



## **Dana Gas reports a 41% increase in Net Profit in Q1 2021 to \$24 million (AED 88 mm)**

### **Highlights**

- Revenues up at \$106mm (AED 389mm) based on a 9% increase in KRI production
- Group production reaches 64,900 boepd
- Full resumption of the expansion project at the Khor Mor field in KRI; investment by Pearl of \$600 million to boost local gas production by almost 60% within 2 years
- Cash of \$149 million (AED 546 mm)
- Cash dividend of \$105 million (5.5%) approved by shareholders to be paid out by the 28<sup>th</sup> of May

**Sharjah, UAE; 9 May 2021:** Dana Gas PJSC (“Company”), the Middle East’s largest private sector natural gas company, today announced its financial results for the first quarter ended 31 March 2021.

Net Profit was up 41% in Q1 2021 reaching \$24 million (AED 88mm) as compared to \$17 million (AED62 mm) in Q1 2020. The increase in Net Profit was the result of improved revenues from higher production in the Kurdistan Region of Iraq (KRI), and a reduction in finance cost due to lower borrowings in Q1 2021 as compared to Q1 2020.

Revenue was \$106 million (AED 389mm), 2% higher compared to \$104 million (AED 382mm) in Q1 2020. The improved performance was mainly due to a 9% production increase in the KRI. Realised price averaged \$44/bbl for condensate and \$33/boe for LPG compared to \$41/bbl and \$30/boe respectively in Q1 2020.

### **Dr Patrick Allman-Ward, CEO of Dana Gas, commented:**

*“Dana Gas has delivered a strong quarter with robust operational performance, continuing the positive momentum from the previous period. In the KRI we are moving ahead with our expansion plans to significantly boost production from 440 MMscf/d to 690 MMscf/d by April 2023. This will contribute positively to our top and bottom line. We remain fully committed to managing our producing assets in Egypt for the benefit of all our stakeholders and focusing on evaluating the exciting potential of our offshore Block 6 Concession Area as quickly as possible.*

*“We maintained our strong financial position, with increased production from the KRI and lower financing costs following the repayment of the Company’s outstanding Sukuk in Q4 2020. I am pleased that we maintained the dividend to Shareholders, for the fourth consecutive year, despite adverse economic conditions.”*



## **Production & Operations**

Group production in Q1 2021 averaged 64,900 boepd, a 2% increase as compared to 63,650 boepd in Q1 2020. The first quarter production increase was driven by the KRI, which grew by 9% to 35,300 boepd from 32,400 boepd, building on the significant production increase in Q4 2020 after the Khor Mor plant by-pass project was completed in July 2020. Production in Egypt declined by 5% to 29,050 boepd, which was more than offset by the increase in production in KRI.

In the KRI, Pearl Petroleum, the company consortium operated by Dana Gas and Crescent Petroleum, fully resumed the expansion project at the Khor Mor field. The first gas train will 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*. The KM250 expansion project involves a further investment by Pearl of \$600 million to boost output by almost 60%.

Last month, Dana Gas announced its decision to retain and operate its onshore assets in Egypt alongside the highly prospective Block 6. The Company is currently evaluating its Block 6 Concession Area for drilling an exploration well as soon as possible

## **Liquidity and Collections**

Cash and bank balance at end of Q1 stood at \$149 million (AED 546mm), an increase of 38% compared to \$108 million (AED 396mm) at the end of 2020.

In the KRI, the Company collected \$35 million (AED 128mm) during the quarter with all invoices due from the KRG being settled in full and in a timely manner. At the current oil prices the balance of KRI overdue receivables is expected to be settled by the third quarter of this year. In Egypt, the Company has collected \$23 million (AED 84mm) during quarter one and its receivables at quarter end stood at \$131 million (AED 480 mm).

At the General Assembly of the Company held on 28 April 2021, the Shareholders approved a cash dividend for the fourth consecutive year. This 5.5 fils per share dividend will be distributed in May.

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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 63,200 boepd in 2020. 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. Visit: [www.danagas.com](http://www.danagas.com)

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