DANA GAS PJSC
Report of the Directors

The Board of Directors of Dana Gas PJSC ("Dana Gas" or the "Company") are pleased to announce the interim condensed consolidated financial results of the Company, its subsidiaries and joint arrangements (together referred to as the "Group") for the nine months period ended 30 September 2022.

Principal Activities
Dana Gas was incorporated in the Emirate of Sharjah ("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 is the Middle East's first and largest private sector natural gas company. The Group currently operates in the MENASA (Middle East, North Africa & South Asia) Region across the natural gas value chain; from exploration and production, through gas processing and transportation, to the distribution, marketing and utilisation of gas as feedstock and fuel to the petrochemical, industrial and the power sectors. Since its establishment, the Company has grown to be a regional natural gas Company with presence in the United Arab Emirates, Egypt, and the Kurdistan Region of Iraq (KRI) and headquartered in Sharjah, United Arab Emirates.

Results for nine months of 2022
During the nine months of 2022 (the "period), the Group earned gross revenue of USD 415 million (AED 1,521 million) as compared to USD 334 million (AED 1,224 million) in the nine months of 2021, an increase of 24%. This increase was due to higher realised prices during the period which contributed USD 109 million to the top line. Realised price averaged USD 85/bbl for condensate and USD 43/boe for LPG compared to USD 51/bbl and USD 34/boe, respectively in 9M 2021. This positive price impact was partly offset by the production decline in Egypt .

The Group's share of production was 16.5 million barrels of oil equivalent or 60,600 barrels of oil equivalent per day ("boepd"), a decrease of 4% compared to corresponding period production of 17.25 million boe (63,200 boepd). Production in Kurdistan Region was slightly higher by 1% compared to the corresponding period, however, production in Egypt declined by 10% during the period.

The Group achieved a net profit after tax of USD 161 million (AED 589 million) as compared to net profit of USD 279 million (AED 1,025 million) in 9M 2021. Excluding the one off other income and impairments recognised in 9M 2021, the Group's current period net profit was higher by 64% at USD 161 million (AED 589 million) compared to adjusted net profit of USD 98 million (AED 360 million) in 9M 2021, reflecting strong underlying operating performance.

Earnings before interest, tax, depreciation and amortisation ("EBITDA") was higher at USD 240 million (AED 880 million) in 9M 2022 compared to USD 179 million (AED 656 million) in 9M 2021.

Results for the quarter ended 30 September 2022
During the quarter ended 30 September 2022, the Group earned gross revenues of USD 131 million (AED 480 million) as compared to USD 118 million (AED 432 million) in the third quarter of 2021, an increase of 11% due to higher realised prices. Realised price averaged USD 81/bbl for condensate and USD 39/boe for LPG compared to USD 57/bbl and USD 34/boe respectively in Q3 2021.

The Group achieved net profit of USD 50 million (AED 182 million) as compared to USD 140 million (AED 514 million) in Q3 2021. Excluding the one off other income and impairments in Q3 2021, current quarter net profit of USD 50 million (AED 182 million) was higher by 35% compared to adjusted net profit of USD 37 million (AED 135 million) in Q3 2021

Earnings before interest, tax, depreciation and amortisation ("EBITDA") was higher at USD 76 million (AED 279 million) compared to USD 69 million (AED 253 million) in Q3 2021.

Results for the quarter ended 30 September 2022 (continued)

The Group's share of production in the third quarter was 5.5 million barrels of oil equivalent or 59,800 barrels of oil equivalent per day ("boepd"), a decrease of 4% compared to corresponding period production of 5.75 million boe (62,500 boepd). This decline was mainly due to natural field depletion in Egypt which resulted in production decline of 12% to 25,800 boepd as compared to 29,200 in Q3 2021.

Liquidity and Financial Resources
Cash and bank balance at period end stood at USD 214 million (AED 784 million), an increase of 16% compared to 2021 year-end balance of USD 185 million (AED 678 million). Cash includes USD 74 million (AED 271 million) being 35% share of cash held at Pearl Petroleum and is before interim dividend payment of USD 86 million (AED 315 million) which was made in October 2022.

The Group collected a total of USD 246 million (AED 902 million) during the period with Egypt and KRI contributing USD 60 million (AED 220 million) and USD 186 million (AED 682 million), respectively. During the period ended 30 September 2022, the Company paid a final dividend for 2021 of USD 86 million (AED 315 million) bringing the total cash dividend for the financial year ended 31 December 2021 to 8 fils per share (2020: 5.5 fils per share). Subsequent to the period end, the Company paid an interim dividend for the first half of 2022 of 4.5 fils per share amounting in total to USD 86 million (AED 315 million).

