



Dana Gas reports AED 410 million (\$112 million) Net Profit in 9M 2024

Key Highlights – 9M 2024

- KRI production increased by 3% to 38,200 boepd
- Collections increased to AED 872 million (\$238m) in 9M 2024, compared to AED 612 million (\$167m) during 9M 2023
- Company fully paid down \$70m facility, reducing corporate debt from AED 396 million (\$108m) to AED 102 million (\$28m)
- Pearl Petroleum to oversee imminent restart of full-scale construction activities at KM250 Plant

Sharjah, UAE; 8 November 2024: Dana Gas PJSC (the “Company”), the Middle East’s largest regional private sector natural gas company, announced today its financial results covering nine months to 30 September 2024.

The Company’s revenue for the first nine months of 2024 stood at AED 1,048 million (\$286m), a 12% decline from AED 1,195 million (\$326m) in 9M 2023, given lower realized prices in condensate and LPG segments. The Company generated a net profit of AED 410 million (\$112 m) compared to AED 462 million (\$126m) in 9M 2023, due to lower realized prices and production decline in Egypt. The Company continued focus on driving cost and production optimization, particularly in the KRI, minimizes the financial impact of these challenges.

The Company is also pleased to note the strength of its balance sheet through the successful reduction in debt by c. AED 285 million (\$78m), bringing down the aggregate debt at the corporate level to c. AED 102 million (\$28m).

KM250 Update

Dana Gas and Pearl Petroleum (Pearl) are fully committed to safely and efficiently resuming the KM250 project. Following the termination of the previous EPC contract, Pearl Petroleum has now assumed direct control of construction. Full-scale construction activities are set to restart imminently, with first gas scheduled in Q2 2026.

In October, Pearl successfully raised \$350 million through a bond issue, which was well received by international investors. The bond, which carries a 3.5-year maturity, will allow sufficient time for the completion of KM250 and covers any remaining capital expenditure needs. Once operational, the KM250 expansion will significantly boost production capacity while delivering substantial benefits to the people of the Kurdistan Region and all of Iraq.

Egypt Consolidation

In early June, the Egyptian Parliament ratified the Company’s new Concession Agreement, which consolidates existing producing concessions into a unified framework with improved terms. Under this agreement, Dana Gas has committed to a significant development and exploration



program, including drilling 11 wells. This work program, with a planned investment of approximately \$100 million, is expected to increase production and add 80 billion cubic feet of gas reserves. These efforts will help offset natural declines in production and stabilize output over the coming years. Additionally, the increased gas supply is projected to yield cost savings of over \$1 billion for Egypt's economy, reducing reliance on imported LNG and mazut for power generation.

However, for these investments to move forward, Dana Gas has requested that the Egyptian government releases \$24 million from the outstanding \$59 million receivables balance, which will be fully reinvested in the country. Without this payment, the Company will not be able to proceed with the first phase of the consolidation program. These funds are essential to support the enhancements needed to boost the country's gas production capacity. The Company is actively working with the Egyptian Natural Gas Holding Company (EGAS) to resolve this issue promptly, ensuring both parties can contribute in supporting Egypt's energy objectives.

Richard Hall, CEO of Dana Gas, said:

"Our strong financial performance in 2024 demonstrates our operational excellence and resilience in a challenging environment of lower realized prices as well as a production decline in Egypt. Looking ahead, we are working diligently towards resuming full construction activities on our KM250 project, and our focus remains firmly on delivering the first commercial gas by Q2 2026.

With respect to Egypt, we are currently focused on resolving issues around payments, which are preventing us from investing as per the new Concession Agreement. Our plans are ready to execute as soon as the receivables are paid down. As one of the earliest UAE investors in Egypt, Dana Gas has contributed over \$2 billion to the country's energy sector since 2007. We look forward to continuing this contribution and playing a key role in advancing Egypt's energy security.

We have also reduced our corporate debt over the course of the first nine months, which continues to strengthen our balance sheet. As a result, the Company will evaluate the resumption of a sustainable annual dividend in March."

Operations & Production

The Group's overall production in 9M 2024 averaged 55,300 boepd, reflecting an 8% decline from 59,750 boepd in 9M 2023. KRI production increased by 3% to 38,200 boepd, driven by higher gas volumes supplied to local power plants due to stronger demand. This growth builds on last year's successful efforts, including the completion of debottlenecking activities that enhanced gas output.

In Egypt, production decreased by 24% to 17,100 boepd in 9M 2024 compared to 22,600 boepd in 9M 2023, mainly due to natural field declines. However, the newly ratified Concession Agreement is expected to support future investments and drilling activities, aimed at reversing this trend and maximizing the Company's gas production capacity in the country.

Liquidity



As of 30 September 2024, the Company's cash position stood at AED 553 million (\$151m), with AED 433 million (\$118m) held at the Pearl Petroleum joint venture.

Total collections during the first nine months amounted to AED 872 million (\$238m), marking an increase from AED 612 million (\$167m) in 9M 2023. This includes AED 748 million (\$202m) from the KRI and AED 132 million (\$36m) from Egypt.

The Company received an AED 349 million (\$95m) dividend from Pearl Petroleum during the period.

Receivables in the KRI (Dana Gas share) stood at AED 253 million (\$69m) and at AED 216 million (\$59m) in Egypt by the end of Q3 2024.

---Ends---

About Dana Gas

Dana Gas is the Middle East's first and largest regional private sector natural gas Company established in December 2005 with a public listing on the Abu Dhabi Securities Exchange (ADX). It has exploration and production assets in Egypt, Kurdistan Region of Iraq (KRI) and UAE, with 2P reserves exceeding one billion boe and average production of approximately 60,000 boepd in 2023. With sizeable assets in KRI and Egypt, and further plans for expansion, Dana Gas is playing an important role in the rapidly growing natural gas sector of the Middle East, North Africa and South Asia (MENASA) region. Visit: www.danagas.com

Communication & Investor Relations Contact

Mohammed Mubaideen
Head of Investor Relations and Corporate Communications
IR@danagas.com