Dana Gas PJSC and Subsidiaries

CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2024

DANA GAS PJSC
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 2024.

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 2024
During the year, the Group earned gross revenues of USD 445 million (AED 1.6 billion) as compared to USD 423 million (AED 1.5 billion) in 2023, an increase of 5% mainly due to recognition of additional revenue resulting from improved fiscal terms of the recently signed consolidated concession agreement in Egypt. This additional revenue of USD 68 million (AED 249 million) was partially offset by USD 51 million (AED 169 million) reduction due to natural field declines in Egypt. On the other hand, production increase in Kurdistan added USD 20 million (AED 73 million). Lower realised prices during the year, mainly condensate prices in Kurdistan, eroded the topline by USD 15 million (AED 55 million). Realised price averaged USD 44/bbl for condensate and USD 34/boe for LPG compared to USD 51/bbl and USD 35/boe respectively in 2023.

The Group achieved a Net Profit of USD 151 million (AED 553 million) in 2024 as compared to a Net Profit of USD 160 million (AED 586 million) in 2023, a decrease of 6%. Net profit was after impairment of USD 33 million (AED 121 million), in Egypt, related to past costs of the old concessions which are no longer recoverable under the new consolidated concession. Excluding this one-off impairment, the net profit for the year was higher at USD 184 million (AED 674 million) as compared to USD 160 million (AED 586 million) in 2023, an increase of 15%.

EBITDA for the year was higher at USD 263 million (AED 964 million) compared to USD 257 million (AED 941 million) in 2023.

The Group's average production during the year was 54,850 barrels of oil equivalent per day (boepd), a decrease of 7% compared to last year's production average of 58,700 boepd. Production in Kurdistan increased by 4% to 38,400 boepd from 36,900 boepd in the corresponding year. This was fully offset by a drop in production in Egypt which fell 25% to 16,450 boepd as compared to 21,800 boepd in 2023, due to natural decline in producing fields.

Liquidity and Financial Resources
Cash and bank balances at the yearend had increased to USD 317 million (AED 1,162 million) compared to 2023 year end balance of USD 131 million (AED 480 million). Cash included USD 235 million (AED 861 million) being 35% share of cash held at Pearl Petroleum.

The Group collected a total of USD 326 million (AED 1,195 million) during the year with Egypt and KRI contributing USD 65 million (AED 238 million) and USD 261 million (AED 957 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[1] 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.

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[2] and Prospective Resources[3].

(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 2024. The Group's gross proved reserves (1P) as at 31 December 2024 were assessed at 15 MMboe (31 December 2023: 17 MMboe). The gross proved and probable reserves (2P) as at 31 December 2024 were estimated at 22 MMboe (31 December 2023:34 MMboe) and the gross proved, probable and possible reserves (3P) as at 31 December 2024 were estimated to be 35 MMboe (31 December 2023:48 MMboe).

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[1] Risked PIIP figures have been calculated by means of a stochastic aggregation using GeoX software with risk factors accounting for geological uncertainties calibrated by surrounding producing oil and/or gas fields.

[2] Those quantities of petroleum estimated to be potentially recoverable but not yet considered mature enough for commercial development due to one or more contingencies.

[3] Those quantities of petroleum estimated to be potentially recoverable from undiscovered accumulations by future development projects.

E&P Operations

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

Dana Gas's share (35%) of gross production in the KRI for 2024 was 14 MMboe, i.e. averaging 38,400 boe per day (2023 – DG Share 35%: 13.5 MMboe, averaging 36,900 boe per day), an increase of 4% 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.

Dana Gas' share of collections for the year stood at USD 261 million (AED 957 million) and hence realised 116% of the year's revenue. At year end, Dana Gas' 35% share of trade receivable balance stood at USD 67 million (AED 246 million) as compared to USD 103 million (AED 378 million) at the end of 2023.

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.

Work on the KM 250 onsite EPC contract activities was 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 2023, 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.

On 26 April 2024, a condensate storage tank at Khor Mor was struck by a drone terror attack, tragically resulting in four fatalities and minor injuries to eight employees of Pearl's contractors while they were working to repair the tank. Although there was very minor damage to the facilities, for the safety of all staff and the facilities, Pearl suspended production and instituted specific procedural changes.

On 1 May 2024, based upon concrete actions which have been taken by the Government of Iraq and the Kurdistan Regional Government to significantly strengthen defences at the Khor Mor site as well as firm commitments form the highest levels of those authorities, Pearl took steps to recommence production from the Khor Mor field which was fully restored to normal levels on 3 May 2024.

Enerflex declared force majeure under the EPC contract on 3 May 2024.

However, following numerous performance issues which arose during the execution of the EPC works, Pearl issued a notice of termination under the EPC contract to Enerflex on 19 August 2024. That termination took effect on 9 September 2024. This action has enabled Pearl to assume direct control over the remaining phases of the KM250 project, ensuring that it is brought back on track and completed in the timeliest manner. Pearl has also initiated arbitration against Enerflex to recover costs and damages arising from Enerflex's defective performance. The KM250 project is currently expected to be completed in Q2 2026. A further drone strike took place at Khor Mor on 2 February 2025, which caused no injuries to people, nor was production impacted.

E&P Operations

(b) Egypt E&P operations

Dana Gas Egypt ended 2024 with production for the full year of operations of 6 MMboe i.e. averaging 16,450 boepd (2023: 7.95 MMboe, i.e. averaging 21,800 boepd), a decrease of 25% over the corresponding year.

In Egypt, the Company collected a total USD 65 million (AED 238 million) during 2024 and hence realized 105% of the year's revenue (excluding additional revenue recognized upon signing of consolidated concession agreement in Egypt). At year end, the trade receivable balance stood at USD 78 million (AED 286 million) as compared to USD 48 million (AED 176 million) at the end of 2023.