Business Update
In line with its outlined strategy, the Dana Gas Group continues to focus on maximising the value of its existing hydrocarbon assets and projects, while pursuing growth through a strategy of organic exploration opportunities in our heartland areas and new business development in the upstream and midstream value chains. We continue to balance our capital expenditure with the available sources of cash to ensure we maintain a robust financial position.

Reserves & Resources

(a) Pearl Petroleum Company Limited

As reported previously, Dana Gas and Crescent Petroleum, joint operators of Pearl Petroleum Company Limited ("PPCL"), estimates that the P50 total geologically risked[1] resources of petroleum initially in-place (PIIP) of the Khor Mor and Chemchemal Fields at 75 Tscf (of wet gas) and 7 billion barrels of oil.

PPCL appointed Gaffney Cline Associates ("GCA") to carry out a certification of the reserves for these fields as at 15 May 2019. The certification is based on the earlier work carried by GCA but updated to take into account the current understanding of the field, production data and incorporating the recent appraisal well drilling and test results.

In their report, GCA estimates the following reserves:

Khor Mor
- Proved plus probable (2P) gas, condensate and LPG reserves are 6.9 Tscf, 173 MMbbl and 18 MMt, respectively, of which Dana Gas' 35% share equates to 2.4 Tscf of dry gas, 61 MMbbl of condensate and 6 MMt of LPG.
- Proved plus probable (2P) oil reserves of 51.3 MMbbl of which Dana Gas' 35% share equates to 18 MMbbl

Chemchemal
- Proved plus probable (2P) gas, condensate and LPG reserves are 5.7 Tscf, 215 MMbbl and 20 MMt, respectively, of which Dana Gas' 35% share equates to 2 Tscf of dry gas, 75 MMbbl of condensate and 7 MMt of LPG.

[1] Risked PIIP figures have been calculated by means of a stochastic aggregation using GeoX software with risk factors accounting for geological uncertainties calibrated by surrounding producing oil and/or gas fields.

Reserves & Resources (continued)

(a) Pearl Petroleum Company Limited (continued)

Dana's share of the proved plus probable (2P) hydrocarbon reserves have increased by 10% following the 2019 certification of reserves. Management's estimate of the total share of Dana Gas is equivalent to 1,087 MMboe, up from 990 MMboe when GCA first certified the field in April 2016. This confirms that the fields located in the KRI could be the biggest gas fields in the whole of Iraq.

The balance between these 2P reserves figures and the joint operator's estimated risked initially in place (gas and oil) resources (PIIP) are classified as Contingent Resources[2] and Prospective Resources[3].

(b) Dana Gas Egypt

Gaffney, Cline & Associates (GCA), a leading advisory firm carried out an independent evaluation of Dana Gas Egypt's hydrocarbon reserves as at 31 December 2021. Following this review, the Group's gross proved reserves (1P) as at 31 December 2021 were assessed at 30 MMboe (31 December 2020: 35 MMboe). The gross proved and probable reserves (2P) as at 31 December 2021 were estimated at 44 MMboe (31 December 2020:59 MMboe) and the gross proved, probable and possible reserves (3P) as at 31 December 2021 were estimated to be 73 MMboe (31 December 2020:85 MMboe). The decrease in reserve was on account of production during the year, which was not replaced.

E&P Operations

(a) Pearl Petroleum Company Limited (KRI) E&P Operations

Dana Gas's share (35%) of gross production in the KRI for the 92 days of operations in Q3 2022 was 3.13 MMboe, i.e. averaging 34,000 boe per day (Q3 2021 – DG Share 35%: 3.06 MMboe, averaging 33,300 boe per day).

Dana Gas' share of collections for the period stood at USD 186 million (AED 682 million) and hence realised 92% of the period's revenue. At period end, Dana Gas' 35% share of trade receivable balance stood at USD 59 million (AED 216 million) as compared to USD 43 million (AED 158 million) at year end 2021.

Pearl is proceeding with the development of its two world-class gas fields with in-place volumes of approximately 75 trillion cubic feet of wet gas and 7 billion bbls of oil. In January 2020, Pearl appointed an engineering, procurement and construction ('EPC') contractor for the first of two 250 MMscf/d gas processing trains planned at the Khor Mor gas processing plant. The appointment of the contractor followed final approval by the Ministry of Natural Resources of the Kurdistan Regional Government, which oversees the project. The contract award marks a key milestone in Pearl Petroleum's long-term expansion plan. The second phase will take total production to 900 MMscfd.

