Dana Gas PJSC
Integrated Report 2023

Resilience in Performance

Contents

Introduction

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 upstream and midstream assets in Egypt, Kurdistan Region of Iraq (KRI) and UAE, with 2P reserves exceeding one billion boe and average production of 58.7 Kboe/d.

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.

Financial & Operational Highlights

Net Production
2022: 60.2 Kboe/d

58.7 Kboe/d

2P Reserves*
2022: 1,130 MMboe

1,121 MMboe

*Based on the latest Reserves Reports

EBITDA
2022: $332 million

$257 million

Gross Revenue
2022: $529 million

$423 million

Net Profit
2022: $182 million

$160 million

Collections
2022: $318 million

$238 million

Cash Balance
2022: $151 million

$131 million

At a Glance

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

Market Cap
As of 21 December 2023

AED5.5 bn

Average Gas Production

270 MMscf/d

Average Daily Condensate Production

7,530 bbl

Average Daily Production of LPG

533 MTPD

Full time employees
across UAE, Egypt and KRI.*

86

* with 22% Female Employees

Nationalities
(among full time employees)

13

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 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

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

Our Strategy

- Focus on sustainable growth through high return projects 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

Chairman's Statement

In 2023, Dana Gas continued to demonstrate the strength of its resilient and cost-effective business model, delivering another year of strong operating and financial performance.

Hamid Dhiya Jafar
Chairman of the Board of Directors.

Net Production

21.4 MMboe

Net Profit

$160 million

Production capacity increase in the KRI

250 MMscf/d

Buoyed by our solid profitability in 2023, we are optimistic about resuming dividends to our shareholders, and making up for lost time, at the earliest opportunity.

> "We are focussed on developing our world-class assets in the KRI, and maximizing the value of our assets in Egypt."

Dear Shareholders,

In 2023, Dana Gas continued to demonstrate the strength of its resilient and cost-effective business model, delivering another year of strong operating and financial performance. Despite a decline in the average price of crude oil (to which our gas sales are also linked), and a turbulent global macroeconomic environment, our management of capital expenditure, reduced operating costs, and enhanced production efforts, have together allowed the Company once again to create long-term value for our esteemed shareholders.

Upon the retirement of our outgoing CEO Dr Patrick Allman-Ward whose decade-long service the Board gratefully acknowledges, we were pleased to welcome Mr Richard Hall as the Company's new CEO. Mr. Hall commenced his important leadership role in November, and brings with him a wealth of experience in the energy sector, a proven ability to deliver on large-scale projects, develop new business, and a deep understanding of technological advancements and strategies for future-proofing our business and assets. We look forward to Richard's leadership to innovate and expand our business horizons, especially in regard to our world-scale assets in the Kurdistan Region of Iraq (KRI).

The Group's total share of production averaged 58,700 boepd in 2023.

In the KRI, our share of production increased by a commendable 8% to 36,900 boepd where, as Joint Operator, Dana Gas achieved a record quarterly production rate of 520 million standard cubic feet per day (MMscf/d) in the fourth quarter. This strong production performance, coupled with a 7% and 8% reduction in operating costs and administrative expenses respectively, helped the Company offset the impact of lower realised prices during the year. Meanwhile, the important KM250 gas expansion project resumed its construction after many months of interruption due to Covid and security issues, and is now scheduled to be completed before the end of this year. This will boost production by a massive 50% in 2024.

In Egypt, we eagerly await the Egyptian Parliament's ratification of the concession consolidation agreement concluded previously with the government. This agreement will extend the life of our Egypt assets and maximize their value significantly.

During 2023, Dana Gas demonstrated resilience with a commendable financial performance, achieving a net profit of $160 million. Our profitability remained robust despite softer crude oil market prices to which our gas prices are also linked. With a firmly positive outlook, we are optimistic about the future.

The past year also presented its share of challenges, including an unexpected increase in receivables and collection delays in both the KRI and Egypt, compounded by increased costs of the KM250 expansion project owing to the stoppages referred to above. However, we have made significant strides in addressing the receivables challenges, notably by establishing a new payment framework in the KRG, through which we have already received our first four monthly payments on time. Buoyed by our solid profitability in 2023, we are optimistic about resuming dividends to our shareholders, and making up for lost time, at the earliest opportunity.

Looking ahead, we are focussed on developing our world-class assets in the KRI, and maximizing the value of our assets in Egypt. While doing so, we are committed to pursuing resilient and sustainable business practices in the interests of our shareholders, while making significant contributions to the communities where we operate. In the meantime as always, the safety and security of our employees of course remains a top priority.

On behalf of the Board of Directors, I extend my gratitude to all Dana Gas staff, from the management team to the critical operations and on-site staff, who have been instrumental in maintaining our operational excellence for many years. Their continued hard work is deeply appreciated.

Hamid Dhiya Jafar
Chairman of the Board of Directors.

CEO's Message

I am pleased to lead Dana Gas during this important period and am confident in guiding the Company through its next phase of growth.

Richard Hall
Chief Executive Officer

Net Production

58.7 Kboe/d

Operational and G&A costs

$2.98 per boe

Our solid and efficient business model equipped us well to navigate through economic uncertainties.

> "KM 250 project will increase field production capacity by 250 MMscf and is anticipated to enhance Dana Gas annual revenues by at least $150 million."

Dear Shareholders,

I am very pleased with the warm reception that I have received since joining Dana Gas as CEO in November of last year. I am pleased to lead Dana Gas during this important period and am confident in guiding the Company through its next phase of growth.

The year 2023 unfolded with its unique challenges, including geopolitical events that have roiled the world energy markets and heightened concerns over energy security. Yet, in the face of these challenges, Dana Gas continued to demonstrate operational excellence. Our solid and efficient business model equipped us well to navigate through economic uncertainties. Our achievements were particularly distinguished by our production growth in the Kurdistan Region of Iraq (KRI) and our strategic reduction of operational costs, which effectively cushioned the impact of declining prices. I must commend our field teams for their unwavering dedication, ensuring our operations were conducted safely, efficiently and without interruption throughout 2023.

Operations

In 2023, our Group's existing assets exhibited strong performance, despite a 2% decrease in overall production. Notably, the Dana Gas share of production from Khor Mor saw a commendable increase by 8% to 36,900 barrels of oil equivalent per day (boepd), driven by de-bottlenecking enhancements at the Khor Mor facility. This led to a record gross production of 520 million standard cubic feet per day (MMscf/d), fulfilling the rising demand for natural gas in the KRI.

The KM250 gas train expansion project continues to progress with six development wells completed. Construction is now set for completion in the second half of 2024. The project will increase field production capacity by 250 MMscf and is anticipated to enhance Dana Gas annual revenues by at least $150 million. This expansion will further contribute to greater local power generation.

In Egypt, natural field decline resulted in a 16% reduction in output, with 2023 production totalling 21,800 boepd. However, our upcoming exploration and development initiatives, made possible by improved concession terms negotiated with EGAS, provide for promising growth. We are committed to drilling a mix of exploration and development wells, 11 in total, during 2024 and 2025, representing an overall future investment in Egypt of approximately $100 million. We eagerly anticipate the Egyptian Parliament's ratification of the consolidated concession agreement in the first half 2024.

Financials

In 2023, Dana Gas maintained strong financial performance amidst market fluctuations, achieving a net profit of $160 million, albeit a slight decrease from $182 million in FY 2022. Similarly, annual revenue was $423 million, down from $529 million in the previous year, primarily due to lower hydrocarbon prices.

Despite facing numerous challenges, we successfully minimized the impact on our profitability through strategic measures. Notably, increased production in the KRI, and a concerted effort to reduce costs across the board, were pivotal in this achievement. Our efficiency measures ensured OPEX and G&A costs remained below $3.0/boe, placing us in the industry's top quartile for cost efficiency.

In response to the collection challenges that we faced in 2023, we dedicated considerable efforts towards establishing a new payment framework with direct contributions from electricity providers, a move designed to streamline the KRG's obligations and accelerate the recovery of outstanding receivables.

Total GHG Emissions reduced by

7%

WASCO JV in Egypt reduced flaring by

32%

Carbon Intensity

6.21 kg CO_2e per boe

In February 2024, following the new payment framework Dana Gas received its first dividend from Pearl since November 2022, signalling a step towards resuming the Company's regular dividend distributions. This comes amidst a temporary pause due to the delay in collections and capital investment needed to complete KM 250, which have prevented dividend distributions to Pearl's shareholders including Dana Gas last year. Dana Gas' commitment to its dividend policy remains steadfast, and building on our profitability in 2023, we are optimistic about resuming sustainable dividend distributions as soon as our cash balance allows.

Health, Safety, Security and Environmental (HSSE) Commitment

Our commitment to health, safety, security, and environmental protection remains paramount, particularly within our operational environments. Despite encountering security challenges in recent times, our proactive collaboration with local authorities has fortified the safety of both our team members and the communities surrounding our operations. Our Khor Mor facilities were targeted on two separate occasions as was reported. In both incidents nobody was injured, and no significant asset damage was sustained. Production operations and KM250 project construction activities were also able to continue as normal without major interruption. This resilience and unwavering dedication of our staff and contractors during such challenging times is to be commended.

Sustainability

Various initiatives are being pursued to improve Greenhouse Gas (GHG) management, including measurement, leak detection and facility emission reductions. Total GHG emissions reduced by 7% and our improved carbon intensity of 6.21 kg CO_2e per boe remains top-quartile performance compared to international oil and gas industry benchmarks.

I'm pleased that our WASCO JV in Egypt has been able to reduce flaring by 32% as a result of a fuel gas optimisation/flare reduction project, which now means we have seen an over 50% reduction in flaring at our Egypt facilities over the past 5 years.

As a signatory to the Aiming for Zero Methane Emissions Initiative, we have reinforced our commitment to put in place all reasonable means to avoid methane venting and flaring, to repair detected leaks, while preserving the safety of people and the integrity of operations. Additionally, Pearl continued to voluntarily offset its annual CO_2 emissions for the third year, retaining its status as one of the first carbon neutral O&G production businesses in the Middle East.

Dana Gas aims to make a positive impact in the regions in which we operate and tailors programmes to meet specific community needs. In collaboration with our Joint Venture partners, we continued supporting a range of local community Social Investment projects.

Conclusion

In 2023, Dana Gas not only sustained its operational excellence but also demonstrated agility amidst fluctuating oil prices and global economic uncertainties. Our net profit reflects our efforts of increasing production in the KRI and diligent reduction in operating costs, showcasing our commitment to optimizing resource use. Despite the slight dip in profitability compared to 2022, attributable to the broader market conditions, our robust business model has proven resilient. We are also adopting liquidity measures to strengthen our financial position and enable us to navigate through the year's challenges of the next few years effectively.

Looking ahead to 2024, we are poised for a positive trajectory. Our strategic focus will be around the successful delivery of the KM250 project and value enhancement of our assets in Egypt. Our financial focus is to resolve our outstanding receivables with the governments in KRI and Egypt, for which the former already has a key agreement in place. Additionally, we are committed to pursue our sustainability goals by assessing the viability application of clean and smart technologies for the business.

Finally, I wish to express my heartfelt gratitude to the Dana Gas Board, International Advisory Board, our dedicated staff, loyal investors, and valued stakeholders for their steadfast support. Together, we anticipate another year of strong business performance, underpinned by our shared vision and collective efforts towards business growth in 2024.

Richard Hall
Chief Executive Officer

Market Overview

The global LNG sector has continued to deliver continued growth, reaching new heights on a nearly annual basis and in December 2023 contributing an all-time high to the global gas market. The public perception of natural gas has improved and is now widely seen as a superior source of energy to fuel the energy transition compared with oil and coal, leading to hope of greater demand as countries work towards their net zero targets.

With China reopening its economy and removing travel restrictions, 2023 was expected to see commodity prices increase, however the year proved to be a volatile period for the global energy sector, with prices generally bucking expectations.

At the beginning of 2023, the world was producing c.100mmbl/d of liquids, c. 2.4% higher than the start of 2022. This increasing production however masked the impact of a weakening of the global economy as a result of geopolitical conflicts and growing volatility, as central banks continued to carry out a "soft landing" of inflation back to target rates. Through 2023 global central banks raised interest rates to tackle high inflation. Following the reopening of economies and global trade routes after the COVID-19 pandemic, the IMF reported global inflation as c. 8.8% in 2022 and have forecasted that inflation will stay high despite central bank efforts at c. 6.8% in 2023. This remains significantly higher than the general target of 2% annual inflation. This "overheating" of economies is reflected in the IMF's global growth forecast, which predicts a global slowdown in economic growth, forecasting that global GDP growth will have decreased from 3.5% in 2022 to 3% in 2023.

Liquids

China, a country which over the last 10 years had been the key driver of energy demand worldwide, reduced its demand in 2022 as it re-introduced strict COVID lockdowns. These restrictions were lifted in Q4 2022, and the global economy expected a rapid resurgence of pent-up demand from the region, however, as a result of rising interest rates and high debt levels, the country has struggled to return to its previous growth rates. China in 2023 experienced 4.6% year on year growth in GDP, marginally higher than Beijing's target of 4.5% growth for the period, but this is a marked decline from the average Chinese GDP growth pre-COVID-19 of 8.9%. It is important to note that the Chinese economy is primarily driven by industrial production and manufacturing exports, both heavily hydrocarbon intensive industries, therefore, when growth in these sectors slow down, as is the current case in China, global hydrocarbon demand decreases, impacting global prices.

Ultimately, the continued increase in liquid production growth rate is thanks to the US, which has achieved record production in 2023, averaging 21.9mmboe/d (+8% compared with 2022). The US liquids supply has increased by 15% since 2021 and currently makes up c.22% of estimated global liquids consumption. The rationale of the staggering increase in US production is to offset the OPEC+ voluntary supply cuts that were introduced at numerous points throughout 2023, in order to restrict supply and increase global liquid prices to over $80/bbl. OPEC+ had announced in June 2023 that it would extend oil output cuts of 3.7mmb/d until the end of 2024. This equates to roughly 4% of daily global demand (based on 2023 average global consumption). This supply cut was revised in November 2023, to 2.2mmbo/d to the end of Q1 2024.

The growth in production, driven by the US, Canada, and Iraq, was partially mitigated by both the OPEC+ voluntary cuts, as well as Russia's stagnated global liquids supply. The Russian crude embargo brought in on the 5th of December 2022, has slowed potential growth in Russia, but the country nevertheless maintained significant export levels thanks to Eastern and less economically developed markets' demand for its product. Major countries such as India and China continued to import Russian crude, albeit at the internationally agreed upon heavily discounted price of $60/bbl. This discounted price further created a drag on liquids prices because of the arbitration environment that it caused.

Gas

There were however no embargoes placed on Russian gas, given Russia's importance to the global gas supply, as the second largest gas producer since 2011 (the largest prior to that). Despite this, European self-sanctioning related to REPowerEU resulted in Russian natural gas supplies to Europe decreasing by 55.6% in 2023 to 28.3BCM according to Gazprom. Russian LNG volumes to Europe remained very strong, the difference came from the reduced flow of gas through the Brotherhood and Yamal pipelines through Ukraine and Belarus respectively (both countries currently involved in war), and through Nord Stream (a pipeline that suffered a damaging attack earlier in the year).

However, since prices spiked in 2022, 2023 has seen a general decline in global gas prices as Europe's REPowerEU gradually took effect, predominantly in its ability to reduce demand (rather than source alternative supply). This softer demand was re-enforced by supply side actions as a major build in stored gas volumes in the EU since mid-2022 was maintained through 2023.

Europe was well prepared leading into the winter season in 2022, and the winter of 2023 has been the same, giving confidence that spot trades of gas will be kept to a minimum. European gas storage levels were the highest on record, achieving 99% capacity in November 2023, compared to 2022's peak of 96% capacity. The increased amount of stored gas reserves, coupled with a warmer than expected European winter resulted in decrease demand from governments for further gas supplies, reducing demand side pressures on international gas prices.

European gas was predominantly supplied in 2023 by the contracted LNG volumes from the US, c.19%, up from 13.5% in 2022. Thanks to a continued wave of new capacity, the US was able to increase gas exports from c.6.9Tcf in 2022 to c.7.5Tcf in 2023. US LNG exports to Europe specifically rose from c.1.2Tcf in 2021 pre-Russia's invasion to c.2.8Tcf in 2023 (+c.227%).

LNG

The global LNG sector has continued to deliver continued growth, reaching new heights on a nearly annual basis and in December 2023 contributing an all-time high to the global gas market. The public perception of natural gas has improved and is now widely seen as a superior source of energy to fuel the energy transition compared with oil and coal, leading to hope of greater demand as countries work towards their net zero targets.

Figure 4: Monthly global LNG supply
Despite a significant increase in demand for LNG, global LNG supply is dominated by a small number of countries. In total, 75% of the world's LNG supply is produced within the top 5 suppliers: the US, Australia, Qatar, Malaysia, and Russia.

Despite the aforementioned challenges around Russian gas purchases, the strength of Russia's LNG sector is clear. In fact, Russia achieved exports in November 2023 which were only marginally lower than the Russian LNG export record achieved in December 2021.

Geopolitics

The geopolitical situation has recently had a major potential influence on liquids and gas prices, with concerns around supply disruptions arising from the Middle East region. Additionally, with the current conflict continuing, there is investor concern that the conflict may spread to the wider region, with actors such as Iran and the US become increasingly involved in events. 2024 will see greater volatility in commodity prices, as the conflict develops, and other key actors become involved.

Market Overview continued

Figure 1: Global liquids production (source: EIA)

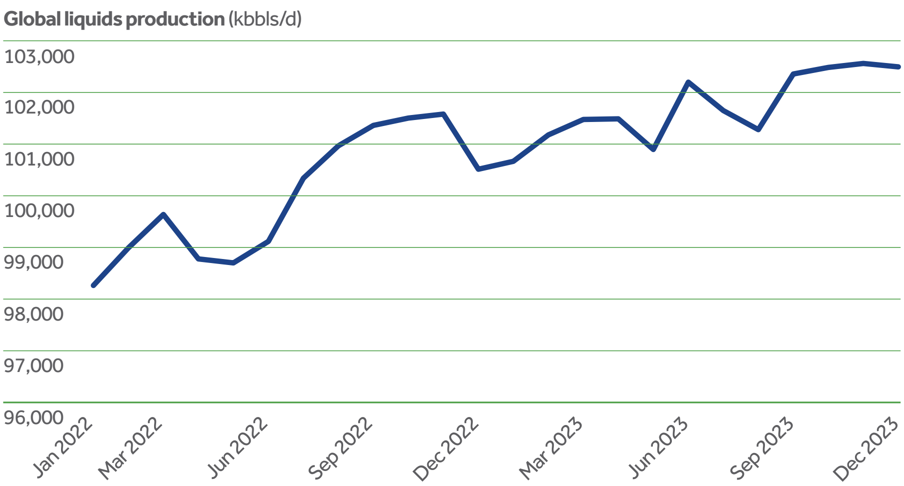


Figure 2: 2022 vs 2021 performance of top 20 global liquids producers (source: EIA)

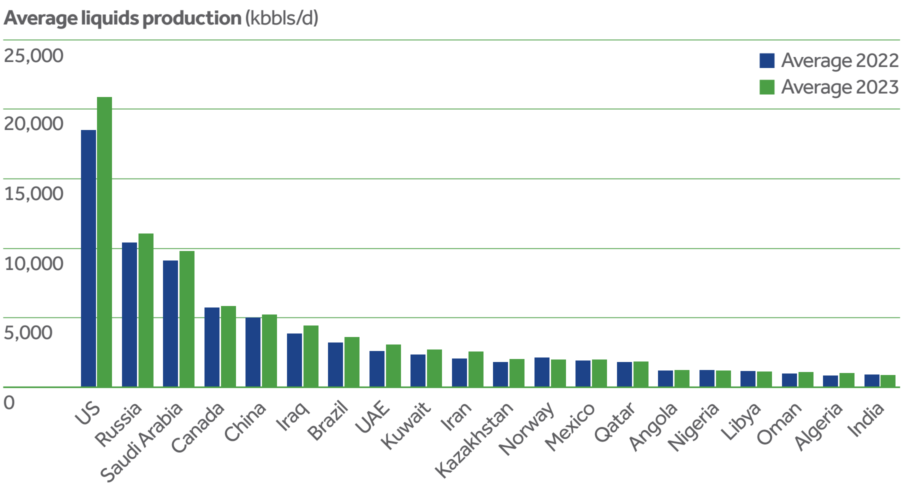


Figure 3: European gas storage levels (AGSI)

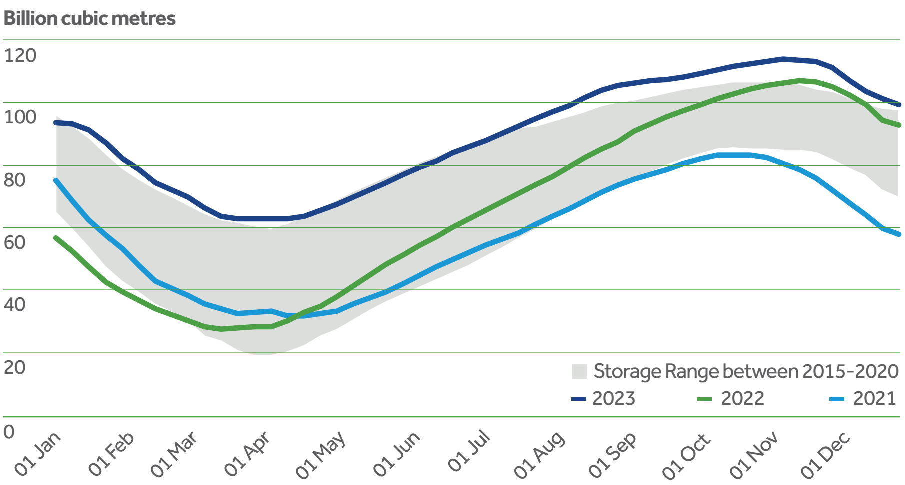


Figure 4: Monthly global LNG supply (Bloomberg)

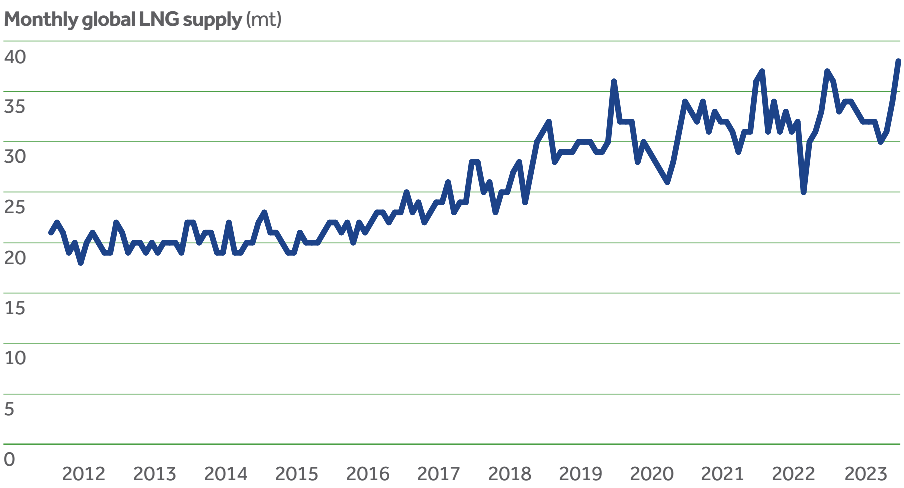


Figure 5: Annual LNG supply (Bloomberg)

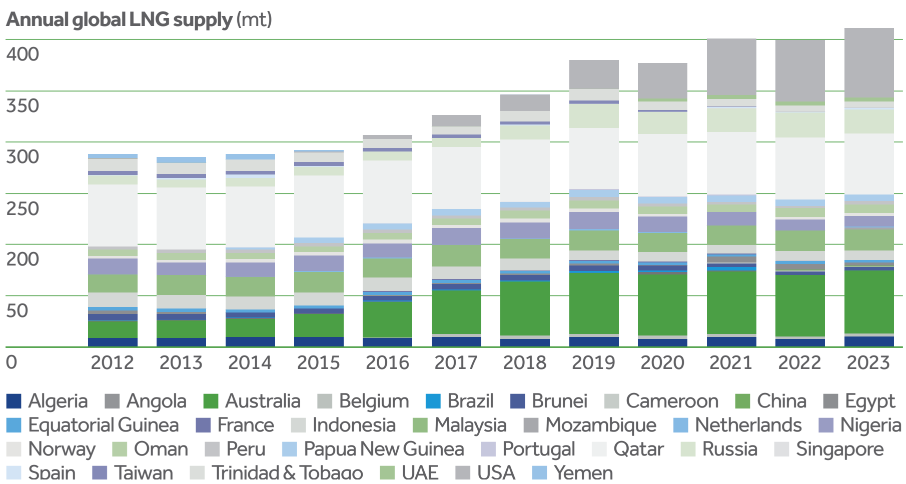
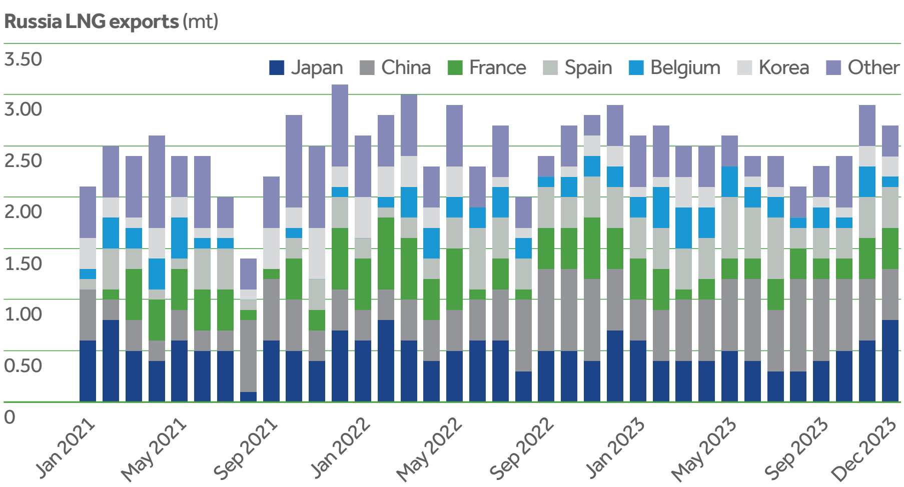


Figure 6: Russia LNG exports (Bloomberg)



Business Review

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Operational Review
Kurdistan Region of Iraq (KRI)

The Kurdistan Gas Project was the first time that an international oil and gas company began producing gas in the KRI.

2023 Highlights

Annual Production 8% increase

13.5 MMboe

Record gas production in November

520 MMscf/d

Completed drilling and testing of KM250's development wells

6 wells

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 or Pearl) 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.

Kurdistan Region of Iraq
(KRI)

Gross Gas Production

465 MMscf/d

2023	465
2022	425
2021	420

Gross Condensate Production

15,271 bbl/d

2023	15,271
2022	14,570
2021	14,850

Gross LPG Production

1,029 MTPD

2023	1,029
2022	1,070
2021	1,000

Net Production
(35% of Gross Production)

36,900 boepd

2023	36,900
2022	34,300
2021	33,800

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, including a by-pass project completed in 2020 and two debottlenecking projects in 2018 and 2022, production capacity was boosted by more than 60% from 305 MMscf/d in 2018 to 500 MMscf/d at the end of 2022. Further de-bottlenecking enhancements in 2023 have enabled a record production output of 520 MMscf/d to be achieved in November 2023. The additional production is being supplied to local power plants to meet the growing power demand in the KRI.

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 health, education and infrastructure programmes, which continued in 2022.

Production and operations

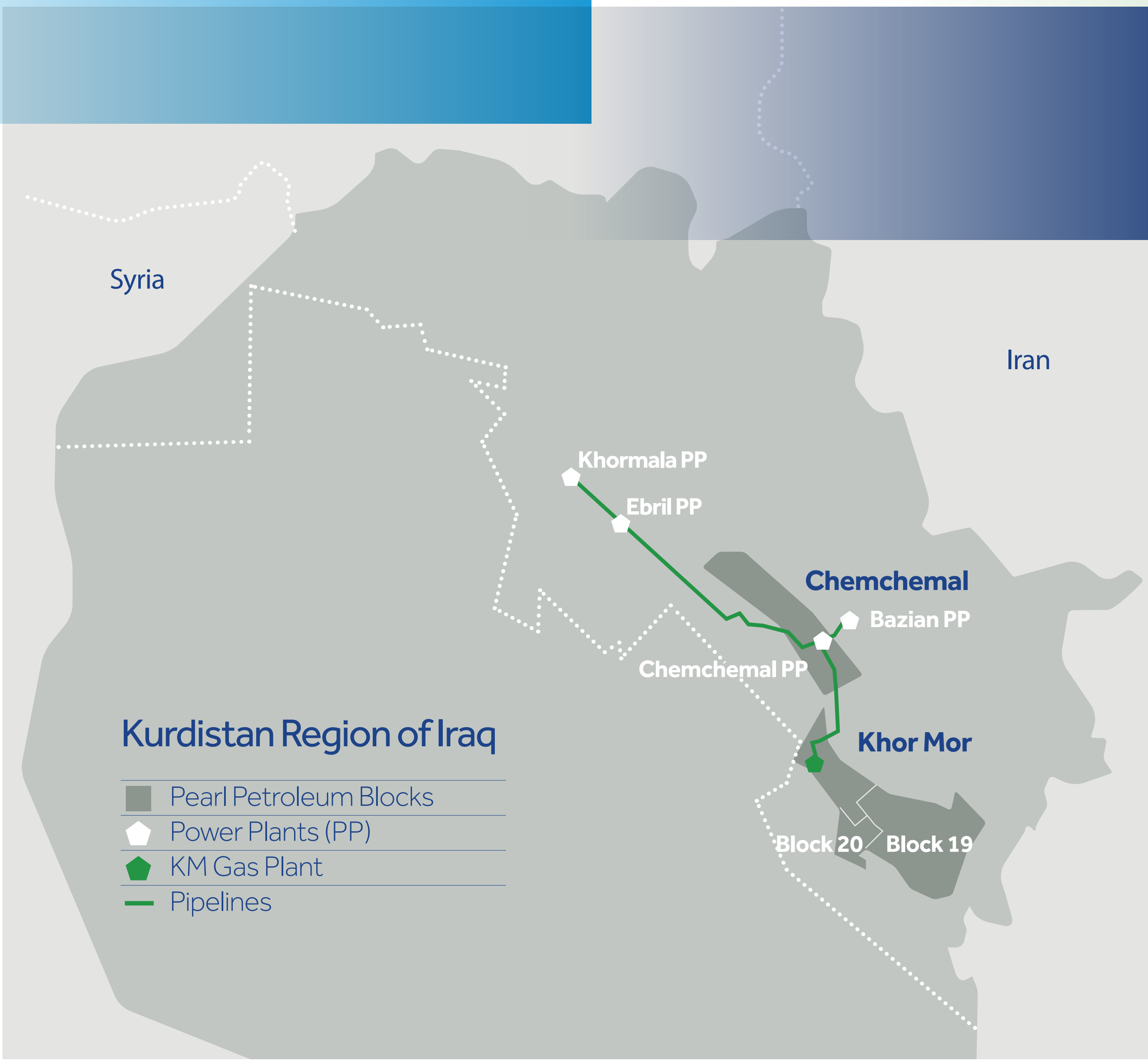
The Khor Mor facilities are jointly operated by Dana Gas and Crescent Petroleum on behalf of PPCL.

The plant was subject to two drone/rocket attacks in 2023. Thankfully, nobody was injured and there was no significant damage to our assets. Production operations were also able to continue as normal without major interruption. Security arrangements have been further enhanced and the venture continues to work closely with the Kurdistan Regional Government and security forces on strengthened controls and contingency/resilience measures.

Pearl's production (Dana Gas 35%) in the KRI has increased by 8% in 2023 to 105.4 kboepd (36,900 boepd net to Dana Gas). Average production from Pearl comprised 468 MMscf/d sales gas, 15,270 bbl/d condensate and 1028 MTPD of LPG. A record production output of 520 MMscf/d was achieved in 16 November 2023.

Operational Review
Kurdistan Region of Iraq (KRI) continued

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



The displacement of diesel fuel for power generation in the KRI with gas has also enabled emissions savings of 42 million tonnes of CO_2.

Reserves

The significant reserves in Khor Mor and Chemchemal were independently audited by Gaffney Cline Associates (GCA) in May 2019. Their 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. This places the Khor Mor and Chemchemal fields among the biggest gas fields in the whole of Iraq, emphasising their status as world-class assets.

Expansion Project

The Company's ambitious expansion programme in the KRI aims to increase daily production to exceed 1 billion scf/d of gas and 35,000 bbl/d of condensate. This expansion involves the addition of two incremental gas processing trains of 250 MMscf/d each.

Construction of the first phase of this expansion – the KM250 Project – is well underway and is expected to be completed in the second half of 2024. The KM250 expansion investment exceeds US$800 million.Drilling and testing of the six KM250 project development wells was been successfully completed in 2023. These wells show similar flow rates to the existing production wells. The additional 250 MMscf/d of production capacity from the project will increase gas production to 750 mmscf/d and will support the rising demand for clean natural gas for electricity generation in the KRI.

A Gas Sales agreement was signed in March 2019 with the KRG Ministry of Natural Resources, under which 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 to the region.

In September 2021, Pearl Petroleum signed a US$250 million financing agreement with the U.S. 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.

Once completed, the KM250 expansion project is estimated to add at least $150 million to Dana Gas' annual revenues, significantly enhancing Dana Gas and its Pearl partners participation in the economic development of the region.

Total investment by Pearl Petroleum at Khor Mor to date exceeds US$2.1 billion with total cumulative production of over 400 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 CO_2. The Pearl Petroleum venture has continued to voluntarily offset its annual CO_2 emissions for the third year, maintaining its position as one of the first carbon neutral O&G production businesses in the Middle-East.

Operational Review
Egypt

Dana Gas has operated in Egypt through its subsidiary, Dana Gas Egypt (DGE), since 2007 where it has focused on developing and producing natural gas and gas liquids, including condensate and LPG.

