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

2020 Full Year Results

London, 19 April 2021 - Energean plc (LSE: ENOG, TASE: אנאג) is pleased to announce its audited full-year results for the year ended 31 December 2020 (**"FY 2020"**).

Mathios Rigas, Chief Executive Officer, Energean commented:

"2020 was clearly a challenging year, but nevertheless a successful one for Energean. We completed our acquisition of Edison E&P, agreed to acquire the minority interest in Energean Israel Limited and made solid progress on our flagship Karish gas development.

"Strong momentum has continued into 2021; we have sanctioned the high-return Karish North and NEA/NI projects and successfully completed a $2.5 billion bond issuance at extremely attractive rates, significantly extending the average maturity-profile of our debt.

"Our focus in Israel is delivery of first gas from Karish and commencing our 1 billion boe growth programme. Together, these actions will significantly advance us towards our target of paying a meaningful and sustainable dividend and meeting our growth ambitions through targeting low-risk, high return opportunities.

"We remain fully committed to our net zero target and in 2021 we will roll out three initiatives across all of our operated sites: i) switching to purchasing "green" electricity; ii) introduce a zero-routine-flaring policy; and iii) establish procedures to reduce methane emissions.

"In the next stage of our transition strategy, we will apply new technologies to older fields, converting them into carbon capture and underground storage facilities, starting with Prinos. This will leverage our subsurface expertise to accelerate our path to net zero through implementation of NPV-positive initiatives. 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

- Completed the acquisition of Edison E&P for a net consideration[1] of $203 million, approximately $1.0/2P boe[2]
- Karish approximately 87% complete at 31 December 2020 (90% at 31 March 2021)
- Total gas sales and purchase agreements ("**GSPA**s") in Israel now 7.4 Bcm/yr on plateau, utilising 93% of the Energean Power FPSO capacity
- Increased 2P reserves by 187%[3] to 982 million barrels of oil equivalent ("**MMboe**")[4], 79% of which is gas
- Average working interest *pro forma*[5] production of 48.3 kboed (3.6 kbopd on a consolidated basis) with *pro forma*[4] cost of production[6] of $11.3/boe ($21.4 /boe on a consolidated basis)
- *Pro forma*[4] revenues were $336 million ($28 million on a consolidated basis). *Pro forma*[4] EBITDAX[5] was $108 million ($(8) million on a consolidated basis). *Pro forma*[4] capital expenditure[5] was $565 million ($429 million on a consolidated basis)

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[1] *Net of cash acquired*

[2] *Based on 2020 year-end reserves position*

[3] *Versus 2019 Energean standalone working interest reserves of 342 mmboe*

[4] *2020 figure is Pro forma Energean plus the acquisition of Kerogen's 30% holding in Energean Israel Limited ("EISL"). The transaction closed on 25 February 2021.*

[5] *Pro forma production and financial results are presented as if Edison E&P results were consolidated for the entire year; the locked box date of the transaction was 1 January 2019 and therefore all economic results since that date accrue to Energean. Actual results consolidate from the closing date of the transaction, which occurred on 17 December 2020.*

[6] *Alternative performance measures are defined and reconciled on pages 10 to 11*

- $65 million impairment charge reflects the impact of price and production assumptions on the Prinos field
- 67% year-on-year reduction in carbon emissions intensity when considering 2020 *pro forma* performance data versus 2019 Energean standalone data

Post Balance Sheet

- Took final investment decision ("**FID**") on the Karish North and NEA/NI projects in January 2021
- Closed the acquisition of the 30% minority interest in Energean Israel Limited ("**EISL**") on 25 February 2021
- Increased working interest in the producing Rospo Mare and Vega fields, offshore Italy, to 100%, at zero cost
- Issued $2.5 billion of senior secured notes, removing a key perceived risk on the Karish project and significantly extending the company's average debt maturity
- Confirmed a lower three-year CO2 intensity target of 9.5kg/boe, approximately half the current global average for the oil and gas industry

Outlook

- 2021 working interest production expected to be 36.0 - 41.0 kboepd, increased by 1 kboed due to the absorption of the Rospo Mare and Vega interests. Average working interest production in the three-months to 31 March 2021 was approximately 44.0 kboepd
- 2021 development and production capital expenditure guidance reduced to $470 – 550 million (from $510 - 590 million previously), of which $350 - 400 million relates to Karish and Karish North
- Future dividend policy to be defined, targeting inaugural dividend payment in 2022
- Energean continues to work towards first gas from Karish in 1Q 2022. The shipyard in Singapore remains under limitations imposed by COVID-related restrictions, including limited access to workers and yard productivity. Energean is working with its contractors to firm up this timetable and will update the market as the situation evolves
- Rig contract award for 2022 growth drilling campaign, offshore Israel, expected in 2Q 2021
- Contract awards for Karish North tie back and riser installation, and (separately) second oil train installation on the Energean Power FPSO
- Offtake agreement for Karish liquids expected 2H 2021
- Renewable energy usage to be rolled-out across operated assets and premises following successful implementation at Prinos
- Zero-routine-flaring policy to be introduced across all operated sites
- Progress carbon capture and underground storage feasibility study at Prinos

Financial Summary

	Pro Forma[7] FY 2020	**Consolidated Results FY 2020**	**FY 2019**
	$m	**$m**	**$m**
Sales revenue	335.9	28.0	75.7
Cost of production ($/boe)	11.3	21.4	21.5
Operating loss	(422.2)	(124.5)	(93.9)
Adjusted EBITDAX	107.7	(8.3)	35.6
Operating cash flow	137.0	1.5	36.3
Capital expenditure	565.4	429.0	685.1

[7] *Pro forma production and financial results are presented as if Edison E&P results were consolidated for the entire year; the locked box date of the transaction was 1 January 2019 and therefore all economic results since that date accrue to Energean. Actual results consolidate from the closing date of the transaction, which occurred on 17 December 2020.*

Net debt (cash)	NA	1,240.1	561.6

Webcast & conference call

A webcast & conference call will be held today at 08:30 BST / 10:30 Israel Time

Webcast Link: https://edge.media-server.com/mmc/p/nssut8c2

Conference Call:

Participant Std International Dial-In:	**+44 (0) 2071 928338**
Participant LocalCall Dial-In Israel, Tel Aviv	**35308845**
Event Passcode	**7793369**

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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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, 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 low carbon footprint.

Energean's production comes mainly from the Abu Qir field in Egypt and 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. Energean continues to work towards delivering first gas in 1Q 2022. Energean Israel Limited 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.

www.energean.com

Corporate Review

M&A

Acquisition of Edison E&P

The transformational acquisition of Edison E&P is another step towards establishing Energean as the leading independent, gas-focused E&P company in the Mediterranean, delivering significant increases in production and reserves.

As previously announced, on 17 December 2020, Energean closed its acquisition of Edison E&P. The net consideration paid, net of cash received, was $203 million. This represented a highly attractive acquisition price of $1.0/2P boe, based on the 2020-year end independent reserves report from Degolyer and MacNaughton ("**D&M**").

The effective date of the acquisition of Edison E&P was 1 January 2019, meaning that all economic results occurring after this date belong to Energean. Edison E&P results are, however, only consolidated into Energean's results from the date of transaction completion; all results before this date are accounted for as completion adjustments, which form part of the purchase price consideration. Management presents both the consolidated and pro forma sets of figures in this report as it believes that pro forma results provide the reader with a clearer view on performance of the combined business. Pro forma production and financial results are presented as if Edison E&P results were consolidated for the entire year; the locked box date of the transaction was 1 January 2019 and therefore all economic results since that date accrue to Energean. Actual results consolidate from the closing date of the transaction, which occurred on 17 December 2020.

Acquisition of the minority interest in EISL

As previously announced, Energean agreed to acquire the 30% minority interest in EISL, held by Kerogen, in December 2020 for between $380 million and $405 million and closed the acquisition on 25 February 2021. The acquisition added 2P reserves of 20.5 billion cubic metres ("**Bcm**") of gas and 30 million barrels of liquids, representing approximately 219 MMboe in total, to the Company, included within the *pro forma* reserve position reflected within this report.

The total consideration for the acquisition included i) $175 million of upfront consideration that was funded through partial drawdown of the $700 million term loan facility that was arranged on 14 January 2021, ii) between $125 million and $150 million of deferred consideration, which is expected to be funded from the proceeds of the $2.5 billion bond issued and discussed below, iii) $30 million of deferred consideration payable at end-2022 and expected to be funded from free cash flows from the Karish project, and iv) $50 million of bilateral convertible loan notes that have been issued to Kerogen and have a maturity date of 29 December 2023, a strike price of GBP 9.50 and a zero-coupon rate.

Financing

Refinancing progress

On 24 March 2021, Energean's subsidiary, Energean Israel Finance Limited completed the issuance of $2.5 billion aggregate principal of senior secured notes, split into four equal tranches with maturities in 2024, 2026, 2028 and 2031. This is non-recourse to the Group with the gross proceeds currently held in a segregated escrow account until certain release conditions, including the receipt of regulatory approvals and the release of certain pledges, are satisfied, expected shortly. Upon release from escrow the proceeds will be used, *inter alia*, to refinance the Company's $1.45 billion project finance facility, its $700 million term loan, to pay the first deferred amounts due to Kerogen, to fund certain reserve accounts, and for transaction expenses and general corporate purposes.

