

C.O. CYPRUS OPPORTUNITY ENERGY PUBLIC COMPANY LIMITED

BUSINESS PLAN UPDATE

C.O. CYPRUS OPPORTUNITY ENERGY PUBLIC COMPANY LIMITED (the "Company") would like to inform the investment public the below, in relation to the progress of the Company's business plan as presented in the Company's admission document dated 17 July 2012 (the "Admission Document"):

On 11 May 2012, the Company together with AGR Energy AS (the "Consortium"), submitted applications for two offshore hydrocarbons exploration licenses, blocks 2 and 8, through the tender for the 2nd Licensing Round for offshore exploration issued by the Government of Cyprus.

On 5 February 2013, the Company was informed by the Ministry of Commerce, Industry and Tourism of the Republic of Cyprus (the "Ministry") that the proceedings for block 2 were concluded and that the license for this block was granted to another applicant.

On 25 April 2013, the Company and AGR entered into a Memorandum of Understanding with a member of the Paraskevaides Group for a joint venture with the Consortium regarding block 8.

On 24 May 2013, the Ministry informed the Company that the application for block 8 submitted by the Consortium was rejected. On 17 July 2013, the Consortium submitted a recourse to the Supreme Court of Cyprus with respect to the decision of the Ministry to reject the Consortium's application for block 8.

On 24 March 2016, the Republic of Cyprus announced the commencement of the 3rd Licensing Round for offshore exploration of Blocks 6, 8 and 10 in its Exclusive Economic Zone. On 1 September 2016, the Board of Directors of the Company decided to file an interim order together with Petrica AS (formerly known as AGR Energy AS) to the applicable court of Cyprus. The interim order was filed against the Republic of Cyprus, The Council of Ministers and the Ministry. The reasoning behind the interim order was to stop the 3rd licensing round with respect to Block 8, until the pending recourse of the Consortium, referred to in the previous paragraph, is given by the Court. It is noted that the Consortium's application for the interim order was rejected and the Company is considering its options with this respect.

Furthermore, Israel Opportunity Oil & Gas Exploration Ltd. and additional Israeli investors, who are shareholders of the Company (jointly referred to herein as the "Investors"), have given a notice to the Government of the Republic of Cyprus, on 11 October 2016 of the

existence of an investment dispute under the Agreement Between the Government of the State of Israel and the Government of the Republic of Cyprus for the Reciprocal Promotion and Protection of Investments dated October 13, 1998 ("Israel-Cyprus BIT" or "Treaty"). Pursuant to Article 8 of the Treaty, the Investors intend to request that formal negotiations be commenced immediately between the Government of the Republic of Cyprus 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 Investors informed the Company, that in the event that 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.

In addition, on 28 September 2014, the Company together with Zerah Oil and Gas Explorations - Limited Partnership ("Zerah Partnership"), Ginko Oil Exploration - Limited Partnership ("Ginko Partnership"), Israeli Opportunity - Energy Resources - Limited Partnership ("Israeli Opportunity Partnership"), Dr. E. Rosenberg & Co. Company Ltd ("Rosenberg & Co") and Ashtrom Group Ltd ("Ashtrom") have entered into a Memorandum of Understanding for the submission of a joint application to the Petroleum Commissioner at the Ministry of National Infrastructures, Energy and Water of Israel (the "Commissioner") for a license for petroleum exploration and for its production on land in the Halamish District in Israel. (the "Hatrurim License"). The shares of the parties in the Hatrurim License are as follows: Zerah Partnership - 28.75%, Ginko Partnership - 28.75%, Israeli Opportunity Partnership - 25%, Ashtrom - 10%, the Company - 5%, Rosenberg and Co. - 2.5%. The License was awarded on 27 October 2015 by the Commissioner to the Company and its partners Zerah Partnership, Ginko Partnership, Israeli Opportunity Partnership, Rosenberg & Co and Ashtrom (collectively the "**Partnership**") for the period between October 27, 2015 and October 26 2018. On 1 May 2016, a contingent resources report was published by the Partnership. The report, prepared by Dunmore Consulting, estimates about 7 million barrels of oil resources according to the Best Estimate and up to about 11 million barrels according to the High Estimate, in Hatrurim License. The Hatrurim License is in progress according to the work plan provided by the Commissioner.

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 3rd Licensing round for offshore exploration of Blocks 6, 8 and 10. Among

the elected applicants, Eni Cyprus Limited was elected for negotiation on exploration in Block 8. The Company is considering its steps with this respect.

In addition, the Company is exploring other opportunities in the oil and gas sector as per the Admission Document.

Nicosia, 5 January 2017