



Dana Gas reports AED 304 million (\$83 million) Net Profit in H1 2023

Highlights – H1 2023

- KRI production increased by 6% to 36,400 boepd
- Revenues at AED 814 million (\$222 million), amid a softening of hydrocarbon prices
- KM250 expansion project scheduled to be completed by Q2 2024
- Pearl Petroleum recently received \$101 million payments from the KRG

Sharjah, UAE; 9 August 2023: Dana Gas PJSC (the “Company”), the Middle East’s largest regional private sector natural gas company, today announced its financial results for the half year ended 30 June 2023.

In the first six months of the year, the Company generated a net profit of AED 304 million (\$83mm) as compared to AED 407 million (\$111mm) in H1 2022. Profitability for the first half declined amid a 25% drop in the average price of Brent during H1 2023 to \$80 per barrel compared to \$107 per barrel in H1 2022. The decline in profitability was also due to additional discounts on condensate sales in the KRI, where the Company began to sell to third party local buyers as other companies shut down production in the Kurdistan region of Iraq (KRI).

Revenue for the first six months of the year decreased 22% to AED 814 million (\$222mm) compared to AED 1,041 million (\$284mm) in H1 2022 due to lower realized prices amid the softening global oil and gas prices. The Company’s realized prices during the period averaged \$56/bbl for condensate and \$37/boe for LPG compared to \$87/bbl and \$44/boe respectively in H1 2022.

The impact of lower realized prices on the Company’s profitability was partially offset by a production increase in the KRI and reduced operating costs by 15%.

Pearl Petroleum recently received \$101 million from the Kurdistan Regional Government (KRG) despite the ongoing challenges within Iraq and is in ongoing discussions with the KRG to settle outstanding receivables as soon as possible. Unlike other operators in the KRI Pearl’s operations and production have continued without interruption since all its products are consumed locally.

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

“Dana Gas’s first half results reflect the challenging environment hydrocarbon producers have been facing amid a decline in global oil prices. To counter the downturn in energy prices, the Company has strengthened its focus on maintaining production and lowering costs, while working with partner governments in Egypt and the KRI to settle outstanding payments.

As oil prices have turned a corner and started to rise, we are optimistic about the potential positive impact on our Company’s financial results for the remainder of the year, provided that this upward trend persists.”

Operations & Production

The Group’s overall production in H1 2023 averaged 59,800 boepd, a 2% decrease as compared to 61,100 boepd in H1 2022 as a decline in Egypt production outweighed an increase in the KRI. The 12% production drop in Egypt was mainly the result of natural field declines. Owing to active



reservoir management and optimization of production from existing wells, the reduction was significantly below expected levels of decline for Nile Delta fields, which are typically between 20-30% each year. KRI production grew by 6% to 36,400 boepd from 34,500 in H1 2022, KRI production was supported by the successful debottlenecking project that added 50 MMscf/d to output in January. In the second quarter, a partial shut down for maintenance in Kor Mor was successfully carried out without any HSSE incidents but impacted production during its duration.

Pearl Petroleum has now successfully completed the drilling of the six KM250 project development wells. Once complete, the KM250 expansion project will add 250 MMscf/d of production, resulting in 750 MMscf total daily production capacity.

Liquidity

The Company's cash position at the end of H1 2023 stood at AED 370 million (\$101mm), including AED 301 million (\$82mm) held at the Pearl Petroleum joint venture.

The Group collected a total of AED 388 million (\$106mm) during H1 2023, with the KRI and Egypt contributing AED 293 million (\$80mm) and AED 95 million (\$26 mm) respectively. In Q2 2023, Pearl management proactively began the sale of condensate to third party local buyers which has allowed Pearl to improve its liquidity position through regular collections on condensate sales.

The Company's receivables in KRI stands at AED 356 million (\$97 million) and in Egypt at AED 150 million (\$41 million) at the end of the first half.

In May, Dana Gas also received regulatory approval to increase foreign ownership in the Company's shares, in line with the UAE's new Commercial Companies Law that has abolished a requirement that UAE nationals own 51% of onshore companies. Foreigners can now hold up to 100% of Dana Gas's shares, up from 49%, a decision that was approved by the Company's shareholders at its Annual General Meeting on April 26.

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About Dana Gas

Dana Gas is the Middle East's first and largest regional private sector natural gas Company established in December 2005 with a public listing on the Abu Dhabi Securities Exchange (ADX). It has exploration and production assets in Egypt, Kurdistan Region of Iraq (KRI) and UAE, with 2P reserves exceeding one billion boe and average production exceeding 60,000 boepd. With sizeable assets in KRI and Egypt, and further plans for expansion, Dana Gas is playing an important role in the rapidly growing natural gas sector of the Middle East, North Africa and South Asia (MENASA) region. Visit: www.danagas.com

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