

10 January 2020

Cyprus Stock Exchange
Nicosia

ANNOUNCEMENT

Re: BUSINESS PLAN UPDATE

C.O. CYPRUS OPPORTUNITY ENERGY PUBLIC COMPANY LIMITED (the "**Company**") would like to inform the investing public of the following, as to the progress made (solely) during the year of 2019 in the Company's business plan as presented in the Company's admission document dated 17 July 2012 (the "**Admission Document**"):

On 27 June 2017, the Company announced that it has, together with a USA subsidiary of Israel Opportunity, Energy Recourses, Limited Partnership ("**IO**") and an American company named Radian Partnership, LP. ("**Radian**") (collectively, the "**Buyers**"), entered into a farmout agreement with independent third parties (the "**Sellers**"), for the acquisition of rights in ten sections, each approximately 640 acre, with total area of approximately 6,400 acre, in oil fields in North Dakota, USA (the "**Project**", and the "**Farmout Agreement**", respectively).

The partners in the Project and their work interest (on average) are as follows:

- The Company – about 2.82%
- Israel Opportunity – Energy Resources, LP – about 58.28%
- Radian Partnership, LP – about 9.4%
- Thurston Energy Investment 2, LLC – about 23.5%
- A number of different holders, combined – about 6%

According to the Farmout Agreement, Buyers shall spend up to a total amount of USD 10 million in investments in the Project area, in which they also carry the costs and expenses of Sellers, by the end of June 2019 or a later date in the event of force majeure, including uneconomical oil prices and other causes not within the reasonable control of the Buyers ("**Capital Commitment**"). According to the Farmout Agreement the assignment of the Buyers' interest in the 10 sections will be earned in gradually and in any case, Buyers will be assigned with their interest in all 10 sections after 4 re-completions will be made in the sections. Accordingly, the assignment of Buyers' interest in all 10 sections was made as of April 2018. As of 31 December 2019 the Capital Commitment has not yet been fully fulfilled,

inter alia, as a result of the project's condition and the uneconomic prices of oil. It should be noted that according to the Farmout Agreement in the event Buyers fail to spend the Capital Commitment, Buyers shall retain the Farmout Lands they have earned in and the Farmout Agreement shall terminate without further obligations of the Sellers or Buyers.

To date seven of the existing wells in the area of the Project have been recompleted using techniques that include fracking: Paradox 11-30H and Paradox 34-31H were recompleted by the end of October 2017; Crystal 44-18H, Mesa 11-31H, Mesa 13-29H, and Poudre 44-18H were recompleted during the six months period ended 30 June 2018; and recompletion of Mesa 44-10H was carried out at the end of August 2018.

During May 2019 different works in four of the wells in the Project (Paradox 11-30H, Mesa 11-31H, Poudre 44-18H and Mesa 44-10H) were undertaken, including maintenance actions and actions aimed at increasing production and improving profitability.

As at 31 December 2019, regular production is made from four wells (Paradox 11-30H, Paradox 34-31H, Poudre 44-18H and Wildhorse 11-24H); Another four wells (Crystal 44-18H, Mesa 44-10, Fortification 11-19 and Mesa 13-29H) are alternately producing; and the remaining wells are currently shut-in. The investments in works and technical procedures made in well Mesa 11-31H, which is currently shut-in, were impaired in the Company's interim financial statements of 2019. The Operator has not yet put forward a recommended future work plan for consideration with regards to the Project.

Warning - it is hereby emphasized, that nothing in the above information is meant to predict that various methods of completion will lead to the stabilization of production from the wells, the amount of oil that can be produced in the future from the wells, or the duration that the wells will produce oil and the production pace – as much as production indeed takes place, as well as the profitability of the wells.

On behalf of the Board of Directors of the Company

Rony Halman

Director