2023 Highlights

Annual Production

8 MMboe

DGE operates 14 development leases onshore in the Nile Delta in 4 Concession Areas

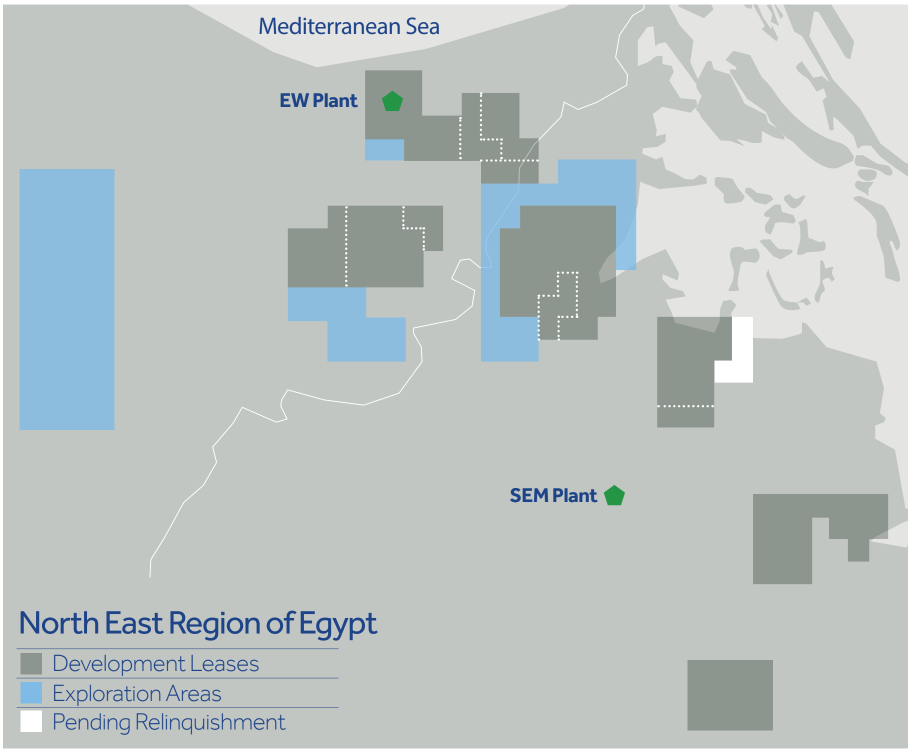
Planned investments

$100 million

Overview

Dana Gas has operated in Egypt through its subsidiary, Dana Gas Egypt (DGE), since 2007, where it has focused on developing and producing 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 in 4 Concession Areas, all with a 100% working interest. In order to improve economics and allow further investments in the concession areas, Dana Gas has actively engaged in negotiations with EGAS to revise the existing terms of the 3 producing onshore concessions. The fourth non-producing single well concession will be relinquished.



Gas Production

106 MMscf/d

2023	106
2022	125
2021	136

Condensate Production

2,182 bbl/d

2023	2,182
2022	2,760
2021	3,335

LPG Production

173 MTPD

2023	173
2022	206
2021	204

Net Production

21,800 boepd

2023	21,800
2022	25,900
2021	28,300

Production, Exploration and Reserves

In 2023, the Company's year-on-year output fell 16% to 21,836 boepd due to natural field declines. This production consisted of average daily production of 106 MMscf of gas, 2,182 bbl of condensate and 172 MTP of LPG.

Due to the lengthy process of finalizing the agreement reached with EGAS for better concession terms, no drilling activities were conducted in 2023. The recorded decline of 16% is lower than the usually expected 20% to 30% decline for Nile Delta fields and is a result of active reservoir management and optimization of production from the existing well stock.

Based on the independent reserves audit report, the Company's Egyptian 2P reserves as of 31 December 2023 stood at 33.8 MMboe, compared to 42.1 MMboe at year end 2022. Due to the lack of activity, 2023 production of 8.0 MMboe was not replaced. There was also a minor downward adjustment of 0.3 MMboe to reflect the most recent estimates of ultimate recovery.

An initiative to accelerate production from Balsam was executed in early 2023, resulting in total production for the year from Egyptian operations coming in 4% above budget.

A drilling campaign is currently under preparation and is planned to start in 2024; the campaign includes a number of exploration and development wells.

Consolidation of exiting concessions and new concession terms

Since the end of 2021, Dana Gas has engaged in negotiations with EGAS to consolidate its existing producing concessions into a new concession with improved terms which would allow further investments to be made, a win-win for both parties, Dana Gas as well as for EGAS.

The negotiations were successfully concluded during 2022 and the EGAS Board approved the consolidation terms in early December 2022. The new terms still need to be approved by the Egyptian parliament which is expected within the first half of 2024.

In addition to the direct awarding of 296 km^2 of new exploration acreage, the revised terms significantly improve the economics of any future exploration and development activities. In exchange for the improved 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. These activities include drilling a total of 5 exploration and 6 development wells during 2024/2025. The total planned investment associated with the consolidation work program is approximately US$ 100 million, which is expected to increase production and add reserves of 80 Bcf.

Operational Review
UAE

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.

2023 Highlights

Dana Gas's entitlement for the first arbitration

US$608 million

Second arbitration comprising a much larger claim is expected to commence end of 2024 or early 2025

UAE Gas Project

The UAE Gas Project involved the purchase by Crescent Petroleum 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 to extract the natural gas liquids (condensate) 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 arbitration tribunal ruled in favour of Crescent Petroleum, finding NIOC to be in breach of contract and liable for damages.

As a result, a hearing was held in October 2017 to determine the amount of damages payable by NIOC for the breach of contract during the period from 2005 to mid-2014.

The final award for the first arbitration (First Award) was made against NIOC by the international arbitration tribunal in September 2021, and Dana Gas recognized the damages sum of US$607.5 million as Current Receivables on its Statement of Financial Position. This first arbitration covered the period of the first 8.5 years of the 25 year gas sales agreement from 2005 to 2014.

The Company has been updated by Crescent Petroleum regarding the various enforcement proceedings underway to enforce the First Award as follows:

All of NIOC's challenges to the First Award have now been dismissed by the English High Court in London, and the Award has been confirmed by courts in the United Arab Emirates, the United Kingdom and in the Netherlands, with various enforcement procedures underway, including the attachment of NIOC's assets. Confirmation proceedings are also underway in other jurisdictions including the United States and Greece.

As per the First Award, interest continues to accrue at the rate of 12-month EIBOR + 1 percentage point, compounding annually, commencing from three (3) months from the date of the First Award until date of payment. Accordingly, Dana Gas's portion of such interest as of 31st December2023 is US$67.5 million.

In addition, a second arbitration with a much larger claim for the 16.5 years remainder of the contract from 2014 to 2035 is currently underway. The final hearing in the second arbitration was scheduled for March 2023 but will be rescheduled following postponement due to the resignation of NIOC's external lawyers and re-constitution of the Tribunal. The claim is now expected to be heard in late 2024 or early 2025. Crescent Petroleum and Dana Gas remain confident of a favourable outcome in the second award.

Financial Review

The Company in a year marked by softening oil and gas demand, successfully navigated the global economic headwinds. This was accomplished through an increase in the Company's production in the Kurdistan Region of Iraq and a reduction in operations costs, which together helped to partially mitigate the impact of lower realized prices.

Key Financial Metrics

	2023 $ million	2022 $ million	**Change $ million**	Change %
Gross Revenue	**423**	529	**(106)**	(20)
Gross Profit	**190**	249	**(59)**	(24)
Net Profit	**160**	182	**(22)**	(12)
EBITDA	**257**	332	**(75)**	(23)
Cash From Operations	**162**	225	**(63)**	(28)

Gross Revenue
($million)

Overview

The Company in a year marked by softening oil and gas demand, successfully navigated the global economic headwinds. This was accomplished through an increase in the Company's production in the Kurdistan Region of Iraq and a reduction in operations costs, which together helped to partially mitigate the impact of lower realized prices.

During the year, the Company reported gross revenue of $423 million as compared to $529 million in 2022, a decrease of 20%. This decrease was mainly due to lower realized prices during the year which eroded $93 million.

On the profitability side, the Company reported a net profit of $160 million in 2023 as compared to a net profit of $182 million. The decrease in net profit was primarily due to lower hydrocarbon prices partly offset by a production increase in Kurdistan Region of Iraq and reduced operating costs.

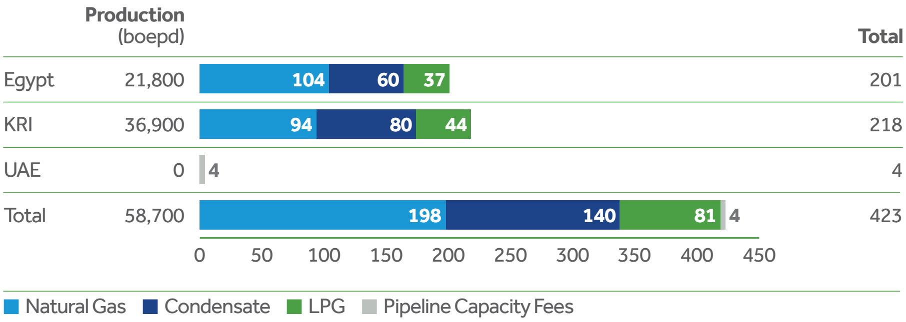
Earnings before interest, tax, depreciation and amortization ("EBITDA") was lower at $257 million compared to $332 million in 2022.

The Company's cash position stood at $131 million, a decrease of 13% compared to 2022 balance of $151 million. The Company collected a total of $238 million during the year with Egypt and KRI contributing $58 million and $180 million, respectively. During the year, the Company paid a final dividend of 4.5 fils per share amounting to $86 million for 2022.

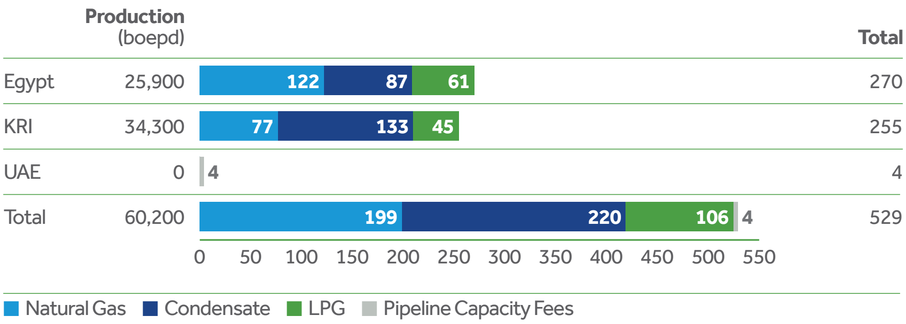
As at 31 December 2023, Egypt receivable stood at $48 million an increase of $18 million. In Kurdistan, receivable increased to $103 million from $64 million at the end of 2022. This increase in Kurdistan receivables was a result of delays in the payment of invoices. A new payment mechanism has been agreed with payments directly from the power stations to meet the obligations of the KRG as well as a schedule to collect past receivables.

Gross revenue at $423 million was 20% lower than $529 million reported in 2022, a decrease of $106 million. Realised prices were lower by 29%

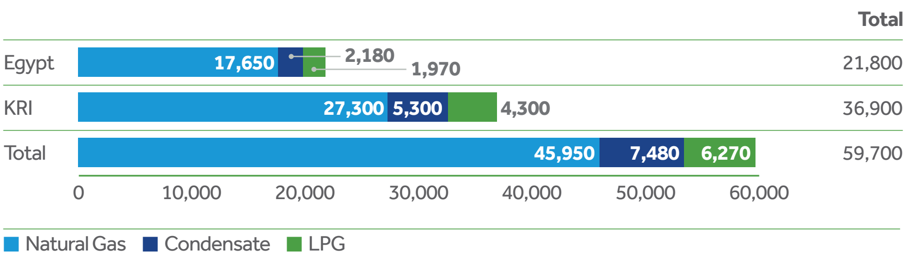
2023 Split Gross Revenue by product and geography
($million)



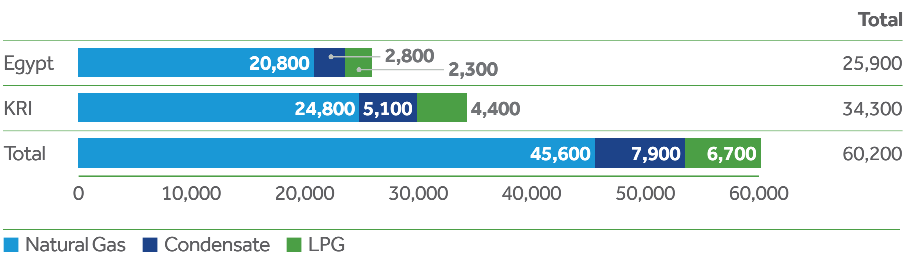
2022 Split Gross Revenue by product and geography
($million)



2023 Split Production by product and geography
(boepd)



2022 Split Production by product and geography
(boepd)



in 2023 and negatively impacted the topline by $93 million. Gross revenue was supported by an 8% increase in production in KRI which contributed $28 million, however, this was more than offset by lower production in Egypt which declined by 16% and negatively impacted the topline by $41 million. Realised prices averaged $51/bbl for condensate and $35/boe for LPG compared to $79/bbl and $42/boe respectively in 2022.

The Company ended the year with an average production of 58,700 boepd, a slight decrease of 2% compared to last year's production of 60,200 boepd. Production was boosted by an 8% increase in production from the KRI, which reached 36,900 boepd as compared to 34,300 boepd in 2022. This was a result of successful debottle-necking project that added 50 mmscfd to output and as a result, Pearl reached a record production output of 520 mmscfd in the fourth quarter of 2023. The increase in production in KRI was more than offset by a drop in production from Egypt which fell 16% to 21,800 boepd as compared to 25,900 boepd in 2022.

Company's share of revenue from the joint operations in Kurdistan Region of Iraq stood at $218 million, lower by 15% as compared to $255 million in 2022. Egypt contributed $201 million to gross revenue as compared to $270 million in 2022.

Gross Profit

Gross profit for year was lower at $190 million compared to $249 million in 2022 mainly due to lower revenue resulting from decrease in realized prices during the year. Gross margins, as a result, reduced from 66% in 2022 to 61% in 2023.

Operating & General & Administration Expenses

The Company continues to optimize its cost base which resulted in reduction in operating cost during 2023 by 7% from $57 million to $53 million. This was due to lower operating costs in Egypt, strong control on costs and savings due to the devaluation of the Egyptian pound,. The Company G&A stood at $11 million as compared to $12 million

Financial Review continued

in 2022, a decrease of 8%. The Company's OPEX and G&A costs were reduced below $3/boe during 2023 and remain within industry's top quartile.

Balance Sheet

The Balance sheet of the Company remained strong with total assets of $2.79 billion as compared to liabilities of $425 million. Equity attributable to shareholder's stood at $2.37 billion translating into a book value per share of AED 1.24 (2022: AED 1.2).

Non-Current Assets

Non-current assets of the Company stood at $1.8 billion as of 31 December 2023, as compared to $1.73 billion in 2022. The increase in Non-current assets is due to capex relating to KM 250 expansion project in the KRI.

Current Assets

Current assets of the Company stood at $989 million, an increase of 6% compared to $930 million as of 31 December 2022. The increase was primarily due to increase in Trade and other receivables which increased from $143m to $211m.

Cash and cash equivalents decreased from $151 million in 2022 to $131 million in 2023, a decrease of 13%. Total inflows for the year totaled $249 million including collection of $238 million. Operational outflows stood at $196 million and $73 million was spent on debt and equity payments. This also includes final dividend payment of 2022 to shareholders in May 2023 of $86m and draw down of a short term bank facility amounting to $65m.

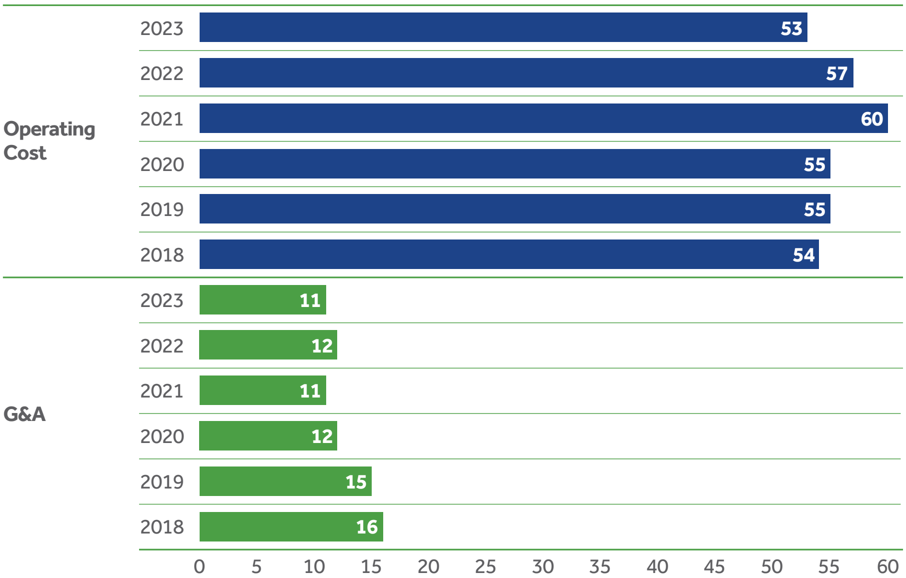
Liabilities

Total liabilities increased from $369 million in 2022 to $425 million in 2023. The increase in liability was mainly due to increase in project and contractor financing in Pearl and short term facility at corporate level.

Capital Investment

The Company incurred an amount of $139 million in capital expenditure during the year ended 31 December 2023. Out of the total, $15 million was incurred in Egypt and $124 million in KRI mainly in relation to expansion for additional production via 250 mmscfd gas processing train.

Operating & General & Administration Expenses
($million)



Trade Receivable

The Company's trade receivables at the end of the year stood at $151 million as compared to $94 million at the end of 2022. Egypt receivable stood at $48 million whereas receivable in KRI increased from $64 million to $103 million due to delay in collection of invoices.

The Company collected a total of $238 million in 2023 as compared to $318 million in 2022.

Dana Gas collected $58 million during 2023 in Egypt and hence realized 77% of the year's revenue.

In Kurdistan, Dana Gas share of collection for the year 2023 stood at $180 million and hence realized 82% of the year's revenue. The Company has recently made notable progress in improving its collections including past receivables. In the KRI a new payment mechanism has been agreed with payments directly from the power stations to meet the obligations of the KRG as well as a schedule to collect past receivables. This has ensured the uninterrupted supply of gas to regional power plants and secured the investment needs to complete the KM 250 expansion project.

Cash Flow

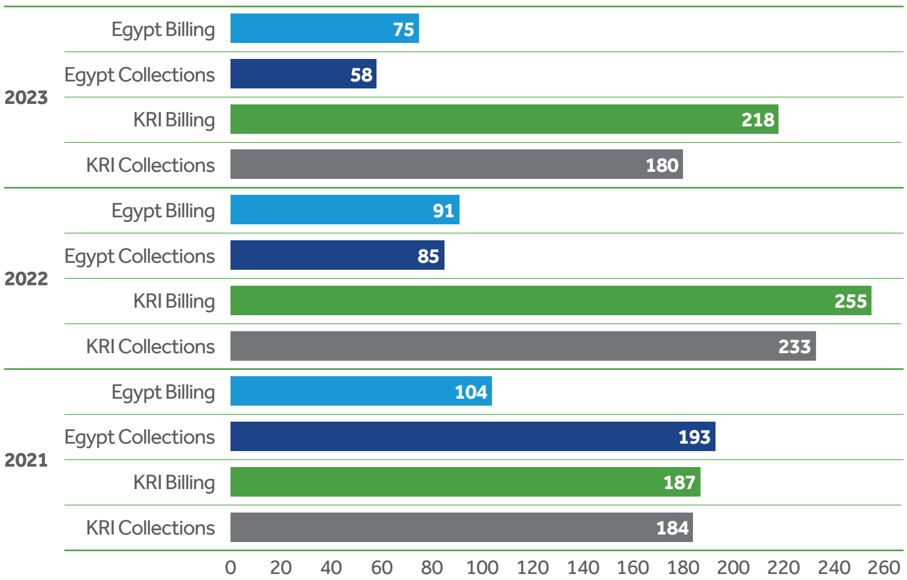
Cash flow from operations decreased from $225 million in 2022 to $162 million in 2023. The decrease in net cash flow from operating activities was primarily due to lower level of collections in 2023 as compared to 2022.

Net cash used in investing activities was higher at $109m and primarily relates to capital expenditure in relation to KM 250 project.

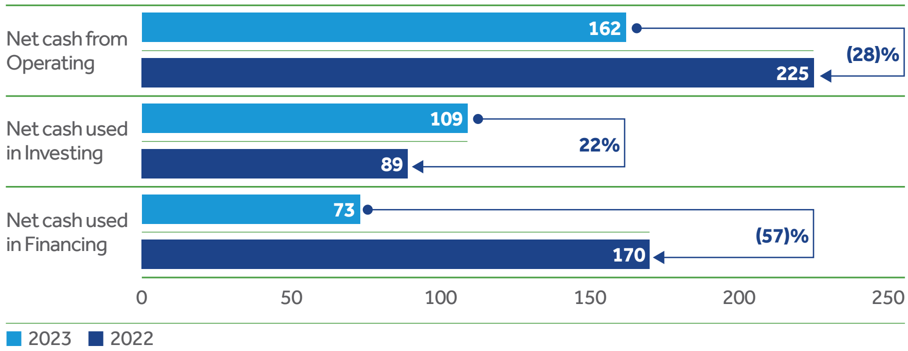
Net cash used in financing activities for the year 2023 was $73 million, a 57% decrease compared to $170 million in the corresponding year. In 2023, $86 million was paid out to shareholders and $75 million was used for debt servicing and repayment. In addition an amount of $65 million was drawn down from short term facility at corporate level and $23 million from project finance facility in Pearl in relation to KM 250 expansion project.

The Company ended the year with cash and bank balance of $131 million as compared to $151 million in 2022, a decrease of 13%. This included $114 million being 35% share of cash held at Pearl Petroleum.

Trade Receivable
($million)



Cash Flow
($million)



Corporate Financing:

The Company signed a Facility Agreement for a new term loan facility from a local UAE bank for $90 million in October 2020. The facility was fully drawn on 22nd October 2020. The term of the facility was for one year, with a further four-year extension available at the Company's option, taking the total term up to five years. The borrowing cost is 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 four years at a rate of 4% plus LIBOR with a final maturity date of 13 October 2025. The amount outstanding towards principal is $43 million as of 31 December 2023. During the year 2023, the bank had waived the requirement for compliance with financial covenant relating to debt service coverage ratios for a period up to 30 June 2024. In addition, the bank also agreed to defer principal payment due on 14 October 2023 and 14 January 2024. The deferred principal amount will be added to the final outstanding amount payable under the loan agreement.

The Company further entered into a short-term loan facility from a local UAE bank for $65 million on 20 March 2023 for a period of 10 months, maturing on 31 December 2023. The facility was fully drawn down on 25 April 2023. The amount outstanding towards principal is $65 million as of 31 December 2023. Subsequent to year end, on 6 February 2024, the Company signed an Addendum No.1 to the original loan agreement, to increase the Loan facility by $5 million from $65 Million to $70 Million at an interest rate of U.S Prime + 3.75% per annum, maturing on 30 September 2024. The facility was fully drawn down on 15 February 2024.

Pearl Petroleum signed a $150 million and $120 million loan facility "Facility Agreement" with a local UAE bank in 2018 and 2019 respectively. During September 2021, Pearl Petroleum signed a $250 million term loan facility with the U.S International Development Finance Corporation ("DFC") with a final repayment date of 17 July 2028 for the KM250 gas expansion works currently underway at the Khor Mor plant. The facility was fully drawn down. Pearl executed a further $65 million loan facility with a local UAE bank on 30 September 2023 with a final repayment date of 31 March 2025. Pearl has fully drawn down the facility as at 31 December 2023. Pearl financing is non-recourse to the Company. Consequently, the Company's total debt stood at $252 million including its 35% consolidated share of the Pearl facility.

Risk Management

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

Interlinked ERM Risk Profile considering Strategic, Operational, Financial and Compliance 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 organization. There is a bottom-up escalation from the country level and functions to the Group and from the Board down to the country level and functions. On a semi-annual basis the Executive Committee carries out an assessment of the principal risks facing the Group. Key risks are overseen by the Board of Directors and its Committees and their management is delegated to the Executive Team and Senior Management. Robust risk management, assurance and performance management processes, incentivized by balanced key performance indicators (KPIs) in our Group scorecard, enable Dana Gas to manage opportunities and risks and respond to the concerns of our stakeholders. Dana Gas considers Strategic, Operational, Financial and Compliance risks as part of its ERM framework.

Dana Gas Risk Management Input from a wide source

1
High Level Risks
Long-term risks such as climate change and alternative sources of energy

2
Regional Recent Events
Recent events in the region that could impact Dana Gas Operations and Strategies are considered and assessed. (eg: intergovernment conflict or trade wars)

3
Risk management process
Bottom-up country and project level risks – mainly operational, technical and HSSE – are assessed and filtered upwards into the Regional Risk Profile

Board and Executive Responsibility

The Board 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. Risk management is 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 Audit & Compliance Committee (A&CC).

The Executive Team, Group functional heads and Business Delivery Teams are 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.

Risk management process.

During 2023, we revisd and updated the Group ERM Framework (including procedures manual and risk appetite statement) to ensure our risk management processes are fully up to date and reflecting best industry practice. In addition to the short-to-medium term risks associated with the delivery of the business plan, the Executive Committee and Board consider the medium and long-term risks and opportunities faced by the company. As in previous years, a further high level review was carried out to integrate the latest World Economic Forum regional and industry-specific risk mapping approach to the Dana Gas business driven risk assessments.

Dana Gas' Risk management process is underpinned by the Internal Controls Framework, which sets out 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 Management continued

Risk factors and uncertainties

Dana Gas businesses in the MENASA 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 such risks and uncertainties, some of which may be outside of the Company's control.

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. Exposure to receivables and liquidity risk takes the form of a loss that would be recognized 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 & 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 realized 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 sentiment prevalent in the investment markets associated with the Energy Transition/Climate Change policy debate, which may impact future availability of financing on attractive terms. Our business performance and liquidity/receivables position may also have an impact on the Company's ability to raise finance..

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.

STRATEGICAL

Geo-Political 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 MENASA 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 license awards; increased royalty payments or taxes mandated by governments; expropriation of assets; and political obstacles to key project delivery..

Access to New Markets:

Inability to adequately analyze, 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 inability to deliver new gas projects in time and understand the competitive environment from new gas supplies coming into the UAE, Egypt, Kurdistan Region of Iraq and nearby markets. Dana Gas faces strong competition from both National Oil Companies (NOCs), which control a substantial percentage of the world's reserves, and International Oil Companies (IOCs) that operate in the region. This competition could make securing access to acreage, reserves and gas markets more challenging.

Organisation and Staffing

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 organize people with the appropriate level of expertise and knowledge. 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. 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.

Reserves Replacement

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 Group's levels of production (and therefore revenues) are dependent on the continued operational performance of its producing assets 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.

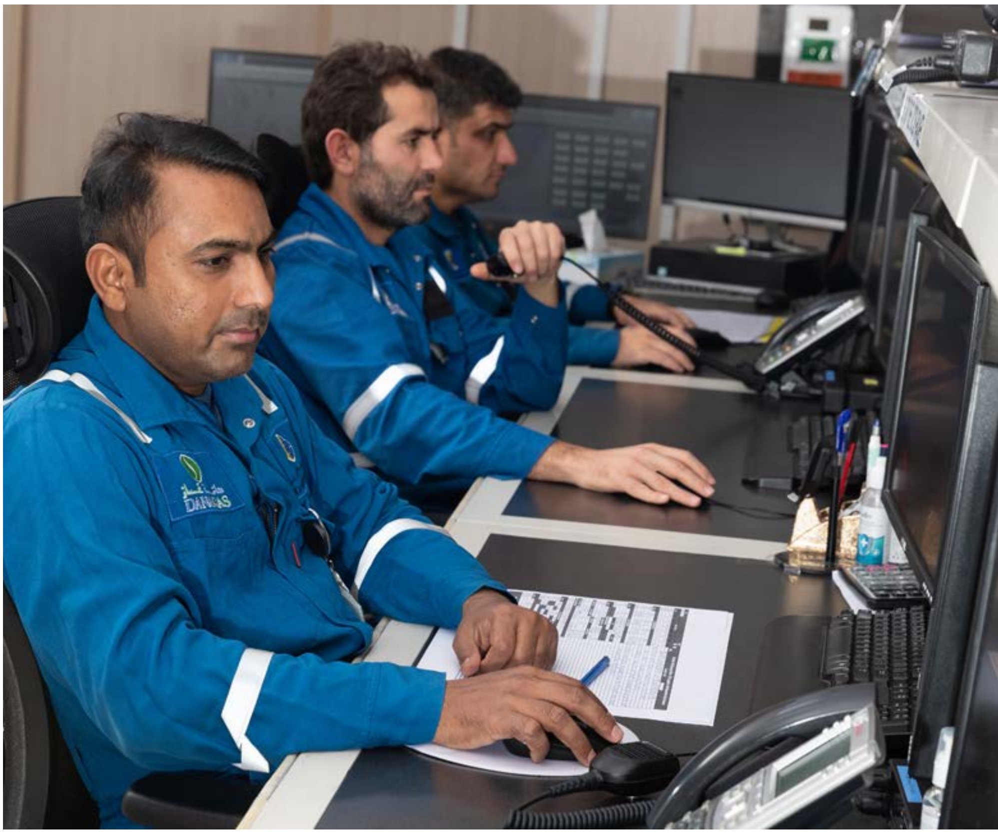
COMPLIANCE/REGULATION

Corporate Reputation and License to Operate:

The Group could be exposed to loss of corporate reputation due to failings in corporate governance, corporate social responsibility, HSSE, regulatory compliance, misreporting and/or restatement of results. This could impact future revenue, 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 & Social Performance systems and processes and will continue to enhance these in line with industry best practice and any changes in the regulatory and compliance frameworks in the countries where we operate.

Other Risks and Opportunities

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



Our People

Our people are an integral asset and a driving-force behind our successful business.

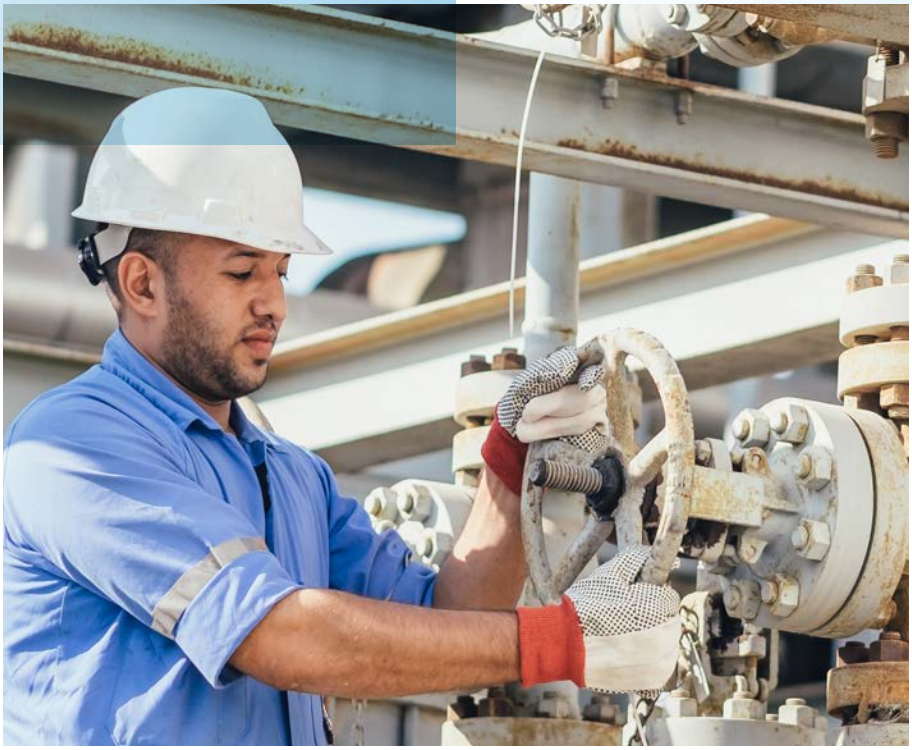
Talent attraction and development

Our people strategies are aligned with our business strategy. Focusing on people and investing in their attraction, development, engagement, and retention is the key to our successful journey. Our people play an essential role in achieving our strategic objectives and enhancing Shareholder value.

Talent drives our business and at Dana Gas we strive to ensure that we offer not only extensive career opportunities, but also a fulfilling work environment and an inclusive culture for our people to continuously learn, grow, and flourish.

As part of our strategy, we focus on upskilling our people at all levels, helping them reach their full potential, build new skills, and strengthen their areas of expertise. We invest in our people's professional growth and development by providing learning and development opportunities for employees at all levels in the form of external, internal, on-the-job, and online learning.

The Learning Person Days achieved by Dana Gas full time employees during 2023 is 240 learning person days.



Diversity and equality

We see diversity and equality as our greatest strength, and we are committed to a work environment that embraces diversity and inclusion at all levels. Our company fosters a culture of belonging for all our people across genders, age and nationalities and they are always encouraged to unlock their full potential.

We are highly committed to equal opportunities and do not tolerate 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.

Employee engagement

Dana Gas continues to reinforce the value of diversity and inclusion and put great efforts into building a lean, fit for purpose, well defined and efficient organization, enabling empowerment and faster decision-making while enhancing effectiveness.

Our company has clear policies for its employees' rights and welfare. All employees are encouraged to report any incidents that affect their health and safety, with the goal of causing no accidents or harm to people and minimizing any adverse effect on the environment. We believe in open dialogue and value employees' feedback and suggestions. Our regular staff Town Hall sessions serve in communicating our operational as well as financial results and in keeping everyone informed about changes and progress that affect them as well as the Group.

Performance and rewards

At Dana Gas, we take care to ensure every individual's roles and responsibilities are articulated and understood, as well as the expected outcomes and key results are defined. Dana Gas has a robust and fair performance management system and process that firstly defines the criteria by which business success is measured. Goals are then set accordingly, performance reviewed on a periodic basis, employees evaluated for their delivery against their goals and recognized for their contributions and achievements. 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. We believe that recognizing and rewarding our people for their achievements and efforts is imperative and contributes to increasing productivity, improving retention, and strengthening employee engagement. The reward philosophy of Dana Gas is performance-driven across all its levels and is designed to deliver both a solid employee value proposition as well as to support the corporate strategy effectively.

Head Count, Net to the Company's Interest as of 31st December 2023.

The table below sets out the number of employees and contractors employed by Dana Gas through its subsidiaries and joint ventures as of 31st December 2023.

	Employees	Contractors
Dana Gas Head Office	28	1
Dana Gas UAE Units (Saj Gas, UGTC & Zora, Credan Secondment)	7	4
DG Kurdistan Region of Iraq	3	1
Dana Gas Egypt	48	14
TOTAL	86	20

The table below sets out the number of employees as of 31st December 2023 employed by joint ventures in which Dana Gas has an interest.

