



دانة غاز  
DANA GAS

***18<sup>th</sup> Annual General Assembly Meeting***

***17-24 April 2024 (1<sup>st</sup> and 2<sup>nd</sup> calls)  
11:00 AM***

**At Dana Gas Head Office and virtually**

## 18<sup>th</sup> ANNUAL GENERAL ASSEMBLY MEETING

17-24 April 2024 (1<sup>st</sup> and 2<sup>nd</sup> Calls) at 11:00 AM

### MEETING AGENDA

1. Chairman's Address to the Shareholders  
*Mr. Hamid Jafar*
2. The Chief Executive Officer's Statement  
*Mr. Richard Patrick Hall*

### AGENDA ITEMS

1. Review and approval of the report of the Board of Directors on the Company's Activities and its Financial Position for the Financial Year ended 31 December 2023.
2. Review and approval of the report of the Company's Auditor for the Financial Year ended 31 December 2023.
3. Discussion and approval of the Company's Balance Sheet and its Profit and Loss Account for the year ended 31 December 2023.
4. Review of the Board of Directors' proposals regarding the Appropriations and not to distribute dividends for the financial year ended 31 December 2023.
5. Approval of a proposal regarding the Annual Remuneration of the Company's Board of Directors and determining it.
6. Absolving the Members of the Board of Directors and Executive Management from liability for the Financial Year ended 31 December 2023.
7. Absolving the External Auditors of the Company from liability for the Financial Year ended 31 December 2023.
8. Approval of the appointment of Board member Mr. Ahmed Abdulhamid Mohamed Alahmadi in place of Mr. Jassim Alseddiqi who resigned on 3 October 2023.
9. Appointment of the External Auditors for the Financial Year 2024 and determination of their fees.
10. **Special Resolution:** To consider and approve amendment to Article 20 of the Company's Articles of Association as published at the Company's page at ADX and uploaded to the Company's website.
11. Election of members of the Board of Directors for the Term 2024-2027.

## **CHAIRMAN'S ADDRESS**

### **Mr. Hamid Jafar**

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.**

# **THE CEO'S STATEMENT**

## **Mr. Richard Patrick Hall**

**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.

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. Thankfully 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<sub>2</sub> 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<sub>2</sub> 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.



**18<sup>th</sup> ANNUAL GENERAL ASSEMBLY MEETING**  
**17-24 April 2024 (1<sup>st</sup> and 2<sup>nd</sup> Calls) at 11:00 AM**

**BOARD RECOMMENDATIONS TO THE AGM**

**Introduction:**

According to Article 179 of the Federal Decree Law No. 32 of 2021 concerning Commercial Companies Law, the Annual General Assembly (AGM) shall consider and approve the following issues:

- (1) The Board of Directors' Report on the Company's activities and financial position during the year and the auditor's report;
- (2) The balance sheet and profit and loss account;
- (3) The election of Directors if necessary;
- (4) The appointment and remuneration of the auditor;
- (5) Consideration of proposals by the Board of Directors for the distribution of dividend in cash or bonus shares;
- (6) Consideration of proposals by the Board of Directors for the remuneration of the Directors and determination of their remuneration;
- (7) Exonerating or dismissing Directors and filing liability lawsuits against them, as the case may be; and
- (8) Exonerating or dismissing auditors and filing liability lawsuits against them as the case may be.

The Board of Directors, at its meeting on 13 March 2024, considered the Agenda items to be presented for this eighteenth Annual General Assembly Meeting and resolved to submit the following recommendations to the AGM:

**Recommendation No. (1):**

**Approval of the Board of Directors' Report on the Company's Activities and its Financial Position during the Financial Year ended December 31<sup>st</sup>, 2023.**

The Report of the Board of Directors on the activities and the financial position of the Company for the Financial Year ended 31<sup>st</sup> December 2023 is presented for discussion and approval. The contents of the Report are set out before the AGM by the Chairman and the Chief Executive Officer and has been posted more than a month prior to the date of the AGM on the website of the Company and on the ADX website for perusal by the Shareholders.

Accordingly, the Board of Directors recommends that the AGM adopt the following resolution:

**“Resolved to approve the Report of the Board of Directors on the Company’s activities and its financial position during the Financial Year ended December 31<sup>st</sup>, 2023”.**

The recommendation is presented to the General Assembly of Shareholders for consideration and approval.

