



Dana Gas and Crescent Petroleum Resume Khor Mor Expansion Project

US\$600m investment to increase production 57% within 2 years

Production to grow from 440MMSCFD to 690MMSCFD by April 2023

Force Majeure lifted with KRG and US Contractor Exterran after COVID Delay

26th April 2021

Dana Gas, the Middle East's leading publicly listed regional natural gas company, and its partner Crescent Petroleum, the oldest private oil & gas company in the Middle East, have announced the full resumption of the expansion project at the Khor Mor field in the Kurdistan Region of Iraq (KRI), which the companies jointly operate on behalf of the Pearl Petroleum consortium. The KM250 expansion involves further investment of US\$600 million to add 250 million cubic feet per day of much-needed additional gas production to supply the local power stations. The project construction work had been put on hold due to the COVID pandemic but is now on track for a new target start date of April 2023, after agreement to lift the force majeure with both the Kurdistan Regional Government (KRG) and the contractor.

Under a Gas Sales agreement signed in March 2019 with the KRG Ministry of Natural Resources, Pearl Petroleum will sell the additional quantities of gas to supply the power stations with affordable and environmentally cleaner fuel, and further enhance electricity supplies. Today over 80% of the KRI's electricity generation is enabled by the gas produced by the companies.

Current production at the Khor Mor field is 440 million cubic feet per day of natural gas as well as 15,700 barrels per day of condensate and 1,020 tonnes of liquified petroleum gas (LPG), or a total of 110,400 barrels of oil equivalent (boe) per day, making it the largest overall producer in the KRI and the largest private sector upstream gas operation in Iraq. After the KM250 train, there are plans to add a further KM500 train which would take production to almost 1 billion cubic feet per day by 2024.

Total investment to date exceeds US\$2 billion with total cumulative production of over 332 million barrels of oil equivalent (boe), which has resulted in significant fuel cost savings and economic benefits for the Kurdistan Region and Iraq as a whole. In addition 43 million tonnes of CO₂ emissions have been eliminated by displacing liquid fuels, which in turn has made a positive contribution to tackling global climate change

as well as reducing local air pollution. Mr. Majid Jafar, CEO of Crescent Petroleum and Board Managing Director of Dana Gas, commented: “After a year of delay due to the COVID pandemic, we are pleased to fully resume the KM250 expansion project to invest US\$600 million and grow the gas production almost 60% within 2 years from now, supporting the local electricity provision even further. Despite the challenges the whole world has faced over the past year we have kept our operations safe and managed to grow production and we are grateful to all our staff and to the KRG for its support.”

Dr. Patrick Allman-Ward, CEO of Dana Gas, added: “With our partners in Pearl Petroleum we are proud to be investing further in the gas sector of the Kurdistan Region of Iraq, delivering a reliable source of cleaner energy, and supporting local economic development. The continuing receipt of payments in a timely manner gives confidence for our continued investment commitment as we enter the next exciting phase of growth with the Khor Mor expansion, which will be carried out under strict health protocols to ensure the safety of our staff and service providers.”

The Kurdistan Gas Project was established in 2007 as Dana Gas and Crescent Petroleum entered into agreement with the KRG for exclusive rights to appraise, develop, produce, market, and sell petroleum from the Khor Mor and Chemchemal fields in the KRI. Production from the newly built plant in Khor Mor began 15 months later, in October 2008, an industry record. In 2009, Pearl Petroleum was formed as a consortium with Dana Gas and Crescent Petroleum as shareholders, and with OMV, MOL, and RWE joining the consortium subsequently with a 10% share each.

Operation full-time staff numbers are over 500 with now over 85% local staff, including in senior management positions. And the companies have also implemented a corporate social responsibility program to support local communities with supplies to deal with the COVID pandemic such as ventilators, sanitizers and protection equipment. This is in addition to support with local education, health and power supply and other humanitarian aid for displaced persons and orphans. These initiatives are assisting the local communities in improving their standard of living, health, well-being, security and stability and the development of human capital.

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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. With sizeable assets in Egypt, KRI and the UAE, 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. www.danagas.com

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About Crescent Petroleum

Crescent Petroleum is the first and largest private exploration and production company in the Middle East, with over 50 years of experience as an international operator in numerous countries including Egypt, Yemen, Canada, Tunisia, and Argentina, in addition to its continuing operations in the United Arab Emirates and Iraq.

Headquartered in Sharjah in the UAE, Crescent Petroleum has international offices in the UK and three locations across Iraq, as well as affiliated offices in Egypt and Bahrain. Crescent Petroleum is also the largest shareholder in Dana Gas, the Middle East's first and largest regional private-sector natural gas company.

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