On 23 December 2024, Dana Gas signed a new concession agreement with the Egyptian Natural Gas Holding Company ("EGAS") to consolidate the existing 13 development leases under the 3 concessions of El Manzala, West El Manzala and West El Qantara, named New El Manzala, with improved fiscal terms. Development leases' production includes both gas and associated gas liquids. Total area of development leases is 387.1 sq. km located in the onshore Nile Delta. New El Manzala concession is held with a 100% working interest.

Dana Gas is committed to spend a minimum of USD 28 million (AED103 million) on exploration and development activities in the original development leases before 31 December 2026. Total spending up to 31 December 2024 of USD 13 million (AED 48 million) is subject to EGAS review and approval.

Supplemental exploration acreage of 297.4 sq. km surrounding the development leases was also awarded under the New El Manzala concession with a 100% working interest. Dana Gas is committed to drill 3 exploration wells with minimum spend of USD 15 million (AED 55 million) during the first exploration period expiring on 31 December 2025.

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 the 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 December 2024 Dana Gas share of interest amounted to USD 109 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 is now anticipated in 2025. 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
4. Mr. Ajit Vijay Joshi (resigned on 29 February 2024)
5. Mr. Hani Abdulaziz Hussein (to 17 April 2024)
6. Mr. Majid Hamid Jafar
7. Mr. Mohamed Al Sayed Mohamed Ebraheem Alhashmi (from 17 April 2024)
8. Mr. Mohamed Khalil Mohamed Sharif Foulathi Alkhoori (from 17 April 2024)
9. Ms. Najla Ahmed Al-Midfa
10. Mr. Omar Ibrahim Al-Mullah (from 17 April 2024)
11. Mr. Shaheen Al-Muhairi
12. Mr. Varoujan Nerguizian (to 17 April 2024)
13. H.E. Younis Al Khoori
14. 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
24 February 2025

EY
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P.L. No. 2845

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 2024, 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 policy information.

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 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

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 notes 12, 13 (a),15 and 19 to the consolidated financial statements which describes the current position with respect to arbitration and enforcement proceedings initiated by a key supplier of the Group against the ultimate supplier relating to delays in commencement of gas supplies, and the uncertainty surrounding the timing and final outcome of these arbitration and enforcement proceedings. Our opinion is not modified in respect of these matters.

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.

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Report on the audit of the consolidated financial statements (continued)

Key audit matters (continued)

<table>
<tr><th>Key audit matter</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td>UAE gas project assets and legal arbitration
The Group's consolidated statement of financial position includes UAE Gas Project assets as at 31 December 2024 comprising of:

a) Property, plant and equipment of USD 135 million (note 12);
b) intangible assets of USD 191 million (note 13a); and
c) investment in joint venture of USD 359 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 and enforcement proceedings 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 and enforcement proceedings 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 and enforcement proceedings, we have identified this as a key audit matter.</td><td>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 and enforcement proceedings with the Group's legal department and senior management;
• We assessed the appropriateness 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 enforcement or court process, we have included an emphasis of this matter as indicated earlier in this audit report.</td></tr>
</table>

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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF DANA GAS PJSC (continued)

Report on the audit of the consolidated financial statements (continued)

Key audit matters (continued)

<table>
<tr><th>Key audit matter</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td>Impairment assessment of Oil & Gas interests
As at 31 December 2024, the Group has tangible oil and gas interests of USD 380 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.</td><td>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 appropriateness of the discount rates used by comparing key inputs, where relevant, to the externally derived data and market rates;
• We inspected 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 assessed the appropriateness of the production profile in light of reserves volumes certified by independent external experts and internal management assessment and historical operations;
• We assessed 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 evaluated the mathematical accuracy of the impairment models and performed sensitivity analysis over inputs to the cash flow models; and
• We assessed 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.</td></tr>
</table>

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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF DANA GAS PJSC (continued)

Report on the audit of the consolidated financial statements (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 80 million as at 31 December 2024. 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 appropriateness of the management's rationale for concluding on the probability of the collection. • We evaluated the appropriateness of the discount rates used; and • We also assessed 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 2024 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 2024 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.

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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF DANA GAS PJSC (continued)

Report on the audit of the consolidated financial statements (continued)

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 IFRS Accounting Standards, 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.

Report on the audit of the consolidated financial statements (continued)

Auditor's responsibilities for the audit of the consolidated financial statements (continued)

- 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.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes 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, actions taken to eliminate threats or safeguards applied.

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.

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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF DANA GAS PJSC (continued)

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 2024:

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 2024, 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 2024 any of the applicable provisions of the UAE Federal Law No. 32 of 2021 or of its articles of association which would have a material impact on its activities or its consolidated financial position as at 31 December 2024; and

viii) note 32 reflects the social contributions, if any, made during the year ended 31 December 2024.

