



دانة غاز  
DANA GAS

# Q1 2024 – FINANCIAL RESULTS

9 MAY 2024

## CLEAN ENERGY FOR THE FUTURE





دانة غاز  
DANA GAS

## CONTENTS

- I. Headlines
- II. Operational Performance
- III. Financial Update
- IV. Summary



# DISCLAIMER

This presentation contains forward-looking statements which may be identified by their use of words like “plans,” “expects,” “will,” “anticipates,” “believes,” “intends,” “projects,” “estimates” or other words of similar meaning. All statements that address expectations or projections about the future, including, but not limited to, statements about the strategy for growth, product development, market position, expenditures, and financial results, are forward looking statements.

Forward-looking statements are based on certain assumptions and expectations of future events. The Company, its subsidiaries and its affiliates (the “Companies”) referred to in this presentation cannot guarantee that these assumptions and expectations are accurate or will be realized. The actual results, performance or achievements of the Companies, could thus differ materially from those projected in any such forward-looking statements. The Companies assume no responsibility to publicly amend, modify or revise any forward-looking statements, on the basis of any subsequent developments, information or events, or otherwise.



دانة غاز  
DANA GAS

## HEADLINES



## OPERATIONS

- Group's existing operations continued uninterrupted throughout Q1.
- 26<sup>th</sup> April drone attack on Khor Mor: Production was immediately suspended; since restored to normal levels on 2<sup>nd</sup> May given authorities' firm commitments and actions in relation to Khor Mor security and defences.
- KM250 completion schedule may be impacted due to the incident—further updates in due course.
- Average group production at 56,750 boepd vs 62,900 boepd
  - Up 2% on a sequential basis
  - KRI production flat at 38,600 boepd
  - Egypt production declined 25% due to natural field decline

## LIQUIDITY

- Current cash balance of \$140m, compared to \$131m at year end 2023 with \$116m held at Pearl Petroleum joint venture
- Group collected \$76m
  - \$67m – KRI; and \$9m – Egypt
- New payment mechanism has been agreed in the KRI
  - Timely payments and past receivables being paid (122% collection rate in Q1)
  - Received \$15m dividend from Pearl
- Receivables stand at \$91m and \$57m in the KRI and Egypt respectively

## FINANCIALS

- Net Profit of \$38m – 24% lower compared to Q1 2023 and 12% compared to Q4 2023
- Revenue of \$97m - 20% lower compared to Q1 2023
- EBITDA of \$61m - 17% lower compared to Q1 2023
- Decline is mainly due to lower realized prices in KRI.
- 25% and 10% drop in Condensate and LPG realized prices
- Operational and G&A expenses below \$3.5 /boe

## CORPORATE

- Shareholders approved the election of a new 11-member Board of Directors for three-year period at the AGM, held on 17 April.
- Company remains committed to reinstate dividend payments as soon as its liquidity improves.
- Final hearing for second NIOC arbitration will be rescheduled and expected to take place in 2024.
  - Crescent Petroleum is currently pursuing enforcement procedures to monetize the first award.



