Energean plc
("Energean" or the "Company")

Results for Half Year Ended 30 June 2020

London, 10 September 2020 - Energean plc (LSE: ENOG TASE:אנאג), the independent gas-focused producer focused on the Mediterranean, announces its half-year results for the six months ended 30 June 2020 ("**1H 2020**").

Mathios Rigas, Chief Executive, Energean commented:

"Despite some COVID-19-related disruptions, in the year-to-date we have made solid progress on our flagship gas project in Israel, which is scheduled to deliver first gas in 2H 2021. We have successfully performance-tested all three Karish development wells, delivered a resource upgrade at Karish North, completed the installation of the 8 bcm/yr capacity, 90km pipeline that will deliver Energean's gas sales (currently at 5.6 bcm/yr) into the Israeli domestic market, completed the hull of our FPSO in China and moved it to Singapore, and have commenced heavy lifting operations.

"In the second half of the year, we look forward to completing our acquisition of Edison E&P, which, alongside the Karish project, will further secure our long-term, resilient cash flow profile and option-rich portfolio. Following completion of the deal, around 70% of our future production will be sold under long-term gas sales agreements that will largely insulate us against oil price volatility. We will continue to own and operate the majority of our asset base and are well-funded for all of our projects.

*"On the ESG front we received an award for "Best ESG Energy Growth Strategy in Europe 2020", recognising our efforts and focus on achieving our stated net zero target and our overall focus to comply with the United Nations' 17 Sustainable Development Goals ("**SDGs**").*

"As we move into an exciting and transformational period for the business, I would like to personally thank my colleagues around the world for their hard work and commitment to driving the business forward and keeping one another safe and well during these challenging times."

Highlights

Energean

- Completed installation of the 90km gas pipeline that will connect the Energean Power FPSO to the national natural gas transmission system in Israel
- The electrical house ("Ehouse") module was lifted onto the FPSO hull at the Admiralty Yard, Singapore on 24 August 2020 marking the start of the FPSO hull and topsides integration campaign
- Subsea and onshore works for the Karish project progressing in line with expectations; installation of the production manifold and subsea isolation valves was completed during June 2020, and installation of the FPSO anchoring system in August 2020
- Analysis of the results of performance testing during clean-up operations of the three Karish Main development wells indicates a significantly higher liquids content than had previously been envisaged
- The Israel Ministry of Energy approved the Karish North Field Development Plan ("FDP") during August 2020

- During 1H 2020, Energean increased debt capacity by $395 million through its $175 million upsizing of the Israel project finance facility and the signing of a new $220 million reserve-based lending facility ("RBL") to fund the Edison E&P acquisition, significantly enhancing financial flexibility
- Cash and undrawn debt facilities of $872.5 million[1] as at 30 June 2020
- In August 2020, Energean was rated at gold level by MAALA, the Israel CSR standards-setting organisation and will be rated under the Maala Index on the Tel Aviv Stock Exchange going forward

Edison E&P transaction (subject to transaction close)

- Entered into further amendments to the Sale and Purchase Agreement ("SPA") for the acquisition of Edison E&P, following which, inter alia, the gross consideration for the transaction is $284 million[2], down from an original sum of $750 million; the Algerian asset and Norwegian subsidiary will be excluded from the transaction perimeter
- Under the amended SPA, the net consideration that would have been payable had completion occurred on 30 June 2020, would have been $190 million; Energean does not expect this number to change materially before actual completion
- $220 million RBL facility signed with ING, Natixis and Deutsche Bank to fund the acquisition and ongoing working capital
- Shareholders voted unanimously in favour of the transaction at a general meeting held on 20 July 2020

Combined business results

- 1H 2020 pro forma production[3] was 52.1 kboed, compared with full year guidance of 44.5 – 51.5 kboed
- 1H 2020 pro forma revenue[3] was $177 million and operating cash flow[3] was $68 million

Outlook

- Completion of the acquisition of Edison E&P will occur following the remaining Conditions Precedent to the transaction ("**CPs**") being fulfilled, expected in 4Q 2020
- The Company's independent reserves auditors, DeGolyer and MacNaughton ("**D&M**"), are preparing a revised Competent Persons Report ("**CPR**") following completion of the Karish Main drilling programme to refine reserve and resource estimates in the fields; Energean expects to publish the results of this report in the coming weeks
- Continued progress on the integration of the topsides in the Admiralty Yard, Singapore, with sailaway to Israel expected in summer 2021 and first gas in 2H 2021
- Installation of the risers that will connect the production wells to the FPSO is expected to commence in 4Q 2020 and to be completed in 1Q 2021, marking completion of the subsea works required ahead of arrival of the Energean Power FPSO
- Final Investment Decision ("**FID**") on the 1.2 Tcf (34 bcm, gross) Karish North project is expected before year end 2020
- Outcome of discussions with the Greek Government, initiated as part of the strategic review of the Prinos area assets, regarding a financing package to support continued investment in the Prinos area is expected in 4Q 2020

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1 Inclusive of the $220 million RBL facility, which will become available to fund completion of the Edison E&P transaction. Excludes the $200 million accordion facility

2 As at the locked box date of the transaction of 1 January 2019

3 Inclusive of the Edison E&P transaction, which is subject to close. Energean is entitled to the economic performance of the Edison E&P business from the locked box date of the transaction, 1 January 2019. Results will be consolidated into the Energean financials from the date at which the transaction closes.

- 2020 *pro forma* full year production guidance is maintained at 44.5 -51.5 kboed[4]
- 2020 *pro forma* capital expenditure guidance reduced to $635 – 705 million[4] , a $75 – 125 million reduction on guidance issued in June 2020 ($760 – 780 million), primarily due to i) rescheduling of expected milestone payments under the Karish EPCIC contract; and ii) expected timing of capital expenditure on Edison E&P's NEA project, Egypt

Key financial data

Energean's interim standalone income statement and operating cash flow is driven almost entirely by the Prinos area assets, investment in which has been significantly reduced as a result of the ongoing strategic review. 1H 2020 revenue is derived from one cargo lifting; a second cargo was lifted on 14 July 2020 and, therefore, the associated production is not reflected in 1H 2020 revenues.

Edison E&P's financial results for the period are presented below both on a standalone basis and also combined with Energean's 1H 2020 results to arrive at pro forma results for the period. The locked box of the acquisition is 1 January 2019; all economic results after this date belong to Energean, subject to closing of the transaction, expected 4Q 2020.

	Energean standalone 1H 2020 $m	**Edison E&P standalone[5] 1H 2020 $m**	**Energean + Edison pro forma 1H 2020[6] $m**	**Energean standalone 1H 2019 $m**
Production (kboed)	2.1	50.0	**52.1**	3.9
Sales and other revenue	2.1	174.7	**176.8**	40.0
Cash cost of production plus G&A	15.7	108.6	**124.3**	18.0
Adjusted EBITDAX[7]	(8.9)	65.0	**56.1**	24.0
Operating cash flow[8]	(14.5)	82.1	**67.6**	23.7
Development capital expenditure	237.9	11.9	**249.8**	309.6
Exploration capital expenditure	5.3	66.4	**71.7**	37.3
Cash capital expenditure	243.3	79.0	**322.3**	541.4
Net debt	861.4	NA[9]	**861.4**	390.4
Net debt including Energean's pro-rata share of Israel debt only (excluding Kerogen minority) ($ million)	597.4	NA[10]	**597.4**	597.4

Energean's stand-alone loss after tax for the period ended 30 June 2020 was $77.3 million (30 June 2019: $4.5 million), which is stated after a non-cash impairment charge of $63.0 million that reflects the lower commodity price outlook.

Enquiries

4 The locked box date of the acquisition of Edison E&P is 1 January 2019. All economics after that date belong to Energean. Edison E&P financials will be consolidated into Energean financials from the date of transaction close; economics between the locked box date and the date of transaction close will be reflected in the net consideration payable

5 All Edison E&P figures are unaudited and are based on Edison E&P management accounts. Numbers are therefore subject to change on conversion to Energean accounting policies. Edison E&P transaction is subject to close, expected 4Q 2020.

6 Edison E&P results will be consolidated from the date of transaction completion. Energean will benefit from the cash flows between the locked box date of the transaction and the date of completion, represented through an adjustment to the net consideration. Edison E&P transaction is subject to close, expected 4Q 2020.

7 Adjusted EBITDAX is defined in the Financial Review section

8 After working capital movements

9 Edison E&P is being acquired on a cash and debt free basis

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Conference call

A conference call for analysts and investors will be held at 08:00am BST today. Please register your participation in this morning' conference call at the following link. You will be given the option to either participate via webcast or dial in.

https://secure.emincote.com/client/energean/energean001

The presentation slides will be made available on the website shortly www.energean.com.

Energean Operational Review

ESG

In July 2020, Maala, the Israel CSR standards-setting organisation, rated Energean at gold level and the shares will be included in the *Maala Index* on the Tel Aviv Stock Exchange.

In August 2020, Energean was awarded *Best ESG Energy Growth Strategy for Europe 2020*, with highlights by the judging panel including: commitment to the UN's Global Compact and net-zero emissions goal; commitment to sustainability; the linking of executive incentive pay to performance against ESG targets; and commitment to transparent disclosure of emissions tracking.

Israel

Despite COVID-related challenges experienced during the period, Energean has made solid progress on its flagship Karish project, offshore Israel. The project remains on track to deliver first gas in 2H 2021.

Reserves, resources and production

Well performance testing

During 1H 2020, Energean Israel successfully assessed the performance of all three development wells during clean-up operations. Results from production measurement confirmed that each of the three wells will be capable of delivering up to the individual well design limit of 300 mmscfd (approximately 3 bcm/yr per well) and that, combined, the three wells will be able to produce to the 8 bcm/yr capacity of the Energean Power FPSO.

Liquids production

All three development wells encountered high quality liquids with samples measured at 48 API. Analysis of the results of performance testing during clean-up operations of the three Karish Main development wells indicates a significantly higher liquids content than had previously been envisaged. Liquids production potential will be quantified as part of the upcoming CPR of the Karish, Karish North and Tanin fields.

CPR

As announced on 9 April 2020, D&M certified gross (Energean, 70%) contingent resources of 1.2 Tcf (33.7 bcm) of gas and 39 mmbbl of liquids in the Karish North field, a 32% uplift to Energean's previous estimates. Following issuance of this CPR, combined total gross (Energean, 70%) 2P reserves plus 2C resources in the Karish, Karish North and Tanin fields were estimated to be 99 bcm (almost 3.5 Tcf) of gas and 82 mmbbls of liquids, a total of 698 mmboe (88% gas).

Following completion of the drilling and performance testing of the three development wells in Karish Main, Energean has engaged D&M to produce a CPR to refine and confirm reserve and resource volumes across the Karish Main, Karish North and Tanin fields. Energean expects to announce the results of this CPR in the coming weeks.

Gas Sales and Purchase Agreements ("GSPAs")

Energean Israel (Energean, 70%) has signed GSPAs for the supply of 5.6 bcm/yr of gas on plateau. Over the life of the contracts, the GSPAs account for approximately 75% of the current 2P reserve plus 2C resource base of 99 bcm. Having secured sufficient resources to fill the FPSO for a number of years, Energean's near-term strategy is to secure the necessary offtake to fill the remaining 2.4 bcm/yr of spare capacity in the Energean

Power FPSO. Energean is assessing a number of opportunities in both the Israeli domestic market, as well as key export markets in order to meet this target.

Project progress

Subsea and onshore

The pipelay vessel Solitaire and construction support vessel Normand Cutter arrived offshore Israel in May 2020. Installation of the 90km gas pipeline that will deliver gas from the Energean Power FPSO to Israel has now been completed, well within the project schedule, and pre-commissioning is expected to be complete around year-end.

Installation of the subsea equipment at the Karish field is progressing in line with expectations. All long-lead items (the christmas trees and wellheads, manifold and subsea isolation valves) have been delivered by the suppliers. Installation of the manifold and subsea isolation valves was completed during June 2020 and installation of the FPSO anchoring system was completed in August 2020. Looking forward, installation of the three sets of risers that will connect the three producing wells to the FPSO is expected to commence in 4Q 2020 and to be completed in 1Q 2021, marking the end of the subsea works that are required to be completed ahead of arrival of the Energean Power FPSO.

Onshore, the works are progressing well and the whole system is expected to be ready to receive first gas in 2Q 2021, well ahead of expected hook-up of the FPSO.

Energean Power FPSO progress and key milestones

The Energean Power FPSO hull arrived at the Sembcorp Marine Admiralty Yard in Singapore on 15 April 2020. On arrival, Energean was informed of a temporary halt to operations at the yard, which was intended to reduce the risk of COVID-19 transmission.

The yard re-opened on 2 June 2020, although government restrictions and associated health checks being performed in the workers' dormitories resulted in a slow ramp-up in the workforce over the course of June and July. A major ramp up of the workforce occurred during August 2020 and in the first week of September the workforce on the project averaged more than 480 workers per day.

Installation of the topside modules onto the FPSO hull has now commenced; the Ehouse module, which contains all the FPSO control equipment and electrical switchgear, was successfully lifted onto the Energean Power hull on the 24 August 2020; and heavy lifting operations for the remaining modules are expected to commence in the coming weeks.

Following commencement of the lifting campaign, topsides integration and pre-commissioning is expected to take approximately 10-11 months, following which the FPSO is expected to sailaway from Singapore to Israel. Energean is working with its contractors to mitigate the schedule impacts experienced to date and has identified options such as shift optimisation and productivity improvement measures, which could reduce this 10-11 month period to sailaway.

First gas from the project is expected during 2H 2021.

The health and safety of its workers remains of paramount importance to the Company and it supports all necessary measures to prevent further transmission of COVID-19.

Greece

Working interest production from the Prinos area averaged 2.1 kboed during 1H 2020 with full year production expected to be between 1.5 - 2.0 kboed. There was one cargo shipment of 212 kbbls during 1H 2020 that occurred on 29 March 2020, which generated $1.9 million of revenue. A second cargo of 211 kbbls was sold on 14 July 2020, generating $7.6 million of revenues that are not included within 1H 2020 revenues.

At the end of 2019, Energean decided to place its Prinos area assets under strategic review, during which investment has been limited, resulting in current production levels. Energean is in discussions with the Greek government, which, if successful, could result in a capital injection through a combined debt and equity package. Any equity would relate solely to the subsidiary in which the Prinos area assets are held. Should this financing package materialise, Energean could recommence work on the Epsilon project, which could add approximately 2 kbopd upon first oil from the three vertical wells that have been pre-drilled. These three wells plus the drilling of further wellstock could result in commercialisation of the 44 mmboe of working interest 2P reserves and 2C resources held within the field.

Exploration

In Ioannina, interpretation of the newly acquired seismic lines has been completed and a drill-or-drop decision will be taken in 2H 2020. In Aitoloakarnania, the joint venture is awaiting approval of its environmental action plan before commencing the 2D seismic acquisition campaign.

In Montenegro, Energean has been granted a one-year extension to the first exploration period, which now ends on 15 March 2022.

