block 6 contains material gas resource potential in excess of 20 Tcf; during 2021, the company finalised the drilling location of the proposed deepwater Thuraya well and progressed the design of the well to a stage where long-lead items are prepared for tender.

Production, Exploration and Reserves

In 2021, the Company's year-on-year output fell 7% to 28,300 boepd due to natural field declines. This production consisted of average daily production of 136 MMscf of gas, 3,335bb of condensate and 204 MTP of LPG.

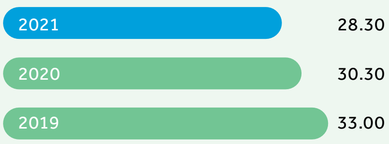
To manage the natural field declines the Company conducted a drilling and workover campaign which included 2 development wells and a total of 3 workovers. The results of the campaign helped to partly offset the natural decline, normally expected to be c. 20% per annum. All rig activities were completed by August 2021.

A total of US$14 million was spent on drilling and workover activities: an additional US$3 million was spent on projects, mainly aimed at improving the performance of the gas processing plant.

In December 2021, the El Wastani gas plant was shut down to perform internal inspections, testing and certification, modifications and upgrades. This was the first major shutdown since 2017 and was a massive undertaking, with 790 workers on site spending a total of 85,000 hours to complete 142 packs in 13 days which was one day ahead of schedule. The work programme followed strict COVID-19 precautions and was completed without incident.

Based on the independent reserves audit report, The Company's Egyptian 2P reserves as of 31 December 2021 stood at 43.50 MMboe, compared to 58.62 MMboe at year end 2020.

Gross Production kboepd



Average Production Egypt

28,300 boepd

In exchange for better terms, Dana Gas has identified a number of development and exploration activities, which under the proposed new terms will become economic and add production and reserves, thus further extending the life of the assets.

Reserves decreased because production was not replaced through exploration drilling activity, coupled with unfavourable economics related to the El Manzala Concession.

During 2022, the company will progress a number of new projects, such as the Balsam Compression and Pipeline project focusing on further optimising production from existing fields. Drilling activities could start towards the second half of the year, depending on the progress of the negotiations with EGAS related to the concession consolidation.

Termination of Sale agreement

In April 2021, Dana Gas announced the termination of its agreement for the sale of its Egyptian onshore assets to IPR Energy Group, announced on 25 October 2020.

A number of conditions precedent to the transaction could not be completed to the satisfaction of both parties prior to the long stop date of the Sale and Purchase Agreement (SPA). The Board therefore decided to retain and operate these assets.

On 28 April 2021, IPR submitted a request for arbitration disputing Dana Gas' right to terminate the SPA. On 19 July, Dana Gas received an award in its favour from the London Court of Arbitration. The Tribunal rejected IPR's claim in its entirety. The Tribunal ruled in Dana Gas' favour on all key points, concluding that Dana Gas' termination of the SPA was valid.

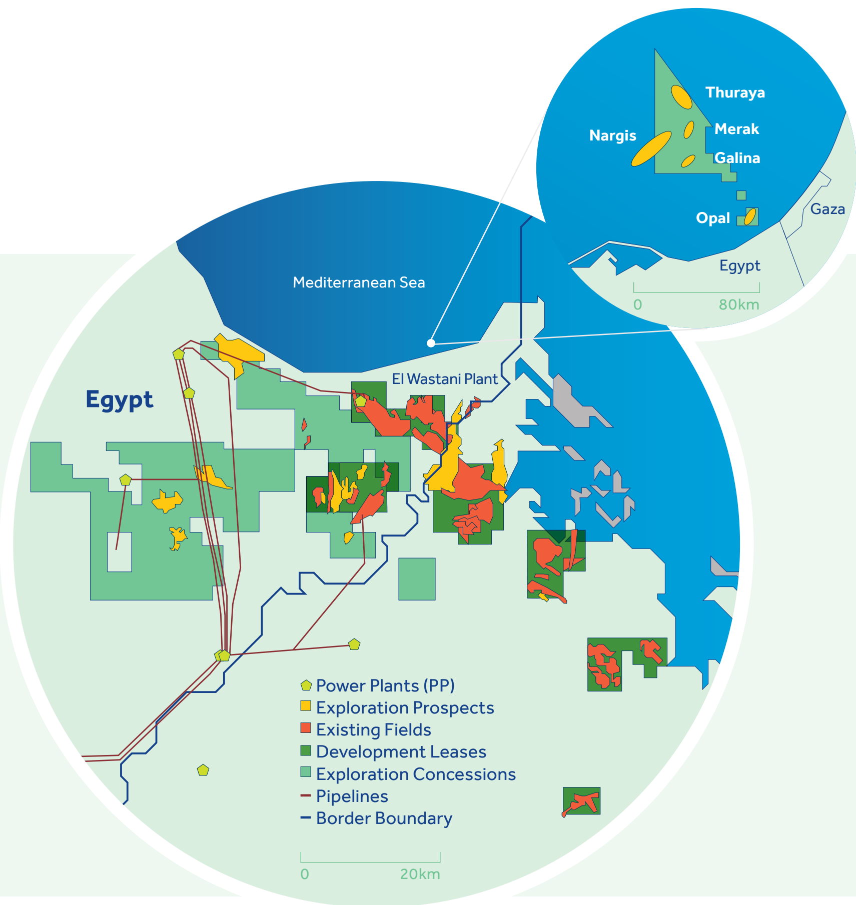
The financial impact of keeping the Egyptian assets has been enormously positive and value-creative for shareholders. This was due to the improvement in oil prices and the strong level of collections of $193 million in 2021, allowing a dividend payment to be made of $100 million. Retaining Egyptian assets has therefore played a key role in allowing the Company to create shareholder value and increase dividend payments to shareholders.

Block 6

Dana Gas retains an interest in its offshore exploration concession in North El Arish (Block 6), which contains material gas resource potential in excess of 20 Tcf. During 2021, the Company progressed the planning of the proposed deepwater Thuraya well by finalising the well location, identifying and tendering for the required long-lead items and preparing a detailed manpower plan.

The Block 6 exploration acreage remains highly prospective. Major exploration potential is present in multiple reservoir targets in the Thuraya Prospect, a Cretaceous reef prospect with Oligocene clastic reservoir draping the structure. Additional exploration potential remains in the deeper Oligocene reservoir section in the Merak structure, which can be accessed cost-effectively by deepening the existing exploration well that tested the shallow part of the structure and in a number of other prospects in the Block.

Retaining Egyptian assets has therefore played a key role in allowing the Company to create shareholder value and increase dividend payments to shareholders.



UAE

The UAE Gas Project involves the importation of 600 MMscf/d sour gas sourced from the National Iranian Oil Company (NIOC) for transportation, processing and sale in the UAE.

2021 Highlights

- **Entitled to Dana Gas $608m from the first arbitration award**
- **Second arbitration comprising a much larger claim is scheduled to commence in H2 2022**

UAE Gas Project

The UAE Gas Project involves the purchase of 600 MMscf/d imported sour gas sourced from the National Iranian Oil Company (NIOC) for transportation, processing, and sale in the UAE. Gas was to be received at the offshore riser platform, connected to the Mubarak oil field infrastructure then transported via a 30 inch pipeline to the SajGas processing plant in Sharjah. At SajGas, the gas was to be sweetened to remove the sulphur content and natural gas liquids (condensate) extracted for sale within the UAE. Both the offshore riser platform and pipeline are owned by the United Gas Transmission Company, which is wholly owned by Dana Gas, as is the SajGas processing plant.

CNGCL (in which Dana Gas owns a 35% equity share) is the gas marketing company set up to sell gas domestically within the UAE and market the liquids and sulphur products to regional and international customers. However, gas was never supplied by NIOC when the project was scheduled to start in 2005. Accordingly, the gas sales and purchase contract between Dana Gas' partner, Crescent Petroleum, and NIOC has been the subject of international arbitration since June 2009. In 2014, the Tribunal ruled in favour of Crescent Petroleum, finding NIOC to be in breach of contract and liable for damages.

A hearing was held in October 2017 to determine the amount of damages payable by NIOC for the breach of contract during the period 2005 to 2014.

In September 2021, Dana Gas received an update from Crescent Petroleum regarding the issuance of the final award for damages in the first arbitration against NIOC.

This arbitration award covers the first 8.5 years of the 25-year gas sales agreement from 2005 to mid-2014. Damages award of $608 million due to Dana Gas following the first arbitration. In addition, a second arbitration comprising a much larger claim for the 16.5 years covering the remainder of the gas supply period from 2014 to 2030 is currently underway. The final hearing is fixed for October 2022 in Paris, and a final award for damages is expected in 2023.

Financial Review

Dana Gas delivered its strongest performance in 2021 on all fronts by reporting record profitability, collections and production in the Kurdistan Region of Iraq (‘KRI’).

Key financial metrics (US$mm)

Gross Revenue

2021	452
2020	349

Gross Profit

2021	195
2020	86

Net (Loss)/Profit

2021	317
2020	(376)

Adjusted Net Profit excluding impairment, earn out and deferred income

2021	128
2020	36

EBITDA

2021	269
2020	146

Cash From Operations

2021	302
2020	133

During the year, the Company reported gross revenue of $452 million as compared to $349 million in 2020 – an increase of 30% due to higher realised prices and 5% production growth in the KRI.

During the year, the Company paid a total dividend of $172 million, including a final dividend of 5.5 fils for 2020 and an interim dividend of 3.5 fils for the first half of 2021.

Overview
Dana Gas delivered its strongest performance in 2021 on all fronts by reporting record profitability, collections and production in the Kurdistan Region of Iraq (KRI). The Company's performance was supported by a welcome rebound in the oil price and robust operational performance, reflecting the Company's commitment to growing production while maintaining a low-cost base.

The Company achieved a record net profit of $317 million in 2021 as compared to a net loss of $376 million in 2020. The increase was primarily due to higher oil prices, improved operational performance and other income. Other income included $608 million relating to an amount due following an arbitration award, and a reversal of impairment of $80 million offset by an impairment of $531 million relating to the UAE Gas Project assets, oil and gas interests and goodwill.

Excluding the other income and impairments, the Company's net profit for the year stood at $128 million as compared to a 2020 adjusted net profit (excluding impairments) of $36 million- an increase of 256%, reflecting robust underlying operating performance.

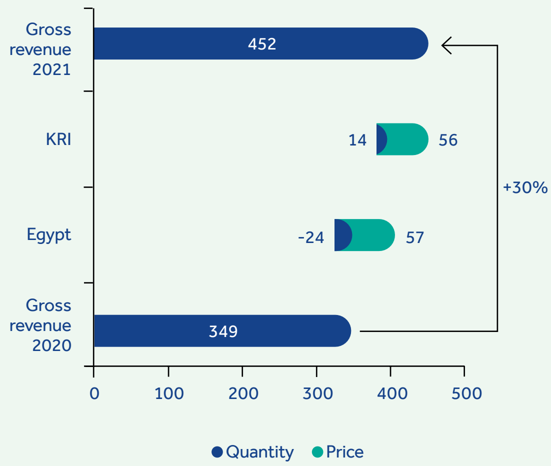
Earnings before interest, tax, depreciation and amortisation ('EBITDA') were higher at $269 million, compared to $146 million in 2020, mainly due to increase in revenue.

During the year, the Company reported gross revenue of $452 million as compared to $349 million in 2020 – an increase of 30% due to higher realised prices and 5% production growth in the KRI. This increase was partly offset by lower production in Egypt, which declined by 7%. The field's natural decline was partially compensated by the drilling of wells, execution of workovers and other well intervention activities, and through production optimisation operations at the field and plant level.

Key Financial Metrics

	2021 $ million	2020 $ million	Change $ million	Change %
Gross Revenue	452	349	103	30
Gross Profit	195	86	109	127
Net Profit / (loss)	317	(376)	693	184
Adjusted Net Profit excluding impairment and other income	128	36	92	256
EBITDA	269	146	123	84
Cash From Operations	302	133	169	127

Gross Revenue
US$mm



Supporting the Company's operational performance in 2021 was the conclusion on the long awaited Crescent Petroleum's first arbitration against the National Iranian Oil Company, which resulted in a monetary award from the Tribunal in September 2021. The amount due to Dana Gas following this arbitration award is US$608 million; however, a corresponding impairment of $360 million was also recorded against the book value of the UAE Gas Project assets. This first arbitration covers the period of the first 8.5 years of the 25 year gas sales agreement from 2005 to mid-2014.

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 2022 in Paris, and for which a final award on damages is expected the following year in 2023. The Company will also receive a portion of the next award, which is expected to be more than the sum due from the first arbitration, in keeping with the longer time period.

The Company's cash position stood at $185 million, an increase of 71% compared to the 2020 balance of $108 million. The year-end cash balance was after payment of a 5.5 fils dividend in May 2021 of $105 million and a further 3.5 fils dividend of $67 million that was approved by the shareholders in December 2021. The Company collected a total of $377 million during the year with Egypt and the KRI contributing $193 million and $184 million, respectively. The total collection rose 107% year-on-year in 2021, marking a record level of collection for the Company on the back of a strong rebound in oil prices, an accelerated pace of payments from Egypt and the settlement of past outstanding KRI receivables from 2019 and 2020. During the year, the Company paid a total dividend of $172 million, including a final dividend of 5.5 fils for 2020 and an interim dividend of 3.5 fils for the first half of 2021.

Discontinued Operations

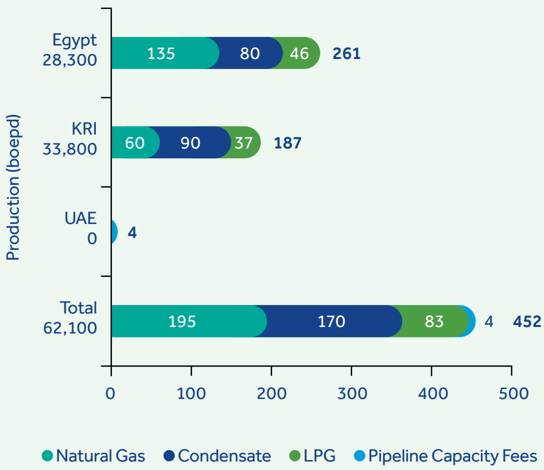
The Company announced on 25 October 2020 that Dana Gas Egypt ('DGE') had entered into an agreement with IPR Wastani Petroleum Ltd, a member of the IPR Energy Group ('IPR'), for the sale of its onshore Egyptian oil and gas assets for consideration of up to US$236 million including contingent payments.

On 23 April 2021, DGE terminated its agreement for the sale of its Egyptian assets, previously announced on 25 October 2020.

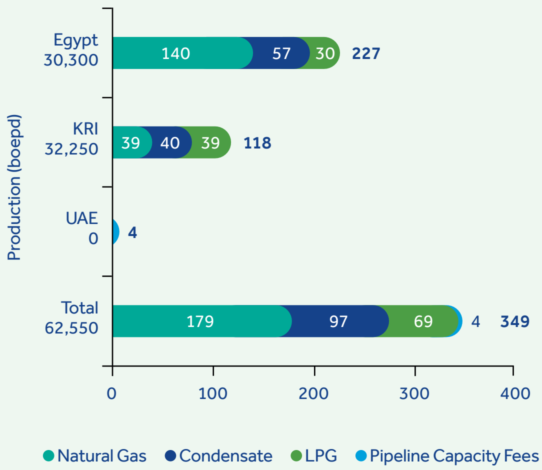
IPR submitted a Request for Arbitration disputing DGE's right to terminate the SPA. By an award dated 17 July 2021 the Tribunal dismissed IPR's claim in its entirety, and ruled that Dana Gas' termination of the SPA was valid.

Gross revenue at $452 million was 30% higher than the $349 million reported in 2020, an increase of $103 million. Realised prices for liquids were higher by 79% in 2021 and contributed $113 million to the topline.

2021 Split Gross Revenue by Product and Geography
US$mm



2020 Split Gross Revenue by Product and Geography
US$mm



Gross revenue was also supported by a 5% increase in production in the KRI which contributed $14 million; however, this was partly offset by lower production in Egypt which declined by 7% and negatively impacted the topline by $21 million. Realised prices averaged $54/bbl for condensate and $35/boe for LPG compared to $28/bbl and $28/boe, respectively, in 2020.

The Company ended the year with an average production of 62,100 boepd, a slight decrease of 2% compared to last year's production of 63,200 boepd. Production was boosted by a 5% jump in production from the KRI, which reached 33,800 boepd as compared to 32,250 boepd in 2020. This was offset by a drop in production from Egypt of 7% to 28,300 boepd as compared to 30,300 boepd in 2020, as a result of natural field depletion.

Gas production in the KRI has increased by 50% over the past 3 years and reached record production of 452 mmscfd during 2021. The KRI's production milestone is the culmination of numerous process improvements at the Khor Mor gas plant, including a bypass project completed in 2020 and a debottlenecking programme carried out earlier in 2018.

Together, the improvements helped boost production by 50% from 305 mmscfd in 2018.

The Company's share of revenue from joint operations in the Kurdistan Region of Iraq stood at $187 million, an increase of 58% as compared to $118 million in 2020. Egypt contributed $261 million to gross revenue as compared to $227 million in 2020.

Gross Profit

Gross profit for the year was higher at $195 million compared to $86 million in 2020, which was mainly due to higher revenue resulting from an increase in realised prices during the year. This resulted in an increase in gross margins from 38% in 2020 to 61% in 2021.

Operating, General & Administration Expenses

The Company has maintained operating cost at almost the same level in 2021 as in the previous year. The slight increase in operating cost of $5 million was mainly due to higher allocation of Dana Gas Egypt's overheads to OPEX as a result of reduced CAPEX activity. On the G&A side, the company posted its lowest G&A in 10 years at $11 million, down from $12 million in 2020. The Company's OPEX and G&A per barrel of oil equivalent remains within the industry's top quartile at $2.6 and $0.5 per boe, respectively.

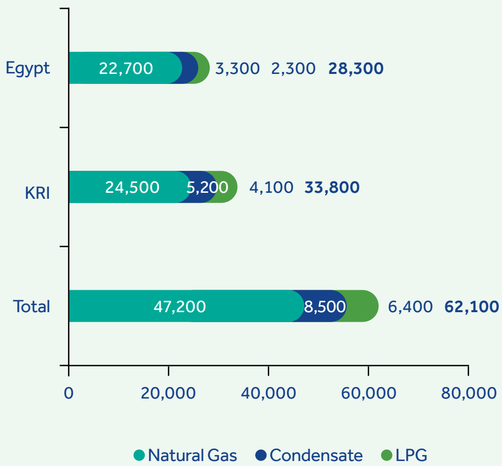
Balance Sheet

The balance sheet of the Company remained strong with total assets of $2.6 billion as compared to liabilities of $334 million. Equity attributable to shareholders stood at $2.3 billion, translating into a book value per share of AED 1.2 (AED in 2020 was 1.12).

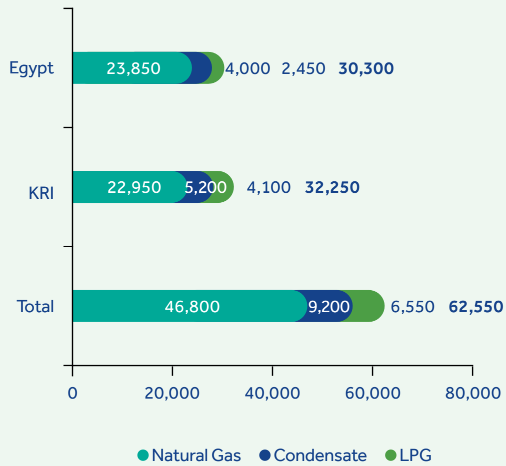
Non-Current Assets

Non-current assets of the Company stood at $1.65 billion as of 31 December 2021, as compared to $2 billion in 2020. The decline in non-current assets is mainly due to impairment against UAE Gas Project assets and goodwill.

2021 Split Production by product and geography
boe/d



2020 Split Production by product and geography
boe/d



Current Assets

Current assets of the Company stood at $974 million, an increase of 151% compared to $388 million as of 31 December 2020. The increase was primarily due to recognition of $608 million against sum due following an arbitration award.