دانة غاز  
DANA GAS

## OPERATIONAL PERFORMANCE

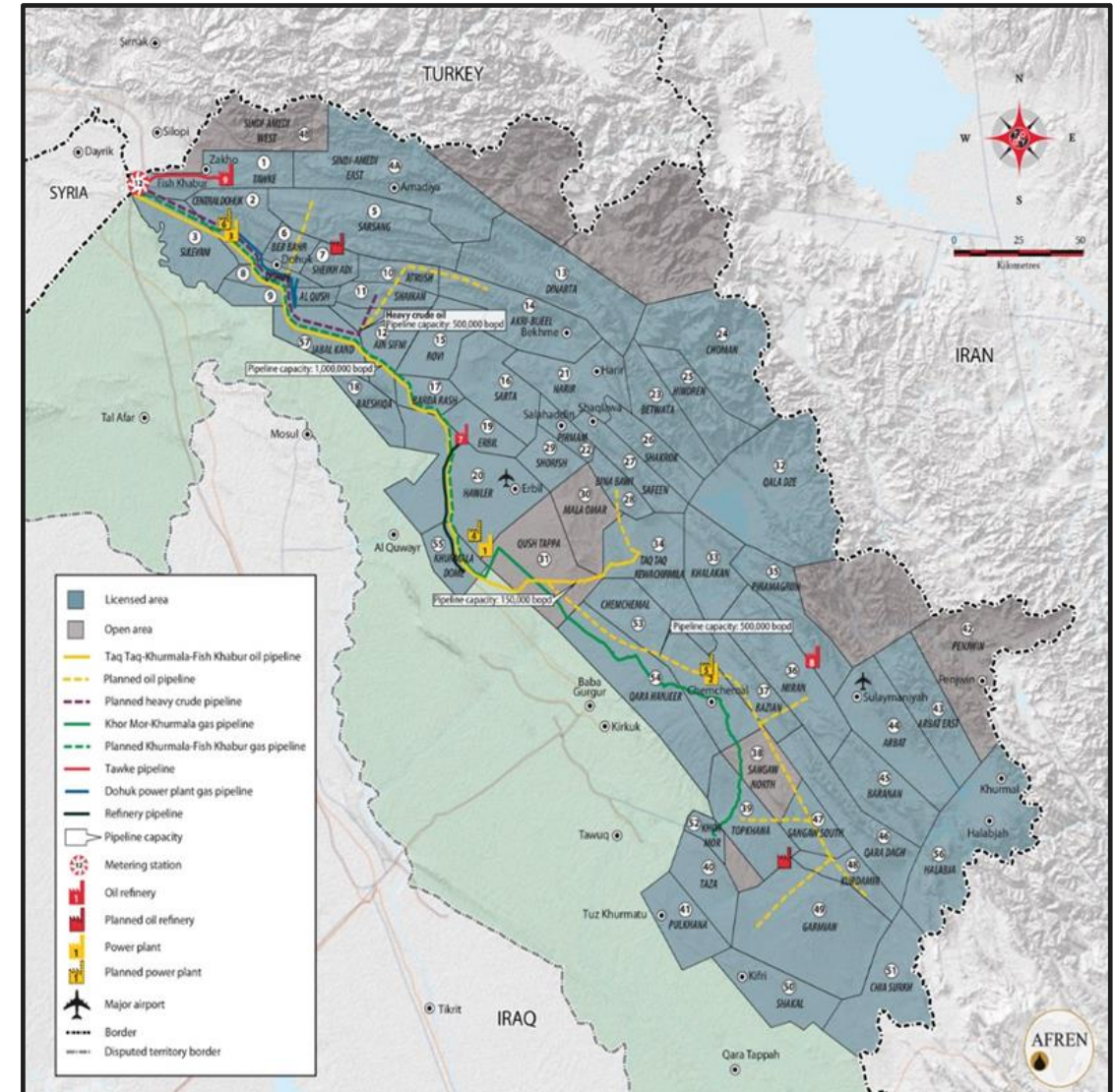


## OPERATIONS

- 26 April – drone attack struck Khor Mor, tragically claiming lives of four contractors, and eight injured. Production immediately stopped but since restored to normal levels (2 May) after actions by respective governments and enhanced security.
- Production operations were uninterrupted in Q1. Company continues to play an important role in enabling regional power generation despite challenging conditions.
- Produced 38,600 boepd (Net) in Q1 24 (172 MMscf of gas; 5,500 bbl/d of condensate and 381 MTPD of LPG) vs 38,700 boepd in Q1 2023.
- Unlike other operators in the KRI, Pearl’s operations and production have continued without interruption since all its products are consumed locally.
- In addition to LPG local sales. Pearl has been selling its condensate locally since May 2023, due to export pipeline closure.
- New payment mechanism agreed late last year; since then regular payments for gas invoices has been received.
- In November 2023, Pearl achieved record production output of 520 MMscf/d.

## EXPANSION PROJECT UPDATE

- KM250 project schedule may be potentially impacted due to the drone attack – evaluation ongoing and update to the market in due course.
- Once completed, the expansion will take KRI’s gross gas production capacity to 750 MMscf/d adding at least \$150m to the Company’s annual revenue

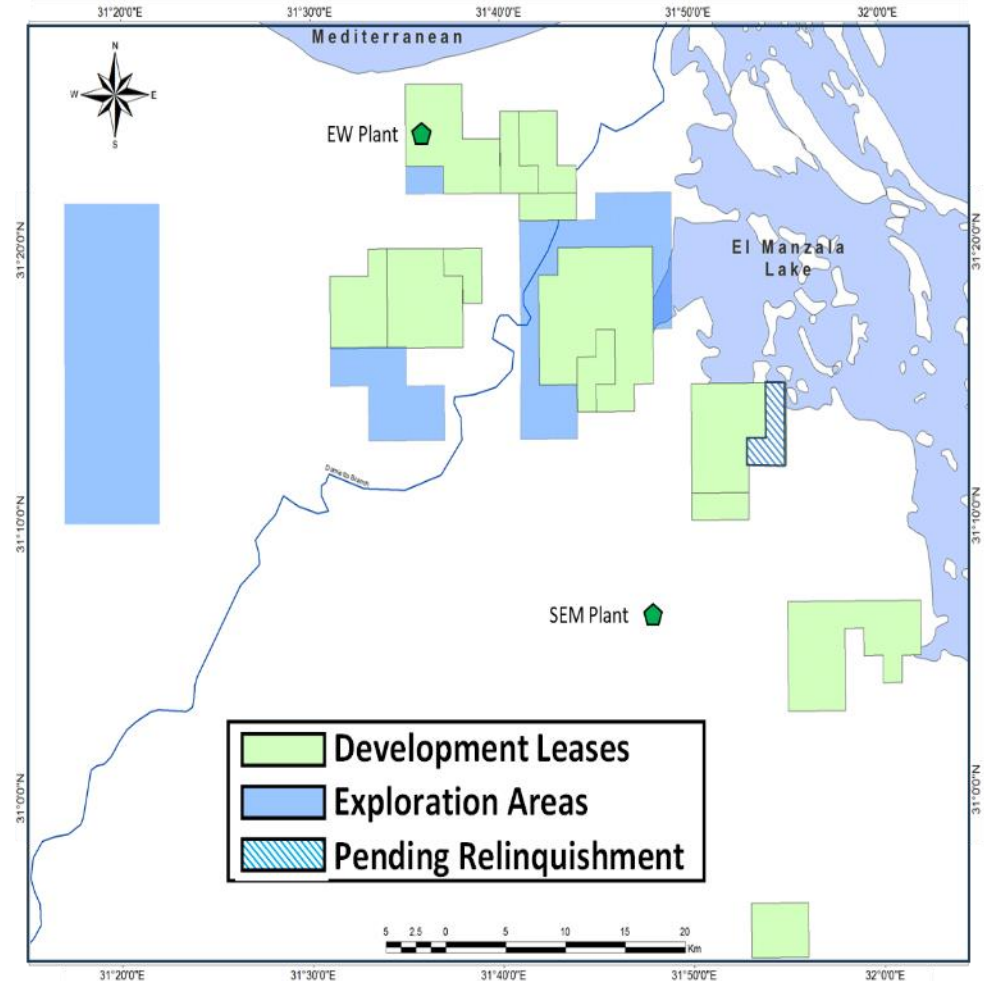


## OPERATIONS

- Produced 18,150 boepd during Q1 2024 (88 MMscf of gas; 1,800 bbl/d of condensate and 140 MTPD of LPG); 25% drop compared to Q1 2023 as a result of natural field declines and absence of meaningful investments.
- The decline is within the 20-30% production decrease that is expected from good quality Nile Delta reservoirs.