Edison E&P acquisition (subject to transaction close)

Third amendment to the SPA

As announced on 29 June 2020, Energean has entered into further amended terms for its acquisition of Edison E&P following which, inter alia, the Norwegian subsidiary will be formally excluded from the transaction perimeter. Combined with the previously announced exclusion of the Algerian asset, $466 million of total reductions to the original gross consideration have been agreed. The gross consideration for the transaction10 is now $284 million, which compares to the original sum of $750 million.

Under the amended SPA, the net consideration had completion occurred on 30 June 2020 (which would have taken into account 18 months of business results since the locked-box date of 1 January 2019), would have been $190 million, before taking the positive hedging position of €14 million into account. Energean does not expect the net consideration to change materially before actual completion.

Under the amended SPA the $100 million Cassiopea contingent payment will now vary between $0 and $100 million, depending on future Italian gas prices at the point in time at which first gas production is delivered from the field, currently anticipated in 2023.

Acquisition financing

As previously announced, on 20 June 2020, Energean signed a $220 million RBL with ING, Natixis and Deutsche Bank. The RBL replaced the outstanding $255 million acquisition bridge facility and is available for both debt and issuance of letters of credit (“LCs”). The RBL has an accordion option of up to $200 million, for a total facility limit of up to $420 million.

[10] As at the locked box date of the transaction of 1 January 2019

The RBL has a tenor of six years from the closing date and is subject to semi-annual redeterminations. The interest rate is LIBOR plus a margin of 4.75% per annum during the first, second and third years after closing, and 5.75% thereafter. The RBL carries covenants that are customary for this type of facility.
In addition to the RBL, Energean has entered into a standalone bilateral LC facility with ING. The facility will be for an amount up to GBP 80 million provided for the purpose of issuing LCs for United Kingdom decommissioning obligations and obligations under the United Kingdom licences and does not impact upon the availability of the new RBL.

This RBL, along with the cash held in Energean plc, will be used to fund the net consideration, as outlined above, plus transaction costs and ongoing working capital requirements of the combined portfolio.

Shareholder vote

On 29 June 2020, Energean issued its prospectus and shareholder circular. A general meeting was held on 20 July 2020, at which shareholders voted unanimously in favour of the transaction.

Government approvals

Good progress has been made in obtaining the necessary government approvals for the updated transaction. Golden Power approval has now been granted in Italy and the approval from the Ministry of Economic Development is expected shortly. Updated approvals in France & Greece and comfort letter in the UK are anticipated in the coming weeks. Egypt is still planned to be the final approval for logistical reasons.

Completion timeline

Energean expects the transaction to close in 4Q 2020. Completion will occur as soon as all outstanding government approvals for the revised transaction have been granted and the carve outs of the Algerian asset and Norwegian subsidiary, which are progressing well, have been completed.

Edison E&P operational review

The information provided in the following Edison E&P operational review has been obtained from Edison E&P internal reports.

Southern Europe

Producing assets

Edison E&P's Southern European assets delivered average working interest production of 9.7 kboed (55% gas) during 1H 2020, towards the top end of the full year guidance range of 8 – 10.5 kboed.

In order to preserve capital in the current commodity price environment much of the activity previously planned for 2020 has been deferred, including the Calipso and Leoni sidetracks (both Italy), which will now be included in the 2021 programme.

Argo Cassiopea

In light of the macro environment, Edison E&P is working closely with ENI to streamline this development project. First gas continues to be expected during 2023.

Exploration and appraisal

In Croatia, Edison E&P expects to spud the Irena-2 appraisal well in 4Q 2020. It will target the same gas-bearing horizon that was successful in Irena-1 and, in the event of a success, the well will be suspended for future production.

Egypt

Abu Qir

Egypt delivered 38 kboed of production during 1H 2020, approximately 90% of which was gas (200 mmcfd / 1 bcm), ahead of full year 2020 market guidance of 34 – 37 kboed (of which 90% is gas: 197 – 215 mmcfd or 2.0 – 2.2 bcm). The four-well infill drilling programme has been deferred until after start-up of the NEA / NI greenfield development.

NEA / NI

Contractor commercial bids for the Engineering, Procurement, Installation and Commissioning ("**EPIC**") contracts were received during August 2020 and are currently being assessed by Edison E&P. Edison E&P and Energean expect to take FID on the NEA project later in 2020.

Exploration

In June 2020, Edison E&P submitted a formal request to enter the second exploration period in the North East Hap'y Offshore block (Edison E&P, 30%). Although the exploration well drilled during the first exploration phase did not find commercial hydrocarbons, Edison E&P and ENI are evaluating a large, Zohr-like structure for a potential well in the second exploration phase.

Following completion of the commitment well in the North Thekah Offshore licence, Edison E&P has decided to relinquish the licence.

Receivables

At 30 June 2020, net receivables (after provision for bad and doubtful debts) in Egypt were $212 million (31 December 2019: $222 million), of which $131 million (31 December 2019: $126 million) were classified as overdue. $82 million of the overdue receivables balance is currently held by EGPC as collateral for exploration financial commitments on the North Thekah, North East Hap'y and South Idku exploration licences. All three wells have now been drilled and completed and the amounts held as collateral are expected to be released into the pool of receivables available for recovery.

Cash collection from EGPC during the period was $101 million.

United Kingdom

Production

1H 2020 production in the UK North Sea was 2.3 kboed (35% gas, 0.02 bcm). This is ahead of full year guidance of 1 – 2 kboed primarily due to better-than-forecast uptime.

Perenco has shut in the Trent field, awaiting higher gas prices before resuming production. As Trent is the host facility for production from the Tors fields, the Tors fields are currently offline. Production from the Tors fields represents approximately 10% of the full year budget. As such, this shut in is not expected to materially impact performance against the full year guidance range.

Appraisal

The two-well Glengorm appraisal campaign is expected to commence in late 2020.

2020 pro forma guidance – combined business[11]

	FY 2020 Guidance	1H 2020
Production		
Egypt (kboe/d)	34 – 37	38.1
Southern Europe (kboe/d)	9.5 – 12.5	11.7
UK North Sea (kboe/d)	1 - 2	2.3
Total pro forma production (kboe/d)	**44.5 – 51.5**	**52.1**
Financials	**2020**	**1H 2020**
Consolidated net debt ($ million)	1,400 - 1,450[12]	861.4
Net debt including Energean's pro-rata share of Israel debt only (excluding Kerogen minority) ($ million)	1,100 - 1,125[12]	597.4
Operating Costs & G&A		
- Israel ($ million)	-	-
- Egypt ($ million)	55 – 60	26.5
- Southern Europe ($ million)	105 - 125	74.5
- UK North Sea ($ million)	25 - 30	17.9
- Energean G&A ($ million)	15	5.3
- Edison G&A ($ million)	25 - 30	*Included in Southern Europe opex*
Operating costs & G&A ($ million)	**225 - 260**	**124.2**
Development and production capital expenditure		
- Israel ($ million)	475 - 525	235.3
- Egypt ($ million)	20-30	5.6
- Southern Europe ($ million)	35 - 40	7.3
- UK North Sea ($ million)	10 - 15	1.5
- Other ($ million)	-	0.5
Total Pro Forma Development & Production Capital Expenditure ($ million)	**540 - 610**	**250.2**
Exploration Expenditure		
- Israel ($ million)	5	4.8
- Egypt ($ million)	70	58.3
- Southern Europe ($ million)	5	0.7
- UK North Sea ($ million)	15	7.1
Total Exploration Expenditure ($ million)	**95**	**70.9**
Decommissioning expenditure ($ million)	**-**	**-**

11 All historic Edison E&P numbers are unaudited and subject to change. Forward looking numbers have been sourced from the Edison E&P 2020 full year budget

12 Year-end net debt guidance assumes that the acquisition of Edison E&P is completed and paid for before year end 2020

Energean Financial Review

Financial results summary

	1H 2020	1H 2019	Change
Av. daily working interest production (kboed)	2.1	3.9	(46.2%)
Sales revenue ($m)	2.1	40.0	(94.8%)
Realised oil price ($/boe)	9.1	58.3	(84.4%)
Cost of production[13] ($m)	10.4	13.5	(23.0%)
Cost of production per barrel ($/boe)	27.5	19.0	44.7%
SG&A	6.9	5.5	25.5%
Adjusted EBITDAX[14] ($m)	(8.9)	24.0	(137.1%)
(Loss) after tax ($m)	(77.3)	(4.5)	(1618%)
Cash flow from operating activities ($m)	(14.5)	23.7	(161.2%)
Capital expenditure ($m)	244.3	346.9	(29.6%)

	1H 2020	FY 2019	Change
Net debt (cash) ($m)	861.4	561.6	53.4%
Net debt including Energean's pro-rata share of Israel debt only (excluding Kerogen minority) ($ million)[15]	597.4	367.8	62.4%
Net debt / equity (%)	72.7%	44.5%	63.2%

Revenue, production and commodity prices

Working interest production from Greece averaged 2.1 kbopd, a decrease of 46.2% for the period (1H 2019: 3.9 kbopd). 1H 2020 revenue was $2.1 million, a 94.8% decrease for the period (1H 2019: $40.0 million).

The reduction in revenue for the period reflects i) the reduced production levels at Prinos which has resulted from the reduced level of investment during the period of strategic review and fewer cargo liftings; and ii) the lower commodity price environment. During 1H 2020, there was one shipment of 212 kbbls (1H 2019: 669 kbbls through two shipments), which occurred on 29 March 2020. This generated $1.9 million of revenue (1H 2019: $39.4 million) and reflected a net realised price of $9.1/bbl (1H 2019: $58.3/bbl).

During 1H 2020, the average Brent price was $40/bbl versus $64.2/bbl in 1H 2019. Pricing of the first cargo of the year was based on April 2020 commodity prices, during which Brent averaged $18.5/bbl, underpinning the level of revenues for the period.

A second cargo was sold on 14 July 2020, generating $7.6 million of revenues. 211 kbbls of crude were lifted, reflecting a net realised price of $35.9/bbl.

1H 2020 Revenue of $2.1 million includes $0.2 million in relation to sulphur sales (1H 2019: $0.6 million).

Cost of production

Cost of production is a non-IFRS measure that is used by the Group as a useful indicator of the Group's underlying cash costs to produce hydrocarbons. The Group uses the measure to compare operational

[13] Cost of sales before inventory movements and depreciation.
[14] Adjusted EBITDAX is defined later in the financial review. Energean uses Adjusted EBITDAX as a core business KPI.
[15] The senior secured credit facility used to fund the Karish project is held within Energean Israel. The facility is consolidated into Energean's accounts, however, for the purpose of NAV calculations, the 30% that is attributable to Kerogen, should be excluded

performance period-to-period, to monitor cost and assess operational efficiency. Cost of production is calculated as cost of sales, adjusted for depreciation and hydrocarbon inventory movements.

The spare processing capacity in the Prinos infrastructure provides a high level of operational leverage. Consequent to the reduced investment during the strategic review, production has declined between 1H 2019 and 1H 2020 and this has resulted in a 44.5% increase in per barrel cost of production, from $19/bbl in 1H 2019 to $27.5/bbl in 1H 2020. Cost saving initiatives have been launched to reduce the overall cost of production required to produce Prinos field oil. These initiatives are largely responsible for the reduction in costs from $13.5 million during 1H 2019 to $10.4 million during 1H 2020.

Depreciation, impairments and write-offs

Depreciation charges on production and development assets before impairments decreased by 33% to $11.6 million (1H 2019: $17.3 million) due to decreased production and reduced capital expenditure in the Prinos area. On a per barrel of production basis, this represented a 20% increase to $30/bbl (1H 2019: $25/bbl).

During the period, indicators for impairment were identified for the Prinos cash generating unit. This was due to a reduction in both short-term and long-term commodity price assumptions, combined with a change in the Group’s forecasts for production from the Prinos area assets. As a result, Energean recognised an impairment charge of $63.0 million in 1H 2020 (1H 2019: $nil).

Selling, General and Administrative expenses (“SG&A”)

Energean incurred SG&A costs of $6.9 million in 1H 2020. This represents a 25% increase versus the comparable period last year (1H 2019: $5.5 million) and is due to increased share-based payment charges and the additional staffing and administrative costs caused by the rapid growth of the Group’s portfolio and the efforts associated with developing the projects.

Other income and expenses

Other expenses of $15.8 million (1H 2019: $3.5 million) include several one-off items that are not expected to be incurred in future years. These include $8.4 million of transaction costs in relation to the Edison E&P acquisition, a write-down of $4.9 million relating to the disposal of the Energean Force rig unit, and $1.5 million of restructuring costs that relate to cost saving initiatives in the Prinos area assets.

Other income of $8.9 million (1H 2019: $2.0 million) includes the $5.0 million termination fee that was payable by Neptune Energy in relation to the termination of its sale and purchase agreement to buy the UK North Sea and Norwegian subsidiaries, pursuant to Energean’s acquisition of Edison E&P, and $3.9 million of other income related to waivers obtained for specific accounts payables balances in the Greek subsidiary. Other income in 1H 2019 was limited to $2.0 million, which related mainly to a bank liability that was written off during the period.

Finance income / costs

Net finance income in 1H 2020 was $0.8 million (1H 2019: net finance costs of $5.9 million), composed of $3.6 million (1H 2019: $8.2 million) of finance costs after capitalisation and $4.4 million (1H 2019: $2.2 million) of finance income.

During 1H 2020 in Israel, Energean incurred $34.1 million (1H 2019: $7.4 million) of interest expenses relating to the senior credit facility for the Karish development and additional finance arrangement fees, $3.3 million (1H 2019: $3.5 million) of interest expenses in relation to the deferred acquisition payments that are payable to the sellers of the Karish and Tanin leases and $0.4 million of other commitment charges, representing gross finance expenses of $37.8 million (1H 2019: $11.0 million). This amount has been fully capitalised onto the balance sheet.

Energean incurred $5.7 million (1H 2019: $7.2 million) of interest expenses in relation to its Greek RBL facilities, of which $2.7 million (1H 2019: $1.4 million) was capitalised on the balance sheet.

The primary component of interest income was a $3.9 million contribution resulted from the revised estimated loan cash flow in the entity that holds Energean's Greek assets.

Crude oil hedging

Energean has no crude oil hedges outstanding as of 30 June 2020 (1H 2019: $nil).

Taxation

Energean recorded taxation income of $21.8 million in 1H 2020 (1H 2019: $1.4 million tax expense), composed primarily of deferred taxation income, the majority of which is related to impairment losses for the Greek assets.

Adjusted EBITDAX

Adjusted EBITDAX is a non-IFRS measure used by the Group to measure business performance. It is calculated as profit or loss for the period, adjusted for discontinued operations, taxation, depreciation and amortisation, share-based payment charge, impairment of property, plant and equipment, other income and expenses, net finance costs and exploration and evaluation expenses. The Group presents adjusted EBITDAX as it is used in assessing the Group's growth and operational efficiencies as it illustrates the underlying performance of the Group's business by excluding items not considered by management to reflect the underlying operations of the Group.