For Ernst & Young

T.S. Hari Gopal

Thodla Hari Gopal
Registration No.:689

24 February 2025

Sharjah, United Arab Emirates

Dana Gas PJSC and Subsidiaries

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2024

		2024		*2023*	
	Notes	***USD mm***	***AED mm***	*USD mm*	*AED mm*
Gross revenue	5	**445**	**1,631**	423	1,551
Royalties	5	**(109)**	**(400)**	(109)	(400)
Net revenue		**336**	**1,231**	314	1,151
Operating costs	6	**(57)**	**(209)**	(53)	(195)
Depreciation & depletion	12	**(63)**	**(231)**	(71)	(260)
Gross profit		**216**	**791**	190	696
General and administration expenses		**(11)**	**(40)**	(11)	(40)
Other expenses		**(5)**	**(18)**	-	-
Investment and finance income	7	**11**	**40**	10	37
Other income	8	**1**	**4**	8	29
Impairment of intangible assets	13	**(33)**	**(121)**	-	-
Impairment of financial assets		**(4)**	**(15)**	(3)	(11)
Change in fair value of investment property	14	**-**	**-**	1	4
Share of loss of a joint venture	15	**(1)**	**(4)**	(1)	(4)
Finance costs	9	**(11)**	**(40)**	(18)	(66)
PROFIT BEFORE INCOME TAX		**163**	**597**	176	645
Income tax expense	10	**(12)**	**(44)**	(16)	(59)
PROFIT FOR THE YEAR		**151**	**553**	160	586
PROFIT ATTRIBUTABLE TO:					
- Equity holders of the Company		**151**	**553**	160	586
		151	**553**	160	586
EARNINGS PER SHARE:					
Basic & Diluted earnings per share (USD/AED per share)	11	**0.021**	**0.079**	0.023	0.084

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 2024

	2024		*2023*	
	USD mm	***AED mm***	*USD mm*	*AED mm*
Profit for the year	**151**	**553**	160	586
Other comprehensive income	-	-	-	-
Other comprehensive income for the year	-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**151**	**553**	160	586
ATTRIBUTABLE TO:				
- Equity holders of the Company	**151**	**553**	160	586
	151	**553**	160	586

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

	Notes	2024 USD mm	2024 AED mm	2023 USD mm	2023 AED mm
ASSETS					
Non-current assets					
Property, plant and equipment	12	**1,129**	**4,138**	1,128	4,135
Intangible assets	13	**191**	**700**	217	795
Investment property	14	**21**	**77**	21	77
Interest in joint ventures	15	**359**	**1,316**	360	1,320
Financial assets at fair value through profit or loss	18	**68**	**249**	81	297
Total non-current assets		**1,768**	**6,480**	1,807	6,624
Current assets					
Inventories	17	**35**	**128**	26	95
Financial assets at fair value through profit or loss	18	**12**	**44**	13	47
Sum due following arbitration award	19	**608**	**2,229**	608	2,229
Trade and other receivables	20	**208**	**762**	211	773
Cash and bank balances	21	**317**	**1,162**	131	480
Total current assets		**1,180**	**4,325**	989	3,624
TOTAL ASSETS		**2,948**	**10,805**	2,796	10,248
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	**213**	**780**	198	725
Voluntary reserve	23	**81**	**297**	66	242
Retained earnings		**320**	**1,171**	199	728
Total equity		**2,522**	**9,243**	2,371	8,690
LIABILITIES					
Non-current liabilities					
Borrowings	24	**172**	**630**	110	403
Trade payables and accruals	26	**70**	**258**	57	209
Provisions	25	**19**	**70**	19	70
Total non-current liabilities		**261**	**958**	186	682
Current liabilities					
Borrowings	24	**83**	**304**	142	521
Trade payables and accruals	26	**82**	**300**	97	355
Total current liabilities		**165**	**604**	239	876
Total liabilities		**426**	**1,562**	425	1,558
TOTAL EQUITY AND LIABILITIES		**2,948**	**10,805**	2,796	10,248

The consolidated financial statements were approved for issue by the Board of Directors on 24 February 2025 and signed on their behalf by:

Director

Director

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

Dana Gas PJSC and Subsidiaries

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2024

	Notes	*2024*		*2023*	
		USD mm	***AED mm***	*USD mm*	*AED mm*
OPERATING ACTIVITIES					
Profit before income tax		**163**	**597**	176	645
Adjustments for:					
Depreciation and depletion	12	**63**	**231**	71	260
Investment and finance income		**(11)**	**(40)**	(10)	(37)
Other income	8	**(1)**	**(4)**	(8)	(29)
Impairment of intangible assets		**33**	**121**	-	-
Impairment of financial assets		**4**	**15**	3	11
Change in fair value of investment property		**-**	**-**	(1)	(4)
Share of loss of a joint venture	15	**1**	**4**	1	4
Finance costs	9	**11**	**40**	18	66
		263	**964**	250	916
Changes in working capital:					
Trade and other receivables		**14**	**52**	(70)	(257)
Inventories		**(9)**	**(33)**	(5)	(18)
Trade payables and accruals		**18**	**66**	3	11
Net cash generated from operating activities		**286**	**1,049**	178	652
Income tax paid		**(12)**	**(44)**	(16)	(59)
Net cash flows generated from operating activities		**274**	**1,005**	162	593
INVESTING ACTIVITIES					
Purchase of property, plant and equipment		**(77)**	**(282)**	(118)	(432)
Proceed from sale of property, plant and equipment		**-**	**-**	5	18
Debt service reserve account		**(12)**	**(44)**	(23)	(84)
Investment and finance income received		**5**	**18**	4	15
Net cash flows used in investing activities		**(84)**	**(308)**	(132)	(483)
FINANCING ACTIVITIES					
Dividend paid	29	**-**	**-**	(86)	(315)
Repayment of borrowings		**(159)**	**(583)**	(53)	(194)
Proceeds from borrowings		**164**	**601**	88	323
Finance costs paid		**(21)**	**(77)**	(22)	(81)
Net cash flow used in financing activities		**(16)**	**(59)**	(73)	(267)
NET INCERASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**174**	**638**	(43)	(157)
Cash and cash equivalents at the beginning of the year	21	**108**	**396**	151	553
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	21	**282**	**1,034**	108	396

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 2024

	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 2024	**1,908**	**6,995**	**198**	**725**	**66**	**242**	**199**	**728**	**2,371**	**8,690**
Profit for the year	-	-	-	-	-	-	151	553	151	553
Total comprehensive income for the year	-	-	-	-	-	-	**151**	**553**	**151**	**553**
Transfer to reserves	-	-	15	55	15	55	(30)	(110)	-	-
As at 31 December 2024	**1,908**	**6,995**	**213**	**780**	**81**	**297**	**320**	**1,171**	**2,522**	**9,243**
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**

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

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.