## CONCESSION CONSOLIDATION

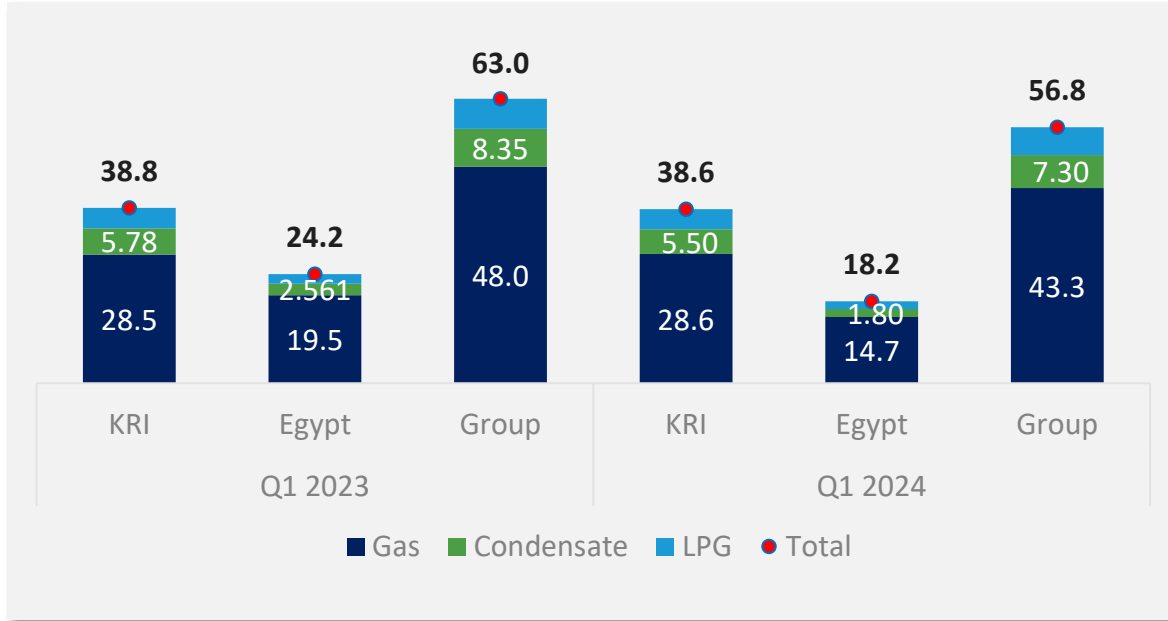
- To boost production/reserves, Dana Gas has identified several exploration/development opportunities on its existing onshore acreage and within neighboring open acreage
- Since these opportunities are marginal under current concession terms; Company has negotiated new terms with EGAS in order to unlock the remaining potential and extend the life of the assets
- The new agreement was approved by EGAS Board and Egyptian cabinet is pending ratification by the Egyptian parliament. The agreement includes improved economical terms and direct awarding of 296 km<sup>2</sup> exploration acreage. This will allow for a late life development program that includes drilling a total of 3 exploration wells within the newly awarded acreage and 8 infield exploration/development wells.



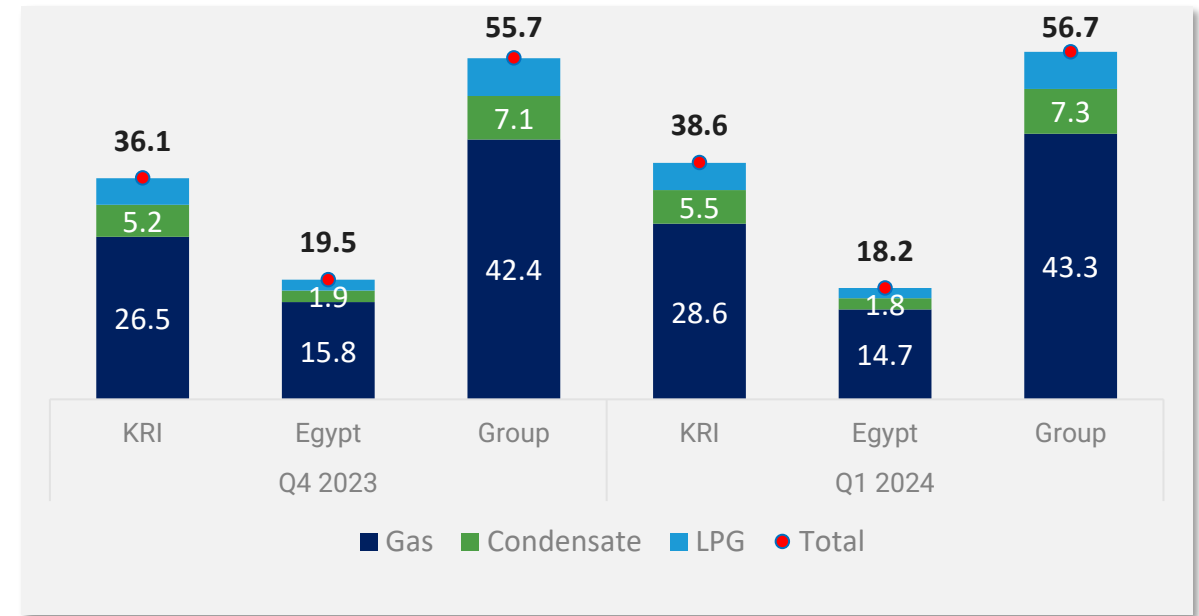


# PRODUCTION (BOEPD)

## AVERAGE PRODUCTION Q1 2023 vs Q1 2024 (KBOE/D)



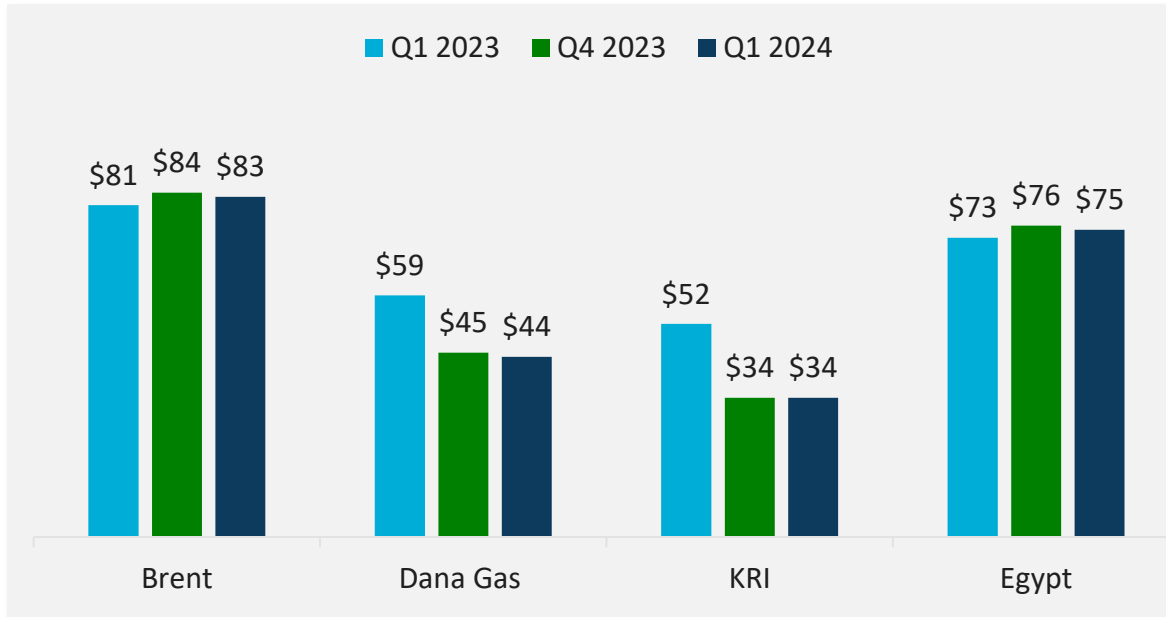
## AVERAGE PRODUCTION Q4 2023 vs Q1 2024 (KBOE/D)