	Ownership interest held by Dana Gas	JV employees (net to Dana Gas's interest)	JV Contractors (net to Dana Gas's interest)
Wasco (Egypt)	100 per cent	375	310
Credan (KRI)	35 per cent	222	5
TOTAL		597	315

As of December 2023, we employed full-time employees from 13 countries across the world and 22% of our full-time workforce were female employees.


TEXACO

Corporate Governance

Pages

36 — 67

Corporate Governance

1. Statement of Measures taken to Complete the Corporate Governance System during 2023 and its implementation

Dana Gas has always recognized that embracing best practice corporate governance is essential for a private sector corporation aiming to lead Middle East`s oil and gas industry. Corporate governance continues to be a priority for us. Shortly after our incorporation, in April 2006, we enlisted in the International Finance Corporation (IFC), part of the World Bank Group, to evaluate our corporate governance practices. The objective was to enhance the Board of Directors' effectiveness, strengthen our control environment, and ensure that our disclosure and transparency practices aligned with international best practice. Since then, we have consistently benchmarked our Corporate Governance compliance and international standards through external audits.

In 2021, in alignment with the Federal Law No. 26 of 2020 and the Securities & Commodities Authority Chairman Decision No. (3/Chairman) of 2020, we have updated our Articles of Association. This amendment was part of our continuous efforts to adhere to evolving governance standards.

We conducted a thorough internal review of our Articles of Association and governance framework in 2021, aligning our policies with the guidelines and integrating them into our Articles of Association and its Code of Conduct. This reaffirms our dedication to the highest governance standards. A special committee (CGR&N Committee) was established to oversee compliance with governance regulations, complemented by our Compliance Officer`s monitoring of adherence across the company.

In 2022, further amendments were made to our Articles of Association in response to the Federal Decree by Law No. 32 of 2021 concerning the Commercial Companies Law. That year also saw the adoption of revised Board remuneration and dividend policies by our shareholders. An external Board evaluation was conducted by Governance Creed in Q4 2022 with a report delivered to the Board in January 2023. In the first quarter of 2024, we conducted an internal Board evaluation for the year 2023, along with our ongoing initiatives like verifying the independence of our directors, disclosing conflict of interests, and auditing the governance practices.

The dedication of our Board of Directors and Executive Management to upholding stringent corporate governance standards is foundational to realizing our strategic goals. This commitment ensures transparency, effective control, and high performance, which are vital for translating strategies into successful business ventures. Ultimately, our governance practices are designed to deliver value to our shareholders and benefit other stakeholders locally and internationally.

2. Statement of ownership and transactions of Board of Directors members, their spouses and their children in the Company's securities during 2023:

The Dana Gas PJSC Share Dealing Code (the "Code") was adopted in September 2017. The Code complies with international best practice as well as relevant provisions in regulations issued by the Securities and Commodities Authority and Abu Dhabi Securities Exchange.

The Rules define periods during which directors and employees are not permitted to deal in the Company's shares. No Director or employee has traded in the shares of the Company during the closed periods set out in the Rules or in the Securities and Commodities Authority's Resolution No. 2/2001.

The below table shows the trading in the company`s shares conducted by the board members, their spouses, and their children during 2023 and their holdings of such shares at the end of the year:

Board Member	Position/ Relationship	Shares owned as of 31/12/2023	Total Sale Transactions	Total Purchase Transactions
Mr. Abdul Hameed Dhia Jafar	Chairman	–	–	–
Mr. Rashed Saif S. Al Jarwan Al Shamsi	Vice Chairman	1,600,000	–	–
Mr. Abdul Majid Abdul Hamid D. Jafar	Managing Director of Board Affairs	–	–	–
Mr. Varoujan A. Nerguizian	Director	5,500,000	–	–
Mrs. Nirva Billorian wife of Varoujan Nerguizian	Wife	570,000	–	–
Mr. Younis Haji Abdulla Hussain Alkhoori	Director	14,114,490	–	–
Mr. Hani Abdulaziz Hussain Al Terkait	Director	1,874	–	–
Mr. Ziad Abdulla Ibrahim Galadari	Director	4,132,855	–	–
Ms. Najla Ahmed Mohamed Hamad Almidfa	Director	1,000,000	–	–
Mr. Ajit Vijay Joshi Vijay Anant	Director	–	–	–
Mr. Shaheen Mohamed Abdulaziz Rubayea Almheiri	Director	10,000,000	–	–
Mr. Jassim Mohamedrafi Alseddiqi Alansaari	Director (until 3 October 2023)	–	–	–
Mr. Ahmed Abdulhamid Mohammed Saeed Alahmadi	Director (Since 4 October 2023)	–	–	–

3. Board Formation:

The Board of Directors is elected by the General Assembly every 3 years. The Annual General Assembly elected the current Board of Directors at its meeting held on 28 April 2021 for the Board period 2021-2024. On October 3, 2023, Mr. Jassim Mohamed Rafi Alseddiqi resigned from his position as a member of the Board of Directors, and Mr. Ahmed Abdulhamid Alahmadi was appointed as a member of the Board of Directors to succeed him. On 29 February 2024, Mr. Ajit Joshi resigned from his position as a member of the Board of Directors.

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

The current Board of Directors comprises of six Independent Directors and five non-independent Non-Executive Directors.

Corporate Governance continued

A. Statement of the current Board formation according to the following schedule:

Mr. Abdul Hameed Dhia Jafar,
Chairman of the Board

Category
Non-Executive
Non-Independent

Qualifications and Experience

Mr. Abdul Hameed Dhia Jafar attended St. Paul's School in London, and subsequently studied at Churchill College, Cambridge University, where he obtained his Bachelor's Engineering Degree (specializing in Thermodynamics & Fluid Flow), followed by a Master's 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 until August 2023.

Period served as a BOD member of the Company since his first election date

18 years (2005-2023)

Memberships and positions in any other joint-stock companies

- N/A

Positions in any other important supervisory, governmental or business entities

- Chairman, Crescent Group of companies
- Chairman, Gulftainer Ltd.
- Founding Shareholder, URUK Group
- Member, Board of Governors of Pearl Initiative
- Founder, UAE Chapters of the Young Presidents Organization and the World Presidents Organization
- Member, International Chief Executives Organization
- Member of the Board of Trustees, American University of Sharjah

Mr. Rashed Saif Al Jarwan Al Shamsi
Vice Chairman

Category
Non-Executive
Non-Independent

Qualifications and Experience

Mr. 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), Sukoon Insurance Company and Al Ghurair Holding Company.

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.

Period served as a BOD member of the Company since his first election date

15 years (2008-2023)

Memberships and positions in any other joint-stock companies

- Board Member, Sukoon Insurance Company

Positions in any other important supervisory, governmental or business entities

- Board Emirates General Petroleum Corporation (EMARAT)
- Board member, Al Ghurair Holding Ltd

Mr. Abdul Majid Abdul Hamid D. Jafar,
Managing Director of Board Affairs

Category
Non-Executive
Non-Independent

Qualifications and Experience

Mr. Majid Jafar is the CEO of Crescent Petroleum, the Middle East's oldest private oil & 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 & Production and Gas & Power Divisions.

In addition to his professional commitments, Mr. Majid Jafar is an advocate of 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, and 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.

Mr. Majid Jafar attended Eton College and graduated from Cambridge University (Churchill College) with Bachelor and Master's 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 & 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.

Period served as a BOD member of the Company since his first election date

18 years (2005-2023)

Memberships and positions in any other joint-stock companies

- N/A

Positions in any other important supervisory, governmental or business entities

- CEO, Crescent Petroleum Company, UAE
- Vice Chairman, Crescent Group of companies
- Board member, Arab Forum for Environment and Development (AFED)
- Board member, Iraq Energy Institute
- Board member, Queen Rania Foundation (QRF)
- Board member of Board of Fellows of Harvard Medical School, the Panel of Senior Advisers of the Royal Institute of International Affairs (Chatham House), and the International Advisory Board of the Prince's Trust International and The Atlantic Council

Mr. Varoujan A. Nerguizian
Director

Category
Non- Executive
Non- Independent

Qualifications and Experience

Mr. Varoujan Nerguizian holds a Licence es Sciences Economiques from Saint Joseph University, Lebanon and from Université Lyon Lumière, France (1976).in 2023 he was bestowed in 2023 a Doctorat Honoris Causa from the same university. He has a General Banking diploma from Columbia University NYC with emphasis on Blockchain and cryptos.

Mr. Nerguizian was the former Group CEO of Bank of Sharjah up to the end of 2022., He currently acts as 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 has been a member of various committees of the Board. 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 caters to the needs of the Lebanese and Francophone communities of the UAE since 2003.

He serves on the Board of Growthgate Capital and is a member on the Conseil Stratégique de l'Université Saint Joseph, Beirut.

Period served as a BOD member of the Company since his first election date

18 years (2005-2023)

Memberships and positions in any other joint-stock companies

- N/A

Positions in any other important supervisory, governmental or business entities

- Chairman and General Manager, Emirates Lebanon Bank SAL, Lebanon
- Board member, Growthgate PEF
- Member of the Conseil Stratégique de l'Université Saint Joseph, Beirut- Lebanon
- Founding member and Chairman, Lebanese Educational Fund SA
- Founding member and Chairman, Lycée' Libanais Francophone Privé Meydan', Dubai (non-profit educational institution)

Mr. Younis Haji Abdulla Hussain Alkhoori
Director

Category
Independent

Qualifications and Experience

His Excellency Younis Haji Al Khoori is the Undersecretary of the UAE Ministry of Finance, where he is in charge of overseeing the General Budget Department, the revenue and financial operations of the Federal Government, the development and diversification of financial resources, and all financial policies and procedures, in addition to managing the UAE's financial relations with regional and international institutions, such as the GCC and the OECD.

Having joined the Ministry of Finance after leading roles at the Abu Dhabi Department of Finance and Abu Dhabi National Oil Company (ADNOC), H.E. manages planning the Ministry's annual budget and setting its core strategies covering IT, human resources, communications, and excellence programmes, in addition to representing the UAE in regional and international financial institutions.

On top of his role as Undersecretary of the Ministry of Finance, H.E. Al Khoori is an member of several boards of directors, including at UAE Central Bank, Federal Tax Authority (FTA), the Government Financial Policy Coordination Council, UAE Gender Balance Council, and General Pension and Social Security Authority.

H.E. holds degrees from prestigious, world-renowned institutions, namely, a Bachelor of Science in Computer Engineering from Boston University, a Master of Science in Engineering Management from Northwestern University, and a degree in Executive Management from Harvard Business School.

Period served as a BOD member of the Company since his first election date

Two years and 8 months (Since April 2021)

Memberships and positions in any other joint-stock companies

- N/A

Positions in any other important supervisory, governmental or business entities

- Board Member of Central Bank of the UAE
- Board Member of Al Etihad Credit Bureau
- Department of Finance, Abu Dhabi, Financial Management Information System, Project Manager
- Abu Dhabi National Oil Company, Abu Dhabi, Project Engineer

Mr. Hani Abdulaziz Hussain Al Terkait
Director

Category
Independent

Qualifications and Experience

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

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 previously served on the Board of several companies such as Kuwait Foundation for the Advancement of Science and Supreme Council for Planning. He held various executive positions in several oil and petrochemical companies in Kuwait such as Kuwait National Petroleum Co., Petrochemical Industries Co., Public Authority for Industry, Hoechst German and Ikarus Petroleum Industries Company.

Period served as a BOD member of the Company since his first election date

Eight years and 9 months (2015-2023)

Memberships and positions in any other joint-stock companies

- N/A

Positions in any other important supervisory, governmental or business entities

- N/A

Mr. Ziad Abdulla I. Galadari
Director

Category
Non-Executive
Non- Independent

Qualifications and Experience

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

Mr. Ziad Galadari is the Founder and Chairman of Galadari Advocates & Legal Consultants. He has been practicing as an Advocate, Legal Advisor 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 IBA - International Bar Association (Lawyers International Association) and Chartered Institute of Arbitrators (CIArb).

Period served as a BOD member of the Company since his first election date

18 years (2005-2023)

Memberships and positions in any other joint-stock companies

- Board Member, Emirates Integrated
- Telecommunications
- Company (DU)

Positions in any other important supervisory, governmental or business entities

- Founder & Chairman, Galadari Advocates & Legal Consultants, UAE
- Chairman, Galadari Investments Group, UAE
- Board member, Dubai World Trade Centre

Ms. Najla Ahmed Mohamed Hamad Almidfa
Director

Category
Independent

Qualifications and Experience

Ms. Najla Al Midfa is the Chief Executive Officer of 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 United Arab Bank, Emirates Development Bank, and Dana Gas. She is also a board member of the Sharjah Research Technology and Innovation Park (SRTIP), 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.

Period served as a BOD member of the Company since his first election date

Two years and 8 months (Since April 2021)

Memberships and positions in any other joint-stock companies

- Board Directors, United Arab Bank

Positions in any other important supervisory, governmental or business entities

- CEO and board member of the Sharjah Entrepreneurship Center (Sheraa)
- Board member, Emirates Development Bank
- Board member, Sharjah Research Technology and Innovation Park (SRTIP)

Mr. Ajit Vijay Joshi
Director

Category
Independent

Qualifications and Experience

Mr. Ajit Joshi worked as the Managing Director, Head of Private Markets at SHUAA Capital PSC. He was responsible for overseeing the Group's investments in publicly listed securities and private markets, while implementing a turnaround investment approach.

Mr. Joshi has over 19 years of professional experience in technology consulting, equity research, investment banking and investment management. Prior to joining SHUAA Capital, 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 and gas services, marine and hospitality sectors.

Mr. Joshi holds a Bachelor of Engineering degree in Computer Engineering and holds an MBA from Indian Institute of Management Lucknow, India.

Period served as a BOD member of the Company since his first election date

Two years and 8 months (since April 2021)

(Resigned on 29 February 2024)

Memberships and positions in any other joint-stock companies

- Board member of Islamic Arab Insurance Co. (Salama) PJSC
- Managing Director at SHUAA Capital PSC

Positions in any other important supervisory, governmental or business entities

- N/A

Mr. Shaheen Mohamed Abdulaziz Rubayea Almheiri
Director

Category
Independent

Qualifications and Experience

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

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

He also holds the position of Vice Chairman in Electromechanical Co., the sole agent for SIEMENS in Abu Dhabi, United Arab Emirates.

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

Period served as a BOD member of the Company since his first election date

Five years and 8 months (since April 2018)

Memberships and positions in any other joint-stock companies

- Board member of National Corporation for Tourism and Hotels (NCTH), Abu Dhabi
- Member, Audit Committee of National Corporation for Tourism and Hotels, Abu Dhabi

Positions in any other important supervisory, governmental or business entities

- Vice Chairman, Electromechanical Co., Abu Dhabi

Corporate Governance continued

Mr. Jassim Mohamedrafi Alseddiqi Alansaari
Director

Category
Independent

Qualifications and Experience

Jassim Alseddiqi is the Managing Director of Shuaa Capital (until August 2023).

He previously served as the Chairman of GFH Financial Group, Islamic Arab Insurance Company (SALAMA), Eshraq Investments, Khaleeji Commercial Bank and The Entertainer. He also served on the boards of First Abu Dhabi Bank (FAB), and ADNOC Distribution.

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

Period served as a BOD member of the Company since his first election date

Five years (from Nov 2018 to October 2023)

Memberships and positions in any other joint-stock companies

- N/A

Positions in any other important supervisory, governmental or business entities

- N/A

Mr. Ahmed Abdulhamid Mohammed Saeed Alahmadi
Director

Category
Independent

Qualifications and Experience

Ahmed Abdulhamid Alahmadi is the CEO of Albaher Real Estate Development. He is a Board Member of DFM listed Shuaa Capital and an independent member of the Audit and Risk Committee for ADX-listed Presight AI Holdings. He is also a Trustee for the American Community School of Abu Dhabi.

Mr. Alahmadi's professional career has spanned time at Mubadala, Rothschild & Co, and most recently in the CEO Office of ADQ, where he supported government initiatives and maintained strategic partnerships. He is a CFA charter holder and possesses a First-Class Honours degree in Chemical Engineering from University College London, and a Master's degree in Risk Management and Financial Engineering from Imperial College London.

Period served as a BOD member of the Company since his first election date

Three months (Since October 2023)

Memberships and positions in any other joint-stock companies

- Board Member of Shuaa Capital
- Indpendent member of Risk Committee for ADX-listed Presight AI Holdings

Positions in any other important supervisory, governmental or business entities

- Member of Board of Trustee of American Community School of Abu Dhabi

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 Direct Oxford Energy Seminar

Senior Executive Management

Richard Hall
Chief Executive Officer

Richard Hall graduated from Leeds University with a BSc in Chemical Engineering and spent the first 10 years of his career with Amoco, Murphy and Hess in various offshore and onshore drilling and production supervisory roles.

Mr. Hall was one of four Founders and Operations Director of Acteon Group which won the Institute of Petroleum Platinum award in 2001 for its new technology. He also formed and led a team which won the prestigious Queen's Award for Export.

Mr. Hall subsequently joined Petrofac and became the VP of Operations and Developments and General Manager in Malaysia. He was also the CEO and Co-Founder of Asia focused Nio Petroleum which opportunistically procured assets offshore Malaysia before being acquired by EnQuest in 2013 with Richard joining the Senior Management Team as Head of International Business and then Head of Major Capital Projects.

After a stint in Dubai as Chairman and CEO of a private equity backed service company, he returned to EnQuest as GM Malaysia. He was then promoted to his previous role as COO of EnQuest. Mr. Hall was recently appointed as the CEO of Dana Gas Group.

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 22 years of human resources experience in multinational and multicultural organisations in the MENASA region. Prior to moving to the oil and gas industry, he 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).

Corporate Governance continued

SHAUN PATRICK HOOLAHAN
General Manager – Egypt

General Manager of Dana Gas Egypt since May 2023. Mr. Hoolahan joined Dana Gas in 2021 as Head of Subsurface and Reservoir Engineering and served as a Board Member of the joint venture operating company Wasco Petroleum. He previously provided consulting services to Dana Gas in 2010 and Dana Gas Egypt in 2012 and 2018-2021.

Mr. Hoolahan has over 40 years of experience in the oil and gas industry, including more than 20 years in either senior management positions or running his own consulting firm. Mr. Hoolahan is a Reservoir Engineer by background with an emphasis on compositional recovery processes.

As an independent consultant since 2005, Mr. Hoolahan provided a wide range of services including oversite for green and brown field developments, property acquisitions, reserves assessment, insurance adjustment, technical training, investor insight, litigation support and expert witness services. In addition to Dana Gas, his client base included Shell, BP, Mærsk, Max, Caspiygas, Samek, Steege, Vantage, O'Hara Investments, the Trans Alaska Pipeline Owner's Group, SM Energy, Caelus, Pioneer, ENI and Alaska Oil and Gas Operating Consultants, LLC.

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.

B. Statement of the percentage of female representation in the Board for 2023:

During 2021, two women were nominated as candidates for election to the Board of Dana Gas, with one (1), Ms. Najla Almidfa being elected to the Board. Accordingly, female representation on the Board is now 9%, which is in line with minimum requirement under the Corporate Governance Guide for listed companies issued by the Securities & Commodities Authority to have at least one female Board member.

C. Directors' Remuneration

The Corporate Governance, Remuneration and Nominations Committee (CGRNC) proposes the annual remuneration for members of the Board of Directors which, following Board endorsement, is presented to the General Assembly for approval, pursuant to the provisions of the Commercial Companies Law, the Company's Articles of Association and the Board Remuneration Policy. The Board remuneration is disclosed in the Company's annual financial statements.

1. Total remunerations approved to the Board members for 2022:

The total remuneration for the Board members for 2022 was an amount of AED 12.225 million, including fees for committee memberships.

2. Total remunerations of the Board members proposed for 2023, and which will be presented in the Annual General Assembly meeting for approval:

The recommendation for the proposed Directors' remuneration was submitted by the CGRNC to the Board of Directors at its meeting held on 13 March 2024, for an amount of AED 12,240,206.

The proposed Directors' remuneration will be presented to the Annual General Assembly scheduled to be held on 17 April 2024 for approval.

3. Details of the allowances for attending sessions of the committees of the Board, which were received by the Board members for 2023 fiscal year.

The Directors receive annual payment for their work on Board committees. AED 100,000 is paid to Committee Chairs and AED 75,000 is paid to Committee members. Committees' membership payments are disclosed in the Company's financial statements and included in the Board remuneration figures above.

An attendance allowance of AED 15,000 is provided to Directors who are not resident in the UAE to cover board, accommodation, transportation and other expenses. The allowance is withheld in case of non-attendance.

The Table below shows Board and Committees Attendance Allowances paid to the Directors during 2023.

Name Board Member	Committees Attendance Allowances for 2023 and		
	Annual payment of Board committees membership (AED)	Allowance Amount Paid for non-residents* (AED)	Number of Meetings
Board Steering Committee			**4**
Mr. Rashed Saif Al-Jarwan Al Shamsi, Chairman	100,000	–	
Mr. Abdul Majid Abdul Hamid D. Jafar	75,000	–	
Mr. Jassim Mohamedrafi Alseddiqi Alansaari (until 3 October 2023)	33,082	–	
Mr. Younis Haji Abdulla Hussain Alkhoori (since 22 November 2023)	31,849	–	
Ms. Najla Ahmed Mohamed Hamad Almidfa	75,000	–	
Mr. Hani Abdulaziz Hussain Al Terkait – non resident	75,000	45,000	
Audit & Compliance Committee			**5**
Mr. Jassim Mohamedrafi Alseddiqi Alansaari, Chairman (until 3 October 2023)	44,110	–	
Mr. Younis Haji Abdulla Hussain Alkhoori, Chairman (since 22 November 2023)	85,616	–	
Mr. Shaheen Mohamed Abdulaziz Rubayea Almheiri	75,000	–	
Ms. Najla Ahmed Mohamed Hamad Almidfa	75,000	–	
Mr. Ajit Vijay Joshi Vijay Anant	75,000	–	
Mr. Ahmed Abdulhamid Mohammed Saeed Alahmadi (since 22 November 2023)	31,849	–	
Corporate Governance, Remuneration & Nominations Committee			**3**
Ms. Najla Ahmed Mohamed Hamad Almidfa (Chairperson since 23 November 2022)	100,000	–	
Mr. Abdul Majid Abdul Hamid D. Jafar (Since 9 June 2021)	75,000	–	
Mr. Younis Haji Abdulla Hussain Alkhoori (since 9 June 2021)	75,000	–	
Mr. Ziad Abdulla I. Galadari	75,000	–	
Mr. Ahmed Abdulhamid Mohammed Saeed Alahmadi (since 22 November 2023)	31,849	–	

*Note: Allowance amount paid for non-residents of the UAE for attending Board & Committees meetings.

4. Details of the additional allowances, salaries or fees received by a Board member other than the allowances for attending the committees and their reasons.

No additional allowances, salaries or fees were paid to the Board members other than the allowances for attending the committees.

D. Number of Board meetings held during 2023 fiscal year, along with their convention dates, personal attendance times, and members attending by proxy:

According to the Company's Articles of Association and the corporate governance standards laid down by the Chairman of the Authority's Decision No. 3 (R.M) of 2020 (as amended), the Board of Directors is required to meet at least 4 times per year. The Board of Directors held six (6) meetings during 2023.

The Table below shows attendance of Board meetings by the Directors during 2023:

Board Members	25 January	7 March	16 April	14 June	26 September	22 November	Attendance by proxy
Mr. Abdul Hameed Dhia Jafar, Chairman	✔	✔	✔	✔	✔	✔	–
Mr. Rashed Saif S. Al Jarwan Al Shamsi, Vice Chairman	✔	✔	✔	✔	✔	✔	–
Mr. Abdul Majid Abdul Hamid D. Jafar, Managing Director of Board Affairs	✔	✔	✘	✔	✔	✔	–
Mr. Varoujan A. Nerguizian	✔	✔	✔	✔	✔	✔	–
Mr. Hani Abdulaziz Hussain Al Terkait	✔	✔	✔	✔	✔	✔	–
Mr. Ziad Abdullah Ibrahim Galadari	✔	✔	✔	✔	✔	✔	–
Mr. Shaheen Mohamed Abdulaziz Rubayea Almheiri	✔	✔	✔	✔	✔	✔	–
Mr. Jassim Mohamedrafi Al Siddiqi Alansaari (since 3 October 2023)	✔	✔	✔	✔	✔	❋	–
Mr. Younis Haji Abdulla Hussain Alkhoori	✔	✔	✔	✔	✔	✔	–
Ms. Najla Ahmed Mohamed Hamad Almidfa	✔	✔	✔	✔	✔	✔	–
Mr. Ajit Vijay Joshi Vijay Anant	✔	✔	✔	✔	✔	✔	–
Mr. Ahmed Abdulhamid Mohammed Saeed Alahmadi (since 22 November 2023)	❋	❋	❋	❋	❋	✔	–

(✔) Attend in person (✘) Absent No attendance by proxy (❋) Not a member

E. Number of Board resolutions by circulation passed during the 2023 fiscal year:

According to Article 30 of the Company's Articles of Association, the Board of Directors may issue resolutions by circulation in cases of urgency. Such resolutions shall be valid and effective as if they were adopted in a meeting that had been properly called for and validly held provided a majority of the members of the Board of Directors agree to its urgency, delivered in writing to all member for approval, and approved in writing by a majority of the members of the Board.

During the fiscal year 2023, the Board of Directors successfully passed 12 resolutions be circulation in line with our commitment to efficient governance and timely decision-making. Below is a summary of these resolutions and their respective dates:

1. Banking Finance Facility, circulated on 20 March 2023.
2. Appropriations, circulated on 20 March 2023.
3. Board Remuneration, circulated on 20 March 2023.
4. Recommendation to the Annual General Assembly 2023, circulated on 20 March 2023.
5. Incremental Budget for KM-10 & Amendment to Pearl's Work Programme and Budget, circulated on 14 July 2023.
6. CEO Appointment, circulated on 20 July 2023.
7. Approval of Additional Pearl Petroleum Expenditure For Interim Compression Solution (ICS), passed on 2 August 2024.
8. Repatriation of DGE Excess EGP Funds, circulated on 31 August 2023.
9. Repatriation of Excess EGP Funds (revised recommendation), circulated on 14 September 2023.
10. Resignation and Appointment of A New Board Member, circulated on 3 October 2023.
11. Incorporation of Dana Gas Upstream Holdings Limited, circulated on 23 October 2023.
12. Approval of the Corporate Restructuring, circulated on 15 December 2023.

F. Statement of Board duties and powers exercised by Board members or the executive management during 2023, based on authorization from the Board, specifying the duration and validity of the authorization according to the following schedule:

Name of the Authorized person	Delegation Authority	Duration of the Delegation
NIOC Award Enforcement Strategy Ad Hoc Committee	To monitor enforcement of the NIOC arbitral award and to provide reports to the Board of Directors. The members of the committee are Mr. Majid Jafar, Mr. Hani Alterkait, Mr. Ziad Abdulla I. Galadari, Mr. Younis Alkhoori, Dr. Patrick Allman-Ward (until 22 November 2023) ,Mr. Neville Henwood and Mr. Richard Hall (since 22 November 2023).	From January 2022 until end of enforcement of the arbitral award.
Mergers & Acquisition Committee	The mandate of this committee is to consider the timing, desirability, discussion with one or more parties assessing interests, and to submit recommendations to the Board of Directors. The members of the committee are Mr. Majid Jafar, Mr. Rashid Al-Jarwan, Mr. Hani Hussain and Mr. Jassim Alseddiqi (until 3 October 2023).	Ongoing from September 2020.
Managing Director of Board Affairs	To assist the Chairman in the affairs of the Board, providing the Board with reports and information, supervising preparations for meetings and proposals of agendas and coordinating with the Board members and Senior Management on strategy.	The duration of the delegation is until the end of the Board membership period in April 2024.
Chief Executive Officer	1. To implement the strategies, plans and policies laid down by the Board of Directors for achieving the Company's objectives; 2. To manage the day-to-day affairs and business of the Company; 3. To identify, pursue and submit studies and proposals relating to business development and new investment opportunities; 4. To submit to the Board of Directors periodic reports about the business of the Company, its financial position, internal control procedures and the measures taken to manage risks; 5. To provide the Board of Directors, on a timely basis, with the information and documents required for efficient conduct of Board meetings; 6. To provide regulatory bodies (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, policies and Company regulations.	The delegation is valid during the tenure of the Chief Executive Officer.
Chief Executive Officer and the Chief Financial Officer	To delegate responsibility for signing future quarterly covenant Compliance Certificates for Mashreq, as defined in the Facility Agreement, to the CEO and CFO of the Company	The delegation is valid from 9 June 2021 to the end of the Facility Agreement.

G. Statement of the details of the transactions made with related parties during 2023, provided that it shall include the following:

Sn	Statement of related parties	Clarifying the nature of relationship	Type of transaction	Value of transaction
1	Crescent National Gas Corporation Limited (CNGCL)	Minority shareholding	Pipeline capacity billing to Joint Venture	$1.3 million
2	Pearl Petroleum Company Limited	Joint arrangement	Fees for Management services billed to Joint Venture	$2.5 million
3	Crescent Petroleum Company	Shareholder	Fees for Management services provided by shareholder	$1.1.3 million

1) Revenue relates to pipeline capacity charges billed by one of the Group subsidiaries, United Gas Transmissions Company (UGTC) to a joint venture, Crescent National Gas Corporation Limited (CNGCL) in which Dana Gas holds 35% interest.

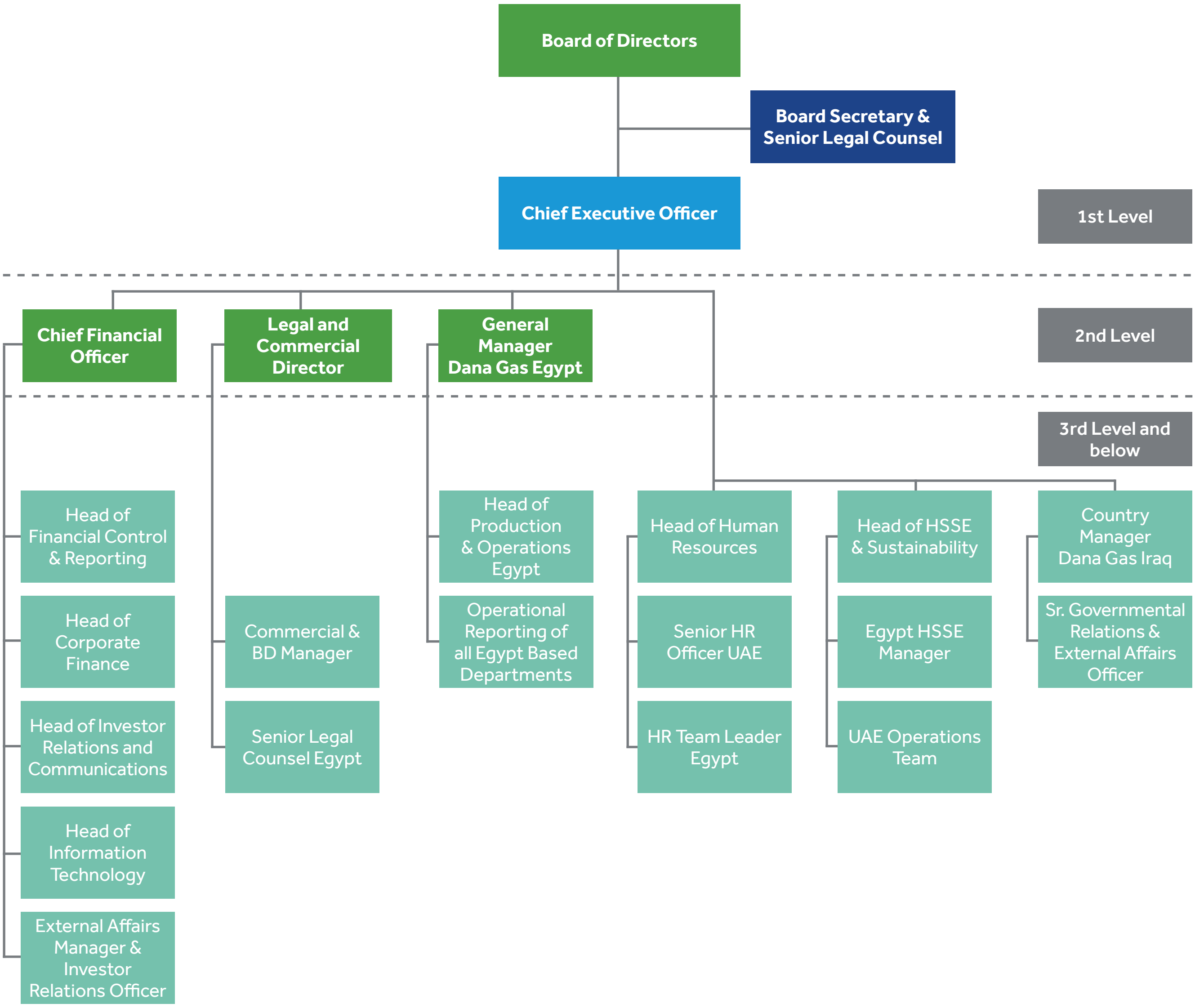
2) Fees for management services to the Pearl Petroleum joint venture reflect actual cost charged in respect of time spent by Dana Gas personnel on Joint ventures activities.

3) Fees for management services provided by the shareholder reflect actual cost charged in respect of time spent by shareholder personnel on activities related to Dana Gas.

There were no transactions by the Company with related parties during 2023 which equal 5% or more of the Company's capital.

Corporate Governance continued

H. The complete organizational structure of the Company:



I. A detailed statement of senior executives in the first and second grade according to the Company's organizational structure, their jobs and dates of appointment, along with a statement of the total salaries and bonuses paid to them, according to the following schedule:

The following Table shows the Senior Executives of the Company with their designations, appointment dates and total remuneration, including bonus paid to them in 2023.

Job Title	Date of Appointment	Total salaries, allowances & benefits paid in 2023 (AED)	Total Bonuses paid in 2023 (for 2022 performance) (AED)	Any other cash / in kind bonuses for 2023
Chief Executive Officer	1/Sep/13	3,200,272	3,125,733	–
Chief Executive Officer	6/Nov/23	411,087	–	439,860*
Chief Financial Officer	5/Jan/16	2,140,712	1,276,653	–
Legal & Commercial Director	16/Aug/20	1,938,436	1,157,739	–
General Manager DG Egypt (until 30 April 2023)	4/Oct/21	557,156	1,011,238	208,934**
General Manager DG Egypt	1/May/23	1,142,470	–	–
Head of HSSE & Sustainability	16/Mar/20	1,451,535	623,377	–
Head of Human Resources	22/Nov/09	1,301,114	492,217	–
Country Manager Dana Gas Iraq	27/May/07	1,035,408	402,534	–

(*) Joining Bonus (**) End of contract payment.