Principal subsidiaries and joint arrangements of the Group at 31 December 2024 and 31 December 2023 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 Holdings Limited	100	UAE	Holding company of Dana Gas Egypt, Pearl Petroleum and Dana Gas Exploration
Dana Gas Midstream Holdings Limited	100	UAE	Holding company of Sajgas, UGTC and Dana Gas Midstream operations
Dana Gas Midstream Operations Limited	100	British Virgin Islands	Holds interest in CNGCL
Dana LNG Ventures Limited	100	British Virgin Islands	Holding company of Dana Gas Red Sea Corporation
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

1 CORPORATE INFORMATION (continued)

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	**%**		
Crescent National Gas Corporation Limited ("CNGCL")	35	British Virgin Islands	Gas Marketing
GASCITIES Ltd	50	British Virgin Islands	Gas Cities

2 MATERIAL ACCOUNTING POLICY INFORMATION

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 IFRS Accounting standards 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 2024. These standards and amendments had no impact on the consolidated financial statements of the Group except for certain disclosures relating to IAS 1 under note 24.

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

New standards and interpretations not yet effective

The standards, amendments and interpretations that are issued, but not yet effective as at 31 December 2024 are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective.

- Lack of exchangeability – Amendments to IAS 21 (effective from 01 January 2025)
- Amendments to the classification and measurement of financial statements – Amendments to IFRS 9 and IFRS 7 (effective from 1 January 2026)
- Power Purchase Agreements - Amendments to IFRS 9 and IFRS 7 (effective from 1 January 2026)
- IFRS 18 Presentation and Disclosure in Financial Statements (effective from 1 January 2027)
- IFRS 19 Subsidiaries without Public Accountability: Disclosures (effective from 1 January 2027)

These standards, interpretations and improvements are not expected to a have a material impact on the consolidated financial statements of the Group.

2 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

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.

2 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.4 Basis of consolidation (continued)

(a) Subsidiaries (continued)

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.

(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.

2 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.4 Basis of consolidation (continued)

(d) Joint arrangements (continued)

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.

2 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.6 Foreign currency translation (continued)

(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 POLICY INFORMATION (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 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

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 POLICY INFORMATION (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.

(a) 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 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

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 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

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.

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.

2 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.19 Provisions (continued)

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.

The Group is subject to the CT regime from with effect from 1 January 2024. The related accounting policies adopted and applied by the Group in this regard are as follows:

Current income tax
Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income. Current income tax relating to items recognised directly in equity is recognised in equity and not in the consolidated statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax
Deferred tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except: The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

2 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

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 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

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.

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 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 amounting to USD 608 million was recorded during 2021. 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. 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 2024, the Group holds 35% (31 December 2023: 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 Group 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.

3 MATERIAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

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 2024. 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 MATERIAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

Estimates and assumptions (continued)

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 2024 and 2023 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.

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 2024

	United Arab Emirates USD mm	*Egypt USD mm*	*Kurdistan Region of Iraq USD mm*	*Total USD mm*
Gross revenue	**4**	**216**	**225**	**445**
Royalties	**-**	**(109)**	**-**	**(109)**
Net revenue	**4**	**107**	**225**	**336**
Operating cost & depletion	**(2)**	**(46)**	**(72)**	**(120)**
Gross profit	**2**	**61**	**153**	**216**
General and administration expenses*	**-**	**-**	**-**	**(11)**
Other expenses	**-**	**-**	**-**	**(5)**
Investment and finance income	**-**	**-**	**-**	**11**
Other income	**-**	**-**	**-**	**1**
Impairment of intangible assets	**-**	**(33)**	**-**	**(33)**
Impairment of financial assets	**(4)**	**-**	**-**	**(4)**
Share of profit of a joint venture	**-**	**-**	**-**	**(1)**
Finance costs	**-**	**-**	**-**	**(11)**
Profit before income tax				**163**
Income tax expense	**-**	**-**	**-**	**(12)**
Net Profit for the year				**151**
Segment assets as at 31 December 2024	**1,492**	**192**	**1,264**	**2,948**
Segment liabilities as at 31 December 2024	**46**	**41**	**339**	**426**

* includes auditors' remuneration amounting to USD 379 thousand for audit services.

4 SEGMENT INFORMATION (continued)

Year ended 31 December 2024 (continued)

	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	-	**10**	**54**	**64**
Intangible assets	-	**7**	-	**7**
Depreciation & depletion	**2**	**28**	**33**	**63**
Staff costs				
Operating cost - staff	-	**8**	**18**	**26**
General & administrative	**6**	-	-	**6**
Other expenses	**1**	-	-	**1**
Capital expenditure	-	**4**	**3**	**7**

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 costs	-	-	-	(18)
Profit before income tax				176
Income tax expense	-	-	-	(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

* includes auditors' remuneration amounting to USD 321 thousand for audit services.

4 SEGMENT INFORMATION (continued)

Year ended 31 December 2023

	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

5 REVENUE

	2024 USD mm	*2023 USD mm*
Gross revenue*	**441**	419
Tariff fee	**4**	4
	445	423
Less: royalties	**(109)**	(109)
Net revenue	**336**	314

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.