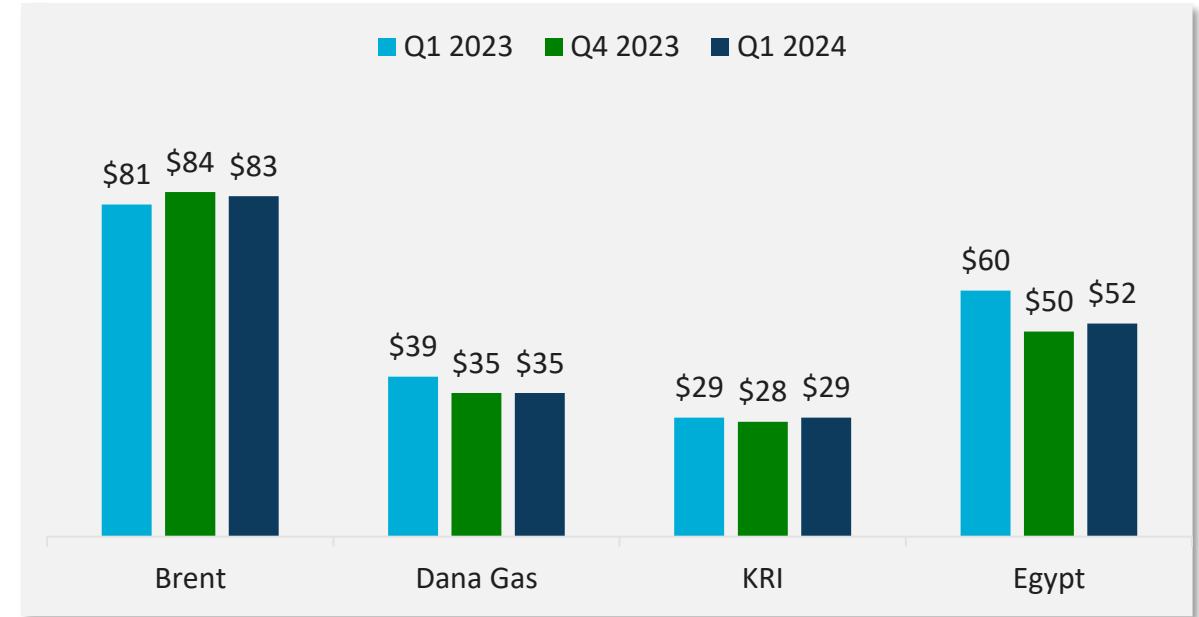
BOE Conversion Factors: Gas (6 MMscf = 1 BOE)

# REALIZED PRICES ( USD/BOE)

## AVERAGE REALIZED PRICE - CONDENSATE (USD/BBL)



## AVERAGE REALIZED PRICE - LPG (USD/BOE)

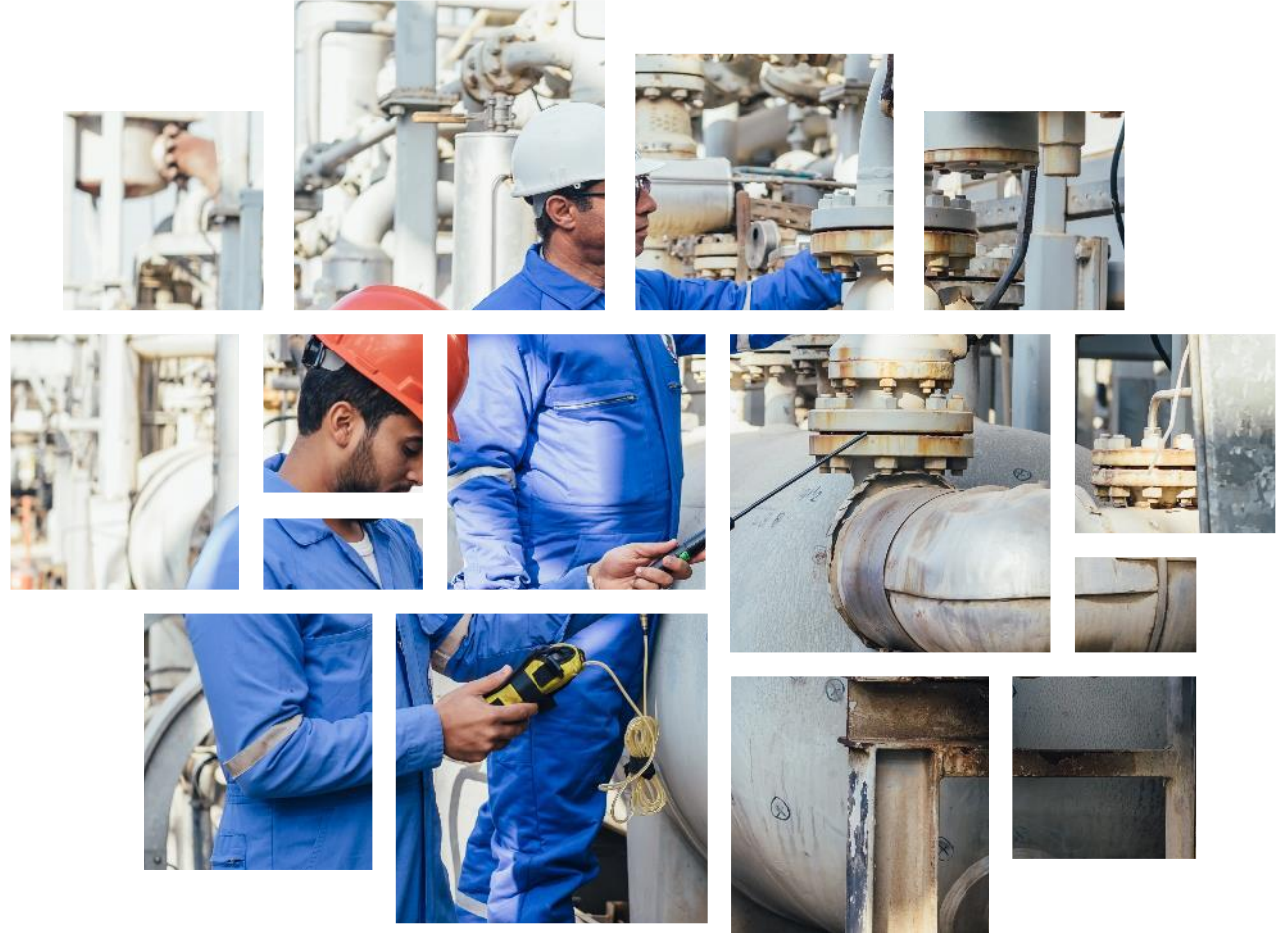


BOE Conversion Factors: Gas (6 MMscf = 1 BOE)