	1H 2020 $m	**1H 2019 $m**
Adjusted EBITDAX[16]	(8.9)	24.0
Reconciliation to profit / (loss):		
Depreciation and amortisation	(12.8)	(17.7)
Share-based payment charge	(1.2)	(0.5)
Impairment losses	(63.0)	-
Exploration and evaluation expense	(0.5)	(0.5)
Other expenses	(15.8)	(3.5)
Other income	8.9	2.0
Finance income	4.4	0.8
Finance cost	(3.6)	(6.7)
Net foreign exchange gain/(loss)	(6.6)	(1.0)
Taxation income / (expense)	21.8	(1.4)
Profit / (loss) from continuing operations	**(77.3)**	**(4.5)**

Operating cash flow

In 1H 2020, Energean recorded a cash outflow from operations before working capital of $15.2 million, versus a cash inflow of $20.9 million in 1H 2019. After working capital movements, the cash outflow in 1H 2020 was $14.5 million versus a cash inflow of $23.7 million in 1H 2019. The year-on-year decrease in operating cash flow has been driven by the reduction in revenues delivered between the two periods and $7.5 million of expenditure relating to acquisition costs for the proposed acquisition of Edison E&P paid in the period. As discussed above, this reduction in revenues during the period is due to i) a lower level of production and consequent lower number of barrels sold; ii) timing of liftings; and iii) the lower commodity price environment.

Capital expenditure

[16] Adjusted EBITDAX calculation has been changed to exclude the impact of the non-cash item of share-based payment charges. This adjustment is aligned with the underlying Group's adjusted EBITDAX calculation which excludes the impact of costs which tend to be one-off in nature and the non-cash costs. Comparative EBITDAX has been restated accordingly.

Capital Expenditure is defined as additions to property, plant and equipment and intangible exploration and evaluation assets less lease asset additions, asset additions due to decommissioning provisions, capitalised share-based payment charge, capitalised borrowing costs and certain other non-cash adjustments. The Directors believe that capital expenditure is a useful indicator of the Group's organic expenditure on oil and gas development assets, exploration and evaluation assets incurred during a period because it eliminates certain accounting adjustments such as capitalised borrowing costs and decommissioning asset additions.

	1H 2020		**1H 2019**
	$m		**$m**
Additions to property, plant and equipment	279.8		336.7
Additions to intangible exploration and evaluation assets	6.8		37.5
Less:			
Capitalised borrowing cost	(40.6)		(12.4)
Leased assets additions and modifications	(0.9)		(9.8)
Capitalised share-based payment charge	(0.0)		(1.2)
Capitalised depreciation	(0.3)		(1.6)
Change in environmental rehabilitation provision	(0.5)		(2.4)
Total capital expenditures	**244.3**		**346.8**
Movement in working capital	(1.1)		194.4
Cash capital expenditures per the cash flow statement	**243.2**[17]		**541.2**

The breakdown of capital expenditures during 1H 2020 and 1H 2019 was as follows:

	1H 2020	**1H 2019**
	Capital expenditure $m	**Capital expenditure $m**
Development and Production		
Israel	234.9	263.4
Greece	2.5	46.2
Other	0.1	-
Total	**237.5**	**309.6**
Exploration and Appraisal		
Israel	4.8	30.2
Greece	0.3	2.5
Montenegro	0.4	4.6
Total	**5.5**	**37.3**

Net cash / debt and gearing ratio

Net debt is defined as the Group's total borrowings less cash and cash equivalents. Management believes that net debt is a useful indicator of the Group's indebtedness, financial flexibility and capital structure because it indicates the level of borrowings after taking account of any cash and cash equivalents that could be used to reduce borrowings. The Group defines capital as total equity and calculates the gearing ratio as net debt divided by capital.

Net debt reconciliation	**1H 2020 $m**	**1H 2019 $m**	**31 December 2019 $m**
EBRD facilities	138.0	157.2	159.8

[17] Numbers may not sum due to roundings

Net debt reconciliation	1H 2020 $m	1H 2019 $m	31 December 2019 $m
Israel Project Finance facility ($1,450m)	956.0	276.6	756.2
Edison reserve-based lending facility ($220m)	-	-	
Total borrowings	**1,094.0**	**433.8**	**916.0**
Cash and cash equivalents	(232.5)	(43.5)	(354.4)
Total net debt / (cash)	**861.5**	**390.3**	**561.6**
Capital	1,184.7	1,084.7	1,260.7
Gearing ratio	**72.7%**	**36.0%**	**44.5%**

Net debt excluding Kerogen minority reconciliation	1H 2020 $m	1H 2019 $m	31 December 2019 $m
Total net debt / (cash)	861.5	390.3	561.6
Kerogen minority pro-rata (30%) share of Israel debt	(264.1)	(73.5)	(193.7)
Net debt including Energean's pro-rata share of Israel debt only (excluding Kerogen minority)	**597.4**	**316.8**	**367.9**

Israel senior credit facility

In March 2020, Energean Israel increased the size of its senior credit facility amount from $1.275 billion to $1.45 billion.

New reserve-based lending facility

In June 2020, Energean signed a new RBL with a group of lending banks in order to fund a portion of the cash consideration to be paid by the Company for the acquisition of Edison E&P, to fund transaction costs and for general corporate purposes. The new facility is composed of a single senior secured revolving reserve-based credit facility of up to $220 million, which may be drawn by way of loans or LCs. The facility limit may be increased by up to $200 million (for a total facility limit of up to $420 million) subject to certain conditions contained in the accordion provisions of the new facility.

In connection with the new RBL, Energean has entered into a standalone bilateral LC facility with ING Bank N.V. for up to GBP 80 million, provided for the purpose of issuing LCs for the United Kingdom decommissioning obligations and obligations under the United Kingdom licences. This LC facility does not impact upon the availability of the new reserve-based lending facility

The new RBL is drafted on the basis of a customary reducing borrowing base facility arrangement whereby the maximum amount that can be drawn on any date is calculated as the lesser of the total commitments (currently $220 million) and the borrowing base amount, which is subject to customary semi-annual redeterminations.

The new reserve-based lending facility has a tenor of six years from the closing date. The interest rate is LIBOR plus a margin of 4.75% during the first, second and third years after closing, and 5.75% thereafter. The facility contains customary covenants, which include, but are not limited to i) net debt to EBITDAX ratio of 3.5x; and ii) EBITDAX to finance charges of greater than 2x.

Greek reserve-based lending facility

In January 2020, Energean made a prepayment under its EBRD RBL of $19 million, to coincide with the commencement of the loan amortisation. Its lenders, for both the EBRD facility and the Romanian tranche of the loan, simultaneously cancelled undrawn commitments under the loan. As such, the loan should be considered fully drawn. Amortisation on the RBL is currently $19 million for each six-month period until maturity in October 2023.

In June 2020, Energean Oil and Gas S.A. Limited, a wholly owned subsidiary of Energean, agreed a waiver with its lenders under the EBRD RBL under which all financial covenant ratios have been waived until October 2021. The next redetermination of the loan borrowing base has also been agreed as October 2021, rather than the customary six-month period.

Principal risks and uncertainties

Effective risk management is fundamental to achieving our strategic objectives and protecting our personnel, assets, shareholder value and our reputation. The Board has overall responsibility for determining the nature and extent of the risks it is willing to take in achieving the strategic objectives of the Group and ensuring that such risks are managed effectively. A key aspect of this is ensuring the maintenance of a sound system of internal control and risk management. For all the known risks facing the business, Energean attempts to minimise the likelihood and mitigate the impact. Energean has a zero tolerance to financial fraud or ethics non-compliance and ensures that HSE risks are managed to levels that are as low as reasonably practicable.

COVID-19 related risks

Operating during the COVID-19 outbreak

The main event of the first half of 2020 was undoubtedly the COVID-19 pandemic, which has negatively impacted international economic activity, the oil industry and the capital markets. The economic environment, largely shaped by the COVID-19 pandemic, has been exceptionally tough for the profitability of Energean. The social and economic impact of the pandemic significantly hurt demand for hydrocarbons and caused a sharp drop in oil and gas prices.

The future impacts of COVID-19 are impossible to predict and could include i) uncertainty around commodity prices ii) uncertainty around the recovery of demand and iii) potentially, new waves of infection and associated impacts on operations.

Even in these extraordinary times, Energean continued to deliver progress on the Karish project and achieve a number of key milestones, while safeguarding the health and safety of its employees, contractors and suppliers.

Operations: FPSO: Prior to COVID-19, the hull sailaway from China had been delayed to 31 March 2020, a delay of 3.5 months from the scheduled date of 15 December 2019. This delay could have been extended even further due to the COVID-19 outbreak. However, due to measures taken by the Company and its contractors, work progressed well at the yard in China and the hull was able to sailaway to Singapore during April 2020. Upon arrival in Singapore, Energean was informed of a temporary halt to operations in the yard, designed to limit the spread of COVID-19. The yard reopened on 2 June 2020 but, due to ongoing restrictions imposed by the Singaporean government and designed to further limit the spread of COVID-19, the build-up in the workforce in the yard was slow. During early August, a significant number of new workers were allowed back onto the project and an isolated lift of the E-house occurred on 24 August 2020 with full lifting operations expected to commence in the coming weeks. Subsea operations on the project have proceeded in line with the plan and have not been materially affected by COVID-19. First gas from the project is on track for in 2H 2021. The company has issued force majeure notices to its Israeli gas sales customers to mitigate any penalties arising from the delays to first gas that were caused by COVID-19.

Moreover, Energean has taken steps to quickly understand and mitigate the potential impact on its wider supply chain from the COVID-19 threat.

People: In this environment, effective communication plans are in place to respond to the changing demands of the crisis. As part of its HSE policies, the Company already has an adequate communicable-illness policy in place. The Company has also issued safety precautions, including remote-working guidelines in order to enable Energean's people to stay safe and to protect each other and their communities. Energean personnel have demonstrated the ability to respond to difficult conditions, providing optimism for the future.

Business continuity is continuously tested in light of all potential COVID-19 threat events with an emphasis on employees, supply chain contacts, stakeholders and the completion of the Edison E&P acquisition.

Overview of other key risks

The Group's principal risks for the remaining six months of the year are set out below:

Strategic risks

- Failure to deliver the Karish gas field project, offshore Israel, on schedule and/or within budget.
- Risks related to the acquisition of Edison E&P, including:
  - Completion, since the acquisition is subject to the satisfaction (or waiver) of certain conditions.
  - Integration, since the success of the transaction will depend on Energean's ability to integrate Edison E&P, including bringing together the cultures and capabilities of both organisations in an effective manner.

Financial risks

- Financial ability and flexibility risk
- Treasury and trading risk
- Liquidity risk and restricted funding risk

The above financial risks encompass the risk of erosion of financial strength and value through revenue deterioration and inadequate liquidity / funding due to adverse commodity price movements, poor capital and cost discipline and poor balance sheet management.

Political and regulatory risks

- Risk of disruption due to local community and political influence in Israel: the risk of loss or damage to relationships with the Israeli government and other stakeholders, jeopardising the Company's ability to conduct business.
- Risk of disruption to business due to political, economic and military conditions in Israel and the region. The Company, with an expanding presence in the Middle East and the Eastern Mediterranean, operates in a historically sensitive geopolitical environment where exposure to a range of political developments at the local or regional level could result in business disruption. The Company has furthermore pursued new opportunities in countries where political, economic and social transition may take place. Political instability changes to the regulatory environment or taxation, international sanctions, expropriation or nationalisation of property, civil strife, strokes, insurrection, acts of terrorism or war may disrupt or curtail existing operations and/or future business development activities. Such eventualities may also affect the recovery of company assets or result in additional costs, particularly given the long-term nature of major projects involving significant capital expenditure.
- Climate change abatement legislation may have a material adverse effect on the oil and gas industry. Risk of loss due to climate change legislation and regulatory initiatives restricting emissions of greenhouse gases.

Operational, counterparty and conduct risks

- HSE Inherently hazardous industry subject to comprehensive legislation. The risk of loss resulting from inadequate procedures and processes, technical failure, human errors or external events. Climate change legislation and regulatory initiatives restricting emissions of greenhouse gases.
- Cyber security risk. The risk of loss resulting from inadequate procedures and processes, technical failure, human error or external events.
- Corporate Reputation and Culture/Ethics/Compliance Risk. Risk of a major breach of Energean's values, Energean's Corporate Culture and Business Ethics Policy, lease agreements or major laws and

regulations with a potential to seriously damage the Company's reputation or result in criminal prosecution, severe fines or material unexpected costs.

- Counterparty risk. The risk of loss or damage due to counterparties' default or otherwise failure to fulfil their obligations. Once the Edison E&P transaction complete, this includes the recoverability of receivables from EGPC

These risks are consistent with those identified at 31 December 2019. The Board continues to actively monitor the effect of Covid-19 on global oil and gas markets and the Company's operations. However, in respect to the identification of principal risks, the primary risks associated with Covid-19 are considered to be embedded within the existing principal risks, including the potential impact of the pandemic on commodity price volatility and access to capital. Further information detailing the way in which these risks are mitigated can be found in Energean's 2019 Annual Report and Accounts, which is available at www.energean.com.

Events since 30 June 2020

Shareholders voted unanimously in favour of the acquisition of Edison E&P at a general meeting that was held on 20 July 2020.

Activity in the Admiralty Yard in Singapore has accelerated since 30 June 2020. In the first week of September, the workforce on the project averaged more than 480 workers per day.

The E-house was lifted on 24 August 2020 with the full lifting programme expected to commence in the coming weeks.

Going Concern Statement

The Group carefully manages its risk to a shortage of funds by monitoring its funding position and its liquidity risk.

Cash forecasts are regularly produced based on, inter alia, the Group's latest life of field production and expenditure forecasts, management's best estimate of future commodity prices (based on recent forward curves) and the Group's borrowing facilities.

In addition, on a regular basis, the Group performs sensitivity tests of its liquidity position for changes in crude oil price, production rates and expected completion of various ongoing projects.

In March 2020 the price of oil collapsed following a disagreement between OPEC+ countries on production levels. This fall in price was compounded by the perceived lack of future demand for oil caused by disruptions to businesses and economic activity as a result of COVID-19. Whilst the OPEC+ countries, together with a wider group of producers, subsequently agreed to lower daily production levels, the continuing uncertainty over the future demand for oil as a result of the continuing impact of COVID-19 is restricting the recovery of the oil price.

The impact of COVID-19 and the current economic environment has been considered as part of the going concern assessment. The Group's going concern assessment has taken account of potential impacts of COVID-19 and the current economic environment to create an adjusted base case. This reflects the current business disruption including (i) delay to key projects, (ii) deterioration in economic conditions and the resulting impact on oil and gas prices and (iii) the ability to operate effectively during a period of remote working.

The Group's adjusted base case includes the below actions, with a base case forecast assumed oil price of US$45/bbl in 2H 2020 and US$50/bbl 2021 and PSV gas prices of €12.5/ MWh in 2H 2020 and €15.0/ MWh in 2021, respectively and production in line with prevailing rates.