*includes USD 68 million of additional revenue for the period from 1 July 2022 to 31 December 2024, recognized following signature of the new consolidated concession agreement in Egypt on 23 December 2024.

6 OPERATING COSTS & DEPLETION

	2024 USD mm	*2023 USD mm*
Production costs	**31**	31
Staff costs (note 4)	**26**	22
Depreciation and depletion (note 12)	**63**	71
	120	124

7 INVESTMENT AND FINANCE INCOME

	2024 USD mm	*2023 USD mm*
Profit on short term deposits	**5**	4
Interest on delayed payments (note a)	**6**	6
	11	10

a) Represents interest billed to the KRG on delayed payments against petroleum sales for the year ended 31 December 2023 and 2024 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

	2024 USD mm	*2023 USD mm*
Gain on sale of Property, plant and equipment	**-**	5
Others	**1**	3
	1	8

9 FINANCE COST

	2024 USD mm	*2023 USD mm*
Term finance (note 24a & b)	**8**	12
Project finance – Pearl (note 24c)	**1**	1
Others	**2**	5
	11	18

10 INCOME TAX EXPENSE

(a) UAE

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.

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.

Further, on 9 December 2024, the UAE Ministry of Finance (MoF) announced further amendments to Federal Decree-Law No. 47 of 2022, including the implementation of a Domestic Minimum Top-up Tax (DMTT) and the introduction of certain tax incentives. DMTT will impose a minimum effective tax rate of 15% on multinational enterprises (MNEs) amongst other factors with global revenues exceeding €750 million in at least two of the last four financial years, effective from 1 January 2025. For UAE where Pillar Two legislation will be effective from 1 January 2025, the Group will continue to monitor the legislation. As at reporting date, there is no significant implications as a result of DMTT on the Group's consolidated financial statements."

(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.

10 INCOME TAX EXPENSE (continued)

(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% (2023: 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.

e) The income tax expense recognized in the consolidated income statement comprises the following:

	2024 ***USD mm***	*2023* *USD mm*
Current income tax expense	**12**	16
	12	16

f) Reconciliation of income tax expense:

	2024 ***USD mm***	*2023* *USD mm*
Profit before tax	**163**	176
Effective tax rate (UAE)	**9%**	-
Tax effects of:		
Tax on accounting profit at applicable rate	**15**	
Tax effect of different tax rate of subsidiary operating in foreign jurisdiction	**9**	16
Tax effect of exempt/zero rate income	**(12)**	-
	12	16
Effective tax rate	**7.36%**	9.09%

g) Deferred Tax

The Group has no significant deferred tax assets or liabilities at the reporting date.

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.

	2024 ***USD mm***	*2023* *USD mm*
Earnings:		
Net profit for the year - USD mm	**151**	160
Shares:		
Weighted average number of shares outstanding – million	**6,995**	6,995
Earnings per share (Basic & Diluted)– USD:	**0.021**	0.023

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 2024	**14**	**12**	**1,688**	**390**	**47**	**119**	**608**	**2,878**
Additions (net)	-	-	**9**	-	**1**	-	**54**	**64**
Transfer	-	-	**4**	**10**	**2**	-	**(16)**	-
At 31 December 2024	**14**	**12**	**1,701**	**400**	**50**	**119**	**646**	**2,942**
Depreciation/ depletion:								
At 1 January 2024	-	**7**	**1,275**	**289**	**38**	**75**	**66**	**1,750**
Depreciation/depletion charge for the year	-	**1**	**46**	**11**	**2**	**4**	**(1)**	**63**
At 31 December 2024	-	**8**	**1,321**	**300**	**40**	**79**	**65**	**1,813**
Net carrying amount:								
At 31 December 2024	**14**	**4**	**380**	**100**	**10**	**40**	**581**	**1,129**

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

Property, plant and equipment include financing costs amounting to USD 49 million as at 31 December 2024 (2023: USD 37 million) on borrowings for ongoing development and capitalised using effective interest rate of the specific borrowing.

12 PROPERTY, PLANT AND EQUIPMENT (continued)

	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 facilities (note 24).

Property, plant and equipment include financing costs 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.

12 PROPERTY, PLANT AND EQUIPMENT (continued)

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

On 23 December 2024 (with effective date of 1 July 2022), oil and gas interests in Egypt Nile Delta onshore concessions of El Manzala, West EL Manzala and West El Qantara were consolidated in one concession named "New El Manzala". The existing 13 development leases were moved to the new concession. The objective of the consolidation is to extend the economic life of the assets. Total area of development leases is 387.1 sq. km.

All the development leases are held with a 100% working interest and are producing both natural gas and associated liquids which represents 100% of Dana Gas Egypt current production.

In 2023, oil & gas interest related to the following concessions in Egypt:

- El Wastani Development Lease – This development lease is held with a 100% working interest and represents approximately 2% of 2023 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 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 in the Nile Delta of Egypt. Eleven development leases are producing both natural gas and associated liquids representing approximately 88% of Dana Gas Egypt's 2023 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 in the Nile Delta of Egypt. Two development leases are producing both natural gas and associated liquids representing approximately 10% of Dana Gas Egypt's 2023 production.

13 INTANGIBLE ASSETS

	Oil and gas interests USD mm	*Transmission & sweetening rights USD mm*	*Total USD mm*
Cost at 1 January 2024	227	289	516
Less: accumulated impairment	(201)	(98)	(299)
Net book amount at 1 January 2024	26	191	217
Addition	7	-	7
Impairment*	(33)	-	(33)
At 31 December 2024	**-**	**191**	**191**

	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

*past cost related to the terminated concessions has been impaired, following the consolidation of concessions on 23 December 2024, as it is no longer recoverable under the new concession.