**Recommendation No. (2):**

**Approval of The Company’s External Auditors’ Report for the Financial Year ended December 31<sup>st</sup>, 2023.**

The Company’s Auditors will present the Auditors’ Report on the Company’s Financial Statements for the Financial Year ended 31<sup>st</sup> December 2023 to the AGM for deliberation and ratification.

The Board of Directors recommends that the AGM adopts the following resolution:

**“Resolved to approve the Company’s External Auditors’ Report for the Financial Year ended December 31<sup>st</sup>, 2023”.**

The matter is presented to the General Assembly of Shareholders for consideration and approval.

**Recommendation No. (3):**

**Approval of the Company’s Financial Statements, Balance Sheet and Profit & Loss Account for the Financial Year ended December 31<sup>st</sup>, 2023.**

The Board of Directors discussed and approved the Company’s Financial Statements, Balance Sheet and Profit & Loss Account for the Financial Year ended 31<sup>st</sup> December 2023 audited by the Company’s auditors Ernst & Young, in its meeting on 13<sup>th</sup> March 2024. The Financial Statements, Balance Sheet and Profit & Loss Account have been posted on the Company’s website and ADX website prior to the AGM to enable perusal by the Shareholders.

The Board of Directors recommends that the AGM adopt the following resolution:

**“Resolved to approve the Company’s Financial Statements including the Balance Sheet and Profit & Loss Account for the Financial Year ended December 31<sup>st</sup>, 2023.”**

The matter is presented to the Annual General Assembly of Shareholders for discussion and approval.

**Recommendation No. (4):**

**Review of the Board of Directors’ proposals regarding the Appropriations and not to distribute dividends for the financial year ended 31 December 2023.”**

**Justifications for the recommendation not to distribute dividends:**

Pearl Petroleum’s prioritization of its capital requirements given the rise in receivables in 2023 has resulted in Pearl’s shareholders, including Dana Gas, not receiving a dividend payment in 2023. Consequently, Dana Gas is not in a position presently to recommend a dividend for 2023. However, recognizing the Company’s declared profitability in 2023, the Company does expect to make the associated dividend distributions in the future as sufficient cash is received. Dana Gas remains committed to its declared dividend policy, and to reinstating dividend payments as soon as the Company’s cash receipts permit.

Article 241 of the Commercial Companies Law requires allocation of 10% of the Company's annual net profits to the Legal Reserve. Article 60 of the Company's Article of Association has provided that 10% of the Company's annual net profit shall be allocated to Voluntary Reserves.

The remaining net profits may, upon the recommendation of the Board of Directors, be distributed to the Shareholders as dividend or be carried forward to the following year.

The Board of Directors recommends that the AGM adopt the following resolution:

***“Resolved, (a) to approve the following Appropriations:***

***(i) to transfer 10% of annual net profit to the Legal Reserve amounting to AED 59 million and to transfer 10% of annual net profit to the Voluntary Reserve amounting to AED 59 million; and***

***(ii) to carry forward the balance of AED 728 million to retained earnings;***

***(b) that no dividend shall be distributed for the financial year ended 31 December 2023.”***

The matter is presented before the General Assembly of Shareholders for consideration and approval.

**Recommendation No. (5):**

**“Approval and Determination of the Annual Remuneration of the Members of the Board of Directors”**

According to Article 179 (7) of the Commercial Companies Law, the AGM shall determine and approve the Annual Remuneration of the Members of the Board of Directors. Further information is included in the Board of Directors' Report under the section on the Board of Directors' Remuneration.

The Board of Directors recommends that the AGM adopts the following resolution:

**“Resolved, to approve the annual remuneration for the Board of Directors for 2023 in a total amount of AED 12,240,206.”**

The matter is laid to the General Assembly of Shareholders for consideration and approval.

**Recommendation No. (6):**

**Absolving the Members of the Board of Directors and the Executive Management from liability for the Financial Year ended December 31<sup>st</sup>, 2023.**

According to Article 179 (8) of the Commercial Companies Law, the AGM shall decide either to absolve the members of the Board of Directors from liability or to dismiss them or hold them liable and initiate legal proceedings against them for any specific action taken by the Board during the financial year.

The Board of Directors recommends that the AGM adopts the following Resolution:

**“Resolved to absolve the Members of the Board of Directors and the Executive Management from liability for their management of the Company during the Financial Year ended December 31<sup>st</sup>, 2023.”**



The matter is presented to the General Assembly of Shareholders for consideration and approval.