1. *Edison E&P Acquisition:*

- In May 2020, Energean announced that it entered into further amended terms for its proposed acquisition of Edison E&P following which, inter alia, the Norwegian subsidiary will be formally excluded from the transaction perimeter. As a result of the above adjustments, the gross consideration for the transaction has been reduced to $284 million from an original enterprise value of $750 million.
- On 20 June 2020, Energean signed a $220 million Reserve Based Lending facility ("RBL") with ING, Natixis and Deutsche Bank in order to fund a portion of the cash consideration to be paid by the Company for the acquisition of Edison E&P, to fund transaction costs and for general corporate purposes. The facility limit may be increased by up to $200 million (for a total facility limit of up to $420 million) subject to certain conditions contained in the accordion provisions of the new facility.

2. *Karish Field Development, Israel:*

- In March 2020 the Karish Project Finance Facility was increased by $175 million to ensure the Group is well funded for any impact of delay on the project (particularly prudent in light of COVID-19 and recent market turbulence).
- A portion of the facility can also be used for further developments in Israel and for appraisal expenditure.
- The Project Finance Facility is available during construction and currently has $420 million still available.

3. *Greek RBL*

In June 2020, the Group agreed a waiver with its lenders under the EBRD reserve-based lending facility whereby all financial covenant ratios have been waived until October 2021. The next redetermination of the borrowing base has also been agreed as October 2021, rather than the customary six-month period.

Forecast liquidity has been assessed under a number of stressed scenarios and a reverse stress test performed to support this assertion.
The sensitivities are designed to model potential downside scenarios relating to COVID19, whereby the Group experiences:

- A period of depressed economic activity across the entire going concern period, with resulting reduction in revenues as a result of sustained reduced oil & gas prices;
- Further delays in its key projects Karish in Israel, NEA in Egypt and Cassiopea in Italy, including the impact of delay in supply of goods and materials.

This is done to identify risks to liquidity and covenant compliance and enable management to formulate appropriate and timely mitigation strategies in order to manage the risk of funds shortfalls or covenant breaches and to ensure the Group's ability to continue as a going concern.

Should a more extreme downside scenario occur, prudent mitigating actions that can be executed in the necessary timeframe could be taken such as a tightening of operating cost and reductions in other discretionary exploration and development expenditures.

In forming an assessment on the Group's ability to continue as a going concern and its review of the forecasted cashflow of the Group over the next 16months (from the date of approval of the interim condensed consolidated financial statements) the Board has made significant judgements about:

- the duration of the low oil price environment; and
- the Group's ability to implement the mitigating actions within the Group's control

After careful consideration, the Directors are satisfied that the Group has sufficient financial resources to continue in operation for the foreseeable future, for a period of not less than 12 months from the date of this report. For these reasons, they continue to adopt the going concern basis in preparing the interim condensed consolidated financial statements.

Statement of Directors' responsibilities

The Directors confirm that to the best of their knowledge:

1) The condensed set of financial statements has been prepared in accordance with IAS 34 'Interim Financial Reporting';
2) The interim management report contains a fair review of the information required by FTR 4.2R (indication of important events during the first six months and description of principal risks and uncertainties for the remaining six months of the year);
3) The interim management report includes a true and fair review of the information required by DTR 4.2.8R (disclosure of related parties' transactions and changes therein).

Mathios Rigas	**Panos Benos**
Chief Executive Officer	Chief Financial Officer
9 September 2020	9 September 2020

Forward looking statements

This announcement contains statements that are, or are deemed to be, forward-looking statements. In some instances, forward-looking statements can be identified by the use of terms such as "projects", "forecasts", "anticipates", "expects", "believes", "intends", "may", "will" or "should" or, in each case, their negative or other variations or comparable terminology. Forward-looking statements are subject to a number of known and unknown risks and uncertainties that may cause actual results and events to differ materially from those expressed in or implied by such forward-looking statements, including, but not limited to: general economic and business conditions; demand for the Company's products and services; competitive factors in the industries in which the Company operates; exchange rate fluctuations; legislative, fiscal and regulatory developments; political risks; terrorism, acts of war and pandemics; changes in law and legal interpretations; and the impact of technological change. Forward-looking statements speak only as of the date of such statements and, except as required by applicable law, the Company undertakes no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise. The information contained in this announcement is subject to change without notice.

INDEPENDENT REVIEW REPORT TO ENERGEAN PLC

Introduction

We have been engaged by the Company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2020 which comprises the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of financial position, the consolidated statement of changes in equity, the consolidated statement of cash flows and notes 1 to 26. We have read the other information contained in the half yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the Company in accordance with guidance contained in International Standard on Review Engagements 2410 (UK and Ireland) "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company, for our work, for this report, or for the conclusions we have formed.

Directors' Responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

As disclosed in note 2, the annual financial statements of the group are prepared in accordance with IFRSs as adopted by the European Union. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting", as adopted by the European Union.

Our Responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2020 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

Ernst & Young LLP
London
9 September 2020

		30 June (Unaudited)	
		2020	**2019**
		$'000	**$'000**
Consolidated income statement	**Notes**		
Revenue	4	2,070	40,012
Cost of Sales	5(a)	(17,934)	(28,611)
Gross (loss)/profit		**(15,864)**	**11,401**
Administrative expenses	5(b)	(6,853)	(5,345)
Selling and distribution expenses	5(c)	(72)	(199)
Exploration and evaluation expenses	5(d)	(529)	(547)
Impairment of property, plant and equipment	10	(63,005)	-
Other expenses	5(e)	(15,843)	(3,451)
Other income	5(f)	8,914	1,994
Operating (loss)/profit		**(93,252)**	**3,853**
Finance Income	6	4,383	2,220
Finance Costs	6	(3,563)	(8,160)
Net foreign exchange loss	6	(6,637)	(1,020)
Loss before tax		**(99,069)**	**(3,107)**
Taxation income / (expense)	8	21,801	(1,381)
Loss for the period		**(77,268)**	**(4,488)**
Attributable to:			
Owners of the parent		(76,826)	(4,450)
Non-controlling Interests		(442)	(38)
		(77,268)	**(4,488)**
Basic and diluted total loss per share (cents per share)			
Basic	9	**($0.43)**	**($0.03)**
Diluted	9	**($0.43)**	**($0.03)**

	30 June (Unaudited)	
	2020 $'000	2019 $'000
Consolidated statement of comprehensive income		
Loss for the year	(77,268)	(4,488)
Other comprehensive income:		
Items that may be reclassified subsequently to profit or loss		
Cash Flow Hedge, net of tax	(8,878)	691
Exchange difference on the translation of foreign operations, net of tax	(1,075)	(971)
Other comprehensive loss after tax	(9,953)	(280)
Total comprehensive loss for the period	**(87,221)**	**(4,768)**
Total comprehensive loss attributable to:		
Owners of the parent	(84,116)	(4,937)
Non-controlling Interests	(3,105)	169
	(87,221)	**(4,768)**

	Notes	30 June 2020 (Unaudited) $'000	31 December 2019 $'000
ASSETS			
Non-current assets			
Property, plant and equipment	10	2,096,475	1,902,271
Intangible assets	11	78,406	71,876
Goodwill		75,800	75,800
Other receivables	15	3,660	4,076
Deferred tax asset	12	54,270	33,038
		2,308,611	2,087,061
Current assets			
Inventories	14	10,810	6,797
Trade and other receivables	15	56,488	59,892
Cash and cash equivalents	13	232,459	354,419
Non-current assets classified as held for sale	16	1,500	-
		301,257	421,108
Total assets		**2,609,868**	**2,508,169**
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent			
Share capital	17	2,367	2,367
Share premium	17	915,388	915,388
Merger reserve	17	139,903	139,903
Other reserve		(353)	5,862
Foreign currency translation reserve		(20,339)	(19,264)
Share-based payment reserve		11,457	10,094
Retained earnings		(130,146)	(53,320)
Equity attributable to equity holders of the parent		918,277	1,001,030
Non-controlling interests	18	266,367	259,722
Total equity		**1,184,644**	**1,260,752**
Non-current liabilities			
Borrowings	19	1,055,818	877,932
Deferred tax liabilities	12	70,315	73,381
Retirement benefit liability	20	4,110	4,265
Provisions	21	13,821	13,145
Other payables	22	61,555	72,401
		1,205,619	1,041,124
Current liabilities			
Trade and other payables	22	170,467	168,108
Current portion of borrowings	19	38,040	38,052
Derivative financial instruments	7	10,966	-
Provisions	21	132	133
		219,605	206,293
Total liabilities		**1,425,224**	**1,247,417**
Total equity and liabilities		**2,609,868**	**2,508,169**

	Share Capital $'000	Share Premium[1] $'000	Other Reserve[2] $'000	Share based payment reserve[3] $'000	Translation Reserve[4] $'000	Retained earnings $'000	Merger reserve[5] $'000	Total $'000	Non Controlling Interests $'000	Total $'000
At 1 January 2019	**2,066**	**658,805**	**5,907**	**6,617**	**(15,513)**	**29,993**	**139,903**	**827,778**	**260,045**	**1,087,823**
Loss for the period	-	-	-	-	-	(4,450)	-	(4,450)	(38)	(4,488)
Cash flow hedge, net of tax	-	-	484	-	-	-	-	484	207	691
Exchange difference on the translation of foreign operations	-	-	-	-	(971)	-	-	(971)	-	(971)
Total comprehensive income	-	-	484	-	(971)	(4,450)	-	(4,937)	169	(4,768)
Transactions with owners of the company										
Issuance of shares	2	-	-	-	-	-	-	2	-	2
Share plan reserve	-	-	-	1,691	-	-	-	1,691	-	1,691
At 30 June 2019	**2,068**	**658,805**	**6,391**	**8,308**	**(16,484)**	**25,543**	**139,903**	**824,534**	**260,214**	**1,084,748**

Condensed Consolidated Statement of Changes in Equity
Six months ended 30 June 2020

	Share Capital $'000	Share Premium[1] $'000	Other Reserve[2] $'000	Share based payment reserve[3] $'000	Translation Reserve[4] $'000	Retained earnings $'000	Merger reserve[5] $'000	Total $'000	Non Controlling Interests $'000	Total $'000
At 1 January 2020	**2,367**	**915,388**	**5,862**	**10,094**	**(19,264)**	**(53,320)**	**139,903**	**1,001,030**	**259,722**	**1,260,752**
Loss for the period	-	-	-	-	-	(76,825)	-	(76,825)	(442)	(77,267)
Cash flow hedge, net of tax	-	-	(6,215)	-	-	-	-	(6,215)	(2,663)	(8,878)
Exchange difference on the translation of foreign operations	-	-	-	-	(1,075)	-	-	(1,075)	-	(1,075)
Total comprehensive income	**-**	**-**	**(6,215)**	**-**	**(1,075)**	**(76,825)**	**-**	**(84,115)**	**(3,105)**	**(87,220)**
Transactions with owners of the company	-	-	-	-	-	-	-	-	-	-
Share capital increase in subsidiary (note 18)	-	-	-	-	-	-	-	-	9,750	9,750
Share plan reserve	-	-	-	1,363	-	-	-	1,363	-	1,363
At 30 June 2020	**2,367**	**915,388**	**(353)**	**11,457**	**(20,339)**	**(130,145)**	**139,903**	**918,278**	**266,367**	**1,184,645**

[1] The share premium account represents the total net proceeds on issue of the Company's shares in excess of their nominal value of £0.01 per share less amounts transferred to any other reserves.

[2] Other reserves are used to recognise remeasurement gain or loss on cash flow hedge and actuarial gain or loss from the defined retirement benefit plan.

[3] The share-based payments reserve is used to recognise the value of equity-settled share-based payments granted to parties including employees and key management personnel, as part of their remuneration.

[4] The foreign currency translation reserve is used to record unrealised exchange differences arising from the translation of the financial statements of entities within the Group that have a functional currency other than US dollar.

[5] Refer to note 17

	Note	30 June (Unaudited) 2020 $'000	2019 $'000
Operating activities			
Loss before taxation		**(99,069)**	**(3,107)**
Adjustments to reconcile profit/(loss) before taxation to net cash provided by operating activities:			
Depreciation, depletion and amortisation	10, 11	12,787	17,704
Impairment loss on property, plant and equipment	10	63,005	-
Impairment on asset held for sale	10	4,935	-
(Decrease)/increase in provisions		(192)	50
Finance income	6	(4,383)	(755)
Finance costs	6	3,563	6,695
Other liabilities written back	5(f)	(3,839)	(1,283)
Share-based payment charge	23	1,332	527
Net foreign exchange gain/(loss)	6	6,637	1,020
Cash flow from operations before working capital adjustments		(15,224)	20,851
(Increase) in inventories		(4,012)	(2,314)
Decrease/(increase) in trade and other receivables		4,565	(1,507)
Increase in trade and other payables		225	6,754
Cash flow from operations		(14,446)	23,784
Taxes paid		(55)	(133)
Net cash (outflow)/inflow from operating activities		**(14,501)**	**23,651**
Investing activities			
Payment for purchase of property, plant and equipment		(231,178)	(503,181)
Payment for exploration and evaluation, and other intangible assets		(12,077)	(38,202)
Proceeds from disposal of property plant and equipment		150	-
Interest received		470	725
Net cash used in investing activities		**(242,635)**	**(540,658)**
Financing activities			
Proceeds from issue of share capital		-	2
Drawdown of borrowings	19	200,000	363,474
Repayment of borrowings	19	(19,021)	-
Proceeds from capital increases by non-controlling interests	18	9,750	-
Advance payment from future sale of property, plant and equipment (INGL)	22	-	5,090
Repayment of obligations under leases		(4,713)	(454)
Debt arrangement fees paid		(6,170)	(8,449)
Finance cost paid for deferred license payments		(3,993)	(4,492)
Finance costs paid		(34,197)	(14,689)
Net cash from financing activities		**141,656**	**340,482**
Net decrease in cash and cash equivalents		(115,480)	(176,525)
Cash and cash equivalents:			
At beginning of the period		354,419	219,822
Effect of exchange rate fluctuations on cash held		(6,480)	153
At end of the period	**13**	**232,459**	**43,450**

1. Corporate Information

Energean plc (the 'Company') was incorporated in England & Wales on 8 May 2017 as a public company with limited liability, under the Companies Act 2006. Its registered office is at 44 Baker Street, London W1U 7AL, United Kingdom. The Company and all subsidiaries controlled by the Company, are together referred to as "the Group".

The Group has been established with the objective of exploration, production and commercialisation of crude oil and natural gas in Greece, Israel, North Africa and the wider Eastern Mediterranean. On 29th of May 2020 the Company following shareholder approval at the Annual General Meeting of the Company, changed its name from Energean Oil & Gas plc to Energean plc.