Cash and cash equivalents increased from $108 million in 2020 to $185 million in 2021, an increase of 71%. Total inflows for the year totalled $455 million, including record collection of $377 million and a finance drawdown of $51 million.

Operational outflows stood at $191 million. In addition, $188 million was used for debt and equity payments and included a $172 million dividend payment to shareholders in 2021, with the remaining amount relating to debt servicing and repayment.

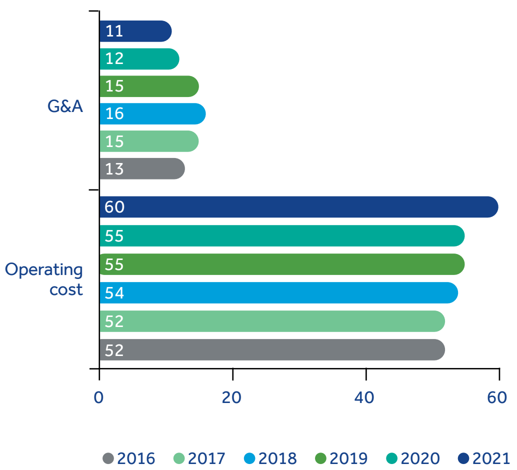
Liabilities

Total liabilities increased from $277 million in 2020 to $334 million in 2021. The increase in liability was mainly due to increases in project and contractor financing in Pearl.

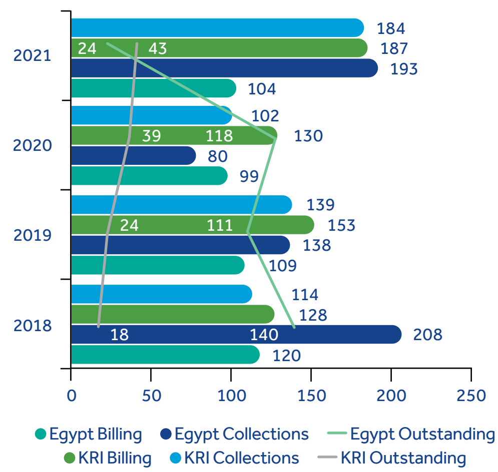
Capital Investment

The Company incurred an amount of $126 million in capital expenditure during the year ended 31 December 2021. Of this, $38 million was incurred in Egypt and $88 million in the KRI, mainly in relation to expansion plans for additional production via 250 mmscfd gas processing train.

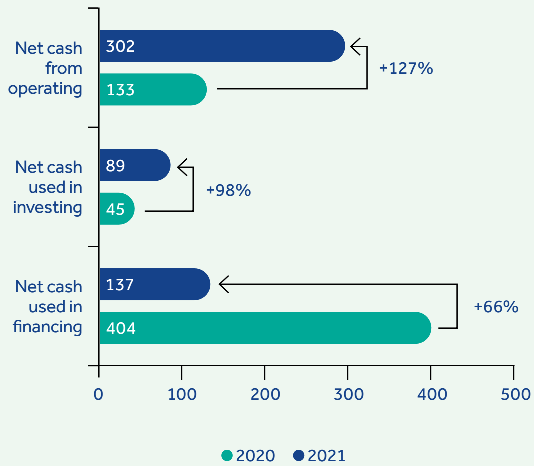
Operating and General and Administration Expenses
US$mm



Trade Receivables
US$mm



Cash Flow
US$mm



The Company ended the year with a cash and bank balance of $185 million as compared to $108 million in 2020, an increase of 71%. This included $67 million, being a 35% share of cash, held at Pearl Petroleum.

Trade Receivable

The Company's trade receivables at the end of the year stood at $67 million, considerably lower as compared to $169 million in 2020. Egypt's receivables stood at $24 million, the lowest level since Dana Gas commenced operations in the country in 2007, and the KRI accounted for $43 million.

The Company collected a record total of $377 million in 2021 as compared to $182 million in 2020, an increase of 107%. This was due to a strong rebound in oil prices, an accelerated pace of payments from Egypt and the settlement of past outstanding KRI receivables.

Dana Gas collected $193 million during 2021 in Egypt, compared to $80 million in 2020, a 141% year-on-year jump. The payments from the Government of Egypt have reduced the Company's receivables to $24 million, the lowest level since 2007.

In Kurdistan, Dana Gas' share of collection for the year 2021 stood at $184 million as compared to $102 million in 2020. This increase follows the full repayment of past outstanding receivables from 2019 and 2020.

Cash Flow

Cash flow from operations increased from $133 million in 2020 to $302 million in 2021. The increase in net cash flow from operating activities was primarily due to collections of $377 million in 2021.

Net cash used in investing activities increased from $45 million in 2020 to $89 million in 2021, an increase of 98%. The increase was due to a higher CAPEX spend in Kurdistan relating to the KM-250 expansion project.

Net cash used in financing activities for the year 2021 was $137 million, a 66% decrease compared to $404 million in the corresponding year. In 2020, cash was primarily used for repayment/ buyback of Sukuk, amounting to $388 million, and $104 million was used to pay dividends to shareholders. In 2021, $172 million was paid out to shareholders and $31 million was used for debt servicing in repayment. In addition, an amount of $59 million was drawdown from the project finance facility in Pearl Petroleum in relation to the KM 250 expansion project.

The Company ended the year with cash and bank balance of $185 million as compared to $108 million in 2020, an increase of 71%. This included $67 million, being a 35% share of cash, held at Pearl Petroleum.

Corporate Financing

The Company signed a Facility Agreement for a new term loan facility from a local UAE bank for US$90 million in October 2020. The facility was fully drawn on 22 October 2020. The term of the facility was for one year, with a further 4 year extension available at the Company's option, taking the total term up to 5 years. The borrowing cost at a rate of 3% plus LIBOR for one year. During October 2021, the Company exercised its option to extend the facility for a further period of 4 years at a rate of 4% plus LIBOR with a final maturity date of 13 October 2025. The amount outstanding towards the principal is US$75.8 million as of 31 December 2021.

Pearl Petroleum signed a US$150 million and US$120 million loan facility agreement with a local UAE bank in 2018 and 2019, respectively. During September 2021, Pearl Petroleum signed a US$250 million term loan facility with the US International Development Finance Corporation (DFC) for the KM250 gas expansion works currently underway at the Khor Mor plant, with a final repayment date of 17 July 2028. Pearl has drawn down US$99.55 million from the facility as at 31 December 2021. Pearl financing is non-recourse to the Company. Consequently, the Company's total debt stood at US$199 million, including its 35% consolidated share of the Pearl facility.

US$184mm

In Kurdistan, Dana Gas' share of collection for the year 2021 stood at $184 million as compared to $102 million in 2020.

US$193mm

Dana Gas collected $193 million during 2021 in Egypt, compared to $80 million in 2020, a 141% year-on-year jump.

Health, Safety, Security and Environment (HSSE) and Social Performance (SP)

We continue to prioritise HSSE and Sustainability in our business and are proud of our performance in 2021.

2021 Highlights

- Top quartile Total Recordable Injury Frequency rate (TRIF) with 2 recordable incidents.
- Lost-time Injury (LTI) free milestone achievements at Zora gas plant (6 years) and Khor Mor plant (5 years).
- Zero major road accidents.
- Dedicated COVID-19 risk committees and task teams in place across all countries to further respond to and manage COVID-19.
- 100% staff and contractors fully vaccinated against COVID-19 in DG and our Joint Ventures.
- 97% close-out of all HSE Observation actions
- Implementation of Asset Integrity improvement programmes in Egypt and the KRI, providing greater assurance that our operating assets continue to meet acceptable safety risk and integrity standards.
- Dana Gas HSSE & SP Policy refresh to better capture our Security and Social Performance commitment.
- Completion of Environmental & Social Action Plan (ESAP) to satisfy international standards and Conditions Precedent for DFC loan for the KM250 project.
- ISO 14001 and ISO 45001 compliance audits to maintain HSE Management System certifications to international standards in DGE and UAE.
- Khor Mor plant process modifications to reduce flaring and realise Greenhouse Gas (GHG) emission reductions of 61,600 tCO_2e/yr.
- Voluntarily offset PPCL total annual GHG emissions making the venture one of the first 'carbon neutral' O&G production businesses in the Middle-East.
- Over US$2 million invested in community initiatives in 2021.

Health, Safety, Security and Environment (HSSE) and Social Performance (SP) continued

Priority Focus Areas

Six thematic priority areas formed the basis of our Group-level HSSE & SP risk management focus in 2021, where we endeavoured to support and influence our JV Partner and operator efforts.

1. Safety Culture	Visible site leadership safety commitment and accountability. Improve safety behaviours to drive a culture of compliance and risk awareness. Improve incident investigation.
2. Contractor HSSE Management	Contractor HSSE compliance, competency and hazard awareness/risk assessment. Increase site supervision and leadership efforts to improve safety behaviour and attitudes (incl. sub-contractors). Emphasis on 2021 EW and KM shutdowns, WASCO drilling, KM250 project, Zora SHJ-2 P&A project preparations.
3. Security, Crisis Management and Business Continuity	Ongoing monitoring of the evolving security developments in Northern Iraq and Egypt. Maintain and adapt Asset Protection plans to ensure suitability of security controls and response plans to protect people/assets. Group-wide revision of Dana Gas corporate Emergency Response, Crisis Management and Business Continuity Plans.
4. COVID-19	Ensure the evolution of locally-specific and fit-for-purpose COVID-19 pandemic response. Development of tailored management plans, including quarantine management,(ref. KM operations and KM250 project contractors mobilisation) remote working and exit scenarios. Vaccination programme push amongst all staff and contractors.
5. Environmental Approvals & GHG Emissions	Secure necessary environmental approvals for projects/activities. KM250 ESAP compliance for DFC loan conditions. DG Climate change position statement and Energy Transition theme for Board-level strategy input. Asset GHG management improvement plans to focus on measuring carbon footprint, identifying emission reduction opportunities, evaluating carbon offset options.
6. Social Performance	Refresh PPCL strategic Social Performance and Community Investment Plan. KM land/community mapping extension and GIS upload. Systematic monitoring and management of community incidents, grievances and complaints.

COVID-19 Response

The year 2021 was characterised by the company's ongoing response to COVID-19, which required the evolution of a suite of measures to manage the operational impacts of the pandemic. Small numbers of positive COVID cases continued to appear amongst staff and contractors across the DG Group, but workplace exposure and spread was strictly controlled through robust procedures across all locations.

A concerted push to get all DG staff and contractors vaccinated was promoted during the year, along with similar commitments by PPCL and WASCO venture management. Booster doses have also since been encouraged and are supported by the company. Several IOCs have consulted with our Pearl Petroleum venture in the KRI in recognition of its 'best-in-class' COVID-19 management approach and response to a particularly challenging and dynamic situation in a country where national health systems have been under severe stress.

Climate Change

Greenhouse Gas (GHG) management improvement efforts at our Pearl Petroleum (PPCL) venture in the KRI included various measures to improve measurement, leak detection, and emissions reduction through the year. Plant modifications enabled a reduction of an estimated 61,600 tCO_2e/yr from the KM plant, which would otherwise have been flared, further reinforcing our commitment to zero routine flaring.

We voluntarily purchased 264,000 tonnes of accredited carbon credits, equivalent to PPCL's total annual GHG emissions in 2021, making the venture one of the first 'carbon neutral' O&G production businesses in the Middle East. Our carbon emissions intensity was 8.3 kilograms of carbon dioxide equivalent (CO_2e) per barrel of oil equivalent (BOE) produced, which is top quartile performance in the international oil and gas industry.

Incidents in 2021

There was one recordable injury during 2021, meaning the Total Recordable Injury Frequency (TRIF) for the Group was 0.02, representing top quartile safety performance amongst industry peers in the region.

There were 3 High Potential Incidents (HiPos) in 2021, all at Khor Mor in the KRI. These included a major grass fire, a pressure flow surge in the KM LPG processing plant causing displacement of pipework and pumps, and a product hose burst at the NGL loading facility.

We experienced 12 security incidents affecting assets or personnel during the year, all in the KRI. Six of the reported incidents were armed attacks, several of which involved shootings towards company assets, though no injuries were sustained to PPCL staff or contractors. This highlights the ongoing sensitivity regarding the local KRI security environment, particularly as KM250 construction activities ramp up in 2022.

There were 17 Loss of Primary Containment (LOPC) events, which, with one exception, have all been minor. There were also 3 minor spills to the environment, all at Khor Mor.

Measuring HSSE Performance

We remain committed to open reporting of incidents across the company, enabling us to learn and improve. Selected Group KPIs to measure HSSE Performance are summarised below. Greater rigour on Asset Integrity and Greenhouse Gas emissions measurement and reporting across the portfolio has been enabled through inclusion onto corporate scorecards.

Key Metric	2021	2020	2019	2018	2017	2016	2015
Fatalities	0	0	0	1	0	0	0
Man Hours Worked (Million Man Hours)	8.7	5.9	6.9	5.9	4.5	5.4	7.9
Recordable Injury Cases	2	0	7	9	5	10	7
Total Recordable Injury Frequency	0.05	0	0.20	0.33	0.22	0.36	0.18
Number of Safety Observations	16,294	12,805	45,454	31,040	12,657	21,398	18,122
Observation Actions Close-Out	97%	98%	95%	88%	85%	83%	71%
High Potential Incidents	3	3	1	5	6	9	14
Major Road Accidents	0	0	4	4	0	10	1
Kilometres Driven (million)	4.2	4.6	6.5	6.4	5.7	6.4	8.0
Vehicle Incident Frequency	0	0	0.13	0.12	0.00	0.31	0.21

Social Performance

A total of 32 community-related incidents, grievances and complaints were reported in 2021, all of which were in the KRI. Cases highlight the challenging nature of the local socio-political operating environment in the KRI and included employment demands (4), theft/robbery/vandalism (5), shooting events (6), supply chain/local contracting (4), community electrical power supply (2), land-use compensation (4), traffic nuisance (2), road repairs/infrastructure (3), road blocks - reasons unknown (2).

Corporate Social Responsibility

For several years Dana Gas has made Corporate Social Responsibility and Sustainable Development a core part of its Corporate Values and we continue to proactively engage with and support the local communities in which we operate in the UAE, Egypt and the KRI.

Social and Economic Impact

Dana Gas makes long-term economic investments and generates significant direct and indirect benefits in the regions where we operate.

For the KRI, Dana Gas contributes to the provision of cheap natural gas and supports the generation of electricity at internationally and nationally competitive rates through the Erbil and Chemchemal power plants that we supply through the Pearl Petroleum venture.

Gas-fired power generation today is reliable and affordable and the venture currently supplies about 80% of the energy used for electricity generation in the KRI.[1] Electricity supplied to the region achieves an average of 22 hours per day compared to 8 hours in 2006, in an area that is fundamentally short of power. This has provided an important stimulus to the KRI economy and delivered a cleaner source of energy compared with traditional diesel alternatives, which also achieves a significant GHG emission savings as a result. Moreover, the venture has a positive operational impact on local employment, achieves a 2,200 permanent jobs, 1,200 of which are from direct employment, the balance through local supply chain activities.

In Egypt, gas supplies from the Dana Gas/WASCO ventures and other producers account for 71% of the energy used for electricity generation in the country.[2] It is estimated that over the past 10 years, the energy produced has supported up to 2% of Egypt's economic activity (GDP).

The supply of clean-burning natural gas has avoided the use of more carbon-emitting heavy oil (mazut) for electricity generation and reduced reliance on more expensive imports of LNG. Around 1,000 people are employed on a full-time basis during day-to-day operations, which has a positive direct economic impact on local communities in the Nile Delta region.

Social Investment Focus Areas

Our Social Investment initiatives are broadly based on 4 main themes, which have been developed with country/asset teams towards specific local community issues and Social Performance objectives in those areas.

1. Education – Supporting better quality education.
2. Health – Improved medical services and community healthcare.
3. Energy and Infrastructure – Assisting improved infrastructure, such as roads and water supply, and access to reliable sources of electricity.
4. Employment and Income Generation – Enabling employment opportunities for local communities, provision of small business grants, and helping those who have been negatively impacted by conflict.

We have partnered with a variety of NGOs, academic, community and local authority bodies to help deliver these programmes. The value of these community investments made by the company in 2021 was over US$2 million.

For further details please read the 2021 DG Sustainability Report.

[1] *PWC Kurdistan Gas Project: A ten-year look back and look ahead, Impact Assessment Report 2018*
[2] *PWC Clean Energy for a Better Tomorrow: Dana Gas Impact Assessment Report 2019*

Risk Management is an integral part of running the business at Dana Gas. Dana Gas has fully adopted best practice in Enterprise Risk Management (ERM) covering strategic, operational, project, financial, compliance and HSSE risks.

Our ability to identify, assess and successfully manage current and emerging risks is critical in securing the success of the business and protecting long-term shareholder value.

Dana Gas has a robust Enterprise Risk Management process across the Group, which ensures risk is considered at every level of the organisation.

Board and Executive Responsibility

The Board of Directors provides strategic oversight and stewardship of the Company and has a particular responsibility for maintaining effective risk management and internal control systems. This includes evaluating risks to the delivery of the business and strategic plan and oversight on mitigating strategies.

The Audit & Compliance Committee (A&CC) has delegated responsibility from the Board for oversight of the risk management process, supported by Group Internal Audit. Risk management is also an integral part of the annual business planning process and ongoing business performance management. Key strategic risks and opportunities are reviewed quarterly by the Board and the A&CC. On a semi-annual basis the Executive Committee carries out a 'deep-dive' assessment of the principal risks facing the Group.

The Executive Team, Group functional heads and Business Delivery Teams are responsible and accountable for monitoring and managing the risks in their parts of the business. Individual leaders and managers identify and assess the probability and impact of particular day-to-day risks and decide, within their levels of authority, actions needed to manage them.

Robust risk management, assurance and performance management processes, incentivised by balanced key performance indicators (KPIs) in our Group scorecard, enable Dana Gas to manage the opportunities and risks in all our activities and respond to the concerns of our stakeholders.

Risk Management Process

During 2021, the risk management process was further enhanced by refreshing and enhancing the corporate Risk Map to more clearly show the dynamic picture of individual risks and enable a better focus/awareness on significant changes and decisions or actions needed. An independent audit of our Enterprise Risk Management implementation was also undertaken to provide assurance and identify further improvements to optimise our approach.

Interlinked ERM Risk Profile considering Strategic, Operational, Financial and Compliance Risks

In addition to the short-to-medium term risks associated with the delivery of the business plan, the Executive Committee and Board also considered the medium and long-term risks and opportunities faced by Dana Gas.

Dana Gas' risk management process is underpinned by the Internal Controls Framework, which sets out all the mandatory policies, standards and controls necessary to manage the Company's business activities and associated risks. Key policies include the Code of Conduct, Anti-Money Laundering, Anti-Bribery & Corruption, Delegation of Authority Manual, Technical Management Systems and Workplace Policy.

Other Financial and Operational controls are reviewed with respect to the status of their development, communication, understanding, and implementation and monitoring to ensure that they are effective in mitigating the risks.

Risk Factors and Uncertainties

Dana Gas businesses in the MENA region are exposed to a number of risks and uncertainties, which could, either on their own or in combination with others, potentially have a material effect on the Group's strategy, business performance or reputation. In turn, these may impact shareholders' returns, including dividends or Dana Gas' share price. The Group continues to define and develop processes for identifying and managing these risks. Some of the risks listed below may be outside the control of Dana Gas and the Group may also be affected by other risks and uncertainties besides those listed here.