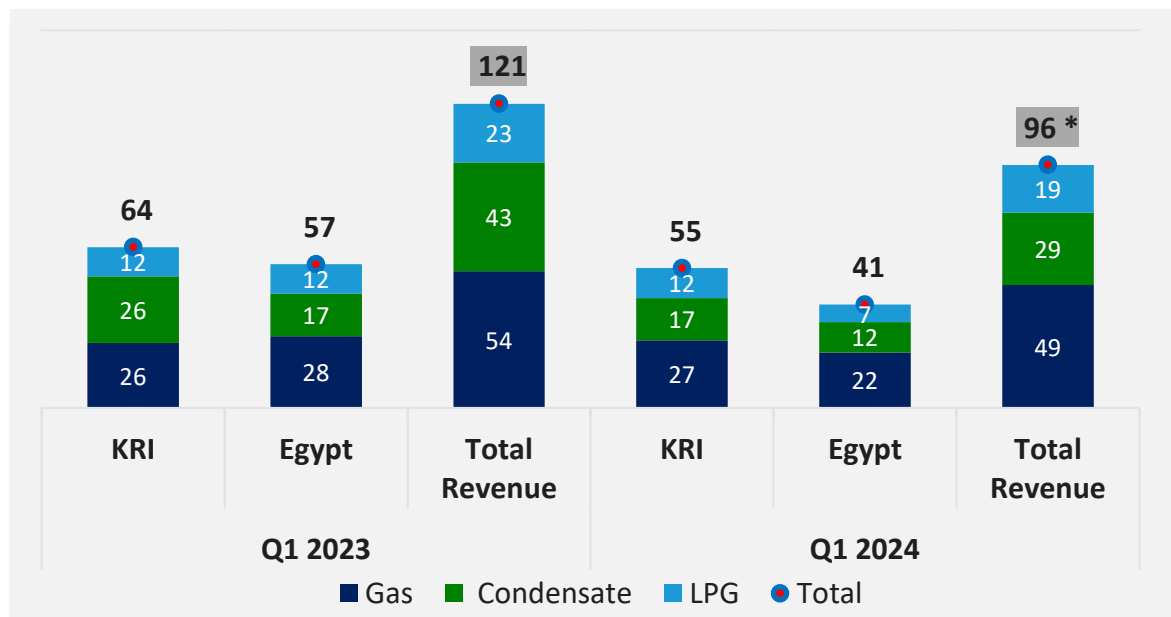
دانة غاز  
DANA GAS

## FINANCIAL UPDATE

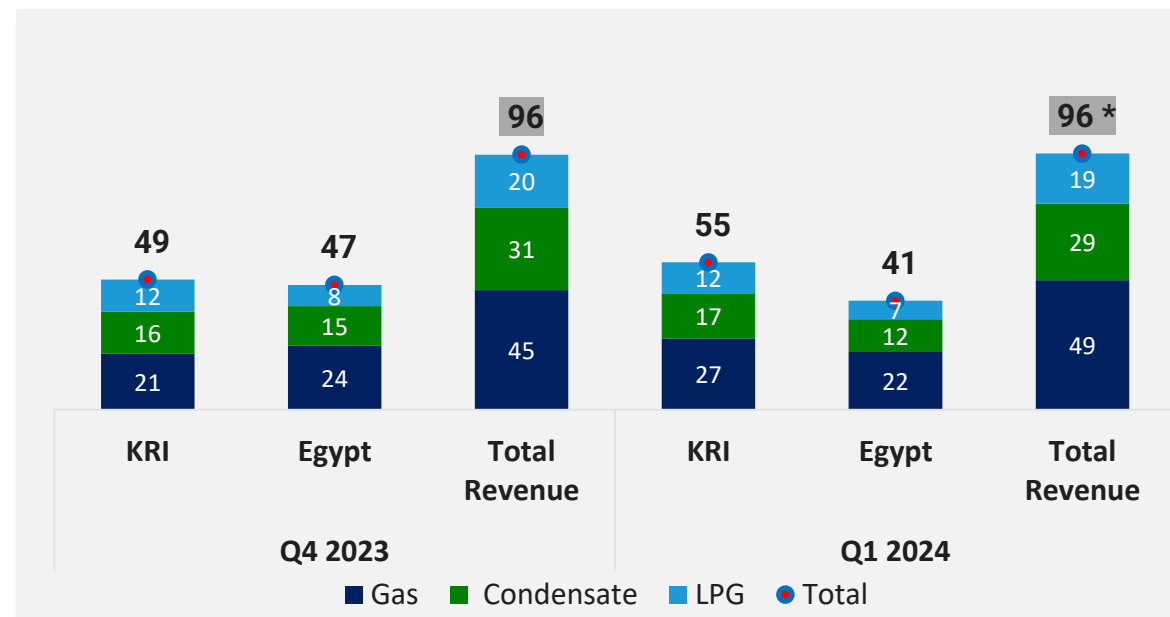


# REVENUE HIGHLIGHTS

## REVENUE BREAKDOWN (\$M) – Q1 2023 Vs Q1 2024

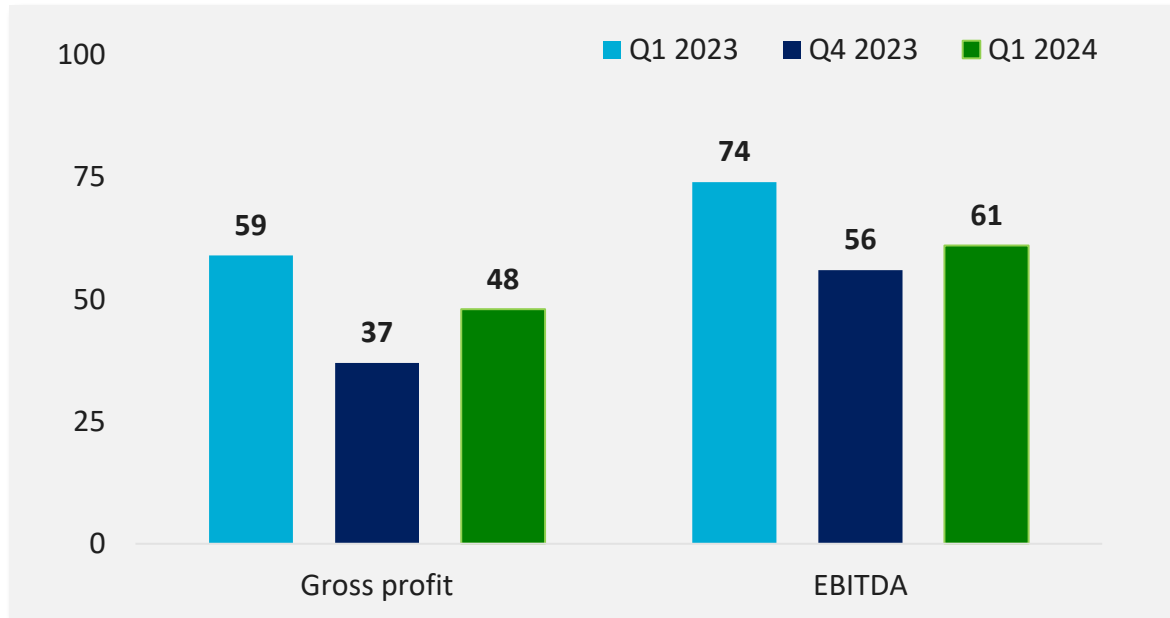