Greek government support for Prinos

In March 2021, the European Commission approved €100 million of support for Energean's Epsilon project, consisting of a public guarantee on a commercial loan of around €90.5 million to be contracted by Energean with its commercial banks and a €9.5 million subordinated loan from the Greek state. Terms are yet to be agreed. Energean has full control over whether or not it takes advantage of this funding, the decision being contingent primarily on an FID-decision on the 53 MMboe 2P + 2C Epsilon development. Under the terms of the approval, the support will be granted no later than 31 December 2021 and has a maximum duration of eight years. The uses of the loans are stipulated to cover Energean's investment and working capital requirements in Greece for the next 12 months.

ESG and Climate Change

Energean is committed to industry-leading disclosure of its energy transition intentions and on long-term carbon neutrality. It maintains a rolling three-year carbon intensity reduction plan and currently anticipates a reduction to a carbon emissions intensity of 9.5 kgCO2/boe by 2023, a reduction of more than 85% versus 2019 and roughly half the current global average for the oil and gas sector. In 2021, Energean also aims to verify all greenhouse gas emissions across all assets to ISO 14064-1 standards

2020 was the first year Energean participated in the Carbon Disclosure Project, achieving a score of B- and in 2021, Energean targets an improvement to B. In 2020, Energean has also complied with the Task Force on Climate Related Financial Disclosure ("**TCFD**") recommendations, full disclosure on which will be provided in the Annual Report and Accounts, expected to be published later this month.

Operational Review

Production and Reserves

Full year 2020 working interest 2P reserves were 982 MMboe, adjusted *pro forma* for the acquisition of the minority interest in EISL that completed in February 2021, a 187% year-on-year increase[8], due mainly to:

- Transfer of Karish North resources from 2C to 2P, adding *pro forma*[9] working interest 2P reserves of 243 MMboe
- Completion of the acquisition of Edison E&P on 17 December 2020, which added 198 MMboe of 2P reserves according to an independent Competent Persons Report ("**CPR**") prepared by D&M.

	2020 2P Reserves MMboe (% gas)	2019 2P Reserves MMboe (% gas)
Israel	730 (86%)[10]	287 (96%)
Egypt	114 (88%)	-
Italy	79 (54%)	-
UK	2 (22%)	-
Greece	53 (2%)	55 (2%)
Croatia	2 (100%)	-
Total	**982 (79%)**	**342 (80%)**

[8] *Versus the Energean 2019 year-end standalone position*

[9] *Pro forma production and financial results are presented as if Edison E&P results were consolidated for the entire year; the locked box date of the transaction was 1 January 2019 and therefore all economic results since that date accrue to Energean. Actual results consolidate from the closing date of the transaction, which occurred on 17 December 2020.*

10 Including the minority interest position, the acquisition of which closed on 24 February 2021

Consolidated 2020 working interest production was 3.6 kboed, whilst *pro forma*[11] production was 48.3 kboed.

	2020 *Pro forma*[8] Kboed (% gas)	2020 Consolidated Kboed (% gas)
Egypt	35.4 (86%)	1.4 (87%)
Italy	9.1 (52%)	0.3 (53%)
UK	1.8 (29%)	0.1 (100%)
Greece	1.8 (0%)	1.8 (8%)
Croatia	0.2 (100%)	0 (100%)
Total	**48.3 (74%)**	**3.6 (39%)**

Israel

Karish Gas Development

On 31 December 2020, the Karish Project was approximately 87% complete, increasing to 90% complete at 31 March 2021. Energean continues to work towards first gas from Karish in 1Q 2022. The shipyard in Singapore remains under limitations imposed by COVID-related restrictions, including limited access to workers and yard productivity. Energean is working with its contractors to firm up this timetable and will update the market as the situation evolves.

Israel Growth Projects

1. ***Karish North***

Energean took FID on the 243 MMboe Karish North project in January 2021. The project entails:

i) Drilling: re-entry, sidetracking and completion of the KN-01 exploration well, which is expected to cost approximately $50 million. The well will be drilled as part of Energean's upcoming growth drilling programme (described below); and
ii) Facilities: Installation of a two-slot manifold and 12-inch flowline between the KN-01 well and the Karish Main production manifold. An EPCIC contract is expected to be awarded later in 2021. The facilities cost is expected to be approximately $100 million.

Karish North is expected to commence production in 2H 2023. A second well is expected to be drilled in 2025 and, combined with later life workovers to both wells, is expected to be sufficient to fully develop the 243 MMboe of 2P reserves.

2. ***Second oil train & riser***

Energean is concurrently progressing two additional growth projects that are expected to cost approximately $100 million:

i) Additional gas export riser, required to deliver gas production in excess of 6.5 Bcm/yr; and
ii) Additional oil train, required due to the increased liquids handling necessary following the discovery of richer fluids in the KM-03 area.

Contract awards for the projects are expected later in 2021, and both are expected online in 2H 2023.

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[11] *Pro forma production and financial results are presented as if Edison E&P results were consolidated for the entire year; the locked box date of the transaction was 1 January 2019 and therefore all economic results since that date accrue to Energean. Actual results consolidate from the closing date of the transaction, which occurred on 17 December 2020.*

3. Growth drilling programme

Energean is tendering a rig for three firm plus two optional wells in 2Q 2021, with the first well expected to spud in late 1Q 2022.

The first well is expected to target the 20 Bcm (0.7 Tcf) 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 recoverable resources in Block 12, estimated at a total 88 Bcm (3.1 Tcf) of gas, such that a development plan could be undertaken without recourse to further exploration drilling.

The first Karish North development well represents a further firm well. The third, in addition to the Karish North development well and the Athena exploration well, will target prospective resources in the Karish Main block, including the potential oil rim identified as part of the KM-03 development well drilling.

Egypt

In January 2021, Energean sanctioned the North East Almeyra ("**NEA**")/North Idku ("**NI**") project, shallow-water offshore Egypt and neighbouring the Abu Qir concession. An Engineering, Procurement, Construction and Installation ("**EPCI**") contract for the four subsea wells and the associated tie-back to the Abu Qir platform and associated infrastructure was awarded to TechnipFMC in February 2021. The integrated NEA/NI project is expected to deliver first gas from one well in 2H 2022 and from the remaining three wells in 1Q 2023. The project contains an estimated 37 MMboe of 2P reserves according to D&M and peak production is expected to be approximately 90 MMscfd plus 1 kbopd of condensates. The North Idku field contains further 2C resources of 22 mmboe.

Following the 4-well programme at NEA/NI, Energean expects to drill at least two sidetracks to support production in the Abu Qir concession, with the concurrent drilling programmes generating significant synergies.

Rest of Portfolio

Greece: *Carbon Capture and Underground Storage and Blue Hydrogen*

Energean is committed to meeting its carbon neutral target by 2050 and leading the Mediterranean region's energy transition. During 2020 the Group commenced a feasibility study on carbon capture and storage in the Prinos asset. Energean estimates that the Prinos subsurface volumes are sufficient to sequester up to 50 million tonnes of CO_2. Use of captured CO_2 for enhanced oil recovery is also under investigation.

In addition to a CO_2 sequestration project, Energean is evaluating an opportunity to develop a small-scale blue hydrogen (H_2) plant within the existing onshore Sigma gas plant. Natural gas would be converted into H_2 and CO_2 through an Oxy-combustion process with a Carbon Capture efficiency of over 99%.

Italy

Post period, Energean increased its positions in the Vega and Rospo Mare fields to 100% (from 60% and 62%, respectively) at nil cost and with an economic reference date of 1 January 2021. ENI retains its share of abandonment expenses associated with both fields.

UK North Sea

The Glengorm South appraisal well contained no commercial hydrocarbons. The existing Glengorm North discovery and the Glengorm Central appraisal well (expected to spud shortly) are considered to be independent of the Glengorm South appraisal well.

2021 Guidance

	FY 2021
Production (excluding any contribution from Karish)	
Egypt (kboed)	26 – 30
Italy (kboed)	8 - 9
Greece & Croatia (kboed)	1.5
UK North Sea (kboed)	0.5
Total production (kboed)	**36.0 – 41.0**
Financials	
Consolidated net debt ($ million)	2,000 – 2,200[12]
Cost of Production (Operating Costs plus Royalties)	
- Israel ($ million)	-
- Egypt ($ million)	55 – 60
- Italy ($ million)	95 - 105[13]
- Greece ($ million)	20 - 25
- Croatia ($ million	5
- UK North Sea ($ million)	20 - 25
Total Cost of Production ($ million)	**195 - 220**
Cash SG&A ($ million)	**35 - 40**
Development and production capital expenditure	
- Israel ($ million)	350 - 400[14]
- Egypt ($ million)	60 - 70
- Italy ($ million)	40 - 50
- Greece and Croatia ($ million)	5 - 10
- UK North Sea ($ million)	15 - 20
Total Development & Production Capital Expenditure ($ million)	**470 - 550**
Exploration Expenditure	
- Israel ($ million)	10
- Egypt ($ million)	0 - 5
- Italy, Greece and Croatia ($ million)	5 - 10
- UK North Sea ($ million)	40 - 45
Total Exploration Expenditure ($ million)	**55 - 70**
Decommissioning	
- UK North Sea	0
- Italy	0 - 5
Decommissioning expenditure ($ million)	**0 - 5**

[12] Forecast net debt is presented on a gross basis. i.e. without amortisation of fees

[13] Excluding Flussante costs of approximately $10 – 15 million, which is sold onwards following use at zero margin

[14] Including the $140 million of deferred payments under the TechnipFMC contract that become payable in 2022 and 2023. These amounts are expected to be accrued during 2021. Cash capital expenditure is therefore expected to be $140 million lower.

