Energean plc
(“Energean” or the “Company”)

Trading Statement & Operational Update

London, 21 January 2021 - Energean plc (LSE: ENOG, TASE: אנאג) is pleased to provide an update on recent operations and the Group’s trading performance in the 12-months to 31 December 2020 together with guidance for 2021. This information is unaudited and subject to further review.

Mathios Rigas, Chief Executive of Energean commented:

“2020 was clearly a challenging year but nevertheless a successful one for Energean. We completed the first phase of our transition to become the leading independent gas-producer in the Mediterranean with the completion of the acquisition of Edison E&P. The second phase of that transformation will be completed once Karish, our multi-tcf flagship gas project offshore Israel, commences production enabling us to deliver material free cash flows and meaningful, sustainable shareholder returns.”

“The Karish project was approximately 87% complete at the year end and since then, we have taken FID on Karish North which will lead to the commercialisation of 241 million boe of 2P reserves with minimal additional capex. We firmly believe this is one of the world’s most attractive gas assets that will deliver IRRs in excess of 40%. Our position in Israel is to be enhanced by the acquisition of Kerogen’s 30% stake in the project, which we expect to complete in 1Q 2021.”

“In 2020, we took major steps towards achieving a number of our medium-term targets, many of which have been enhanced in the period. These targets include achieving net production of at least 200 kboed, revenues of $2 billion and a >70% reduction in carbon intensity, measured from our 2019 base. Converting the Prinos production to run on renewable energy contributed towards a significant reduction in our Scope 1 and 2 emissions and we now expect to achieve a lower medium-term CO2 intensity target of approximately 9.5 kg/boe; meanwhile we are progressing our longer-term net-zero plan which involve carbon capture and underground storage.”

“We are rapidly establishing ourselves as the leading independent, gas-focused E&P company in the Mediterranean, with an aspiration to lead the region’s energy transition.”

Highlights

- 2020 average *pro forma* Working Interest production of approximately 48.3 kboed, around the mid-point of guidance of 44.5 – 51.5 kboed, with *pro forma* revenues of $335 million
- 2020 average *pro forma* capital expenditure (including exploration expenditure) of $558 million versus January 2020 guidance of $995 million
- 80% year-on-year increase in 2P Reserves to approximately 956 mmboe[1] (2019: 532 mmboe *pro forma* Energean plus Edison), 77% gas
- Completed the acquisition of Edison E&P for a net consideration (net of cash acquired) of $203 million, which represents approximately $1.2 per 2P boe at 2020 year-end

[1] Assumes closing of the acquisition of the Kerogen minority interest in Energean Israel

- Increased interest in Energean Israel Limited ("**Energean Israel**") to 100%[2], adding 2P reserves of 219 million boe at a 42% discount to NAV10
- Secured an additional 1.8 Bcm/yr gas sales and purchase agreements ("**GSPAs**") in Israel, taking total gas sales to 7.4 Bcm/yr on plateau, utilising 93% of the Energean Power FPSO capacity
- Karish project approximately 87% complete as at 31 December 2020
- Year-on-year carbon emissions intensity reduced by 67%[3]; on track to achieve 80% reduction between 2019 and 2022, significantly ahead of the previously stated 70% target
- Strong capital discipline and proven access to funds; cash and undrawn facilities were $1.2 billion at 31 December 2020 (adjusted for the new $700 million term loan that was secured post-balance sheet)

Post Balance Sheet

- Karish North Final Investment Decision ("FID") taken to commercialise c. 241 million boe of 2P reserves (84% gas), with first gas expected 2H 2023 and generating an IRR of approximately 40%
- NEA / NI FID taken to commercialise 49 million boe of 2P reserves (87% gas), with first gas expected 2H 2022 and generating an IRR of more than 30%
- $700 million term loan agreed primarily to accelerate development of Karish North, debottleneck the Energean Power FPSO and meet the $175m upfront consideration for the previously announced acquisition of Kerogen's minority interest in Energean Israel
- Confirmation of a lower three-year CO_2 intensity target of approximately 9.5kg/boe, which is approximately half the current global average for the oil and gas industry