Financial

Receivables, Liquidity and Asset Impairment

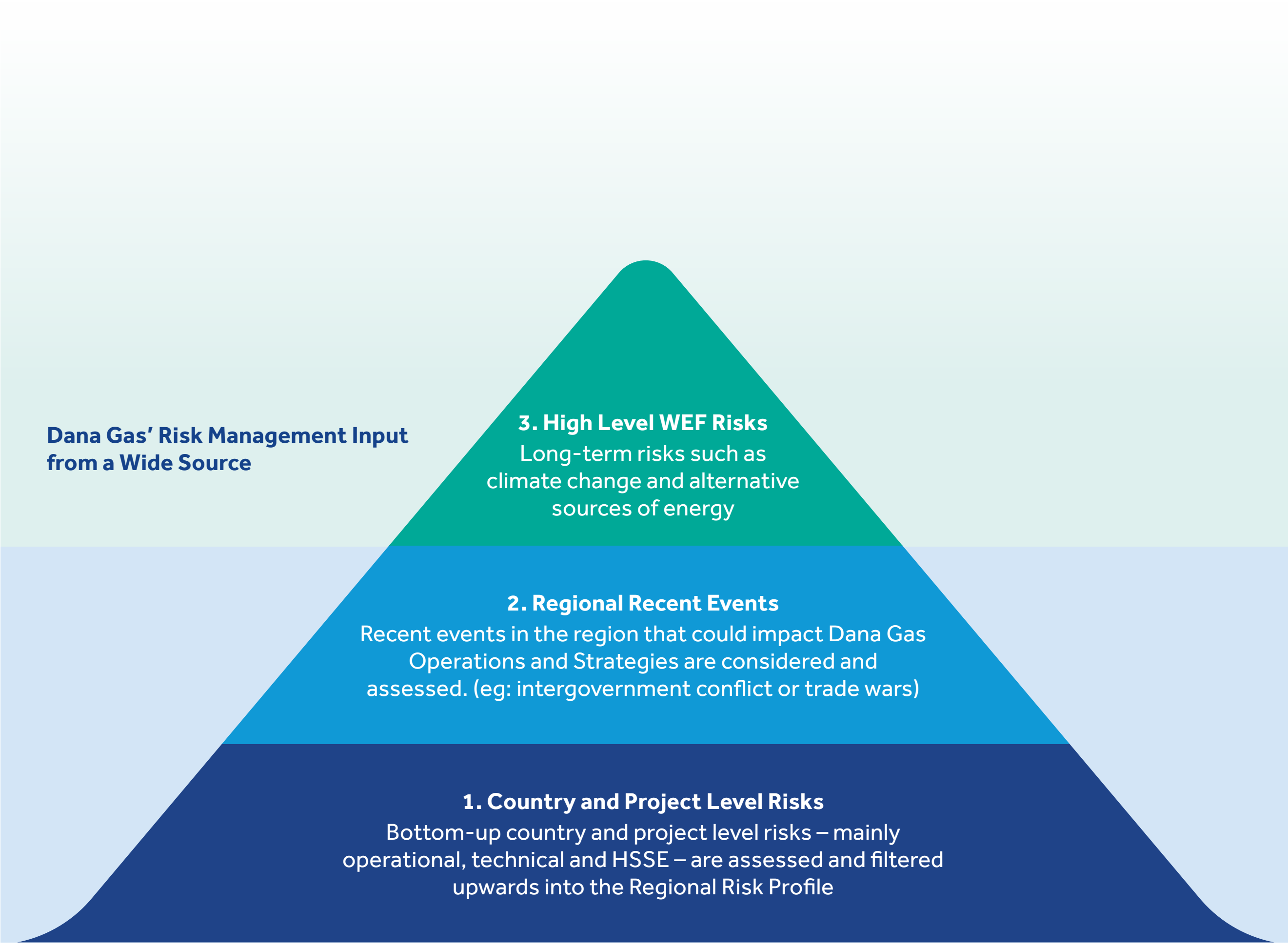
Dana Gas is exposed to liquidity risks, including risks associated with refinancing borrowings as they mature, and the risk that financial assets cannot readily be converted to cash without loss of value.

The Group may be required to record asset impairment charges as a result of events beyond the Group's control.

Dana Gas' exposure to receivables and liquidity risk takes the form of a loss that would be recognised if counterparties (including sovereign entities) failed or were unable to meet their payment or performance obligations. These risks may arise in certain agreements in relation to amounts owed for physical product sales.

Corporate and Project Funding

Dana Gas' corporate and project funding requirements depend on a broad range of factors, including revenue and cash flow generated from our operations, ongoing debt servicing and maturity obligations, variations in the planned level of capital expenditure, success with new development leases, proceeds realised from any asset disposals, hydrocarbon prices and new agreements with governments for production increase. There is an increasing ESG focus and anti-oil and gas sentiments emerging in the investment markets that may impact future availability of financing on attractive terms. Dana Gas' business performance and liquidity/receivables position may also have an impact on the Company's ability to raise financing.



Insurance

The transfer of risks to the insurance market may be affected and influenced by constraints on the availability of cover, market appetite, capacity, pricing and the decisions of regulatory authorities. Some of the major risks associated with the Group's activities cannot or may not be reasonably or economically insured. Dana Gas may incur significant losses from different types of risks that are not covered by insurance.

Strategic

Geopolitical and Sovereign Risk

The success of the Group depends in part upon understanding and managing the political, economic and market conditions in the diverse economies in the MENA Region. Specific country risks that could have an effect on the Group's business and reputation include: volatility of national currencies; unexpected changes in local laws, regulations and standards; cancellation, variation or breach of contractual rights; aggressive re-interpretation of existing tax laws; economic sanctions imposed on Iran; regional and governmental instability; government intervention in licence awards; increased royalty payments or taxes mandated by governments; expropriation of assets; and political obstacles to key project delivery.

Access to New Gas Markets

Inability to adequately analyse, understand, respond and access new gas markets and the competitive environment, could result in a loss of market share and have an impact on the Group's financial position. This could be due to an inability to deliver new gas projects in time and understand the competitive environment from new gas supplies coming into the UAE, Egypt, the KRI and nearby markets. Dana Gas faces strong competition from both the National Oil Companies (NOCs), which control a substantial percentage of the world's reserves, and the International Oil Companies (IOCs) that operate in the region. This competition could make securing access to acreage, reserves and gas markets more challenging.

People Resource and Succession Planning

Dana Gas takes a systematic and strategic approach to resourcing to ensure it can meet its long-term human resource needs, operating short and long-term resourcing demand models to predict and manage the people requirements that underpin the Group's business plans. The Group's performance, operating results and future growth depend on its ability to attract, retain, motivate and organise people with the appropriate level of expertise and knowledge, as Dana Gas pursues its business objectives.

The Group aims to identify the best people through succession planning and talent management, coupled with effective recruitment.

Operational

HSSE

Exploration, Production, Transmission and Processing activities carry significant inherent risks relating to Health, Safety, Security and Environmental impacts. Epidemics and pandemics originating from other parts of the world could impact our operations, projects and employees, as has been evidenced through the COVID-19 pandemic in the last 2 years. Major accidents and the failure to manage the associated risks could result in injury or loss of life, delay in completion of projects, cancellation of exploration, damage to the environment, or loss of certain facilities with an associated loss or deferment of production and revenues.

Inability to Replenish Depleted Reserves

The rate of production from natural gas and oil reservoirs declines as reserves are depleted. The Group needs to replace these depleted reserves with new proved reserves cost-effectively and on a consistent basis. Delivery of production growth depends upon a number of factors, including: successful discovery and development of hydrocarbon resources; the acquisition of sufficient new resource opportunities; sufficient field appraisal; reservoir quality and performance; accurate interpretation of received data; drilling conditions or costs; rig availability; and adequate human or technical resources.

Competition for exploration and development rights, and access to gas and oil resources, is intense. A failure to secure appropriate new resources could impact upon the Group's production growth prospects beyond the next decade.

Asset Performance and Asset Integrity

The Company's levels of production (and therefore revenues) are dependent on the continued operational performance of its producing assets The Company's producing assets are subject to a number of operational issues including: reduced availability of those assets due to planned activities such as maintenance or shutdowns, unplanned outages; productivity and efficiency of wells; contamination of product and the performance of joint venture partners and contractors. In addition, asset integrity failure could lead to loss of containment of hydrocarbons, major accident hazards, marine incidents and wells out of control.

Compliance/Regulation

Corporate Reputation and Licence to Operate

The Group could be exposed to loss of corporate reputation due to failings in corporate governance, corporate social responsibility, HSSE, regulatory compliance or misreporting and/or restatement of results. This could impact future revenue through increased operating, capital or regulatory costs, or destruction of shareholder value. Over the years the Group has implemented robust corporate governance, corporate conduct, asset integrity and HSSE systems and processes and will continue to enhance these in line with any changes in the regulatory and compliance frameworks in the countries in which it operates.

Other Risks

Other risks that are regularly reviewed and assessed by the Dana Gas Executive Committee include: Commodity Prices, Stakeholder Management and Cyber Security.


MOHAMAD

Dana Gas has recognised from the outset that the adoption of best corporate governance practices is fundamental to building a sound commercial reputation for a private sector corporation aspiring to be a leading oil and gas company in the Middle East.

Dana Gas: Pioneering Corporate Governance

Corporate governance was and remains a priority for Dana Gas. At the very outset in April 2006, a few months after its incorporation, the Company commissioned the International Finance Corporation (IFC) (part of the World Bank Group) to assess corporate governance practices within the Company. It was asked to make appropriate recommendations with a view to improving the effectiveness of the Board of Directors, strengthening the control environment and ensuring that the disclosure and transparency practices of the Company were consistent with international best practice. The Company has continued to regularly benchmark its Corporate Governance compliance with local and global standards through external auditing.

The Company amended its Articles of Association in 2016 to be consistent with the provisions of the Chairman of the Securities and Commodities Authority's Decision No. 7 (R.M) of 2016 and its amendments. The Company has diligently implemented the prescribed norms of institutional governance standards at the level of the Board of Directors and approved a special committee to oversee and supervise the Company's compliance with applicable governance regulations and present periodical reports on corporate governance matters to the Board of Directors (CGR&N Committee). Further, at the Management level the Head of Internal Audit and the Company's Compliance Officer oversee adherence to corporate governance standards by employees, operating divisions, subsidiaries and counterparties.

The Securities & Commodities Authority (SCA) issued Chairman Decision No. (3/Chairman) of 2020 concerning the Approval of Joint Stock Companies Governance Guide (the Guide). The Guide was published in the Official Gazette on 27 February 2020 and came into effect on 28 April 2020. The Company has conducted an overall internal review of its Articles of Association, internal policies and governance framework to ensure full compliance with the Guide and has included them in the Company's Articles of Association and its Code of Conduct in keeping with the Company's commitment to the highest governance standards.

The efforts of the Board of Directors and Executive Management to achieve the Company's strategy in realising sustained growth and long-term value for shareholders is predicated on a firm commitment to corporate governance standards and practices. Compliance with these is considered instrumental in ensuring transparency, effective control and high performance necessary to translate the Company's strategies and plans into sound business ventures and projects, and, ultimately, into value for the shareholders, while at the same time serving the interests of other stakeholders locally, regionally and internationally.

In 2010, the International Finance Corporation (IFC) published a report on 'Corporate Governance Success Stories', demonstrating the business case for good corporate governance in the MENA region.

The report shared the experience of 11 companies that had adopted governance improvements and the impact they made. According to the IFC, the impact for Dana Gas was access to substantial capital, reputation enhancement, demonstrable sustainability and significant board effectiveness and management control.

In September 2012, the Company was given a special award by the Securities and Commodities Authority in recognition of its good corporate practices. In 2015, Dana Gas commissioned 'Hawkamah', the Institute of Corporate Governance in the MENA Region, to carry out an audit of the corporate governance practices with reference to the Ministerial Resolution No 518/2009. The review confirmed that the Company's corporate governance practices remained top quartile and identified a number of improvements to ensure that the Company kept to the highest possible standards of corporate governance. Over 2017 the actions from the key recommendations were implemented under the review of the Corporate Governance, Remuneration and Nominations Committee (CGR&NC), further strengthening the corporate governance processes. During Q1 and Q2 2017 a Board Assessment exercise was carried out by Stanton Chase and the outcome and recommendations were presented to the Board of Directors in May 2017. The report highlighted that there was a high level of participation and transparency from Dana Gas Board Members. This exercise resulted in 8 key recommendations that were implemented over the course of the following 12 months.

A Board Effectiveness Review and Succession Planning Process was carried out by Governance Creed during 2017 with a report delivered to the Board in November 2017.

In 2018, Dana Gas was assessed for the maturity of its business integrity framework and practices as part of the 'Pearl Initiative' Gulf Integrity Indicator Project and its business integrity was duly recognised.

During 2017 and 2018, the Company introduced a number of new controls and rolled them out in business awareness sessions provided to the employees covering the key terms and application of the Code of Conduct, Anti Bribery and Corruption Policy, Anti-Money Laundering Policy, the Workplace Policy and Corporate Share Dealing Code. A year-end exercise was conducted to seek confirmation of employees' understanding and compliance with these 5 key controls. In 2019, an audit of the application of the Anti-Bribery & Corruption Policy and Anti-Money Laundering Policy was conducted. In July 2019, Dana Gas appointed the Internal Auditors Association UAE (IAA) to conduct an assessment of the Internal Audit Activity and processes of Dana Gas. The principal objectives were to improve the Internal Audit Activity's quality, performance and use of best practices as well as its conformity to the IAA's International Standards for the Professional Practice of Internal Auditing. Dana Gas achieved the highest of the 3 possible ratings being 'Generally Conforms' with Certification on Best Practice by the IAA. The certification will be active for 5 years to October 2024.

Board Formation

The Board of Directors is elected by the General Assembly every 3 years. The number of Board members was originally 18 but was reduced subsequently to 12 in April 2015 and then reduced further to 11 members in April 2016 pursuant to the new Commercial Companies Law of 2015.

The Annual General Assembly elected the current Board of Directors at its meeting held on 28 April 2021, where 3 new members joined the Board for the term 2021-2024, replacing retiring members. The new Board Members are:

- Mr. Younis Haji Abdulla Hussain Alkhoori, Independent Director
- Ms. Najla Ahmed Mohamed Hamad Almidfa, Independent Director
- Mr. Ajit Vijay Joshi Vijay Anant, Independent Director

A number of the incumbent Directors have been on the Board since the incorporation of the Company in November 2005. The Board of Directors continues to include some of the leading businessmen from the GCC countries with considerable experience in the oil and gas business.

The current Board of Directors comprises 6 Independent Directors and 5 non-independent Non-Executive Directors.

During 2021, Ms. Najla Almidfa was elected as a Board member and accordingly there is one female representative on in the Board (representing 9% of the total Board members) in line with the requirements of the Corporate Governance Guide for listed companies issued by the Securities & Commodities Authority.

The Board of Directors and Responsibilities

The responsibilities of the Board of Directors include: formulating and approving the Company's strategy and business plans; approving the annual budget and the allocation of resources; setting investment priorities and approving business opportunities; overseeing the accuracy of the financial statements and financial reporting and the effectiveness of the internal controls; assessing the executive management performance; developing and adopting by-laws and regulations, policies and procedures in connection with the Company's administration, financial matters and personnel affairs; appointing and planning the succession of senior executives.

The Board is independent of management and is formed of Non-Executive and Independent Directors. At all times, at least one-third of the Directors are independent and a majority of Directors are non-executives with the technical and financial skills and experience required to be of benefit to Dana Gas. The current Board of Directors comprises 8 Independent Directors and 3 Non-Executive Directors.

Board Committees

The Board has 3 permanent committees, each having a written charter setting out their respective scopes and responsibilities. These committees are:

- Audit & Compliance Committee
- Corporate Governance, Remuneration & Nominations Committee
- Board Steering Committee

In addition, in light of the importance of the quantification of the Company's hydrocarbon resources the Board has appointed a Reserves Sub-Committee to the Board Steering Committee to provide it with the specialist knowledge required for proper oversight in this area.

The Audit & Compliance Committee (A&CC)

The principal duties of the A&CC are monitoring the integrity of the Company's financial statements and its reports (annual reports, semi-annual reports, and quarterly reports), reviewing the financial and accounting policies and procedures of the Company and ensuring the independence of the Company's external auditor. It is also responsible for evaluating the integrity and quality of the Company's risk management and internal control policies and all the duties stated in the Chairman of the Securities and Commodities Exchange's Resolution No. 7/R.M. of 2016 and its amendments.

The Audit & Compliance Committee members are:

- Mr. Varoujan A. Nerguizian, Chairman (until 6 May 2021) and (member until 9 June 2021)
- Mr. Abdul Majid Abdul Hamid D. Jafar (until 9 June 2021)
- Mr. Abdullah Ali I. Almajdouie (until 28 April 2021)
- Mr. Nureddin S.M. Sehweil (until 28 April 2021)
- Mr. Jassim Mohamedrafi Alseddiqi Alansaari, (Chairman from 6 May 2021)
- Mr. Younis Haji Abdulla Hussain Alkhoori (since 9 June 2021)
- Mr. Shaheen Mohamed Abdulaziz Rubayea Almheiri (since 9 June 2021)
- Ms. Najla Ahmed Mohamed Hamad Almidfa (since 9 June 2021)
- Mr. Ajit Vijay Joshi (since 9 June 2021)

Most of the members of the Audit & Compliance Committee come from a financial, business or banking background and are familiar with financial, accounting, banking and business matters. A majority of the members of the Committee are Independent Directors.

The Audit and Compliance Committee assists the Board of Directors in carrying out the Board functions of supervision and control of the financial affairs of the Company and ensuring compliance with applicable financial and accounting policies, procedures and regulations.

Corporate Governance, Remuneration & Nominations Committee (CGR&NC)

Names of the Corporate Governance, Remuneration & Nominations Committee members clarifying their competencies and tasks assigned to them:

- Mr. Hani Abdulaziz Hussain Al Terkait, Chairman (until 9 June 2021)
- Mr. Said S. Youssef Arrata (until 28 April 2021)
- Mr. Ziad Abdulla I. Galadari
- Mr. Nureddin S.M. Sehweil (until 28 April 2021)
- Mr. Shaheen Mohamed Abdulaziz Rubayea Almheiri (until 9 June 2021)
- Mr. Varoujan A. Nerguizian, Chairman (since 9 June 2021)
- Mr. Abdul Majid Abdul Hamid D. Jafar (since 9 June 2021)
- Mr. Younis Haji Abdulla Hussain Alkhoori (since 9 June 2021)
- Ms. Najla Ahmed Mohamed Hamad Almidfa (since 9 June 2021)

Two members of the Committee are Independent Directors. They possess considerable knowledge and expertise in corporate governance, nominations, and remuneration, salaries and benefits policies.

The Committee oversees compliance by the governing bodies of the Company the General Assembly, the Board of Directors and executive management with established corporate governance standards. The Committee assists the Board in relation to the appointment of senior executives, appraisal of management performance, succession planning and remuneration policies. The Committee is responsible for nominations and election to the Board of Directors membership.

The Board Steering Committee (BSC)

The principal role of the Board Steering Committee (BSC) is to provide support to and facilitate the deliberations and decision-making processes of the Board of Directors through prior consideration of matters submitted for the Board's consideration relating to strategy, business planning, budgets and new investment opportunities. The BSC recommends to the Board the business performance targets and the annual corporate scorecard for each year and reviews progress against the scorecard as may be required from time to time. It also considers reports from the Sub-Committee on the Company's Reserves.

The BSC members are:

- Mr. Rashed Saif Al Jarwan Al Shamsi, Chairman
- Mr. Abdul Majid Abdul Hamid D. Jafar
- Mr. Varoujan A. Nerguizian
- Mr. Said S. Youssef Arrata (until 28 April 2021)
- Mr. Hani Abdulaziz Hussain Al Terkait
- Mr. Jassim Mohamedrafi Alseddiqi Alansaari (since 9 June 2021)

The Reserves Sub-Committee (RSC)

The main purpose of the Reserves Sub-Committee (RSC) is to review and approve the Company's Reserves reports. The RSC reviews the Company Reserves Reports, discusses these with management and the external reserves auditors and recommends their adoption where appropriate to the Board Steering Committee in accordance with the provisions of its Charter.