4. External Auditors

A. An overview of the Company's auditors to shareholders:

The Company's External Auditors, Ernst & Young, is one of the "Big Four" global accounting firms. It employs more than 312,000 professionals in over 150 countries, with four global regions and 33 sub-areas within those regions.

B. Statement of fees and costs for the audit or services provided by the external auditors, according to the following schedule:

The External Auditors' fees in respect of the annual Financial Statements for Dana Gas PJSC for 2023 amount to AED 345,000 as approved by the General Assembly. The total fee for auditing the Group is AED 1.18 million. The External Auditors' fees are disclosed in the Company's Annual Financial Statements.

Name of Auditing Firm	Ernst &Young Mr. Anthony O' Sullivan
Number of years served as external auditor for the Company	3 years
Total fees for auditing the financial statements of 2023 (AED)	AED 1.18 million
The fees and costs of the special services other than the auditing of the financial statements in 2023 (AED)	0.012 million
The details and nature of other services provided (if any)	Issuance of cost recharge certificates & audit of carve out and pro-forma financial statements.
A statement of the other services performed by an **external auditor other than** the Company's auditor in 2023 (if any)	Tax advisory services - 0.07 million

C. Statement clarifying the reservations that the Company's auditors included in the interim and annual financial statements for 2023:

None.

Corporate Governance continued

5. The Audit and Compliance Committee (A&CC)

A. Mr. Younis Haji Abdulla Hussain Alkhoori, Chairman of the Audit & Compliance Committee, acknowledges his responsibility for the committee system in the Company, review of its work mechanism and ensuring its effectiveness.

B. Names of the Audit and Compliance Committee members clarifying their competences and tasks assigned to them:

The Audit and Compliance Committee is composed of the following Members:

Members of the Committee

Mr. Jassim Mohamedrafi Alseddiqi Alansaari, Chairman (until 3 October 2023)

Mr. Younis Haji Abdulla Hussain Alkhoori, Chairman (since 22 November 2023)

Mr. Shaheen Mohamed Abdulaziz Rubayea Almheiri

Ms. Najla Ahmed Mohamed Hamad Almidfa

Mr. Ajit Vijay Joshi Vijay Anant (until 29 February 2024)

Mr. Varoujan A. Nerguizian (since 22 November 2023)

Mr. Ahmed Abdulhamid Mohammed Saeed Alahmadi (since 22 November 2023)

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.

In the discharge of the tasks entrusted to it, the Committee carries out the following functions:

1. Overseeing the preparation and particulars of the Company's financial statements and financial reporting;
2. Reviewing annual and quarterly financial statements;
3. Ensuring that the Company's financial statements and reports represent a true and authentic statement of the Company's financial position;
4. Reviewing risk management and internal control procedures;
5. Recommending appointment and fees of the Company's external auditors;
6. Recommending internal audit plans and necessary audit activities.

In addition to the above, the Committee performs the functions prescribed in the Chairman of the Authority's Decision No. 3 (R.M) of 2020 (As Amended).

C. Number of meetings held by the Audit & Compliance Committee during 2023 and their dates to discuss the matters related to financial statements and any other matters, the members' personal attendance in those held meetings:

The Table below shows the number and dates of meetings held by the Audit & Compliance Committee during 2023 and members' attendance:

Members of the A&C Committee	7 February (Virtually)	3 March (Virtually)	9 May (Virtually)	8 August (Virtually)	7 November (Virtually)
Mr. Jassim Mohamedrafi Alseddiqi Alansaari, Chairman, (until 3 October 2023)	✔	✔	✔	✔	✱
Mr. Younis Haji Abdulla Hussain Alkhoori, Chairman (since 22 November 2023)	✔	✔	✔	✔	✔
Mr. Shaheen Mohamed Abdulaziz Rubayea Almheiri	✔	✔	✘	✔	✘
Ms. Najla Ahmed Mohamed Hamad Almidfa	✔	✔	✔	✔	✔
Mr. Ajit Vijay Joshi Vijay Anant	✔	✔	✔	✔	✔
Mr. Varoujan A. Nerguizian (since 22 November 2023)	✱	✱	✱	✱	✱
Mr. Ahmed Abdulhamid Mohammed Saeed Alahmadi (since 22 November 2023)	✱	✱	✱	✱	✔

(✔) in person (✘) Absent No attendance by proxy (✱) Not a Member

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

A Ms. Najla Ahmed Mohamed Hamad Almidfa, Chairperson of the Corporate Governance, Remuneration & Nominations Committee, acknowledges her responsibility for the committee system in the Company, review of its working mechanism and ensuring its effectiveness.

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

Members of the Committee

Najla Ahmed Mohamed Hamad Almidfa, Chairperson

Mr. Abdul Majid Abdul Hamid D. Jafar

Mr. Ziad Abdulla I. Galadari

Mr. Younis Haji Abdulla Hussain Alkhoori

Mr. Varoujan A. Nerguizian

Mr. Ahmed Abdulhamid Mohammed Saeed Alahmadi (since 22 November 2023)

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

The Committee oversees compliance by the governing bodies of the Company through 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 reviewing nominations for election to the Board of Directors.

To achieve its objectives, the Committee carries out the following functions:

1. Proposing remuneration, salary, benefits and incentives policies;
2. Proposing human resources policies aimed at promoting improved performance and a healthier work environment;
3. Recommending appropriate corporate governance standards;
4. Follow up on the Board of Directors' procedures and performance;
5. Reviewing non-financial disclosure standards;
6. Reviewing Directors' remuneration and making appropriate recommendations to the Board;
7. Reviewing and approving employees' succession plans;
8. Maintaining good relationships with shareholders, investors and regulators;
9. Supervising nominations for election to the Board of Directors.

In addition, the Committee performs the other functions ascribed to it by the Authority Chairman's Decision No. 3 (R.M) of 2020 (As Amended).

C. Statement of number of meetings held by the Committee during 2023 and their dates, and statement of all Committee members' personal attendance:

The Table below shows the number and dates of meetings held by the Corporate Governance, Remuneration & Nominations Committee during 2023 and members' attendance:

Members of the CGR&N Committee	23 January (Virtually)	2 March (Virtually)	22 November
Ms. Najla Ahmed Mohamed Hamad Almidfa, Chairperson (since 23 November 2022)	✔	✔	✔
Mr. Abdul Majid Abdul Hamid D. Jafar	✔	✔	✔
Mr. Ziad Abdulla I. Galadari	✔	✔	✔
Mr. Younis Haji Abdulla Hussain Alkhoori	✔	✔	✔
Mr. Varoujan A. Nerguizian	✔	✔	✘
Mr. Ahmed Abdulhamid Mohammed Saeed Alahmadi (since 22 November 2023)	❋	❋	✔

(✔) in person (✘) Absent No attendance by proxy (❋) Not a Member

D. The Supervision and Follow-up Committee of insiders' transactions

Mr. Neville Henwood, Legal and Commercial Director is responsible for maintenance of the register of insiders and for follow-up on the reporting of insiders' transactions and acknowledges his responsibility for the committee system in the Company, review of its working mechanisms and ensuring its effectiveness.

E. Names of members of the Supervision and Follow-up Committee of insiders' transactions and clarifying their competences and tasks assigned to them:

The committee comprises Mr. Neville Henwood, Compliance Officer and Legal and Commercial Director, Mr. Mohammed Mubaideen, Head of Investor Relations, Mrs. Fatima Al Obaidly, External Affairs Manager & Investor Relations Officer and Mr. Omran Alzamani, Board Secretary & Senior Legal Counsel.

F. A summary of the committee's work report during 2023:

Pursuant to Article 33 of the Decision No. 3 (R.M) of 2020 (as amended), the Board of Directors should appoint any of the Company's departments or internal committee or a special committee to be responsible for the management, follow-up and supervision of insiders' trading. During 2022, the Company maintained such a register and submits periodic statements and reports to the Market.

8. Other Committees approved by the Board of Directors:

There are two other committees approved by the Board of Directors, namely the Board Steering Committee and the Reserves Sub-Committee.

Board Steering Committee:

A. Mr. Rashed Saif Al Jarwan Al Shamsi, Chairman of the Board Steering Committee, acknowledges his responsibility for the committee system in the Company, review of its working mechanisms and ensuring its effectiveness.

B. Name of the committee:

Board Steering Committee.

C. Names of each committee members, clarifying its competences and tasks assigned thereto:

The Board Steering Committee is chaired by Mr. Rashed Saif Al Jarwan, Vice Chairman and is composed of the following members:

Members of the Committee

Mr. Rashed Saif Al Jarwan Al Shamsi, Chairman

Mr. Abdul Majid Abdul Hamid D. Jafar

Mr. Hani Abdulaziz Hussain Al Terkait

Mr. Jassim Mohamedrafi Alseddiqi Alansaari (until 3 October 2023)

Najla Ahmed Mohamed Hamad Almidfa

Mr. Younis Haji Abdulla Hussain Alkhoori (since 22 November 2023)

The role of the Board Steering Committee is to assist the Board in the supervision and control of the activities of the Executive Management of the Company, and to take decisions between the meetings of the Board in relation to certain matters including urgent matters involving capital and operating expenditures and new business opportunities.

G. Statement of number of meetings held by the Committee during 2023 and their dates, and all Committee members' personal attendance:

The Table below shows the number and dates of meetings held by the Board Steering Committee during 2023 and members' attendance:

Members of the Committee	24 January (Virtually)	28 March (Virtually)	13 June (Virtually)	25 September (Virtually)
Mr. Rashed Saif Al Jarwan Al Shamsi, Chairman	✔	✔	✔	✔
Mr. Abdul Majid Abdul Hamid D. Jafar	✔	✔	✔	✔
Mr. Hani Abdulaziz Hussain Al Terkait	✔	✔	✔	✔
Mr. Jassim Mohamedrafi Alseddiqi Alansaari (until 3 October 2023)	✔	✔	✔	✔
Najla Ahmed Mohamed Hamad Almidfa	✔	✔	✔	✔
Mr. Younis Haji Abdulla Hussain Alkhoori (since 22 November 2023)	✻	✻	✻	✻

(✔) in person (✘) Absent No attendance by proxy (✻) Not a Member

Reserves Sub-Committee:

A. Mr. Hani Abdulaziz Hussain Al Terkait, Chairman of the Reserves Sub-Committee, acknowledges his responsibility for the committee system in the Company, review of its work mechanism and ensuring its effectiveness.

B. Name of the committee:

The Reserves Sub-Committee.

C. Names of each committee members, clarifying its competences and tasks assigned thereto:

The Reserves Sub-Committee is composed of the following members:

Members of the Committee

Mr. Hani Abdulaziz Hussain Al Terkait, Chairman

Mr. Rashed Saif Al Jarwan Al Shamsi

Mr. Ziad Abdulla Ibrahim Galadari

Mr. Shaheen Mohamed Abdulaziz Rubayea Almheiri

Mr. Ajit Vijay Joshi Vijay Anant (until 29 February 2024)

Mr. Ahmed Abdulhamid Mohammed Saeed Alahmadi (since 22 November 2023)

This is a sub-committee of the Board Steering Committee and is chaired by Mr. Hani Abdulaziz Hussain Al Terkait. The role of the Reserves Sub-Committee is to review and approve the Company's annual reserve reports after reviewing them with the Executive Management and the External Reserves Auditors. The Committee presents its recommendations to the Board of Directors.

The Committee exercises the following functions:

1. Ensure that the Company is properly assessing and reporting the reserves that result from exploration and development operations.
2. Ensure that the reserve estimate updates are timely, professionally accurate and compliant with international standards.
3. Contract with an independent engineering and reserve auditing firm (currently Gaffney, Cline and Associates) to do annual updates.
4. Meet annually to review the changes to oil and gas reserves with the Company's technical management and the independent engineers.

D. Statement of number of meetings held by the Committee during 2023 and their dates, and all Committee members' personal attendance:

The Table below shows the number and dates of meetings held by the Reserves subcommittee during 2023:

Members of the Committee	3 March 2023
Mr. Hani Abdulaziz Hussain Al Terkait, Chairman	✔
Mr. Rashed Saif Al Jarwan Al Shamsi	✔
Mr. Ziad Abdulla I. Galadari	✔
Mr. Shaheen Mohamed Abdulaziz Rubayea Almheiri	✘
Mr. Ajit Vijay Joshi Vijay Anant	✔
Mr. Ahmed Abdulhamid Mohammed Saeed Alahmadi (since 22 November 2023)	✱

(✔) in person (✘) Absent No attendance by proxy (✱) Not a Member

9. Internal Control System:

A. The Board of Directors acknowledges its responsibility for the Company's internal control system, review of its working mechanisms and ensuring its effectiveness. The Board of Directors has established an Internal Control Department since 2011, the functions of which include:

1. Assessment of 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 & Compliance 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 authorized 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 & Compliance Committee identified during the audit process. The department is mandated by the Board to investigate and form an independent opinion on any matter which 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 internal 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 7 March 2023 the 2023 internal 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.

B. The department head, his qualifications and date of appointment:

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

C. Compliance Officer, his qualifications and date of appointment:

Mr. Neville Henwood was appointed as the Compliance Officer for the Company by Board Resolution No. 39/2020 dated 23 September 2020, to carry on the duties and functions prescribed as stated in Article (69) of the Chairman of the Securities and Commodities Authority's Resolution No. 3 (R.M) of 2020 concerning adopting 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.

Mr. Henwood is an Australian qualified lawyer, is admitted as a Barrister and Solicitor of the High Court of Australia, and the Supreme Court of the Northern Territory.

D. Whistle Blowing Mechanism - the Internal Control Department dealing with any major problems at the Company or those that were disclosed in the annual reports and accounts:

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 complaints will be addressed by the Compliance Officer and promptly communicated to the Audit & Compliance Committee.

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 Head of Internal Audit also advises the CEO on corrective actions.

During 2023, no major issues were identified that warranted disclosure in the Annual financial statements for the year.

E. Number of reports issued by the Internal Control Department to the Company's Board of Directors:

During 2023 the Internal Control Department issued three reports to the Company's Board of Directors and to the Audit and Compliance Committee comprising an update of the progress of the internal audit plan.

10. Details of the violations committed during 2023:

No violations were committed by the Company during 2023.

11. The cash and in-kind contributions made by the Company during 2023 in developing the local community and preserving the environment.

Dana Gas' corporate social responsibility activities cover the countries where it operates. The Company's objective has been to play a prominent role in supporting local communities situated within its vicinity. Dana Gas has implemented a number of projects and programs covering education, health and social activities in accordance with its annual corporate social responsibility plan approved by the Board of Directors.

The table below shows some of the Company's social responsibility activities during the year 2023:

Dana Gas UAE 2023

Theme	Project	Partners	Description	Total
Education	Give Education to Orphans	Sharjah Social Empowerment Foundation	'Give Education to Orphans' is a large-scale academic empowerment project, which aims to provide orphans with access to education.	$5 K
			Total DG UAE	$5 K

Note: Dana Gas continues to support the Dana Gas Chair in Chemical Engineering at the American University of Sharjah, following an endowment of $4 MM made in 2008.

Dana Gas Egypt 2023

Theme	Project	Partners	Description	Total
Health	School Medical Convoys	Misr El Khier Foundation (with Ministry of Health)	Medical convoys to 2 primary schools in Damietta governorate, enabling medical check-ups to 884 students.	$19 K
	Nurse Training	Misr El Khier Foundation (with Al Mansoura University)	Specialist training for 50 nurses from public hospitals in Dakhlia governorate, hosted by Al Mansoura university (continuation of 2022 programme).	$4 K Previous year budget
	Medical Equipment	Ministry of Health	Supplied medical equipment to the kidney dialysis centres at 3 public hospitals in Damietta governorate.	$34 K
Welfare	Ramadan Boxes	Egyptian Food Bank (with Ministry of Social Solidarity	4,000 dry food boxes distributed to local communities around our operational fields in Damietta and Dakahlia governorates during the month of Ramadan.	$27 K
	Charity Iftar Tables	Egyptian Food Bank (with Ministry of Social Solidarity	Iftar tables provided to 250 persons/day during the month of Ramadan (30 days) in Haggaga & Faraskour districts in Damietta governorate.	$8 K
	Womens Shelter	Al Ber and Takwa Foundation (with Ministry of Social Solidarity)	Provided furniture, supplies, building maintenance and restoration to Damietta womens shelter. The shelter accommodates 30 females (orphans) of different ages and operates under the supervision of the Ministry of Social Solidarity.	$10 K
	Underprivileged Community Support	Petroleum & Mineral Resources Society (PMS) (with Ministry of Social Solidarity)	Collective contribution with other companies in the Egyptian oil & gas sector to support various health and welfare activities for underprivileged members of the community.	$2 K
Education	Social Entrepreneurship Mobilization - Income Generation program	American University of Cairo (with Ministry of Social Solidarity)	Phase II of the Income Generation Program provided vocational training to local female community members in Gamalya district, Dakhlia governorate who had successfully completed Phase I of the programme (2022). Included advanced business and technical skills to 30 women on sewing and garment manufacture to enable their own business start-ups. Participants were also provided with heavy duty sewing machines (continuation of 2022 programme).	$49 K Previous year budget
			Total DG Egypt	$ 100 K

Corporate Governance continued

CREDAN – KRI 2023

Theme	Project	Partners	Description	Total
Energy	Electricity supply to local communities	Dept of Electricity, Qadir Karam	Supplied five villages in Qadir Karam with free electrical power from the Khor Mor plant, an estimated value of approx. US$ 96,000 per month.	$1,152 K
	Mobile Sub-Station, Qadir Qaram	Ministry of Electricity and Ministry of Natural Resources	Provision and installation of a 10MW capacity Electrical Mobile Sub-station to connect Qadir Karam town to the national grid, enabling improved energy access, a more secure and stable supply, with capacity for future growth and development in the town.	$1,100
	Community fuel distribution for generating electricity	Dept of Electricity & Qadir Karam Mayoralty, Qadir Karam Sub-District	Provided fuel to residents of Qadir Karam and 35 villages/ locations in surrounding areas to enable power generation (approx. 9,500 litres per month).	$129 K
	Authority Fuel Distribution	Qadir Karam Mayoralty	Provide fuel supply to Qadir Karam Sub-District Mayoralty offices (District Manager, Security of Qadir, and Police Station of Qadir Karam) enabling the local authorities to conduct their day-to-day duties (approx. 1,400 litres per month).	$16 K
	Fuel to Chamchamal	Mayor of Chamchamal and Sub-District Office	Provision of fuel to support local authority deliveries of drinking water in Chamchamal, Shorsh and Takya Kakamand and response to emergencies (eg. fire-fighting during the harvest season).	$15 K
Education	KM Teachers and Students Transportation	Directorate of Education, Chamchamal District	School transportation for approx. 160 students in 21 different villages, including monthly salaries of 15 drivers. In addition, the project sponsored salaries of 26 teachers to enable speciality subjects not available at Qadir Karam and surrounding area schools to be taught.	$150 K
	Primary School renovation – Takya Jabari	Takya Jabari Primary School, Chamchamal	Renovate the Takya Jabari primary school, which currently hosts 125 students and 10 teachers.	$73 K
	Secondary School refurbishment – Padasht	Padasht Secondary School, Shorsh	Completed 2nd phase of refurbishment project to enhance the school facilities. The school hosts approx. 380 students and 20 teachers.	$25 K
	High School capacity building	Directorate of Education, Chamchamal District	Student Empowerment Program (summer training course) for 9th and 12th grade students in Qadir Karam and Takya Jabari sub-districts	$6 K
	School Kits for students	Directorate of Education, Chamchamal District	Provided school bags and stationery kits to approx. 900 students in Chamchamal, Qadir Karam and Takya Jabari, aimed at assisting families of low income and encouraging student education.	$27 K
	Outstanding Student Recognition Awards	Directorate of Education, Chamchamal District	Outstanding student recognition award scheme to highest ranked students passing 12th Grade national examinations in Qadir Karam and Takya Jabari districts.	$6 K
	Scientific Teaching Materials	Qadir Karam Secondary School, Chamchamal	Provision of materials to support teaching of secondary school Science classes.	$1 K
	IT Equipment – Charmo University	Charmo University, Chamchamal	Donation of HP Blade Centre servers and NetApp sub-storage systems to the Charmo University/College of Computer Science in Chamchamal.	$15 K

Theme	Project	Partners	Description	Total
Health & Welfare	Health Centre – Shahid Saed Anwar	Chamchamal Directorate of Health	Refurbished the Shahid Saed Anwar Health Centre in Shorsh sub-district to provide upgrades to healthcare facilities and essential safety improvements.	$17 K
	Health Centre – Shahid Mala Yasin	Chamchamal Directorate of Health	Refurbishments to the Shahid Mala Yasin Health Centre in Shorsh sub-district.	$4 K
	Ambulance drivers	Health Centre, Qadir Karam Sub-District	Sponsored monthly salaries of 2 ambulance drivers for Qadir Karam Heath Centre, which services 52 villages in the local area.	$6 K
	Care Packages	Chamchamal, Shorsh, Takya Jabari, Qadir Karam	Provided food and welfare packages to poor/low-income families and vulnerable persons in Chemchamal and sub-districts of Qadir Karam and Takya Jabari.	$48 K
	Beds to Cancer Hospitals	Chamchamal Directorate of Health	Provided new hospital beds and mattresses to the cancer hospitals in Erbil governorate, Sulaymaniyah governorate, and Chamchamal district. Initiative undertaken as part of Breast Cancer Awareness Month of October.	$37 K
Water	Community Water Distribution Network	Chamchamal Water Directorate	Construction of potable water distribution network for Chamchamal, Shorsh and Takya Kakamand, improving community access to reliable drinking water supplies.	$179 K
	Water supply - Qala Mikail Saru	Chamchamal Water Directorate	Water well, storage and supply project to provide residents of Qala Mikail Saru village with potable water.	$22 K
	Water supply - Qala Mikail Khwaru	Chamchamal Water Directorate	Water well, storage and supply project to provide residents of Qala Mikail SKhwaru illage with potable water.	$11 K
	Water source – Khormor Gawra	Chamchamal Water Directorate	Restoration of water source and storage in Khormor Gawra village which had suffered damage from extreme winter rainfall.	$24 K
	Pipeline repairs – Chamchemal	Chamchamal Water Directorate	Repairs to broken water pipeline (Dukan – Chamchamal) near Mama Risha overpass in Chamchamal District.	$6 K
	Water valves replacement – Chamchemal	Chamchamal Water Directorate	Replacement of 18 damaged and broken water valves for Chamchamal District and its subdistricts in order to prevent loss of potable water and consequent pollution, spread of disease, and contamination.	$7 K
	Water valves replacement – Takya Kakamand	Takya Kakamand Water Department	Replacement of 12 damaged and broken water valves for Takya Kakamand to control water flow to Handren, Sharawani and Rizgarits neighbourhoods.	$8 K
	Water flowline – Anfal Monument	Anfal Monument Directorate	Establishing a new water pipeline connection between the Mofariakan Well and Anfal Monument to enable irrigation to the monument gardens and enhance the environmental sustainability and appearance of this important monument site.	$6 K
	Water flowline – Takya Jabari	Chamchamal Water Directorate, Takya Jabari sub-district	Install a flowline to connect Takya Jabari town with new water well.	$10 K
	Water truck repairs	Chamchamal Water Directorate, Takya Jabari and Qadir Karam sub-districts	Repairs to water trucks that service Takya Jabari and Qadir Karam with emergency water supplies during shortage periods.	$2 K
	Water supply and storage – Charmo University	Charmo University	Construction of a concrete water tank and related infrastructure for an Artesian water well at the Charmo University campus.	$35 K
	Submersible water pumps – Qadir Karam	Chamchamal Water Directorate, Qadir Karam sub-districts	Procure replacement submersible water pump and related accessories for the Qadir Karam primary water well	$2 K
	Water storage tank – Qadir Karam	Qadir Karam Civil Defense Department	Provide potable water tank to the Civil Defense Office of Qadir Karam.	$1 K

Theme	Project	Partners	Description	Total
Infrastructure	Road Safety Signage	Mayor of Chamchamal and Sub-District Offices, Chamchemal Police Dept	Support to Chamchamal Traffic Police by installing new and improved directional road safety signage at 11 locations along the Bani Maqan to Khor Mor highway.	$26 K
Other	Fire-extinguishers	Chamchamal Civil Defence Dept	Provision of 3 backpack blowers to support fire-extinguishing capability in agricultural areas for Chamchamal Civil Defence (Firefighting) Department.	$2 K
	Child Protection Centre Support	Chamchamal & Shorsh sub-district Child Protection Centre	Procurement of course materials and equipment to enable the Child Protection Centre to improve delivery of training courses aimed at families in the Chamchamal district and Shorsh sub-district. Enhanced educational access, the promotion of child development, and empowerment of families are identified social outcomes for the centre, which has a primary focus on individuals between 6 and 18 years of age.	$10 K
	Computers & Printers	Sulaymaniah Martyrs & Anfal Directorate	Provision of computers and colour printers.to support activities of the General Directorate of Martyrs and Anfal in Sulaymaniyah.	$10 K
			Total CREDAN KRI	$ 3,188 K

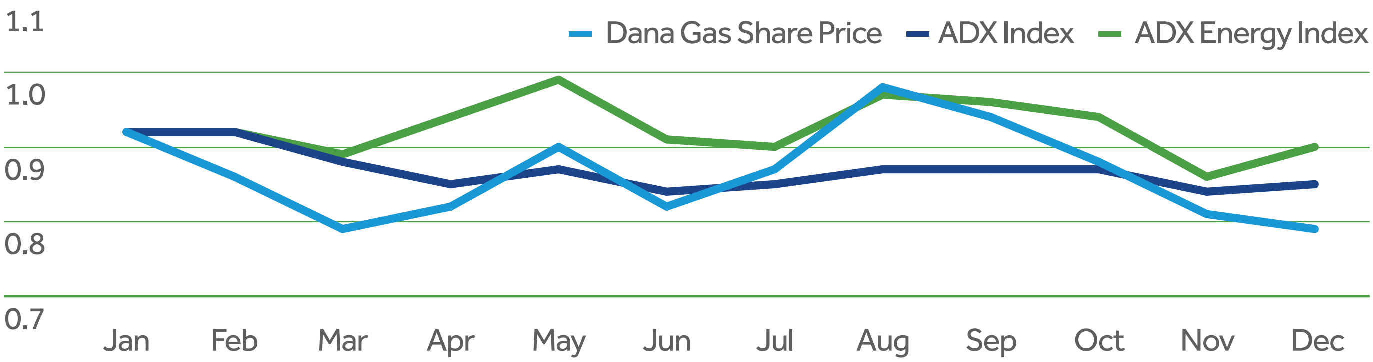
12. General Information:

A. The Company's share price in the market at the end of each month during the fiscal year 2023:

Date	Close	High	Low
31 January	0.828	0.829	0.817
28 February	0.790	0.792	0.782
31 March	0.815	0.817	0.812
28 April	0.894	0.898	0.878
31 May	0.821	0.832	0.821
26 June	0.860	0.862	0.852
31 July	0.979	0.979	0.933
31 August	0.924	0.943	0.924
28 September	0.881	0.899	0.881
31 October	0.810	0.818	0.806
30 November	0.792	0.794	0.782
29 December	0.792	0.795	0.788

B. The Company's comparative performance with the general market index and sector index to which the Company belongs during 2023

ADX and ADX Energy compared to Dana Gas Share Price (AED) (2023)



C. Shareholders' ownership distribution as on 31/12/2023 classified as follows:

Type	UAE	GCC	Arab	Others
Individuals	1,889,400,890	637,095,346	181,871,345	153,217,700
Companies	1,628,829,668	328,269,543	2,377,230	2,173,202,776
Governments	1,108,875	0	0	0
TOTAL	**3,519,339,433**	**965,364,889**	**184,248,575**	**2,326,420,476**
	6,995,373,373			

D. Shareholders owning 5% or more of the Company's capital as of 31/12/2023 according to the following schedule:

Investor Name	Citizenship	Quantity	%
CRESCENT PETROLEUM COMPANY INTERNATIONAL	United Kingdom - GBR	1,399,087,797	20%
Ajman Bank	UAE	372,387,915	5.32%

E. Details of shares ownership as of 31/12/2023, in accordance to the following schedule:

Shares Ownership	No. of shareholders	No. of shares	% of shares compared to capital
Less than 50,000	231,539	552,627,493	7.90
From 50,000 to less than 500,000	2,242	346,355,593	4.95
From 500,000 to less than 5,000,000	537	851,629,429	12.17
Higher than 5,000,000	157	5,244,760,858	74.97
Total	**235,256**	**6,995,373,373**	**100.00**

F. Measures taken regarding the controls of investor relationships and an indication of the following:

1. Name of the Head of Investor Relations

Mr. Mohammed Mubaideen is the Head of Investor Relations and Corporate Communications. He has more than 17 years of experience in investor relations.

2. Communications with the Investor Relations

Shareholders are encouraged to contact the Company's Investor Relations Department by phone on +97165194401 or by email to ir@danagas.com.

Dana Gas maintains regular contact with its Shareholders, investors and financial analysts to inform them on the Company's business activities and financial position through regular meetings and calls with financial institutions, analysts, media and investors and regular press releases on important developments and activities.

3. Link of investor relations page on the Company's website

Information related to the investors can be viewed at the investor relations page https://www.danagas.com/investors/.

Shareholders are invited to familiarize themselves with the Company's activities and its financial affairs at the Company's webpage www.danagas.com where disclosures on important developments in the Company's business are also made.

G. The special resolution presented in the Annual General Assembly held during 2023 and the procedures taken in its regard:

A special resolution was presented and approved by the Annual General Assembly held on April 26, 2023, as follows:

"The Annual General Assembly resolved to approve amendment to Article 8 of the Company`s Articles of Association as published at the Company's page at ADX and uploaded to the Company's website."

H. Board Secretary:

1. Name of Board Secretary

The Board of Directors appointed Mr. Omran Al Zamani as Board Secretary.

2. Appointment date

1st December 2019.

3. Qualifications and experience

Mr. Omran Al Zamani, Senior Legal Counsel and Board Secretary has held this position since December 2019. He is an Emirati qualified lawyer who joined Dana Gas as Senior Legal Counsel on 27th May, 2018.

He holds a Master's degree in International Law, Diplomacy and International Relations with focus in International Business Law from Paris Sorbonne University Abu Dhabi and a Bachelor's Degree in Law from University of Sharjah. He has more than 15 years of experience in corporate commercial practices in the region. Prior to joining Dana Gas, he was with ABB Group of Companies as Legal Counsel & Data Privacy Officer for UAE & Oversights Countries (Oman, Qatar, Bahrain, Iraq, Jordan, Lebanon, Syria, Iran, and Afghanistan).

Mr. Omran Al Zamani is a certified Board Secretary by The Institute of Corporate Governance (Hawkamah) and Dubai Financial Market (DFM) and certified by the GCC Board Directors Institute and the Financial Academy in the Kingdom of Saudi Arabia.

4. Statement of his duties during the year

- Ensure compliance with Dana Gas' policies and applicable laws.
- Supervise and lead corporate governance in Dana Gas.
- Prepare and take the minutes of the Board of Directors and Board Steering Committee Meetings.
- Maintaining a special, organized record of Board resolutions, voting results, and attendee names.
- Keeping all reports submitted to or prepared by the Board.
- Providing Board members with agendas, related documents, and any additional information.
- Ensuring Board members comply with Board approved actions.
- Notifying Board members of upcoming meetings well in advance.
- Circulating draft minutes among Board members for feedback before finalization.
- Ensuring Board members promptly receive photocopies of the minutes of the Board meetings, relevant information, and documents.
- Communicating Board and Committee resolutions to the Company`s executive management and monitoring their implementation.
- Supporting the Board evaluation process.
- Facilitating coordination between Board Members executives, and committees.
- Managing disclosure records of the Board and the Executive management in line with guidelines and legislation and offering advice to Board members.

I. Major events and important disclosures that the Company encountered during 2023:

1. On 27 December 2023, Dana Gas announced that Ajman Bank, shareholding has exceeded 5.0% in the share capital of Dana Gas.
2. On 8 November 2023, Dana Gas reported AED 462 million ($126 million) Net Profit in 9M 2023.
3. On 4 October 2023, Dana Gas announced that Mr. Ahmed Abdulhamid Alahmadi as a member of the Company's Board of Directors.
4. Mr. Alahmadi's appointment comes following the resignation of Mr. Jassim Alseddiqi from the Company's Board.
5. On 27 September 2023, Dana Gas announced the appointment of Mr. Richard Hall as Group CEO, as of November 6th, 2023.
6. On 9 August 2023, Dana Gas reported AED 304 million ($83 million) Net Profit in H1 2023.
7. On 25 July 2023, Dana Gas announced that it became the latest signatory to the Aiming for Zero Methane Emissions Initiative. Dana Gas is now the 20th producer to commit to achieving near-zero methane emissions from operated oil and gas assets by 2030.
8. On 29 May 2023, Dana Gas announced that it has received regulatory approval to increase the foreign ownership limit in the company`s shares to 100%.
9. On 10 May 2023, the company reported AED 183 million ($50 million) Net Profit in Q1 2023.
10. On 27 April 2023, Dana Gas announced that shareholders approved 4.5 fils per share cash dividend for H2 2022.

J. Statement of the details of the transactions made by the Company during 2023, which is equal to 5 % or more of the Share Capital of the Company:

There was no transaction made by the Company during 2023, which is equal to 5 % or more of the share capital of the Company.

K. Emiratization percentage in the Company at the end of 2021,2022 and 2023:

The nationalization percentage in the Company reached 9 % by end of 2021, 2022 and 2023 (applies only for the UAE based business units).

L. Innovative projects and initiatives carried out by the Company or being developed during 2023.

A range of actions were pursued in 2023 under the company's Energy Transition Strategy and Climate Action Plan. This included the following:

- Discussions with the Egyptian Government and various other operators to define next steps in the Dana Gas Carbon Capture & Storage (CCS) project. Framing studies have already determined that DGE's existing depleted fields would be suitable for CCS, though further work is necessary to establish the necessary national policy and regulatory framework, and to establish collaborative industry partnerships to further refine the technical, economic and commercial viability of the opportunity.
- Our Pearl Petroleum venture in the KRI continued to voluntarily offset its annual CO_2e emissions for the third year, maintaining its position as one of the first carbon neutral O&G production businesses in the Middle East.

For additional information on Innovative projects and initiatives, refer to Sustainability Report section of the Integrated Report.

		Signature:	Date:
Chairman of the Board	Mr. Abdul Hamid Dhia Jafar		31-03-2024
Chairman of the Audit & Compliance Committee	Mr. Younis Haji Abdulla Hussain Alkhoori		21-03-2024
Chairperson of the Corporate Governance, Remuneration & Nominations Committee	Ms. Najla Ahmed Mohamed Hamad Almidfa		31-03-2024
Head of Internal Audit	Mr. Neville Henwood		31-03-2024

Sustainability

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Good Governance at Dana Gas

Dana Gas places a strong emphasis on robust corporate governance standards and practices. We believe that strong governance and compliance is essential for transparency, control, and performance, leading to sustained growth and value for shareholders.