In January 2020, Exterran – a leading oil and gas services provider, was appointed to carry out engineering, procurement and construction ("EPC") of a 250 MMSCFD gas processing train and provide operations related technical assistance services for 5 years post hand over of the plant. The EPC contract terms reflect Exterran's contractor financing whereby the plant will be predominantly funded by Exterran with repayment of principal with interest over five years following completion of the plant. Pearl and Exterran agreed on a completion date of 30 April 2023, following similar declarations of force majeure under the EPC contract.

[2] Those quantities of petroleum estimated to be potentially recoverable but not yet considered mature enough for commercial development due to one or more contingencies.
[3] Those quantities of petroleum estimated to be potentially recoverable from undiscovered accumulations by future development projects.

E&P Operations (continued)

(a) Pearl Petroleum Company Limited (KRI) E&P Operations (continued)

Production, drilling operations and non-EPC contract activities have continued throughout as normal. However, work on the KM 250 onsite EPC contract activities was temporarily suspended in June while security enhancements were carried out. Work on KM 250 expansion project remains suspended, and the Company, together with the KRG, and with support of other stakeholders is actively taking all necessary steps to enhance security measures in Khor Mor to further protect the facilities and personnel and enable the resumption of onsite EPC contract activities.

(b) Egypt E&P operations

The Group' production in Egypt for the 92 days of operations in Q3 2022 was 2.37 MMboe i.e. averaging 25,800 boepd (September 2021: 2.7 MMboe i.e. averaging 29,200), a decrease of 12% over the corresponding period.

In Egypt, the Group collected a total USD 60 million (AED 220 million) during the period and hence realized 82% of the period's revenue. At period end, the trade receivable balance stood at USD 37 million (AED 136 million) as compared to USD 24 million (AED 88 million) at the end of 2021.

UAE Gas Project
The UAE Gas Project includes Dana Gas' 35% interest in Crescent National Gas Corporation Limited (CNGCL), which is entitled to market the gas, and 100% interests in UGTC and Saj Gas, the entities that own the offshore riser platform, the offshore and onshore pipelines to transport the gas and the sour gas processing plant to process the gas.

Arbitration Cases

a) The Gas Sales & Purchase Contract between Dana Gas' partner Crescent Petroleum and the National Iranian Oil Company ('NIOC') for the supply of gas to the UAE has been the subject of international arbitration since June 2009. In August 2014, Dana Gas was notified by Crescent Petroleum that the Arbitral Tribunal has issued a Final Award on the merits, determining that the 25-year Contract between it and NIOC is valid and binding upon the parties, and that NIOC had been in breach of its contractual obligation to deliver gas under the Contract since December 2005.

   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 share of award is USD 608 million (AED 2.23 Billion).

   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. The final hearing was scheduled to commence in October 2022 in Paris, however the hearing has now been delayed to March 2023. The final award on damages is expected by 2023/2024. Dana Gas 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.

Arbitration Cases (continued)

b) MOL Earn Out payment arbitration: The Company, together with Crescent Petroleum, commenced arbitration proceedings against MOL Hungarian Oil and Gas Public Limited Company ('MOL') on 14 February 2020 arising out of MOL's attempts to avoid paying reserve based earn out payments to the Company and Crescent Petroleum in accordance with the terms of the Sale and Purchase Agreement entered into between the Parties in 2009, through which MOL acquired its 10% shareholding in Pearl Petroleum.

The reserve based earn out payment obligations are the same obligations which MOL illegitimately sought to avoid and which was the subject of the 20 September 2017 arbitration award against MOL.

The arbitration will also address the separate and additional crude oil earn out payments arising out of the same 2009 Sale and Purchase Agreement.

c) OMV Earn Out payment arbitration: The Company, together with Crescent Petroleum, commenced arbitration proceedings against OMV Upstream International GMBH ('OMV') on 14 February 2020 arising out of OMV's attempts to avoid paying reserve based earn out payments to the Company and Crescent Petroleum in accordance with the terms of the Sale and Purchase Agreement entered into between the Parties in 2009, through which OMV acquired its 10% shareholding in Pearl Petroleum.

Directors

1. Mr. Hamid Dhiya Jafar, Chairman
2. Mr. Rashid Saif Al-Jarwan, Deputy Chairman
3. Mr. Ajit Vijay Joshi
4. Mr. Hani Abdulaziz Hussein
5. Mr. Jassim MohamadRafi Alseddiqi
6. Mr. Majid Hamid Jafar
7. Ms. Najla Ahmed Al-Midfa
8. Mr. Shaheen Al-Muhairi
9. Mr. Varoujan Nerguizian
10. H.E. Younis Al Khoori
11. Mr. Ziad Abdulla Ibrahim Galadari

Auditors

The Company auditors, Ernst & Young, have issued their review report on the interim condensed consolidated financial information of the Group.

On behalf of Board of Directors

Directors
08 November 2022