The RSC is comprised of:

- Mr. Said S. Youssef Arrata, Chairman (until 28 April 2021)
- Mr. Ziad Abdulla Ibrahim Galadari
- Mr. Varoujan A. Nerguizian (until 28 April 2021)
- Mr. Nureddin S.M. Sehweil (until 28 April 2021)
- Mr. Shaheen Mohamed Abdulaziz Rubayea Almheiri

Delegation of Responsibilities to Executive Management

The Board of Directors has delegated to the Company's Executive Management the following responsibilities:

- To implement the strategies, plans and policies laid down by the Board of Directors for achieving the Company's objectives
- To identify, pursue and submit studies and proposals relating to business development and new investment opportunities
- To submit to the Board of Directors periodic reports about the status of the business of the Company, its financial position, internal control procedures and the measures taken to manage risks

- To provide the Board of Directors, on a timely basis, the information and documents required for the efficient conduct of Board meetings
- To provide regulatory bodies (eg: Ministry of Economy, Securities and Commodities Authority, Abu Dhabi Securities Exchange) with information, disclosure statements and documents as required in accordance with applicable laws, rules and regulations and the Company's Articles of Association.

Executive Management consists of the following:

a. Dr. Patrick Allman-Ward, Chief Executive Officer

b. Mr. Chris Hearne, Chief Financial Officer

c. Mr. Neville Henwood, Legal and Commercial Director

d. Mr. Michael Pyszka, GM Egypt

e. Mr. Ramganesh Srinivasan, Head of Human Resources

f. Mr. Mike Seymour, Head of HSSE and Sustainability

Company's External Auditors

The Annual General Assembly in its meeting held on 28 April 2021 approved the appointment of the auditors, Ernst & Young and determination of their fees to perform the Group's audit work for the financial year 2021.

Ernst & Young, is one of the 'Big Four' firms globally that employs more than 312,000 professionals in over 150 countries. It operates as one firm, with 4 global regions and 33 sub-areas within those regions.

Internal Control

The Board of Directors acknowledges its responsibility for the Company's internal control system, review of its work mechanism and ensuring its effectiveness. In 2011 the Board of Directors established an Internal Control Department and defined its functions which include:

1. Assessing the risks facing the Company
2. Preparing the risks register and updating it quarterly and annually
3. Preparing the audit plan linked to the risks register in accordance with the directions of the Board of Directors and the Audit and Compliance Committee
4. Ensuring availability of resources to carry out audit work and the internal audit plan
5. Implementing the audit plan and submitting periodical reports to the Board of Directors and to the Audit Committee with observations on the actions taken by executive management with respect to them.

The Internal Control Department enjoys independence in performing its functions. It reports to the Board of Directors, which is responsible for the efficiency of the internal control system. The Corporate Internal Control Manager is authorised to take the necessary action to implement the directives of the Board of Directors, and to report violations of the Company's regulations, policies and Board's directives to the Board of Directors and the Audit Committee identified during the audit process. The department is mandated by the Board to investigate and form an independent opinion on any matter that obstructs, delays or challenges internal control work.

The Internal Control Department audits the internal control systems of the Company, its subsidiaries and the affiliates in which the Company holds a significant stake. The Department has full authority to obtain information on those companies from employees and departments at the Group level.

The Head of Internal Controls prepares an annual audit plan, which is submitted to the Board for approval. The plan takes into consideration a comprehensive assessment of the risks facing the Company. The Board approved in its meeting held on 18 November 2020 the Department's audit report for 2020 and the 2021 audit plan. In March 2021, the Board of Directors resolved to appoint Grant Thornton as Dana Gas' internal auditors for the period 2021 to 2023 inclusive.

The audit reports are shared with the Company's external auditors when auditing the Company's Annual Financial Statements.

Whistleblowing Mechanism

The Company has established a whistleblowing mechanism whereby employees can anonymously make complaints pertaining to mal-administration, fraud or corruption. The Compliance Officer leads the Business Ethics Committee, which is responsible for addressing complaints made through this procedure. Any financial-related complaints will be addressed by the Compliance Officer and promptly communicated to the Audit & Compliance Committee.

Since the Head of Internal Audit reports directly to the Board of Directors, any major problems with respect to internal control or incidence of fraudulent activities would also be promptly communicated to the Board. The Manager also advises the CEO for corrective actions. During 2021, no major issues were identified that warranted disclosure in the annual financial statements for the year.

The Head of Internal Controls & Risk Management

Mr. Neville Henwood was appointed Head of Internal Audit in September 2020 in addition to his primary role as Legal and Commercial Director. Mr. Henwood is an Australian qualified lawyer, admitted as a Barrister and Solicitor of the High Court of Australia, and the Supreme Court of the Northern Territory.

Compliance Officer

Mr. Neville Henwood was appointed as the Compliance Officer for the Company by Board Resolution No. 39/2020 dated 23 September 2020, to carry out the duties and functions prescribed in Article (69) of the Chairman of the Securities and Commodities Authority's Resolution No. 3 (R.M) of 2020 concerning the adoption of the Governance Guide for Public Joint Stock Companies (as amended). He is responsible for verifying the scope of compliance by the Company and its employees with the applicable laws, regulations and resolutions.

Our people are and will continue to be the most important factor contributing to our success.

Talent Attraction and Retention

Our people strategies are aligned with our business; they strengthen and support the successful delivery of our objectives and are a key aspect in enhancing shareholder value. Dana Gas is able to continue its success in maintaining capability at all levels, by identifying, attracting and retaining skilled people.

Talent drives our business and at Dana Gas we strive to ensure that we offer not only extensive career opportunities, but also the right work environment and culture for our people to continuously learn, grow, and flourish. Our Human Resources priority is to attract, retain and develop the talent needed to deliver our business objectives. It is an integral part of our evolving culture to value expertise in a way that will generate the necessary proficiency that we require across the Group now and for the future.

Diversity and Equality

Diversity and equality are ingrained deeply in our organisation's culture. Dana Gas upholds an inclusive culture, where people are valued and encouraged to realise their potential. We focus on creating and sustaining a collaborative and nurturing environment for employees with diverse backgrounds.

We respect and value everyone, and embrace diversity which brings understanding and connection to the communities in which we operate. We are committed to equal opportunities and do not condone discrimination of any kind. Our code of conduct, workplace policies and practices provide an inclusive environment where everyone can contribute and develop freely and equitably. These values have helped us to build and maintain the diverse and robust community that is Dana Gas.

'As of December 2021, we employed full-time staff from 16 countries.'

'As of December 2021, 23% of our overall full-time workforce were female employees.'

Employee Engagement

We are focused on building a lean, fit-for-purpose, well-defined and efficient organisation, enabling empowerment and faster decision-making while enhancing effectiveness. Dana Gas has a strong shared focus on maintaining a healthy and safe working environment. Dana Gas encourages all employees to report any incidents that affect their health and safety, with the goal of causing no accidents or harm to people and minimising any adverse effect on the environment.

Dana Gas believes in open dialogue and values employees' feedback and suggestions. Our regular staff Town Hall sessions serve to communicate our operational and financial results and to keep everyone informed about changes and progress that affect them as well as the Group.

Development

Developing our people and helping them to reach their full potential are important elements in delivering our people strategy and remains a key focus area. We recognise that the success of our strategy depends on successful delivery by our employees, and we therefore provide learning and development opportunities for employees at all levels in the form of external, internal, on-the-job and online learning.

Performance and Rewards

At Dana Gas, we take care to ensure every individual's roles and responsibilities are articulated and understood, and that expected outcomes and key results are defined. Dana Gas has a robust performance management programme that firstly defines the criteria by which business success is measured. Goals are then set accordingly, performance is reviewed periodically, and employees are assessed for their delivery against their goals and recognised for their contributions.

Our performance management system is designed to achieve holistic development for all our employees through performance differentiation, consistent evaluation and continuous feedback.

Dana Gas understands that motivating employees is essential and that effective teamwork drives delivery and progress. The reward philosophy of Dana Gas is performance-driven across all its levels and is designed to both deliver a solid employee value proposition and support the corporate strategy effectively. Our compensation and benefits programme is founded on our belief in using the same as a lever, to enhance the performance and productivity of our employees while maintaining a means of differentiating high performers.

This helps the Company in maintaining an able workforce that is motivated and capable of delivering the Company's business objectives. We have relentlessly pursued practices that have enabled our employees to take pride in being outcome-oriented and to take on the responsibility of ensuring that they contribute to the growth of the organisation.

Head Count, Net to the Company's Interest as of 31 December 2021.

The table below sets out the number of employees and contractors employed by Dana Gas through its subsidiaries and joint ventures as of 31 December 2021.

	Employees	Contractors
Dana Gas Head Office	30	0
Dana Gas UAE Units (Saj, UGTC & Zora)	5	3
DG Kurdistan Region of Iraq	3	1
Dana Gas Egypt	53	13
Wasco (Egypt)	5	0
TOTAL	**96**	**17**

The table below sets out the number of employees as of 31 December 2021 employed by joint ventures in which Dana Gas has an interest.

	Ownership interest held by Dana Gas	JV employees (net to Dana Gas' interest)	JV Contractors (net to Dana Gas' interest)
Wasco (Egypt)	100 percent	387	320
Credan (KRI)	35 percent	175	3
TOTAL		**562**	**323**

Financial Statements

Independent Auditor's Report to the Shareholders of Dana Gas PJSC

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of Dana Gas PJSC (the "Company" or "Dana Gas") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at 31 December 2021, and the consolidated income statement, consolidated statement of other comprehensive income, consolidated statement of cash flows and consolidated statement of changes in equity for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group as at 31 December 2021, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs").

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the *International Code of Ethics for Professional Accountants (including International Independence Standards) (the "IESBA Code")* together with the ethical requirements that are relevant to our audit of the consolidated financial statements in the United Arab Emirates, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

We draw attention to the matter described in note 14 (b) of the to the consolidated financial statements which describes the current position with respect to arbitration proceedings that a key supplier of the Group has initiated against the ultimate supplier relating to delays in commencement of gas supplies, and the uncertainty surrounding the timing and final outcome of those arbitration proceedings. Our opinion is not modified in respect of the above matter.

Other matter

The consolidated financial statements of the Group as at and for the year ended 31 December 2020 were audited by another auditor, whose reports dated 10 March 2021 expressed an unmodified audit opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters are addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our procedures, including the procedures performed to address the matters below, provide the basis of our audit opinion on the accompanying consolidated financial statements.

Key audit matter	How our audit addressed the key audit matter
UAE gas project assets and legal arbitration	
As disclosed in notes 13 and 14 (b) to the consolidated financial statements, the UAE Gas Project to process and transport imported gas continues to be subject to international arbitration in relation to NIOC's supply failure in default of its 25 years gas supply contract with Crescent Petroleum. Crescent Petroleum received an award for damages in the first arbitration against NIOC by the international arbitration tribunal on 27 September 2021. Following the first arbitration award, management has carried out an assessment of the recoverable values of the UAE Gas Project assets and has recognised an impairment of USD 360 million during the year against these assets.	We performed the below procedures to address this key audit matter: • We have reviewed legal documents including the decision of the English High Court of July 2016 relating to dismissal of the NIOC challenge of the Award and the first arbitration award; • We have discussed the progress and status of the arbitration process with the Group's legal department and senior management; • We have assessed the reasonableness of management's assumptions and obtained representation from the management on the sums expected from the second arbitration and whether the final award will be sufficient to cover the remaining carrying value of the related assets;

Key audit matter	How our audit addressed the key audit matter
UAE gas project assets and legal arbitration continued	
The Group's consolidated statement of financial position includes UAE Gas Project assets as at 31 December 2021 comprising of: (a) Property, plant and equipment of USD 130 million (note 13); (b) intangible assets of USD 191 million (note 14b); and (c) investment in joint venture of USD 363 million (note 16). Since significant judgement and assumptions are involved in assessing the recoverable value of these assets and the uncertainty surrounding the amount and timing of damages award from the second arbitration, we have identified this as a key audit matter.	• We have assessed the reasonableness of the judgement and assumptions used in assessing the recoverable value of these assets; • We have inspected publicly available information of a case involving Iran in international arbitrations, Iran's adherence to the decisions by courts, form and timing of related settlements; and • We have also reviewed the adequacy of the related disclosures in the consolidated financial statements. Considering the inherent uncertainty over the ultimate outcome of any arbitration or court process, we have included an emphasis of this matter as above in this audit report.
Impairment assessment of Oil & Gas interests	
As at 31 December 2021, the Group has tangible oil and gas interests of USD 493 million (note 13). As required by IAS 36 'Impairment of Assets', management performed an annual impairment test of tangible Oil and Gas Interests with value in use model supported by an independent expert's reserve report. We have identified this as a key audit matter because it requires significant management judgements and assumptions that are affected by future market conditions, particularly future hydrocarbon prices, expected reserves amount and macro-economic conditions. Key estimates in management's impairment test include judgements and assumptions around hydrocarbon price assumptions, discount rates, production forecasts and future capital and operational costs.	We performed the below procedures in relation to management's assessment of the recoverability of oil & gas assets: • We evaluated the assumptions and methodologies used by the Group and the independent external expert, in particular those relating to discount rates, oil/gas prices, capital/operating expenditures and production profile; • We have compared management's hydrocarbon price assumptions against third party forecasts, contractual arrangements and relevant market data to determine whether the price assumptions were within the range of such forecasts; • We evaluated the reasonableness of the discount rates used by comparing key inputs, where relevant, to the externally derived data and market rates; • We have reviewed reports provided by external experts and terms of engagement with the Group to assess their scope of work and conclusions, assessing the objectivity, independence and expertise of external reserve experts; • We have reviewed the reasonableness of the production profile in light of reserves volumes certified by independent external experts and historical operations; • We have reviewed estimated future capital and operational costs by comparison to the approved budgets, historical costs and assessed them with reference to field production forecasts and our expectations based upon other information obtained throughout the audit; • We have reviewed the mathematical integrity of the impairment models and performed sensitivity analysis over inputs to the cash flow models; and • We also focused on the adequacy of the Group's disclosures about those assumptions to which the outcome of the impairment test is most sensitive, that is, those that have the most significant effect on the determination of the recoverable amount of oil and gas assets which are disclosed in note 3 to the consolidated financial statements.

Report on the audit of the consolidated financial statements continued

Key audit matters continued

Key audit matter	How our audit addressed the key audit matter
Estimation of fair value of financial assets at fair value through profit or loss	
As disclosed in Note 19 to the consolidated financial statements, the Group has financial assets at fair value through profit or loss of USD 119 million at 31 December 2021. These assets arise from certain reserve based earn out entitlements from Joint Operations Partners MOL Hungarian Oil and Gas Public Limited Company ('MOL'), OMV Upstream International GMBH ('OMV') and certain confined payments from RWE Supply & Trading GmbH. Estimating the fair value of these assets is a complex process and involves a high estimation uncertainty. In February 2020, the Group together with Crescent Petroleum commenced arbitration proceedings against MOL and OMV due to their attempts to avoid paying reserve based earn out payments to the Group and Crescent Petroleum arising out of the terms of the Sale and Purchase agreement entered into between the Parties in 2009 through which both MOL and OMV, acquired their respective 10% shareholding in Pearl Petroleum. We have identified this as key audit matter as the recognition of financial assets at fair value through profit or loss requires significant judgements and estimates to be undertaken by management including the final outcome of the arbitration proceedings against MOL and OMV. The key estimates in management's fair value model are the probability of collection and the discount rates.	We performed the below procedures in relation to management's assessment of the fair value of financial assets: • We have discussed the status of the ongoing arbitration with the Group's management including the legal department, in addition to review of the related arbitration documents; • We have assessed reasonableness of management's rationale for concluding on the probability of the collection, reviewed the cash received during the year and reviewed legal advice provided to management by external lawyers involved in the arbitration; • We have evaluated the reasonableness of the discount rates used; and • We also reviewed the adequacy of the related disclosures in the consolidated financial statements, including management's judgements and estimation uncertainty surrounding the carrying value of the assets.

Other information

Other information consists of the information included in the Group's 2021 Annual Report, other than the consolidated financial statements and our auditors' report thereon. We obtained the Report of the Directors, prior to the date of our auditors' report, and we expect to obtain the remaining sections of the Group's 2021 Annual Report after the date of our auditors' report. Management is responsible for the other information

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Group's 2021 Annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions in accordance with ISAs.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs and in compliance with the applicable provisions of the article of association of the Company and the UAE Federal Law No. (2) of 2015 (as amended), and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

Further, as required by the UAE Federal Law No. (2) of 2015 (as amended), we report that:

(i) we have obtained all the information we considered necessary for the purposes of our audit;

(ii) the consolidated financial statements have been prepared and comply, in all material respects, with the applicable provisions of the UAE Federal Law No. (2) of 2015 (as amended) and the articles of association of the Company;

(iii) the Group has maintained proper books of account;

(iv) the financial information included in the Report of the Directors is consistent with the books of account of the Group;

(v) investments in shares and stocks during the year ended 31 December 2021, if any, are disclosed in note 19 to the consolidated financial statements;

(vi) note 31 reflects material related party transactions and the terms under which they were conducted;

(vii) based on the information that has been made available to us nothing has come to our attention which causes us to believe that the Company has contravened during the financial year ended 31 December 2021 any of the applicable provisions of the UAE Federal Law No. (2) of 2015 (as amended) or of its articles of association which would materially affect its activities or its financial position as at 31 December 2021; and

(viii) note 35 reflects the social contributions made during the year.

For Ernst & Young

Anthony O'Sullivan
Partner
Registration No. 687

14 March 2022
Sharjah, United Arab Emirates

Consolidated Income Statement

For the year ended 31 December 2021

	Notes	2021		2020	
		USD mm	**AED mm**	USD mm	AED mm
Gross Revenue	5	**452**	**1,657**	349	1,279
Royalties	5	**(134)**	**(491)**	(124)	(455)
Net revenue		**318**	**1,166**	225	824
Operating costs & Depletion	6	**(123)**	**(451)**	(139)	(510)
Gross profit		**195**	**715**	86	314
General and administration expenses		**(11)**	**(40)**	(12)	(44)
Other expenses		**(16)**	**(60)**	(11)	(40)
Investment and finance income	7	**2**	**7**	15	55
Other income	8	**642**	**2,353**	1	4
Reversal of impairment of oil & gas assets	12	**80**	**293**	-	-
Impairment of PP&E, intangible and joint venture	13/14/16	**(531)**	**(1,945)**	(403)	(1,477)
Impairment of financial assets		**(2)**	**(7)**	(9)	(32)
Change in fair value of asset held for sale	12	**(14)**	**(51)**	(18)	(66)
Change in fair value of investment property	15	**-**	**-**	(2)	(7)
Share of profit / (loss) of a joint venture	16	**4**	**15**	(2)	(7)
Exploration expenses/write-off		**(5)**	**(18)**	(1)	(4)
Finance cost	9	**(5)**	**(18)**	(16)	(59)
PROFIT / (LOSS) BEFORE INCOME TAX		**339**	**1,244**	(372)	(1,363)
Income tax expense	10	**(22)**	**(81)**	(4)	(15)
PROFIT / (LOSS) FOR THE YEAR		**317**	**1,163**	(376)	(1,378)
PROFIT / (LOSS) ATTRIBUTABLE TO:					
- Equity holders of the parent		**315**	**1,156**	(376)	(1,378)
- Non-controlling interest		**2**	**7**	-	-
		317	**1,163**	(376)	(1,378)
EARNINGS PER SHARE:					
Basic & Diluted earnings / (loss) per share					
(USD/AED per share)	11	**0.045**	**0.165**	(0.054)	(0.19)

The attached notes 1 to 35 form part of these consolidated financial statements.

Consolidated Statement of Other Comprehensive Income

For the year ended 31 December 2021

	2021		2020	
	USD mm	**AED mm**	USD mm	AED mm
Profit / (Loss) for the year	**317**	**1,163**	(376)	(1,378)
Other comprehensive income	**-**	**-**	-	-
Other comprehensive income for the year	**-**	**-**	-	-
TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE YEAR	**317**	**1,163**	(376)	(1,378)
ATTRIBUTABLE TO:				
- Equity holders of the parent	**315**	**1,156**	(376)	(1,378)
- Non-controlling interest	**2**	**7**	-	-
	317	**1,163**	(376)	(1,378)

The attached notes 1 to 35 form part of these consolidated financial statements.