The company underwent an assessment by the International Finance Corporation in 2006 with the aim of enhancing governance practices. The company has since regularly benchmarked itself against local and global standards through external audits and independent reviews, most recently in 2023.

Dana Gas conducted an internal review of its Articles of Association, internal polices and governance framework in 2021 to ensure full compliance with the latest regulatory guides. Procedures have been updated accordingly and are included in the company`s Articles of Association and Code of Conduct in keeping with our commitment to the highest governance standards. An internal compliance audit against corporate governance policies and procedures was also undertaken in 2023, which highlighted further areas of improvement.

The company provides a statement of Board ownership and transactions, emphasising transparency and accountability. Further details are available in the Corporate Governance Report section of the Dana Gas PJSC Integrated Report 2023.

The Board of Directors are elected by the General Assembly every 3 years. The Annual General Assembly elected the current Board of Directors at its meeting held on 26 April 2021. Several of the incumbent Directors have been on the Board since incorporation of the Company in November 2005.

The Board continues to include leading business experts from GCC countries, with considerable experience in the oil and gas business. Board member credentials are summarised in the 2023 Corporate Governance Report.

Dana Gas' Corporate Governance arrangements include:

The Board of Directors (BOD)

The Board meets six times per year to review the company's business performance, define Group strategy and to evaluate risks and opportunities across the portfolio. The Board retains responsibility for ultimate oversight of sustainability and corporate performance, including implementation of good governance across the business. The Board consists of 11 members, six of which were categorised as 'independent' per the UAE's Securities and Commodities Authority (SCA) criteria. Verification of Board independence against the SCA criteria is conducted annually.

In 2023, five individuals were considered to be 'no longer independent', some having held a position on the Board for more than four consecutive terms.

The roles of the Board Chairman and CEO are separated with the Board's performance evaluated annually through internal mechanisms. In addition, an external consultant reviews the Board performance once every three years, the next one due in 2025. The board attendance rate was over 94% in 2023.

International Advisory Board (IAB)

Dana Gas benefits from an International Advisory Board (IAB), comprising 10 members who provide strategic advice to the Board of Directors and management, to identify specific business opportunities and help build relationships worldwide.

Board Committees

Four committees support the Board with specific oversight responsibilities: Audit & Compliance Committee (A&CC); Board Steering Committee (BSC); Reserves Sub-Committee; and Corporate Governance Remuneration & Nominations Committee (CGRNC). The CGRNC is responsible for ensuring that the business complies with established corporate governance standards, including the mandated UAE Securities and Commodities Authority (SCA) corporate governance guide. It also assists the Board in the appointment of senior executives, appraisal of management performance, succession planning, and remuneration policies. The company's performance is assessed annually by the CGNRC and forms the basis of executive performance linked remuneration.

Executive Management

The Executive Management Team, through the Executive Committee (ExCom) is responsible for strategic oversight and required decision making, reviewing the strategic plan and mission, developing guidelines for management of capital, reviewing risk and for setting company policy.

The ExCom oversees the Dana Gas' Sustainability Roadmap and ESG framework; the Health, Safety, Security, Environmental & Social Performance (HSSE & SP) policy and management framework; the Operating Risk Management System (ORMS), and the Enterprise Risk Management System and its associated policies and procedures. The CEO holds executive management oversight for our sustainability strategy and performance. An Operational Scorecard is used by the ExCom to set and actively monitor ESG-related targets and key performance indicators (KPIs) across Dana Gas and its joint ventures. Our 2023 Group Scorecard had an HSSE & Sustainability element which includes GHG/Methane Emissions milestones and Total Recordable Injury Rate (TRIR) improvement targets, which will be further strengthened in 2024.

Regional Management

Responsibility for regional level policy implementation and asset level performance sits with specific roles across Dana Gas and its joint ventures.


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Sustainability at Dana Gas

Our Sustainability Mission

Dana Gas embarked on its sustainability journey in 2016 and has since implemented significant measures to enhance the management of environmental, social, and governance (ESG) issues, while also strengthening reporting and disclosures. We recognise that sustainability is an ongoing endeavour and appreciate the opportunity to engage with stakeholders for continuous improvement.

At the Group level, we actively participate in various forums and membership associations to stay informed and engaged on sustainability-related matters, which shapes our agenda and focus. Our engagement with stakeholders on sustainability matters takes diverse forms depending on the circumstances. It may involve investor briefings or membership in organisations such as the World Economic Forum (WEF), International Oil & Gas Producers Association (IOGP), Pearl Initiative, and the Responsible Energy Forum. These associations have sustainability initiatives and/or corporate governance mandates.

Our impacts and positive contributions adapt in response to evolving business activities, new projects, and the socio-economic landscapes of the countries where we operate. To ensure the ongoing alignment of our Sustainability Framework and sustainability disclosures with evolving stakeholder expectations, we conducted a targeted review of the Dana Gas operating context and key trends in 2022. Key topics are categorised into pillar sub-themes of the Sustainability Framework to facilitate effective internal governance and align with the evolving disclosure expectations of stakeholders.

For detailed information on Dana Gas' stakeholder engagement practices, please refer to Appendix A in our 2021 Sustainability Report.

Our Sustainability Framework

This report highlights the progress achieved within our Sustainability Framework over the past year. Initially launched in 2016, the framework encompasses Dana Gas' significant ESG areas that have an impact on our business and stakeholders. Over the years, it has evolved and is currently categorised under three distinct pillars:

Performing Responsibly

- Climate change, energy and GHG
- Water, waste and spills management
- Biodiversity
- Procurement practices
- Compliance with regulations
- Ethics and prevention of corruption
- Sustainability governance

Safeguarding Our Workforce and Assets

- Security Practices
- Asset Integrity
- Workforce Health and Safety
- Human Rights
- Workforce Management Practices
- Learning and Development
- Diversity and equal opportunities

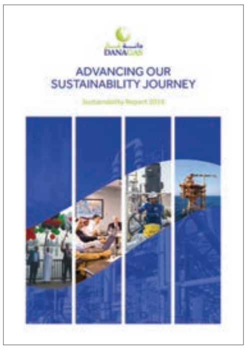
Contributing to In-Country Value

- Local community development and engagement
- Economic performance
- Total reserves
- In-country value contribution
- Nationalisation
- Payments to governments

All ESG areas have been identified through a comprehensive evaluation of the key interests of our stakeholders. We have also reviewed best practices from peers in the Oil and Gas Industry, WEF Principles, IPIECA standards, GRI standards, and the ESG reporting guidelines for ADX and LSE.

Sustainability at Dana Gas
continued

Our sustainability journey



2016

Advancing our sustainability journey

- Launched inaugural sustainability report
- Conducted first ESG materiality assessment
- Progressed ISO 14001 and OHSAS 18001 environmental and safety certifications
- Secured supply of low cost affordable energy for 4 million citizens in Kurdistan
- Implemented formal and informal grievance procedure for raising concerns
- Achieved 47% recycling of hazardous waste by Pearl Petroleum Company Limited (PPCL)
- Introduced Stakeholder Engagement Plan (SEP)

2017

Promoting sustainability in operations

- Implemented new HSE training and competency programmes for employees and contractors
- Improvements in sustainability data recording and reporting
- Established road safety awareness campaigns
- Conducted supplier engagement survey to enhance supply chain performance
- 54% of PPCL procurement spent on local suppliers
- Established inclusion, equal opportunities, and healthy working environment policies
- Partnered with AMAR International Charitable Foundation to fund Khanka Camp healthcare centre and vocational training institute for displaced people in north Kurdistan

2018

Pillars for sustainable development

- Ensured zero injuries and fatalities
- Developed Asset Integrity Management System for operating assets
- Recycled 53% hazardous waste
- Published 10-year look-back impact assessment report on socio-economic and environmental benefits of the Kurdistan Gas Project

2019

Driving environmental and socio-economic impact

- Published 12-year look-back impact assessment report on socio-economic and environmental benefits of the Dana Gas Egypt Gas Project (El Wastani - WASCO)
- Achieved ISO 45001 certification for Zora gas plant, UAE
- Installed In-Vehicle Monitoring Systems (IVMS) in all company vehicles to improve road transport safety
- Launched Community Action Programme in PPCL aligned with UN SDGs
- Deployed "Know Your Community" Geographic Information System (GIS) to map all Social Performance activities and data pertaining to local communities in Khor Mor
- Offered 8 internships to female students in engineering, finance and IT

2020

Sustaining the journey with resilience

- Committed to WEF Stakeholder Capitalism Metrics
- Donated equipment and supplies for KRG's COVID-19 mitigation
- 64% of procurement sourced from local suppliers
- Invested $2.2 million in community initiatives
- Maintained environmental compliance without complaints, fines, or penalties

2021

Creating sustainable long-term growth

- Appointed the second female to Dana Gas Board of Directors
- Achieved 20% reduction in flaring
- Purchased 264,000 tonnes of voluntary carbon offsets for PPCL, making it one of the first carbon neutral O&G production businesses assets in the Middle-East
- Maintained zero significant hydrocarbon spills
- Reported zero grievances or incidents related to discrimination, corruption, or bribery
- 88% of procurement sourced from local suppliers
- 64% of Dana Gas workforce comprised of local nationals
- Developed Energy Transition / Climate Action Plan
- Initiated Greenhouse Gas management improvement plans across all ventures

2022

Building a resilient future

- Achieved carbon neutrality for the Pearl Petroleum venture, pioneering carbon-neutral oil and gas production in the Middle East;
- Updated feasibility studies for the Sharjah Solar Plant, evaluating market conditions near our Sajgas site in the UAE;
- Conducted Carbon Capture and Storage (CCS) Framing Study in Egypt's depleted fields.
- Explored feasibility of hybrid power systems (solar PV-gas engine-battery) for remote locations in KRI and potential application for supplementing operational power demand;
- Assessed climate risk scenarios to ensure portfolio resilience in a low-carbon future, following TCFD recommendations; and
- Engaged an independent third-party peer review of GHG emissions data, including initial assessment of Scope 3 emissions

Sustainability at Dana Gas
continued

Accelerating action in 2023

Since first launching our sustainability framework in 2016, we have taken significant steps to enhance our management of of ESG issues and strengthen our disclosures. We recognise that we are on a journey and welcome the opportunity to engage with our stakeholders to further manage our impact and deliver positive outcomes.

In 2023, we:

- Became a signatory to the Aiming for Zero Methane initiative;
- Further improved our carbon intensity to 6.21 kg CO_2 per BOE, representing top quartile performance for the industry;
- Established a Group-led Emissions Task Force to align and improve data collection and reporting across the ventures,
  providing greater confidence and assurance;
- Maintained carbon neutrality for the Pearl Petroleum venture, one of the only carbon-neutral oil and gas production assets in the Middle-East;
- Further improved percentage of waste recycled or re-used;
- Significantly reduced energy consumption;
- Continued to make meaningful social investments in local community projects totalling over $3.3 million.

Delivering impact across our Sustainability Framework

Performing Responsibly	Safeguarding our Workforce and Assets	Contributing to In-Country Value
Zero Significant spills over past 9 years	**7 years** Lost-Time Incident free at El Wastani and Khor Mor plants	**$3.3 M** Invested in community initiatives
32% Decrease in total GHG emissions over past 5 years	**74%** Reduction in Tier 1&2 Process Safety Events (PSEs) over past 4 years	**$423 MM** Direct economic value generated
51% Lower flaring at El Wastani over past 5 years	**55%** Increase in workplace exposure hours to 14.9 MM	**$251 MM** Total procurement spending
6.21 kg Top quartile carbon intensity in kg CO_2 per BOE	**Zero** Major road safety accidents	**991** Local suppliers engaged
264,000 tonnes Voluntarily offset CO_2e emissions	**34,648** Safety observations amongst staff & contractors	**23%** Increase in procurement spending with local suppliers
43% Waste generated recycled	**100%** Community-related incidents & grievances satisfactorily resolved	**61%** of Dana Gas workforce represented by local nationals

Looking to the Future

Dana Gas remains committed to sustainability and we will continue to strengthen our engagement with our joint venture partners to prioritise responsible and safe operations, energy efficiency, renewable energy integration, carbon emissions reduction, stakeholder engagement, and the creation of long-term social value amongst local communities. Maintaining the security and safety of our assets and people, and ensuring the resilience of our operations remains a core priority as we strive to further improve performance.

As sustainability reporting expectations evolve, we aim to align with more disclosure frameworks and further embed robust and transparent reporting across the portfolio. We intend to update the previously published impact assessment report to highlight the important environmental, social and economic benefits that our projects in Egypt and the Kurdistan Region of Iraq have realised in those countries over the past 15 years. We will also further explore the viability of renewables, adoption of clean technology and other business opportunities relating to the energy transition.

Performing Responsibly

The Energy Story

- Climate Change, Energy and GHG Emissions

Managing Environmental Impact

- Water, waste and spills management

We remain committed to our role in the low-carbon energy transition, striving to be the leading private sector natural gas company in the MENASA region.

Responsible Business

- Sustainability governance
- Ethics and prevention of corruption
- Compliance with regulations
- Procurement practices

SDG

The Energy Story

Dana Gas is fully supportive of international efforts to improve disclosure on the climate-related aspects of its business; endeavouring to collaborate in joint industry efforts and evolve our approach.

Our Perspective

Dana Gas recognises the challenges posed by climate change and we support the goals of the Paris Agreement to limit the rise in global temperature and the UAE's national Net Zero by 2050 aspiration. We acknowledge the significance of carbon reduction as natural gas becomes a vital component of the energy mix, replacing coal and liquid fuels, particularly in developing regions. We prioritise sustainability and embrace clean burning natural gas to actively contribute to a cleaner and more sustainable energy future.

The United Nations Climate Change Conference (COP28) held in the UAE in 2023 emphasised the need to accelerate action and transition away from fossil fuels in energy systems in a just, orderly and equitable manner. It also re-emphasised the MENASA region's vulnerability to climate change and its potential to drive innovation and transformation in the sector.

Dana Gas firmly believes that gas will play a crucial role in the energy transition and that sustainability and gas production are not mutually exclusive. Consequently, we remain committed to our role in the low-carbon energy transition, striving to be the leading private sector natural gas company in the MENASA region. Our strategic focus is on sustainable growth across the natural gas value chain.

We are helping the growing demand for energy in Egypt and the Kurdistan Region of Iraq, by supplying cleaner burning natural gas for electricity generation, which avoids the use of alternative more carbon emitting fossil fuels.

Our long-term economic investments in both countries have generated multiple direct and indirect benefits. Socio economic impact studies* described in previous Dana Gas Sustainability Reports provide further detail into these benefits, and these will be refreshed in future reporting cycles.

Our Pearl Petroleum venture currently supplies approximately 80% of the energy used for electricity generation in the KRI. Historically, this area experienced a considerable power shortage (receiving just 8 hours of electricity per day in 2006), but now receives an average of 22 hours a day. This has enabled affordable electricity for millions of people, provided an important stimulus to the KRI economy, while also significantly reducing GHG emissions. The energy supplied by PPCL is much cleaner than traditional diesel alternatives and has avoided over 42 million tonnes of CO_2 emissions, equivalent to removing 1 million cars from the road for two years.

These carbon savings have also resulted in cost savings of more than US$27 billion for the KRI Government. Moreover, the venture has had a positive impact on local employment, creating 2,200 permanent jobs; 1,200 from direct employment and the remaining through local supply chain activities.

Similarly, in Egypt, gas supplies from Dana Gas/WASCO ventures and other producers account for approximately 71% of the energy used for electricity generation in the country. Previous studies estimate that this energy has supported up to 2% of Egypt's economic activity (GDP) over the last ten years. The supply of clean burning natural gas has enabled the avoidance of more carbon emitting heavy oil (mazout) for electricity generation and reduced reliance on more expensive imports of Liquefied Natural Gas (LNG).

Avoided emissions as a result are estimated at over 24 million tonnes of CO_2. Dana Gas and its Joint Ventures have also had a positive economic impact on local communities in the Nile Delta region, employing approximately 1,000 people on a full-time basis since we established our operational presence.

Dana Gas is committed to increasing energy efficiency and reducing GHG emissions in all our operations and will set targets accordingly. We will not routinely flare gas for production purposes and shall minimise any flaring necessary for safety reasons or non-routine purposes. We will take steps to fully understand the implications of Net- Zero on our business.

As we continue to manage GHG emissions in our operations, we will further integrate climate change related risk into our business planning and investment decisions. This includes evaluating and reducing the carbon intensity of our portfolio, leveraging technology innovation and best practices in new projects and facility expansions, and finding ways to further mitigate GHG emissions, such as through the use of voluntary carbon offsets, nature-based solutions and exploring use of renewables for providing energy to our own operations. We shall use our influence to promote best practice in our joint ventures.

Dana Gas is fully supportive of international efforts to improve disclosure on the climate-related aspects of our business and will endeavour to collaborate in joint industry efforts and evolve our approach. We will publicly report on our progress and performance. In that regard, we recognise the importance of the Task Force on Climate-related Financial Disclosures (TCFD) and its role along with the International Sustainability Standards Board (ISSB) in promoting transparency and assessing climate-related risks.

Delivering Impact

Strategic Climate Risk Scenario Analysis of the Dana Gas business has been undertaken to assess the resilience of our portfolio in a low carbon future (per TCFD recommendations) and Transition Risks have been assessed against a range of plausible and robust climate change scenarios, using data by the International Energy Agency (IEA).

This has included high-level Physical Risk Screening of our assets in Egypt and the KRI which assesses exposure to a set of hazards, such as extreme heat and flooding, to help improve our understanding of physical risk exposure. Results suggest we are well positioned to adapt to changing demand and create value even in a carbon constrained world.

A range of actions were pursued in 2023 under the company's Energy Transition Strategy and Climate Action Plan, further aligning activities on Greenhouse Gas (GHG) emissions management in our joint ventures.

We continue to assess the viability and application of renewables opportunities and clean technology in the business. In the recent past, this has included the Dana Gas Sharjah Solar project in the UAE and a Hybrid (solar PV-gas engine-battery) Power System for remote locations in the KRI, designed as standalone systems for remote communities currently off-grid, but which might have broader application elsewhere.

Recently completed framing studies have already determined that Dana Gas Egypt's (DGE) existing depleted fields in Egypt would be suitable for Carbon Capture & Storage (CCS). A CCS Scoping Study Memorandum of Understanding (MOU) was signed with the Egyptian Government in November 2022. Subsequent discussions with government and various other operators in 2023 highlighted the further work required to establish the necessary national policy and regulatory framework, and the importance of maturing a collaborative industry approach to further refine the technical, economic and commercial viability of the opportunity.

Compared to 2022, our total GHG emissions (on a gross venture reporting basis) reduced by 7% to 315,377 tCO_2eq. Our carbon intensity further improved to 6.21 kg CO_2 per BOE (in part due to more accurate methods of measurement and calculation) and remains top-quartile performance compared to international oil and gas industry benchmarks. For reference, the Oil & Gas Climate Initiative (OGCI) - comprising 12 of the world's leading energy companies – has an aggregate upstream carbon intensity of 18.0 kg CO_2 per BOE.

*** PWC Kurdistan Gas Project: A ten-year look back and look ahead, Impact Assessment Report 2018**

Read more about this report

*** PWC Clean Energy for a Better Tomorrow: Dana Gas Impact Assessment Report 2019**

Read more about this report

The Energy Story continued

The Company is committed to complying with its zero-routine flaring policy in keeping with the World Bank initiative in 2015, however, 2023 saw a reversal of the excellent performance improvement seen over the past 3 years, with an 82% increase in flaring compared to 2022 (a rise from 489 MMscf to 875 MMscf in 2023). This was entirely due to the increased frequency of compressor trips from process upsets at Khor Mor gas plant and well testing in the Khor Mor field. Various engineering options and improved operational procedures are being considered in 2024 to minimise the amount of flaring, with compressor reliability a big focus at the facility to address issues associated with trips.

Conversely, our WASCO JV in Egypt saw a 32% decrease in Scope 1 emissions and a 32% reduction in flaring compared to 2022. This equates to an over 50% reduction in flaring at our Egypt facilities over the past 5 years. Improvements have largely occurred as a result of a fuel gas optimisation/flare reduction project at the El Wastani gas plant and consolidation of compression station facilities in the field.

Following an independent 3rd party verification of DG Group GHG emissions across the portfolio in 2022, a Group-led Emissions Task Force has since worked to align data collection and reporting approaches and to drive consistency across the ventures, resulting in greater confidence and assurance over reported emissions data.

Improvements in real-time data monitoring through a new operational control system at Khor Mor has also been realised.

We are aiming to further reduce emissions through a range of measures and are now a committed signatory to the Aiming for Zero Methane Emissions Initiative, which reinforces our commitment to put in place all reasonable means to avoid methane venting and flaring, to repair detected leaks, while preserving the safety of people and the integrity of operations.

There has historically been a lack of reliable, accurate and quantified data on methane emissions across the portfolio, which has started to improve with greater focus on this area over the past 3 years. As part of the Group's commitment to improve the quality and disclosure of material ESG data, we started to report methane emissions numbers for the first time in 2022. A 43% increase in methane emissions to 364 tonnes for 2023 is evident, largely the result of increased flaring at Khor Mor associated with plant upsets/ compressor trips and well testing, but also improved measurement.

Improved accuracy of measuring equipment in PPCL has allowed greater refinement in the identification and quantification of methane emissions. The venture has implemented a comprehensive fugitive emissions campaign following a 2022 re-baseline of facility emissions using latest Forward Looking Infrared (FLIR) technology and gas detection.

AIMING FOR ZERO
Methane Emissions Initiative

Dana Gas is a signatory to the Aiming for Zero Methane Emissions Initiative, a growing industry effort developed by the Oil and Gas Climate Initiative (OGCI).

Aiming for Zero aims to eliminate methane emissions from operations as soon as 2030, establishing an all-in approach that treats methane emissions as seriously as the oil and gas industry already treats safety: aiming for zero and striving to do what is needed to get there.

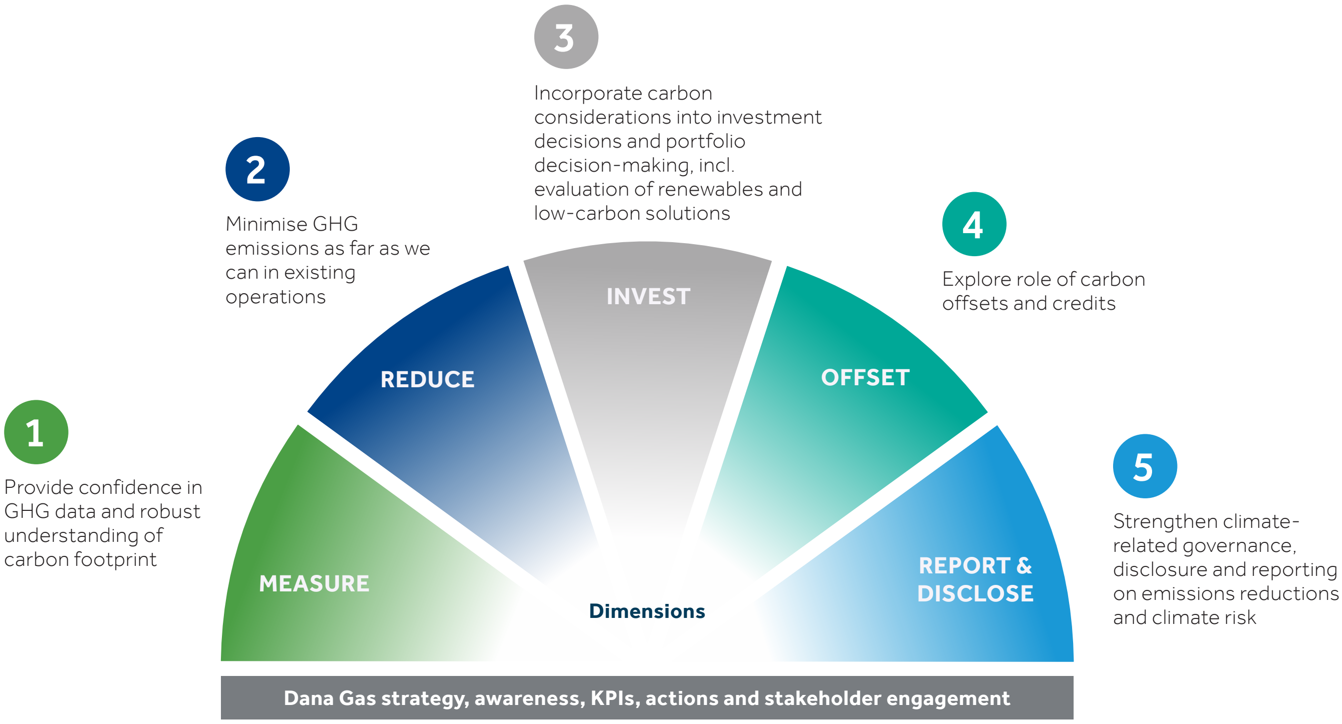
https://aimingforzero.ogci.com/

capterio

We conducted a FlareIntel pilot monitoring project with Capterio through the year, utilising satellite technology to monitor flaring across the portfolio and provide further independent assurance.

Capterio's FlareIntel Pro Global Flare Intelligence (GFIT) tool was deployed to evaluate and calibrate remote flare monitoring technology and has also provide informative historical flare data across the portfolio for the past 10 years. Capterio sees key opportunities within the oil & gas industry to reduce the flaring of gas, particularly in the Middle-East and North Africa, where significant environmental and economic gains can be made from reducing the practice of needless flaring.

Energy Transition Strategy and Climate Action Plan



A full Leak Detection And Repair (LDAR) programme is now in place to remediate the sources of emissions identified and thereby reduce the overall facility emission footprint. The focused 'weeps, seeps and leaks' campaign at Khor Mor resolved 96% of accessible sources during the year, resulting in a 73% reduction in fugitive emissions at the plant to 9.1 tonnes of methane in 2023. Remaining leaks will be addressed during scheduled plant shutdown for maintenance. Similar work is planned in WASCO for 2024.

We are also exploring application of novel technology, such as satellite monitoring to compliment emissions measurement and leak detection programmes.

Our Pearl Petroleum venture in the KRI continued to voluntarily offset its annual CO_2 emissions for the third year, maintaining its position as one of the first carbon neutral O&G production businesses in the Middle-East.

Total energy consumption decreased by 17% to 4,189,407 gigajoules (GJ) compared to 2022. Direct energy accounts for nearly all our annual energy consumption, and the fuel gas used at our production sites is the primary energy driver. Fuel gas overall has decreased by 20% compared to 2022. Diesel use in the KRI has significantly increased from previous years due to the installation of temporary and standby diesel-powered generators at Khor Mor and the ramp-up in project-related construction vehicles for the KM250 Project.

Energy consumption in Egypt has reduced by 22% as a result of a focused energy efficiency and conservation programme in WASCO, including a sales gas compressors optimisation initiative.

Our overall energy intensity has decreased since 2022 to 0.09 GJ/BOE produced.

Indirect energy consumption for 2023 (i.e. purchased from the grid) remained at similar levels to the previous year, at around 35,000 GJ.

Several other energy-saving programmes and initiatives have been implemented to reduce energy consumption. This has included using energy efficient lighting (e.g. LED), installation of motion sensors, energy efficient heaters and power generators, installing small-scale solar panel units (especially in remote areas), and conducting energy reduction feasibility studies. Further evaluation of solar/renewables options to substitute fuel gas and enable longer-term electrification through smart grids is being considered.

Our WASCO venture in Egypt is aiming for its energy management system (EnMS) to be certified against the ISO 50001 Energy Management Systems standard in 2024, providing a framework to further reduce energy use and costs.

Our Performance

GHG Emissions

	2019	2020	2021	2022	**2023**
Total GHG emissions (tCO_2eq)	461,603	411,326	369,097	340,036	**315,377**

	2019	2020	2021	2022	**2023**
Direct GHG emissions (Scope 1) (tCO_2eq)	456,233	405,957	364,775	335,452	**311,058**
UAE *	5,888	-	997	732	**627**
KRI	352,221	295,553	246,929	237,399	**244,177**
Egypt	98,124	110,404	116,849	97,321	**66,254**

	2019	2020	2021	2022	**2023**
Indirect GHG emissions (Scope 2) (tCO_2eq)	5,370	5,369	4,322	4,584	**4,319**
UAE *	115	86	85	46	**45**
KRI *	52	29	85	103	**104**
Egypt	5,203	5,254	4,152	4,435	**4,170**

	2019	2020	2021	2022	**2023**
Carbon Intensity (kg CO_2e per BOE)	9.88	9.16	9.20	8.45	**6.21**
KRI	10.72	8.04	7.01	6.65	**5.87**
Egypt	8.49	10.37	11.62	10.65	**8.37**

Scope: Dana Gas and Joint Ventures

Note: Data presented as 100% gross emissions given Dana Gas has operational control of both ventures in the KRI and Egypt. Equity share contributions of GHG emissions between Dana Gas and its JV Partners in these ventures is available on request.

* Includes restatement of KRI and UAE Scope 2 emissions in 2022

Scope 3 data is collected, but is not yet sufficiently mature for reporting purposes.

Flaring and Methane

	2019	2020	2021	2022	**2023**
Total flared hydrocarbons (tonnes)	20,892	20,932	15,735	11,158	**20,354**
KRI	18,112	18,775	13,591	9,394	**18,997**
Egypt	2,780	2,157	2,144	1,764	**1,357**

	2019	2020	2021	2022	**2023**
Methane emissions (tonnes)	-	-	157	254	**364**
KRI *	-	-	58	176	**292**
Egypt	-	-	99	78	**72**

Scope: Dana Gas and Joint Ventures

Note: Data presented as 100% gross emissions.

* Includes restatement of KRI methane emissions in 2022

Energy Consumption

	2019	2020	2021	2022	**2023**
Total energy consumption (GJ)	4,340,213	4,725,754	4,092,236	5,042,258	**4,189,407**
Energy consumption intensity (GJ/BOE produced)	0.10	0.11	0.09	0.11	**0.08**

	2019	2020	2021	2022	**2023**
Total direct energy consumption (GJ)	4,300,133	4,686,518	4,052,674	5,005,915	**4,153,989**
UAE	94,610	16,176	13,449	9,909	**8,462**
KRI	2,465,488	2,726,863	2,207,225	3,455,601	**2,953,252**
Egypt	1,740,035	1,959,655	1,832,000	1,540,405	**1,192,275**

	2019	2020	2021	2022	**2023**
Indirect energy consumption (electricity purchased) (GJ)	40,080	39,236	39,562	36,343	**35,418**
UAE	970	729	716	722	**607**
KRI *	5,020	3,793	4,230	857	**866**
Egypt	34,098	34,714	34,616	34,764	**33,945**

Scope: Dana Gas and Joint Ventures

* includes restatement of KRI indirect energy consumption in 2022

Fuel Type

	2019	2020	2021	2022	**2023**
Diesel & Petrol (L)	2,009,811	1,047,822	990,928	5,654,062	**8,407,417**
UAE	842,667	316,107	351,230	287,531	**224,914**
KRI	825,144	448,715	450,698	5,094,971	**7,950,997**
Egypt	342,000	283,000	189,000	271,560	**231,506**

	2019	2020	2021	2022	**2023**
Fuel Gas (MMscf)	3,728	4,166	4,490	4,356	**3,478**
UAE	44	-	-	-	**-**
KRI	2,229	2,480	2,920	2,897	**2,428**
Egypt	1,455	1,686	1,570	1,459	**1,050**

Scope: Dana Gas and Joint Ventures

* Includes restatement of Egypt and KRI fuel usage figures in 2022

Managing Environmental Impact

Several initiatives are taking place at our operating sites to enable greater focus on reducing water consumption, improving wastewater management, and enhancing recycling and disposal practices.

Our Perspective

Dana Gas is focused on managing its environmental impact and adopting sustainable and efficient practices across the business.

We recognise the importance of preserving and protecting the environment, conserving biodiversity, and engaging with local communities and through our Health, Safety, Security, Environmental, and Social Performance (HSSE & SP) policy, strive to minimise the negative impact of our operations and achieve reductions in waste, emissions, and discharges. This policy is further reinforced by our Operating Risk Management System (ORMS) and the corporate Enterprise Risk Management risk framework to ensure effective management and mitigation of risks across our operations.

Each operating asset, office, and Joint Venture company in which Dana Gas has an interest, maintains a locally specific HSSE management system and supporting standards and procedures. All Dana Gas offices have their HSE management systems certified to ISO 45001, and all our operating sites in Egypt (through WASCO) are certified to ISO 45001 and ISO 14001. The Pearl Petroleum (PPCL) venture in the KRI has an HSE management system that is aligned with the international standards specified by ISO and has been subject to lender due diligence to assure compliance with IFC Performance Standards.

Environmental and Social Impact Assessments (ESIAs) are conducted prior to starting all new projects. The ESIA for the KM250 gas plant expansion project completed in 2020 was undertaken to international standards and satisfaction of the US International Development Finance Corporation.

It includes a comprehensive and robust Environmental & Social Action Plan (ESAP) that continues to be monitored to assure lenders that the venture is fully compliant with all commitments made.

We place a strong emphasis on environmental compliance and ensuring our Joint Ventures adhere to relevant environmental regulations and standards. In 2023, there were zero complaints, issues, fines or penalties relating to environmental non-compliance.

Delivering Impact

Water Conservation

Dana Gas is committed to ensuring responsible water use and disposal. The application of sound environmental practices to deliver reductions in wastewater discharges and minimise the impact of our operations is a Group HSSE Policy commitment.

We source the water we consume from groundwater wells and municipal suppliers, utilising it for various purposes such as drilling, production, cooling, and domestic use in offices and accommodation camps.

Water consumption has increased by 73% compared to 2022 due to additional operational cooling water requirements for the compressors at Khor Mor and hydrotesting of new tanks for the KM250 project. In 2024, the Pearl venture is planning to introduce several improvements to the cooling capability of the Khor Mor compressors, including the use of mist and evaporative cooling techniques. These are expected to improve cooling effectiveness, while significantly reducing the consumption of process water. The improved compressor stability will, in turn, provide production benefits, reductions in flaring and less wear and tear on the machines.

The produced water from our operations in Egypt and KRI is routed to collection or evaporation ponds after passing through oil-water separators, where it is collected by specialist waste contractors for off-site treatment and disposal, per local regulations. Sanitary and domestic effluent at Khor Mor is treated at an on-site biological treatment plant prior to discharge to surface water via reed beds, which offer further natural filtration and help enhance local ecology and biodiversity in the area. Elsewhere, sanitary and domestic effluent (eg. from offices) is disposed of directly to the local municipal sewer and water treatment systems.