2021 Outlook

- 2021 working interest production is expected to be 35.0 – 40.0 kboed, with target cost of production (excluding G&A) of $14 - 16/boe
    - Production is lower than 2020 due to investments in Egypt and Italy being delayed until post-completion to ensure workstreams optimised; and assumes no meaningful contribution from Israel
- 2021 development and production capital expenditure expected to be $515 - 590 million[4], with $350 - 400 million to be spent on completing the flagship Karish gas development
    - 2021 capital expenditure includes $120 million deferred from the 2020 Karish programme
- Implementation of cost reduction programme to capture additional savings across the portfolio
- Refinancing the existing project finance facility and the new term loan during 2021, subject to market conditions
- Future dividend policy to be defined, targeting inaugural dividend payment in 2022
- Completion of the acquisition of the minority interest in Energean Israel in 1Q 2021

[2] Transaction is subject to completion, expected 1Q 2021
[3] Energean plus Edison is shown pro forma for 2020
[4] Excluding the $140 million of deferred payments under the TechnipFMC EPCIC contract, which will be accrued during 2021 and paid during 2022/2023

- Continue to target first gas around year-end 2021; however this requires a ramp-up in manpower If manpower remains at current levels, first gas could slip by between two and three months
- Roll-out sourcing of renewable energy across operated assets and premises
- Increase working interest in the producing Rospo Mare and Vega fields to 100% at zero consideration, adding approximately 12 mmboe of 2P reserves and 2 kboed of production. Energean will not take on any additional decommissioning costs for these assets
- Outcome of discussions with the Greek Government regarding a financing package to support continued investment in the Prinos area expected 1Q 2021

Webcast & conference call

A webcast will be held today at 08:00 GMT / 10:00 Israel Time

Webcast link: https://edge.media-server.com/mmc/p/vhj88kho

*Conference call dial-in details (passcode: **8275298)**:*

Participant Std International Dial-In:	+44 (0) 2071 928338
Participant FreeCall Dial-In United Kingdom	08002796619
Participant FreeCall Dial-In Israel	1809213985
Participant LocalCall Dial-In Israel, Tel Aviv	35308845

Should you have any questions please contact energean@fticonsulting.com.

The presentation will be made available at www.energean.com ahead of the call.

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Energean Operational Review

Corporate

Year end-2020 2P reserves were 956 mmboe, including the reserves attributed to the minority interest in Energean Israel being acquired from Kerogen Capital. This represents an 80% increase versus year end 2019 (*pro forma Energean plus Edison*). The year end-2020 reserves position is expected to be further revised and contingent resources defined in March-April 2021 following receipt of a revised CPR on the assets in Egypt, Italy, Croatia and the UK.

2020 *pro forma* working interest production was 48.3 kboed, around the mid-point of guidance of 44.5 - 51.5 kboed. *Pro forma* revenues in the 12 months to 31 December 2020 were $335 million with cost of production of $194 million and EBITDAX of $101 million.

2020 *pro forma* capital expenditure (including exploration capital expenditure) was $558 million, of which expenditure on the Karish project was $408 million. At the start of 2020, *pro forma* capital expenditure (including exploration capital expenditure) guidance was $995 million, of which $620 million was expected to be spent on the Karish project. The reduced capital expenditure during the year resulted from i) active management of the expenditure programme to preserve capital during a period of low and unstable commodity prices; and ii) deferred capital expenditure on the Karish project mainly due to the COVID-related delays.

Following completion of the Edison E&P acquisition in December 2020, Energean has started to implement programmes to further the reduction of operating costs with the aim of creating a sustainably low-cost business. The Company's medium-term cost of production (operating costs plus royalties) target has been reduced to $9-11/boe.

As announced on 30 December 2020, Energean agreed to acquire the minority interest in Energean Israel for between $380 million and $405 million, representing a 42% discount to the enterprise value of the position based on the latest 2P CPR valuation estimates, and approximately 1x the expected annual EBITDAX of the minority position when the gas sales profile reaches plateau. Energean expects to publish a circular at the start of February and to hold a general meeting in mid-February to i) approve the transaction; and ii) approve the potential future issuance of the convertible loan note shares. Approval by the Israeli Petroleum Commissioner is also expected in February with closing of the transaction shortly thereafter.

