

## **ANNOUNCEMENT**

C.O. CYPRUS OPPORTUNITY ENERGY PUBLIC COMPANY LIMITED (the "Company") would like to inform the investment public that it has signed together with Israel Opportunity, Energy Recourses, Limited Partnership (IO) and an American company named Radian Partnership, LP. (the "Buyers") a Term sheet (the "T.S") with independent third parties (the "Sellers"), for the acquisition of rights in ten sections each approximately 640 acre and total area of approximately 6,400 acre, in oil fields in North Dakota, USA (the "Properties") whose main points are as follows:

1. Buyers will hold, directly or through their assigns, 75% of the Sellers' rights in Properties at the time of entering into the Term Sheet (which are 97% out of 100%), i.e. Buyers will hold 72.75% (from 100%) of the rights in the Properties, representing no less than 74.69% (from 97%) of the rights to net revenue interest, that is the rights after deducting royalties at 23% to the owner of the land (the "Acquired Rights"), whereas Sellers will hold the remaining 25%.
2. In consideration for the Acquired Rights, Buyers will pay to Sellers on the Purchase Date, the total amount of US \$3,520,000.
3. The shares of the Buyers in the Acquired Rights shall be as follows:

The Company - 6.375% (from 100%)

Israel Opportunity - 30% (from 100%)

Radian - 36.375% (from 100%)

Buyers have agreed that the division ownership of rights among them may change by the date of the final purchase agreement (as described below), depending on the ability of the Company and Radian to finance their relative share of the Acquired Rights. In accordance, Israel Opportunity's share in the Properties could reach up to 72.75% (from 100%) (I.e. all Acquired Rights). As for the date of this announcement Israel Opportunity have the required equity in order to buy its share and it doesn't required to raise capital.

4. Buyers shall carry Sellers on three (3) cumulative recompletions, net to the Buyers and Seller's interests ("Carry") up to a total of US \$4,500,000 (for 100%) (I.e. beyond their share amounted US to \$ 1.125 million). The third recompletion shall commence prior to June 30, 2018, unless the parties agree

otherwise. The Properties contains stripper wells, which are wells at the end of their lives which produce negligible amounts.

To secure the payment of the Carry, Buyer shall grant to Seller a recordable mortgage interest representing a maximum of US \$1,125,000 of Buyers net revenue interest in Properties that shall be terminated as the Buyers will cover the Carry.

5. The parties shall enter into a mutually acceptable contract operating agreement to regulate the joint operations in the Properties. Sellers will serve as operator of the joint venture for a period of 12 months.
6. Buyers will grant Sellers a total of US \$ 50,000 per month, for a period of 12 months from the purchase date, reducing the operator's fees to be paid to Sellers as the operators of the joint venture.
7. The proposed purchase is conditional upon, *inter alia*, conducting satisfactory Due Diligence by the Buyers, execution of the purchase agreement based on the principles set forth in the T.S, execution of contract operating agreement and receipt of all approvals of the competent organs of the parties.
8. Sellers have pledged to maintain exclusivity for the Buyers in connection with the Acquired Rights, for a period of 90 days which shall be commenced from the date of the execution of the T.S.

For avoidance of doubt, the engagement in the T.S, shall not insure engagement in purchase agreement regarding the Acquired Rights, and there is no certainty that the investment shall be developed and / or be finalized.

Nicosia, 7 March 2017