Consolidated Statement of Financial Position

As at 31 December 2021

		2021		2020	
	Notes	USD mm	AED mm	USD mm	AED mm
ASSETS					
Non-current assets					
Property, plant and equipment	13	**1,013**	**3,713**	948	3,475
Intangible assets	14	**191**	**700**	458	1,679
Investment property	15	**20**	**73**	20	73
Interest in joint ventures	16	**363**	**1,331**	561	2,056
Financial assets at fair value through profit or loss	19	**66**	**242**	47	172
		1,653	**6,059**	2,034	7,455
Current assets					
Inventories	18	**21**	**77**	4	15
Financial assets at fair value through profit or loss	19	**53**	**194**	51	188
Sum due following arbitration award	20	**608**	**2,229**	-	-
Trade and other receivables	21	**107**	**392**	69	253
Cash and cash equivalents	22	**185**	**678**	108	396
		974	**3,570**	232	852
Assets classified as held for sale	12	**-**	**-**	156	572
Total current assets		**974**	**3,570**	388	1,424
TOTAL ASSETS		**2,627**	**9,629**	2,422	8,879
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital	23	**1,908**	**6,995**	1,908	6,995
Treasury shares	24	**-**	**-**	(9)	(33)
Legal reserve	25	**164**	**599**	132	483
Voluntary reserve	25	**32**	**116**	132	483
Retained earnings / (Accumulated losses)		**189**	**695**	(20)	(75)
Attributable to equity holders of the Company		**2,293**	**8,405**	2,143	7,853
Non-controlling interest		**-**	**-**	2	8
Total equity		**2,293**	**8,405**	2,145	7,861
LIABILITIES					
Non-current liabilities					
Borrowings	26	**162**	**594**	68	249
Trade payables and accruals	28	**36**	**132**	-	-
Provisions	27	**17**	**62**	3	11
		215	**788**	71	260
Current liabilities					
Borrowings	26	**37**	**136**	95	349
Trade payables and accruals	28	**82**	**300**	65	239
		119	**436**	160	588
Liabilities directly associated with assets classified as held for sale	12	**-**	**-**	46	170
Total current liabilities		**119**	**436**	206	758
Total liabilities		**334**	**1,224**	277	1,018
TOTAL EQUITY AND LIABILITIES		**2,627**	**9,629**	2,422	8,879

The consolidated financial statements were approved for issue by the Board of Directors on 14 March 2022 and signed on their behalf by:

Director

Director

The attached notes 1 to 35 form part of these consolidated financial statements.

Consolidated Statement of Cash Flows

For the year ended 31 December 2021

	Notes	2021 USD mm	2021 AED mm	2020 USD mm	2020 AED mm
OPERATING ACTIVITIES					
Profit/(loss) before income tax from		**339**	**1,244**	(372)	(1,363)
Adjustments for:					
Depreciation and depletion	13	**63**	**231**	84	308
Investment and finance income	7	**(2)**	**(7)**	(15)	(55)
Other income	8	**(642)**	**(2,353)**	(1)	(4)
Reversal of impairment of oil & gas asset	12	**(80)**	**(293)**	-	-
Impairment of PP&E, intangible & joint venture	13/14/16	**531**	**1,945**	403	1,477
Impairment of financial assets		**2**	**7**	9	32
Change in fair value of investment property	15	**-**	**-**	2	7
Change in fair value of assets held for sale	12	**14**	**51**	18	66
Share of (profit) / loss of a joint venture	16	**(4)**	**(15)**	2	7
Exploration expenses/write-off		**5**	**18**	1	4
Finance costs	9	**5**	**18**	16	59
Directors' remuneration		**-**	**-**	(3)	(11)
		231	**846**	144	527
Changes in working capital:					
Trade and other receivables		**96**	**353**	(31)	(113)
Inventory		**1**	**4**	-	-
Funds held for development		**-**	**-**	27	99
Trade payables and accruals		**(4)**	**(15)**	(3)	(10)
Net cash generated from operating activities		**324**	**1,188**	137	503
Income tax		**(22)**	**(81)**	(4)	(15)
Net cash flows generated from operating activities		**302**	**1,107**	133	488
INVESTING ACTIVITIES					
Payment for property, plant and equipment		**(104)**	**(381)**	(47)	(172)
Payment for intangible assets		**(2)**	**(7)**	(5)	(18)
Proceeds from sale of interest in Joint venture	16	**15**	**55**	-	-
Investment and finance income received		**2**	**7**	7	26
Net cash flows used in investing activities		**(89)**	**(326)**	(45)	(164)
FINANCING ACTIVITIES					
Dividend paid	32	**(172)**	**(630)**	(104)	(383)
Proceeds from sale of treasury shares		**7**	**26**	-	-
Repayment of borrowings		**(22)**	**(81)**	(388)	(1,422)
Proceeds from borrowings		**59**	**216**	104	381
Finance costs paid		**(9)**	**(33)**	(16)	(59)
Net cash flows used in financing activities		**(137)**	**(502)**	(404)	(1,483)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		**76**	**279**	(316)	(1,159)
Cash and cash equivalents atthe beginning of the year		**109**	**399**	425	1,558
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	22	**185**	**678**	109	399

The attached notes 1 to 35 form part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

For the year ended 31 December 2021

	Attributable to equity holders of the Company												Non-controlling interest		Total	
	Share capital		Legal reserve		Voluntary reserve		Retained earnings/ (Accumulated losses)		Other reserves		Treasury Shares					
	USD mm	AED mm	USD mm	AED mm	USD mm	AED mm	USD mm	AED mm	USD mm	AED mm	USD mm	AED mm	USD mm	AED mm	USD mm	AED mm
As at 1 January 2021	**1,908**	**6,995**	**132**	**483**	**132**	**483**	**(20)**	**(75)**	**-**	**-**	**(9)**	**(33)**	**2**	**8**	**2,145**	**7,861**
Profit for the year	**-**	**-**	**-**	**-**	**-**	**-**	**315**	**1,156**	**-**	**-**	**-**	**-**	**2**	**7**	**317**	**1,163**
Total comprehensive profit for the year	**-**	**-**	**-**	**-**	**-**	**-**	**315**	**1,156**	**-**	**-**	**-**	**-**	**2**	**7**	**317**	**1,163**
Sale of treasury shares	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**7**	**26**	**-**	**-**	**7**	**26**
Transfer	**-**	**-**	**-**	**-**	**(132)**	**(483)**	**132**	**483**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Disposal of interest	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(4)**	**(15)**	**(4)**	**(15)**
Loss on treasury shares	**-**	**-**	**-**	**-**	**-**	**-**	**(2)**	**(7)**	**-**	**-**	**2**	**7**	**-**	**-**	**-**	**-**
Dividend paid	**-**	**-**	**-**	**-**	**-**	**-**	**(172)**	**(630)**	**-**	**-**	**-**	**-**	**-**	**-**	**(172)**	**(630)**
Transfer to reserves	**-**	**-**	**32**	**116**	**32**	**116**	**(64)**	**(232)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
As at 31 December 2021	**1,908**	**6,995**	**164**	**599**	**32**	**116**	**189**	**695**	**-**	**-**	**-**	**-**	**-**	**-**	**2,293**	**8,405**
As at 1 January 2020	1,908	6,995	132	483	132	483	463	1,697	4	15	(9)	(33)	2	8	2,632	9,648
Loss for the year	-	-	-	-	-	-	(376)	(1,378)	-	-	-	-	-	-	(376)	(1,378)
Total comprehensive loss for the year	-	-	-	-	-	-	(376)	(1,378)	-	-	-	-	-	-	(376)	(1,378)
Transfer	-	-	-	-	-	-	-	-	(4)	(15)	-	-	-	-	(4)	(15)
Dividend paid	-	-	-	-	-	-	(104)	(383)	-	-	-	-	-	-	(104)	(383)
Director remuneration	-	-	-	-	-	-	(3)	(11)	-	-	-	-	-	-	(3)	(11)
As at 31 December 2020	1,908	6,995	132	483	132	483	(20)	(75)	-	-	(9)	(33)	2	8	2,145	7,861

The attached notes 1 to 35 form part of these consolidated financial statements.

Notes to the Consolidated Financial Statements

At 31 December 2021

1 Corporate information

Dana Gas PJSC ("Dana Gas" or the "Company") was incorporated in the Emirate of Sharjah, United Arab Emirates as a Public Joint Stock Company on 20 November 2005 pursuant to incorporation decree number 429/2005 issued by the Ministry of Economy. Dana Gas shares are listed on the Abu Dhabi Securities Exchange (ADX).

The Company, its subsidiaries, joint operations and joint ventures constitute the Group (the "Group"). The Group is engaged in the business of exploration, production, ownership, transportation, processing, distribution, marketing and sale of natural gas and petroleum related products, including the development of gas related projects and services.

The Company's registered head office is at P. O. Box 2011, Sharjah, United Arab Emirates with a presence in Cairo (Egypt) and Kurdistan Region of Iraq.

For the year ended 31 December 2021, the Group is in compliance with the provisions of the UAE Federal Law No. (2) of 2015 (as amended). On 20 September 2021, the UAE Federal Decree Law No. (32) of 2021 concerning Commercial Companies Law (New Companies Law) was issued and came into effect on 2 January 2022 which repealed the UAE Federal Law No. (2) of 2015 (as amended). The New Companies Law granted companies 12 months from 2 January 2022 to comply with the provisions of New Companies Law and to adjust their positions.

Principal subsidiaries and joint arrangements of the Group at 31 December 2021 and 31 December 2020 and the Company's (direct and indirect) percentage of ordinary share capital or interest are set out below:

Subsidiaries	%	Country of incorporation	Principal activities
Dana LNG Ventures Limited	100	British Virgin Islands	Intermediate holding company of Dana Gas Egypt
Dana Gas Red Sea Corporation	100	Barbados	Holding company of Dana Gas Egypt
Dana Gas Egypt Ltd	100	Barbados	Oil and Gas exploration ("Dana Gas Egypt") & production
Dana Gas Explorations FZE	100	UAE	Oil and Gas exploration & production
Sajaa Gas Private Limited Company ("Saj Gas")	100	UAE	Gas Sweetening
United Gas Transmissions Company Limited ("UGTC")	100	UAE	Gas Transmission
Danagaz (Bahrain) WLL	66	Bahrain	Gas Processing
Joint Operations	%		
Pearl Petroleum Company Limited ("Pearl Petroleum")	35	British Virgin Islands	Oil and Gas exploration & production
UGTC/ Emarat JV	50	Unincorporated	Gas Transmission
Joint Ventures	%		
Crescent National Gas Corporation Limited ("CNGCL")	35	British Virgin Islands	Gas Marketing
GASCITIES Ltd	50	British Virgin Islands	Gas Cities

2 Summary of significant accounting policies

2.1 Basis of preparation

The consolidated financial statements have been prepared on a historical cost basis, except for investment property and financial assets at fair value through profit or loss account that have been measured at fair value. The consolidated financial statements are presented in United States Dollars (USD), which is the Company's functional currency, and all the values are rounded to the nearest million (USD mm) except where otherwise indicated. The United Arab Emirates Dirhams (AED) amounts have been presented solely for the convenience to readers of the consolidated financial statements. AED amounts have been translated at the rate of AED 3.6655 to USD 1.

The consolidated income statement and the consolidated statements of comprehensive for the prior year have been re-presented to reflect continued operations (note 12).

2.2 Statement of compliance

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations issued by the IFRS Interpretations Committee (IFRS IC) as issued by the International Accounting Standards Board (IASB).

The preparation of consolidated financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 3.

2 Summary of significant accounting policies continued

2.3 New and amended standards adopted by the Group

The Group applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2021. The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective. These standards and amendments had no impact on the financial statements of the Group:

- Interest Rate Benchmark Reform – Phase 2 – Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16
- Covid-19-Related Rent Concessions beyond 30 June 2021 Amendment to IFRS 16

New standards and interpretations not yet adopted

The standards, amendments and interpretations that are issued, but not yet effective are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective.

- IFRS 17 Insurance Contracts (01 January 2023)
- Amendments to IAS1: Classification of liabilities as Current or Non-Current (01 January 2023)
- Reference to the Conceptual Framework – Amendments to IFRS 3 (1 January 2022)
- Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16 (1 January 2022)
- Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37 (1 January 2022)
- IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time Adopter (1 January 2022)
- IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities (1 January 2022)
- IAS 41 Agriculture – Taxation in fair value measurements (01 January 2022)
- Definition of Accounting Estimates – Amendments to IAS 8 (01 January 2023)
- Disclosure of Accounting Policies – Amendments to IAS 1 (01 January 2023) and IFRS Practice Statement 2

These standards, interpretations and improvements are not expected to a have a material impact on the financial statements of the Group in the current or future reporting periods and on foreseeable future transactions.

2.4 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 31 December 2021.

(a) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date the control ceases.

Where the Group has less than a majority of the voting, or similar, rights of an investee, it considers all relevant facts and circumstances in assessing whether it has power over an investee, including the contractual arrangement(s) with the other vote holders of the investee, rights arising from other contractual arrangements and the Group's voting rights and potential voting rights. The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the elements of control. Specifically,

the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owner of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets. Acquisition related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gain or losses arising from such re-measurement are recognised in profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IAS 39 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquire over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the income statement.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the statement of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

Inter-company transactions, balances and unrealised gains on transaction between Group companies are eliminated. Unrealised losses are also eliminated. When necessary amounts reported by subsidiaries have been adjusted to conform to the Group's accounting policies.

(b) Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(c) Disposal of subsidiaries

When the Group ceases to have control, any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss. If the Group loses control over a subsidiary, it dercognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity while any resultant gain or loss is recognized in profit or loss.

(d) Joint arrangements

Under IFRS 11, investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint ventures are accounted for using the equity method. Under the equity method of accounting, interests in joint ventures are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses and movements in other comprehensive income. When the Group's share of losses in a joint venture equals or exceeds its interest in the joint ventures (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint ventures), the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of joint ventures.

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The aggregate of the Group's share of profit or loss of a joint venture is shown on the face of the statement of profit or loss outside operating profit and represents profit or loss after tax.

The financial statements of the joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

2 Summary of significant accounting policies continued

2.4 Basis of consolidation continued

(d) Joint arrangements continued

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the joint venture and its carrying value, then recognises the loss as 'Share of profit of a joint venture' in the statement of profit or loss.

Upon loss of significant influence over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

A joint operation is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities, relating to the arrangement.

In relation to its interest in joint operations, the Group recognises its:

- Assets, including its share of any assets held jointly
- Liabilities, including its share of any liabilities incurred jointly
- Revenue from sale of its share of the output arising from the joint operations
- Share of the revenue from the sale of the output by the joint operations
- Expenses, including its share of any expenses incurred jointly.

2.5 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating decision-maker. The Chief Operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Chief Executive Officer who makes strategic decisions.

2.6 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in USD which is the Company's functional currency and AED is presented as the Group's presentation currency for the convenience of the users of the consolidated financial statements.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated income statement, except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges.

Changes in the fair value of monetary securities denominated in foreign currency classified as available-for-sale are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in amortised cost are recognised in profit or loss, and other changes in carrying amount are recognised in other comprehensive income.

Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in income statement as part of the fair value gain or loss. Translation differences on non-monetary financial assets such as equities classified as available-for-sale are included in the available-for-sale reserve in other comprehensive income.

(c) Group companies

The results and financial position of all the Group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(a) Assets and liabilities for each statement of financial position item presented are translated at the closing rate at the date of statement of financial position;

(b) income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and

(c) All resulting exchange differences are recognised in other comprehensive income.

2.7 Property, plant and equipment

Property, plant and equipment is stated at cost net of accumulated depreciation and/or accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Land is not depreciated.

Depreciation/depletion is computed on a straight line/Unit-of-production basis over the estimated useful lives of the assets as follows:

	Useful lives
Oil and gas interests	unit-of-production
Buildings	25 years
Plant and equipment	15 – 25 years/unit-of-production
Pipelines & related facilities	25 years/unit-of-production
Other assets	2-5 years

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.If any such indications exist and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount being the higher of their fair value less costs to sell and their value in use.

The residual values and useful lives of property, plant and equipment are reviewed at each financial year end and adjusted prospectively if appropriate.

Expenditure incurred to replace a component of an item of property, plant and equipment that is accounted for separately is capitalised and the carrying amount of the component that is replaced is written off. Other subsequent expenditure is capitalised only when it increases future economic benefits of the related item of property, plant and equipment.All other expenditure is recognised in the income statement as the expense is incurred.

Expenditure on the construction, installation or completion of infrastructure facilities such as platforms, pipelines and the drilling of development wells, including unsuccessful development or delineation wells, is capitalised within oil and gas properties.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal.Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the income statement.

Capital work-in-progress is stated at cost. On commissioning, capital work-in-progress is transferred to property, plant and equipment and depreciated or depleted in accordance with Group policies.

Oil and gas interests are depleted using the unit-of-production method. Unit-of-production rates are based on proved reserves, which are oil, gas and other mineral reserves estimated to be recovered from existing facilities using current operating methods.

2.8 Intangible assets

Intangible assets acquired as part of a business combination relating to oil and gas interests are recognised separately from goodwill if the asset is separable or arises from contractual or legal rights and its fair value can be measured reliably.

Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in the consolidated income statement.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life when the asset is available for use and assessed for impairment whenever there is an indication that the intangible asset may be impaired.The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year-end.Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period or method, as appropriate, and treated as a change in accounting estimate.

Intangible assets with indefinite useful lives are not amortised but tested for impairment annually either individually or at the cash-generating unit level. When development in respect of the oil and gas properties is internally approved, the related amount is transferred from intangible assets to property, plant and equipment and depleted in accordance with the Group's policy.If no future activity is planned, the remaining balance is written off.

(a) Oil and gas interest

Oil and natural gas exploration and evaluation expenditures are accounted for using the 'successful efforts' method of accounting. Pre-license costs are expensed in the period in which they are incurred. License costs paid in connection with a right to explore in an existing exploration area are capitalised and amortised over the term of the permit. Exploration license and leasehold property acquisition costs are capitalised in intangible assets. Geological and geophysical costs are recognised in the consolidated income statement, as incurred.

2 Summary of significant accounting policies continued

2.8 Intangible assets continued

(a) Oil and gas interest continued

Costs directly associated with an exploration well are capitalised as an intangible asset until the drilling of the well is complete and the results have been evaluated. If hydrocarbons are not found, the exploration expenditure is written off as a dry hole. If hydrocarbons are found and, subject to further appraisal activity which may include the drilling of further wells (exploration or exploratory-type stratigraphic test wells), are likely to be capable of commercial development, the costs continue to be carried as an asset. All such carried costs are subject to a technical, commercial and management review at least once a year to confirm the continued intent to develop or otherwise extract value from the discovery. When this is no longer the case, the costs are written off. When proven reserves of oil and natural gas are determined and development is sanctioned, capitalisation is made within property, plant and equipment.

(b) Impairment – exploration and evaluation assets

Exploration and evaluation assets are tested for impairment when reclassified to development tangible or intangible assets, or whenever facts and circumstances indicate impairment. An impairment loss is recognised for the amount by which the exploration and evaluation assets' carrying amount exceeds their recoverable amount. The recoverable amount is the higher of the exploration and evaluation assets' fair value less cost to sell and their value in use.

2.9 Goodwill

Goodwill arises on the acquisition of subsidiaries and represents the excess of the consideration transferred over Group's interest in net fair value of the net identifiable assets, liabilities and contingent liabilities of the acquiree and the fair value of the non-controlling interest in the acquire.

Goodwill is tested for impairment annually as at 31 December and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods. After initial recognition, goodwill is measured at cost less any accumulated impairment losses.

2.10 Non-current assets (or disposal groups) classified as held for sale and discontinued operations

Non-current assets (or disposal groups) classified as held for sale are measured at the lower of their carrying amount and fair values less costs to sell. Non-current assets (or disposal groups) are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of derecognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the consolidated statement of financial position. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the consolidated statement of financial position.