Overall wastewater volumes generated in 2023 were 3% lower than the previous year at 312,930 m^3. Egypt experienced a 34% decline in volumes owing to closure of three wells which were large contributors of produced water.

Waste Management

Dana Gas recognises that effective waste management is crucial for minimising environmental impacts. Delivering reductions in waste and setting measurable improvement targets is an HSSE Policy commitment. We remain dedicated to continuously improving waste management strategies and exploring innovative approaches to reduce waste generation, enhance recycling efforts, and promote a circular economy.

By prioritising responsible waste management, we aim to achieve a more sustainable future for our operations and the communities in which we operate.

In line with our efforts to reduce waste, we are encouraging the implementation of sustainable practices across our operations. In the KRI, this includes initiatives such as replacing single-use plastic water bottles with re-usable alternatives, transitioning to paperless documentation, improving recycling practices for packaging materials, and properly recycling electronic waste. This has enabled substantial reduction in the volume of waste sent to landfill.

Total quantities of waste disposed in 2023 amounted to 3,330 tonnes, reflecting a marginal increase of 3% compared to the previous year, largely attributed to greater volumes of KM250 construction waste at Khor Mor.

Hazardous wastes included contaminated water and sludge from evaporation ponds, waste oils, lubricants, filters, batteries, fluorescent lights, and medical waste. Non-hazardous wastes generated primarily comprised wastepaper, cardboard, plastic, glass, tires, scrap metal, and wood.

Volumes of waste recycled or re-used was 2,497 tonnes in 2023, an increase of 13% compared to 2022. The overall percentage of total waste generated in Dana Gas that is now recycled has also increased to 43% in 2023.

A dedicated on-site waste incinerator has been established at the Khor Mor plant and the venture now incinerates 35% (some 644 tonnes) of the total non-hazardous waste generated that would otherwise be sent to landfill. A project to compost organic waste from camp kitchens has also been initiated, complementing ongoing efforts to increase recycling, with two new composters now providing compost for the Khor Mor camp gardens. A waste-to-energy initiative has also enabled over 500 tonnes of non-hazardous waste to be re-used for energy generation over the past two years.

To ensure proper disposal, specialist third-party contractors are engaged to collect both hazardous and non-hazardous waste, directing it to licensed disposal sites and treatment facilities.

Duty of Care audits are undertaken to provide assurance that wastes are properly transported and disposed of. Effort is ongoing to better quantify and report recycled waste from the WASCO venture operations in Egypt.

Sustainable water-use in Kurdistan

The Khor Mor area is classed as water-stressed. The sustainable management of water is a recognised challenge for the Kurdistan Regional Government, given insufficient availability of freshwater for local communities and population growth placing increased demand. All of the water used for project and operational purposes in PPCL is from dedicated groundwater wells, all of which are metered to monitor volumes abstracted. An integrated and holistic Water Strategy has been developed by a multi-disciplinary Task Force and several initiatives are taking place to better measure and characterise water streams, reduce water consumption, improve wastewater management, and enhance recycling and disposal practices. Facility modifications and changes in operating practices have been implemented to enhance the collection of produced water, improve the efficiency of oil-water separators, and better manage camp water. The potential to utilise treated water for irrigation purposes, and collected storm water/surface run-off for fire-fighting back-up purposes is being evaluated in 2024. Additionally, water has now been included as a thematic topic of support for local communities in the PPCL Social Investment plan, which in 2023 directed over $300,000 towards a variety of community water projects.

Managing Environmental Impact continued

Spill Management

To ensure the effective management of unplanned or uncontrolled oil releases, we maintain comprehensive oil spill contingency and response plans across all operational activities. These plans are regularly tested, approved, and updated in collaboration with the relevant national authorities. Dedicated teams are in place to respond swiftly and effectively in the event of an incident. Our venture plans incorporate a three-tier emergency response approach, and operations teams undergo additional training to supplement drills and exercises.

The total number of hydrocarbon spills has doubled compared to the previous year. We adhere to a strict reporting policy where all spills increased by 58%, regardless of the quantity spilt, are reported. In 2023, all reported spills were minor in nature (largely associated with project-related vehicle/equipment refuelling) which continues the positive trend of zero significant hydrocarbon spills over the past nine years.

It is important to highlight that a significant spill is defined as any accidental or unplanned loss of liquid hydrocarbon into the environment from a Dana Gas or contractor operation that exceeds 100 litres, regardless of any secondary containment or recovery measures in place. Total volume spilt in 2023 is estimated at less than 2,000 litres. All spills were satisfactorily cleaned-up to ensure no residual ground contamination.

Biodiversity Conservation

At the group level, our commitment to biodiversity is embedded in our HSSE & SP Policy, which focuses on minimising the negative environmental impacts of our operations through responsible environmental practices.

While none of our operations in the UAE, Egypt or the KRI are in or near protected areas or those of high biodiversity conservation value, we have taken specific measures to address biodiversity in the Khor Mor area through a Biodiversity Action Plan (BAP).

This plan, developed for the KM250 Project Development, complies with World Bank and International Finance Corporation (IFC) Performance Standards and identifies opportunities for conserving and enhancing biodiversity.

The Khor Mor facility has implemented a project in 2023 to partially dam/collect surface water run-off from the site and channel treated wastewater (post-reed beds) downstream of the company's biological effluent treatment plant. This serves to both provide a potential back-up source of fire-fighting water in event of emergency, and to create a more established wetland nature habitat for indigenous plants and animals, including migratory birds. The venture has further set-up a site nursery to cultivate trees and shrubs, to be used for local planting and amenity improvement.

Through these measures, Dana Gas is committed to promoting biodiversity conservation, reducing waste, and maintaining a strong focus on environmental stewardship and sustainability.

Our Performance

Water

	2019	2020	2021	2022	**2023**
Total water consumption intensity (m^3 / BOE produced ('000))	2.51	2.55	2.95	5.64	**8.81**

	2019	2020	2021	2022	**2023**
Total water consumption (m^3)	113,812	113,936	134,542	255,136	**440,304**
UAE	1,756	284	212	218	**173**
KRI	96,956*	100,653*	121,031	242,062	**425,756**
Egypt	15,100	12,999	13,300	12,856	**14,375**

	2019	2020	2021	2022	**2023**
Total volume of wastewater generated (m^3)	233,191	396,902	243,363	321,256	**312,930**
UAE	21,325	14,171	206	218	**173**
KRI	71,866	72,731	84,157	162,138	**207,985**
Egypt	140,000	310,000	159,000	158,900	**104,772**

Scope: Dana Gas and Joint Ventures

* Includes restatement of KRI water data for 2022.

Waste

	2019	2020	2021	2022	**2023**
Total hazardous waste disposed (tonnes)	238	219	414	657	**457**
UAE	21	0	0	0	**0**
KRI *	0	0	334	9	**13**
Egypt	217	219	297	648	**444**

	2019	2020	2021	2022	**2023**
Total non-hazardous waste disposed (tonnes)	995	892	887	2,575	**2,873**
UAE	50	35	8	27	**7**
KRI *	170	107	109	1,592	**1,838**
Egypt	775	750	770	956	**1,028**

	2019	2020	2021	2022	**2023**
Total hazardous waste recycled (tonnes)	108	74	72	125	**144**
UAE	0	0	0	0	**0**
KRI *	43	34	37	86	**104**
Egypt	65	40	35	39	**40**

	2019	2020	2021	2022	**2023**
Total non-hazardous waste recycled (tonnes)	1,401	1,203	1,205	2,086	**2,353**
UAE	-	-	-	1	**<1**
KRI *	681	428	437	1,435	**1,682**
Egypt	720	775	768	650	**670**

	2019	2020	2021	2022	**2023**
Percentage total waste generated recycled (%)	37%	29%	26%	41%	**43%**

Scope: Dana Gas and Joint Ventures

* includes restatement of KRI waste figures in 2022venture.

Spills

	2019	2020	2021	2022	**2023**
Hydrocarbon spills (#)	18	7	14	12	**19**
UAE	0	0	0	0	**0**
KRI	-	-	8	8	**17**
Egypt	18	7	6	4	**2**

Scope: Dana Gas and Joint Ventures

Note: All spills regardless of quantity spilt are reported.

Responsible Business

Critical elements of responsible business conduct, including antibribery and corruption (ABC), regulatory compliance, and local content, are developed locally and integrated into our local venture policies and procedures.

Our Perspective

Dana Gas prioritises ethical and responsible business conduct, ensuring compliance with regulations and managing associated risks. We maintain a zero-tolerance policy towards bribery, corruption, and money laundering. There were no penalties or reported instances of corruption in 2023.

The Executive Committee, accountable to the Board, drives our Sustainability Roadmap, supported by the HSSE & SP policy, ORMS, and Enterprise Risk Management framework. Our certified HSSE & SP management systems, audited to ISO 14001 and ISO 45001, enables effective environmental and occupational health management, while respecting communities. We require all contractors and joint ventures under our operational control to adhere to this policy and strive to align other ventures accordingly.

Tailored governance mechanisms within our Sustainability Framework manage ESG issues. Our Corporate Scorecard integrates sustainability objectives and informs executive remuneration. Notably, given low corruption rankings in Iraq and Egypt, robust Anti-Bribery and Corruption (ABC) and anti-money laundering policies are essential to our operations and training is given to staff providing guidelines on acceptable behaviour.

Dana Gas firmly believes in the significance of ethical and responsible business conduct, ensuring that we fulfil our commitments. Compliance with relevant regulations is a top priority for us, and we diligently manage compliance-related risks associated with our operations and the jurisdictions in which we operate.

Delivering Impact

Procurement practices

Critical elements of responsible business conduct, including anti-bribery and corruption (ABC), regulatory compliance, and local content, are developed locally and integrated into our local venture policies and procedures. These are aligned with local conditions and per requirements set by government bodies such as the Ministry of Natural Resources in the KRI, which impose specific supply chain criteria for KRI based companies.

Compliance with regulations

Our ISO certifications require the company to keep updated registers of environmental and safety regulations and to undergo audits conducted by certifiers.

Our ventures regularly submit environmental and safety compliance reports to the regulatory authorities in the KRI and Egypt, which may also conduct periodic regulatory visits and inspections. As part of our loan agreement with the DFC for the KM250 Project, Pearl Petroleum provides monitoring reports on the status of environmentally sensitive areas, impact assessments, and Environmental and Social Action Plans.

Ethics and prevention of corruption

All employees are expected to comply with the Code of Conduct and undergo mandatory training on the company's Anti-Bribery and Corruption Policy and Anti-Money Laundering Policy. To enhance the training, we have introduced third-party video-based materials in collaboration with Crescent Petroleum and require all staff to certify their compliance with the policies annually.

Dana Gas ensures that all suppliers undergo Know-Your-Customer (KYC) checks as a contractual requirement, and their engagement obliges them to adhere to our various policies. If there are any incidents related to corruption, ethical violations, or bribery, employees can report them through our whistleblowing mechanism, and our Business Ethics Committee will review them accordingly.

Sustainability Governance

The Board retains responsibility for ultimate oversight of sustainability and corporate performance, including implementation of good governance across the business. The Board consists of 11 members, six of which were categorised as 'independent' per the UAE's Securities and Commodities Authority (SCA) criteria.

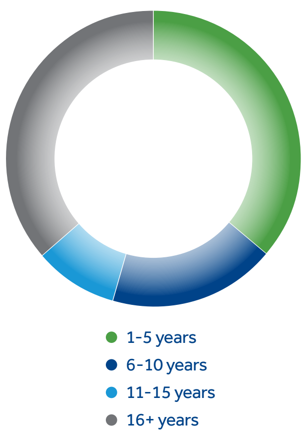
Our Performance

Board Composition

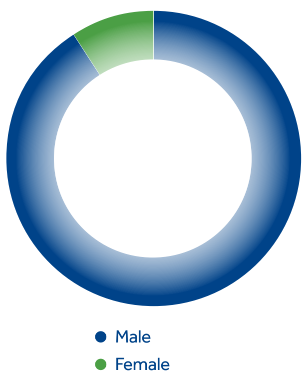
	2019	2020	2021	2022	**2023**
Total number of Board members	11	11	11	11	**11**
Total number of independent members	8	8	6	6	**6**
Total number of non-independent members	3	3	5	5	**5**
Total number of executive members	0	0	0	0	**0**
Total number of non-executive members	11	11	11	11	**11**

Scope: Dana Gas

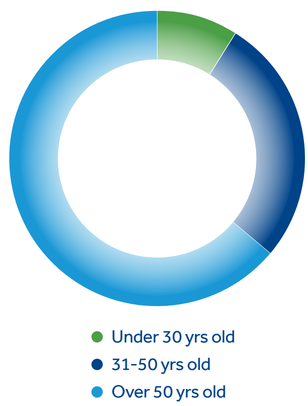
Board Member Tenure



Board Member Gender



Board Member Age



Safeguarding Our Workforce and Assets

Protecting People

- Asset Integrity
- Workforce Health & Safety
- Workforce Management Practices

Safeguarding Human Rights

- Security Practices
- Human Rights

Operating our facilities in a safe, competent and efficient manner and caring for all those on our sites or impacted by our activities.

Attracting, Retaining and Developing our Workforce

- Diversity and Equal Opportunities

SDG

Protecting People

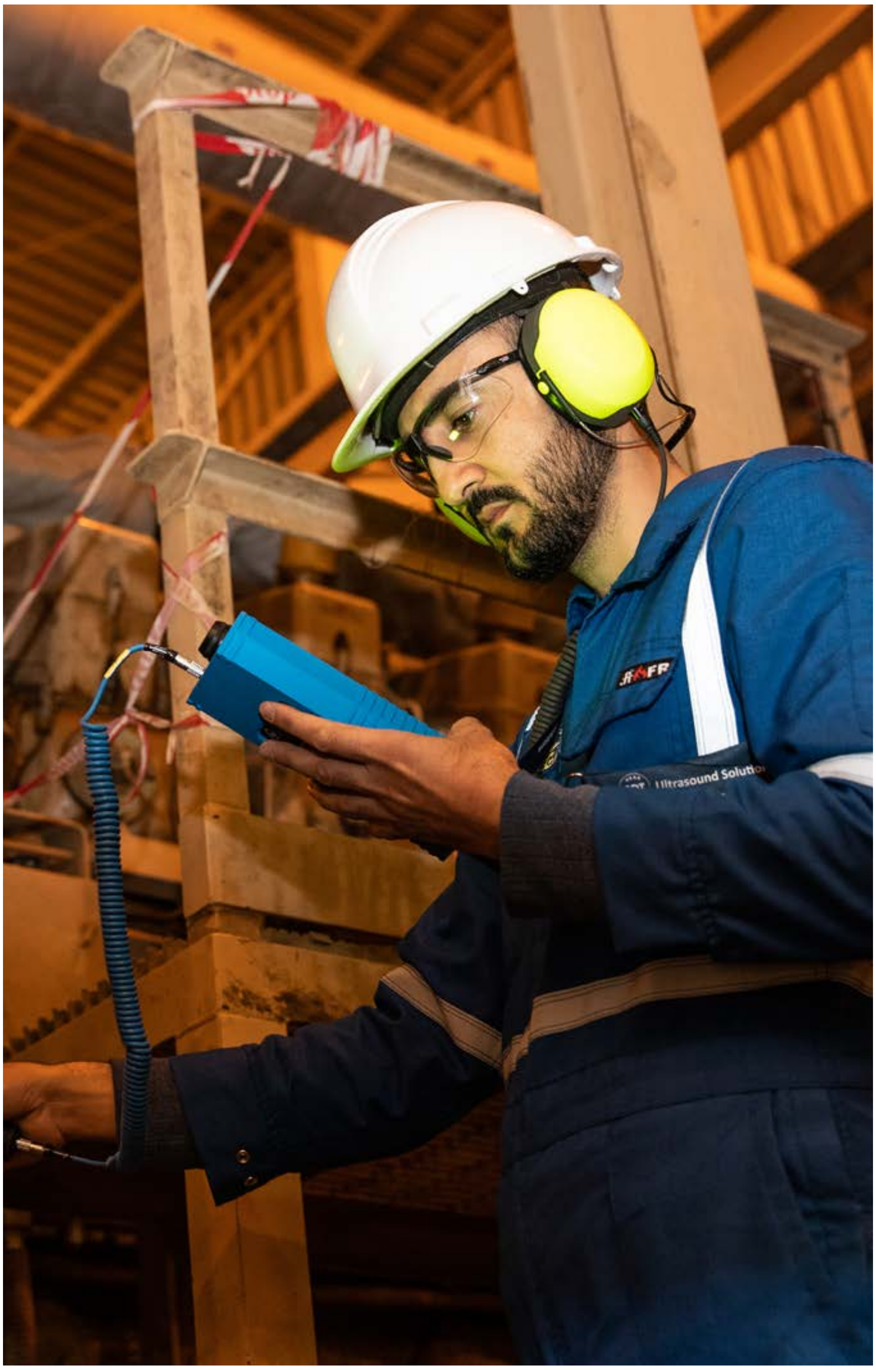
We actively identify and mitigate health and safety risks and endeavour to cultivate a culture throughout the organisation to ensure that safety, health and wellbeing is prioritised.

Our Perspective

Dana Gas is deeply committed to protecting our employees, contractors and the communities where we operate.

One of the main aims of our HSSE & SP policy at Dana Gas is to pursue a goal of no harm to people. In striving to continuously achieve this aim, the Policy contains multiple commitments which guide how our operational activities are conducted, including:

- Operating our facilities in a safe, competent and efficient manner and caring for all those on our sites or impacted by our activities.
- Pursuing continuous improvement goals relating to zero incidents, and preventing injuries and occupational ill health.
- Setting measurable HSSE & SP targets and publicly reporting our performance.
- Including HSSE & SP in the appraisal of Company and staff performance.
- Ensuring consultation and participation of workers in creating, maintaining and improving a safe working environment.
- Implementing Company policies, standards and procedures that fully comply with all applicable national and international HSSE & SP legal requirements.
- Requiring contractors and Joint Ventures under the Company's operational control to manage HSSE & SP in line with this policy and using our influence to promote it in other ventures accordingly.
- Contributing to the improvement of the HSSE & SP performance of our industry through the sharing of best practices and lessons learned with our partners, contractors, competitors and regulators.



We believe that a culture that encourages and nurtures health, safety and welfare leads to increased productivity, better employee retention, and better financial results. We therefore endeavour to ensure that all hazards inherent to our operations and activities are systematically identified, assessed and controlled.

We provide comprehensive training to all employees to ensure compliance with our Code of Conduct, fostering a culture that prioritises the safety and growth of our people. Our leadership actively encourages employees to report incidents of non-compliance or ethical violations through our third-party managed whistleblowing mechanism. We empower everyone associated with Dana Gas to halt any work they perceive as an immediate threat to life, health, property, or the environment.

Our approach to Occupational Health and Safety is reinforced by various key initiatives targeting specific risk-related areas, which in 2023 included Safety Culture, Contractor HSSE Management, Security & Asset Protection, Crisis Management and Business Continuity, and Asset Integrity & Process Safety.

HSSE remains a permanent agenda item in our Executive Committee meetings, and Safety Committees have been established across our joint ventures to ensure workforce representation, foster a desired safety culture, and expedite the implementation of workplace improvement plans.

Process Safety Fundamentals

Delivering Impact

Asset Integrity

The integrity and reliability of our facilities is a high priority and Asset Integrity Management is a fundamental element of the Dana Gas Operating Risk Management System (ORMS).

Asset integrity and safety critical maintenance targets also feature on the corporate scorecard. All of our venture operating sites maintain Asset Integrity Management Systems (AIMS) and regularly review the effectiveness of process safety controls, in order to demonstrate that major risks are mitigated to a level deemed 'as low as reasonably practicable' (ALARP). Local and corporate level reporting takes place on asset integrity related KPIs.

We regularly monitor and report Process Safety Events (PSEs) in line with international standards and criteria (e.g. American Petroleum Institute (API) and International Association of Oil & Gas Producers (IOGP)).

There were five Tier 1 and 2 PSEs in 2023, a decrease compared to 2022, representing further asset integrity performance improvement and a continuation of the year-on-year reduction in Process Safety incidents in the business over the past four years (74% improvement since 2020).

The two Tier 1 events occurred at the Khor Mor plant, one of which was an over-pressurisation event leading to a loss of containment at the de-ethaniser unit, the other was a gas release from one of the compressors. Both incidents were subject to detailed investigation to identify root and underlying causes and comprehensive remedial action plans have been put in place to prevent recurrence. In Egypt, there were two Tier 2 events, both associated with pinhole leaks in underground 12" pipelines.

Both the Khor Mor and El Wastani plants rolled-out IOGP-aligned Process Safety Fundamentals (PSF) programmes through the year to refresh and improve understanding of Process Safety Risk and Major Accident Hazards. This has seen a commensurate increase in the reporting of lower-level Tier 3 PSEs, most of which have been minor leaks, weeps and seeps which were largely fixed immediately. This focus will continue in 2024.

Protecting People continued

We have established Group scorecard targets for asset integrity including numbers of PSEs and safety critical maintenance completed on time without being overdue or deferred. Performance on safety critical equipment maintenance was excellent at >90%, the result of robust and diligent asset maintenance management processes across the portfolio. Tier 3 PSEs are also captured, reported and investigated as per our asset AIMS systems.

Workplace Health and Safety

Our Group HSSE & SP Policy embodies our commitment to prioritise the well-being of individuals, safeguard the environment, show respect for our neighbours, and contribute to the sustainable development of the societies where we operate. This policy is implemented through an HSSE management framework, supported by our Operating Risk Management System (ORMS), which encompasses operating practices, HSSE standards, and local HSSE & SP management systems specific to each country or asset. Our Health and Safety policies and practices are aligned with internationally recognised standards, including the adoption of the International Association of Oil and Gas Producers (IOGP) Life Saving Rules.

We have established commitments and targets at the Group, joint venture, and asset levels. Performance indicators such as Total Recordable Incident Frequency (TRIF) and Asset Integrity Key Performance Indicators (KPIs) are aggregated across our portfolio and reflected in Group-level scorecards.

Our TRIF rate in 2023 was 1.67, representing a slight deterioration in performance from the previous year, a period also characterised by a 55% increase in workplace exposure hours, largely attributed to a ramp-up in construction activities and numbers of contractor personnel on the KM250 project.

Whilst the El Wastani and Khor Mor operations plants achieved 7 years LTI-free milestones, we had a higher than anticipated number of incidents on the KM250 Project.

Concerted efforts continue to be made to drive improved HSE culture and behaviours amongst the project's contractor workforce, many of whom are drawn locally and from the region and lack prior industry experience of working to international HSE standards. This has necessitated increased levels of site safety supervision, enhanced contractor HSE training and induction, focussed hazard awareness campaigns and reinforcement of compliance expectations with the Life Saving Rules.

In 2023, we recorded zero occupational illnesses amongst our staff and contractors. Various measures are implemented to help protect occupational health, including regular health and wellbeing programmes, occupational exposure monitoring, health awareness campaigns, pre-employment medical screening, and third-party hygiene audits. We further encourage our local suppliers and contractors to adopt similar practices.

Workforce Management Practices

Dana Gas prioritises workforce health and safety through formal policies and procedures that moni tor and advise on occupational health and safety programmes. Our ISO 45001-certified management system ensures adherence to recognised standards. HSSE is regularly discussed in the Executive Committee, and Safety Committees in our joint ventures promote workforce representation and a strong safety culture.

We actively identify and mitigate health and safety risks and endeavour to cultivate a culture throughout the organisation to ensure that health and wellbeing is prioritised.

We promote early reporting of unsafe acts and conditions and in 2023 recorded over 34,000 HSSE observations across the business, representing a 12% increase compared to 2022. All observations and incidents are recorded, mitigated and closed-out in a timely manner. In 2023, 99% of HSSE observations across the portfolio were satisfactorily closed-out.

Contractors comprise a significant part of the workforce in Egypt and the KRI and play an important role in providing equipment, services and labour to support our operations and project developments.

Comprehensive contractor management processes are in place across the business, with established qualification, selection, monitoring and performance reviews in place. We have additional requirements in place for contractors engaged in the highest risk activities.

Road Safety

Road transport safety is a critical risk exposure area. Some of our assets are located in remote areas with poor road conditions and in countries with poor vehicle standards and unsafe road-user behaviours.

IOGP Life Saving Rules

International Association of Oil & Gas Producers

Moreover, unstable socio-political situations may present security threats Each venture has a dedicated land transport safety programme tailored to its local circumstances.

All company vehicles are equipped with In-Vehicle Monitoring Systems (IVMS) to track driver performance and compliance with standards. All land and road transport journeys are monitored to ensure safe driving practices are being followed by all drivers, in line with our land transportation procedure and policies. All vehicles in the KRI are further equipped with Track24 monitoring systems for all in-country movements of personnel and materials outside of plant boundaries, they follow robust journey management plans with associated security support from private contractors and government forces where necessary. We conduct regular risk assessments and all company drivers are required to undergo advanced defensive driving training.

Over 16.4 million kms were driven on company business in 2023, some 180% higher than the previous year, an increase largely due to a significant ramp-up in construction activities on the KM-250 project, as well as improved reporting systems. For the fourth consecutive year, there were no major road traffic incidents in 2023.

Condensate product transportation in the KRI is handled by third parties directly on behalf of the regional government. We are working with the local authorities to improve the standard of the tanker fleet, as well as conducting quality checks on tankers prior to entry to the Khor Mor site for loading.

The Pearl venture has a programme to drive improvements in national road tanker standards in the KRI; which is in response to ongoing challenges with vehicle maintenance amongst 3rd party haulier road tankers which lift Natural Gas Liquids (NGL)/condensate and Liquefied Petroleum Gas (LPG) from the Khor Mor facility. The frequency of minor leaks from tankers during NGL/condensate loading is an ongoing challenge. Updated vehicle specifications will be issued in 2024, along with tightened processes of registration and inspection assurance before any vehicle is allowed on site.

Mental Health

Working and living in remote sites presents a distinctive set of challenges, including exposure to hazardous environments, extended work shifts, separation from family and friends, and disrupted sleep patterns. These factors can significantly impact physical, mental, and social well-being. To address these challenges, the Khor Mor Occupational Health Team has developed a comprehensive programme that addresses all three dimensions of well-being equally.

As part of a Mental Health initiative, department heads have undergone training in Mental Health First Aid for managers, enabling them to recognise early signs of stress in themselves and their teams.

The programme also includes fitness challenges, competitions and exclusive webinars conducted by experts to address the unique challenges remote site workers face. The initiative aims to help embed a sense of community in the company and foster a culture of collaboration, support and resilience.

Protecting People continued

Our Performance

Health and Safety

	2019	2020	2021	2022	**2023**
Total exposure hours	6,936,230	5,900,979	8,669,886	9,609,225	**14,940,186**
UAE	323,133	133,084	93,719	136,159	**90,666**
KRI	3,662,970	1,754,131	4,326,734	5,686,401	**11,081,303**
Egypt	2,950,127	4,013,764	4,249,433	3,786,665	**3,768.217**

	2019	2020	2021	2022	**2023**
Fatalities	0	0	0	0	**0**
Recordable injury cases	7	0	5	15	**25**
Total recordable injury rate frequency (TRIR)	1.01	0	0.58	1.56	**1.67**
Lost-time injury cases	2	0	2	3	**1**
Total lost-time injury frequency (LTIF)	0.29	0	0.23	0.31	**0.07**
High potential incidents (HIPO)	1	3	3	8	**14**
Major road accidents	4	0	0	0	**0**
Kilometres driven (million)	6.5	4.6	4.2	5.8	**16.4**
Number of safety observations	45,454	12,805	16,294	30,487	**34,648**
Observations actions close-out	95%	98%	97%	99%	**99%**

Scope: Dana Gas and Joint Ventures

Process Safety Events

	2019	2020	2021	2022	**2023**
Process Safety Events (PSE)					
Total Tier 1 & 2 PSEs	-	19	10	7	**5**
Total Tier 1 PSEs	-	3	1	1	**2**
KRI	-	2	1	0	**2**
Egypt	-	1	0	1	**0**
Total Tier 2 PSEs	-	16	9	6	**3**
KRI	-	6	2	3	**1**
Egypt	-	10	7	3	**2**

Scope: Dana Gas and Joint Ventures


DANAGAS
DANAGAS

Safeguarding Human Rights

We have a zero-tolerance policy towards discrimination in the workplace, and mechanisms are in place for employees and contractors to formally report human rights-related issues or grievances.

Our Perspective

Dana Gas is committed to our people and values diversity in the workforce. We endeavour to safeguard the human rights and safety of our workforce while investing in and building a supportive work environment where everyone can thrive and grow. We adopt a zero-tolerance approach to discrimination, harassment or bullying in the workplace.

Our Code of Conduct enshrines our values, including our commitment to the United Nations' Voluntary Principles on Security and Human Rights. The Dana Gas Code of Conduct will be updated in 2024 to include a more explicit and public commitment to respecting and safeguarding human rights, alongside enhancements in processes to more effectively record and report instances of discrimination.

We further recognise that operating in complex environments like the KRI presents security-related human rights risks, which, if not managed effectively, can impact operational stability and reputation. Our operational management systems incorporate internationally recognised human rights principles regarding the security of our Joint Venture operations.

Delivering Impact

Security Practices

We have committed ourselves to the United Nations' Voluntary Principles on Security and Human Rights (UNVPSHR), and these principles are captured in our security management plans and the contractual agreements we maintain with private security companies in the KRI and Egypt.

We have strict security arrangements in place covering all of our operations in Egypt and the KRI. Both our Khor Mor and El Wastani gas plants are regarded as assets of national security importance and thus receive strict government-level security. Our internal security plans provide appropriate protection for personnel and assets, covering existing operations, remote well and rig locations, and personnel and material movement. They establish layers of protection that encompass organisational, procedural, and hardware control measures. Security plans are underpinned by risk and threat assessments that draw on specialist independent security advice, the latest monitoring and intelligence, and ongoing analysis by our asset protection and security teams in the country.

We faced another challenging year on the security front in Khor Mor, which experienced 9 security incidents, two of which involved drone/rocket attacks on the facility.

Thankfully, nobody was injured and there was no significant damage to our assets. Production operations were also able to continue as normal without major interruption. Security arrangements have been further enhanced and the venture continues to work closely with the Kurdistan Regional Government and security forces on strengthened controls and contingency/resilience measures.

Human Rights

The protection of human rights is an important issue for Dana Gas and we seek to conduct our business in a manner that respects the human rights and dignity of people. Our Code of Conduct incorporates the protection of human rights and applies to both company staff and contractors. It includes reference to the elimination of human rights abuses such as child labour, human trafficking and forced labour.

We have a zero-tolerance policy towards discrimination in the workplace, and mechanisms are in place for employees and contractors to formally report human rights-related issues or grievances. No such cases were reported in 2023.

The Dana Gas Code of Conduct will be updated in 2024 to include a more explicit and public policy commitment to respecting and safeguarding human rights, child and forced labour, along with enhancements in processes to more effectively record and report instances of discrimination.

Human Rights assessment of the PPCL operation was previously undertaken for the KM-250 Project Environmental & Social Impact Assessment (subject to DFC compliance review). Independent validation of compliance with the UN VPSHR and IFC performance standards relating to security management in the venture was carried out in 2022.

Community Incidents, Grievances and Complaints

We have established grievance mechanisms to allow staff, contractors, and community members to report issues and concerns. Various methods, such as telephone, letter, comment boxes, and meetings, can be used to submit grievances. Each grievance is logged, acknowledged, and evaluated for its significance.

After developing a formal response, it is approved by the relevant Dana Gas or JV management authority, officially communicated, and recorded internally.

There were 24 community-related incidents and grievances reported in 2024, all of which occurred in the KRI, and which represent a doubling in number compared to the previous year.

Incidents mostly related to compensation claims for land access or damage to roads in the Khor Mor area, requests or protests related to employment demands, the awarding of local supply chain contracts, community electrical power supply, and complaints about waste fly-tipping by contractors. Some of these incidents were also associated with roadblocks, causing minor disruptions to the KM250 project construction and drilling activities.

All such incidents and claims were thoroughly investigated and subsequently addressed by the Pearl Petroleum Social Performance team, in accordance with our local grievance reporting and investigation procedures, in some cases necessitating diplomatic engagement with community members and other stakeholders to seek satisfactory resolution.

Our Performance

Security Incidents

	2019	2020	2021	2022	**2023**
Security Incidents	8	3	13	12	**11**
KRI	8	2	12	12	**9**
Egypt	0	1	1	0	**2**

Scope: Dana Gas and Joint Ventures

Community Incidents

	2019	2020	2021	2022	**2023**
Community Incidents	-	22	32	12	**24**
KRI	-	22	32	12	**24**
Egypt	-	0	0	0	**0**

Scope: Dana Gas and Joint Ventures

Workforce Attraction, Retention and Development

Every employee undergoes thorough onboarding, including specialised safety training that extends to relevant subcontractors.

Our Perspective

Dana Gas is committed to maintaining a healthy, supportive and productive work environment, free from discrimination, harassment or bullying. To guide and appropriately manage workplace behaviour, several key policies and practices have been established.

Our Code of Conduct reinforces the values we strive to practice each day, such as ensuring equal opportunities, and is supported by policies including Anti-Bribery and Corruption, Anti-Money Laundering and Share Trading.

Any incidents related to corruption, ethical violations or bribery can be anonymously reported through our third-party managed whistleblowing mechanism. All incidents are reviewed by our Business Ethics Committee.

Dana Gas strives to build and maintain a talented workforce that contributes towards our sustainable long-term growth. We are committed to optimising our workforce and increasing the efficiency of our operations.

Employees are provided with support for their professional and personal development through various training and development opportunities.

The majority of our full-time workforce is male, which reflects a common challenge faced by the Oil and Gas Industry, especially in the Middle-East. However, we are actively working to increase female representation throughout the organisation, such as through internship programmes designed to support and recruit female talent. Additionally, we provide training to all employees on adhering to the principles outlined in our Code of Conduct, fostering a culture that prioritises the well-being of our staff and promotes their success.

Delivering Impact

To fulfil our commitment to our employees, Dana Gas has implemented various initiatives for retention, development, and attraction of both current and future workforce. All Dana Gas employees benefit from health and life insurance, annual and parental leave entitlements. Pre-pandemic, we launched a women focused university internship programme in partnership with the University of Sharjah, providing opportunities to 2-3 students annually. During the pandemic, our focus shifted to developing experienced, specialised workers due to capacity limitations.

Every employee undergoes thorough onboarding, including specialised safety training that extends to relevant subcontractors. Health management programmes addressing fitness for work, ergonomics, vaccination, medical fitness, and health monitoring have also been established.