In January 2021, Energean signed an 18-month, $700 million term loan facility agreement with J.P. Morgan AG and Morgan Stanley Senior Funding, Inc, the primary uses of which are to accelerate the Karish North development and to fund the up-front consideration for the acquisition of the minority interest in Energean Israel. At the same time, Energean also agreed with the existing lenders of its $1.45 billion project finance facility to extend its maturity by nine months, from December 2021 to September

2022. Combined with the new term loan, this provides Energean with the necessary time and flexibility to optimise its long-term capital structure. This is expected to take place in 2021, depending on market conditions, and Energean is investigating all available options, which include debt capital markets, reserve-based-lending and corporate debt facilities. The refinancing will be carried out in line with Energean's medium-term target of a net debt / EBITDAX ratio of below 2.0x.

ESG

Energean takes transition risks – including the potential implications of a low-carbon economy on its business – very seriously and has used scenario analysis as a tool to ensure that the management and Board are informed and challenged on this issue. As the first E&P company to establish a target to achieve net zero emissions by 2050, Energean is committed to reducing the carbon footprint of its own business and its climate impacts as it goes forward.

Energean's portfolio has been tested against a range of plausible and robust Paris Agreement-aligned scenarios, using commodity prices derived from supply and demand fundamentals and supplemented with additional variables that might impact market conditions or demand growth to help inform its business strategy. On the basis of this exercise, Energean believes that its gas-focused portfolio positions it strongly to adapt to changing demand and creates value even in a carbon-constrained world. Energean will continue to update and adapt its modelling approach and will also undertake comprehensive stress tests before sanctioning new projects.

Energean will continue to track key signposts and adjust its strategy accordingly, including through re-assessing downside risks identified in the scenario analysis. It will also monitor opportunities for the business in the lower-carbon economy as relevant technologies – for example carbon capture and underground storage – develop.

The Company's first ever Carbon Disclosure Project ("**CDP**") submission in 2020 resulted in a B- rating, putting it among the best performing third of companies within the sector. The 2020 annual report and accounts will include enhanced Task Force on Climate-related Disclosures ("TCFD")-aligned disclosures, further to Energean's commitment in this area.

2020 *pro forma* carbon emissions intensity was 22.2 kg/boe, a 67% reduction on the 2019 position and the company is on track to deliver an 80% reduction in emissions intensity between 2019 and 2022, significantly ahead of the previously stated 70% target. Energean maintains a rolling three-year emissions reduction programme and today set a new target to reduce carbon emissions intensity to approximately 9.5 kg/boe by 2023, which is approximately half the current global average for the oil and gas industry, and represents an 85% reduction on 2019 *pro forma* carbon emissions intensity.

Israel

As at 31 December 2020, the Karish Project was approximately 87% complete, under the Company's contract with TechnipFMC).

Energean continues to target sailaway of the Energean Power FPSO hull from Singapore to Israel in late-3Q 2021 with first gas around year-end 2021. This timetable requires a full ramp-up in manpower in the Admiralty yard; this has, however, plateaued at around 1,000 workers since December, primarily due to Covid-19 working conditions, and follows an Autumn ramp-up that was in line with expectations. Energean and its contractors are in ongoing discussions to achieve the required workforce numbers to deliver first gas around year-end. However, in the case that no further ramp up in the workforce is achieved, first gas could slip by between two and three months, into 1Q 2022. Energean believes that there is limited risk to the workforce falling below current levels and remains confident that some mitigating actions can be delivered to optimise the timetable. Energean believes that these schedule adjustments would likely be the subject of an extension of time claim under force majeure.

During the year, a further 1.8 Bcm/yr of GSPAs were signed taking the total to 7.4 Bcm/yr at plateau, meaning the 8 Bcm/yr capacity of the Energean Power FPSO will be 93% utilised. All contracts contain provisions for take-or-pay and / or exclusivity, as well as floor pricing, ensuring that Energean's revenue stream in Israel is secured, predictable and largely insulated from downside commodity price risk. Energean is exploring options to fill the remaining 0.6 Bcm/yr spare capacity in its FPSO.

