



For immediate release

Energean Oil and Gas plc
("Energean" or the "Company")

MOU signed with INGL for the transfer of near shore and onshore infrastructure

London, 17 December 2018 - Energean Oil and Gas plc (LSE: ENOG, TASE: אנרג') is pleased to announce that it has signed an Memorandum of Understanding ("MOU") with Israel Natural Gas Lines ("INGL") that will result in US\$98 million of cash inflow for Energean. The MOU is for the transfer of title (the "hand over") of the near shore and onshore part of the infrastructure that will deliver gas from the Karish and Tanin FPSO into the Israeli national gas transmission grid. Energean expects the detailed agreement to be signed in 1Q 2019.

As consideration, INGL will pay Energean 369 million Israeli New Shekels, approximately US\$98 million. Energean expects 15% of the consideration to be paid and contribute to available liquidity in early 2019. 80% of the consideration is expected to become available to Energean's liquidity pool at hand over, with the remaining 5% due following an 18 month warranty period.

The MOU covers the onshore section of the Karish and Tanin infrastructure and the near shore section of pipeline extending to approximately 10km offshore. It is intended that the hand over to INGL will become effective shortly after the delivery of first gas from the Karish field in 1Q 2021. Following hand over, INGL will be responsible for the operation and maintenance of this part of the infrastructure. Energean will not incur any charges or tariffs for use of this infrastructure.

Mathios Rigas, CEO of Energean Oil & Gas said:

"The MOU is an important milestone for the Karish and Tanin development. The Open Access System infrastructure being built by Energean will enable connection of future gas discoveries to the system, further contributing to Israel's energy security and diversity of supply. Our collaboration with INGL demonstrates the Israeli government's support and commitment to the Karish Tanin project, from which natural gas will flow to the Israeli market from 1Q 2021."

Enquiries

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About Energean Oil & Gas plc

Energean is a London Premium Listed FTSE 250 and Tel Aviv Listed E&P company with operations offshore Israel, Greece and the Adriatic. Energean has 349 mmboe of 2P reserves and 48 mmboe of 2C resources across its portfolio.

In August 2017 the Company received Israeli Governmental approval for the FDP for its Karish-Tanin gas development project, where it intends to use an FPSO and produce first gas in 2021. Energean has already signed firm contracts for 4.2 bcma of gas sales into the Israeli domestic market. Future gas sales agreements will focus on both the growing Israeli domestic market and key export markets in the region. In Greece, the Company is pursuing an ongoing investment and development programme to increase production from its Prinos and Prinos North oil fields and to develop the Epsilon oil field in the Gulf of Kavala, Northern Greece.

Energean has five exploration licences offshore Israel, and a 25 year exploitation licence for the Katakolo offshore block in Western Greece and additional exploration potential in its other licences in Western Greece and Montenegro.

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