

**THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION**

**Energear plc  
("Energear" or the "Company")**

**Independent CPR on the Karish, Karish North and Tanin fields, offshore Israel**

***Third party CPR certifies 3.5 Tcf (98.2 Bcm) of gas plus 99.6 million barrels of liquids gross 2P reserves in the Karish, Karish North and Tanin fields***

**London, 10 November 2020** - Energear plc (LSE: ENOG, TASE: אנאנ) is pleased to announce the completion of an independent Competent Persons Report ("CPR") by DeGolyer and MacNaughton ("D&M").

**Highlights**

- Gross 2P reserves (Energear 70%) of 98.2 Bcm (3.5 Tcf) of gas and 99.6 million barrels ("MMbbls") of liquids certified in the Karish, Karish North and Tanin fields; representing approximately 729 million barrels of oil equivalent ("MMboe")<sup>1</sup>
  - Gas 2P volumes are broadly aligned with the previous 2P + 2C estimates of 99 Bcm (3.5 Tcf)
  - Approximately 241 MMboe<sup>2</sup> of gross 2C resources associated with Karish North have been upgraded into the 2P category following approval of the Field Development Plan ("FDP") by the Israeli government. Energear expects to take Final Investment Decision ("FID") on the Karish North development in 4Q 2020
  - Liquids gross 2P volumes represent a 17.5 MMbbls (21.4%) uplift to previously estimated 2P reserve + 2C resource volumes
- Liquids production from the fields is now expected to average 28 kbpd (gross) over a plateau period of approximately five years
  - The additional liquids production is expected to have no discernible impact on scope 1 and scope 2 carbon intensity of the fields, which is expected to remain at approximately 6 kgCO<sub>2</sub>/boe
- Gross best estimate risked prospective resources across the Karish and Tanin leases and Block 12 certified as 62.0 Bcm of gas plus 33.4 MMbbls of liquids.
  - These prospective resource volumes will be targeted by Energear's next exploration campaign, which is expected to commence in early 2022
  - All prospects are in close proximity to the Energear Power FPSO, representing potential low-cost tie-back options for future developments

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<sup>1</sup> Gas reserves converted from Bcf to MMboe using a conversion factor of 5.505

<sup>2</sup> Refer to note 1

- The Geological Probability of Success (“PoS”) of these prospective resources ranges from approximately 15% to 79%, with the primary targets having a PoS range of 70% to 79%. Exploration of prospects that have a lower PoS, including targets in the D Sand, can be achieved without a dedicated exploration well

**Mathios Rigas, CEO of Energean said:**

*“We are delighted that our independent reserves auditor has confirmed 2P gas volumes of 98 Bcm within our Karish, Karish North and Tanin fields, offshore Israel, representing another year of continuous reserves growth in our portfolio. This gas, the majority of which has already been contracted, will be sold under fixed-price gas sales agreements that will protect our revenue stream from commodity price fluctuations, which underpins our strategic goal of paying a sustainable dividend.*

*The approximately 100 MMbbls of 2P liquids reserves and production plateau averaging 28 kbpd over five years, represents a substantial increase on previous estimates, which further supplements our shareholder returns profile with high-margin production that has no incremental impact on our scope 1 and scope 2 CO<sub>2</sub> emissions intensity.*

*We look forward to progressing the 62 Bcm and 33 MMbbls of risked prospective resources across our Karish and Tanin leases and in Block 12, with the intention to recommence our successful exploration programme in early-2022 and, through doing so, will continue to contribute to the diversity and security of natural gas supply into Israel and the wider Eastern Mediterranean.”*

**Reserves Volumes**

D&M has certified gross 2P reserves of:

- 98.2 Bcm (3.5 Tcf) of gas (previously 59.1 Bcm (2.1 Tcf) of 2P reserves plus 39.5 Bcm (1.4 Tcf) of 2C resources); and
- 99.6 MMbbls of liquids (previously 41.5 MMbbls of 2P reserves plus 40.5 MMbbls of 2C resources)

Gross liquids reserves represent an uplift of 17.5 MMbbls (21.4 %) versus the previous 2P + 2C estimates of 82.0 MMbbls and result from the higher liquids content of the gas encountered in the Karish Main development wells and Karish North discovery wells. The liquids assayed are light and of high quality with samples from Karish Main measured at 48 API degrees. A potential oil rim has also been identified in the KM-03 development and is included in the 3P reserves category; upside to liquids volumes associated with the oil rim is estimated to be 25.7 MMbbls.