(a) Transmission and sweetening rights

Intangible assets include USD 191 million (2023: 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 is now anticipated in 2025. 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

	2024	*2023*
	USD mm	*USD mm*
Balance at 1 January	**21**	20
Change in fair value	**-**	1
Balance at 31 December	**21**	21

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 2024 and resulted in a valuation of USD 21.5 million.

15 INTEREST IN JOINT VENTURES

The following table summarises the statement of financial position (unaudited) of the joint ventures as at 31 December 2024:

	Gas Cities USD mm	*CNGCL USD mm*	*Total USD mm*
Current assets	2	-	2
Non-current assets	-	14	14
Current liabilities			
Other current liabilities	(9)	(62)	(71)
Total current liabilities	(9)	(62)	(71)
Non-current liabilities			
Other non-current liabilities	-	(15)	(15)
Total non-current liabilities	-	(15)	(15)
Net liabilities	**(7)**	**(63)**	**(70)**
Reconciliation to carrying amount			
Opening liabilities as of 1 January 2024	(7)	(60)	(67)
Loss for the year	-	(3)	(3)
Closing liabilities as of 31 December 2024	**(7)**	**(63)**	**(70)**
Group's share in %age	50%	35%	
Group's share of liabilities	(3)	(22)	(25)
Acquisition cost/adjustment	3	569	572
Impairment	-	(188)	(188)
Carrying amount as of 31 December 2024	**-**	**359**	**359**

The following table summarises the income statement (unaudited) of the joint ventures for the year ended 31 December 2024:

	Gas Cities USD mm	*CNGCL USD mm*	*Total USD mm*
Revenue	-	-	-
Interest income	-	-	-
Depreciation and amortisation	-	-	-
Other expense	-	(3)	(3)
Interest expense	-	-	-
Income tax expense	-	-	-
Total comprehensive loss for the year	**-**	**(3)**	**(3)**

The Joint ventures had no other significant contingent liabilities or capital commitments as at 31 December 2024 and 2023.

15 INTEREST IN JOINT VENTURES (continued)

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 (Un-audited)*	*Total USD mm*
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 liabilities as of 1 January 2023	(7)	(56)	(63)
Loss for the year	-	(4)	(4)
Closing liabilities as of 31 December 2023	**(7)**	**(60)**	**(67)**
Group's share in %age	50%	35%	
Group's share of 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 (Un-audited)*	*Total USD mm*
Revenue	-	-	-
Interest Income	-	-	-
Depreciation and amortisation	-	-	-
Other expense	-	(4)	(4)
Interest expense	-	-	-
Income tax expense	-	-	-
Total comprehensive loss for the year	**-**	**(4)**	**(4)**

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 Group (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 had carried out an assessment of the recoverable values of the interest in joint venture and 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 is now anticipated in 2025. 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 a 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) Pearl Petroleum Company Limited

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").

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 Upstream Holdings Limited have been appointed as the Operator (for and on behalf of Pearl) for the purposes of the implementation of the PDA.

16 INTEREST IN JOINT OPERATIONS

(b) Kurdistan Region of Iraq Project

The following amounts represent the Group's 35% share of the assets, liabilities and income of the joint operation:

	2024 USD mm	*2023 USD mm*
Assets:		
Non-current assets	**931**	910
Current assets	**333**	247
Total Assets	**1,264**	1,157
Liabilities:		
Non-current liabilities	**242**	139
Current liabilities	**97**	116
Total Liabilities	**339**	255
Net Assets	**923**	902
Revenue	**225**	218
Operating costs	**(39)**	(33)
Depreciation	**(33)**	(36)
Gross profit	**153**	149

(c) 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 from the joint operations:

	2024 USD mm	*2023 USD mm*
Assets:		
Non-current assets	**10**	11
Current assets	**19**	19
Total Assets	**29**	30
Liabilities:		
Current liabilities	**-**	-
Net Assets	**29**	30
Revenue	**4**	4
Operating costs	**(1)**	(1)
Depreciation	**(1)**	(1)
Gross profit	**2**	2

17 INVENTORIES

	2024 USD mm	*2023 USD mm*
Spares and consumables	**35**	26
	35	26

18 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2024 USD mm	*2023 USD mm*
Balance at 1 January	**94**	94
Received during the year	**(14)**	-
Balance at 31 December	**80**	94

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

	2024 USD mm	*2023 USD mm*
Current assets	**12**	13
Non-current assets	**68**	81
	80	94

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 has received an amount of USD 14 million towards such confined payments.

The Company did not make any investment in shares or stock during the year ended 31 December 2024 (31 December 2023: Nil).

19 SUM DUE FOLLOWING ARBITRATION AWARD

	2024 USD mm	*2023 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 December 2024 amounted to USD 109 million.

20 TRADE AND OTHER RECEIVABLES

	2024 ***USD mm***	*2023* *USD mm*
Trade receivables (net)	**145**	151
Prepaid expenses	**1**	2
Due from joint ventures	**18**	19
Accrued revenue (note c)	**8**	8
Other receivables (note d)	**36**	31
	208	211

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 Dec. 2024	**145**	**69**	**2**	**6**	**6**	**6**	**56**
31 Dec. 2023	151	24	13	4	16	18	76

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 Pearl Petroleum 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, Pearl Petroleum 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. The implementation of the fiscal metering package was completed by end of Q1 2024 and the new system has become operational from April 2024. The resolution of the provisional adjustment (November 2018 to July 2019) of USD 23 million (DG Share: USD 8 million) is expected once the final adjustment and reconciliation is completed. Accordingly, the provisional adjustment to amounts due from the KRG continues to be reflected in this financial statement as an accrued revenue asset.

d) Includes USD 11.5 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 (of which USD 10 million is overdue).

