

ANNOUNCEMENT

Further to the announcement dated 29 March 2016, regarding the commencement of the 3rd Licensing Round for offshore exploration Blocks 6, 8 and 10 in the Republic of Cyprus' Exclusive Economic Zone, C.O. CYPRUS OPPORTUNITY ENERGY PUBLIC COMPANY LIMITED (the "Company") would like to inform the investment public as follows:

On 21 December 2016, the Council of Ministers' announced its selected applicants for negotiations on the terms and provisions of the Exploration and Production Sharing Contracts, in the Third Licensing round. Among the elected applicants, Eni Cyprus Limited was elected for negotiation on exploration in Block 8.

Furthermore, the Council of Ministers announced that it appointed a team, led by the Minister of Energy, Commerce, Industry and Tourism and the Minister of Finance, to negotiate Contract terms and provisions with the selected applicants. In case negotiations are successful, and provided that the agreed Contract per individual Block is approved by the Council of Ministers, Hydrocarbon Exploration Licenses shall be granted. Otherwise, the runner-up applicants will be invited for negotiations.

The Company is considering its steps with this respect.

Nicosia, 2 January 2017