The Group's core assets as of 30 June 2020 are comprised of:

	Asset	Country	Group's working interest	Partner's working interest	Field Phase
1.	Karish[1]	Israel	70%	30%	Development
2.	Tanin[1]	Israel	70%	30%	Development
3	Blocks 12, 21, 22, 23, 31	Israel	70%	30%	Exploration
4.	Four licenses Zone D	Israel	56%	44%	Exploration
5.	Prinos	Greece	100%	N/A	Production
6.	Prinos North	Greece	100%	N/A	Production / undeveloped
7.	South Kavala	Greece	100%	N/A	Production
8.	Epsilon	Greece	100%	N/A	Undeveloped
9.	Prinos exploration area	Greece	100%	N/A	Exploration
10.	Katakolo	Greece	100%	N/A	Undeveloped
11.	Ioannina	Greece	40%	60%	Exploration
12.	Aitolokarnania	Greece	40%	60%	Exploration
13.	Block 26	Montenegro	100%	N/A	Exploration
14.	Block 30	Montenegro	100%	N/A	Exploration

[1] Energean Israel holds 100% interests in Karish and Tanin leases and in Blocks 12, 21, 22, 23 and 31 and 80% interests in four licenses in Zone D in Israel's Exclusive Economic Zone ("EEZ") with Israeli Opportunity holding the remaining 20%. At 30 June 2020, Energean Israel is a subsidiary in which the Group holds a 70% economic interest. Kerogen Capital holds the remaining 30% of Energean Israel.

The principal operations of the Group are in Greece, Israel and Montenegro.

Subsidiaries

Name of subsidiary	Country of incorporation / registered office	Principal activities	Shareholding At 30 June 2020 (%)	Shareholding At 31 December 2019 (%)
Energean E&P Holdings Ltd	22 Lefkonos Street, 2064 Nicosia, Cyprus	Holding Company	100	100
Energean Capital Ltd	22 Lefkonos Street, 2064 Nicosia, Cyprus	Holding Company	100	100
Energean MED Limited	44 Baker Street, London W1U 7AL, United Kingdom	Oil and gas exploration, development and production	100	100
Energean Oil & Gas S.A.	32 Kifissias Ave. 151 25 Marousi Athens, Greece	Oil and gas exploration, development and production	100	100
Energean International Limited	22 Lefkonos Street, 2064 Nicosia, Cyprus	Oil and gas exploration, development and production	100	100
Energean Israel Limited	22 Lefkonos Street, 2064 Nicosia, Cyprus	Oil and gas exploration, development and production	70	70
Energean Montenegro Limited	22 Lefkonos Street, 2064 Nicosia, Cyprus	Oil and gas exploration, development and production	100	100
Energean Israel Finance SARL	560A rue de Neudorf, L-2220, Luxembourg	Financing activities	70	70
Energean Israel Transmission LTD	9, Metsada St., Bnei Brak 5120109 ISRAEL	Gas transportation license holder	70	70
Energean Hellas Limited	Lefkonos 22 St., 2064, Nicosia, Cyprus	Holding Company	100	-
Energean Egypt Limited	Lefkonos 22 St., 2064, Nicosia, Cyprus	Holding Company	100	-

2. Basis of preparation

2.1 Basis of preparation

The unaudited condensed consolidated interim financial statements for the six months ended 30 June 2020 included in this interim report have been prepared in accordance with International Accounting Standard 34 'Interim Financial Reporting', as adopted by the European Union, and unless otherwise disclosed have been prepared on the basis of the same accounting policies and methods of computation as applied in the Group's Annual Report for the year ended 31 December 2019.

The consolidated financial statements have been prepared on a historical cost basis and are presented in US Dollars, which is also the Company's functional currency, rounded to the nearest thousand dollars ($'000) except as otherwise indicated.

The US dollar is the currency that mainly influences sales prices and revenue estimates, and also highly affects its operations. The functional currencies of the Group's main subsidiaries are as follows: for Energean E&P Holdings Ltd, Energean Oil & Gas S.A and Energean Montenegro is Euro, for Energean International Limited and Energean Israel Limited is US$.

Comparative figures for the period to 30 June 2019 and 31 December 2019 are for the period ended on that date.

The interim financial statements do not constitute statutory accounts of the Group within the meaning of Section 435 of the Companies Act 2006 and do not include all the information and disclosures required in the annual financial statements. The interim financial statements, should be read in conjunction with the Group's Annual Report and Accounts for the year ended 31 December 2019, which were prepared in accordance with IFRSs as adopted by the European Union and which have been filed with the Registrar of Companies. The auditor's report on those financial statements was unqualified with no reference to matters to which the auditor drew attention by way of emphasis and no statement under s498(2) or s498(3) of the Companies Act 2006.

Going concern

The Group carefully manages its risk to a shortage of funds by monitoring its funding position and its liquidity risk.

Cash forecasts are regularly produced based on, inter alia, the Group's latest life of field production and expenditure forecasts, management's best estimate of future commodity prices (based on recent forward curves) and the Group's borrowing facilities.

In addition, on a regular basis, the Group performs sensitivity tests of its liquidity position for changes in crude oil price, production rates and expected completion of various ongoing projects.

In March 2020 the price of oil collapsed following a disagreement between OPEC+ countries on production levels. This fall in price was compounded by the perceived lack of future demand for oil caused by disruptions to businesses and economic activity as a result of COVID-19. Whilst the OPEC+ countries, together with a wider group of producers, subsequently agreed to lower daily production levels, the continuing uncertainty over the future demand for oil as a result of the continuing impact of COVID-19 is restricting the recovery of the oil price.

The impact of COVID-19 and the current economic environment has been considered as part of the going concern assessment. The Group's going concern assessment has taken account of potential impacts of Covid-19 and the current economic environment to create an adjusted base case. This reflects the current business disruption including (i) delay to key projects, (ii) deterioration in economic conditions and the resulting impact on oil and gas prices and (iii) the ability to operate effectively during a period of remote working.

The Group's adjusted base case includes the below actions, with a base case forecast assumed oil price of US$45/bbl in 2H 2020 and US$50/bbl 2021 and PSV gas prices of €12.5/ MWh in 2H 2020 and €15.0/ MWh in 2021, respectively and production in line with prevailing rates.

4. *Edison E&P Acquisition:*

- In May 2020, Energean announced that it entered into further amended terms for its proposed acquisition of Edison E&P following which, inter alia, the Norwegian subsidiary will be formally excluded from the transaction perimeter. As a result of the above adjustments, the gross consideration for the transaction has been reduced to $284 million from an original enterprise value of $750 million
- On 20 June 2020, Energean signed a $220 million Reserve Based Lending facility ("RBL") with ING, Natixis and Deutsche Bank in order to fund a portion of the cash consideration to be paid by the Company for the acquisition of Edison E&P, to fund transaction costs and for general corporate purposes. The facility limit may be increased by up to $200 million (for a total facility limit of up to $420 million) subject to certain conditions contained in the accordion provisions of the new facility

5. Karish Field Development, Israel:

- In March 2020 the Karish Project Finance Facility was increased by $175 million to ensure the Group is well funded for any impact of delay on the project (particularly prudent in light of COVID-19 and recent market turbulence)
- A portion of the facility can also be used for further developments in Israel and for appraisal expenditure
- The Project Finance Facility is available during construction and currently has $420 million still available

6. Greek RBL

In June 2020, the Group agreed a waiver with its lenders under the EBRD reserve-based lending facility whereby all financial covenant ratios have been waived until October 2021. The next redetermination of the borrowing base has also been agreed as October 2021, rather than the customary six-month period.

Forecast liquidity has been assessed under a number of stressed scenarios and a reverse stress test performed to support this assertion.
The sensitivities are designed to model potential downside scenarios relating to Covid-19, whereby the Group experiences:

- A period of depressed economic activity across the entire going concern period, with resulting reduction in revenues as a result of sustained reduced oil & gas prices;
- Further delays in its key projects Karish in Israel, NEA in Egypt and Cassiopea in Italy, including the impact of delay in supply of goods and materials.

This is done to identify risks to liquidity and covenant compliance and enable management to formulate appropriate and timely mitigation strategies in order to manage the risk of funds shortfalls or covenant breaches and to ensure the Group's ability to continue as a going concern.

Should a more extreme downside scenario occur, prudent mitigating actions that can be executed in the necessary timeframe could be taken such as a tightening of operating cost and reductions in other discretionary exploration and development expenditures.

In forming an assessment on the Group's ability to continue as a going concern and its review of the forecasted cashflow of the Group over the next 16 months (from the date of approval of the interim condensed consolidated financial statements) the Board has made significant judgements about:

- the duration of the low oil price environment; and
- the Group's ability to implement the mitigating actions within the Group's control

After careful consideration, the Directors are satisfied that the Group has sufficient financial resources to continue in operation for the foreseeable future, for a period of not less than 12 months from the date of this report. For these reasons, they continue to adopt the going concern basis in preparing the interim condensed consolidated financial statements.

New and amended accounting standards and interpretations

The accounting policies adopted in the preparation of the unaudited interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2019, except for the adoption of the new standards and interpretations effective as of 1 January 2020. None of the amendments that are effective as of 1 January 2020 had significant impact on the Group's interim condensed consolidated financial statements.

The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective as at 1 January 2020. Several amendments and interpretations apply for the first time in 2020, but do not have an impact on the interim condensed consolidated financial statements of the Group.

Amendments to IFRS 3: Definition of a Business

The amendment to IFRS 3 clarifies that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output. Furthermore, it clarified that a business can exist without including all of the inputs and processes needed to create outputs. These amendments had no impact on the consolidated financial statements of the Group, but may impact future periods should the Group enter into any business combinations.

Amendments to IFRS 7, IFRS 9 and IAS 39: Interest Rate Benchmark Reform

The amendments to IFRS 9 and IAS 39 Financial Instruments: Recognition and Measurement provide a number of reliefs, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainties about the timing and or amount of benchmark-based cash flows of the hedged item or the hedging instrument. These amendments had no impact on the consolidated financial statements of the Group.

2.2 Approval of accounts

These unaudited condensed interim consolidated financial statements were approved by the Board of Directors on 9th September 2020.

3. Segmental Reporting

The information reported to the Group's Chief Executive Officer and Chief Financial Officer (Chief Operating Decision Makers) for the purposes of resource allocation and assessment of segment performance is focused on four operating segments: Greece (including production asset of Prinos and non-producing assets of Ioannina, Katakolo and Aitolokarnania), Israel, Montenegro (including two non producing exploration assets) and New Ventures.

The Group's reportable segments under IFRS 8 Operating Segments are Greece and Israel. Segments that do not exceed the quantitative thresholds for reporting information about operating segments have been included in Other.

Segment revenues, results and reconciliation to profit before tax

The following is an analysis of the Group's revenue, results and reconciliation to profit before tax by reportable segment:

	Greece	Israel	Other & intercompany transactions	Total
	$'000	$'000	$'000	$'000
Six months ended 30 June 2020 (unaudited)				
Revenue[18]	5,339	-	(3,269)	2,070
Adjusted EBITDAX[19]	(4,584)	(2,084)	(2,180)	(8,848)
Reconciliation to profit before tax:				
Depreciation and amortisation expenses	(12,448)	(149)	(190)	(12,787)
Share-based payment charge	(13)	(39)	(1,102)	(1,154)
Exploration and evaluation expenses	(183)	-	(346)	(529)
Impairment loss on property, plant and equipment	(63,005)	-	-	(63,005)
Other expenses	(6,995)	(385)	(8,463)	(15,843)
Other income	3,913	-	5,001	8,914
Finance income	4,094	169	120	4,383
Finance costs	(3,449)	(26)	(88)	(3,563)
Net foreign exchange gain/(loss)	(262)	243	(6,618)	(6,637)
Loss before income tax	**(82,932)**	**(2,271)**	**(13,866)**	**(99,069)**
Taxation income	20,999	413	389	21,801
Loss for the period	**(61,933)**	**(1,858)**	**(13,477)**	**(77,268)**
Six months ended 30 June 2019 (unaudited)				
Revenue	42,537	-	(2,525)	40,012
Adjusted EBITDAX	26,831	(1,329)	(1,454)	24,048
Reconciliation to profit before tax:				
Depreciation and amortisation expenses	(17,483)	(12)	(209)	(17,704)
Share-based payment charge	(211)	(38)	(238)	(487)
Exploration and evaluation expenses	(2)	(54)	(491)	(547)
Other income/(expense)	1,407	-	(2,864)	(1,457)
Finance income	1,757	743	(280)	2,220
Finance costs	(7,847)	(233)	(80)	(8,160)

[18] The Group supplies 100% of the produced Prinos crude oil to BP Oil International Ltd, until the later of: a) the expiry of the agreement on 1 November 2025 or b) the delivery of twenty-five million barrels.

[19] Adjusted EBITDAX is a non-IFRS measure used by the Group to measure business performance. It is calculated as profit or loss for the period, adjusted for discontinued operations, taxation, depreciation and amortisation, share-based payment charge, impairment of property, plant and equipment, other income and expenses (including the impact of derivative financial instruments and foreign exchange), net finance costs and exploration and evaluation expenses.

Notes to the Condensed Interim Consolidated Financial Statements (continued)

	Greece $'000	Israel $'000	Other & intercompany transactions $'000	Total $'000
Net foreign exchange gain/(loss)	(1,888)	851	17	(1,020)
Profit/(loss) before income tax	**2,564**	**(72)**	**(5,599)**	**(3,107)**
Taxation expense	(1,344)	(26)	(11)	(1,381)
Loss) for the period	**1,220**	**(98)**	**(5,610)**	**(4,488)**

The following table presents assets and liabilities information for the Group's operating segments as at 30 June 2020 and 31 December 2019, respectively:

	Greece $'000	Israel $'000	Other & intercompany transactions $'000	Total $'000
Six months ended 30 June 2020 (unaudited)				
Oil & Gas properties	230,335	1,855,061	(1,149)	**2,084,247**
Other property, plant and equipment	7,474	800	3,954	**12,228**
Intangible assets	17,682	130,227	6,297	**154,206**
Other assets	98,068	110,493	149,126	**357,687**
Non-current assets classified as held for sale	1,500	-	-	**1,500**
Total assets	**355,059**	**2,096,581**	**158,228**	**2,609,868**
Borrowings	137,859	955,999	-	**1,093,858**
Other liabilities	64,800	256,208	10,358	**331,366**
Total liabilities	**202,659**	**1,212,207**	**10,358**	**1,425,224**
Other segment information				
Capital Expenditure:				
- Property, plant and equipment	2,514	234,879	525	**237,918**
- Intangible, exploration and evaluation assets	331	4,849	260	**5,440**
Year ended 31 December 2019				
Oil & Gas properties	302,327	1,582,202	(878)	**1,883,651**
Other fixed assets	16,253	558	1,809	**18,620**
Intangible assets	16,059	125,501	6,116	**147,676**
Other assets	77,529	145,524	235,169	**458,222**
Total assets	**412,168**	**1,853,785**	**242,216**	**2,508,169**
Borrowings	159,768	756,216	-	**915,984**
Other liabilities	85,705	235,345	10,383	**331,433**
Total liabilities	**245,473**	**991,561**	**10,383**	**1,247,417**
Capital Expenditure:				
- Property, plant and equipment	59,481	565,413	(748)	**624,146**
- Intangible, exploration and evaluation assets	8,941	47,085	4,937	**60,963**

Segment Cash flows

	Greece $'000	Israel $'000	Other & intercompany transactions $'000	Total $'000

	Greece $'000	Israel $'000	Other & intercompany transactions $'000	Total $'000
Six months ended 30 June 2020 (unaudited)				
Net cash from (used in) operating activities	(6,209)	(1,359)	(6,933)	**(14,501)**
Net cash (used in) investing activities	(14,380)	(227,713)	(542)	**(242,635)**
Net cash from financing activities	19,746	194,484	(72,574)	**141,656**
Net increase/(decrease) in cash and cash equivalents	(843)	(34,588)	(80,049)	**(115,480)**
Cash and cash equivalents at end of the period	5,273	75,846	151,340	**232,459**
Six months ended 30 June 2019 (unaudited)				
Net cash from (used in) operating activities	25,806	(3,062)	907	**23,651**
Net cash (used in) investing activities	(37,851)	(495,612)	(7,195)	**(540,658)**
Net cash from financing activities	7,515	333,348	(381)	**340,482**
Net increase/(decrease) in cash and cash equivalents	(4,530)	(165,326)	(6,669)	**(176,525)**
Cash and cash equivalents at end of the period	84	31,601	11,765	**43,450**

4. Revenue

	30 June (Unaudited)	
	2020 $'000	2019 $'000
Crude oil sales	1,914	39,417
Petroleum products sales	156	595
Total revenue	**2,070**	**40,012**

During 1H 2020, there was one shipment of 212 kbbls (1H 2019: 669 kbbls through two shipments), which occurred on 29 March 2020. Pricing of the first cargo of the year was based on April 2020 commodity prices, during which Brent averaged $18.5/bbl reflected a net realised price of $9.1/bbl (period ended 30 June 2019: weighted average of $58.3). A second cargo was sold on 14 July 2020 reflecting a net realised price of $35.9/bbl.