A discontinued operation is a component of the Group that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose off such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the consolidated statement of comprehensive income.

2.11 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset or a cash generating unit (CGU) may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's or CGU's recoverable amount. An asset's or CGU's recoverable amount is the higher of an asset's or CGU's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets in which case, the asset is tested as part of a large CGU to which it belongs. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset or CGU is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assumptions of the time value of money and the risks specific to the asset or CGU. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased.If such indication exists, the Group makes an estimate of recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset or CGU is increased to its recoverable amount.That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Impairment losses recognised in relation to goodwill are not reversed for subsequent increases in its recoverable amount.

2.12 Financial assets and liabilities

Financial assets

(a) Classification and measurement

The Group classifies its financial assets in the following measurement categories:

- Those to be measured subsequently at fair value (either through OCI, or through profit or loss), and
- Those to be measured at amortised cost

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows and is determined at the time of initial recognition. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15. In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding.

This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

For assets measured at fair value, gain and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for equity investment at fair value through other comprehensive income (FVOCI). The Group reclassifies debt investments when and only when its business mode for managing those assets changes.

(b) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt Instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/ (losses), together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the consolidated statement of profit or loss. This category includes the Group's trade and other receivables.
- FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses when are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is recycled to profit or loss and recognised in other gain/(losses) and impairment expenses are presented as separate line item in the statement of profit or loss.
- FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises

2 Summary of significant accounting policies continued

2.12 Financial assets and liabilities continued

Equity Instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payment is established.

Changes in the fair value of financial assets at FVPL are recognised in other gain/(losses) in the statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset,but has transferred control of the asset

When the Group has transferred its rights to receive cash flows from an asset or has entered into a passthrough arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment

The Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivable. The Group has established a matrix that is based on the Group's historical credit loss experience, adjusted for forward looking factors specific to the debtors and the economic environment.

For other debt financial assets, the ECL is based on the 12-month ECL. The 12-month ECL is the portion of lifetime ECLs that results from default events on a financial instrument that are possible within 12 months after the reporting date. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL.

2.13 Profit-bearing loans and borrowings

All profit-bearing loans and borrowings are initially recognised at the fair value of the consideration received net of issue costs directly attributable to the borrowing. The effective profit rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial instrument.

After initial recognition, profit-bearing loans and borrowings are subsequently measured at amortised cost using the effective profit rate method. Amortised cost is calculated by taking into account any issue costs, and any discount or premium on settlement.

2.14 Investment properties

Investment properties are initially measured at cost, including transaction costs. Subsequent expenditure is added to the carrying value of investment properties when it is probable that future economic benefits, in excess of the originally assessed standard of performance, will flow to the Group. Any expenditure that results in the maintenance of property to an acceptable standard or specification is treated as repairs and maintenance expenses and is charged to the consolidated income statement in the period in which it is accrued.

Subsequently investment properties are stated at fair value, which reflects market conditions at the reporting date. Any gains or loss arising from changes in fair values of investment properties are included in the income statement. Fair values are determined based on an annual evaluation performed by an accredited external, independent valuer, applying a valuation model recommended by the International Valuation Standards Committee.

Investment properties are derecognised either when they have been disposed off or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the consolidated income statement in the period of derecognition.

2.15 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises purchase price, cost of production, transportation and other directly allocable expenses. Costs of spares and consumables are determined on a weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

2.16 Trade and other receivables

Accounts receivable are stated at original invoice amount less a provision for any uncollectible amounts. The Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivable. The Group has established a matrix that is based on the Group's historical credit loss experience, adjusted for forward looking factors specific to the debtors and the economic environment.

2.17 Cash and cash equivalents

In the consolidated statement of cash flows, cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, net of outstanding bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

2.18 Trade payable and accruals

Liabilities are recognised for amounts to be paid in the future for goods or services received, whether billed by the supplier or not. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

2.19 Provisions

General

Provisions are recognised when the Group has a present obligation (legal or constructive) arising from a past event, and the costs to settle the obligation are both probable and able to be reliably measured.

Decommissioning liability

Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of that particular asset. The cash flows are discounted at a current pre tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognised in the income statement as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset. The abandonment and site restoration costs initially recorded are depleted using the unit-of-production method based on proven oil and gas reserves. Subsequent revisions to abandonment and site restoration costs are considered as a change in estimates and are accounted for on a prospective basis.

Employees' end of service benefits

The Group provides end of service benefits to its employees. The entitlement to these benefits is based upon the employees' final salary and length of service, subject to the completion of a minimum service period.The expected costs of these benefits are accrued over the period of employment. With respect to its UAE national employees, the Group makes contributions to a pension fund established by the General Pension and Social Security Authority calculated as a percentage of the employees' salaries.The Group's obligations are limited to these contributions, which are expensed when due.

2.20 Royalty

Royalty is recognised when associated revenue is earned. Royalties are government's share of sales and is either a per barrel amount from sales volume or a percentage of the revenue from sales of hydrocarbons. Accordingly, royalties are excluded to arrive at Net revenue.

2.21 Income Taxes

In Egypt, the Government receives production in lieu of income tax. The Group records this production as a current income tax expense.

2.22 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of respective assets until such time as the assets are substantially ready for their intended use. All other borrowing costs are recognised as finance cost in the income statement in the period in which they are incurred.

2 Summary of significant accounting policies continued

2.23 Share based payment transactions

Service-based restricted shares are granted at no cost to key employees and generally vest one third each year over a three year period from the date of grant. Restricted shares vest in accordance with the terms and conditions established by the Board of Directors and are based on continued service.

The fair value of service-based restricted shares is determined based on the numbers of shares granted and the closing price of the Company's common stock on the date of grant. The cost is being amortised on a straight line method, based on the vesting period.

2.24 Current versus non-current classification

The Group presents assets and liabilities in statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period
  Or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period
  Or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

2.25 Revenue recognition

The Group recognises revenue from contracts with customers based on a five-step model as set out in IFRS 15.

Step 1. Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2. Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3. Determine the transaction price: The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4. Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Group allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.

Step 5. Recognise revenue when (or as) the Group satisfies a performance obligation.

The Group satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

(a) The Group's performance does not create an asset with an alternate use to the Company and the Company has as an enforceable right to payment for performance completed to date.

(b) The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.

(c) The customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs.

For performance obligations where one of the above conditions are not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

When the Group satisfies a performance obligation by delivering the promised goods or services it creates a contract-based asset on the amount of consideration earned by the performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognised this gives rise to a contract liability.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes and duty. The Group assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent.

Revenue is recognised to the extent it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably.

The Company identified one performance obligation which is the delivery of condensate, LPG and gas to the customers as per the terms of the customer contracts. Accordingly, revenue is recognised at a point in time when the performance obligation is fulfilled.

Finance income

Income from surplus funds invested with financial institutions and interest charged to debtors for overdue receivables is recognised as the profit/interest accrues.

3 Significant accounting judgements, estimates and assumptions

The preparation of the Group's consolidated financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities and accompanying disclosures, and the disclosure of contingent asset and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates if different assumptions were used and different conditions existed. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements.

3.1 Carrying value of UAE Gas Project: This includes an investment in CNGCL (note 16) and assets relating to Saj Gas and UGTC included under Property, plant and equipment (note 13) and Intangible assets (note 14). The Gas Sales & Purchase Contract between Dana Gas's partner Crescent Petroleum and the National Iranian Oil Company ("NIOC") for the supply of gas to the UAE Gas Project has been the subject of international arbitration since June 2009 (refer note 16). In September 2021, Dana Gas was informed by Crescent Petroleum that an award for damages in the first arbitration against NIOC has now been made by the international arbitration tribunal. 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 damages sum due to the Company is USD 608 million which has been recognised during the year. Based on advice from Crescent Petroleum, the management believes that the final award from the second arbitration will be sufficient to recover an amount in excess of the remaining carrying value of the related assets. The Group assesses at each statement of financial position date whether there is any evidence of impairment in the carrying value of the UAE Gas Project assets. This requires management to estimate the value in use using estimates and assumptions such as long term hydrocarbon prices, supply volumes, discount rate, operating cost, future capital requirement and operating performance uncertainty.

3.2 Exploration and evaluation expenditures: The application of the Group's accounting policy for exploration and evaluation expenditure requires judgment to determine whether it is likely that future economic benefits are likely, from future either exploitation or sale, or whether activities have not reached a stage which permits a reasonable assessment of the existence of reserves. The determination of reserves and resources is itself an estimation process that requires varying degrees of uncertainty depending on how the resources are classified. These estimates directly impact when the Group defers exploration and evaluation expenditure. The deferral policy requires management to make certain estimates and assumptions as to future events and circumstances, in particular, whether an economically viable extraction operation can be established. Any such estimates and assumptions may change as new information becomes available. If, after expenditure is capitalised, information becomes available suggesting that the recovery of the expenditure is unlikely, the relevant capitalised amount is written off in profit or loss in the period when the new information becomes available.

3.3 Joint arrangements: As at 31 December 2021, the Group holds 35% (31 December 2020: 35%) of the voting rights in PPCL. The group has joint control over PPCL as under the contractual arrangements, unanimous consent is required from all parties to the arrangement for majority of the relevant activities. Though PPCL is structured as a limited liability company, the underlying agreements provide the company with rights and obligations to its share of jointly owned assets/income and jointly incurred liabilities/expenses. Therefore, this arrangement is classified as joint operations.

3 Significant accounting judgements, estimates and assumptions continued

Estimates and assumptions

The Group has identified the following areas where significant estimates and assumptions are required, and where if actual results were to differ, may materially affect the financial position or financial results reported in future periods. Changes in estimates are accounted for prospectively. Further information on each of these and how they impact the various accounting policies are described in the relevant notes to the consolidated financial statements. The Group based its assumptions and estimates on parameter available when the consolidated financial statements were prepared. Existing circumstances and assumptions about the future developments, however, may change due to market change or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

3.4 Sum due following arbitration award: Sum due following arbitration award recorded during the year is based on the assumption that full recovery will take place within twelve months. The sum due is subject to interest for delayed payments.

3.5 Recoverability of oil and gas assets: The Group assesses at each statement of financial position date whether there is any evidence of impairment in the carrying value of its oil and gas assets in property, plant and equipment. This requires management to estimate the recoverable value of its oil and gas assets using estimates and assumptions such as long term hydrocarbon prices, discount rates, operating costs, future capital requirements, decommissioning costs, explorations potentials, reserves and operating performance uncertainty. These estimates and assumptions are subject to risk and uncertainty. The calculation for value in use is most sensitive to the discount rate and oil price. The future cash flows are discounted to their present value using a pre-tax discount rate of 10% – 12.5%. The future cashflows are sensitive to oil price. If the oil price forecast were to increase/decrease by 10% the value in use would have been higher/lower by USD 45 million for the year ended 31 December 2021.

3.6 Financial assets through profit or loss: The Group based its assumptions and estimates on parameter available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market change or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur. The Group uses various models and assumptions in measuring fair value of financial assets. Judgement is applied in identifying the most appropriate model for each type of asset as well as determining the assumptions used in these models, including assumptions around probabilities and discount rates. During the year, the Group has reviewed the discount rate, hydrocarbon prices and probability assumptions and revised for the current economic environment and has recognized an amount of USD 34 million. A 100 basis point increase/decrease in discount rate would impact the fair value of the financial asset at fair value through profit or loss by USD 3 million.

3.7 Hydrocarbon reserve and resource estimates: Oil and gas properties are depreciated on a unit of production (UOP) basis at a rate calculated by reference to total proved reserves determined in accordance with the Society of Petroleum Engineers' rules and incorporating the estimated future cost of developing those reserves. The Group estimates its commercial reserves based on information compiled by appropriately qualified persons relating to the geological and technical data on the size, depth, shape and grade of the hydrocarbon body and suitable production techniques and recovery rates.

Commercial reserves are determined using estimates of oil and gas in place, recovery factors and future commodity prices, the latter having an impact on the total amount of recoverable reserves and the proportion of the gross reserves which are attributable to the host government under the terms of the relevant commercial arrangements. Future development costs are estimated using assumptions as to the number of wells required to produce the commercial reserves, the cost of such wells and associated production facilities, and other capital costs. The carrying amount of oil and gas properties at 31 December 2021 and 2020 is shown in Note 13.

As the economic assumptions used may change and as additional geological information is obtained during the operation of a field, estimates of recoverable reserves may change. Such changes may impact the Group's reported financial position and results, which include:

- The carrying value of oil and gas properties, property, plant and equipment, and goodwill may be affected due to changes in estimated future cash flows.
- Depreciation and amortisation charges in profit or loss may change where such charges are determined using the UOP method, or where the useful life of the related assets change.
- Provisions for decommissioning may change as the changes to the reserve estimates affect expectations about when such activities will occur and the associated cost of these activities.

3.8 Investment Property: The Group carries its investment property at fair value, with changes in fair values being recognised in the consolidated income statement. The Group engaged a qualified independent property consultant to determine fair value reflecting market conditions at 31 December 2021.

3.9 Units of production depreciation of oil and gas properties: Oil and gas properties are depreciated using the units of production (UOP) method over total proved reserves. This results in a depreciation/amortisation charge proportional to the depletion of the anticipated remaining production from the field. Each items' life, which is assessed annually, has regard to both its physical life limitations and to present assessments of economically recoverable reserves of the field at which the asset is located. These calculations require the use of estimates and assumptions, including the amount of recoverable reserves and estimates of future capital expenditure. The calculation of the UOP rate of depreciation could be impacted to the extent that actual production in the future is different from current forecast production based on total proved reserves, or future capital expenditure estimates changes. Changes to proved reserves could arise due to changes in the factors or assumptions used in estimating reserves and are accounted for prospectively.

3.10 Decommissioning costs: Decommissioning costs will be incurred by the Group at the end of the operating life of some of the Group's facilities and properties. The Group assesses its decommissioning provision at each reporting date. The ultimate decommissioning costs are uncertain and cost estimates can vary in response to many factors, including changes to relevant legal requirements, the emergence of new restoration techniques or experience at other production sites. The expected timing, extent and amount of expenditure can also change, for example in response to changes in reserves or changes in laws and regulations or their interpretation. Therefore, significant estimates and assumptions are made in determining the provision for decommissioning. As a result, there could be significant adjustments to the provisions established which would affect future financial results. The provision at reporting date represents management's best estimate of the present value of the future decommissioning costs required.

4 Segment information

Management has determined the operating segments based on the reports reviewed by the Chief Executive Officer (CEO) that are used to make strategic decisions. The CEO considers the business from a geographic perspective which is divided into three geographical units.Unallocated amounts are included in General & administration expenses, investment and finance income, other income, other expenses and finance cost.

Year ended 31 December 2021	United Arab Emirates USD mm	Egypt USD mm	Kurdistan Region of Iraq USD mm	Total USD mm
Gross revenue	4	261	187	452
Royalties	-	(134)	-	(134)
Net revenue	4	127	187	318
Operating cost & depletion	(2)	(60)	(61)	(123)
Gross profit	2	67	126	195
General and administration expenses	-	-	-	(11)
Other expenses	-	-	-	(16)
Investment and finance income	-	-	-	2
Other income	642	-	-	642
Reversal of impairment of oil & gas assets	-	80	-	80
Impairment of PP&E, Intangible & Joint venture	(360)	(171)	-	(531)
Impairment of financial assets	(2)	-	-	(2)
Change in fair value of asset held for sale	-	(14)	-	(14)
Share of profit of a joint venture	-	-	-	4
Exploration expenses/write-off	-	(5)	-	(5)
Finance cost	-	-	-	(5)
Profit before income tax				339
Income tax expense	-	(22)	-	(22)
Net Profit for the period				317
Segment assets as at 31 December 2021	1,575	171	881	2,627
Segment liabilities as at 31 December 2021	105	48	181	334
Other segment information				
Capital expenditure:				
Property, plant and equipment	-	36	88	124
Intangible	-	2	-	2
Total	-	38	88	126
Depreciation & depletion	2	25	36	63

4 Segment information continued

Year ended 31 December 2020	United Arab Emirates USD mm	Egypt USD mm	Kurdistan Region of Iraq USD mm	Total USD mm
Gross Revenue	4	227	118	349
Royalties	-	(124)	-	(124)
Net revenue	4	103	118	225
Operating cost & depletion	(2)	(79)	(58)	(139)
Gross profit	2	24	60	86
General and administration expenses	-	-	-	(12)
Other expenses	-	-	-	(11)
Investment and finance income	-	-	-	15
Other income	1	-	-	1
Impairment of oil & gas assets		(403)	-	(403)
Impairment of financial asset	(5)	(4)	-	(9)
Change in fair value of asset held for sale	-	(18)	-	(18)
Change in fair value of investment property	(2)	-	-	(2)
Share of loss of a joint venture	-	-	-	(2)
Exploration expenses/write off	-	(1)	-	(1)
Finance cost	-	-	-	(16)
Loss before income tax				(372)
Income tax expense	-	(4)	-	(4)
Loss for the period				(376)
Segment assets	1,284	185	797	2,266
Assets classified as held for sale	-	156	-	156
Total assets	1,284	341	797	2,422
Segment liabilities	123	8	100	231
Liabilities directly associated with asset held for sale	-	46	-	46
Total liabilities	123	54	100	277
Other segment information				
Capital expenditure:				
Property, plant and equipment	-	24	27	51
Intangible assets	-	5	-	5
Total	-	29	27	56
Depreciation & depletion	2	47	35	84

5 Revenue

	2021 USD mm	2020 USD mm
Gross revenue	**448**	345
Tariff fee	**4**	4
	452	349
Less: royalties	**(134)**	(124)
Net revenue	**318**	225

Royalties relate to Government share of production in Egypt. Tariff fees relates to fixed pipeline capacity fees earned by UGTC. As the contract includes monthly fixed fee, revenue is recognised over a period of time when customers are invoiced.

In Pearl, revenue against sale of condensate to KRG under the terms of the PDA is recognised based on provisional prices following the principles laid out in the PDA. As per the terms of the PDA, KRG is obliged to provide price particulars for each month based on which provisionally priced condensate sales invoices are raised, which may undergo reconciliations once audited price particulars are received. The monthly condensate revenue invoices from June 2020 to November 2021 have been billed based on the pricing information received from the KRG and therefore not subject to any significant adjustments. Further adjustment, if any, post receipt of final audited pricing particulars from KRG will be accounted for prospectively.

6 Operating costs & depletion

	2021 USD mm	2020 USD mm
Production costs	**35**	33
Staff costs (note 30)	**25**	22
Depreciation and depletion (note 13)	**63**	84
	123	139

7 Investment and finance income

	2021 USD mm	2020 USD mm
Profit on short term deposit	**2**	6
Gain on buyback of Sukuk	**-**	9
	2	15

8 Other income

	2021 USD mm	2020 USD mm
Sum due following arbitration award (note 20)	**608**	-
Financial asset recognised during the year (note 19)	**34**	-
Others	**-**	1
	642	1

9 Finance cost

	2021 USD mm	2020 USD mm
Profit on Sukuk	**-**	12
Term finance (note 26a)	**3**	1
Project finance – Pearl (note 26b)	**1**	1
Others	**1**	2
	5	16

10 Income tax expense

(a) UAE

The Company is not liable to corporate income tax in its primary jurisdiction (UAE).

(b) Kurdistan Region of Iraq

The PDA provides that corporate income tax in the Kurdistan Region of Iraq will be paid directly by the KRG to the relevant tax authorities on behalf of PPCL.

(c) Egypt

The income tax expense in the income statement relates to Dana Gas Egypt operations which is taxed at an average tax rate of 40.55% (2020: 40.55%). This tax is paid by Egyptian General Petroleum Corporate (EGPC)/Egyptian Natural Gas Holding Company (EGAS) on behalf of the Company from their share of production. Dana Gas Egypt does not have any deferred tax asset/liability at year end.