## REVENUE BREAKDOWN (\$M) – Q4 2023 Vs Q1 2024

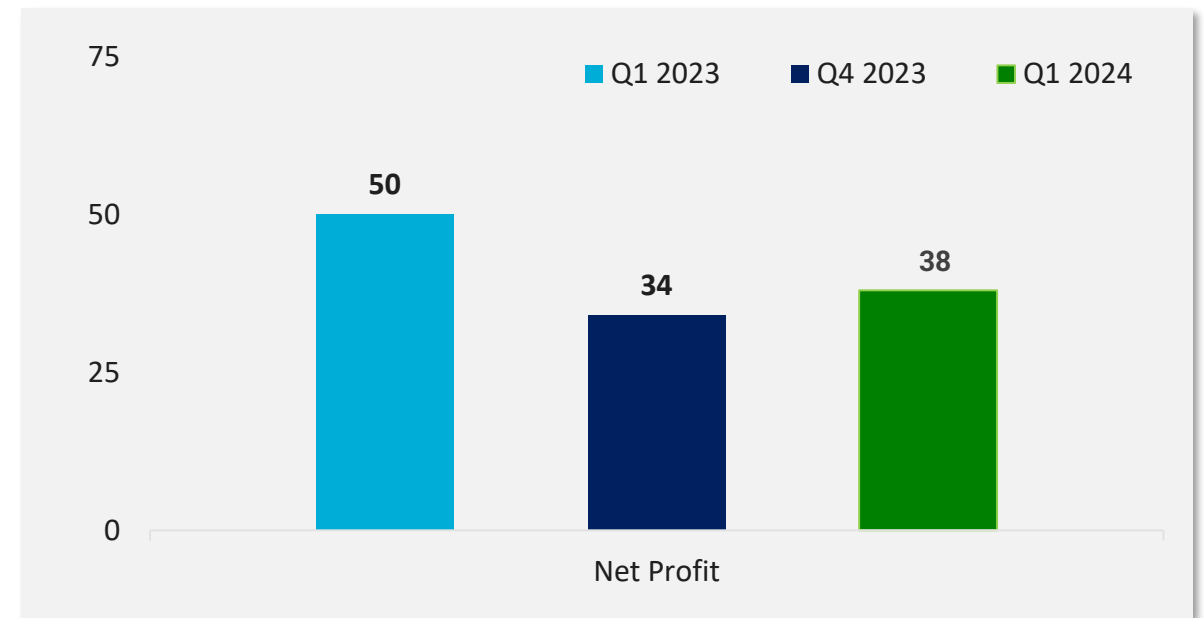


\*Exclusive of \$1 million of UAE pipeline revenue in each of the quarters

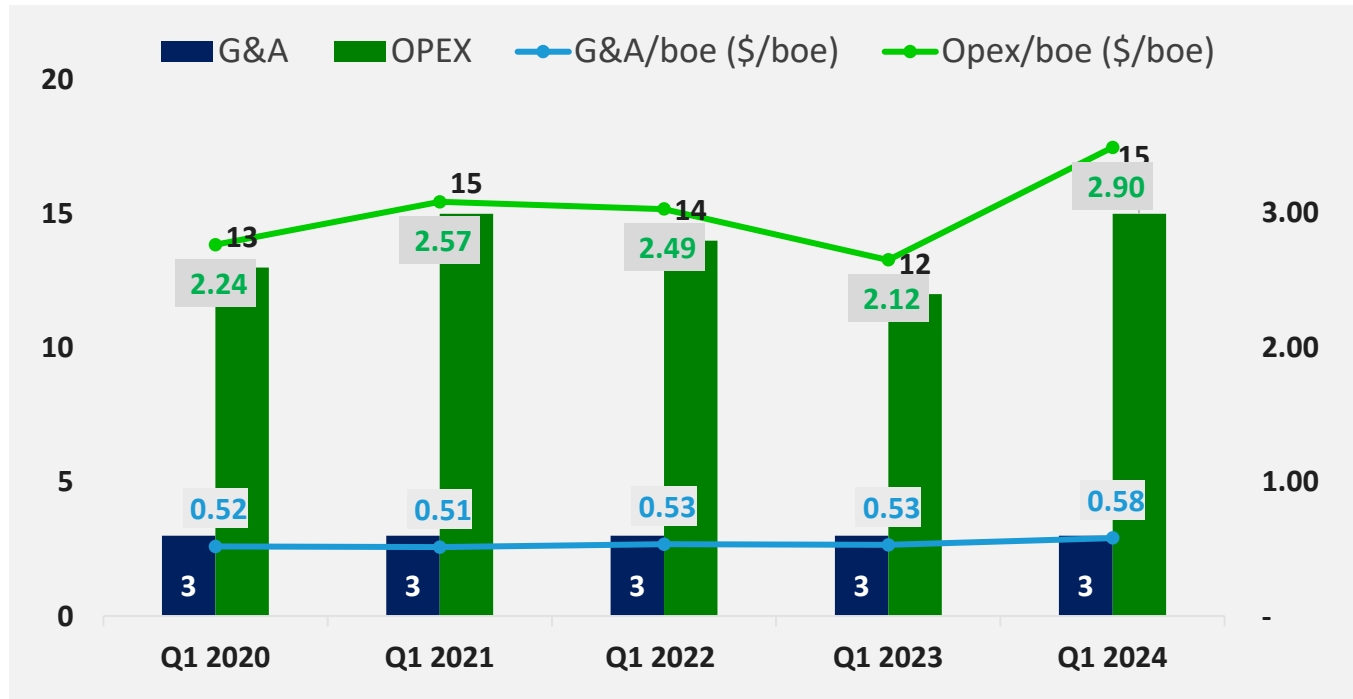
## GROSS PROFIT (\$M)