An independent Competent Persons Report by DeGolyer and MacNaughton for the Karish, Karish North and Tanin fields certified 2P reserves at 30 June 2020 of 729 million barrels of oil equivalent, including a 21.4% increase in 2P liquid volumes. Liquids production at Karish is now expected to average 28 kbpd over a plateau period of approximately five years with no discernible impact on the scope 1 and 2 carbon intensity of the fields, which is expected to remain at below 4.5 kg/boe.

Since the year end, Energean has taken Final Investment Decision on the Karish North development, just 21-months after the announcement of its discovery. Karish North has 2P Reserves of 241 million boe and initial capital expenditure in the project is expected to be approximately $150 million, or $0.6/boe. The Company estimates that the project will deliver IRRs in excess of 40%.

Energean Power FPSO progress and key milestones

The Energean Power FPSO is now 93% complete in the Admiralty Yard, Singapore. During the period the majority of the main modules and pipe racks were lifted onto the FPSO hull, signalling near-completion of the first major milestones of the hill and topside integration campaign. The only outstanding lifts are for module 1 and the flare, following which, the lifting programme will be fully complete.

Energean is also now progressing its project to install a second oil train and second riser on the Energean Power FPSO, which will increase the Energean Power FPSO liquids production capacity to approximately 35 kbopd (from 21 kbopd) and allow maximum gas production of 800 mmscf/d (approximately 8 Bcm/yr, from 6.5 Bcm/yr). Both the oil train and the second riser are expected to become operational during 2022.

Onshore and subsea works

Onshore work is substantially complete with mechanical completion and commissioning of the Production Rate Measurement System at Dor expected during 1Q 2021. Installation of the onshore pipeline is also expected in 1Q and the system is expected to be ready for first gas by end-April 2021.

Subsea activity is approximately 76% complete with the 14-line mooring and deepwater production systems fully installed. The 90-km gas sales pipeline is close to completion with the riser installation campaign expected to commence shortly and complete in 1Q 2021.

Exploration

Plans for the next exploration and appraisal campaign, offshore Israel, are underway. Drilling is expected to commence in early 2022 and could see up to five wells, with targets including:

- Appraisal of the potential oil rim that was identified as part of the Karish development drilling campaign with the well also targeting exploration of further prospective volumes within the Karish lease
- Block 12, which is located between the Karish and Tanin leases, and is estimated to contain gross prospective recoverable resources of 108 Bcm (3.8 Tcf), with the primary targets having geological chances of success ranging from 63% to 79%. The first well is expected to target the 20 Bcm Athena prospect, for which the primary target (11 Bcm / 0.4 Tcf) has a 70% geological chance of success. Success at Athena would significantly de-risk the remaining 88 Bcm (3.1 Tcf) of prospective resources in the block. Any discovery in that block would be prioritised over the development of Tanin due to i) lower capital expenditure investment (as compared to Tanin) and ii) the absence of any seller royalties on production from the lease

On average, each well is expected to cost approximately $35 million and Energean expects to tender for a rig for the programme during 1H 2021. The first Karish North development well will be drilled as part of this programme, achieving capital expenditure synergies.

Egypt

Production

Egypt delivered 35.4 kboed of production in the 12 months to 31 December 2020, approximately 86% of which was gas, in the middle of market guidance of 34 – 37 kboed. 2021 production is expected to be 26 – 30 kboed, lower than 2020 due to deferral of investments until after completion of the acquisition of Edison E&P.

In January 2021, Energean took FID on the NEA/NI subsea tieback project. NEA/NI is viewed as an essential project for the Egyptian portfolio, substantially benefitting the long-term production profile, whilst bringing cost and investment efficiencies and strategic benefits. When Brent prices are above $40/bbl, gas will be sold at $4.6/mmBTU ($4.45/mmBTU at Brent prices below $20/bbl, straight line in between $20/bbl and $40/bbl), which is the highest achieved to date for shallow water gas production, offshore Egypt.