Financial Review

Revenue, production, and commodity prices

Sales revenue decreased by approximately 63% to $28.0 million (2019: $75.7 million) due to the low commodity price environment. Edison E&P's contribution to total revenue between the date of acquisition and 31 December 2020 was $10.1 million. Pro forma revenues for the year were $335.9 million.

Working interest production averaged 3.6 kboepd in 2020 (2019: 3.3 kboepd), with the Prinos oil field, offshore Greece, accounting for approximately 50% of total output. Energean's acreage around the Prinos area remains under strategic review; in March 2021, the European Commission approved €100 million of support for Energean's Epsilon project, consisting of a public guarantee on a commercial loan of around €90.5 million to be contracted by Energean with its commercial banks and a €9.5 million subordinated loan from the Greek state. Terms are yet to be agreed. Energean has full control over whether or not it takes advantage of this funding, the decision being contingent primarily on an FID-decision on the 53 MMboe 2P + 2C Epsilon development. Pro forma working interest production averaged 48.3 kboepd in 2020, of which 74% was gas, with the Abu Qir gas-condensate field, offshore Egypt, accounting for over 70% of total output.

Depreciation, impairments and write-offs

Depreciation charges before impairment on production and development assets decreased by 38% to $24.1 million (2019: $39.1 million) due to decreased capital expenditure invested in Greece.

The Group recognised a gross impairment charge of $65.3 million in 2020 (2019: $71.1 million). During the year, the Group undertook an impairment test for the Prinos CGU (the 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 $65.3 million in the carrying value of the Prinos CGU. Impairment charges for the year also include an additional amount of $4.9 million related to the disposal of the Energean Force rig unit.

Selling, general and administrative (SG&A) expenses

Energean incurred SG&A costs of approximately $15.3 million in 2020 (2019: $13.7 million). This represents a 12% increase versus 2019 and is due to the additional staffing and administrative costs associated with the continued growth of the Group's portfolio, including the acquisition of Edison E&P, and the efforts associated with developing the Karish field.

Other expenses

Other expenses of $28.3 million in 2020 (2019: $21.6 million) consisted predominantly of direct costs incurred related to the acquisition of Edison E&P, as well as losses from disposal of property, plant and equipment and intra-group merger costs.

Finance costs

Financing costs before capitalisation for the period were $102.7 million (2019: $48.9 million). Included within this balance is $90.0 million of interest (2019: $34.4 million), which $7.4 million relates to the interest incurred on the Greek RBL facilities, $81.3 million on the Karish project finance facility (2019: $27.4 million) and $1.3 million on the Egypt RBL facility (2019: $nil). In addition, there was $6.7 million (2019: $7.2 million) of interest expenses relating to long-term payables, representing future payments to the previous Karish & Tanin licence holders. This was offset by capitalised borrowing costs to $97.7 million (2019: $39.9 million). The remainder of the total finance costs expenses relate primarily to finance and arrangement fees and other finance costs and bank charges. Total finance costs expensed amount to $5.0 million (2019: $9.0 million).

Commodity price risk

Energean had no hedges during the period and has no outstanding hedges in relation to oil and gas prices at year-end. Energean will keep its hedging position under review.

Taxation

Energean recorded tax income of $20.7 million in 2020 (2019: $20.5 million tax income) which can primarily be attributed to the deferred tax impact of the impairment losses associated with the Prinos assets.

Operating cash flow

Cash from operations before tax and movements in working capital was $(25.5) million (2019: $18.5 million). After adjusting for tax and working capital movements, cash from operations was $1.5 million, a 95% decrease on the comparable period (2019: $36.3 million). The decrease was primarily driven by reduced production, and therefore revenue, during the period, alongside the low commodity price environment in 2020, and also $17.9 million of exceptional transaction costs expensed in relation to the acquisition of Edison E&P

Financial results summary

	***Pro forma* 2020**	**2020**	2019
Average working interest production (Kboepd)	**48.3**	**3.6**	3.3
Sales revenue ($m)	**335.9**	**28.0**	75.7
Cost of production ($m)	**198.9**	**28.5**	25.9
Cost of production ($/boe)	**11.3**	**21.4**	21.5
Administrative & selling expenses ($m)	**33.1**	**15.3**	13.7
Loss ($m)	**(422.2)**	**(124.5)**	(93.9)
Adjusted EBITDAX ($m)	**107.7**	**(8.3)**	35.6
Loss after tax ($m)	**(416.4)**	**(92.9)**	(83.8)
Cash flow from operating activities ($m)	**137.0**	**1.5**	36.3
Capital expenditure ($m)	**565.4**	**429.0**	684.4
Cash capital expenditure ($m)	**550.8**	**419.0**	954.6
Net debt (cash) ($m)	**1,240.1**	**1,240.1**	561.6
Net debt/equity (%)	**103.83**	**103.83**	44.5

Non-IFRS measures

The Group uses certain measures of performance that are not specifically defined under IFRS or other generally accepted accounting principles. These non-IFRS measures include adjusted EBITDAX, cost of production, capital expenditure, cash capital expenditure, net debt and gearing ratio and are explained below.

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

	***Pro forma* 2020 $m**	**2020 $m**	2019 $m
Cost of sales	**364.6**	**48.4**	65.6
Less:			
Depreciation	(163.1)	(22.1)	(36.6)
Change in inventory	(2.6)	2.2	(3.0)
Cost of production	**198.9**	**28.5**	25.9
Total production for the period (kboe)	**17,621**	**1,331**	1,209
Cost of production per boe ($/boe)	**11.3**	**21.4**	21.5

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, other income and expenses (including the impact of derivative financial instruments and foreign exchange), net finance costs and exploration costs. The Group presents adjusted EBITDAX as it is used in assessing the Group's growth and operational efficiencies, because 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.

	***Pro forma* 2020 $m**	**2020 $m**	2019 $m
Adjusted EBITDAX	**107.7**	**(8.3)**	35.6
Reconciliation to profit/(loss):			
Depreciation and amortisation	**(166.3)**	**(24.1)**	(39.1)
Share-based payment	**(3.2)**	**(3.2)**	-

	Pro forma 2020 $m	2020 $m	2019 $m
Exploration and evaluation expense	**(164.6)**	**(4.4)**	(0.8)
Impairment loss on property, plant and equipment	**(182.9)**	**(65.3)**	(71.1)
Other expense	**(35.0)**	**(28.3)**	(21.6)
Other income	**22.1**	**9.1**	3.1
Finance expenses	**(16.9)**	**(5.0)**	(9.0)
Finance income	**1.2**	**0.4**	2.5
Net foreign exchange	**7.8**	**15.5**	(3.9)
Taxation income/(expense)	**13.7**	**20.7**	20.5
Loss for the year	**(416.4)**	**(92.9)**	**(83.8)**

Capital expenditure

Capital expenditure is a useful indicator of the Group's organic expenditure on oil and gas assets and exploration and appraisal assets incurred during a period. Capital expenditure is defined as additions to property, plant and equipment and intangible exploration and evaluation assets less decommissioning asset additions, right-of-use asset additions, capitalised share-based payment charge and capitalised borrowing costs:

	Pro forma 2020 $m	2020 $m	2019 $m
Additions to property, plant and equipment	659.1	550.6	670.6
Additions to intangible exploration and evaluation assets	108.1	11.8	61.7
Less:			
Capitalised borrowing costs	(97.7)	(97.7)	(39.9)
Right-of-use asset additions	(17.2)	(2.0)	-
Lease payments related to capital activities	12.0	6.6	-
Capitalised share-based payment charge	(0.1)	(0.1)	(0.7)
Capitalised depreciation	(0.6)	(0.6)	(1.9)
Change in decommissioning provision	(98.2)	(39.6)	(5.4)
Total	**565.4**	**429.0**	**684.4**
Movement in working capital	(14.6)	(10.0)	270.2
Cash capital expenditures per the cash flow statement	**550.8**	**419.0**	**954.6**

Capital expenditure was $429.0 million, of which $411.9 million was invested in Israel and $14.4 million in Greece and, for the 14-day period following closing of the Edison E&P transaction, $1.8 million in Italy and $0.9 million in Egypt. Cash capital expenditure was $419.0 million (FY 2019: $954.5 million). The decrease versus 2019 is predominantly due to deferral of capital expenditure from the 2020 Karish programme, as well as limited investment in the Prinos area in Greece.

