

ANNOUNCEMENT

Further to the announcement dated 2 September 2016, regarding the board of directors of C.O. CYPRUS OPPORTUNITY ENERGY PUBLIC COMPANY LIMITED (the "Company") decision to file an interim order together with Petrica AS (formerly known as AGR ENERGY AS)(the Consortium") to the applicable court of Cyprus against the Republic of Cyprus, The Council of Ministers and the Minister of Commerce, Industry and Tourism in order to stop the 3rd licensing round with respect to Block 8 (the "Block"), until the pending recourse of the Consortium in the matter of the Block in the second licensing round shall be given by the Court (the "Consortium's Application for Interim Order") and Further to the Company's announcement dated October 10th 2016 regarding some Israeli inventors' decision to give a notice to the Government of Republic of Cyprus ("GoC"), of the existence of an investment dispute under the Agreement Between the Government of the State of Israel and the GOC for the Reciprocal Promotion and Protection of Investments dated October 13, 1998, the Company would like to inform the investment public that as follows:

- 1- The Consortium's application for interim order was rejected. The Company is considering its steps with this respect.
- 2- The Israeli inventors have given the notice to the GOC of the existence of an investment dispute under the Agreement Between the Government of the State of Israel and the GOC for the Reciprocal Promotion and Protection of Investments dated October 13, 1998.

Pursuant to Article 8 of the Treaty, the investors requested that formal negotiations be commenced immediately between the GoC and the investors, to resolve claims and disputes arising in connection with the Second licensing round for Block 8 and their respective investment in connection thereto. The Company was further informed, that in the event such disputes are not settled within the six-month period stated in the Treaty, the investors intend to submit the dispute to the International Center for the Settlement of Investment Disputes (ICSID) for resolution by binding arbitration.

Nicosia, 12 October 2016