Approximately 241 MMboe<sup>3</sup> of Karish North gross 2C resources have been upgraded to the 2P reserves category following approval of the FDP by the Israeli government. Energean expects to take FID on the Karish North development in 4Q 2020 and first production is expected in 2023. Capital expenditure on

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<sup>3</sup> Refer to note 1

the tie-back to the Energean Power FPSO is expected to be approximately \$100 million and completion of the existing well as a producer in the C-sands, approximately \$50 million. This capital expenditure is expected to be incurred in 2021-23.

*Revised Gross (Energean 70%) 2P Reserves*

	<b>Liquids MMbbls</b>	<b>Sales Gas Bcf</b>	<b>Sales Gas Bcm</b>	<b>Total Oil Equivalent MMboe<sup>4</sup></b>
<b>Karish</b>	61.0	1,409	39.9	317.0
<b>Karish North</b>	34.1	1,137	32.2	240.7
<b>Tanin</b>	4.5	921	26.1	171.7
<b>Total</b>	<b>99.6</b>	<b>3,467</b>	<b>98.2</b>	<b>729.4</b>

**Production Rates**

**Gas**

D&M forecasts plateau production from the Karish, Karish North and Tanin fields at a rate of approximately 7.2 Bcm/yr on plateau (gross). Energean's gas sales profile currently achieves 7.0 Bcm/yr (gross) on plateau and the company is pursuing a number of opportunities to fill the remaining space in its 8 Bcm/yr FPSO and export pipeline.

Production rates above 6.5 Bcm/yr require the installation of a second riser on the FPSO, which is expected to cost approximately \$50 million. The riser is expected to become operational by end-2023.

**Liquids**

Following performance assessment, D&M estimates that liquids production from Karish Main and Karish North (exclusive of the potential oil rim) could deliver 28.4 kbpd at peak, and a production plateau averaging approximately 27.8 kbpd over five years.

The initial design capacity of the FPSO accommodates liquids production capacity of approximately 21 kbpd but enables easy addition of a second liquids processing train and associated gas compressor which will increase liquids production capacity to 40 kbpd. Capital expenditure associated with these facilities is estimated to be approximately \$40 million, gross.

The FPSO has storage capacity of up to 800,000 bbls. Storage capacity is not expected to be a restricting factor to production; the increased production rate will be handled through increased frequency offtake with parcel sizes expected to remain in the region between 350 and 450 kbbls.

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<sup>4</sup> Refer to note 1

The additional liquids production is not expected to materially impact upon the scope 1 and scope 2 CO<sub>2</sub> intensity of the Karish development, which is expected to remain at approximately 6 kgCO<sub>2</sub>/boe. Scope 1 and scope 2 CO<sub>2</sub> emissions from the project are almost entirely associated with fuel gas usage by the gas turbine generators and are proportional to the rate of gas production.

## Prospective Resources

D&M has also certified gross best estimate risked prospective resources of 62.0 Bcm (2.2 Tcf) of gas and 33.4 MMbbls of liquids in the Karish and Tanin leases and Block 12. A breakdown of these prospective resources by prospect is provided in the table below. The PoS of these prospective resources ranges from approximately 15 to 79%, with the primary targets having a PoS range of 70% to 79%. Exploration of prospects with a lower PoS, including targets in the D Sand, can be achieved without a dedicated exploration well.

The Israel Ministry of Energy has approved an extension of licences 12, 21, 23, 31 until 31 October 2021, by which time Energean is required to take a drill-or-drop decision on each of the licences. Block 22 has been relinquished. Energean is progressing well planning and design operations for potential drilling of the prospects on Block 12.

A commercial discovery in Block 12 would be prioritised ahead of the Tanin development. Capital expenditure associated with the tie-back of Block 12 to the Energean Power FPSO is expected to be significantly lower than the capital expenditure associated with the development of the Tanin structures.