Additionally, we support ongoing employee development by nominating individuals for external training courses.

All Dana Gas employees certified their compliance with our Code of Conduct in 2023, as required through the annual goals and performance appraisal process. The Code of Conduct will be updated in 2024 to enhance processes for recording and reporting instances of discrimination, further demonstrating our commitment to a supportive work environment.

We have established clear procedures for onboarding new colleagues, prioritising safety-informed onboarding.

Our Performance

Human Capital

	2019	2020	2021	2022	**2023**
Total number of employees	141	124	96	90	**86**
UAE	47	34	35	35	**35**
KRI	4	2	3	3	**3**
Egypt	90	88	58	52	**48**

	2019	2020	2021	2022	**2023**
Total number of contractors	29	27	17	17	**20**
UAE	4	3	3	3	**5**
KRI	0	1	1	1	**1**
Egypt	25	23	13	13	**14**

Scope: Dana Gas only. Excludes Joint Ventures.

	2019	2020	2021	2022	**2023**
Total number of employees who left the company voluntarily	6	3	4	2	**2**
UAE	1	1	1	0	**2**
KRI	0	0	0	0	**0**
Egypt	5	2	3	2	**0**

	2019	2020	2021	2022	**2023**
Employee turnover rate	7%	17%	29%	10%	**6%**

Scope: Dana Gas full-time employees only. Turnover includes voluntary and involuntary leavers.

Workforce Attraction, Retention and Development continued

Gender Diversity

Board composition	2019	2020	2021	2022	**2023**
Female	0	0	1	1	**1**
Male	11	11	10	10	**10**

Percentage Board committees headed by gender	2019	2020	2021	2022	**2023**
Female	0%	0%	0%	25%	**25%**
Male	100%	100%	100%	75%	**75%**

Full time employees	2019	2020	2021	2022	**2023**
Female	26	24	22	20	**19**
Male	115	100	74	70	**67**
UAE					
Female	8	8	8	8	**8**
Male	39	27	27	27	**27**
KRI					
Female	1	0	1	1	**1**
Male	4	2	2	2	**2**
Egypt					
Female	17	16	13	11	**10**
Male	72	71	45	41	**38**

Scope: Dana Gas only

Training & Development

	2019	2020	2021	2022	**2023**
Average days of training	2.1	1.1	0.5	2.4	**2.8**

	2019	2020	2021	2022	**2023**
Percentage of total employees who received regular performance and career development review	100%	100%	100%	100%	**100%**

Scope: Dana Gas only

Contributing to In-Country Value

Enhancing Local Communities

- Local Community Development & Engagement (including Local Procurement)

Investing in Society

- Economic Performance
- Total Reserves
- In-country Value Contribution
- Nationalisation
- Payments to Governments

The Pearl Petroleum venture has a long-running programme to support the education sector in the KRI, given that local schools suffer from many issues related to a lack of government funding.

SDG

Enhancing Local Communities

We prioritise local suppliers as part of our commitment to fostering economic opportunities in the communities where we operate.

Our Perspective

Dana Gas is committed to making a positive impact on the communities in the countries in which we operate. This includes effectively engaging with all relevant stakeholders, providing jobs, supporting local suppliers and building local capabilities.

We prioritise local suppliers as part of our commitment to fostering economic opportunities in the communities where we operate. Dana Gas recognises and embraces the responsibility of promoting shared prosperity by developing a stable workforce and establishing a local supply chain.

We actively engage with and support local communities throughout our operations and have partnered with a range of NGOs, academic institutions, community groups, and local authorities to design and implement Social Investment initiatives in the UAE, Egypt and the KRI.

These are broadly structured around four main themes, addressing community-specific issues and social performance objectives. In 2023, we directly invested US$ 2.2 million in empowering local communities across our portfolio, the majority (95%) of which was directed in the KRI.

The core themes of our Social Investment initiatives are:

1. Education: supporting access to and improvement of education quality.
2. Health and Welfare: enhancing medical services and community healthcare.
3. Energy, Water and Infrastructure: contributing to infrastructure development, including roads, water supply, and access to reliable electricity sources.
4. Employment and Income Generation: enabling job opportunities for local communities through small business grants and support for those negatively impacted by conflict.

Our Social Investment programme is location specific and context-dependent. To date, we have not yet established quantified targets at the Group-level - our focus is on delivering programmes that address the unique needs of each community. However, we are collaborating with our country social performance teams and partners to define measurable indicators of long-term positive social impact resulting from the programmes we support.

A comprehensive breakdown of our Social Investment activities can be found in the Dana Gas Corporate Governance Annual Report 2023.

Delivering Impact

Local Procurement

In both Egypt and the KRI, we have made substantial investments in the local community, workforce, and supply chain. Our joint ventures, Pearl and WASCO, have demonstrated high staff retention and consistent utilisation of local contractors. This approach not only enhances the capacity of local talent but also fosters high-performing operational teams and promotes a culture of safety.

At the Joint Venture level, Dana Gas prioritises local procurement and sourcing practices, incorporating specific criteria into contractual agreements. We support small- and medium-sized enterprises and tailor our practices to each country's operating environment.

Kurdistan Regional Government (KRG) imposes specific requirements for local contracting, closely regulated by the KRG's Ministry of Natural Resources. Orders are awarded to Community Centred Contractors (3Cs) for locally sourced requirements, and local content is considered as a technical evaluation criterion in adherence to MNR guidelines. Our Pearl Petroleum venture is therefore obligated to engage qualified local contractors whenever possible, defined as companies in close proximity to the asset. Such companies are eligible for up to $250,000 per year in business. The Pearl venture is actively enhancing the skills and capabilities of 3Cs to qualify them for specific projects. Currently, approximately 30 such companies have been contracted, with an estimated annual spend expected to increase to $3-4 million per year.

Overall procurement spending on local suppliers increased by 23% to $114 MM in 2023, primarily due to the KM250 gas plant expansion project. The total number of local suppliers engaged across the portfolio was 991, an increase of 4% compared to 2022.

Education

The Pearl Petroleum venture has a long-running programme to support the education sector in the KRI, given that local schools suffer from many issues related to a lack of government funding. In 2023, Pearl supported approximately $390,000 of social investment projects in the sector, aimed at upgrading schools, enabling the delivery of modern teaching methods, enhancing the overall educational environment, and facilitating access to schools.

In collaboration with the Directorate of Education for the Chamchamal District, the venture has continued to facilitate transportation to schools for approximately 160 students across 21 villages, ensuring a safe a reliable means of getting to school each day. We have also sponsored the monthly salaries of 15 drivers and 26 teachers this year, enabling the teaching of specialised subjects that were not previously available at Qadir Karam schools.

We funded the refurbishment and renovation of the Takya Jabari Primary School in Chamchamal and Padasht Secondary School in Shorsh in order to improve facilities and to provide essential teaching equipment. IT equipment was also donated to the Charmo University College of Computer Science in Chamchamal. We have further distributed school bags and stationery kits to some 900 students in Chamchamal, Qadir Karam, and Takya Jabari, particularly benefiting students from low-income families and encouraging school attendance. An outstanding student recognition award scheme was also sponsored with the Directorate of Education to recognise the highest ranked students passing their 12th Grade national examinations in Qador Karam and Takya Jabari districts.

Dana Gas, in partnership with the Sharjah Social Empowerment Foundation, has launched the 'Give Education to Orphans' project, aimed at providing access to education for orphans in the UAE. Dana Gas continues to support the Dana Gas Chair in Engineering at the American University of Sharjah, following an endowment of US$ 4 Million made in 2008.

Health and Welfare

Dana Gas Egypt has collaborated with several organisations, including the Misr El Khier Foundation, Al Mansoura University and Damietta Health sector to deliver various medical services to the local communities in the Faraskour district, Egypt. This included specialist nurse training for 50 nurses from public hospitals in Dakhalia and medical convoys to two primary schools, enabling health checks to 884 students who would not ordinarily have access to routine medical examinations. We also supplied essential medical equipment to the kidney dialysis centres at three public hospitals in Damietta governorate.

During the month of Ramadan, we distributed 4,000 dry food boxes to local communities surrounding our operational fields in Damietta and Dakahlia governorates in Egypt. Additionally, we provided food and welfare packages to poor, low-income families and vulnerable persons in Chemchamal and sub-districts of Qadir Karam and Takya Jabari in the KRI.

Welfare provision was further extended in Egypt through the Al Ber and Takwa Foundation, in association with the Ministry of Social Solidarity, to better equip and maintain/restore the Damietta women's shelter, which accommodates 30 orphans of different ages. Pearl Petroleum has worked with the Chamchamal Directorate of Health throughout the year to refurbish the Shaid Saed Anwar and Shaid Mala Yasin health centres in Shorsh sub-district, and provided new hospital beds and mattresses to cancer hospitals in the region. The company continued to sponsor the monthly salaries of two ambulance drivers for Qadir Karam Health Centre, which services 52 villages in the local area.

Enhancing Local Communities continued

Energy, Water and Infrastructure

Through a partnership with the Department for Energy, the Pearl Petroleum venture has provided free electrical power to five villages in Qadir Karam, KRI with an estimated monthly value of US$96,000. We have also supplied fuel to enable local power generation in Qadir Karam and 35 surrounding villages. Additionally, fuel has been provided to the Qadir Karam Sub-District Mayoralty offices to support the daily operations of the local authorities.

A particular focus of the Pearl social investment programme in 2023 has been in support of improvements to the supply and distribution of water to local villages in the region. Local communities have benefited from company investment of over $300,000 in a range of water projects during the year, the largest of which involved the construction of a potable water distribution network serving Chamchamal, Shorsh and Takya Kakamind to improve access to reliable drinking water supplies. Other projects have included installation of new water wells, storage facilities, pipeline repairs, valve and pump replacements.

Pearl support to the Chamchamal Traffic police was provided by installing new and improved directional road safety signage; 11 locations along the Bani Maqan to Khor Mor highway now have improved signage in an effort to help improve public awareness and reduce the risk of road accidents.

Employment and Income Generation

Dana Gas takes pride in its partnership with the American University of Cairo and the Ministry of Social Solidarity to support the Social Entrepreneurship Mobilisation Income Generation programme. This offers training in various disciplines, including sewing and Microsoft Office, aiming to empower individuals in income generation. In 2023, our ongoing support through Phase II of the project enabled 30 women to receive business training and technical skills in sewing and garment manufacture to facilitating the establishment of their own business ventures.

A significant achievement during the year was the installation of a 10MW capacity Electrical Mobile Sub-station connecting Qadir Karam town to the national grid. The result of a successful collaboration between Pearl and the Ministries of Electricity (MOE) and Natural Resources (MNR), this $1.1 million social investment project enables improved energy access, a more secure and stable power supply, with capacity for future growth and development in the town. The existing system (electrical load peak of 1.5 MW) was no longer able to cope with the increased energy demand from the Qadir Karam sub-district, meaning the local community suffered regular power cuts and reliance on diesel generator back-ups. This strategic initiative now enables 24-hour electricity to Qadir Karam, with the added benefit of boosting capacity to support and catalyse expanded infrastructure projects, including hospitals, schools, and small private businesses in the town and neighbouring villages.

Our Performance

	2019	2020	2021	2022	2023
Community investments: voluntary contributions and investment of funds in the broader community (includes donations) (USD Millions)	2.3	2.2	2.1	2.3	**3.3**
Percentage of total spend by country					
UAE	16%	1%	1%	1%	**1%**
KRI	60%	79%	92%	95%	**96%**
Egypt	24%	20%	7%	4%	**3%**
Percentage of total spend by theme					
Health	1%	59%	6%	21%	**6%**
Education	18%	25%	8%	13%	**9%**
Energy & Infrastructure	68%	10%	84%	65%	**84%**
Other	10%	7%	2%	1%	**1%**

Scope: Dana Gas and Joint Ventures

	2019	2020	2021	2022	2023
Amount invested in the community, as a percentage of company revenues	0.31%	0.31%	0.19%	0.15%	**0.29%**

Scope: Dana Gas equity share

	2019	2020	2021	2022	2023
Total number of local suppliers engaged (#)	697	820	931	876	**991**
UAE	94	70	96	105	**60**
KRI (100%)	253	364	409	322	**371**
Egypt	350	386	426	449	**560**

Scope: Dana Gas and Joint Ventures

	2019	2020	2021	2022	2023
Total procurement spending on local suppliers (USD Millions)	107	49	107	93	**114**
UAE	5	3	3	11	**2**
KRI (100%)	23	17	68	64	**89**
Egypt	79	29	36	18	**23**

Scope: Dana Gas and Joint Ventures

	2019	2020	2021	2022	2023
Percentage of procurement spending on local suppliers (%)	69%	63%	83%	40%	**46%**
UAE	83%	75%	100%	92%	**67%**
KRI (100%)	42%	41%	78%	32%	**40%**
Egypt	84%	91%	95%	90%	**88%**

Scope: Dana Gas and Joint Ventures

Investing in Society

Dana Gas actively supports the recruitment and retention of national employees at all levels. The company prioritises national candidates during the recruitment process and aims to hire from within the communities whenever possible.

Our Perspective

Dana Gas achieved a solid operating and financial performance in 2023, reporting an adjusted net profit of AED 586 million ($160 million). The company's prudent management of capital expenditure and operational efficiency continues to successfully create long-term value for shareholders. Revenues and adjusted net profit decreased by 20% and 12% respectively. The decline in profits was primarily due to lower realised hydrocarbon prices, partly offset by a production increase in the KRI and reduced operating costs.

Production from the Group's fields in 2023 averaged 58,722 barrels of oil equivalent per day (boepd) on a Dana Gas net equity share basis, a 2% reduction compared to 2022. This was due to a 16% reduction in Egypt to 21,800 boepd, the result of natural field declines, offset by an 8% increase in production output in the KRI to 36,900 boepd.

Production increases in the KRI were the result of successful completion of further plant de-bottlenecking enhancements at the Khor Mor facility, a strategic response to the growing demand for natural gas to support local power generation in the KRI. In November 2023, the Pearl venture achieved a record production output of 520 million standard cubic feet per day (MMscf/d). Steady progress continued on the KM250 expansion project in 2023, including the successful drilling of six KM250 project wells.

In Egypt, ratification by the Egyptian Parliament of the consolidated Concession Agreement is expected in early 2024. This agreement is set to extend the operational lifespan of our Egyptian assets and support its production levels. It includes a commitment for further investment of approximately $100 million.

To ensure future financial resilience and continue delivering positive socio-economic impact in the regions of operation, the company remains focused on developing its assets in the KRI, maximising value from Egypt and exploring strategic investments within the region to support growth.

Delivering Impact

Economic Performance

Dana Gas continues to focus on maximising the value of its existing hydrocarbon assets and projects, while pursuing growth through organic exploration opportunities in our core areas and new business development in the upstream and midstream value chains. We maintain a balance between capital expenditure and available cash sources to ensure a robust financial position. For more detailed information on liquidity and financial resources, please refer to our 2023 Integrated Report.

In 2023, we generated a direct economic value of $423 (on a Dana Gas net equity share basis), representing a 20% decrease compared to our 2022 output. The decline is attributed to lower gross revenues, including lower dividend paid to shareholders in UAE and reduced royalties and tax paid in Egypt. The corresponding payments to capital providers and taxation to the Government of Egypt also decreased accordingly. Our long-term economic investments have generated multiple direct and indirect benefits in the regions where we operate. Socio-economic impact studies described in previous Dana Gas Sustainability Reports provide further detail into these benefits, and these will be refreshed in future reporting cycles.

Total reserves

Dana Gas and Crescent Petroleum, joint operators of Pearl Petroleum Company Limited (PPCL), estimate the total geologically risked petroleum initially in-place (PIIP) resources of the Khor Mor and Chemchemal Fields to be 75 trillion standard cubic feet (Tscf) of wet gas and 7 billion barrels of oil (P50 estimate). Reserves certification has been undertaken by Gaffney Cline Associates (GCA).

Based on the independent reserves audit report, the Company's Egyptian 2P reserves as of 31 December 2023 stood at 33.8 MMboe, compared to 42.1 MMboe at year end 2022. The year-on-year reduction of 8.3 MMboe is attributed almost entirely to 2023 production of 8.0 MMboe and reflects the deferral of planned exploration activities pending final ratification of the improved concession terms.

Nationalisation

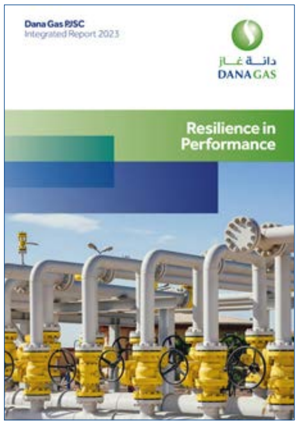
Dana Gas actively supports the recruitment and retention of national employees at all levels. The company prioritises national candidates during the recruitment process and aims to hire from within the communities whenever possible. However, due to the technical skills and qualifications required for certain operational roles, the search is sometimes expanded to additional regions. At the Joint Venture level, specific criteria are incorporated into contractual agreements to promote local procurement and sourcing practices, with a focus on small and medium-sized enterprises. These criteria are tailored to the operating environment in each country.

In recent years, local nationals have constituted around 70% of Dana Gas' total full-time workforce, though this has dropped to approximately 61% due to organisational changes and downsizing in the company's Egypt operations. The proportion of management level positions held by locals has largely remained the same.

Our Pearl Petroleum venture has consistently maintained high levels of local employment and has invested in the training and development of local talent. Localisation (non-expatriate) rates of over 80% in PPCL have been realised over the past 10 years according to the KRI's MNR workforce report. The venture currently has 100% local employment amongst junior staff. The WASCO joint venture in Egypt is fully staffed with 100% local nationals.

Payments to Governments

Due to a 16% decrease in production from our Egypt-based operations, the direct economic value we generated in 2023 decreased by 20% compared to 2022 (on a Dana Gas net equity share basis). The decrease in payments made to our capital providers and the Government of Egypt respectively ensured a higher level of economic value retained compared to 2022. Payments to the government are represented as 100% taxation.



Dana Gas PJSC Integrated Report 2023

Read more

Our Performance

Economic Impact

	2019	2020	2021	2022	2023
Total direct economic value generated (USD Millions)	**459**	**349**	**452**	**529**	**423**
UAE	11	4	4	4	4
KRI (35%)	153	118	187	255	218
Egypt	295	227	261	270	201

	2019	2020	2021	2022	2023
Total economic value distributed by country (USD Millions)	**388**	**319**	**419**	**438**	**304**
UAE	141	127	182	182	102
KRI (35%)	21	25	34	41	50
Egypt	226	167	201	216	152

	2019	2020	2021	2022	2023
Direct economic value distributed by destination (USD Millions)					
Operating expenses	37	33	35	30	32
Employee wages and benefits	42	38	45	45	39
Payments to providers of capital	121	120	183	185	108
Payments to governments (total)	**188**	**128**	**156**	**178**	**125**
UAE	1	0	0	0	0
KRI (35%)	0	0	0	0	0
Egypt	187	128	156	178	125

	2019	2020	2021	2022	2023
Total economic value retained (USD Millions)	**70**	**30**	**35**	**90**	**119**

Scope: Dana Gas equity share

In-country Value Contribution

	2019	2020	2021	2022	2023
Total procurement spending (USD Millions)	**155**	**77**	**128**	**234**	**251**
UAE	6	4	3	12	3
KRI (35%)	55	41	87	202	222
Egypt	94	32	38	20	26

Scope: Dana Gas and Joint Ventures

Nationalisation

	2019	2020	2021	2022	2023
Full-time positions held by local nationals (#)	**97**	**91**	**61**	**55**	**52**
Percentage of local nationals amongst full-time employees (%)	69%	73%	64%	61%	61%

Scope: Dana Gas only

Payments to Governments

	2019	2020	2021	2022	2023
Revenues from third-party sales for each tax jurisdiction (USD Million)	285	225	318	377	314
Revenues from intra-group transactions with other tax jurisdictions; (USD)	0	0	0	0	0
Profit/loss before tax; (USD Million)	157	-376	317	182	160
Corporate income tax paid on a cash basis; (USD)	0	0	0	0	0
Corporate income tax accrued on profit/loss;	14	4	22	26	16

Payments to governments split by revenue stream (USD Million)	2019	2020	2021	2022	2023
Payments to governments (total)	**188**	**128**	**156**	**178**	**125**
Host government's production entitlement*	341	260	315	376	301
National state-owned company production	0	0	0	0	0
Royalties	0	0	0	0	0
Dividends	0	0	0	0	0
Bonuses (e.g., signature, discovery, and production bonuses)	0.3	0.36	0.2	0.2	0
License fees, rental fees, entry fees; and other considerations for licenses or concessions	0	0	0	0	0
Any other significant payments and material benefits to government	0	0	0	0	0

Scope: Dana Gas equity share

* Host government production entitlement includes the amount of free gas delivered to the KRG.

Financial Statements

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Report of the Directors

The Board of Directors of Dana Gas PJSC ("Dana Gas" or the "Company") are pleased to announce the consolidated financial results of the Company, its subsidiaries and joint arrangements (together referred to as the "Group") for the year ended 31 December 2023.

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 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 the year ended 31 December 2023

During the year, the Group earned gross revenues of USD 423 million (AED 1.5 billion) as compared to USD 529 million (AED 1.9 billion) in 2022, a decrease of 20%. This decrease was mainly due to lower realised prices during the year which eroded the topline by USD 93 million (AED 341 million). Realised price averaged USD 51/bbl for condensate and USD 35/boe for LPG compared to USD 79/bbl and USD 42/boe respectively in 2022.

The Group achieved a Net Profit of USD 160 million (AED 586 million) in 2023 as compared to a Net Profit of USD 182 million (AED 667 million) in 2022. The decrease in net profit was primarily due to lower hydrocarbon prices partly offset by a production increase in the Kurdistan Region of Iraq (KRI) and reduced operating costs. Earnings before interest, tax, depreciation and amortisation ("EBITDA") was lower at USD 257 million (AED 941 million) compared to USD 332 million (AED 1,217 million) in 2022 mainly due to reduced revenue.

The Group's average production during the year was 58,700 barrels of oil equivalent per day (boepd), a decrease of 2% compared to last year's production of 60,200 boepd. Production in Kurdistan increased by 8% to 36,900 boepd from 34,300 boepd in the corresponding year. This was fully offset by a drop in production in Egypt which fell 16% to 21,800 boepd as compared to 25,900 boepd in 2022, due to natural decline in producing fields.

Liquidity and Financial Resources

Cash and bank balance at year end stood at USD 131 million (AED 480 million), a decrease of 13% compared to 2022 balance of USD 151 million (AED 553 million). Cash includes USD 114 million (AED 418 million) being 35% share of cash held at Pearl Petroleum.

The Group collected a total of USD 238 million (AED 872 million) during the year with Egypt and KRI contributing USD 58 million (AED 212 million) and USD 180 million (AED 660 million), respectively.

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 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 latest 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.

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 and Prospective Resources .

(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 2023. The Group's gross proved reserves (1P) as at 31 December 2023 were assessed at 17 MMboe (31 December 2022: 23 MMboe). The gross proved and probable reserves (2P) as at 31 December 2023 were estimated at 34 MMboe (31 December 2022:42 MMboe) and the gross proved, probable and possible reserves (3P) as at 31 December 2023 were estimated to be 48 MMboe (31 December 2022:62 MMboe).

GCA reserves estimation is based on the enhanced fiscal terms of the concession consolidation agreement with the Egyptian Natural Gas Holding Company (EGAS). The agreement is subject to the Egyptian parliament ratification which is expected within the first half of 2024.

E&P Operations

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

Dana Gas's share (35%) of gross production in the KRI for 2023 was 13.5 MMboe, i.e. averaging 36,900 boe per day (2022 – DG Share 35%: 12.5 MMboe, averaging 34,300 boe per day), an increase of 8% when compared with the previous year. This increase was the result of the successful completion of further plant de-bottlenecking enhancements at the Khor Mor facility, a strategic response to the growing demand for natural gas in KRI. In November 2023, to help meet the growing power demand and further support local power generation, Pearl achieved a record production output of 520 MMscfd.

Dana Gas' share of collections for the year stood at USD 180 million (AED 660 million) and hence realised 82% of the year's revenue. At year end, Dana Gas' 35% share of trade receivable balance stood at USD 103 million (AED 378 million) as compared to USD 64 million (AED 235 million) at year end 2022.

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 barrels of oil. In January 2020, Pearl appointed Exterran, an engineering, procurement and construction ('EPC') contractor, for the first of two 250 MMscf/d gas processing trains and provide operations related technical assistance services for 5 years post hand over of the 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 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. In 2022 Exterran was purchased by Enerflex.

Work on the KM 250 onsite EPC contract activities was temporarily suspended in June 2022 following rocket attacks in the area of the construction site and plant and a state of force majeure was declared. During the year, following enhancement of the security arrangements, Enerflex and its subcontractors remobilized to site to recommence construction. The operator and contractor have discussed the necessary improvements in security arrangements with the Kurdistan Regional Government required for construction activities to fully get underway. Three further security incidents occurred at the Khor Mor site in 2023 and early 2024, which did not result in any harm to personnel and only a minimal impact on production operations.

Pearl continued to make steady progress on the KM 250 expansion project in 2023, with drilling of six KM 250 project wells successfully completed. It expects completion of the KM 250 project in the second half of 2024.

(b) Egypt E&P operations

Dana Gas Egypt ended 2023 with production for the full year of operations of 7.95 MMboe i.e. averaging 21,800 boepd (2022: 9.4 MMboe, i.e. averaging 25,900 boepd), a decrease of 16% over the corresponding year.

In Egypt, the Company collected a total USD 58 million (AED 212 million) during 2023 and hence realized 77% of the year's revenue. At year end, the trade receivable balance stood at USD 48 million (AED 176 million) as compared to USD 30 million (AED 110 million) at the end of 2022.

In Egypt, the Company reached an agreement with the Egyptian Natural Gas Holding Company (EGAS) for consolidation of its existing concessions on enhanced fiscal termsand direct awarding of 296 km2 of new exploration acreage. The new terms will extend the economic life of Dana Gas Egypt's assets. The agreement is subject to the Egyptian parliament's ratification which is expected within the first half of 2024.

Report of the Directors
continued

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 was informed by Crescent Petroleum that an award for damages in the first arbitration against NIOC was made by the international arbitration tribunal on 27 September 2021. This first arbitration covered 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 was USD 608 million (AED 2.23 Billion) which was recorded in the books in 2021. The award accrues interest for delayed payment and at the end of 2023 Dana Gas share of interest amounted to USD 67.5 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. The final hearing was scheduled to commence in October 2022 in Paris, however, was delayed to March 2023. The hearing has been further deferred and is now anticipated in late 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.

Directors

1. Mr. Hamid Dhiya Jafar, Chairman
2. Mr. Rashid Saif Al-Jarwan, Deputy Chairman
3. Mr. Ahmed Abdulhamid Alahmadi (appointed on 3 October 2023)
4. Mr. Ajit Vijay Joshi (resigned on 29 February 2024)
5. Mr. Hani Abdulaziz Hussein
6. Mr. Jassim MohamadRafi Alseddiqi (resigned on 2 October 2023)
7. Mr. Majid Hamid Jafar
8. Ms. Najla Ahmed Al-Midfa
9. Mr. Shaheen Al-Muhairi
10. Mr. Varoujan Nerguizian
11. H.E. Younis Al Khoori
12. Mr. Ziad Abdulla Ibrahim Galadari

Auditors

The consolidated financial statements have been audited by Ernst & Young.

On behalf of the Board of Directors

To the best of our knowledge, the financial information included in the report fairly presents in all material respects the consolidated financial condition, results of operation and cash flows of the Group as of, and for, the periods presented in the report.

Directors
13 March 2024

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 2023, 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 material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2023, and its consolidated financial performance and its consolidated 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 Ethics Standards Board for Accountants' 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 matters described in note 12, 13 (a) and 15 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 these matters.

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

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 were 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 audit 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	
The Group's consolidated statement of financial position includes UAE Gas Project assets as at 31 December 2023 comprising of: a) Property, plant and equipment of USD 137 million (note 12); b) intangible assets of USD 191 million (note 13a); and c) investment in joint venture of USD 360 million (note 15). As disclosed in notes 12, 13 (a) and 15 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 recognised an impairment of USD 360 million during the year ended 31 December 2021 against these assets. 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 performed the below procedures to address this key audit matter: • We reviewed the legal documents including the decision of the English High Court of July 2016 relating to the dismissal of the NIOC challenge of the Award and the first arbitration award; • We discussed the progress and status of the arbitration process with the Group's legal department and senior management; • We assessed the reasonableness of management's assumptions used in assessing the recoverable value of these assets and that the sums expected from the second arbitration will be sufficient to cover the remaining carrying value of the related assets; and • We also reviewed the appropriateness 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 indicated earlier in this audit report.

Key audit matter	How our audit addressed the key audit matter
Impairment assessment of Oil & Gas interests	
As at 31 December 2023, the Group has tangible oil and gas interests of USD 413 million (note 12). 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 to address this key audit matter: • 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 compared the 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 reviewed reports provided by external experts and the 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 reviewed the reasonableness of the production profile in light of reserves volumes certified by independent external experts and internal management assessment and historical operations; • We 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 reviewed the mathematical accuracy 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.

Independent Auditor's Report to the Shareholders of Dana Gas PJSC 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 18 to the consolidated financial statements, the Group has financial assets at fair value through profit or loss of USD 94 million as at 31 December 2023. These assets arise from 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. 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. The key estimates in management's fair value model are the probability of collection and the discount rates.	We performed the below procedures to address this key audit matter: • We assessed the reasonableness of the management's rationale for concluding on the probability of the collection. • We 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 2023 Annual Report, other than the consolidated financial statements and our auditor's report thereon. We obtained the Report of the Directors, prior to the date of our auditor's report, and we expect to obtain the remaining sections of the Group's 2023 Annual Report after the date of our auditor's 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.

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 articles of association of the Company and the UAE Federal Law No. 32 of 2021, 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 consolidated 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. 32 of 2021, we report that for the year ended 31 December 2023:

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. 32 of 2021 and the articles of association of the Company;

iii) the Company 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 Company;

v) investments in shares and stocks during the year ended 31 December 2023, if any, are disclosed in note 18 to the consolidated financial statements;

vi) note 28 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 year ended 31 December 2023 any of the applicable provisions of the UAE Federal Law No. 32 of 2021 or of its articles of association which would materially affect its activities or its consolidated financial position as at 31 December 2023; and

viii) note 32 reflects the social contributions, if any, made during the year ended 31 December 2023.

For Ernst & Young

Signed by:

Anthony O'Sullivan
Partner

Registration No. 687

[••] March 2024

Sharjah, United Arab Emirates

Consolidated Income Statement
For the year ended 31 December 2023

		2023		2022	
Text	Notes	**USD mm**	**AED mm**	USD mm	AED mm
Gross revenue	5	**423**	**1,551**	529	1,939
Royalties	5	**(109)**	**(400)**	(152)	(557)
Net revenue		**314**	**1,151**	377	1,382
Operating costs	6	**(53)**	**(195)**	(57)	(210)
Depreciation & depletion	12	**(71)**	**(260)**	(71)	(260)
Gross profit		**190**	**696**	249	912
General and administration expenses		**(11)**	**(40)**	(12)	(44)
Other expenses		**–**	**–**	(10)	(37)
Investment and finance income	7	**10**	**37**	5	18
Other income	8	**8**	**29**	36	132
Impairment of intangible assets		**–**	**–**	(2)	(7)
Impairment/write-off of financial assets	18	**(3)**	**(11)**	(47)	(172)
Change in fair value of investment property	14	**1**	**4**	–	–
Share of loss of a joint venture	15	**(1)**	**(4)**	(2)	(7)
Finance cost	9	**(18)**	**(66)**	(9)	(33)
PROFIT BEFORE INCOME TAX		**176**	**645**	208	762
Income tax expense	10	**(16)**	**(59)**	(26)	(95)
PROFIT FOR THE YEAR		**160**	**586**	182	667
PROFIT ATTRIBUTABLE TO:					
- Equity holders of the company		**160**	**586**	182	667
		160	**586**	182	667
EARNINGS PER SHARE:					
Basic & Diluted earnings per share (USD/AED per share)	11	**0.023**	**0.084**	0.026	0.095

The attached notes 1 to 32 form part of these consolidated financial statements.

Consolidated Statement of other Comprehensive Income
For the year ended 31 December 2023

	2023		2022	
	USD mm	**AED mm**	USD mm	AED mm
Profit for the year	**160**	**586**	182	667
Other comprehensive income	**–**	**–**	–	–
Other comprehensive income for the year	**–**	**–**	–	–
TOTAL COMPREHENSIVE				
INCOME FOR THE YEAR	**160**	**586**	182	667
ATTRIBUTABLE TO:				
- Equity holders of the Company	**160**	**586**	182	667
	160	**586**	182	667

The attached notes 1 to 32 form part of these consolidated financial statements.

Consolidated Statement of Financial Position
As at 31 December 2023

	Notes	2023 USD mm	2023 AED mm	2022 USD mm	2022 AED mm
ASSETS					
Non-current assets					
Property, plant and equipment	12	**1,128**	**4,135**	1,060	3,885
Intangible assets	13	**217**	**795**	211	773
Investment property	14	**21**	**77**	20	73
Interest in joint ventures	15	**360**	**1,320**	361	1,324
Financial assets at fair value through profit or loss	18	**81**	**297**	87	319
Total non-current assets		**1,807**	**6,624**	1,739	6,374
Current assets					
Inventories	17	**26**	**95**	21	77
Financial assets at fair value through profit or loss	18	**13**	**47**	7	26
Sum due following arbitration award	19	**608**	**2,229**	608	2,229
Trade and other receivables	20	**211**	**773**	143	524
Cash and cash equivalents	21	**131**	**480**	151	553
Total current assets		**989**	**3,624**	930	3,409
TOTAL ASSETS		**2,796**	**10,248**	2,669	9,783
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital	22	**1,908**	**6,995**	1,908	6,995
Legal reserve	23	**198**	**725**	182	666
Voluntary reserve	23	**66**	**242**	50	183
Retained earnings		**199**	**728**	160	587
Total equity		**2,371**	**8,690**	2,300	8,431
LIABILITIES					
Non-current liabilities					
Borrowings	24	**110**	**403**	159	583
Trade payables and accruals	26	**57**	**209**	58	213
Provisions	25	**19**	**70**	20	73
Total non-current liabilities		**186**	**682**	237	869
Current liabilities					
Borrowings	24	**142**	**521**	57	209
Trade payables and accruals	26	**97**	**355**	75	274
Total current liabilities		**239**	**876**	132	483
Total liabilities		**425**	**1,558**	369	1,352
TOTAL EQUITY AND LIABILITIES		**2,796**	**10,248**	2,669	9,783

The consolidated financial statements were approved for issue by the Board of Directors on 13 March 2024 and signed on their behalf by

:

Director Director

The attached notes 1 to 32 form part of these consolidated financial statements.