11 Earnings per share

Basic earnings per share (EPS) is calculated by dividing net profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

	2021 USD mm	2020 USD mm
Earnings:		
Net profit / (loss) for the year – USD mm	**315**	(376)
Shares:		
Weighted average number of shares outstanding – million	**6,987**	6,958
Earnings / (loss) per share (Basic)– USD:	**0.045**	(0.054)

12 Asset and liabilities classified as held for sale

The Group announced on 25 October 2020 that it had entered into an agreement with IPR Wastani Petroleum Ltd, a member of the IPR Energy Group ("IPR") for the sale of its onshore Egyptian producing oil and gas assets for a consideration of up to USD 236 million including contingent payments.

On 23 April 2021 the Company terminated its agreement for the sale of its Egyptian assets, previously announced on 25 October 2020.

IPR, notified Dana Gas Egypt ("DGE") that it has submitted a request for Arbitration disputing DGE's right to terminate the SPA.

By an award dated 17 July 2021 the Tribunal dismissed IPR's claim in its entirety, and ruled that Dana Gas' termination of the SPA was valid.

Upon termination of the SPA, the Company transferred the related assets and liabilities from "assets /liabilities held for sale" to the respective statement of financial position categories and reassessed the previously recognised impairment in light of the intention to now retain these assets. This resulted in reversal of impairment of USD 80 million which has been recognised in the current year income statement.

13 Property, plant and equipment

	Freehold Land USD mm	Building USD mm	Oil and gas interests USD mm	Plant and equipment USD mm	Other assets USD mm	Pipeline & related facilities USD mm	Capital work-in-progress USD mm	Total USD mm
Cost:								
At 1 January 2021	**14**	**12**	**521**	**244**	**34**	**119**	**301**	**1,245**
Additions (net)	**-**	**-**	**22**	**1**	**-**	**-**	**88**	**111**
Transfer from asset held for sale	**-**	**-**	**1,115**	**140**	**10**	**-**	**-**	**1,265**
At 31 December 2021	**14**	**12**	**1,658**	**385**	**44**	**119**	**389**	**2,621**
Depreciation/ depletion:								
At 1 January 2021	**-**	**6**	**93**	**109**	**25**	**63**	**1**	**297**
Depreciation/depletion charge for the year	**-**	**1**	**46**	**11**	**1**	**4**	**-**	**63**
Impairment	**-**	**-**	**-**	**9**	**-**	**-**	**65**	**74**
Transfer from asset held for sale	**-**	**-**	**1,026**	**140**	**8**	**-**	**-**	**1,174**
At 31 December 2021	**-**	**7**	**1,165**	**269**	**34**	**67**	**66**	**1,608**
Net carrying amount:								
At 31 December 2021	**14**	**5**	**493**	**116**	**10**	**52**	**323**	**1,013**

Some of Pearl Petroleum's property, plant and equipment is pledged against loan facility (note 26).

Property, plant and equipment include financing cost amounting to USD 15 million as at 31 December 2021 (2020: USD 8 million) on borrowings for ongoing development and capitalised using effective interest rate of the specific borrowing.

	Freehold Land USD mm	Building USD mm	Oil and gas interests USD mm	Plant and equipment USD mm	Other assets USD mm	Pipeline & related facilities USD mm	Capital work-in-progress USD mm	Total USD mm
Cost:								
At 1 January 2020	14	12	1,597	384	44	119	276	2,446
Additions	-	-	17	-	-	-	27	44
Transfer from capital work in progress	-	-	2	-	-	-	(2)	-
Transfer from intangible assets (note 14)	-	-	4	-	-	-	-	4
Assets classified as held for sale	-	-	(1,099)	(140)	(10)	-	-	(1,249)
At 31 December 2020	14	12	521	244	34	119	301	1,245
Depreciation/ depletion:								
At 1 January 2020	-	6	954	200	24	59	-	1,243
Depreciation/depletion charge for the year	-	-	60	17	2	4	1	84
Impairment	-	-	30	-	-	-	-	30
Assets classified as held for sale	-	-	(951)	(108)	(1)	-	-	(1,060)
At 31 December 2020	-	6	93	109	25	63	1	297
Net carrying amount:								
At 31 December 2020	14	6	428	135	9	56	300	948

Some of Pearl Petroleum's property, plant and equipment is pledged against a loan facility (note 26).

Property, plant and equipment include financing cost amounting to USD 8 million as at 31 December 2020 (2019: USD 4 million) on borrowings for ongoing development and capitalised using effective interest rate of the specific borrowing.

The majority of Saj Gas and UGTC assets have not been depreciated as commercial activity has not yet begun. Saj Gas assets are to be used for processing and sweetening of the gas received from CNGCL and UGTC assets are to be used in transportation of the same gas. CNGCL was to receive gas from Crescent Petroleum who relied on its contracted gas supplier NIOC. The failure by NIOC to supply gas meant that Saj Gas and UGTC assets could not be put to use.Crescent Petroleum is continuing with an international arbitration in relation to NIOC's supply failure in default of its 25 year gas supply contract.

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. Following the first arbitration award, management has carried out an assessment of the recoverable values of the Saj Gas and UGTC assets at the period end and based on the expected future cash flows to be generated by the assets has recognised an impairment provision of USD 74 million against these assets.

Oil and Gas Interests

Oil and gas interests relates to retained concessions in Dana Gas Egypt as described below in more detail:

- El Wastani Development Lease – This development lease is held with a 100% working interest and represents approximately 5% of current production in Dana Gas Egypt. El Wastani production includes both gas and associated gas liquids. This development lease has 40.7 sq. km of land included within its boundary and is located in the Nile Delta of Egypt.
- West El Manzala Development Leases (West El Manzala Concession) – These development leases are held with a 100% working interest. These development leases have 261.5 sq. km of land included within their boundaries and are located in the Nile Delta of Egypt. To date, eleven development leases are producing both natural gas and associated liquids representing approximately 88% of Dana Gas Egypt current production.
- West El Qantara Development Leases (West El Qantara Concession) - These development leases are held with a 100% working interest. These development leases have 76.5 sq. km of land included within their boundaries and are located in the Nile Delta of Egypt. To date, two development leases are producing both natural gas and associated liquids representing approximately 6% of Dana Gas Egypt current production.
- North El Salhiya Development Lease – This development lease is held with a 100% working interest. This development lease has 11.6 sq.km of land included within its boundaries and is located in the Nile Delta of Egypt. To date, this development lease is producing both natural gas and associated liquids representing 1% of Dana Gas Egypt current production.
- El Matariya Onshore (Block-3) – In September 2014, Dana Gas Egypt was awarded a 50% working interest in the Block 3 concession area. The area is located onshore Nile Delta. As per the concession agreement, Dana Gas Egypt as a partner and BP as an operator will participate on a 50:50 basis.In 2020 an amount of USD 7.5 million had been impaired in relation to signature bonus paid. In January 2021, the area was relinquished.

14 Intangible assets

	Oil and gas interests USD mm	**Transmission & sweetening rights USD mm**	**Goodwill USD mm**	**Total USD mm**
Cost at 1 January 2021	**199**	**289**	**145**	**633**
Less: accumulated impairment	**(175)**	**-**	**-**	**(175)**
Net book amount at 1 January 2021	**24**	**289**	**145**	**458**
Addition	**2**	**-**	**-**	**2**
Impairment	**(26)**	**(98)**	**(145)**	**(269)**
At 31 December 2021	**-**	**191**	**-**	**191**

	Oil and gas interests USD mm	Transmission & sweetening rights USD mm	Goodwill USD mm	Total USD mm
Cost at 1 January 2020	214	289	308	811
Less: accumulated impairment	(175)	-	-	(175)
Net book amount at 1 January 2020	39	289	308	636
Addition	5	-	-	5
Transfer to property, plant and equipment (note 13)	(4)	-	-	(4)
Exploration write off	(1)	-	-	(1)
Asset classified as held for sale	(15)	-	(163)	(178)
At 31 December 2020	24	289	145	458

14 Intangible assets continued

(a) Oil and Gas Interests

Oil and gas interests in intangible assets relates to North Al Arish Offshore (Block-6) concession in Dana Gas Egypt. In April 2013, Dana Gas Egypt was awarded a 100% working interest in the North El Arish Offshore (Block 6) concession area. The area currently comprises 2,000 sq. km after relinquishment of 1/3 of the original area in July 2019, offshore Nile Delta/Sinai Peninsula, in the eastern part of the Mediterranean Sea. A 3D seismic survey acquisition was carried out in the Block, covering 1,830 full fold sq. km. The Company completed the drilling operations at its deepwater Merak-1 well in July 2019. The well was drilled to a total depth of 3,890 meters and encountered 36m of sand in the Miocene objective interval but did not encounter commercial hydrocarbons.In 2020, the Company carried out reprocessing of 1,000 sq. km and acquisition of further 345 sp. km 3D seismic over the Thuraya prospect. In Quarter 2 2021, Dana Gas Egypt was granted a nine month extension for the second exploration phase.

(b) Transmission and sweetening rights

Intangible assets include USD 191 million (2020: USD 289 million) which represent the rights, for the transmission and sweetening of gas and related products, acquired by the Company through its shareholdings in Saj Gas and UGTC. The fair value of the rights acquired in 2005 was determined by reference to valuation exercises undertaken by professionally qualified independent third parties based on the expected future cash flows arising from the underlying contractual relationships. The intangible assets will be amortised from the date of commencement of commercial activity in accordance with the terms of the contracts to which they relate. Commercial activity has not yet commenced. Crescent Petroleum is continuing with international arbitration to seek a ruling on its binding 25 years gas supply contract with NIOC. The parties to the arbitrations are Crescent Petroleum and NIOC, who are the parties to the Gas Sales & Purchase Contract (GSPC) at issue in the arbitration.Dana Gas is not a party to the GSPC, or to the 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. Dana Gas will receive USD 608 million (AED 2.23 Billion). Following the first arbitration award, management has carried out an assessment of the recoverable values of the transmission & sweetening rights at the period end and based on the expected future cash flows to be generated by these assets has recognised an impairment provision of USD 98 million.

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 2022 in Paris, and for which a final award on damages is expected the following year in 2023. Dana Gas will also receive a portion of the next award. Based on advice from Crescent Petroleum, management believes that the sums expected from the second arbitration will be sufficient to cover the remaining carrying value of the related assets.

(c) Goodwill

Goodwill of USD 145 million relates to the acquisition of Dana Gas Egypt in January 2007 which enabled Dana Gas to acquire the upstream business qualification and therefore the rights to development. In 2020 Dana Gas was selling its onshore business in Egypt and as part of the sale had recorded impairment of USD 163 million against goodwill. In Q2 2021 the sale was terminated, however the goodwill previously impaired was not reversed. During the year, management has carried out further assessments and has recognised full impairment of the remaining goodwill.

15 Investment property

	2021 USD mm	2020 USD mm
Balance at 1 January	**20**	22
Change in fair value	**-**	(2)
Balance at 31 December	**20**	20

Investment property consists of industrial land owned by Saj Gas, a subsidiary, in the Sajaa area in the Emirate of Sharjah, United Arab Emirates. The Group considers a portion of land to be surplus to their operational requirements and will be used for earning rentals or held for capital appreciation.

Investment property is stated at fair value which has been determined based on a valuation performed by an independent firm of qualified property consultants, with reference to comparable market transactions. The latest valuation exercise was carried out by the consultants as at 31 December 2021 and resulted in a valuation of USD 20 million.

16 Interest in joint ventures

The following table summarises the statement of financial position of the joint ventures as at 31 December 2021:

	Gas Cities USD mm	CNGCL USD mm	EBGDCO USD mm	Total USD mm
Current assets				
Other current assets	**2**	**-**	**-**	**2**
Total current assets	**2**	**-**	**-**	**2**
Non-current assets	**-**	**21**	**-**	**21**
Current liabilities				
Other current liabilities	**(9)**	**(52)**	**-**	**(61)**
Total current liabilities	**(9)**	**(52)**	**-**	**(61)**
Non-current liabilities				
Other non-current liabilities	**-**	**(19)**	**-**	**(19)**
Total non-current liabilities	**-**	**(19)**	**-**	**(19)**
Net assets / (liabilities)	**(7)**	**(50)**	**-**	**(57)**
Reconciliation to carrying amount				
Opening net assets/(liabilities) as of 1 January 2021	**(7)**	**(46)**	**18**	**(35)**
Loss / (profit) for the year	**-**	**(4)**	**-**	**(4)**
Closing net assets/(liabilities) as of 31 December 2021	**(7)**	**(50)**	**18**	**(39)**
Group's share in %age	**50%**	**35%**	**40%**	
Group's share of net assets/(liabilities)	**(3)**	**(18)**	**8**	**(13)**
Fair value/adjustment	**3**	**569**	**5**	**577**
Impairment	**-**	**(188)**	**-**	**(188)**
Disposal of interest	**-**	**-**	**(13)**	**(13)**
Carrying amount as of 31 December 2021	**-**	**363**	**-**	**363**

The following table summarises the income statement of the joint ventures for the year ended 31 December 2021:

	Gas Cities USD mm	CNGCL USD mm	EBGDCO USD mm	Total USD mm
Revenue	**-**	**-**	**-**	**-**
Interest Income	**-**	**-**	**-**	**-**
Depreciation and amortisation	**-**	**-**	**-**	**-**
Interest expense	**-**	**-**	**-**	**-**
Income tax expense	**-**	**-**	**-**	**-**
Total comprehensive loss for the year	**-**	**(4)**	**-**	**(4)**

The Joint ventures had no other contingent liabilities or capital commitments as at 31 December 2021 and 2020.

Notes to the Consolidated Financial Statements continued

At 31 December 2021

16 Interest in joint ventures continued

The following table summarises the statement of financial position of the joint ventures as at 31 December 2020:

	Gas Cities USD mm	CNGCL USD mm	EBGDCO USD mm	Total USD mm
Current assets				
Cash and cash equivalents	-	-	1	1
Other current assets	2	-	19	21
Total current assets	2	-	20	22
Non-current assets	-	23	69	92
Current liabilities				
Financial liabilities (exc. payable)	-	-	(7)	(7)
Other current liabilities	(9)	(46)	(19)	(74)
Total current liabilities	(9)	(46)	(26)	(81)
Non-current liabilities				
Financial liabilities (exc. payable)	-	-	(32)	(32)
Other non-current liabilities	-	(23)	(13)	(36)
Total non-current liabilities	-	(23)	(45)	(68)
Net assets / (liabilities)	(7)	(46)	18	(35)
Reconciliation to carrying amount				
Opening net assets/(liabilities) as of 1 January 2020	(7)	(40)	18	(29)
Loss for the year	-	(6)	-	(6)
Closing net assets/(liabilities) as of 31 December 2020	(7)	(46)	18	(35)
Group's share in %age	50%	35%	40%	
Group's share of net assets/(liabilities)	(3)	(16)	8	(11)
Fair value/adjustment	3	569	-	572
Carrying amount as of 31 December 2020	-	553	8	561

The following table summarises the income statement of the joint ventures for the year ended 31 December 2020:

	Gas Cities USD mm	CNGCL USD mm	EBGDCO USD mm	Total USD mm
Revenue	-	-	26	26
Interest Income	-	-	-	-
Depreciation and amortisation	-	-	(7)	(7)
Interest expense	-	-	(3)	(3)
Income tax expense	-	-	-	-
Total comprehensive loss for the year	-	(6)	-	(6)

Investment in joint venture at the year end relates to Dana Gas' 35% interest in CNGCL and represents the rights for the purchase and sale of gas and related products acquired by the Company in 2005. The fair value of the rights acquired was determined by reference to valuation exercises undertaken by professionally qualified independent third parties based on the expected future cash flows arising from the underlying contractual relationships.

CNGCL is a company established on 22 July 2003 and is owned by Crescent Petroleum (65%) and Dana Gas (35%). Its primary purpose is to market natural gas and its associated products in the UAE purchased from Crescent Petroleum whose contracted gas supplier was NIOC. Commercial activity in CNGCL has not yet commenced. NIOC's failure to supply gas meant that CNGCL could not source any gas to on-sell to end users. Crescent Petroleum is continuing with international arbitration in relation to NIOC's default. The parties to the arbitrations are Crescent Petroleum and NIOC, who are the parties to the Gas Sales & Purchase Contract (GSPC) at issue in the arbitration.Dana Gas is not a party to the GSPC, or to the 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 and Dana Gas will receive USD 608 million (AED 2.23 Billion. Following the first arbitration award, management has carried out an assessment of the recoverable values of the interest in joint venture at the period end and based on the expected future cash flows to be generated has recognised an impairment provision of USD 188 million.

In addition, a second arbitration with a much larger claim for the 16.5 years remainder of the contract from 2014 to 2030 is currently underway, with the final hearing fixed for October 2022 in Paris, and for which a final award on damages is expected the following year in 2023. Dana Gas will also receive a portion of the next award. Based on advice from Crescent Petroleum, management believes that the sums expected from the second arbitration will be sufficient to cover the remaining carrying value of the related assets.

Moreover, we are aware that Crescent Petroleum has made provision in its damages claim against NIOC for reimbursement of the losses suffered by the Company including any third party claims where damages would ultimately be assessed and decided by a Court.

17 Interest in joint operations

(a) Kurdistan Region of Iraq Project

Pearl was incorporated in the British Virgin Islands as a BVI Business Company on 19 January 2009. The activities of the Company include exploration, development, production, ownership, transportation, processing, distribution, marketing and sale of natural gas and petroleum related products, including the development of gas related projects and services in the KRI. Pearl is owned 35% each by Crescent Petroleum and Dana and 10% each by OMV Upstream International GmbH ("OM"), MOL Hungarian Oil and Gas Public Limited Company ("MOL") and RWE Middle East Holding BV ("RWE").

Pursuant to the Head of Agreement with the KRG dated 4 April 2007 (supplemented with a detailed accounting procedure dated 25 January 2008) which was subsequently amended on 30 August 2017 and termed as the "Petroleum Development Agreement" ("PDA"), Pearl is the contractor and consequently takes title to and enjoys exclusive rights to appraise, develop, produce, market and sell petroleum, including natural gas domestically and for export, from Khor Mor, Chemchemal, Block 19 and Block 20 areas ("HoA Areas"). Crescent and Dana have been appointed as the Operator (for and on behalf of Pearl Petroleum) for the purposes of the implementation of the PDA.

The following amounts represent the Group's 35% share of the assets, liabilities and income of the joint operation:

	2021 USD mm	2020 USD mm
Assets:		
Non-current assets	**757**	705
Current assets	**124**	92
Total Assets	**881**	797
Liabilities:		
Non-current liabilities	**142**	68
Current liabilities	**39**	31
Total Liabilities	**181**	99
Net Assets	**700**	698
Revenue	**187**	118
Operating cost	**(25)**	(23)
Depreciation	**(36)**	(35)
Gross profit	**126**	60

(b) UGTC/ Emarat

The Group has a 50% interest in the UGTC/ Emarat jointly controlled operations which owns one of the largest gas pipelines in the UAE (48 inch diameter) with an installed capacity of 1,000 MMscfd, to transport gas in the Emirates of Sharjah from Sajaa to Hamriyah. The following amounts represent the Group's 50% share of the assets, liabilities and income of the joint operations:

	2021 USD mm	2020 USD mm
Assets:		
Non-current assets	**13**	14
Current assets	**17**	16
Total Assets	**30**	30
Liabilities:		
Current liabilities	**-**	-
Net Assets	**30**	30
Revenue	**4**	4
Operating cost	**(1)**	(1)
Depreciation	**(1)**	(1)
Gross profit	**2**	2

18 Inventories

	2021 USD mm	2020 USD mm
Spares and consumables	**21**	4
	21	4

19 Financial assets at fair value through profit or loss

	2021 USD mm	2020 USD mm
Balance at 1 January	**98**	111
Recognised during the year	**34**	-
Received during the year	**(13)**	(11)
Change in fair value	**-**	(2)
Balance at 31 December	**119**	98

Financial assets classification between non-current and current assets is as follows:

	2021 USD mm	2020 USD mm
Current assets	**53**	51
Non-current assets	**66**	47
	119	98

During 2019, the Company has recorded certain reserve based earn out entitlements as financial assets at fair value through profit or loss. These are due from certain shareholders in Pearl Petroleum as considerations which were contingent upon proving up additional reserves in Pearl Petroleum.

