



Dana Gas reports AED 462 million (\$126 million) Net Profit in 9M 2023

Highlights – 9M 2023

- KRI production increased by 8% to 37,150 boepd
- Revenues at AED 1,195 million (\$326 million)
- Production across all assets uninterrupted in first nine months of 2023
- Richard Hall began tenure as Dana Gas CEO on 6 November 2023

Sharjah, UAE; 8 November 2023: Dana Gas PJSC (the “Company”), the Middle East’s largest regional private sector natural gas company, today announced its financial results for the nine months ended 30 September 2023.

In the first nine months of the year, the Company generated a net profit of AED 462 million (\$126 mm) as compared to AED 589 million (\$161mm) in 9M 2022. Profitability dropped 22% due to lower realized prices amid a decline in hydrocarbon prices in international markets. The decline in profitability was also due to additional discounts on condensate sales in the Kurdistan Region of Iraq (KRI), where the Company has continued to sell to third party local buyers in what is a competitive market as a result of the export pipeline closure earlier this year.

The Company’s revenue for the first nine months of the year decreased 21% to AED 1,195 million (\$326mm) compared to AED 1,521 million (\$415mm) in 9M 2022. The Company’s realized prices during the period averaged \$53/bbl for condensate and \$36/boe for LPG compared to \$85/bbl and \$43/boe respectively in 9M 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.

The Company collections totalled AED 612 million (\$167mm) during the first nine months of 2023, with the KRI and Egypt contributing AED 465 million (\$127mm) and AED 147 million (\$40mm) respectively. The Company’s KRI collections (amounting to 35% of Pearl Petroleum’s collections) included \$71 million from the KRG and \$56 million from third party customers. As of 30 September 2023, the Company’s receivables stood at AED 389 million (\$106 mm) in the KRI and AED 172 million (\$47mm) in Egypt. The periodic collections from KRG, despite the ongoing pipeline shutdown, demonstrate the Company’s strategic significance to KRI’s power sector. The Company continues to steadfastly support KRI’s gas demand by the KM250 expansion. Once completed, KM 250 is expected to add at least \$150 million to the Company’s annual revenue, thereby significantly improving the Company’s future dividend payouts.

Due to the ongoing challenge of delayed collections in the KRI and Egypt with combined receivables rising to \$153 million and ongoing capex spend on the KM 250 expansion project, the Company is not currently in a position to pay an interim dividend for the first half of 2023 and expects to consider an annual dividend payment in March 2024 based on conditions prevailing at that time.



The Company's cash position as of 30 September 2023 stood at AED 422 million (\$115mm), including AED 363 million (\$99mm) held at the Pearl level as Pearl preserves liquidity for expansion capex related to KM250 project.

In accordance with our earlier announcement, Mr. Richard Hall officially assumed the role of Group CEO on November 6th, succeeding Dr. Patrick Allman-Ward. Mr. Ahmed Abdulhamid Alahmadi, also joined the Company as a member of the Board of Directors in October following the resignation of Mr. Jassim Alseddiqi.

Richard Hall, the newly appointed CEO of Dana Gas, commented:

"Dana Gas has demonstrated remarkable resilience in its performance throughout the first nine months of the year. Our proactive measures implemented over the past few years, such as cost reductions and production optimization, have yielded clear operational and financial benefits and helped to offset lower hydrocarbon prices. Dana Gas will also continue to work closely with our government partners in Egypt and the KRI to ensure timely settlement of all outstanding receivables.

I would like to express my sincere appreciation to Dr. Patrick Allman-Ward for his exceptional contributions and commitment to Dana Gas over such a long tenure, and I look forward to building upon the strong foundation he has laid as the Company's new CEO."

Operations & Production

The Group's overall production in 9M 2023 was 59,750 boepd, a 1% reduction from 60,600 in 9M 2022. This was due to a 14% production drop in Egypt, mainly as a result of natural field declines. Due to proactive reservoir management and effective optimization of existing wells, this decline was notably less than the typical annual declines of 20-30% typical of the Nile Delta fields.

Production output in the KRI increased 8% with production averaging 37,150 boepd in 9M 2023 versus 34,300 in 9M 2022. KRI production was supported by the successful debottlenecking project carried out in the second half of 2022. Pearl Petroleum ("Pearl") 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.

The Company remains committed to improving energy efficiency and reducing greenhouse gas emissions across all operations, such as reducing flaring and methane leakage. Over the past three years, Dana Gas has achieved a notable 47% reduction in flaring, coupled with a 26% reduction in total GHG emissions since 2019. Furthermore, the company proudly aligns itself with the Aiming for Zero Methane Emissions Initiative, an industry endeavour spearheaded by the Oil and Gas Climate Initiative (OGCI). As a signatory, Dana Gas is aiming to eliminate methane emissions from its operations by 2030.

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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 production and transportation 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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