Pro forma capital expenditure was $565.4 million, of which $411.9 million was invested in Israel, $16.4 million in Greece, $93.1 million in Egypt, $17.3 million in Italy, $18.9 million in the UK North Sea and $7.1 million in Croatia.

	Pro forma 2020 $m	2020 $m	2019 $m
Payment for purchase of property, plant and equipment	**419.4**	**404.0**	897.2
Payment for purchase of intangible assets	**131.4**	**15.0**	57.4
Acquisition of a subsidiary, net of cash acquired	**203.2**	**203.2**	-
Total	**754.0**	**622.2**	**954.6**

Net debt/(cash) 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.

	2020 $m	2019 $m
Current borrowings	1,113.0	38.1
Non-current borrowings	330.0	877.9
Total borrowings	**1,443.0**	**916.0**
Less: Cash and cash equivalents and bank deposits	(202.9)	(354.4)
Net (Funds)/Debt (1)	**1,240.1**	**561.6**
Total equity (2)	1,194.4	1,260.8
Gearing Ratio (1)/(2)	**103.8%**	**44.5%**

Acquisition of Kerogen Capital's 30% holding in Energean Israel (EISL)

In December 2020, Energean agreed to acquire Kerogen Capital's 30% shareholding in Energean Israel Limited (EISL) for a total consideration of between $380 and $405 million. Energean closed the transaction on 25 February 2021. The acquisition has an economic reference date of 1 January 2021 and the total consideration consists of:

- An up-front payment of $175 million
- Deferred consideration of between $125 million and $150 million, the latest allowable payment of which will be 30 calendar days following Practical Completion of the Karish project (as defined under EISL's contract with TechnipFMC). Before Practical Completion, Energean has the option, at its sole discretion, to pay the deferred cash consideration at any point, in accordance with the following schedule:

Payment date	Amount payable $m
On or before 31 March 2021	125.0
On or before 30 April 2021	127.5
On or before 31 May 2021	130.0
On or before 30 June 2021	132.5
On or before 31 July 2021	135.0
On or before 31 August 2021	137.5
On or before 30 September 2021	140.0
On or before 31 October 2021	142.5
On or before 30 November 2021	145.0
On or before 31 December 2021	147.5
After 31 December 2021 or at Practical Completion	150.0

- A further $30 million of deferred cash consideration, payable on 31 December 2022
- $50 million of convertible loan notes which have a maturity date of 29 December 2023, a strike price of GBP 9.50 and a zero-coupon rate.

If the deferred cash consideration is paid following Practical Completion of the Karish Project (as defined under EISL's contract with TechnipFMC), the total consideration will be $405 million. If Energean elects to pay the deferred cash consideration earlier than 31 December 2021, the total consideration could be reduced by up to $25 million, to $380 million.

Acquisition rationale

The acquisition is a natural strategic fit that results in Energean owning 100% of EISL's share capital. It adds 2P reserves of 29.5 Bcm of gas and 30 MMbbls of liquids, representing 219 MMboe. The enlarged Energean group has pro forma 2P reserves of approximately 982 MMboe (79% gas) and a working interest production trajectory to more than 200 kboepd, once Karish and Karish North are producing at plateau gas rates.

The Company believes that the acquisition is highly value accretive and that the total consideration represents attractive valuation metrics, including:

- A 43% discount to the estimated Enterprise Value of the Minority Interest, based on the latest 2P CPR valuation estimates

- A price of approximately 1x the forecast Minority Interest annual EBITDAX, which is expected to be approximately $400 million per year when the gas sales profile is on plateau
- An equity acquisition price of between $1.74 and $1.85 per 2P boe
- A leverage-accretive acquisition that is well within Energean's target to keep its corporate net debt / EBITDAX ratio below 2.0x.

Moreover, taking a 100% interest in EISL enables Energean to fully control its capital structure, enhancing its ability to maximise total shareholder returns.

Acquisition financing

On 13 January 2021, Energean signed an 18-month, $700 million term loan facility agreement with J.P. Morgan and Morgan Stanley, one of the primary uses of which was to fund the $175 million up-front consideration for the acquisition of the minority interest in EISL. Subsequently, in 1Q 2021, Energean Israel Finance Limited issued a $2.5 billion bond, part of which will be used to refinance the term loan facility and the $1.45 billion project finance facility, and a further part of which is expected to be used to pay the deferred consideration. The bond is split into four equal tranches with maturities in 2024, 2026, 2028 and 2031. This is non-recourse to the Group with the gross proceeds held in a segregated escrow account until certain release conditions, including the receipt of regulatory approvals and the registration of certain pledges, are satisfied.

The $30 million additional deferred consideration will be funded by free cash flows from the project. The convertible loan notes will be satisfied by either new share issuance (if called by Kerogen), or by repayment of the principal balance.

Acquisition of Edison E&P

Energean completed its acquisition of Edison E&P from Edison S.p.A. on 17 December 2020. The gross consideration for the transaction, as at the locked box date of 1 January 2019, was $284 million and the final net consideration (net of cash acquired), as of 17 December 2020, was $203 million.

Amendments to the SPA during 2020

In December 2019, Energean announced that it had agreed to exclude the Algerian asset from the transaction perimeter. On 19 May 2020, the Group agreed to terminate the agreement for Neptune Energy to acquire Edison E&P's UK and Norwegian subsidiaries. As such, Energean entered into further discussions with Edison to amend its SPA, following which it was agreed that the Norwegian subsidiary would be formally excluded from the transaction perimeter. Combined with the previously announced exclusion of the Algerian asset, ultimately $466 million of total reductions to the original gross consideration of $750 million were agreed.

In addition, 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 at which first gas production is delivered from the field, currently anticipated in 2024.

Acquisition financing

On 20 June 2020, Energean signed a $220 million reserve-based lending facility with ING, Natixis and Deutsche Bank to fund the acquisition of Edison E&P. The facility was subsequently upsized to $280 million and carries a $75 million accordion facility.

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 entered into a standalone bilateral letter of credit ("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.

Liquidity risk management and going concern

The Group carefully manages its risk to a shortage of funds by monitoring its funding position and its liquidity risk. The going concern assessment covers for the period to 30 April 2022 'the Forecast Period'.

Cash forecasts are regularly produced based on, inter alia, the Group's latest life of field production and budgeted expenditure forecasts, management's best estimate of future commodity prices (based on recent published forward curves) and the Group's borrowing facilities. The Base Case conservatively assumes first gas from Karish in April 2022, Brent at $60/bbl flat and PSV (Italian gas price) at an average of EUR16/MWH.

In addition, on a regular basis, the Group performs sensitivity tests of its liquidity position for negative impacts that may result from changes to the macro economic environment such as a fall in commodity price or increase in interest rate. The Group also looks at the impact of changes or deferral of key projects and/or portfolio rationalisation. 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 funding shortfalls or covenant breaches and to safeguard the Group's ability to continue as a going concern.

Post-period end, 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.

On 24 March 2021, Energean Israel Finance Limited completed the issuance of $2.5 billion aggregate principal of senior secured notes. The gross proceeds are currently held in a segregated escrow account until the date upon which certain escrow release conditions are satisfied. Amongst other things, the escrow release conditions include the receipt of regulatory approvals and the registration of certain pledges. Upon satisfaction of the escrow release conditions and release of the proceeds of the issuance, the proceeds are expected to be used i) to repay outstanding indebtedness under Energean's and its subsidiaries' $1.45 billion project finance facility and $700 million term loan; to replace the existing undrawn amounts available under those facilities; to fund certain reserve accounts; and for transaction expenses and the Group's general corporate purposes.

The $2.5 billion principal is be split into four equal tranches with coupon rates as follows:

- $625 million maturing 30 March 2024, at fixed 4.5%
- $625 million maturing 30 March 2026 at fixed 4.875%
- $625 million maturing 30 March 2028 at fixed 5.375%
- $625 million maturing 30 March 2031 at fixed 5.875%

Interest will be paid semi-annually, on 30 March and on 30 September of each year, beginning on September 30, 2021.

The Group's revised forecasts show that the Group will be able to operate within its current debt facilities and has sufficient financial headroom for the 12 months from the date of approval of the 2020 Annual Report and Accounts.

Based on an assessment of the Group's cash flow forecasts under various scenarios, including the identification of associated risks and mitigants, the Directors have concluded that they have a reasonable expectation that the Group will continue in operational existence for a 12-month period from the date of approval of the 2020 Annual Report and Accounts and have therefore adopted the going concern basis in preparing the Group and parent company financial statements.

COVID-19 pandemic

Energean continues to monitor the ongoing COVID-19 global pandemic, using the advice of the World Health Organisation and Public Health England to ensure that best-practice precautions are always being applied. Clear information and health precautions on how employees should protect themselves and reduce exposure to, and transmission of, a range of illnesses along with general advice has been communicated across the organisation. In addition, specific HSE control measures, ensuring adequate including social distancing and home working, have been implemented to protect the wellbeing of employees in line with local regulatory obligations.