## NET PROFIT (\$M)

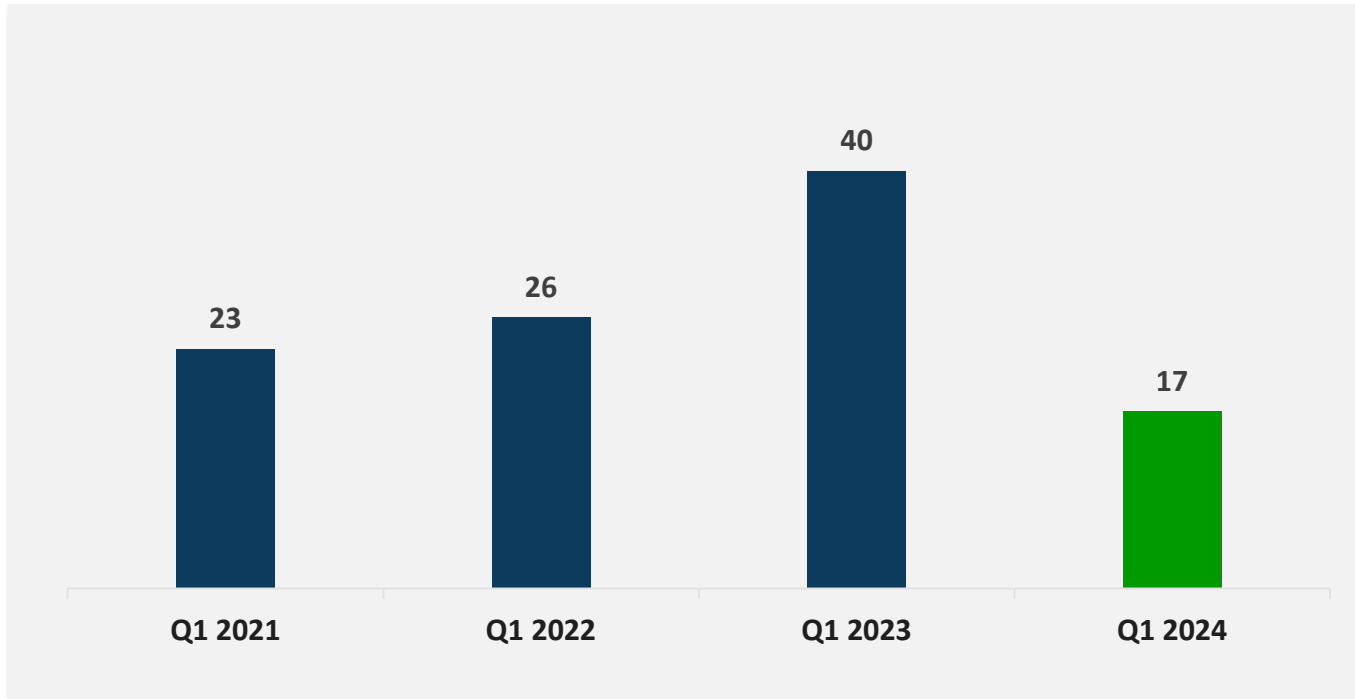


## G&A / OPEX (\$M)



- Opex increased due to costs related to maintenance, security and staff
- Company OPEX and G&A costs remain extremely competitive on an industry wide basis
- OPEX and G&A costs below \$3.5/boe and remains within industry's top quartile

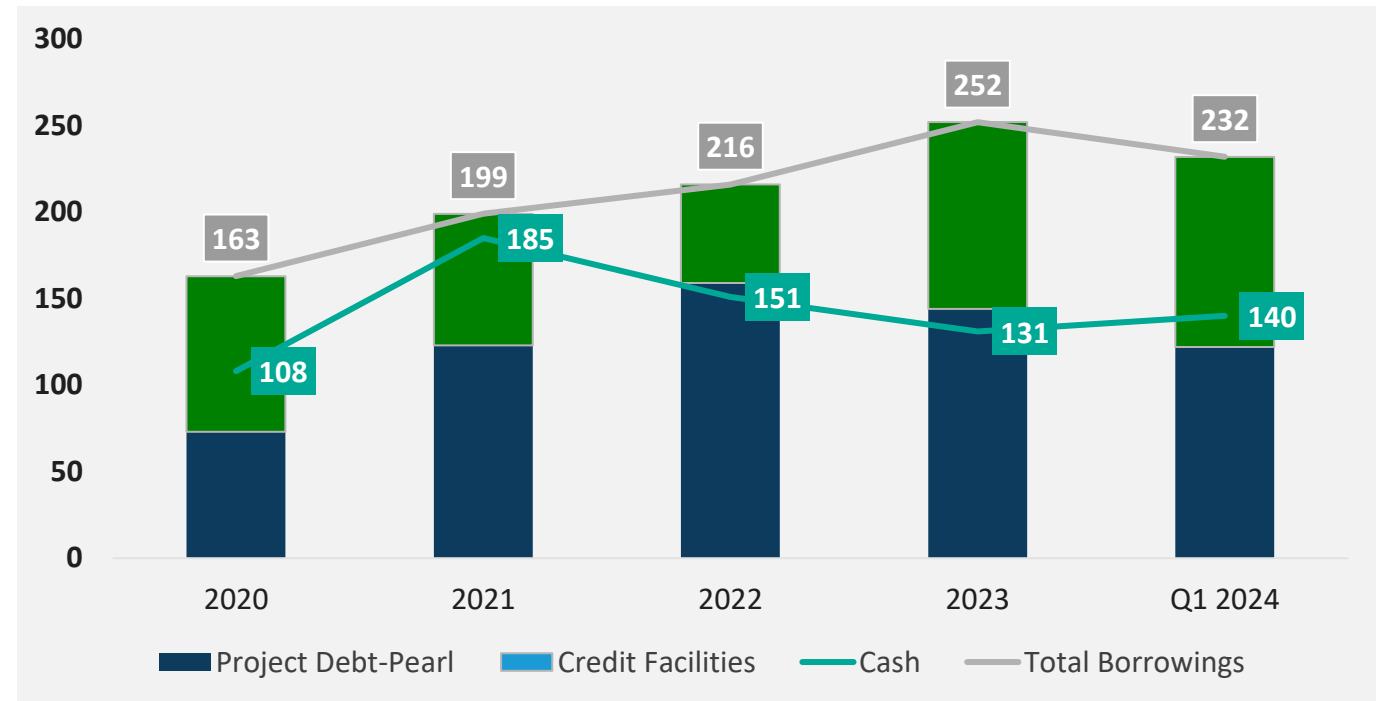
## CAPEX (\$M)