The project is expected to deliver first gas in 2H 2022, will develop 49 million boe of 2P reserves (87% gas), and peak production is expected to be approximately 90 mmscfd plus 1 kbopd of condensates. Total capital expenditure is expected to be approximately $235 million, the majority of which is expected to be incurred in 2022. TechnipFMC has been awarded the EPIC contract to deliver the project.

The NEA/NI drilling campaign is expected to be integrated with a broader Abu Qir drilling campaign, providing synergies on capital expenditure.

Receivables

At 31 December 2020, net receivables (after provision for bad and doubtful debts) in Egypt were $153.5 million (31 December 2019: $222 million). $94.9 million was received in 4Q 2020, of which $21.7 million was received following close of the transaction ($18.7 million of cash plus $3.0 million offsetting payables versus overdue).

Italy and Southern Europe

Energean's Southern European assets (Italy, Greece, Croatia) delivered average working interest production of 11.1 kboed (60% gas) in the 12 months to 31 December 2020, in line with guidance of 9.5 – 12.0 kboed.

During 2021 and beyond, Energean will look to change its electricity supplies for its operated assets to 100% renewable electricity to deliver further reductions in Scope 1 & 2 emissions. This project has already been delivered for the Greek assets.

Italy

Italian production in the 12-months to 31 December 2020 was 9.1 kboed, of which 52% is gas. During 2021, production is expected to be between 7 and 8 kboepd.

The Cassiopea development is ongoing. First gas is expected in 2024 and the field is expected to deliver plateau production rates of approximately 150 mmscfd.

During 2021, the main activities outside of the Cassiopea development are expected to involve drilling of sidetracks in the Calipso field plus a workover in the Monte Urano licence. The Rospo Mare sidetracks remain part of the 2023 and 2024 drilling programmes.

During 2021, Energean is expected to increase, at zero cost, its interests to 100% in the Vega and Rospo Mara producing fields, today 60% and 62%, respectively, following submission of a notice of intention to withdraw by Eni. Eni's relinquishment remains subject to government approvals. If effected, the transfer is expected to increase working interest reserves by approximately 12 million and 2021 production guidance by 2 kboed. The Vega and Rospo Mare licences are key targets of the cost reduction programme that has recently been implemented to capture cost savings across the portfolio, with the goal of improving profitability and cash flows.

Greece

Greek production in the 12 months to 31 December 2020 was 1.8 kbopd versus guidance of 1.5 - 2.0 kbpd. 2021 production is expected to be approximately 1.5 kboed.

Energean's acreage around the Prinos area remains under review with the outcome of discussions with the Greek Government regarding a financing package to support continued investment in the Prinos area now expected in 1Q 2021, and maturation of conversion of Prinos into the first Carbon Capture and Storage project in the East Med. If the financing package is granted (or an alternative acceptable financing solution is identified), Energean expects to recommence the development of the 44 mmboe Epsilon field. Under a full-development scenario, Epsilon could deliver peak production in excess of 7 kbopd, with a five-year average of 6.5 kbopd.

In October, the Company reached agreement with the Public Power Corporation of Greece to source 100% of electricity for the Prinos area assets from renewable sources to deliver a 100% reduction in Scope 2 carbon emissions at Prinos and an approximately 45% reduction of Scope 1 & 2 emissions.

UK

Production

Production in the UK North Sea was 1.8 kboed (32% gas) in the 12 months to 31 December 2020, towards the top end of full year guidance of 1 - 2 kboed. During 2021, production is expected to be approximately 0.5 kboed. The year-on-year decrease reflects planned field shutdowns and infrastructure repairs. Energean expects the production level to recover somewhat during 2022.

Appraisal

In early December 2020, the first well in a two-well Glengorm (Energean 25%) appraisal campaign was spudded. Isabella appraisal is expected to commence in 2022.

12-months to 31 December 2020 pro forma performance and 2021 guidance

The production and financial data below reflect the combined Energean and Edison E&P businesses for the full year. Edison E&P will be consolidated into Energean's financial statements from 17 December

2020, which is the date upon which the transaction completed. Under the terms of the sale and purchase agreement, Energean benefited from net cash flows between the locked-box date of 1 January 2019 and the date of transaction completion through an adjustment to the variable consideration and this is reflected in Energean's presentation of the net consideration, net of cash acquired.

