



Dana Gas wins arbitration on sale of Egypt assets

Company's Termination of Sale of Dana Gas Egypt ruled valid

Sharjah, UAE; 25 July 2021: Dana Gas PJSC ("Company"), the Middle East's largest regional private sector natural gas company has received an award in its favour dated 19 July 2021 from the London Court of Arbitration ("LCIA"). The arbitration was initiated on 28 April 2021 by IPR Wastani Petroleum Ltd., ("IPR Wastani") a member of the IPR Energy Group, in relation to the Sale and Purchase Agreement (SPA) for the sale of oil and gas assets in Egypt. The Tribunal rejected IPR Wastani's claim in its entirety. The Tribunal ruled in Dana Gas' favour on all key points, concluding that Dana Gas' termination of the SPA was valid.

Dana Gas terminated its agreement for the sale of its Egyptian assets to IPR Wastani on 22 April 2021 as the parties were unable to complete a number of conditions precedent to the transaction by the long-stop date of 14 April 2021. Dana Gas's Board of Directors therefore decided to terminate the SPA and retain and operate the assets in Egypt. IPR Wastani disputed Dana Gas' right to terminate the SPA and submitted a request for arbitration. The Award now means the assets will continue to be operated by Dana Gas for the benefit of its shareholders and the people of Egypt.

The Company has an outstanding track-record of operating in Egypt over the past 14 years which resulted in Dana Gas becoming the 5th largest gas producer in the country. It is currently producing around 30,000 boepd from 14 development leases. The Company looks forward to maximizing the value of its onshore producing assets whilst also focussing its attention on testing the enormous potential of its offshore Block 6 Concession Area. This is estimated to contain more than 20 Tcf gas resources which it plans to test by drilling an exploration well currently scheduled for Q1 2022 depending upon the availability of long lead items.

Dana Gas Egypt collected \$23 million in the first quarter of 2021. This increased to \$ 75 million in the second quarter following the termination of the SPA. In total, Dana Gas Egypt has collected \$98 million during H1 2021, compared to \$43 million received in the same period of 2020, representing a 128% increase. As a result, the \$131 million receivables at the end of Q1 will drop significantly. Dana Gas Egypt will contribute positively to the Company's profitability and cash flow in Quarter 2 2021 and in the coming years. A portion of impairments, which the Company recognised in 2020, will also be reversed in Quarter 2 2021 as a result of retaining these assets.

Dr Patrick Allman-Ward, CEO of Dana Gas, said:

"We are very pleased with the outcome of this arbitration and with the speed with which this final decision was made. The award confirms that Dana Gas was correct and within its contractual rights to terminate the sale's process. The Board has made a decision to continue to hold and operate the assets in the best interests of the Company and its shareholders as well as for our broader stakeholders. We are committed to continuing to operate our onshore assets to the highest operational and safety standards. We are also excited about the potential of our offshore Block 6 Concession Area and we are working hard to be able to drill an exploration well in the block as soon as practicably possible."

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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

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