Events since December 2020

Energean is exposed to macro-economic risks, including pandemic diseases that could have a material adverse effect on its operations. The Group continues to monitor the COVID-19 pandemic, which is continuing to cause global economic disruption and impact the oil and gas sector in 2021. While to date, COVID-19 has had a limited impact on Energean's activities, it is not possible to predict whether the outbreak will have a material adverse effect on our future earnings, cash flows and financial condition.

In January 2021, Energean reached FID on its Karish North (Israel) and NEA/NI (Egypt) projects.

On 13 January 2021, the Group signed with its existing lenders for the US$1.45 billion facility for Karish development a nine- month extension for the facility maturity date, from December 2021 to September 2022.

On 13 January 2021, the Company signed an 18-month, $700 million term loan facility agreement with J.P. Morgan and Morgan Stanley.

On 25 February 2021, Energean completed its acquisition of the 30% minority interest in EISL, from Kerogen Capital. Energean now owns 100% of EISL.

On 24 March 2021, Energean issued $2.5 billion aggregate principal amount of senior secured notes. The gross proceeds were deposited into an escrow account pending the receipt of regulatory approvals and registration of certain pledges. Following release, the funds will be used to replace the $1.45 billion project finance facility and $700 million term loan, fund certain reserve accounts and for general corporate purposes. The notes will be listed for trading on the TACT Institutional of the Tel Aviv Stock Exchange (TASE).

Four-year financial summary

	***Pro forma* 2020 $m**	**2020 $m**	2019 $m	2018 $m	2017 $m
Group income statement					
Revenue	335.9	28.0	75.7	90.3	57.8
Cost of sales	(364.6)	(48.4)	(65.6)	(60.0)	(48.6)
Gross profit/(loss)	(28.7)	(20.4)	10.2	30.3	9.1
Administrative expenses	(33.0)	(15.1)	(13.3)	(11.7)	(6.0)
Selling and distribution expenses	(0.1)	(0.1)	(0.3)	(0.5)	(0.4)
Exploration and evaluation expenses	(164.6)	(4.4)	(0.8)	(2.1)	(10.0)
Impairment of property, plant and equipment	(182.9)	(65.3)	(71.1)	-	-
Other expenses	(35.0)	(28.3)	(21.6)	(1.1)	(8.2)
Other income	22.1	9.1	3.1	8.9	1.8
Operating profit/(loss)	(422.2)	(124.5)	(93.9)	23.8	(22.8)
Finance income	1.2	0.4	2.5	1.7	0.0
Finance costs	(16.9)	(5.0)	(9.0)	(13.5)	(22.9)
Gain on derivative	-	-	-	96.7	25.8
Net foreign exchange (loss)/gain	7.8	15.5	(3.9)	(23.5)	36.2
Loss from continuing operations before tax	**(430.1)**	**(113.6)**	**(104.3)**	**85.3**	**25.4**
Taxation income/(expense)	13.7	20.7	20.5	15.5	(14.1)
Profit from continuing operations	**(416.4)**	**(92.9)**	**(83.8)**	**100.8**	**11.3**

	2020 $m	2019 $m	2018 $m	2017 $m
Non-current assets	3,540.7	2,087.1	1,515.4	328.0
Current assets	594.3	421.1	262.6	143.2
Total assets	**4,135.0**	**2,508.2**	**1,778.1**	**471.2**
Total assets less current liabilities	2,659.7	2,301.9	1,392.4	382.9
Non-current liabilities	(1,465.3)	(1,041.1)	(304.6)	(93.9)
Net assets	**1,194.4**	**1,260.8**	**1,087.8**	**289.0**
Share capital	2.4	2.4	2.1	0.9
Share premium	915.4	915.4	658.8	-
Merger reserves	139.9	139.9	139.9	139.9
Other reserves	1.8	5.9	5.9	73.8
Foreign currency translation reserves	(0.1)	(19.3)	(15.5)	(11.4)
Share based payment reserve	13.4	10.1	6.6	-
Retained earnings	(144.7)	(53.3)	30.0	(138.5)
Equity attributable to equity holders of the parent	**928.1**	**1,001.0**	**827.8**	**64.7**
Non-controlling interests	266.3	259.7	260.0	224.3
Total equity	**1,194.4**	**1,260.8**	**1,087.8**	**289.0**

Group Income Statement

YEAR ENDED 31 DECEMBER 2020

	Notes	2020 $'000	2019 $'000
Revenue	5	28,014	75,749
Cost of sales	6a	(48,416)	(65,552)
Gross (loss)/profit		**(20,402)**	**10,197**
Administrative expenses	6b	(15,136)	(13,305)
Selling and distribution expenses	6c	(147)	(345)
Exploration and evaluation expenses	6d	(4,424)	(801)
Impairment of property, plant and equipment	9	(65,299)	(71,115)
Other expenses	6e	(28,329)	(21,584)
Other income	6f	9,186	3,095
Operating loss		**(124,551)**	**(93,858)**
Finance income	7	493	2,496
Finance costs	7	(4,986)	(9,002)
Net foreign exchange gain/(losses)	7	15,445	(3,933)
Loss before tax		**(113,599)**	**(104,297)**
Taxation income	8	20,741	20,531
Loss for the year		**(92,858)**	**(83,766)**
Attributable to:			
Owners of the parent		(91,414)	(83,313)
Non-controlling interests		(1,444)	(453)
		(92,858)	**(83,766)**
Basic and diluted loss per share (cents per share)			
Basic		**($0.52)**	**($0.50)**
Diluted		**($0.52)**	**($0.50)**

Group Statement of Comprehensive Income

YEAR ENDED 31 DECEMBER 2020

	2020 $'000	2019 $'000
Consolidated statement of comprehensive income		
Loss for the year	**(92,858)**	**(83,766)**
Other comprehensive profit/(loss):		
Items that may be reclassified subsequently to profit or loss		
Cash Flow Hedge	(7,483)	564
Income taxes of items that may be reclassified to profit or loss	1,721	(130)
Exchange difference on the translation of foreign operations, net of tax	19,222	(3,751)
	13,460	(3,317)
Items that will not be reclassified subsequently to profit or loss		
Remeasurement of defined benefit pension plan	(49)	(466)
Income taxes on items that will not be reclassified to profit or loss	12	117
	(37)	(349)
Other comprehensive profit/(loss) after tax	**13,423**	**(3,666)**
Total comprehensive loss for the year	**(79,435)**	**(87,432)**
Total comprehensive (loss attributable to:		
Owners of the parent	(76,262)	(87,109)
Non-controlling interests	(3,173)	(323)
	(79,435)	**(87,432)**

Group Statement of Financial Position

YEAR ENDED 31 DECEMBER 2020

	Notes	2020 $'000	2019 $'000
ASSETS			
Non-current assets			
Property, plant and equipment	9	3,107,272	1,902,271
Intangible assets	10	275,816	147,676
Equity-accounted investments		4	-
Other receivables	14	31,568	4,076
Deferred tax asset	11	126,056	33,038
		3,540,716	**2,087,061**
Current assets			
Inventories	13	73,019	6,797
Trade and other receivables	14	318,339	59,892
Cash and cash equivalents	12	202,939	354,419
		594,297	421,108
Total assets		**4,135,013**	**2,508,169**
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent			
Share capital	15	2,367	2,367
Share premium	15	915,388	915,388
Merger reserve	15	139,903	139,903
Other reserve		1,792	5,862
Foreign currency translation reserve		(42)	(19,264)
Share-based payment reserve		13,419	10,094
Retained earnings		(144,734)	(53,320)
Equity attributable to equity holders of the parent		**928,093**	**1,001,030**
Non-controlling interests	16	266,299	259,722
Total equity		**1,194,392**	**1,260,752**
Non-current liabilities			
Borrowings	17	330,092	877,932
Deferred tax liabilities	11	68,609	73,381
Retirement benefit liability	18	7,839	4,265
Provisions	19	881,535	13,145
Other payables	20	177,193	72,401
		1,465,268	**1,041,124**
Current liabilities			
Trade and other payables	20	355,454	168,108
Current portion of borrowings	17	1,112,984	38,052
Derivative financial instruments	22	6,915	-
Provisions	19	-	133
		1,475,353	**206,293**
Total liabilities		**2,940,621**	**1,247,417**
Total equity and liabilities		**4,135,013**	**2,508,169**

Group Statement of Changes in Equity

YEAR ENDED 31 DECEMBER 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 reserves $'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	-	-	-	-	-	(83,313)	-	(83,313)	(453)	(83,766)
Remeasurement of defined benefit pension plan	-	-	(349)	-	-	-	-	(349)	-	(349)
Hedges net of tax	-	-	304	-	-	-	-	304	130	434
Exchange difference on the translation of foreign operations	-	-	-	-	(3,751)	-	-	(3,751)	-	(3,751)
Total comprehensive income	-	-	(45)	-	(3,751)	(83,313)	-	(87,109)	(323)	(87,432)
Transactions with owners of the company										
Issuance of new shares (note 15)	297	264,785	-	-	-	-	-	265,082	-	265,082
Transaction cost in relation to new share issue (note 15)	-	(8,202)	-	-	-	-	-	(8,202)	-	(8,202)
Employee share schemes (note 21)	4	-	-	3,477	-	-	-	3,481	-	3,481
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	-	-	-	-	-	(91,414)	-	(91,414)	(1,444)	(92,858)
Remeasurement of defined benefit pension plan			(37)					(37)		(37)
Hedges, net of tax	-	-	(4,033)	-	-	-	-	(4,033)	(1,729)	(5,762)
Exchange difference on the translation of foreign operations	-	-	-	-	19,222	-	-	19,222	-	19,222
Total comprehensive income	-	-	(4,070)	-	19,222	(91,414)	-	(76,262)	(3,173)	(79,435)
Transactions with owners of the company										
Share capital increase in subsidiary	-	-	-	-	-	-	-	-	9,750	9,750
Employee share schemes (note 21)	-	-	-	3,325	-	-	-	3,325	-	3,325
At 31 December 2020	**2,367**	**915,388**	**1,792**	**13,419**	**(42)**	**(144,734)**	**139,903**	**928,093**	**266,299**	**1,194,392**

[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 benefit pension 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.