	FY 2021	**FY 2020 Pro forma**
Production (excluding any contribution from Karish)		
Egypt (kboed)	26 – 30	35.4
Italy (kboed)	7 - 8	9.1
Greece & Croatia (kboed)	1.5	2.0
UK North Sea (kboed)	0.5	1.8
Total production (kboed)	**35.0 – 40.0**	**48.3**
Financials		
Consolidated net debt ($ million)	2,000 – 2,200[5]	1,241
Cash ($ million)	-	201
Undrawn facilities ($ million) – excluding term loan	-	300
Undrawn facilities ($ million) – including term loan	-	1,000
Cost of Production (Operating Costs plus Royalties)		
- Israel ($ million)	-	-
- Egypt ($ million)	60 – 65	47
- Italy ($ million)	90 – 95	100
- Greece ($ million)	20 - 25	21
- Croatia ($ million	0 - 5	3
- UK North Sea ($ million)	25	23
Total Cost of Production ($ million)	**195 - 215**	**194**
Cash SG&A ($ million)	**35 - 40**	**45**
Development and production capital expenditure		
- Israel ($ million)	350 - 400[6]	408
- Egypt ($ million)	80 – 95	13
- Italy ($ million)	50 – 60	17
- Greece and Croatia ($ million)	5	11
- UK North Sea ($ million)	25 - 30	4
Total Development & Production Capital Expenditure ($ million)	**510 – 590**	**453**
Exploration Expenditure		
- Israel ($ million)	10	6
- Egypt ($ million)	0 - 5	80
- Italy, Greece and Croatia ($ million)	5 - 10	4
- UK North Sea ($ million)	20 – 25	15
Total Exploration Expenditure ($ million)	**35 - 50**	**105**
Decommissioning		
- UK North Sea	15 – 20	**-**
- Italy	10 – 12.5	3
Decommissioning expenditure ($ million)	**25 – 32.5**	**3**

[5] Forecast net debt is presented without amortisation of fees

[6] Excluding the $140 million of deferred payments under the TechnipFMC contract that become payable in 2022 and 2023. These amounts will be accrued during the 2021.

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.

About Energean plc

Established in 2007, Energean is a London Premium Listed FTSE 250 and Tel Aviv 35 Listed E&P company with operations in nine countries across the Mediterranean and UK North Sea. Since IPO in 2018, Energean has grown to become the leading independent, gas-focused E&P company in the Eastern Mediterranean, with a strong production and development growth profile. The Company explores and invests in new ideas, concepts and solutions to produce and develop energy efficiently, at low cost and with a minimal carbon footprint.

Energean's production comes mainly from the Abu Qir field in Egypt, as well as fields in Southern Europe and the UK. The company's flagship project is the 3.5 Tcf Karish, Karish North and Tanin development, offshore Israel, where it intends to use the newbuild fully-owned FPSO Energean Power, which will be the only FPSO in the Eastern Mediterranean, to produce first gas, commencing 4Q-2021. Energean has signed firm contracts for 7.4 Bcm/yr of gas sales into the Israeli domestic market, which have floor pricing, take-or-pay and/or exclusivity provisions that largely insulate the project's revenues against global commodity price fluctuations and underpin Energean's goal of paying a meaningful and sustainable dividend.

With a strong track record of growing reserves and resources, Energean is focused on maximising production from its large-scale gas-focused portfolio to deliver material free cash flow and maximise total shareholder return in a sustainable way. ESG and health and safety are paramount to Energean; it aims to run safe and reliable operations, whilst targeting carbon-neutrality across its operations by

2050. These aspirations were significantly advanced with the completion of the Edison E&P acquisition in December 2020, which is now being successfully integrated into Energean's business. The Company expects to enhance its Israeli position in 2021 through the acquisition of Kerogen Capital's 30% holding in Energean Israel for a total consideration of $380-405 million, expected to close in 1Q 2021.www.energean.com