21 CASH AND BANK BALANCES

	2024 ***USD mm***	*2023* *USD mm*
Cash at bank		
- Local Banks within UAE	**16**	21
- Foreign Banks outside UAE	**34**	23
Short-term deposits		
- Local Banks within UAE	**201**	61
- Foreign Banks outside UAE	**31**	3
Cash and cash equivalents	**282**	108
Debt service reserve accounts	**35**	23
Cash and Bank balances	**317**	131

21 CASH AND BANK BALANCES (continued)

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 callable on demand. The fair value of cash and bank balance including short-term deposits is USD 317 million (31 December 2023: USD 131million). Debt Service Reserve Accounts (DSRA) balance relates to borrowings as disclosed in note 24. The effective profit rate earned on short term deposits ranged 3.7% to 5.3% (2023: 2.4% to 5.4%) per annum. As at 31 December 2024, 73% (31 December 2023: 73%) 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 317 million, 1% of the amount was held in Egyptian pounds (2023: 4%).

Cash & bank balances includes USD 235 million (DG Share 35%) held by Pearl Petroleum.

22 SHARE CAPITAL

	2024 ***USD mm***	*2023* *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 2023	182	50
Appropriation for the year	16	16
At 31 December 2023	198	66
Appropriation for the year	15	15
At 31 December 2024	**213**	**81**

(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

	2024	*2023*
	USD mm	*USD mm*
Non-current		
Term loan facility (a)	**-**	29
Loan facility/bond (c)	**172**	81
	172	110
Current		
Term loan facility (a)	**28**	14
Short term facility (b)	**-**	65
Loan facility (c)	**55**	63
	83	142
Total Borrowings	**255**	252

	2024	*2023*
	USD mm	*USD mm*
Total Borrowings (including Pearl joint operations)	**255**	252
Less: Pearl's Loan facility– Non recourse to Dana Gas	**(227)**	(144)
Dana Gas borrowings	**28**	108

(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 2024, the amount outstanding towards principal is USD 28 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 Group is required to comply with certain financial covenants. The Company has complied with all the financial covenants as of 31 December 2024 except for debt service coverage ratio for Dana Gas PJSC and Dana Gas Egypt. In December 2024 the bank had waived the requirement to comply with the financial covenant related to debt service coverage ratio of Dana Gas and Dana Gas Egypt untill 31 March 2025.

(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.

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. During the year, Company fully paid USD 70 million against the facility.

24 BORROWINGS (continued)

(c) Loan facility – Pearl Petroleum

Pearl since 18 September 2018 had signed several non-recourse (to its shareholders including Dana Gas) financing facilities with a local UAE bank with combined total nominal value of USD 335 million. As at 31 December 2024, all outstanding amount under these facilities have been repaid.

Pearl further signed on 17 July 2024 a USD 125 million non-recourse (to its shareholders including Dana Gas) facility with local UAE bank with a final repayment date of 30 September 2025 for financing of specific working capital needs and capital expenditure required to finalize the construction of the new 250 MMscfd gas processing facility located in the Khor Mor gas field. As at 31 December 2024, the outstanding amount under the facility was USD 105 million (DG share: USD 36.75 million) which is classified as current liability.

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. As at 31 December 2024 the outstanding amount under the facility was USD 208.33 million (DG share: USD 72.9 million). The repayment instalments under the facility of USD 55.56 million (DG share: USD 19.4 million) which are due by 31 December 2025 have been classified as current liabilities while the balance amount of USD 152.78 million (DG share: USD 53.5 million) is classified as non-current liabilities.

A USD 350 million senior secured bond ("Bond") has been issued by Pearl on 14 November 2024 with a final bullet repayment date of 15 May 2028 which is classified as non-current liabilities. The net proceeds from the Bond would be mainly applied towards financing of Pearl's development costs.

Pearl has provided pari-passu security to the Lenders 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. These financing are non-recourse to Dana Gas.

The borrowings under the non-current liabilities are stated net of transaction costs and are carried at amortised cost as at 31 December 2024.

Pearl's facilities are collectively subject to the following financial covenants:

- Debt to EBITDA: Maintain total debt to EBITDA Ratio of not more than 4.0 to 1
- Reserve Tail Ratio: Maintain the ratio of not less than 20% (Latest 2P reserves / 2P reserves in May 2019)
- Historical Debt Service Coverage Ratio: Maintain at or above 1.5 to 1
- Prospective Debt Service Coverage Ratio (defined as (LTM Operating Cash Flow – LTM maintenance capex) / 12 months projected debt service): Maintain at or above 1.5 to 1
- Operating Current Ratio (defined as (Current Assets – amounts held in the debt service reserve accounts) / (Current Liabilities – Debt service)): Maintain at or above 1.5 to 1
- Book Equity Ratio (defined as shareholders' equity / total assets): Maintain at or above 40%
- Liquidity (defined as cash and bank deposits minus amounts held in certain debt service reserve accounts): Maintain at least USD 70 million (at all times)

All covenants are tested at each quarter end and Pearl has no indication that it will have difficulty complying with the above covenants. Pearl is expecting that the overdue receivable balances will continue to reduce and therefore the material non-payment event caused by the overdue receivable balance will either be cured before the waiver obtained from the lender expires on 31 March 2025 or a waiver extension will be provided by the DFC before the expiry date.

25 PROVISIONS

	2024	*2023*
	USD mm	*USD mm*
Non-current		
Asset decommissioning obligation (a)	**15**	15
Employee's end of service benefits (b)	**4**	4
	19	19

(a) The asset decommissioning provision is based on the Dana Gas Egypt's best estimate of the expenditure required to settle the obligation at the end of the field life in Egypt.