Group Statement of Cash Flows

YEAR ENDED 31 DECEMBER 2020

		For the year ended 31 December	
		2020	**2019**
	Note	**$'000**	**$'000**
Operating activities			
Loss before taxation		**(113,599)**	**(104,297)**
Adjustments to reconcile loss before taxation to net cash provided by operating activities:			
Depreciation, depletion and amortisation	9, 10	24,125	39,054
Impairment loss on property, plant and equipment	9	65,299	71,115
Loss from the sale of property, plant and equipment	9	7,568	-
Impairment loss on intangible assets	10	2,936	-
Increase/(decrease) in provisions		(100)	730
Finance income	7	(493)	(2,496)
Finance costs	7	4,986	9,002
Other liabilities derecognised	6(f)	(4,094)	(1,270)
Share-based payment charge	21	3,325	2,751
Net foreign exchange (gain)/loss	7	(15,445)	3,933
Cash flow (used in)/from operations before working capital adjustments		(25,492)	18,522
Increase in inventories		1,944	2,929
Decrease/(increase) in trade and other receivables		24,936	(2,423)
Increase in trade and other payables		136	18,167
Cash flow from operations		**1,524**	**37,195**
Tax paid		(55)	(910)
Net cash inflow from operating activities		1,469	36,285
Investing activities			
Payment for purchase of property, plant and equipment	9	(403,968)	(897,153)
Payment for exploration and evaluation, and other intangible assets	10	(15,041)	(57,397)
Acquisition of a subsidiary, net of cash acquired	4	(203,204)	-
Proceeds from disposal of property, plant and equipment		1,879	-
Interest received		542	2,431
Net cash used in investing activities		(619,792)	(952,119)
Financing activities			
Proceeds from issue of share capital	15	-	265,082
Drawdown of borrowings	17	557,000	848,658

Group Statement of Cash Flows

YEAR ENDED 31 DECEMBER 2020

	Note	For the year ended 31 December	
		2020	2019
	Note	$'000	$'000
Repayment of borrowings		(38,040)	-
Proceeds from capital increases by non-controlling interests		9,750	-
Transaction costs in relation to new share issue	15	-	(8,202)
Advance payment from future sale of property, plant and equipment (INGL)	20	22,229	5,090
Repayment of obligations under leases		(6,645)	(1,024)
Debt arrangement fees paid		(11,563)	(8,557)
Finance cost paid for deferred license payments		(3,993)	(4,492)
Finance costs paid		(70,463)	(45,142)
Net cash inflow from financing activities		458,275	1,051,413
Net (decrease) / increase in cash and cash equivalents		(160,048)	135,579
Cash and cash equivalents:			
At beginning of the period		354,419	219,822
Effect of exchange rate fluctuations on cash held		8,568	(982)
At end of the period	12	202,939	354,419

Notes to the consolidated financial statements

Year ended 31 December 2020

1. Basis of preparation and presentation of financial information

Whilst the financial information in this preliminary announcement has been prepared in accordance with International Financial Reporting Standards (IFRS) in conformity with the requirements of the Companies Act 2006 and IFRS adopted pursuant to Regulation (EC) No. 1606/2002 as it applies in the European Union (EU). and with the requirements of the United Kingdom Listing Authority (UKLA) Listing Rules, this announcement does not contain sufficient information to comply with IFRS. The Group will publish full financial statements that comply with IFRS in April 2021. The financial information for the year ended 31 December 2020 does not constitute statutory accounts as defined in sections 435 (1) and (2) of the Companies Act 2006. The consolidated and parent company financial statements for the year ended 31 December 2019 have been delivered to the Registrar of Companies; the auditor's report on these accounts was unqualified, did not include a reference to any matters by way of emphasis and did not contain a statement under Section 498 (2) or Section 498 (3) of the UK Companies Act 2006.

Except as set out below the Group's accounting policies are consistent with those applied for the year ended 31 December 2019 as set out in the 2019 Annual Report and Accounts. There have been a number of amendments to accounting standards and new interpretations issued by the International Accounting Standards Board which were applicable from 1 January 2020, however these have not any impact on the accounting policies, methods of computation or presentation applied by the Group. Further details on new International Financial Reporting Standards adopted will be disclosed in the 2020 Annual Report and Accounts.

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2020 reporting periods and have not been early adopted by the Group. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

2. Loss per share

Basic loss per ordinary share amounts are calculated by dividing net loss for the year attributable to ordinary equity holders of the Parent by the weighted average number of ordinary shares outstanding during the year.

Diluted loss per ordinary share amounts are calculated by dividing net loss for the year attributable to ordinary equity holders of the Parent by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of dilutive ordinary shares that would be issued if employee and other share options or the convertible bonds were converted into ordinary shares.

3. Segmental reporting

The information reported to the Group's Chief Executive Officer and Chief Financial Officer (together the Chief Operating Decision Makers) for the purposes of resource allocation and assessment of segment performance is focused on four operating segments: Europe, (including Greece, Italy, UK, Croatia), Israel, Egypt and New Ventures (Montenegro and Malta).

The Group's reportable segments under IFRS 8 *Operating Segments* are Europe, Israel and Egypt. Segments that do not exceed the quantitative thresholds for reporting information about operating segments have been included in Other. In 2019, before the acquisition of Edison E&P, the Group had no activities in Egypt and the Europe segment comprised only Greece (including the Prinos and Epsilon production asset, Katakolo non-producing assets and Ioannina and Aitoloakarnania exploration assets.

Segment revenues, results and reconciliation to profit before tax

The following is an analysis of the Group's revenue, results and reconciliation to profit/(loss) before tax by reportable segment: The consolidated financial statements for the year ended 31 December 2020 include the results of Egypt segment and Italy, UK and Croatia countries for the 14 day period ended 31 December 2020 (note 4).

	Europe	Israel	Egypt	Other & intercompany transactions	Total
	$'000	$'000	$'000	$'000	$'000
Year ended 31 December 2020					
Revenue from Oil	17,987	-	1,580	0	19,567
Revenue from Gas	2,250	-	5,097	0	7,347
Other revenue	7,126	-	92	(6,118)	1,100
Adjusted EBITDAX[1]	(4,874)	(3,574)	4,143	(4,030)	(8,335)
Reconciliation to profit before tax:					
Depreciation and amortisation expenses	(21,399)	(294)	(1,989)	(443)	(24,125)
Share-based payment charge	(471)	(42)	-	(2,712)	(3,225)
Exploration and evaluation expenses	(2,942)	(502)	-	(980)	(4,424)
Impairment loss on property, plant and equipment	(65,299)	-	-	-	(65,299)
Other expense	(1,137)	(2,700)	-	(24,492)	(28,329)
Other income	4,154	-	689	4,343	9,186
Finance income	224	201	64	4	493
Finance costs	(3,619)	(326)	175	(1,216)	(4,986)
Net foreign exchange gain/(loss)	10,769	1,862	(967)	3,781	15,445
Profit/(loss) before income tax	**(84,594)**	**(5,375)**	**2,115**	**(25,745)**	**(113,599)**
Taxation income / (expense)	21,009	495	(1,081)	318	**20,741**
Profit/(loss) from continuing operations	**(63,585)**	**(4,880)**	**1,034**	**(25,427)**	**(92,858)**
Year ended 31 December 2019					
Revenue	79,334	-	-	-	75,749
Other revenue	(2,950)	-	-	(2,950)	-
Adjusted EBITDAX[1]	45,129	(2,846)	-	(3,931)	38,352
Reconciliation to profit before tax:					
Depreciation and amortisation expenses	(38,777)	(38)	-	(239)	(39,054)

	Europe $'000	Israel $'000	Egypt $'000	Other & intercompany transactions $'000	Total $'000
Share-based payment charge	(1,065)	(86)	-	(1,600)	(2,751)
Exploration and evaluation expenses	(16)	(55)	-	(730)	(801)
Impairment loss on property, plant and equipment	(71,115)	-	-	-	(71,115)
Other expense	(4,418)	(89)	-	(17,077)	(21,584)
Other income	2,610	37	-	448	3,095
Finance income	595	1,293	-	608	2,496
Finance costs	(8,265)	(1,138)	-	401	(9,002)
Net foreign exchange gain/(loss)	(4,504)	932	-	(361)	(3,933)
Profit before income tax	**(79,826)**	**(1,990)**	-	**(22,481)**	**(104,297)**
Taxation income / (expense)	20,283	375	-	(127)	20,531
Profit from continuing operations	**(59,543)**	**(1,615)**	-	**(22,608)**	**(83,766)**

[1]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.