5. Operating profit/(loss) before taxation

		30 June (Unaudited)	
		2020 $'000	2019 $'000
(a)	***Cost of sales***		
	Staff costs	6,153	6,672
	Energy cost	2,550	3,632
	Royalty payable	-	28
	Other operating costs	1,717	3,166
	Depreciation and amortisation	11,581	17,301
	Stock overlift/underlift movement	(4,067)	(2,188)
	Total cost of sales	**17,934**	**28,611**

		30 June (Unaudited) 2020 $'000	2019 $'000
(b)	***Administrative expenses***		
	Staff costs	2,744	2,192
	Other General & administration expenses	2,570	2,262
	Share-based payment charge included in administrative expenses	1,154	487
	Depreciation and amortisation	385	404
	Total administrative expenses	**6,853**	**5,345**
(c)	***Selling and distribution expense***		
	Staff costs	22	27
	Other Selling and distribution expense	50	172
	Total selling and distribution expense	**72**	**199**
(d)	***Exploration and evaluation expenses***		
	Staff costs for Exploration and evaluation activities	141	242
	Other exploration and evaluation expenses	388	305
	Total exploration and evaluation expenses	**529**	**547**
(e)	***Other operating expenses***		
	Transaction costs in relation to future acquisitions	8,405	2,482
	Impairment on asset held for sale	4,935	-
	Restructuring costs	1,524	383
	Other indemnities	203	-
	Write down of inventory	124	-
	Expected credit losses	267	54
	Other expenses	385	532
		15,843	**3,451**
(f)	***Other income***		
	Income from accounts payable written off[1]	3,839	-
	Write-back bank liabilities [21]	**-**	1,283
	Proceeds from termination of agreement with Neptune Energy[3]	5,000	-
	Other income	75	711
		8,914	**1,994**

[1] *Related to derecognition of specific accounts payables balances in the Greek subsidiary following waiver agreements with creditors*

[2] *Related to old bank liability transacted with on European Emission Allowances credits ("EUAs") that became time barred.*

[3] *Related to termination fees paid from Neptune Energy following the termination of the agreement for Neptune Energy to acquire Edison E&P's UK and Norwegian subsidiaries from the Group.*

6. Net finance cost

	30 June (Unaudited) 2020	2019

	$'000	$'000
Interest on bank borrowings	37,608	14,732
Interest expense on long term payables	3,345	3,580
Less amounts included in the cost of qualifying assets	(37,932)	(11,695)
	3,021	**6,617**
Finance and arrangement fees	2,184	1,309
Other finance costs and bank charges	678	617
Unwinding of discount on right of use asset	116	168
Unwinding of discount on provision for decommissioning	180	166
Less amounts included in the cost of qualifying assets	(2,616)	(717)
Total finance costs	**3,563**	**8,160**
Interest income from time deposits	(396)	(755)
Gain from revised estimated loan cash flow	(3,987)	(1,465)
Total finance revenue	**(4,383)**	**(2,220)**
Foreign exchange losses/(gain)	6,637	1,020
Net financing costs	**5,817**	**6,960**

7. Fair value measurements

The information set out below provides information about how the Group determines the fair values of various financial assets and liabilities.

The fair values of the Group's non-current liabilities measured at amortised cost are considered to approximate their carrying amounts at the reporting date.

The carrying value less any estimated credit adjustments for financial assets and financial liabilities with a maturity of less than one year are assumed to approximate their fair values due to their short term-nature. The fair value of the group's finance lease obligations is estimated using discounted cash flow analysis based on the group's current incremental borrowing rates for similar types and maturities of borrowing and are consequently categorized in level 2 of the fair value hierarchy.

Fair values of derivative financial instruments

The Group held financial instruments at fair value at 30 June 2020 related to interest rate derivatives. All derivatives are recognised at fair value on the balance sheet with valuation changes recognised immediately in the income statement, unless the derivatives have been designated as a cash flow hedge. Fair value is the amount for which the asset or liability could be exchanged in an arm's length transaction at the relevant date. Where available, fair values are determined using quoted prices in active markets. To the extent that market prices are not available, fair values are estimated by reference to market-based transactions, or using standard valuation techniques for the applicable instruments and commodities involved. Values recorded are as at the balance sheet date, and will not necessarily be realised.

As at 30 June 2020 the Group's interest rate derivatives are Level 2 (31 December 2019: Level 2). There were no transfers between fair value levels during the year.

The fair value hierarchy of financial assets and financial liabilities that are not measured at fair value (but fair value disclosure is required) is as follows:

	Fair value hierarchy as at 30 June 2020 (Unaudited)			
	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Financial assets				

	Fair value hierarchy as at 30 June 2020 (Unaudited)			
	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Trade and other receivables (note 15)	-	2,956	-	2,956
Cash and cash equivalents and bank deposits (note 13)	232,459	-	-	232,459
Total	**232,459**	**2,956**	**-**	**235,415**
Financial liabilities				
Financial liabilities held at amortised cost:				
Borrowings (note 19)	-	1,093,858	-	1,093,858
Interest rate derivatives	-	10,966	-	10,966
Net obligations under finance leases (note 22)	-	5,436	-	5,436
Deferred licence payments (note 22)	-	66,474	-	66,474
Total	**-**	**1,176,734**	**-**	**1,176,734**

	Fair value hierarchy as at 31 December 2019			
	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Financial assets				
Trade and other receivables (note 15)		3,528		3,528
Cash and cash equivalents and bank deposits (note 13)	354,419			354,419
Total	354,419	3,528		**357,947**
Financial liabilities				
Financial liabilities held at amortised cost:				
Borrowings (note 19)	-	915,984	-	915,984
Net obligations under finance leases (note 22)	-	6,111	-	6,111
Deferred licence payments (note 22)	-	78,139	--	78,139
Total		**1,000,234**	**-**	**1,000,234**

8. Taxation

(a) Taxation charge

	30 June (Unaudited)	
	2020 $'000	2019 $'000
Corporation tax - prior years	386	(11)
Deferred tax (Note 12)	21,415	(1,370)
Total taxation income / (expense)	**21,801**	**(1,381)**

(b) Reconciliation of the total tax charge

The Group calculates its income tax expense as per IAS 34 by applying a weighted average tax rate calculated based on the statutory tax rates of Greece (25%) and Israel (23%) weighted according to the profit or loss before tax earned by the Group in each jurisdiction where deferred tax is recognised. The effective tax rate for the period is -22% (30 June 2019: 44.4%).

The tax (charge)/credit of the period can be reconciled to the loss per the consolidated income statement as follows:

	30 June (Unaudited)	
	2020 $'000	2019 $'000
Profit/(loss) before tax	**(99,069)**	**(3,107)**
Tax calculated at 24.95% weighted average rate (2019: 25.0%)	24,724	777
Impact of different tax rates	(19)	(166)
Reassessment of recognized deferred tax asset in the current period	(90)	(251)
Permanent differences[1]	(2,608)	(424)
Non recognition of deferred tax on current period losses	(1,265)	(1,333)
Tax effect of non-taxable income	625	
Other adjustments	47	27
Prior year tax	387	(11)
Taxation income/(expense)	**21,801**	**(1,381)**

[1] Permanent differences mainly consisted of non-deductible expenses with the majority relating to transactions costs for the proposed Edison E&P acquisition.

9. Earnings per share

The earnings per share has been calculated by dividing the net profit or loss for the period by the weighted average number of shares outstanding during the period ended 30 June 2020 and 30 June 2019.

	30 June (Unaudited)	
	2020 $'000	2019 $'000
Total (Loss)/Income attributable to equity shareholders	(76,826)	(4,450)
Effect of dilutive potential ordinary shares	-	-
	(76,826)	(4,450)

	30 June (Unaudited)	
	2020 Number	2019 Number
Number of shares		
Basic weighted average number of shares	177,089,406	153,297,878
Dilutive potential ordinary shares	-	1,529,538
Diluted weighted average number of shares	**177,089,406**	**154,827,416**
Basic loss per share	**($0.43)/share**	**($0.03)/share**
Diluted loss per share	**($0.43)/share**	**($0.03)/share**

10. Property, plant and equipment

Property, plant and equipment at Cost	Oil and gas properties $'000	Leased assets $'000	Other property, plant and equipment $'000	Total $'000
At 1 January 2019	**1,487,454**	**-**	**56,513**	**1,543,967**
Additions	622,786	123	1,238	624,147
Adjustment on adoption of IFRS 16 leases	-	9,792	-	9,792
Lease modification	-	(699)	-	(699)
Capitalized borrowing cost	39,095	-	-	39,095
Capitalized depreciation	1,937	-	-	1,937
Change in environmental rehabilitation provision	5,437	-	-	5,437
Foreign exchange impact	(9,546)	(99)	(1,052)	(10,697)
At 1 January 2020	**2,147,163**	**9,117**	**56,699**	**2,212,979**
Additions	236,901	1,812	1,048	239,761
Lease modifications	-	(959)	-	(959)
Transfer to asset held for sale	(1,627)	-	(4,808)	(6,435)
Capitalized borrowing cost	39,180	-	-	39,180
Capitalised depreciation	288	-	-	288
Change in environmental rehabilitation provision	534	-	-	534
Foreign exchange impact	(1,809)	(13)	(179)	(2,001)
At 30 June 2020	**2,420,630**	**9,957**	**52,760**	**2,483,347**

Accumulated Depreciation				
At 1 January 2019	**175,122**	**-**	**27,141**	**202,263**
Charge for the period				
-Expensed	33,206	3,019	2,577	38,802
-Capitalised to oil and gas properties	-	418	1,519	1,937
Impairments	58,147	-	12,968	71,115
Foreign exchange impact	(2,963)	11	(457)	(3,409)
At 1 January 2020	**263,512**	**3,448**	**43,748**	**310,708**
Charge for the period				
-Expensed	10,069	1,288	1,219	12,576
-Capitalised to oil and gas properties	-	288	-	288
Impairments	62,452	-	553	63,005
Impairment on asset held for sale	1,627	-	3,308	4,935
Transfer to asset held for sale	(1,627)	-	(3,308)	(4,935)
Foreign exchange impact	350	11	(66)	295

Property, plant and equipment at Cost	Oil and gas properties $'000	Leased assets $'000	Other property, plant and equipment $'000	Total $'000
At 30 June 2020	**336,383**	**5,035**	**45,454**	**386,872**
Net carrying amount				
At 31 December 2019	**1,883,651**	**5,669**	**12,951**	**1,902,271**
At 30 June 2020	**2,084,247**	**4,922**	**7,306**	**2,096,475**

Included in the carrying amount of leased assets at 30 June 2020 is right of use assets related to Oil and gas properties and Other property, plant and equipment of $1.3 million and $3.6 million respectively.

The depreciation charged on these classes for the six-month ending 30 June 2020 were $1.2 million and $0.1 million respectively

The additions to Oil & gas properties for the period of six months ended 30 June 2020 is mainly due to development costs of Karish field related to the EPCIC contract (FPSO, Sub Sea and On-shore construction cost) at the amount of $161.9 million and development drilling costs at the amount of $49.8 million.

Borrowing costs capitalised for qualifying assets, included in oil & gas properties, for the six months ended 30 June 2020 amounted to $39.2 million (year ended 31 December 2019: $39.1million). The weighted average interest rates used:

- 8.96% (for the six months ended 30 June 2020)
- 9.4% (for the year ended 31 December 2019)

In 2020 the Group executed an impairment test for the Prinos CGU (Prinos and Epsilon fields). In the period, indicators of impairment were noted for the Prinos CGU, being a reduction in both short-term (Dated Brent forward curve) and long-term price assumptions and a change in the Group's Prinos field production forecast, which have resulted in an impairment of $63.0 million in the carrying value of the Prinos CGU.

The Group applied the following nominal oil price assumptions for impairment assessment in respect of its production asset of Prinos:

	2020	2021	2022	2023	2024	2025	2026
30 June 2020	$40/bbl	$45/bbl	$50/bbl	$55/bbl	$60/bbl	$60/bbl inflated at 2% thereafter	
31 December 2019	forward curve ($61.7/bbl)	forward curve ($58.6/bbl)	forward curve ($57.2/bbl)	forward curve ($56.8/bbl)	forward curve ($57.0/bbl)	$65.0/bbl	$65/bbl inflated at 2% thereafter

In H1 2020 impairment test the Group applied a 12.01% pre-tax discount rate (2019: 11.9%).

The Group used the value in use in determining the recoverable amount of the cash-generating unit using discounted future cash flows. A reduction in the short and long-term price assumptions by 10% per barrel, are considered to be reasonably possible changes for the purposes of sensitivity analysis. Decreases to oil prices specified above would increase the impairment charge by $77.5 million. A 1 per cent increase in the pre-tax discount rate would increase the impairment by $25.3 million.

Impairment charges for the period also include amount of $4.9 million relating to the disposal of Energean Force rig unit.