In addition, as part of the settlement agreement with RWE Supply & Trading GmbH ("RWE") the Company is entitled to and has recognised certain confined payments which are due only in case and in the amount dividends are distributed to RWE by Pearl (based on RWE's 10% equity in Pearl). During the year, the Company has received an amount of USD 13 million towards such confined payments.

Financial assets at fair value through profit or loss also includes an investment in the Abraaj Infrastructure Fund. As the fund managing entity is under liquidation, this investment was fully impaired in the prior year.

The Company did not make any investment in shares or stock during the year ended 31 December 2021 (31 December 2020: Nil).

20 Sum due following arbitration award

	2021 USD mm	2020 USD mm
Recognised during the year	**608**	-

During the year, the Company was 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. The first arbitration covers the period of the first 8.5 years of the 25 years gas sales agreement from 2005 to mid-2014.

The damages sum due to Dana Gas is USD 608 million (AED 2.23 billion) which has been recorded during the year. The amount is expected to be fully recovered through an enforcement process to be undertaken by Crescent Petroleum and the Company expects to receive the sum due to it within the next twelve months.

21 Trade and other receivables

	2021 USD mm	2020 USD mm
Trade receivables (net)	**67**	39
Prepaid expenses	**1**	1
Due from joint ventures	**17**	18
Accrued revenue (note c)	**8**	8
Other receivables	**14**	4
Less: provision for impairment	**-**	(1)
	107	69

(a) Trade receivables are interest bearing and are generally on 5-60 days credit period.

(b) The ageing analysis of trade receivables is as follows:

			Past due				
	Total USD mm	**Not past due USD mm**	**<30 days USD mm**	**30-60 days USD mm**	**61-90 days USD mm**	**91-120 days USD mm**	**>120 days USD mm**
31 December 2021	**67**	**51**	**16**	**-**	**-**	**-**	**-**
31 December 2020	39	13	3	-	-	-	23

(c) In July 2019, an audit of the KRI pipeline metering system revealed that a meter at the Khor Mor plant had, since November 2018, been over-reporting the volume of gas supplied by the Company to the KRG by 5.9%. Another issue also discovered concurrently was an under-reporting of the heating value of the sales gas.

Whilst interim steps were taken to correct the over-reporting in July 2019, the Company and the KRG also agreed a series of steps to install full fiscal metering to resolve this issue. In the meantime, a provisional interim adjustment, relating to the period November 2018 to July 2019, was applied to the invoices of July, August and September 2019. This adjustment amounted to USD 23 million (DG Share: USD 8 million) with the final resolution of the provisional adjustment only once the final adjustment and reconciliation is completed. The implementation schedule for the fiscal metering package has been delayed due to COVID-19. The new system is expected to be operational in 2022. Accordingly, the provisional adjustment to amounts due from the KRG has been reflected in this financial statement as an accrued revenue asset.

22 Cash and cash equivalents

	2021 USD mm	2020 USD mm
Cash at bank		
- Local Banks within UAE	**53**	13
- Foreign Banks outside UAE	**17**	6
Short-term deposits		
- Local Banks within UAE	**115**	89
Cash and cash equivalents	**185**	108

Cash at bank earns profit at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods ranging between one week and twelve months, depending on the immediate cash requirements of the Group, earn profit at the respective short-term deposit rates and are repayable on demand. The fair value of cash and bank balance including short-term deposits is USD 185 million (31 December 2020: USD 108 million). The effective profit rate earned on short term deposits ranged 0.11% to 2.25% (2020: 0.14% to 3.6%) per annum. As at 31 December 2021, 91 % (31 December 2020: 95%) of cash and bank balance were held with UAE banks and the balance held outside UAE. Out of the total cash and bank balance of USD 185 million, 9% of the amount was held in Egyptian pounds (2020: 5%).

Cash & cash equivalent includes USD 67 million (DG Share 35%) held by Pearl joint venture.

For the purpose of the statement of cash flows, cash and cash equivalent comprise the following at 31 December 2021:

	2021 USD mm	2020 USD mm
Cash at bank and on hand	**70**	19
Short term deposits	**115**	89
Cash at bank attributable to discontinued operations (note 12)	**-**	1
Cash and cash equivalents	**185**	109

23 Share capital

	2021 USD mm	2020 USD mm
Issued and fully paid up:		
6,995,373,373 (2019: 6,995,373,373) common shares of AED 1 each (USD 0.2728 each)	**1,908**	1,908

24 Treasury Shares

The Company executed a share buyback during the period December 2019 to January 2020 and acquired a total of 36,950,000 of its own shares at an average price of AED 0.94.

During Quarter 1 2021, the Company sold 36,950,000 of its own shares at an average price of AED 0.746.

25 Legal and voluntary reserve

	Legal reserve USD mm	Voluntary reserve USD mm
At 1 January 2020	**132**	132
Transfer for the year	**-**	-
At 31 December 2020	**132**	132
Transfer to retained earnings	**-**	(132)
Transfer for the year	**32**	32
At 31 December 2021	**164**	32

(a) Legal Reserve

In accordance with the U.A.E. Federal Law No. (2) of 2015 (as amended), the Company has established a legal reserve by appropriation of 10% of the Group's net profit for each year. The allocation may cease by the decision of the General Assembly when the reserve equals 50% of the Company's paid up capital. This reserve may not be distributed to the shareholders. However, the legal reserve in excess of 50% of the paid up capital may be distributed as profits to the shareholders in the years in which the Company does not make sufficient net profits.

(b) Voluntary Reserve

As per the Article of Association of the Company, 10% of the Group's net profit for each year will be allocated to the voluntary reserve. The General Assembly may stop the allocation upon the recommendation of the Board of Directors or when the reserve reaches 50% of the paid up capital. The voluntary reserve shall be expended in accordance with a resolution of the Board of Directors on matters that serve the interests of the Company.

26 Borrowings

	2021 USD mm	2020 USD mm
Non-current		
Term loan facility (a)	**57**	-
Loan facility (b)	**105**	68
	162	68
Current		
Term loan facility (a)	**19**	90
Loan facility (b)	**18**	5
	37	95
Total Borrowings	**199**	163

	2021 USD mm	2020 USD mm
Total Borrowings (including Pearl joint operations)	**199**	163
Less: Pearl's Loan facility– Non recourse to Dana Gas	**(123)**	(73)
Dana Gas borrowings	**76**	90

(a) Term loan facility

Dana Gas PJSC and Dana Gas Egypt Ltd ("DGE") together ("the borrowers") entered into a term loan facility with a local UAE bank on 14 October 2020 ("Signing date"), for partly refinancing the Company's Sukuk. The term loan facility amounts to USD 90 million for a period of one year at an initial 3% per annum margin over LIBOR. The facility was fully drawn down on 22 October 2020. The first repayment date was on the six month anniversary of the signing date with original termination date falling one year from the signing date, with an option to extend for a further period of four years. During the year, the Company has exercised its option to extend the facility for a further period of four years. As of 31 December 2021, the amount outstanding towards principal is USD 75.8 million.

The term loan facility is secured against the shares of Dana Gas Red Sea Corporation, Dana Gas Egypt Ltd, and Dana LNG Ventures (BVI) and against certain other assets in UAE and Egypt.

Under the terms of the facility, the company is required to comply with certain financial covenants and the Company has complied with these covenants as of 31 December 2021.

(b) Loan facility – Pearl Petroleum

Pearl Petroleum on 18 September 2018 signed a USD 150 million non-recourse (to its shareholders including Dana Gas) loan facility "Facility Agreement" with a local UAE bank with original final repayment date of 30 September 2023 for financing its development activities. The Facility Agreement provides for a 2-year grace period followed by repayment in twelve equal quarterly instalments with the first repayment taking place in 31 December 2020. Pearl has since drawn down the full facility amount of USD 150 million. The repayment schedule for the facility has been amended by way of an Agreement executed on 30 June 2020. Repayments due in 2020 (USD 12.5 million) have been deferred and are now payable during the course of 2021. The remaining balance of the facility (i.e. USD 137.5 million of which USD 50 million was due in 2021) has been deferred by one year with the first repayment commencing from 31 March 2022 and final repayment date is 30 September 2024. The repayment instalments under the facility of USD 50 million which are due by 31 December 2022 have been classified as current liabilities. The four instalments of USD 5.3 million for each of the amounts deferred from 2020 were paid quarterly in 2021 of which USD 12.5 million relates to the principal component of the facility. The amended facility agreement also provides for capitalisation of interest payable during 2021, at the option of Pearl, with the repayment on 30 September 2024. Pearl has opted to capitalize the interest payable during the year 2021.

Pearl Petroleum signed a new term loan facility of USD 120 million non-recourse (to its shareholders including Dana Gas) on 12 December 2019 with a local UAE bank with final repayment date of 30 September 2023 for financing its development activities. The facility had a 2.5 year grace period and was repayable in eight equal quarterly instalments, with the first repayment taking place on 30 June 2022. The repayment schedule for this facility has been amended by way of an agreement executed on 30 June 2020, with the first repayment revised to be from 30 June 2023 and final repayment date of 30 September 2024. Pearl has since drawn down the full facility amount of USD 120 million (DG Share: USD 42 million) from the facility as at 31 December 2021.

Pearl signed on 7 September 2021 a USD 250 million term loan facility with the U.S. International Development Finance Corporation ("DFC") with a final repayment date of 17 July 2028 for financing the construction, development and operation of a new 250 MMscfd gas processing facility and associated infrastructure located in the Khor Mor gas field. The facility has a 2.5 year grace period and is repayable in eighteen equal quarterly instalments, with the first repayment taking place on 17 April 2024. Pearl has drawn down USD 99.55 million (DG Share: USD 35 million) from the facility as at 31 December 2021.

Pearl has provided pari-passu security to the Lender by way of assignment of revenue, insurance, major construction contracts, registered pledge over Pearl's certain existing production assets in Kurdistan for all the facilities and registered pledge over the new 250 MMscfd gas processing facility once the facility is fully operational. This financing is non-recourse to the Company.

The borrowings under the non-current liabilities are stated net of transaction costs and are carried at amortised cost as at 31 December 2021.

Under the terms of the loan facility, Pearl is required to comply with certain financial covenants and Pearl has complied with these covenants as of 31 December 2021.

27 Provisions

	2021 USD mm	2020 USD mm
Non-current		
Asset decommissioning obligation (a)	**15**	-
Employee's end of service benefits (b)	**2**	3
	17	3

(a) The asset decommissioning provision is based on the Company's best estimate of the expenditure required to settle the obligation at the end of the field life in Egypt.

(b) Provision for employee's end of service benefits represents the present value of the obligations to employees in accordance with the UAE Labor Law. During the year an additional provision of USD 404,000 was recognized as an expense and USD 621,000 of provision was utilized.

28 Trade payables and accruals

	2021 USD mm	2020 USD mm
Trade payables	**29**	6
Accruals and other payables	**64**	27
Asset decommissioning obligation	**16**	18
Other liabilities	**9**	14
	118	65

Trade payables and accruals classification between non-current and current liability is as follows:

	2021 USD mm	2020 USD mm
Current liabilities	**82**	65
Non-current liabilities	**36**	-
	118	65

29 Commitments

Pearl Petroleum

As at 31 December 2021, Pearl had capital commitments of circa USD 255.7 million (DG Share: USD 89.5 million) – (2020: USD 396.24 million – DG share: USD 138.69 million) which mainly includes commitment relating to engineering, procurement and construction contract for development of 250 MMscfd gas processing train in Khor Mor.

30 Staff costs

	2021 USD mm	2020 USD mm
Salaries, allowances and other employee benefits	**45**	40
	45	40

Staff costs are allocated as follows:

	2021 USD mm	2020 USD mm
Operating costs (staff cost)	**25**	22
Operating costs (production costs)	**2**	3
General and administration expenses	**5**	5
Other expenses	**1**	1
Capital expenditure	**12**	9
	45	40

31 Related party disclosures

Note 1 provides information about the Group's structure, including details of the subsidiaries and joint arrangement.

	2021 USD mm	2020 USD mm
Fee for management services by shareholder	**1.5**	1
Fees for management services to Joint arrangement	**3**	2
Revenues billed to Joint arrangement	**1**	1
Sum due following arbitration award (note 20)	**608**	-

Fees for management services for joint arrangement and major shareholder relates to actual cost charged in respect of time spend by Dana Gas personnel on Joint ventures activities and time spend by major shareholder personnel on activities related to Dana Gas.

Revenue relates to pipeline capacity charges billed by UGTC to CNGCL (Joint Venture) in which the Group holds 35% interest.

Compensation of key management personnel

The remuneration of members of key management during the year was as follows:

	2021 USD mm	2020 USD mm
Short-term benefits	**4**	3
Share based payment	**1**	1
	5	4

32 Dividend

At the Annual General Meeting of the Company held on 28 April 2021, the shareholders approved a cash dividend of 5.5 fils per share for 2020 (2020: 5.5 fils) amounting in total to USD 105 million (AED 385 million).

In addition at the General Assembly Meeting held on 9 December 2021, the shareholders approved an interim dividend of 3.5 fils per share for 2021 (2020: Nil) amounting in total to USD 67 million (AED 245 million).

33 Financial risk management objectives and policies

Financial risk factors

The Group's principal financial liabilities comprise borrowings, decommissioning obligations (provisions), trade payables, other payables and due to related parties. The main purpose of these financial liabilities is to raise finance for the Group's operations. The Group has various financial assets such as trade receivables and cash and short-term deposits, which arise directly from its operations.

The main risks arising from the Group's financial instruments are foreign currency risk, interest rate risk, price risk, credit risk and liquidity risk.

The Board of Directors have overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's senior management are responsible for developing and monitoring the risk management policies and report regularly to the Board of Directors on their activities.

The Board of Directors reviews and agrees policies for managing each of these risks which are summarised below.

33 Financial risk management objectives and policies continued

(a) Foreign currency risk

The Group is exposed to foreign currency risks in relation to its cash balance in Egyptian pounds held in Egypt with local banks and Egyptian pound payables amounting to USD 1 million.

At 31 December 2021, if the Egyptian pounds had strengthened/weakened by 10% against the USD with all other variables held constant, total comprehensive profit for the year would have been USD 2 million higher/ lower (2020: USD 0.5 million), as a result of foreign exchange gains/losses on translation of Egyptian pounds denominated cash and bank balance.

(b) Profit rate risk

The Group has minimal exposure to Profit rate risk on bank deposits. The Group has exposure to profit rate risk on its share of borrowing in Pearl and its term loan facility. If the interest rate would have increased / decreased by 10% with all other variable held constant, total comprehensive (loss)/profit for the year would have been USD 0.4 million higher/lower (2020: USD 0.2 million).

(c) Price risk

The Group is exposed to commodity price risk (oil price), however this is partially mitigated due to long term fixed price agreements for sale of natural gas which constitute approximately 43 % (2020: 52%) of the Group's gross revenue. At 31 December 2021, if the average price of oil for the year had increased/decreased by 10% with all other valuables held constant the Group's total comprehensive loss for the year would have been USD 17 million higher/lower (2020: USD 8 million).

(d) Credit risk

Credit risk is the risk that the counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from trade receivables and bank balances. Credit risk is managed on a group basis. The Group's trade receivable is considered to have low credit risk. The credit rating of the counterparties is monitored for any credit deterioration.

(i) Trade receivables

The trade receivables arise from its operations in Kurdistan Region of Iraq and Egypt (USD 43 million and USD 24 million, respectively. (2020: USD 39 million and USD 130 million, respectively)). The requirement for impairment is analysed at each reporting date on an individual basis for major customers (Government related entities). The calculation is based on actual historical data and the status of the customer. The maximum exposure to credit risk at the reporting date is the carrying amount as illustrated in note 21.

(ii) Bank balances

Credit risk from balances with banks and financial institutions is managed by Group's Treasury in accordance with the Group policy. Investment of surplus funds is made only with counterparties approved by the Group's Board of Directors. Bank balances are placed with banks having investment grade ratings. The Group's maximum exposure to credit risk in respect of bank balances as at 31 December 2021 is the carrying amount as illustrated in note 22.

(e) Liquidity risk

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of borrowings, trade payables and other payables. The table below summarises the maturity profile of the Group's financial liabilities at 31 December based on contractual undiscounted payments:

Year ended 31 December 2021	Less than 1 month USD mm	Less than 1 year USD mm	1 to 5 years USD mm	>5 years USD mm	Total USD mm
Borrowings (including profit)	**6**	**42**	**180**	**-**	**228**
Trade payables and accruals	**11**	**48**	**59**	**-**	**118**
Provisions	**-**	**0**	**11**	**7**	**18**
	17	**90**	**250**	**7**	**364**

Year ended 31 December 2020	Less than 1 month USD mm	Less than 1 year USD mm	1 to 5 years USD mm	>5 years USD mm	Total USD mm
Borrowings (including profit)	-	101	81	-	182
Trade payables and accruals	2	63	-	-	65
Provisions	-	-	3	-	3
	2	164	84	-	250

Capital risk management

The primary objective of the Group's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it in light of changes in business conditions. No changes were made in the objectives, policies or processes during the years ended 31 December 2021 and 31 December 2020. Capital comprises issued capital, retained earnings and other reserves attributable to the equity holders of the Parent and is measured at USD 2,293 million as at 31 December 2021 (2020: USD 2,143 million).

Net debt reconciliation

This section sets out an analysis of net debt and the movements in net debt for each of the years presented.

	2021 USD mm	2020 USD mm
Cash and cash equivalents	**185**	108
Borrowings	**(199)**	(163)
Net debt	**(14)**	(55)

	Borrowings USD mm	Cash USD mm	Total USD mm
Net debt as at 1 January 2020	(456)	425	(31)
Cash flow movement during the year	284	(317)	(33)
Gain on buyback of Sukuk	9	-	9
Net debt as at 31 December 2020	(163)	108	(55)
Cash flow movement during the year	(36)	77	41
Net debt as at 31 December 2021	**(199)**	**185**	**(14)**

The gearing ratio at 31 December 2021 and 31 December 2020 were as follows:

	2021 USD mm	2020 USD mm
Net debt	**14**	55
Total equity	**2,293**	2,143
Net debt to equity ratio	**0.61%**	2.6%

Financial covenants relating to borrowings are disclosed in note 26.

34 Fair value estimation

Set out below is a comparison by category of carrying amounts and fair values of all of the Group's financial instruments that are carried in the financial statements:

	Carrying amount 2021 USD mm	**Fair value 2021 USD mm**	Carrying amount 2020 USD mm	Fair value 2020 USD mm
Financial assets				
Trade and other receivables (excluding prepaid)	**106**	**106**	68	68
Financial assets at fair value through profit or loss	**119**	**119**	98	98
Cash and short term deposits	**185**	**185**	108	108
Financial liabilities				
Borrowings	**199**	**199**	163	163
Trade payables and accruals	**118**	**118**	65	65

The fair value of borrowings is determined as the present value of discounted future cash flows using market based discount rate. The fair value is not materially different from its carrying value.

34 Fair value estimation continued

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1)
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2)
- Inputs for the asset or liability that are not based on observable market data (that is unobservable inputs) (Level 3)

Valuation of investment property is determined with reference to comparable market transactions.

The following table presents the Group' assets that are measured at fair value on 31 December 2021:

	Level 1 USD mm	Level 2 USD mm	Level 3 USD mm	Total USD mm
Assets				
Financial assets at fair value through profit or loss	**-**	**-**	**119**	**119**
Investment property	**-**	**20**	**-**	**20**
Total	**-**	**20**	**119**	**139**

The following table presents the Group' assets that are measured at fair value on 31 December 2020:

	Level 1 USD mm	Level 2 USD mm	Level 3 USD mm	Total USD mm
Assets				
Financial assets at fair value through profit or loss	-	-	98	98
Investment property	-	20	-	20
Total	-	20	98	118

There have been no transfers between Level 1 and Level 2 during the years 2021 and 2020.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

35 Social contributions

As part of the Corporate Social Responsibility Initiatives, the Group spent USD 414,705 (2020: USD 165,900) during the year.

Designed and produced by Group Origin

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