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

	Europe $'000	Israel $'000	Egypt $'000	Other & intercompany transactions $'000	Total $'000
Year ended 31 December 2020					
Oil & Gas properties	572,834	2,156,236	326,366	(1,728)	**3,053,708**
Other fixed assets	21,727	765	27,588	3,484	**53,564**
Intangible assets	139,267	89,607	39,219	7,723	**275,816**
Trade and other receivables	154,469	1,304	162,222	344	**318,339**
Deferred tax asset	103,200	0	22,856	(0)	**126,056**
Other assets	251,240	37,464	247,028	(228,202)	**307,530**
Total assets	**1,242,737**	**2,285,376**	**825,279**	**(218,379)**	**4,135,013**
Trade and other payables	187,117	76,146	57,959	34,232	**355,454**
Borrowings	121,264	1,093,965	0	227,847	**1,443,076**
Decommissioning provision	826,729	38,399	-	-	**865,128**
Other current liabilities	140,629	6,914	54,652	(195,280)	**6,915**
Other non-current liabilities	25,291	193,920	32,284	18,553	**270,048**
Total liabilities	**1,301,030**	**1,409,344**	**144,895**	**85,352**	**2,940,621**
Other segment information					
Capital Expenditure:					

	Europe $'000	Israel $'000	Egypt $'000	Other & intercompany transactions $'000	Total $'000
- Property, plant and equipment	14,117	405,279	860	(197)	**420,059**
- Intangible, exploration and evaluation assets	1,219	6,625	-	1,147	**8,991**
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**
Trade and other receivables	24,295	34,550	-	1,047	**59,892**
Deferred tax asset	33,038	-	-	-	**33,038**
Other assets	20,196	110,974	-	234,122	**365,292**
Total assets	**412,168**	**1,853,785**	-	**242,216**	**2,508,169**
Trade and other payables	65,408	93,168	-	9,532	**168,108**
Borrowings	159,768	756,217	-	-	**915,985**
Decommissioning provision	13,145	-	-	-	**13,145**
Other current liabilities	133	-	-	-	**133**
Other non-current liabilities	7,019	142,177		850	**150,046**
Total liabilities	**245,473**	**991,562**	-	**10,382**	**1,247,417**
Other segment information					
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	Egypt $'000	Other & intercompany transactions $'000	Total $'000
Year ended 31 December 2020					
Net cash from / (used in) operating activities	(5,442)	(2,469)	22,808	(13,428)	**1,469**
Net cash (used in) investing activities	(18,626)	(392,236)	(925)	(208,005)	**(619,792)**
Net cash from financing activities	19,164	320,216	(174)	119,069	**458,275**
Net increase/(decrease) in cash and cash equivalents	**(4,904)**	**(74,489)**	**21,709**	**(102,364)**	**(160,048)**
Cash at beginning of the year	6,084	110,488	0	237,847	**354,419**
Cash acquired from business Acquisition	7,234	-	55,650	(62,884)	**-**

	Greece	Israel	Egypt	Other & intercompany transactions	Total
	$'000	$'000	$'000	$'000	$'000
Effect of exchange rate fluctuations on cash held	5,195	1,422	(1,119)	3,070	**8,568**
Cash and cash equivalents at end of the period	**13,609**	**37,421**	**76,240**	**75,669**	**202,939**
Year ended 31 December 2019					
Net cash from / (used in) operating activities	47,641	(2,314)	-	(9,042)	**36,285**
Net cash (used in) investing activities	(71,932)	(875,223)	-	(4,964)	**(952,119)**
Net cash from financing activities	18,804	791,254	-	241,355	**1,051,413**
Net increase/(decrease) in cash and cash equivalents	**(5,487)**	**(86,283)**	**-**	**227,349**	**135,579**
At beginning of the year	11,799	196,706		11,317	**219,822**
Effect of exchange rate fluctuations on cash held	(228)	65	-	(819)	**(982)**
Cash and cash equivalents at end of the period	**6,084**	**110,488**	**-**	**237,847**	**354,419**

4. Business combination

Acquisition of Edison E&P

On 17 December 2020, the Group acquired 100 per cent of the issued share capital and obtained control of Edison Exploration & Production S.p.A ("Edison E&P"). Edison E&P contains a portfolio of assets including producing assets in Egypt, Italy, the UK North Sea and Croatia with development assets in Egypt and Italy and balanced-risk exploration opportunities across the portfolio. The acquisition of Edison E&P qualifies as a business combination as defined in IFRS 3.

The fair values of the identifiable assets and liabilities of Edison E&P have been provisionally estimated as at the date of acquisition and were as follows:

	Fair value recognised on acquisition $'000
Assets:	
Property, plant and equipment	689,188
Identifiable intangible assets	133,786
Inventory	68,977
Trade and other receivables[15]	336,081
Cash and cash equivalents	62,884
Deferred tax assets	70,832
	1,361,748
Liabilities	

[15] Trade receivables include mainly balances from EGPC, the Egyptian governmental body that are significantly aged. Consideration has been given to whether the carrying amount appropriately reflects their recoverable amount and a proper loss allowance recognised. As such it has been concluded that book value equates to fair values.

	Fair value recognised on acquisition $'000
Trade and other payables	(199,399)
Retirement benefit liability	(3,021)
Other long term liabilities	(51,059)
Decommissioning liabilities	(808,994)
	(1,062,473)
Total identifiable assets acquired and liabilities assumed	**299,275**
Goodwill arising on acquisition	25,346
Fair value of purchase consideration transferred	**324,621**
Satisfied by:	
Cash paid	266,088
Amount payable	3,311
Contingent consideration arrangement	55,222
Total consideration transferred	**324,621**
Net cash outflow arising on acquisition:	
Cash consideration	(266,088)
Less: cash and cash equivalent balances acquired	62,884
Net consolidated cash outflow	**(203,204)**

The base consideration payable of $398.6 million was agreed as of a locked box date of 1 January 2019 with the impact of economic performance, capital expenditure and working capital movements from this date to completion of 17 December 2020 adjusted within the final consideration payable of $269.9 million.

The contingent consideration arrangement will vary depending on future Italian gas prices at the point in time at which first gas production is delivered from the Cassiopea field in Italy which is expected in 2024. The potential undiscounted amount of all future payments that the Group could be required to make under the contingent consideration arrangement is between $0 and $100 million. $0 will be payable if the arithmentic average of the year one and year two Italian PSV futures prices is equal to or less than €10/Mwh when first gas production is delivered from the field. $100 million is payable if that average price is equal to or exceeds €20/Mwh. A sliding scale is used to determine consideration if the average price is between €10/Mwh and €20/Mwh.

The fair value of the contingent consideration arrangement of $55.2 million was estimated by applying forward gas price curves against the expected date of first gas as at acquisition date. This resulted in an aggregate fair value of $433.7 million being allocated to the identifiable assets and liabilities acquired, prior to the recognition of a deferred tax liability of $22.9 million as further described below.

Goodwill of $25.3 million has been recognised upon acquisition. An amount of $22.9 million was due to the requirement of IAS 12 to recognise deferred tax assets and liabilities for the difference between the assigned fair values and tax bases of assets acquired and liabilities assumed. The assessment of fair value of such licences is therefore based on cash flows after tax. Nevertheless, in accordance with IAS 12 Sections 15 and 19, a provision is made for deferred tax corresponding to the tax rate of each CGU country (27.9% for Italy and 40% for UK) multiplied by the difference between the acquisition cost and the tax base. The offsetting entry to this deferred tax is goodwill. Hence, goodwill arises as a direct result of the recognition of this deferred tax adjustment ("technical goodwill"). None of the goodwill recognised will be deductible for income tax purposes.

Acquisition-related costs (included in other expenses) amount to $17.9 million and have been recognised in profit and loss.

Edison E&P contributed $10.1 million revenue and $4.6 million to the Group's loss for the period between the date of acquisition and 31 December 2020.

If the acquisition of Edison E&P had been completed on the first day of the financial year, Group revenues for the year would have been $335.9 million and Group loss before tax would have been $422.2million.

5. Revenue

	2020 $'000	2019 $'000
Crude oil sales	19,567	74,940
Gas sales	7,347	-
Petroleum products sales	326	809
Rendering of services	774	-
Total revenue	**28,014**	**75,749**

100% of the gas produced at Abu Qir (Egypt) is sold to EGPC under a Brent-linked gas price. At Platt's Dated Brent prices of between US$40/bbl and US$72/bbl the gas price is US$3.5/mmBTU, limiting volatility and exposure to commodity price fluctuations. For Brent prices below US$40/bbl the gas price decreases until it reaches a gas price floor of US$1.29/mmBTU at a Brent price of US$0/bbl. For Brent prices above US$72/bbl the gas price increases until it reaches a cap of US$5.88/mmBTU at Brent prices in excess of US$100/bbl.