### *Revised Gross (Energean 70%) Best Estimate Risked Prospective Resources*

Block	Prospect	Liquids MMbbls	Gas Bcf	Gas Bcm	Total Oil Equivalent MMboe <sup>5</sup>
Karish	Karish Main Central	17.3	158	4.5	46.0
<i>Karish</i>	<i>Lacnesis</i>	<i>1.2</i>	<i>30</i>	<i>0.8</i>	<i>6.6</i>
<i>Karish</i>	<i>Karish Main A</i>	<i>1.9</i>	<i>53</i>	<i>1.5</i>	<i>11.5</i>
Karish	Tortonian-1	1.9	48	1.3	10.5
Block 12	Hera	1.5	249	7.0	46.6
<i>Block 12</i>	<i>Hera – D Sand</i>	<i>0.3</i>	<i>51</i>	<i>1.5</i>	<i>9.6</i>
Block 12	Zeus	1.9	315	8.9	59.0
<i>Block 12</i>	<i>Zeus – D Sand</i>	<i>0.4</i>	<i>71</i>	<i>2.0</i>	<i>13.3</i>
Block 12	Athena	1.5	253	7.2	47.5

<sup>5</sup> Refer to note 1

<b>Block 12</b>	<b><i>Athena – D Sand</i></b>	<i>0.5</i>	<i>77</i>	<i>2.2</i>	<i>14.4</i>
<b>Block 12</b>	<b>Apollo</b>	0.5	91	2.6	17.1
<b>Block 12</b>	<b><i>Apollo – D Sand</i></b>	<i>0.1</i>	<i>15</i>	<i>0.4</i>	<i>2.8</i>
<b>Block 12</b>	<b>Hestia</b>	0.1	22	0.6	4.1
<b>Block 12</b>	<b><i>Hestia – D Sand</i></b>	<i>0.1</i>	<i>12</i>	<i>0.3</i>	<i>2.3</i>
<b>Tanin/Block 12</b>	<b>Tanin F</b>	0.9	160	4.5	30.0
<b><i>Tanin/Block 12</i></b>	<b><i>Tanin F - D Sand</i></b>	<i>0.5</i>	<i>83</i>	<i>2.3</i>	<i>15.5</i>
<b>Tanin/Block 12</b>	<b>Tanin G</b>	0.5	79	2.2	14.7
<b><i>Tanin/Block 12</i></b>	<b><i>Tanin G - D Sand</i></b>	<i>0.3</i>	<i>45</i>	<i>1.3</i>	<i>8.5</i>
<b>Tanin</b>	<b>Tanin D</b>	0.1	17	0.5	3.1
<b><i>Tanin</i></b>	<b><i>Tanin D - D Sand</i></b>	<i>0.1</i>	<i>15</i>	<i>0.4</i>	<i>2.8</i>
<b>Tanin</b>	<b>Tanin E</b>	1.5	251	7.1	47.1
<b><i>Tanin</i></b>	<b><i>Tanin E - D Sand</i></b>	<i>0.6</i>	<i>95</i>	<i>2.7</i>	<i>17.9</i>
<b>Total</b>		<b>33.4</b>	<b>2,189</b>	<b>62.0</b>	<b>431.1</b>

### Enquiries

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### **Inside Information**

Some of the information contained within this announcement is considered by Energean to constitute *inside information*, as defined under the EU Market Abuse Regulation, EU No.596/2014 ("**MAR**"). By the publication of this Announcement via a Regulatory Information Service, this inside information is now considered to be in the public domain. The person responsible for arranging for the release of this announcement on behalf of Energean is Russell Poynter, Company Secretary.

### **About Energean plc**

Energean is a London Premium Listed FTSE 250 and Tel Aviv 35 Listed gas-focused E&P company with operations offshore Israel, Greece and the Adriatic. In August 2017 the Company received Israeli Governmental approval for the FDP for its flagship Karish-Tanin gas development project, where it intends to use the only FPSO in the Eastern Mediterranean to produce first gas in 2021. Energean has already signed firm contracts for 7.0 Bcm/yr of gas sales into the Israeli domestic market. Future gas sales agreements will focus on both the growing Israeli domestic market and key export markets.

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

On 4 July 2019, Energean announced the conditional acquisition of Edison E&P for \$750 million plus \$100 million of contingent consideration. On 23 December 2019, Energean announced the exclusion of the Algerian assets from the transaction. On 29 June 2020, Energean announced the exclusion of the Norwegian subsidiary from the transaction and a revised enterprise value (as at the locked-box date of the transaction, 1 January 2019) of \$284 million. The acquisition of Edison E&P, exclusive of the Algerian assets and Norwegian subsidiary, is expected to complete later in 2020.

[www.energean.com](http://www.energean.com)