- Total \$17m vs \$40m in Q1 2023
- \$2m in Egypt and \$15m in the KRI
- Limited CAPEX in Egypt amid finalization of concession consolidation

## DEBT AND CASH BALANCE (\$M)

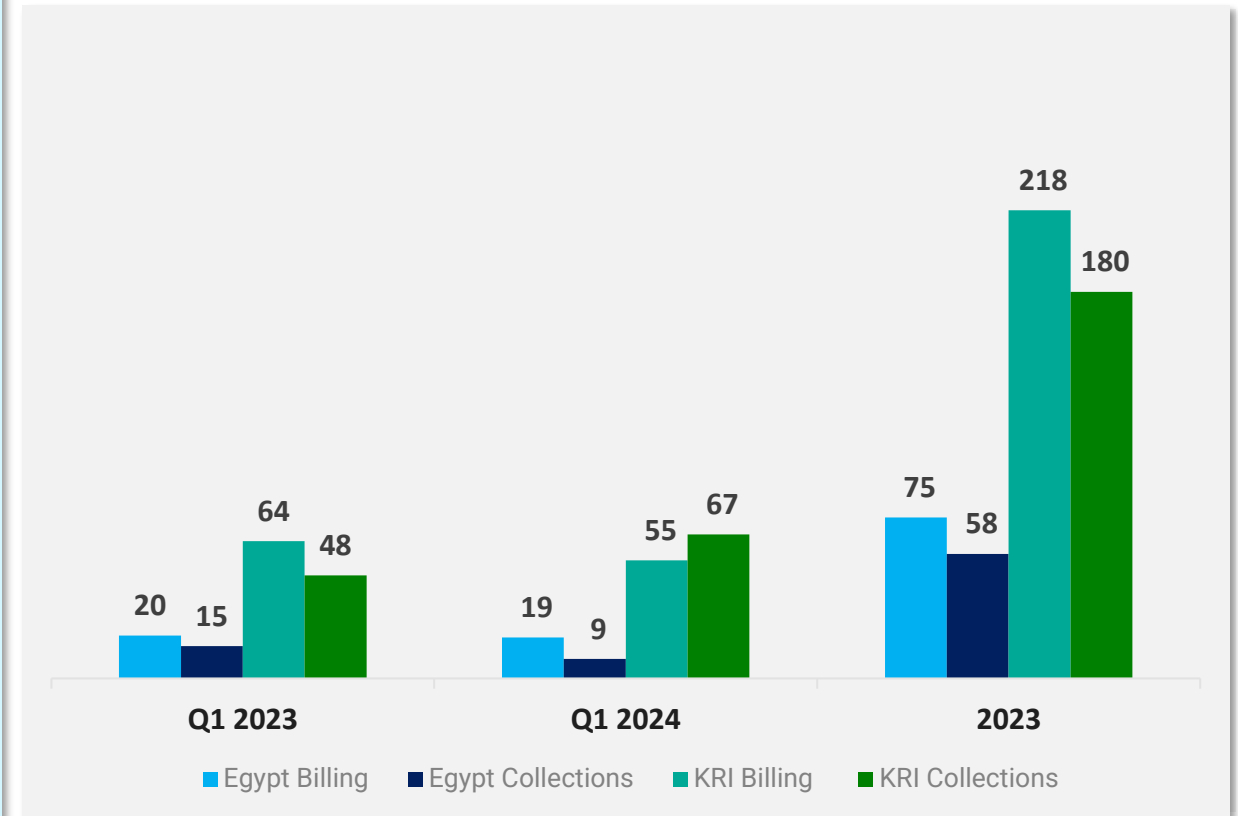
- Improvement in Company's Balance Sheet with lower debt and better cash position
- \$140m cash balance vs. \$131m FY2022.
  - \$116m cash balance held at Pearl Petroleum
- As of 31 March 2024, Company's total borrowings stands at \$232m consisting of:
  - \$ 122m non-recourse project debt at Pearl
  - \$ 110m drawn credit facilities consisting of \$43m Mashreq facility balance and \$ 67m Bank of Sharjah facility
  - \$26m repayment of corporate and Pearl facilities





## BILLINGS AND COLLECTIONS (\$M)

- Collected \$76m in Q1 2024
  - \$67m, Company's share of Pearl's collections in the KRI Company's share of KRI trade receivables down to \$91m (\$103m at YE 2023)
  - With Pearl resuming *dividend* payments to its shareholders including Dana Gas, Company received \$15m dividend from Pearl in Q1 2024
  - Collected \$9m in Egypt (47% collection realization)
  - Egypt trade receivables stands at \$57m
- Pearl continued third party condensate sales to local buyers
  - This is in addition to the existing LPG local sales
  - Provides alternative sources of revenue from the KRG
  - Amounted to \$ 17m of Company's share of KRI's total collections (25%)
- New payment mechanism has been agreed with direct payments from power stations
  - Meet KRG obligations and ensure timely payment of gas invoices from power producers and settle overdue receivables
  - Schedule to collect past receivables
  - 122% collection realization in Q1 2024 because of successful implementation of the new payment mechanism





دانة غاز  
DANA GAS

## SUMMARY



- Dana Gas's Q1 2024 strong financial performance was supported by robust operational performance in the KRI, but results are still impacted by lower realized prices.
- Upon completion, the KM250 expansion project will raise the Company's daily production capacity to 750 MMscf/d, enhancing revenue and profitability.
- KRI collections improved on the back of the agreement that was signed with the government (122% collection rate in Q1). Pearl has resumed dividends to Dana Gas and other partners (\$15m received in Q1).
- Dana Gas seeks to reinstate dividend as soon as the company's cash liquidity allow.
- Once the new concession terms with EGAS in Egypt are finalised. The new agreement will allow for the extension of the economic life of the Company's Egypt assets.
- Despite the continued uncertainty over the global economic outlook amid heightened geopolitical tensions, the remainder of 2024 is likely to continue to be positive for Dana Gas amid robust global hydrocarbon prices.



دانة غاز  
DANA GAS

## REACH Us:

**Dana Gas PJSC**

P. O. Box 2011, Sharjah, UAE

[www.danagas.com](http://www.danagas.com)

E-mail : [mohammed.mubaideen@danagas.com](mailto:mohammed.mubaideen@danagas.com)

Direct : +971 6 519 4401