11. Intangible assets

	Exploration and evaluation assets $'000	Other Intangible assets $'000	Total $'000
Intangibles at Cost			
At 1 January 2019	**10,310**	**1,641**	**11,951**
Additions	60,639	324	60,963
Capitalized borrowing costs	755	-	755
Exchange differences	(103)	(24)	(127)
At 1 January 2020	**71,601**	**1,941**	**73,542**
Additions	5,286	155	5,441
Capitalized borrowing costs	1,368	-	1,368
Exchange differences	(67)	(5)	(72)
At 30 June 2020	**78,188**	**2,091**	**80,279**
Accumulated amortisation and impairments			
At 1 January 2019	**261**	**1,135**	**1,396**
Charge for the period	-	252	252
Exchange differences	-	18	18
At 1 January 2020	**261**	**1,405**	**1,666**
Charge for the period	-	211	211
Exchange differences	-	(4)	(4)
30 June 2020	**261**	**1,612**	**1,873**
Net Carrying Amount			
At 31 December 2019	**71,340**	**536**	**71,876**
At 30 June 2020	**77,927**	**479**	**78,406**

Borrowing costs capitalised for qualifying assets for the period ended 30 June 2020 amounted to $1.4 million (31 December 2019: $0.8 million). The weighted average interest rate used was 8.96% (31 December 2019: 9.4%).

12. Net deferred tax (liability)/ asset

Deferred tax (liabilities)/assets	Property, plant and equipment $'000	Right of use asset (IFRS 16) $'000	Prepaid expenses and other receivables $'000	Inventory $'000	Tax losses $'000	Retirement benefit liability $'000	Accrued expenses and other short-term liabilities $'000	Total $'000

Deferred tax (liabilities)/assets	Property, plant and equipment $'000	Right of use asset (IFRS 16) $'000	Prepaid expenses and other receivables $'000	Inventory $'000	Tax losses $'000	Retirement benefit liability $'000	Accrued expenses and other short-term liabilities $'000	Total $'000
At 1 January 2019	**(150,633)**	-	**(1,705)**	**676**	**85,614**	**820**	**4,390**	**(60,838)**
Increase / (decrease) for the period through:								
profit or loss (Note 8)	11,250	(1,074)	829	94	6,289	70	3,203	20,661
other comprehensive income	-	-	(130)	-	-	-	116	(14)
Exchange difference	1,385	(4)	35	(37)	(1,491)	23	(63)	(152)
At 1 January 2020	**(137,998)**	**(1,078)**	**(971)**	**733**	**90,412**	**913**	**7,646**	**(40,343)**
Increase / (decrease) for the period through:								
profit or loss (Note 8)	17,505	496	79	307	3,542	(21)	(493)	21,415
other comprehensive income	-	-	2,652	-	-	-	-	2,652
Exchange difference	474	12	4	3	(224)	(3)	(35)	231
30 June 2020	**(120,019)**	**(570)**	**1,764**	**1,043**	**93,730**	**889**	**7,118**	**(16,045)**

	30 June 2020 $'000	31 December 2019 $'000
Deferred tax liabilities	(70,315)	(73,381)
Deferred tax assets	54,270	33,038
Net deferred tax assets / (liabilities)	**(16,045)**	**(40,343)**

As per table above, the deferred tax asset of $54.3 million comes exclusively from the Greek subsidiary Energean Oil & Gas SA and represents the net tax losses available to offset future profits, whereas, the deferred tax liabilities of $70.3 million comes from the Israeli entity and is consisted of a deferred tax liability of $76.0 million included in goodwill as part of the consolidation of Energean Israel Limited by Energean E&P Holdings Limited in 2018, offset by a deferred tax asset of $5.7 million in respect of net tax losses available to offset future profits in Israel.

At 30 June 2020 the Group has unused tax losses of $378.1 million (as of 31 December 2019: $364.4 million) available to offset against future profits. Out of the total tax losses, $339.1 million come from the Greek operations whereas amount of $39.0 million comes from the Israeli operations and specifically the Karish licence which is in the development phase and expected to commence production by 2021.

With respect to the Greek tax losses carried forward, the majority of them ($337.7 million) come from the Prinos exploitation area which is the only producing asset of the Group, whereas an amount of $1.4 million comes from Ioannina, Katakolo and Aitoloakarnania areas which are in the exploration phase.

A deferred tax asset has been recognised as of 30 June 2020 of $93.7 million (as of 31 December 2019: $90.4 million) in respect of such tax losses. This represents the losses which are expected to be utilised based on Group's projection of future taxable profits in the jurisdictions in which the losses reside. It is considered probable based on business forecasts that such profits will be available.

Greece

Tax losses can be utilised to offset taxable profits for a period of time that is dictated by the tax legislation of each licence. The above carried forward unused tax losses arise almost exclusively from the Prinos Area. Tax losses incurred under the Prinos licence (Law2779/1999) can be utilised without limitation to offset taxable profits until the termination of Prinos exploitation area. According to the Ioannina, Katakolo and recently granted Aitoloakarnania lease agreements the losses incurred in respect of a particular exploitation area prior to the commencement of any exploitable production shall be carried forward without any restrictions for such period. From the commencement of any exploitable production and thereafter, the general income tax provisions shall apply in relation to the carrying forward of losses (currently 5 years). The Group expects that there will be sufficient taxable profit in the following years and that deferred tax assets, recognised in the consolidated financial statements of the Group, will be recovered.

Israel

The Group is subject to corporation tax on its taxable profits in Israel at the rate of 23%. The Capital Gain Tax rates depends on the purchase date and the nature of asset. The general capital tax rate for a corporation is the standard corporate tax rate. Tax losses can be utilised for an unlimited period, and tax losses may not be carried back. Tax losses occurring during the development or construction phases are to be deducted at the depreciation rate of the asset under development in respect of which they were created. According to Income Tax (Deductions from Income of Oil Rights Holders) Regulations, 5716-1956, the exploration and evaluation expenses of oil and gas assets are deductible in the year in which they are incurred. The Group expects that there will be sufficient taxable profit in the following years and that deferred tax assets, recognised in the consolidated financial statements of the Group, will be recovered.

13. Cash and cash equivalents

	30 June 2020 (Unaudited) $'000	31 December 2019 $'000
Cash at bank	227,966	349,857
Restricted bank deposits	4,493	4,562
	232,459	**354,419**

Bank demand deposits comprise deposits and other short-term money market deposit accounts that are readily convertible into known amounts of cash. The effective interest rate on short-term bank deposits was 1.13% for the six months period ended 30 June 2020 (year ended 31 December 2019: 1.68%).

Restricted bank deposits comprise mainly cash retained as a bank security pledge for the Group's performance guarantees in its exploration blocks of Israel, Montenegro, Ioannina and Aitolokarnania. These deposits can be used for funding the exploration activities of respective blocks.

14. Inventories

	30 June 2020 (Unaudited) $'000	31 December 2019 $'000
Raw materials and supplies	4,401	2,312
Crude oil	6,409	4,485
Total inventories	**10,810**	**6,797**

The Group's raw materials and supplies consumptions for the six months ended 30 June 2020 was $0.7 million (year ended 31 December 2019: $1.8million).

In the period ended 30 June 2020 the write-down of crude oil inventory to net realisable value amounted to $5.6 million (31 December 2019: $nil million) which is included in "cost of sales".

15. Trade and other receivables

	30 June 2020 (Unaudited) $'000	31 December 2019 $'000
Trade and other receivables-Current		
Financial items:		
Derivative financial instruments	-	564
	-	564
Non-financial items:		
Deposits and prepayments[1]	19,754	18,155
Deferred insurance expenses	3,760	5,338
Refundable VAT	30,090	30,247
Trade receivables	2,824	5,383
Accrued interest income	35	182
Receivables from related parties	25	23
	56,488	59,328
Total trade and other receivables-Current	**56,488**	**59,892**
Trade and other receivables-Non-Current		
Financial items:		
Government subsidies[2]	2,956	2,964
	2,956	2,964
Non-financial items:		
Deferred Insurance expenses	-	438
Other non-current assets	704	674
Total trade and other receivables-Non-Current	**3,660**	**4,076**

[1] Included in deposits and prepayments, are mainly prepayments for goods and services under the GSP Engineering, Procurement, Construction and Installation Contract (EPCIC) for Epsilon project total amount of $13.3 million.

[2] Government subsidies mainly relate to grants from Greek Public Body for Employment and Social Inclusion (OAED) to financially support the Kavala Oil S.A. labour cost from manufacturing under the action plan for promoting sustainable employment in underdeveloped or deprived districts of Greece, such as the area of Kavala.

In December 2015, the Group filed a petition against OAED, and the Greek state itself, seeking the payment of US$2.9 million (€2.5 million). Following several postponements of the hearing initiated by the Greek state, the hearing took place in November 2019 and supported the Group's view that this petition will prevail.

16. Non-current asset classified as held for sale

The carrying amount of assets classified as held for sale at 30 June 2020 is $1.5 million, which relate to the sale of the drilling rig Energean Force. Immediately before the classification of Energean Force as asset held for sale the recoverable amount was estimated for certain items of property, plant and equipment and no impairment loss was identified. Following the classification, a write-down of $4.9 million was recognized on 6 April 2020 to reduce the carrying amount of the assets to their fair value less costs to sell.

17. Share capital

On 30 June 2017, the Company also became the parent company of the Group through the acquisition of the full share capital of Energean E&P Holdings Limited, in exchange for 65,643,120 £0.01 ($0.013) shares in the Company issued to the previous shareholders. As of this date, the Company's share capital increased from £50 thousand ($65k) to £706 thousand ($917k). From that point, in the consolidated financial statements, the share capital became that of Energean plc. The previously recognised share capital of $14.9 million and share premium of $125.8 million was eliminated with a corresponding positive merger reserve recognised of $139,903 thousand. The below tables outline the share capital of the Company.

In July 2019 a total of 23,444,445 new ordinary shares have been placed with institutional investors at a price of £9.00 per Placing Share, raising proceeds of approximately $265.1 million (approximately £211 million) before expenses. The Placing Shares issued represent approximately 15.4 per cent of the issued share capital of the Company prior to the Placing.

	Equity share capital allotted and fully paid	Share capital	Share premium
	Number	$'000	$'000
Issued and authorized			
At 1 January 2019	**153,152,763**	**2,066**	**658,805**
Issued during the year			
- New shares	23,618,583	297	256,583
- Share based payment	318,060	4	-
At 31 December 2019	**177,089,406**	**2,367**	**915,388**
- Issued during the period	-	-	-
At 30 June 2020	**177,089,406**	**2,367**	**915,388**

18. Non-controlling interests

Name of subsidiary	Voting rights		Share of total comprehensive loss		Accumulated balance	
	30 June (Unaudited)	31 December	30 June (Unaudited)		30 June (Unaudited)	31 December
	2020	2019	2020	2019	2020	2019
	%	%	$'000	$'000	$'000	$'000
Kavala Oil S.A	-	-	-	(9)	92	92
Energean Israel Ltd	30.00	30.00	(3,105)	178	266,275	259,630
Total			**(3,105)**	**169**	**266,367**	**259,722**

Material partly-owned subsidiaries

Energean Israel Limited

On 29 March 2018, following a final investment decision in respect of the Karish and Tanin assets, after acquiring the 50% founders shares , the Group subscribed for additional shares in Energean Israel for an aggregate consideration of $266.7 million, payable in cash. Since completion of this subscription, the Group holds 70% of the shares in Energean Israel, with Kerogen Capital holding the remaining 30%.

In January 2020 Energean Israel Limited issued and allotted to Energean and Kerogen 32,500 total shares at nominal value of $1,000. Total number of shares issued to Energean was 22,750 and 9,750 to Kerogen, for the 70% and 30% of their holding interest to Energean Israel respectively.

The summarised financial information of Energean Israel Limited for the period ended 30 June 2020, is provided below. This information is based on amounts before inter-company eliminations.

Summarized statement of financial position as at 30 June 2020:

	30 June 2020	31 December 2019
	$'000	$'000
Current assets	110,453	145,038
Non current assets	1,919,013	1,638,566
Current liabilities	(127,881)	(93,169)
Non-current liabilities	(1,014,012)	(825,011)
Total equity	**887,573**	**865,424**

Summarized income statement of:

	30 June 2020	30 June 2019
	$'000	$'000
Administration expenses	(1,887)	(1,379)
Other expenses	(385)	-
Exploration and evaluation expenses	-	(54)
Operating loss	(2,272)	(1,433)
Finance income	412	1,594

	30 June 2020 $'000	30 June 2019 $'000
Finance costs	(26)	(233)
Loss for the year before tax	**(1,886)**	**(72)**
Tax income/ (expense)	413	(26)
Net loss for the period	**(1,473)**	**(98)**
Other comprehensive loss:		
Items that may be reclassified subsequently to profit or loss:		
Cash Flow hedge	(11,530)	897
Tax relating to items that may be reclassified subsequently to profit or loss	2,652	(206)
Other comprehensive (loss)/income	**(8,878)**	**691**
Total comprehensive income/(loss) for the period	**(10,351)**	**593**

19. Borrowings

	30 June 2020 (Unaudited) $'000	31 December 2019 $'000
Net Debt		
Current borrowings	38,040	38,052
Non-current borrowings	1,055,818	877,932
Total borrowings	1,093,858	915,984
Less: Cash and cash equivalents and bank deposits	(232,459)	(354,419)
Net (Funds)/Debt (1)	**861,399**	**561,565**
Total equity (2)	1,184,645	1,260,752
Gearing Ratio (1/2):	**72.71%**	**44.54%**

EBRD Senior Facility

On 30 January 2018, the Group's existing EBRD Senior Facility Agreement was amended and restated pursuant to the RBL Senior Facility Agreement. The RBL Senior Facility Agreement comprises two facilities—a facility of up to $105.0 million with EBRD and the Black Sea Trade and Development Bank as lenders and a $75.0 million facility pursuant to which the Export-Import Bank of Romania Eximbank SA and Banca Comerciala Intesa Sanpaolo Romania S.A. (with 95% insurance cover from the Romanian ECA) as lenders. Proceeds from the Romanian Club Facility will finance exclusively 85% of the value attributable to goods and services under the GSP Engineering, Procurement, Construction and Installation Contract (EPCIC) contract. The facility is secured by substantially all of the assets of the subsidiary company Energean Oil & Gas S.A. and a guarantee from Energean E&P Holdings and a pledge of its shares in Energean Oil & Gas S.A. The facility has a seven-year tenor and incurs interest on outstanding debt at US dollar LIBOR01 plus an applicable margin (4.9% for the $105.0 million facility and 3.0% for the $75.0 million facility). As at 31 December 2020 an amount of $145.2 million has been drawn down from the EBRD Senior Facility. In January 2020, the Group made a prepayment of $19 million, to coincide with the commencement of the loan. Its lenders, for both the EBRD facility and the Romanian tranche of the loan, simultaneously cancelled outstanding commitments under the loan. As such, the loan should be considered fully drawn. As at 30 June 2020 the amortised carrying value of the loan was $122.2 million.

EBRD Subordinated Facility

In July 2016, the Group signed a EBRD Subordinated Facility Agreement, a subordinated loan agreement with the EBRD, subsequently amended on 8 March 2017, for a $20 million facility to fund the Group's exploration activities. The facility is subject to an interest rate of 4.9% plus LIBOR01, in addition to fees and commission and an EBITDA participation amount of up to 3.5% of EBITDA (if EBITDA is positive) depending on the amount of the facility drawn.