**Recommendation No. (7):**

**Absolving the External Auditors of the Company from liability for the Financial Year ended December 31<sup>st</sup>, 2023.**

According to Article 179 (9) of the Commercial Companies Law, the AGM shall decide either to absolve the Auditors of the Company from liability or to dismiss them or hold them liable and initiate legal proceedings of liability against them for any specific action taken by the Auditors during the financial year.

The Board of Directors recommends that the AGM adopt the following Resolution:

**“Resolved to absolve the Auditors of the Company from liability for their audit work with the Company during the Financial Year ended December 31<sup>st</sup>, 2023.”**

The matter is presented to the General Assembly of Shareholders for consideration and approval.

**Recommendation No. (8):**

**Approval of the appointment of Board member Mr. Ahmed Abdulhamid Mohamed Alahmadi in place of Mr. Jassim Alseddiqi who resigned on 3 October 2023.**

Article 145 of the Commercial Companies Law provides that the Board of Directors shall appoint a new member to hold any vacant position in the Board, provided that such appointment shall be referred to the General Assembly at its first meeting to approve such appointment or appoint another person.

The Board of Directors was elected on 28 April 2021 for the term 2021-2024. On 3 October 2023 Mr. Jassim Mohamedrafi Alseddiqi resigned from the Board of Directors. The Board of Directors appointed Mr. Ahmed Abdulhamid Mohamed Alahmadi the vacancy, which resulted from the resignation of Mr. Jassim Mohamedrafi Alseddiqi.

The Board of Directors recommends that the AGM adopts the following Resolution:

**“Resolved, to approve the appointment of Board member Mr. Ahmed Abdulhamid Mohamed Alahmadi in place of Mr. Jassim Alseddiqi who resigned on 3 October 2023 provided that Mr. Ahmed Abdulhamid Mohamed Alahmadi shall complete the term of his predecessor.”**

The matter is laid before the General Assembly of Shareholders for approval.

**Recommendation No. (9):**

**Appointment of the external auditors for the Financial Year 2024 and determination of their fees.**

According to Article 179 (5) and Article (245) (2) of the Commercial Companies Law, the General Assembly shall appoint one or more auditors for a renewable period of one year provided that their term shall not exceed six consecutive years from the date it took over the auditing in the company.

The Company shall appoint the auditors nominated by the Board of Directors and approved by the General Assembly. The General Assembly shall determine the fees of the auditors as the Board of Directors may not be authorized in this regard.

The Board of Directors recommends that the AGM adopt the following resolution:

**“Resolved, to appoint Ernst & Young as the Company’s External Auditors for the Financial Year ending December 31<sup>st</sup>, 2024, and fix their remuneration at AED 370,000.”**

The matter presented to the General Assembly of Shareholders for consideration and approval.

**Recommendation No. (10):**

**Special Resolution: “To consider and approve amendment to Article 20 of the Company’s Articles of Association as published at the Company’s page at ADX and uploaded to the Company’s website.”**

The Board of Directors considered in its meeting on 13<sup>th</sup> March 2024 the proposed amendment to the Company’s Amended & Restated Articles of Association to allow at least one third of directors to be independent in line with the amendments of the Corporate Governance Guide as amended. The proposed amendment has been posted more than 21 days prior to the date of the AGM on the website of the Company and on the ADX website for perusal by the Shareholders.

The Board of Directors recommends that the AGM adopt the following resolution:

**“Resolved, to approve amendment to Article 20 of the Company’s Articles of Association as published at the Company’s page at ADX and uploaded to the Company’s website.”**

The matter is presented to the General Assembly of Shareholders for consideration and approval.

**Recommendation No. (11):**

**Election of members of the Board of Directors for the Term 2024-2027.**

According to Article 21 of the Articles of Association, the Board of Directors shall be appointed for 3 years, and at the end of this period a new Board shall be elected. Directors shall be elected by the General Assembly through secret ballot. The necessary measures have been taken to elect a new Board of Directors for the term 2024-2027.

Nomination for the Board membership was issued on 22 March 2024 along with the invitation to the general assembly and remained open until 4<sup>th</sup> April 2024. The list of nominees has been posted on the Company’s website on April 12<sup>th</sup> 2024 (three days before the date of the AGM) together with a short resume for each candidate.

The election process will be conducted in accordance with the applicable rules and regulations. The list of the elected members will be announced and recorded in the AGM Minutes.

The Board of Directors recommends that the AGM adopts the following Resolution which reflects the result of the poll:

***"The General Assembly approves the election of the candidates as presented below for Board Membership for the Term 2024-2027:***

1-

2-