(b) Provision for employees' 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 0.7 million was utilized.

26 TRADE PAYABLES AND ACCRUALS

	2024	*2023*
	USD mm	*USD mm*
Trade payables	**23**	22
Accruals and other payables	**102**	111
Accrued interest on EPC contract (a)	**10**	8
Asset decommissioning obligation	**1**	1
Other liabilities	**16**	12
	152	154

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

	2024	*2023*
	USD mm	*USD mm*
Current liabilities	**82**	97
Non-current liabilities (b)	**70**	57
	152	154

(a) Represents interest accrued by Pearl on the Engineering, Procurement and Construction (EPC) contract with Enerflex amounting to USD 10 million (DG Share 35%), being the implied finance cost.

(b) Includes the non-current portion of the EPC contract (net of USD 9 million (DG Share 35%) recoverable from Enerflex) in respect of value of work done amounting to USD 59.6 million (DG Share 35%) and non-current portion of implied finance cost of USD 10 million (DG Share 35%).

27 COMMITMENTS

Pearl Petroleum

As at 31 December 2024, Pearl had capital commitments of circa USD 92 million (DG Share: USD 32 million) – (2023: USD 98 million – DG share: USD 34 million) which mainly includes commitments relating to the development of 250 MMscfd gas processing train in Khor Mor and the Khor Mor Interim Compressor Solution project.

Egypt

On 23 December 2024, Dana Gas Egypt signed a new concession agreement with EGAS to consolidate the existing 13 development leases under the 3 concessions. As part of the agreement, Dana is committed to spend a minimum amount of USD 28 million in exploration and development activities before 31 December 2026. Total spend upto 31 December 2024 is USD 13 million (subject to EGAS review and approval). In addition, Dana was also awarded supplemental exploration acreage of 297.4 sq.km surrounding the development lease. Dana is committed to drill 3 exploration wells with minimum spend of USD 15 million during the first exploration period expiring on 31 Dec 2025.

28 RELATED PARTY DISCLOSURES

Note 1 provides information about the Group's structure, including details of the subsidiaries and joint arrangement.

	2024 USD mm	*2023 USD mm*
Fee for management services by major shareholder	**1**	1
Fees for management services to Joint operations	**2**	3
Revenues billed to Joint operations	**1**	1

Fees for management services towards joint arrangement and by the major shareholder relates to actual costs charged in respect of time spend by Dana Gas personnel on Joint operations 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:

	2024 USD mm	*2023 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 which was paid in May 2023.

30 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial risk factors
The Group's principal financial liabilities comprise borrowings and 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 balance in Egyptian pounds held in Egypt with local banks and Egyptian pound payables amounting to USD 5 million.

At 31 December 2024, 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 0.5 million higher/ lower (2023: USD 0.6 million), as a result of foreign exchange gains/losses on translation of Egyptian pounds denominated bank balance.

30 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Financial risk factors (continued)

(b) Interest rate risk

The Group has minimal exposure to interest rate risk on bank deposits, as all of term deposits as at reporting date are at fixed interest rates. 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 1.2 million lower/higher (2023: USD 1.3 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 58% (2023: 47%) of the Group's gross revenue. At 31 December 2024, 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 16 million higher/lower (2023: USD 18 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 67 million and USD 78 million, respectively (2023: USD 103 million and USD 48 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 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 2024 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 2024

	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)	**5**	**104**	**222**	**-**	**331**
Trade payables and accruals	**18**	**51**	**83**	**-**	**152**
	23	**155**	**305**	**-**	**483**

30 Financial risk management objectives and policies (continued)

Financial risk factors (continued)

(e) Liquidity risk (continued)

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

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 2024 and 31 December 2023. Capital comprises issued capital, retained earnings and other reserves attributable to the equity holders of the Parent and is measured at USD 2,522 million as at 31 December 2024 (2023: USD 2,371 million).

Net debt reconciliation
This section sets out an analysis of net debt and the movements in net debt for each of the years presented.

	2024 USD mm	*2023 USD mm*
Cash and bank balance	**317**	131
Borrowings	**(255)**	(252)
Net Cash/(debt)	**62**	(121)

	Borrowings USD mm	*Cash USD mm*	*Total USD mm*
At 1 January 2023	(216)	151	(65)
Cash flow movement during the year	(36)	(20)	(56)
At 31 December 2023	(252)	131	(121)
Cash flow movement during the year	(3)	186	183
At 31 December 2024	**(255)**	**317**	**62**

The gearing ratio at 31 December 2024 and 31 December 2023 were as follows:

	2024 USD mm	*2023 USD mm*
Net Cash/(debt)	**62**	(121)
Total equity	**2,522**	2,371
Net debt to equity ratio	**-**	5.1%

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 2024 USD mm	***Fair value 2024 USD mm***	*Carrying amount 2023 USD mm*	*Fair value 2023 USD mm*
Financial assets				
Trade and other receivables (excluding prepaid)	**207**	**207**	209	209
Profit or loss through value fair at assets Financial	**80**	**80**	94	94
Cash and short-term deposits	**317**	**317**	131	131
Financial liabilities				
Borrowings	**255**	**255**	252	252
Trade payables and accruals	**154**	**154**	154	154

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 2024:

	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	**-**	**-**	**80**	**80**
Investment property	**-**	**21**	**-**	**21**
Total	**-**	**21**	**80**	**101**

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	-	20	-	20
Total	-	20	94	114

There have been no transfers between Level 1 and Level 2 during the years 2024 and 2023.

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 680,000 (2023: USD 1,220,750) during the year.