On 28 February 2018, the Group's existing Subordinated Facility Agreement was amended and restated regarding the Maturity Date and EBITDA participation amount. As at 30 June 2020 $20 million has been drawn down from the EBRD Subordinated Facility (year ended 31 December 2019: $20 million). As at 30 June 2020 the amortised carrying value of the loan was $15.7 million.

Senior Credit Facility for the Karish-Tanin Development:

On 2 March 2018, the Group entered into a senior secured project finance for its Karish-Tanin project amounting to $1,275 million. The loan is held at the Energean Israel Limited level (Energean 70%). Once drawn, interest is to be charged at LIBOR + 3.75% over months 1 to 12, LIBOR + 4.00% over months 13 – 24, LIBOR + 4.25% over months 25 – 36 and LIBOR + 4.75% over months 37 – 45. The facility matures in December 2021 and has a bullet repayment on maturity. There is a commitment fee of 30% of the applicable margin.

In March 2020, the Senior Credit Facility was increased to US$1.45 billion, providing an additional US$175 million of liquidity for the Karish project and future appraisal activity in Israel

As at 30 June 2020 amount of $1,030 million was drawn down from the $1,450 million Karish-Tanin project finance facility (31 December 2019: $830.0 million) and the amortised carrying value of the loan was $956.0 million.

Reconciliation of liabilities arising from financing activities

				Non-cash adjustments						
	31 December 2019	Cash inflows	Cash outflows	Reclassifications	Lease liabilities additions	Lease liabilities modifications	Borrowing costs including amortization of arrangement fees	Gain from revised estimated loan cash flow	Fair value changes	30 June 2020
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
	999,552	**200,000**	**(77,474)**	**2,832**	**1,813**	**(959)**	**43,491**	**(4,051)**	**11,530**	**1,176,734**
Long -term borrowings	877,932	200,000	(57,520)	(342)	-	-	39,799	(4,051)	-	1,055,818
Current portion of long-term borrowings	38,052	-	-	(12)	-	-	-	-	-	38,040
Lease liabilities	6,111	-	(4,713)	3,068	1,813	(959)	116	-	-	5,436
Deferred license payments	78,139	-	(14,843)	-	-	-	3,178	-	-	66,474
Hedging instrument for long-term borrowings	(682)	-	(398)	118	-	-	398	-	11,530	10,966

20. Retirement benefit liability

20.1 Provision for retirement benefits

	30 June 2020 (Unaudited) $'000	31 December 2019 $'000
Defined benefit obligation	4,110	4,265
Provision for retirement benefits recognised	**4,110**	**4,265**
Allocated as:		
Non current portion	4,110	4,265

20.2 Defined benefit obligation

	30 June 2020 (Unaudited) $'000	31 December 2019 $'000
At 1 January	4,183	3,659
Current service cost	265	405
Interest cost	16	61
Extra payments or expenses	381	564
Actuarial losses - from changes in financial assumptions	-	466
Benefits paid	(797)	(824)
Exchange differences	62	(66)
At 30 June / 31 December	**4,110**	**4,265**

21. Provisions

	Decommissioning $'000	Litigation and other claims $'000	Total $'000
At 1 January 2019	**7,530**	**-**	**7,530**
New provisions and changes in estimates	5,437	133	5,570
Unwinding of discount	320	-	320
Currency translation adjustment	(142)	-	(142)
At 31 December 2019	**13,145**	**133**	**13,278**
Current provisions	**-**	**133**	**133**
Non-current provisions	**13,145**	**-**	**13,145**
At 1 January 2020	**13,145**	**133**	**13,278**
New provisions and changes in estimates	535	-	535
Unwinding of discount	180	-	180
Currency translation adjustment	(39)	(1)	(40)
At 30 June 2020	**13,821**	**132**	**13,953**
Current provisions	**-**	**132**	**132**
Non-current provisions	**13,821**	**-**	**13,821**

<u>Decommissioning provision</u>

The decommissioning provision represents the present value of decommissioning costs relating to the Prinos asset in Greece.

According to the Prinos concession agreement ratified by the Greek Law, the Group is obliged to plug only the wells opened resulting from own drilling activities.

The decommissioning provision represents the present value of decommissioning costs relating to oil and gas properties, which are expected to be incurred up to 2034, when the producing oil and gas properties are expected to cease operations. These provisions have been created based on the Group's internal estimates. Assumptions based on the current economic environment have been made, which management believes form a reasonable basis upon which to estimate the future liability. These estimates are reviewed regularly to take into account any material changes to the assumptions. However, actual decommissioning costs will ultimately depend upon future market prices for the necessary decommissioning works required that will reflect market conditions at the relevant time. Furthermore, the timing of decommissioning is likely to depend on when the fields cease to produce at economically viable rates. This, in turn, will depend upon future oil and gas prices, which are inherently uncertain. The increase of decommissioning liabilities in 2019 is driven by a reduction in the discount rate used to determine the net present value of the decommissioning provision, following the reduction in Greek government debt rates observed in 2019 and by change in the underlying decommissioning cost estimates.

Reviews of estimated future decommissioning and restoration costs and the discount rate applied are carried out annually.

22. Trade and other payables

	30 June 2020 (Unaudited) $'000	31 December 2019 $'000
Trade and other payables-Current		
Financial items:		
Deferred licence payments due within one year [2]	14,344	14,843
Short term lease liability	2,777	3,541
	17,121	18,384
Non-financial items:		
Trade accounts payable[1]	91,546	95,919
Accrued expenses[1]	54,804	42,026
Other creditors	2,855	5,641
Other finance costs accrued	2,049	2,306
Social insurance and other taxes	2,089	3,774
Income taxes	3	58
	153,346	149,724
Total	**170,467**	**168,108**
Trade and other payables-Non Current		
Financial items:		
Deferred licence payments	52,130	63,296
Long term lease liability	2,659	2,570
Non-financial items:		
Sales consideration received in advance (INGL) [3]	5,656	5,306
Social insurance	1,110	1,229
	61,555	**72,401**

[1] Included in trade payables and accrued expenses in FY2019, are mainly Karish field related development expenditures (mainly FPSO and Sub Sea construction cost) which accounts for a total amount of $98.0 million, $58.4 million included in trade payables and $39.6 million in accrued expenses. The change in trade payables and in other payables represents mainly timing differences and levels of work activity in Karish project. Trade and other payables are non-interest bearing.

[2] In December 2016, Energean Israel acquired the Karish and Tanin offshore gas fields for $40.0 million closing payment with an obligation to pay additional consideration of $108.5 million plus interest inflated at an annual rate of 4.6% in ten equal annual payments. As at 30 June 2020 the total discounted deferred consideration was $66.5 million (31 December 2019: $78.1 million).

[3] In June 2019, Energean signed a Detailed Agreement with Israel Natural Gas Lines ("INGL") 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. As consideration, INGL will pay Energean 369 million Israeli new shekel (ILS), approximately $102 million for the infrastructure being built by Energean which will be paid in accordance with milestones detailed in the agreement. The agreement 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 expected in 2Q 2021. Following hand over, INGL will be responsible for the operation and maintenance of this part of the infrastructure.

23. Share based payments

Analysis of share-based payment charge

	30 June (Unaudited)	
	2020 $'000	2019 $'000
Employee Share Award Plan	-	691
Energean DSBP Plan	290	127
Energean Long Term Incentive Plans	1,075	873
Total share-based payment charge	1,365	**1,691**
Capitalised to intangible and tangible assets	33	1,164
Expensed as administration expenses	1,154	487
Expensed to exploration and evaluation expenses	174	40
Expensed as other expenses	4	-
Total share-based payment charge	1,365	**1,691**

Energean Long Term Incentive Plan (LTIP)

Under the LTIP, Senior Management can be granted nil exercise price options, normally exercisable from three to ten years following grant provided an individual remains in employment. The size of awards depends on both annual performance measures and Total Shareholder Return (TSR) over a period of up to three years. There are no post-grant performance conditions. No dividends are paid over the vesting period; however, Energean's Board may decide at any time prior to the issue or transfer of the shares in respect of which an award is released that the participant will receive an amount (in cash and/or additional Shares) equal in value to any dividends that would have been paid on those shares on such terms and over such period (ending no later than the Release Date) as the Board may determine. This amount may assume the reinvestment of dividends (on such basis as the Board may determine) and may exclude or include special dividends.

The weighted average remaining contractual life for LTIP awards outstanding at 30 June 2020 was 1.9 years, number of shares outstanding 1,858,005 and weighted average price at grant date £5.84.

Deferred Share Bonus Plan (DSBP)

Under the DSBP, the portion of any annual bonus above 30 per cent of the base salary of a Senior Executive nominated by the Remuneration Committee was deferred into shares.

Deferred awards are usually granted in the form of conditional share awards or nil-cost options (or, exceptionally, as cash-settled equivalents). Deferred awards usually vest two years after award although may vest early on leaving employment or on a change of control.

The weighted average remaining contractual life for DSBP awards outstanding at 30 June 2020 was 1.3 years, number of shares outstanding 196,514 and price at grant date £6.27.

24. Related parties

24a. Related party relationships

Balances and transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note.

The Directors of Energean Plc are considered to be the only key management personnel as defined by IAS 24. The following information is provided in relation to the related party transaction disclosures provided in note 24b below:

Adobelero Holdings Co Ltd. is a beneficially owned holding company controlled by Panos Benos, the CFO of the Group.

Growthy Holdings Co Ltd is a beneficially owned holding company controlled by Matthaios Rigas, the CEO of the Group.

Oil Co Investments Limited is beneficially owned and controlled by Efstathios Topouzoglou, a Non-Executive Director of the Group. The nature of the Group's transactions with the above related parties is mainly financing activities.

Kerogen Capital is an independent private equity fund manager specialising in the international oil and gas sector, which currently holds the 30% of Energean Israel ordinary shares not held by the group.

Seven Maritime Company (Seven Marine) is a related party company controlled by one the Company's shareholder Mr Efstathios Topouzoglou. Seven Marine owns the offshore supply ships Valiant Energy and Energean Wave which support the Group's investment program in northern Greece.

Capital Earth: During the period ended 30 June 2020 the Group received consultancy services from Capital Earth Limited, a consulting company controlled by the spouse of one of Energean's executive directors, for the provision of Group Corporate Social Responsibility Consultancy and Project Management Services.

24b. Related party transactions

Purchases of goods and services

		30 June (Unaudited)	
		2020 $'000	2019 $'000
	Nature of transactions		
Other related party "Seven Marine"	Vessel leasing	1,189	3,084
Other related party "Capital Earth Ltd"	Consulting services	63	63
		1,252	**3,147**

24c. Related party balances

Payables

	30 June 2020 (Unaudited)	31 December 2019

		$'000	$'000
	Nature of balance		
Seven Marine	Vessel leasing	830	6,105
		830	6,105

25. Commitments and contingencies

In acquiring its oil and gas interests, the Group has pledged that various work programmes will be undertaken on each permit/interest. The exploration commitments in the following table are an estimate of the net cost to the Group of performing these work programmes:

	30 June 2020 (Unaudited) $'000	31 December 2019 $'000
Capital Commitments:		
Due within one year	5,119	5,425
Due later than one year but within two years	-	5,729
Due later two years but within five years	-	-
	5,119	**11,154**
Contingent liabilities:		
Performance guarantees:		
Israel	**38,936**	**38,330**
Greece	**3,857**	**3,932**
Montenegro	**551**	**562**
	43,344	**42,824**

Performance guarantees are mainly in respect of committed work programmes and certain financial obligations.

<u>Main issued guarantees:</u>

Karish and Tanin Leases - As part of the requirements of the Karish and Tanin Lease deeds, the Group provided the Ministry of National Infrastructures, Energy and Water with bank guarantees in the amount of US$10 million for each lease (total US$20 million). The bank guarantees were in force until 29 December 2019, and were renewed on November 2019 until 31 March 2021.

Blocks 12, 21, 22, 23 and 31 - As part of the requirements of the exploration and appraisal licences which granted to the Group during the Israeli offshore BID in December 2017, the Group provided the Ministry of National Infrastructures, Energy and Water in January 2018 with bank guarantees in the amount of US$6.5 million for all 5 blocks mentioned above. The bank guarantees are in force until 10 January 2021.

Blocks 55, 56, 61 and 62, also known as "ZONE D" - As part of the requirements of the exploration and appraisal licences which granted to the Group during the Israeli 2nd offshore BID in July 2019, the Group provided the Ministry of National Infrastructures, Energy and Water in January 2018 with bank guarantees in the amount of US$3.2 million for all 4 blocks mentioned above. The bank guarantees are in force until 28 September 2020.

Israeli Natural Gas Lines ("INGL") - As part of the agreement signed with INGL on June 2019 the Group provided INGL bank guarantee at the amount of 18.26 million ILS (approx. US$5.3 million) in order to secure the first milestone payment from INGL. The bank guarantee is in force until 30 June 2021.

Israel Custom Authority - As part of the ongoing importation related Karish development, the Group provided the Israeli Custom authority bank guarantees in 2019 at the amount of 12.0 million ILS (approx. US$3.5 million). The bank guarantees are in force until 28 February 2021.

Legal cases and contingent liabilities

The Group had no material contingent liabilities as of 30 June 2020 and 31 December 2019.

26. Subsequent events

On 19 May 2020, Energean announced that it has entered into further amended terms for its proposed acquisition of Edison E&P following which, inter alia, the Norwegian subsidiary will be formally excluded from the transaction perimeter. Combined with the previously announced exclusion of the Algerian asset, $466 million of total reductions to the original consideration have now been agreed. This includes: i) $155 million reduction relating to the exclusion of the Algerian asset from the transaction perimeter; ii) $200 million reduction relating to exclusion of the Norwegian subsidiary from the transaction perimeter; and iii) $111 million of additional reductions relating to the macro environment. The UK North Sea subsidiaries, which includes interests in the large Glengorm and Isabella gas-condensate discoveries, will now be retained within the perimeter of the transaction. Finally, the $100 million Cassiopea contingent payment will now vary between $0 and $100 million, depending on future Italian gas prices at the point in time at which first gas production is delivered from the field.

As a result of the above adjustments, the gross consideration for the transaction has been reduced to $284 million from an original enterprise value of $750 million.

On 20 June 2020, Energean signed a $220 million Reserve Based Lending facility (“RBL”) with ING, Natixis and Deutsche Bank in order to fund a portion of the cash consideration to be paid by the Company for the acquisition of Edison E&P, to fund transaction costs and for general corporate purposes. The RBL is available for both debt and issuance of letters of credit. The RBL has a tenor of six years from the closing date and is subject to semi-annual redeterminations. The RBL carries covenants that are customary for this type of facility. The facility limit may be increased by up to $200 million (for a total facility limit of up to $420 million) subject to certain conditions contained in the accordion provisions of the new facility.

In addition to the RBL, Energean has entered into a standalone bilateral letter of credit facility with ING. The facility will be an up to GBP 80 million facility provided for the purpose of issuing letters of credit for United Kingdom decommissioning obligations and obligations under the United Kingdom licences and does not impact upon the availability of the new RBL.

Energean’s Shareholders voted 100% in favour of the Edison E&P transaction at a general meeting held on 20 July 2020