



Dana Gas reports a 3% increase in Net Profit to AED 124 million (\$34 million) in Q2 2024

Key Highlights – H1 2024

- H1 revenue totaled AED 696 million (\$190m), with net profit of AED 263 million (\$72 million)
- Collections amounted to AED 557 million (\$152m) during H1 2024 compared to AED 389 million (\$106m) during H1 2023
- KRI production increased by 3% to 37,600 boepd

Sharjah, UAE; 8 August 2024: Dana Gas PJSC (the “Company”), the Middle East’s largest regional private sector natural gas company, announced today its financial results for the half-year ended 30 June 2024.

Driven by improved gross profit margins in Q2 2024, the Company recorded a net profit increase of 3% to AED 124 million (\$34m) versus AED 121 million (\$33m) in Q2 2023. The improved margins helped offset the 7% drop in revenue during the same period due to lower realized prices.

Revenue in H1 2024 reached AED 696 million (\$190m), compared to AED 814 million (\$222m) in H1 2023 resulting in net profit of AED 263 million (\$72m) given the lower realized prices in the Kurdistan Region of Iraq (KRI), alongside lower production outputs in Egypt.

KM250 Update

Following the drone attack on the Khor Mor facility on April 26, 2024, concerted efforts between Dana Gas and its partners are ongoing towards setting a swift completion date for the project. The Company will update the market in due course on the revised completion date and impact on costs.

Egypt Consolidation

In early March, the Egyptian Cabinet approved a draft law authorizing the Minister of Oil and the Egyptian Natural Gas Holding Co. (EGAS) to finalize a new Concession Agreement with Dana Gas. The agreement is a part of a strategic consolidation plan designed to enhance the life of assets in Egypt towards maximizing stakeholder value over the coming years. The revised terms should enable meaningful future investments alongside a resumption of drilling activities, positively impacting the Company’s production levels in Egypt and helping the Country meet its growing gas demand. The new agreement has been ratified by the Egyptian Parliament.



Richard Hall, CEO of Dana Gas, said:

"Thanks to a newly established payment mechanism with the local government, we have seen significant improvements in our receivables in the KRI, receiving regular payments since November 2023 and effectively reducing past receivables. Increased production output in the KRI, driven by higher demand from local power plants, has bolstered our operational performance. Coupled with robust hydrocarbon prices, we achieved a strong financial performance despite lower condensate prices and reduced output from Egypt.

We are dedicating all our efforts on behalf of the KRG and the people of Kurdistan to enable the earliest resumption by Pearl of KM250.

Looking ahead, reflecting our commitment to our Shareholders, we are optimistic about the remainder of 2024 and look forward to resuming dividend payments as soon as feasible."

Operations & Production

The Group's overall production in H1 2024 averaged 55,250 boepd, a 7% decrease compared to 59,800 boepd in H1 2023. KRI production grew 3% to 37,600 boepd, driven by higher gas volumes supplied to local power plants in response to increased demand. This continues the momentum from the previous year, when the Company achieved a record gas output of 520 MMscf/d.

Production in Egypt declined 25% to 17,650 boepd in H1 2024 from 23,400 in H1 2023, primarily due to natural field declines. However, the ongoing consolidation efforts are set to bring new production streams online, which are expected to significantly enhance the Company's capacity and operational efficiency in the country.

Liquidity

The Company's cash position as of 30 June stood at AED 513 million (\$140m), including AED 403 million (\$110m) held at the Pearl Petroleum joint venture.

The Group collected a total of AED 557 million (\$152m) during the first half of the year, with contributions from KRI and Egypt at AED 480 million (\$131m) and AED 77 million (\$21m) respectively. The Company received an AED 154 million (\$42m) dividend from Pearl Petroleum during this period.

The Company's receivables in KRI were reduced to AED 297 million (\$81m) and in Egypt at AED 220 million (\$60m) at the end of the first half.

The Company's balance sheet has grown stronger as a result of proactive measures that reduced corporate debt by AED 95 million (\$26m) during the first half of 2024.

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About Dana Gas

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

Communication & Investor Relations Contact

Mohammed Mubaideen
Head of Investor Relations
+971 6 519 4499
ir@danagas.com