Consolidated Statement of Cash Flows
For the year ended 31 December 2023

		2023		2022	
	Notes	**USD mm**	**AED mm**	USD mm	AED mm
OPERATING ACTIVITIES					
Profit before income tax		**176**	**645**	208	762
Adjustments for:					
Depreciation and depletion	12	**71**	**260**	71	260
Investment and finance income		**(10)**	**(37)**	(5)	(18)
Other income	8	**(8)**	**(29)**	(36)	(132)
Impairment of intangible assets		**–**	**–**	2	7
Impairment/write-off of financial assets		**3**	**11**	47	172
Change in fair value of investment property		**(1)**	**(4)**	–	–
Share of loss of a joint venture	15	**1**	**4**	2	7
Finance cost	9	**18**	**66**	9	33
Directors' remuneration		**–**	**–**	(3)	(11)
		250	**916**	295	1,080
Changes in working capital:					
Trade and other receivables		**(70)**	**(257)**	(45)	(164)
Inventories		**(5)**	**(18)**	–	–
Trade payables and accruals		**3**	**11**	1	4
Net cash generated from operating activities		**178**	**652**	251	920
Income tax paid		**(16)**	**(59)**	(26)	(95)
Net cash flows generated from operating activities		**162**	**593**	225	825
INVESTING ACTIVITIES					
Purchase of property, plant and equipment		**(118)**	**(432)**	(91)	(334)
Proceed from sale of property, plant and equipment	5	**18**	**–**	[–]	[–]
Investment and finance income received		**4**	**15**	2	7
Net cash flows used in investing activities		**(109)**	**(399)**	(89)	(327)
FINANCING ACTIVITIES					
Dividend paid	29	**(86)**	**(315)**	(172)	(630)
Repayment of borrowings		**(53)**	**(194)**	(37)	(136)
Proceeds from borrowings		**88**	**323**	53	194
Finance costs paid		**(22)**	**(81)**	(14)	(51)
Net cash flow used in financing activities		**(73)**	**(267)**	(170)	(623)
NET DECREASE IN CASH AND CASH EQUIVALENTS		**(20)**	**(73)**	(34)	(125)
Cash and cash equivalents at the beginning of the year	21	**151**	**553**	185	678
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	21	**131**	**480**	151	553

The attached notes 1 to 32 form part of these consolidated financial statements.

Consolidated Statement of Changes in Equity
For the year ended 31 December 2023

	Attributable to equity holders of the Company									
	Share capital		Legal reserve		Voluntary reserve		Retained earnings		Total	
	USD mm	AED mm	USD mm	AED mm	USD mm	AED mm	USD mm	AED mm	USD mm	AED mm
As at 1 January 2023	1,908	6,995	182	666	50	183	160	587	2,300	8,431
Profit for the year	–	–	–	–	–	–	160	586	160	586
Total comprehensive income for the year	–	–	–	–	–	–	160	586	160	586
Dividends paid	–	–	–	–	–	–	(86)	(315)	(86)	(315)
Transfer to reserves	–	–	16	59	16	59	(32)	(118)	-	-
Directors' remuneration	–	–	–	–	–	–	(3)	(12)	(3)	(12)
As at 31 December 2023	1,908	6,995	198	725	66	242	199	728	2,371	8,690
As at 1 January 2022	1,908	6,995	164	599	32	116	189	695	2,293	8,405
Profit for the year	–	–	–	–	–	–	182	667	182	667
Total comprehensive income for the year	–	–	–	–	–	–	182	667	182	667
Dividends paid	–	–	–	–	–	–	(172)	(630)	(172)	(630)
Transfer to reserves	–	–	18	67	18	67	(36)	(134)	–	–
Directors' remuneration	–	–	–	–	–	–	(3)	(11)	(3)	(11)
As at 31 December 2022	1,908	6,995	182	666	50	183	160	587	2,300	8,431

The attached notes 1 to 32 form part of these consolidated financial statements.

Notes to the Consolidated Financial Statements
At 31 December 2023

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 2023, the Group is in compliance with the provisions of the UAE Federal Decree Law No. (32) of 2021 concerning Commercial Companies. The Company has amended its Articles of Association to be in compliance with the said law.

Principal subsidiaries and joint arrangements of the Group at 31 December 2023 and 31 December 2022 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 Gas Upstream HoldingsLimited*	100	UAE	Intermediate holding company of Dana Gas Egypt, Pearl Petroleum and Dana Gas Exploration
Dana Gas Midstream HoldingsLimited*	100	UAE	Intermediate holding company of Sajgas, UGTC and Dana Gas Midstream operations
Dana Gas Midstream Operations Limited	100	British Virgin Islands	Holding company of CNGCL
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

Joint Operations	%	Country of incorporation	Principal activities
Pearl Petroleum Company Limited ("Pearl Petroleum")	35	British Virgin Islands	Oil and Gas exploration & production
UGTC/ Emarat JV	50	Unincorporated	Gas Transmission

Joint Ventures	%	Country of incorporation	Principal activities
Crescent National Gas Corporation Limited ("CNGCL")	35	British Virgin Islands	Gas Marketing
GASCITIES Ltd	50	British Virgin Islands	Gas Cities

* incorporated during 2023

Notes to the Consolidated Financial Statements continued
At 31 December 2023

2 MATERIAL 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 Dirham (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.

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) and in compliance with the applicable provisions of the UAE Federal Law No. 32 of 2021.

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.

2.3 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 2023. These standards and amendments had no impact on the consolidated financial statements of the Group.

- IFRS 17 Insurance Contracts (1 January 2023)
- Definition of Accounting Estimates – Amendments to IAS 8 (1 January 2023)
- Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2 (1 January 2023)
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12 (1 January 2023)
- International Tax Reform – Pillar Two Model Rules – Amendments to IAS 12 (1 January 2023)

New standards and interpretations not yet adopted

The standards, amendments and interpretations that are issued, but not yet effective as at 31 December 2023 are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective.

- Amendments to IFRS 16: Lease Liability in a Sale and Leaseback (1 January 2024)
- Amendments to IAS 1: Classification of liabilities as Current or Non-Current (1 January 2024)
- Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7 (1 January 2024)

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 Company and its subsidiaries as at 31 December.

(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 consolidated 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.

Notes to the Consolidated Financial Statements continued
At 31 December 2023

2 MATERIAL ACCOUNTING POLICIES continued

2.4 Basis of consolidation continued

(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 consolidated 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.

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:

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 consolidated 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 MATERIAL ACCOUNTING POLICIES continued

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 interests

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.

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 of 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 MATERIAL ACCOUNTING POLICIES continued

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 mainly 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.

2.12 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 of 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.

Notes to the Consolidated Financial Statements continued
At 31 December 2023

2 MATERIAL ACCOUNTING POLICIES continued

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 consolidated 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.

2.23 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.

2.24 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.

2 MATERIAL ACCOUNTING POLICIES continued

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 Group 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 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 MATERIAL 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 material 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 15) and assets relating to Saj Gas and UGTC included under Property, plant and equipment (note 12) and Intangible assets (note 13). 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 15). 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 2021. 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 2023, the Group holds 35% (31 December 2022: 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.

Estimates and assumptions

The Group has identified the following areas where material 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 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 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.

3.6 Financial assets through profit or loss: 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 which did not result in material impact to the fair value of these assets at 31 December 2023. 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 2023 and 2022 is shown in Note 12.

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 each reporting date i.e. 31 December.

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.

Notes to the Consolidated Financial Statements continued
At 31 December 2023

3 MATERIAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS continued

Estimates and assumptions (continued)

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 2023

	United Arab Emirates USD mm	Egypt USD mm	Kurdistan Region of Iraq USD mm	Total USD mm
Gross revenue	4	201	218	423
Royalties	–	(109)	–	(109)
Net revenue	4	92	218	314
Operating cost & depletion	(2)	(53)	(69)	(124)
Gross profit	2	39	149	190
General and administration expenses*	–	–	–	(11)
Investment and finance income	–	–	–	10
Other income	5	3	–	8
Impairment of financial assets	(3)	-	–	(3)
Change in fair value of investment property	1	–	–	1
Share of profit of a joint venture	–	–	–	(1)
Finance cost	–	–	–	(18)
Profit before income tax				176
Income tax expense	–	(16)	–	(16)
Net Profit for the year				160
Segment assets as at 31 December 2023	1,458	182	1,156	2,796
Segment liabilities as at 31 December 2023	129	38	258	425

* included in General & Administrative is auditors' remuneration amounting to USD 321 thousand for audit services.

	United Arab Emirates USD mm	Egypt USD mm	Kurdistan Region of Iraq USD mm	Total USD mm
Other segment information				
Capital expenditure:				
Property, plant and equipment	**–**	**15**	**124**	**139**
Intangible assets	**–**	**6**	**–**	**6**
Depreciation & depletion	**2**	**33**	**36**	**71**
Staff costs				
Operating cost - staff	**–**	**8**	**14**	**22**
General & administrative	**6**	**–**	**–**	**6**
Other expenses	**1**	**–**	**–**	**1**
Capital expenditure	**–**	**7**	**4**	**11**

Year ended 31 December 2022

	United Arab Emirates USD mm	Egypt USD mm	Kurdistan Region of I raq USD mm	Total USD mm
Gross revenue	4	270	255	529
Royalties	–	(152)	–	(152)
Net revenue	4	118	255	377
Operating cost & depletion	(2)	(63)	(63)	(128)
Gross profit	2	55	192	249
General and administration expenses	–	–	–	(12)
Other expenses	–	–	–	(10)
Investment and finance income	–	–	–	5
Other income	35	1	–	36
Impairment of PP&E, Intangible & Joint venture	–	(2)	–	(2)
Impairment of financial assets	(47)	–	–	(47)
Share of profit of a joint venture	–	–	–	(2)
Finance cost	–	–	–	(9)
Profit before income tax				208
Income tax expense	–	(26)	–	(26)
Net Profit for the year				182
Segment assets as at 31 December 2022	1,505	167	997	2,669
Segment liabilities as at 31 December 2022	82	40	247	369

Notes to the Consolidated Financial Statements continued
At 31 December 2023

4 SEGMENT INFORMATION continued

Year ended 31 December 2022

	United Arab Emirates USD mm	Egypt USD mm	Kurdistan Region of Iraq USD mm	Total USD mm
Other segment information				
Capital expenditure:				
Property, plant and equipment	–	18	100	118
Intangible assets	–	20	–	20
Depreciation & depletion	2	33	36	71
Staff costs				
Operating cost - staff	–	13	12	25
Operating cost – production cost	–	–	2	2
General & administrative	5	–	–	5
Other expenses	1	–	–	1
Capital expenditure	–	9	3	12

5 REVENUE

	2023 USD mm	2022 USD mm
Gross revenue	**419**	525
Tariff fee	**4**	4
	423	529
Less: royalties	**(109)**	(152)
Net revenue	**314**	377

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 as and when customers are invoiced on a monthly basis.

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 January 2023 to April 2023 have been billed based on the provisional pricing information received from the KRG and the resultant upward adjustment (net) of $0.5 million relating to the months of February to April 2023 has been recorded in the revenue for the year ended 31 December 2023 along with corresponding increase in trade receivable. Further adjustment, if any, post receipt of final audited pricing particulars from KRG will be accounted for prospectively.

6 OPERATING COSTS & DEPLETION

	2023 USD mm	2022 USD mm
Production costs	**31**	32
Staff costs (note 4)	**22**	25
Depreciation and depletion (note 12)	**71**	71
	124	128

7 INVESTMENT AND FINANCE INCOME

	2023 USD mm	2022 USD mm
Profit on short term deposit	**4**	3
Interest on delayed payments (note a)	**6**	2
	10	5

a) Represents interest billed to the KRG on delayed payments against petroleum sales for the year ended 31 December 2023 and 2022, respectively, in accordance with the terms of the PDA and the Gas Sales Agreement dated 30 January 2018 (GSA 1) with the KRG.

8 OTHER INCOME

	2023 USD mm	2022 USD mm
Gain On sale of Property, plant and equipment	**5**	–
Financial asset recognised during the year (note 18)	**–**	35
Others	**3**	1
	8	36

9 FINANCE COST

	2023 USD mm	2022 USD mm
Term finance (note 24a & b)	**12**	4
Project finance – Pearl (note 24c)	**1**	1
Others	**5**	4
	18	9

10 INCOME TAX EXPENSE

(a) UAE

The Company is not liable to corporate income tax in its primary jurisdiction. On 9 December 2022, the UAE Ministry of Finance released Federal Decree-Law No. 47 of 2022 on the Taxation of Corporation and Businesses (Corporate Tax or the Law) to enact a Federal corporate tax (CT) regime in the UAE. The CT regime become effective for accounting period beginning on or after 1 June 2023.

The Cabinet of Ministers Decision No. 116 of 2022 specifies the threshold of income over which the 9% tax rate would apply and accordingly, the Law is now considered to be substantively enacted from the perspective of IAS 12 – Income Taxes. A rate of 9% will apply to taxable income exceeding AED 375,000 and a rate of 0% will apply to taxable income not exceeding AED 375,000 and a rate of 0% on qualifying income of free zone entities.

The Group will be subject to taxation commencing from 1 January 2024. The Group assessed and concluded that there is no deferred tax implication as at 31 December 2023.

(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% (2022: 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.

	2023 USD mm	2022 USD mm
Earnings:		
Net profit for the year - USD mm	**160**	182
Shares:		
Weighted average number of shares outstanding – million	**6,995**	6,995
Earnings per share (Basic & Diluted)– USD:	**0.023**	0.026

12 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 2023	**14**	**12**	**1,673**	**387**	**44**	**119**	**490**	**2,739**
Additions (net)	**–**	**–**	**15**	**–**	**–**	**–**	**124**	**139**
Transfer	**–**	**–**	**–**	**3**	**3**	**–**	**(6)**	**–**
At 31 December 2023	**14**	**12**	**1,688**	**390**	**47**	**119**	**608**	**2,878**
Depreciation/depletion								
At 1 January 2023	**–**	**7**	**1,219**	**280**	**36**	**71**	**66**	**1,679**
Depreciation/depletion charge for the year	**–**	**–**	**56**	**9**	**2**	**4**	**–**	**71**
At 31 December 2023	**–**	**7**	**1,275**	**289**	**38**	**75**	**66**	**1,750**
Net carrying amount: At 31 December 2023	**14**	**5**	**413**	**101**	**9**	**44**	**542**	**1,128**

Some of Pearl Petroleum's property, plant and equipment is pledged against loan facility (note 24).

Property, plant and equipment include financing cost amounting to USD 37 million as at 31 December 2023 (2022: USD 25 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 2022	14	12	1,658	385	44	119	389	2,621
Additions (net)	–	–	15	2	–	–	101	118
At 31 December 2022	14	12	1,673	387	44	119	490	2,739
Depreciation/depletion:								
At 1 January 2022	–	7	1,165	269	34	67	66	1,608
Depreciation/depletion charge for the year	–	–	54	11	2	4	–	71
At 31 December 2022	–	7	1,219	280	36	71	66	1,679
Net carrying amount:								
At 31 December 2022	14	5	454	107	8	48	424	1,060

Some of Pearl Petroleum's property, plant and equipment is pledged against loan facility (note 24).

Property, plant and equipment include financing cost amounting to USD 25 million as at 31 December 2022 (2021: USD 15 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 were to be used for processing and sweetening of the gas received from CNGCL and UGTC assets were 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 breach of its 25 year gas supply contract.

Dana Gas was informed by Crescent Petroleum that an award for damages in the first arbitration against NIOC was 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 had carried out an assessment of the recoverable values of the Saj Gas and UGTC assets and based on the expected future cash flows to be generated by the assets had recognised an impairment provision of USD 74 million against these assets in 2021.

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 2% 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 10% of Dana Gas Egypt current production.

13 INTANGIBLE ASSETS

	Oil and gas interests USD mm	**Transmission & sweetening rights USD mm**	**Total USD mm**
Cost at 1 January 2023	**221**	**289**	**510**
Less: accumulated impairment	**(201)**	**(98)**	**(299)**
Net book amount at 1 January 2023	**20**	**191**	**211**
Addition	**6**	**–**	**6**
At 31 December 2023	**26**	**191**	**217**

	Oil and gas interests USD mm	Transmission & sweetening rights USD mm	Total USD mm
Cost at 1 January 2022	201	289	490
Less: accumulated impairment	(201)	(98)	(299)
Net book amount at 1 January 2022	–	191	191
Addition	20	–	20
At 31 December 2022	20	191	211

13 INTANGIBLE ASSETS continued

(a) Transmission and sweetening rights

Intangible assets include USD 191 million (2022: USD 191 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 was informed by Crescent Petroleum that an award for damages in the first arbitration against NIOC was 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 had carried out an assessment of the recoverable values of the transmission & sweetening rights and based on the expected future cash flows to be generated by these assets had recognised an impairment provision of USD 98 million in 2021.

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 was delayed to March 2023. The hearing has been further deferred and is now anticipated in late 2024. 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.

14 INVESTMENT PROPERTY

	2023 USD mm	2022 USD mm
Balance at 1 January	**20**	20
Change in fair value	**1**	–
Balance at 31 December	**21**	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 2023 and resulted in a valuation of USD 21.5 million.

15 INTEREST IN JOINT VENTURES

The following table summarises the statement of financial position of the joint ventures as at 31 December 2023:

	Gas Cities USD mm	CNGCL USD mm	Total USD mm
Current assets			
Other current assets	2	–	2
Total current assets	2	–	2
Non-current assets	–	17	17
Current liabilities			
Other current liabilities	(9)	(58)	(67)
Total current liabilities	(9)	(58)	(67)
Non-current liabilities			
Other non-current liabilities	–	(19)	(19)
Total non-current liabilities	–	(19)	(19)
Net liabilities	(7)	(60)	(67)
Reconciliation to carrying amount			
Opening net assets/(liabilities) as of 1 January 2023	(7)	(56)	(63)
Loss for the year	–	(4)	(4)
Closing net assets/(liabilities) as of 31 December 2023	(7)	(60)	(67)
Group's share in %age	50%	35%	
Group's share of net assets/(liabilities)	(3)	(21)	(24)
Acquisition cost/adjustment	3	569	572
Impairment	–	(188)	(188)
Carrying amount as of 31 December 2023	–	360	360

The following table summarises the income statement of the joint ventures for the year ended 31 December 2023:

	Gas Cities USD mm	CNGCL 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 significant contingent liabilities or capital commitments as at 31 December 2023 and 2022.

15 INTEREST IN JOINT VENTURES continued

The following table summarises the statement of financial position of the joint ventures as at 31 December 2022:

	Gas Cities USD mm	CNGCL USD mm	Total USD mm
Current assets			
Other current assets	2	–	2
Total current assets	**2**	**–**	**2**
Non-current assets	–	18	18
Current liabilities			
Other current liabilities	(9)	(55)	(64)
Total current liabilities	**(9)**	**(55)**	**(64)**
Non-current liabilities			
Other non-current liabilities	–	(19)	(19)
Total non-current liabilities	**–**	**(19)**	**(19)**
Net liabilities	**(7)**	**(56)**	**(63)**
Reconciliation to carrying amount			
Opening net assets/(liabilities) as of 1 January 2022	(7)	(50)	(57)
Loss for the year	–	(6)	(6)
Closing net assets/(liabilities) as of 31 December 2022	(7)	(56)	(63)
Group's share in %age	50%	35%	
Group's share of net assets/(liabilities)	(3)	(20)	(23)
Acquisition cost/adjustment	3	569	572
Impairment	–	(188)	(188)
Carrying amount as of 31 December 2022	–	361	361

The following table summarises the income statement of the joint ventures for the year ended 31 December 2022:

	Gas Cities USD mm	CNGCL USD mm	Total USD mm
Revenue	–	–	–
Interest Income	–	–	–
Depreciation and amortisation	–	–	–
Interest expense	–	–	–
Income tax expense	–	–	–
Total comprehensive loss for the year	–	(6)	(6)

15 INTEREST IN JOINT VENTURES continued

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 was informed by Crescent Petroleum that an award for damages in the first arbitration against NIOC was 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 based on the expected future cash flows to be generated had recognised an impairment provision of USD 188 million in 2021.

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. The final hearing was scheduled to commence in October 2022 in Paris, however was delayed to March 2023. The hearing has been further deferred and is now anticipated in late 2024. 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.

16 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 Gas Upstream Holdings Limited 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"). Following a corporate restructuring that took place in December 2023, Dana Gas PJSC, the previous 35% shareholder of Pearl's shares, transferred its shareholding to its wholly owned subsidiary, Dana Gas Upstream Holdings Limited.

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 Gas PJSC 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:

	2023 USD mm	2022 USD mm
Assets:		
Non-current assets	**910**	822
Current assets	**247**	175
Total Assets	**1,157**	997
Liabilities:		
Non-current liabilities	**139**	179
Current liabilities	**116**	68
Total Liabilities	**255**	247
Net Assets	**902**	750
Revenue	**218**	255
Operating cost	**(33)**	(27)
Depreciation	**(36)**	(36)
Gross profit	**149**	192

Notes to the Consolidated Financial Statements continued
At 31 December 2023

16 INTEREST IN JOINT OPERATIONS continued

(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:

	2023 USD mm	2022 USD mm
Assets:		
Non-current assets	**11**	12
Current assets	**19**	18
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

17 INVENTORIES

	2023 USD mm	2022 USD mm
Spares and consumables	**26**	21
	26	21

18 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2023 USD mm	2022 USD mm
Balance at 1 January	**94**	119
Recognised during the year	**–**	35
Received during the year	**–**	(16)
Write-off	**–**	(44)
Balance at 31 December	**94**	94

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

	2023 USD mm	2022 USD mm
Current assets	**13**	7
Non-current assets	**81**	87
	94	94

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 additional reserves in Pearl Petroleum. The Company has filed claims in February 2020, along with Crescent Petroleum, against MOL Hungarian Oil and Gas Public Company (MOL) and OMV Upstream International GMBH (OMV) to recover reserve based earn out payments claimed to be due to the Company in accordance with the terms of the Sale and Purchase Agreement entered into between the Parties in 2009. The Company received the final awards in both the arbitration from the London Court of International Arbitration during 2022 and 2023. The arbitration panel dismissed the claims and ruled that the Company is not entitled to the earn-out payments, consequently the carrying value of earn out payment was written off during 2022.

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 did not receive any amount 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 years.

The Company did not make any investment in shares or stock during the year ended 31 December 2023 (31 December 2022: Nil).

19 SUM DUE FOLLOWING ARBITRATION AWARD

	2023 USD mm	2022 USD mm
Sum due following arbitration award	**608**	608

The Company was informed by Crescent Petroleum that an award for damages in the first arbitration against NIOC was 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 was recorded in 2021. The amount is expected to be fully recovered through an enforcement process being undertaken by Crescent Petroleum and the Company expects to receive the sum due to it within the next twelve months. In addition, the sum due is subject to interest for delayed payment which at the end of 2023 amounted to USD 67.5 million.

20 TRADE AND OTHER RECEIVABLES

	2023 USD mm	2022 USD mm
Trade receivables (net)	**151**	94
Prepaid expenses	**2**	1
Due from joint ventures	**19**	16
Accrued revenue (note c)	**8**	8
Other receivables	**31**	24
	211	143

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 2023	**151**	**24**	**13**	**4**	**16**	**94**	**–**
31 December 2022	94	40	25	16	9	4	–

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 Q1 2024. Accordingly, the provisional adjustment to amounts due from the KRG has been reflected in this financial statement as an accrued revenue asset.

d) Includes USD 8.3 million (DG Share 35%) interest billed to the KRG by Pearl on delayed payments against petroleum sales in accordance with the terms of the Petroleum Development Agreement and the Gas Sales Agreement dated 30 January 2018 with the KRG.

21 CASH AND CASH EQUIVALENTS

	2023 USD mm	2022 USD mm
Cash at bank		
- Local Banks within UAE	**21**	47
- Restricted - Local Banks within UAE	**–**	6
- Foreign Banks outside UAE	**23**	26
Short-term deposits		
- Local Banks within UAE	**61**	61
- Foreign Banks outside UAE	**4**	–
- Restricted – Local Banks within UAE (Joint operations – 35%)	**14**	8
- Restricted – Foreign Banks outside UAE (Joint operations – 35%)	**8**	3
Cash and cash equivalents	**131**	151

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 131 million (31 December 2022: USD 151 million). The effective profit rate earned on short term deposits ranged 4.5% to 6.2% (2022: 0.1% to 5.4%) per annum. As at 31 December 2023, 73% (31 December 2022: 81%) 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 131 million, 4% of the amount was held in Egyptian pounds (2022: 2%).

Cash & cash equivalent includes USD 114 million (DG Share 35%) held by Pearl joint venture.

22 SHARE CAPITAL

	2023 USD mm	2022 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

23 LEGAL AND VOLUNTARY RESERVE

	Legal reserve USD mm	Voluntary reserve USD mm
At 1 January 2022	164	32
Appropriation for the year	18	18
At 31 December 2022	182	50
Appropriation for the year	16	16
At 31 December 2023	198	66

(a) Legal Reserve

In accordance with the U.A.E. Federal Law No. 32 of 2021, 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.

24 BORROWINGS

	2023 USD mm	2022 USD mm
Non-current		
Term loan facility (a)	**29**	38
Loan facility (b)	**81**	121
	110	159
Current		
Term loan facility (a)	**14**	19
Short term facility (b)	**65**	–
Loan facility (c)	**63**	38
	142	57
Total Borrowings	**252**	216

	2023 USD mm	2022 USD mm
Total Borrowings (including Pearl joint operations)	**252**	216
Less: Pearl's Loan facility– Non recourse to Dana Gas	**(144)**	(159)
Dana Gas borrowings	**108**	57

(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. In 2021, the Company has exercised its option to extend the facility for a further period of four years. As of 31 December 2023, the amount outstanding towards principal is USD 43 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. The Company has complied with all the financial covenants as of 31 December 2023 except for debt service coverage ratio for Dana Gas PJSC and Dana Gas Egypt.

During the year, in July 2023 the bank had waived the requirement for compliance with this financial convenant related to Dana Gas Egypt debt service coverage ratio for a period of one year i.e. upto 30 June 2024. In addition, in September the bank agreed to defer principal payment due on 14 October 2023 and also waived the requirement to comply with this financial covenant related to Dana Gas debt service coverage ratio for a period of 9 months i.e. upto 30 June 2024. Further in December 2023 the bank again agreed to defer principal payment due on 14 January 2024. The deferred principal amount will be added to the final outstanding amount payable under the loan agreement.

(b) Short-term loan facility

Dana Gas PJSC entered into a short-term loan facility with a local UAE bank on 20 March 2023. The short-term facility amounts to USD 65 million for a period of 10 months ("the term"), maturing on 31 December 2023. The facility was fully drawn down on 25 April 2023.

Subsequent to year end, on 6 February, the Company signed an Addendum No.1 to the original loan agreement, to increase the loan facility by USD 5 million from USD 65 million to USD 70 million, maturing on 30 September 2024. The facility was fully drawn down on 15 February 2024. As per the terms of the addendum, repayment is to be made in multiple instalments in the amounts and on the date specified in the addendum.

24 BORROWINGS continued

(c) 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 deferred from 2020 (USD 12.5 million) have been repaid during 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 made on 31 March 2022 and final repayment date is 30 September 2024. In 2021, Pearl opted to capitalize the interest payable during 2021 (USD 10 million) over the remaining balance of the facility (i.e. USD 137.5 million), with repayment due on this capitalized interest on 30 September 2024, in accordance with the amended facility agreement. During the year ended 31 December 2023, Pearl has paid USD 50 million for repayment of principal under the facility (cumulative principal repayment until 31 December 2023 is at USD 112.5 million). As at 31 December 2023 the outstanding amount under the facility was USD 47.5 million, which is due by 30 September 2024 and have been classified as current liabilities.

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 principally 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 quarterly 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). During the year ended 31 December 2023, Pearl has paid USD 60 million for repayment of principal under the facility. As at 31 December 2023 the outstanding amount under the facility was USD 60 million which is due by 30 September 2024 and have been classified as current liabilities.

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 the full amount from the facility as at 31 December 2022. The total outstanding amount under the facility was USD 250 million as at 31 December 2023. The repayment instalments under the facility of USD 41.67 million which are due by 31 December 2024 have been classified as current liabilities.

Pearl executed a further USD 65 million loan facility with a local UAE bank with an effective date of 30 September 2023 and a final repayment date of 31 March 2025. The Facility is to be repaid in two equal instalments due on 31 December 2024 and 31 March 2025. As at 31 December 2023, Pearl has drawndown USD 65 million under the facility. The total outstanding amount under the facility was USD 65 million as at 31 December 2023. The repayment instalments under the facility of USD 32.5 million which are due by 31 December 2024 have been classified as current liabilities.

Pearl has provided pari-passu security to the Lender by way of assignment of revenue, insurance, major construction contracts, pledge over revenue/debt service/debt service reserve account, registered pledge over Pearl's certain existing production assets in Kurdistan 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 2023.

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 2023.

25 PROVISIONS

	2023 USD mm	2022 USD mm
Non-current		
Asset decommissioning obligation (a)	**15**	16
Employee's end of service benefits (b)	**4**	4
	19	20

(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 0.7 million was recognized as an expense and USD 0.8 million of provision was utilized.

26 TRADE PAYABLES AND ACCRUALS

	2023 USD mm	2022 USD mm
Trade payables	**22**	23
Accruals and other payables	**111**	95
Accrued interest on EPC contract (a)	**8**	4
Asset decommissioning obligation	**1**	2
Other liabilities	**12**	9
	154	133

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

	2023 USD mm	2022 USD mm
Current liabilities	**97**	75
Non-current liabilities (b)	**57**	58
	154	133

(a) Represents interest accrued by Pearl on the Engineering, Procurement and Construction (EPC) contract with Enerflex amounting to USD 8 million (DG Share 35%), being the implied finance cost.

(b) Represents the non-current portion of the EPC contract with Enerflex accrued and disclosed under non-current liabilities of USD 52 million (DG Share 35%) and non-current portion of implied finance cost of USD 5 million (DG Share 35%)

27 COMMITMENTS

Pearl Petroleum

As at 31 December 2023, Pearl had capital commitments of circa USD 98.3 million (DG Share: USD 34.4 million) – (2022: USD 191.57 million – DG share: USD 67 million) which mainly includes commitment relating to engineering, procurement and construction contract for development of 250 MMscfd gas processing train in Khor Mor.

28 RELATED PARTY DISCLOSURES

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

	2023 USD mm	2022 USD mm
Fee for management services by shareholder	**1**	2
Fees for management services to Joint arrangement	**3**	3
Revenues billed to Joint arrangement	**1**	1

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:

	2023 USD mm	2022 USD mm
Short-term benefits	**4**	4
	4	4

29 DIVIDEND

At the Annual General Meeting of the Company held on 26 April 2023, the shareholders approved a final cash dividend of 4.5 fils per share for 2022 bringing the total cash dividend for the financial year ended 31 December 2022 to 9 fils per share (2021: 8 fils per share).

30 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial risk factors

The Group's principal financial liabilities comprise borrowings, decommissioning obligations (provisions), trade payables and other payables. 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.

(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 6 million.

At 31 December 2023, 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 0.6 million higher/ lower (2022: USD 0.3 million), as a result of foreign exchange gains/losses on translation of Egyptian pounds denominated cash and bank balance.

(b) Interest rate risk

The Group has minimal exposure to Interest rate risk on bank deposits. The Group has exposure to interest rate risk on its share of borrowing in Pearl and its term loan facilities. If the interest rate would have increased/decreased by 10% with all other variables held constant, total comprehensive profit for the year would have been USD 1.3 million lower/higher (2022: USD 0.8 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 47% (2022: 39%) of the Group's gross revenue. At 31 December 2023, if the average price of oil for the year had increased/decreased by 10% with all other variable held constant the Group's total comprehensive profit for the year would have been USD 18 million higher/lower (2022: USD 28 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 103 million and USD 48 million, respectively (2022: USD 64 million and USD 30 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 20.

(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 2023 is the carrying amount as illustrated in note 21.

(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 2023

	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)	**1**	**166**	**127**	**–**	**294**
Trade payables and accruals	**15**	**69**	**70**	**–**	**154**
	16	**235**	**197**	**–**	**448**

Year ended 31 December 2022

	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	67	186	–	259
Trade payables and accruals	31	28	74	–	133
	37	95	260	–	392

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 shareholders 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 2023 and 31 December 2022. Capital comprises issued capital, retained earnings and other reserves attributable to the equity holders of the Parent and is measured at USD 2,371 million as at 31 December 2023 (2022: USD 2,300 million).

Notes to the Consolidated Financial Statements continued
At 31 December 2023

30 Financial risk management objectives and policies continued

Net debt reconciliation

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

	2023 USD mm	2022 USD mm
Cash and cash equivalents	**131**	151
Borrowings	**(252)**	(216)
Net debt	**(121)**	(65)

	Borrowings USD mm	Cash USD mm	Total USD mm
At 1 January 2022	(199)	185	(14)
Cash flow movement during the year	(17)	(34)	(51)
At 31 December 2022	(216)	151	(65)
Cash flow movement during the year	(36)	(20)	(56)
At 31 December 2023	(252)	131	(121)

The gearing ratio at 31 December 2023 and 31 December 2022 were as follows:

	2023 USD mm	2022 USD mm
Net debt	**121**	65
Total equity	**2,371**	2,300
Net debt to equity ratio	**5.1%**	2.83%

Financial covenants relating to borrowings are disclosed in note 24.

31 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 2023 USD mm	Fair value 2023 USD mm	Carrying amount 2022 USD mm	Fair value 2022 USD mm
Financial assets				
Trade and other receivables (excluding prepaid)	**209**	**209**	142	142
Financial assets at fair value through Profit or loss	**94**	**94**	94	94
Cash and short term deposits	**131**	**131**	151	151
Financial liabilities				
Borrowings	**252**	**252**	216	216
Trade payables and accruals	**154**	**154**	133	133

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.

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 2023:

	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	**–**	**–**	**94**	**94**
Investment property	**–**	**21**	**–**	**21**
Total	**–**	**21**	**94**	**115**

The following table presents the Group' assets that are measured at fair value on 31 December 2022:

	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	–	–	94	94
Investment property	–	20	–	20
Total	–	20	94	114

There have been no transfers between Level 1 and Level 2 during the years 2023 and 2022.

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. There are no significant movements in relation to those financial assets measured at fair value using inputs as per Level 3 measurement criteria.

32 SOCIAL CONTRIBUTIONS

As part of the Corporate Social Responsibility Initiatives, the Group spent USD 1,220,750 (2022: USD 553,000) during the year.

Notes

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