6. Operating (loss)/profit before taxation

		2020 $'000	2019 $'000
(a)	***Cost of oil sales***		
	Staff costs	14,562	12,643
	Energy cost	5,310	7,157
	Royalty payable	430	553
	Other operating costs	8,227	5,590
	Depreciation and amortisation (note 9)	22,052	36,645
	Stock overlift/underlift movement	(2,165)	2,964
	Total cost of oil sales	**48,416**	**65,552**
(b)	***Administration expenses***		
	Staff costs	5,745	4,812
	Other General & Administration expenses	4,584	3,559
	Share-based payment charge included in administrative expenses	2,776	2,685
	Depreciation and amortization (note 9, 10)	780	804
	Auditor fees (note 6g)	1,251	1,445
		15,136	**13,305**
(c)	***Selling and distribution expense***		
	Staff costs	29	52

		2020 $'000	2019 $'000
	Other selling and distribution expenses	118	293
		147	**345**
(d)	***Exploration and evaluation expenses***		
	Staff costs for Exploration and evaluation activities	1,175	466
	Exploration costs written off	2,936	-
	Other exploration and evaluation expenses	313	335
		4,424	801
(e)	***Other expenses***		
	Transaction costs in relation to Edison E&P acquisition[1]	17,914	16,461
	Intra-group merger costs	2,188	4,106
	Loss from disposal of Property plant & Equipment	7,568	-
	Other indemnities	210	-
	Write-down of inventory	101	-
	Expected credit losses	-	451
	Other expenses	348	566
		28,329	21,584
(f)	***Other income***		
	Income from accounts payable written off[2]	4,094	-
	Reversal of previous period provision	92	1,825
	Write-back bank liabilities[3]	-	1,270
	Proceeds from termination of agreement with Neptune Energy[4]	5,000	-
		9,186	3,095
(g)	***Fees payable to the Company's auditor for:***		
	The audit of the Company's annual accounts	710	256
	The audit of the Company's subsidiaries pursuant to legislation	333	327
	Total audit services	1,043	583
	Audit-related assurance services – half-year review	175	167
	Reporting accountant for proposed Edison E&P acquisition	264	595
	Other services	73	100
		1,555	1,445

[1] *Direct costs incurred in 2019 and 2020 relating to the acquisition of Edison's E&P business*

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

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

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

7. Net finance cost

	Notes	2020 $'000	2019 $'000
Interest on bank borrowings	17	90,008	34,430
Interest expense on long term payables	20	6,716	7,178
Less amounts included in the cost of qualifying assets	9, 10	(93,581)	(39,850)
		3,143	**1,758**
Finance and arrangement fees		4,042	5,139
Other finance costs and bank charges		744	1,349
Unwinding of discount on provision for decommissioning		247	320
Interest on obligations for leases		919	436
Less amounts included in the cost of qualifying assets		(4,109)	-
Total finance costs		**4,986**	**9,002**
Interest income from time deposits		(493)	(2,496)
Total finance income		**(493)**	**(2,496)**
Foreign exchange (gain)/losses		(15,445)	3,933
Net financing (income)/costs		**(10,952)**	**10,439**

8. Taxation

(a) Taxation charge

	2020 $'000	2019 $'000
Corporation tax - current year	(1,171)	(3)
Corporation tax - prior years	404	(127)
Deferred tax (Note 11)	21,508	20,661
Total taxation income	**20,741**	**20,531**

(b) Reconciliation of the total tax charge

	2020 $'000	2019 $'000
Loss before tax	**(113,599)**	**(104,297)**
Tax calculated at 24.9% weighted average rate (2019: 25.0%)	28,232	26,074
Impact of different tax rates	326	(804)
Tax impact of change of tax rates	-	-
Reassessment of recognised deferred tax asset in the current period	822	725
Permanent differences[2]	(5,251)	(3,599)
Non recognition of deferred tax on current period losses3	(3,366)	(1,910)
Tax effect of non-taxable income	649	137
Foreign taxes	(1,081)	-
Other adjustments	6	35
Prior year tax	404	(127)

	2020 $'000	2019 $'000
Taxation income	**20,741**	**20,531**
Effective tax rate	**(18%)**	**(20%)**

[1] For the reconciliation of the tax rate, the weighted average rate of the statutory tax rates in Greece (25%), Israel (23%) and Italy (24%) was used weighted according to the profit or loss before tax earned by the Group in each jurisdiction.

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

[3] Tax losses generated from entities which are not expected to generate sufficient taxable profits in the near future and for which deferred tax is not recognised.

9. Property, plant & equipment

Property, Plant & Equipment at Cost	Oil and gas assets $'000	Leased assets* $'000	Other property, plant and equipment $'000	Total $'000
At 1 January 2019	**1,487,454**	**9,792**	**56,513**	**1,553,759**
Additions	622,786	123	1,238	624,147
Lease modification	-	(699)	-	(699)
Capitalized borrowing cost	39,095	-	-	39,095
Capitalised depreciation	1,937	-	-	1,937
Change in decommissioning provision	5,437	-	-	5,437
Foreign exchange impact	(9,546)	(99)	(1,052)	(10,697)
At 31 December 2019	**2,147,163**	**9,117**	**56,699**	**2,212,979**
Additions	411,932	1,951	1,581	415,464
Acquisition of subsidiary	646,507	40,549	2,132	689,188
Lease modification	-	(1,519)	-	(1,519)
Disposal of assets	(4,795)	-	(5,328)	(10,123)
Capitalized borrowing cost	94,929	-	-	94,929
Capitalised depreciation	576	-	-	576
Change in decommissioning provision	39,620	-	-	39,620
Transfer from Intangible assets	41,822	-	-	41,822
Foreign exchange impact	52,575	743	5,153	58,471
At 31 December 2020	**3,430,329**	**50,841**	**60,237**	**3,541,407**
Accumulated Depreciation				
At 1 January 2019	**175,122**	**-**	**27,141**	**202,263**
Charge for the period				
Expensed	33,206	3,437	4,096	40,739
Impairments	58,147	-	12,968	71,115

Property, Plant & Equipment at Cost	Oil and gas assets $'000	Leased assets* $'000	Other property, plant and equipment $'000	Total $'000
Foreign exchange impact	(2,963)	11	(457)	(3,409)
At 31 December 2019	**263,512**	**3,448**	**43,748**	**310,708**
Charge for the period				
Expensed	18,105	3,073	2,149	23,327
Impairments	64,727	-	572	65,299
Foreign exchange impact	30,299	458	4,044	34,801
At 31 December 2020	**376,643**	**6,979**	**50,513**	**434,135**
Net carrying amount				
At 31 December 2019	**1,883,651**	**5,669**	**12,951**	**1,902,271**
At 31 December 2020	**3,053,686**	**43,862**	**9,724**	**3,107,272**

Borrowing costs included in the cost of qualifying assets during the year are calculated by applying an interest rate of 8.72 % (for the year ended 31 December 2019: 9.4%).

During the year 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 $65.3 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
31 December 2020	-	$50/bbl	$55/bbl	$60/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 2020 impairment test the Group applied a 12.5% 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. Applying such a decrease 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 year also include an amount of $4.9 million relating to the disposal of Energean Force rig unit.

Depreciation and amortisation for the year has been recognised as follows:

	2020 $'000	2019 $'000
Cost of sales (note 6a)	22,052	36,645
Administration expenses (note 6b)	780	804
Other operating (income)/expenses	1,293	1,605

	2020 $'000	2019 $'000
Capitalized depreciation in oil & gas properties	576	1,937
Total	**24,701**	**40,991**

Cash flow statement reconciliations:

Payment for additions to property, plant and equipment	2020 $'000	2019 $'000
Additions to property, plant and equipment	550,589	671,345
Associated cash flows		
Payment for additions to property, plant and equipment	(403,968)	(897,153)
Non-cash movements/presented in other cash flow lines		
Borrowing cost capitalised	(94,929)	(39,095)
Right-of-use asset additions/modifications	(1,951)	-
Lease payments related to capital activities	6,645	-
Capitalised share-based payment charge	(99)	(730)
Capitalised depreciation	(576)	(1,937)
Change in decommissioning provision	(39,620)	(5,437)
Movement in working capital	(16,091)	273,007
	0	**0**

10. Intangible assets

	Exploration and evaluation assets $'000	Goodwill $'000	Other Intangible assets $'000	Total $'000
Intangibles at Cost				
At 1 January 2019	**10,310**	**75,800**	**1,641**	**87,751**
Additions	60,639	-	324	60,963
Capitalized borrowing costs	755	-	-	755
Exchange differences	(103)	-	(24)	(127)
31 December 2019	**71,601**	**75,800**	**1,941**	**149,342**
Additions	8,379	-	612	8,991
Acquisition of subsidiary	115,438	25,346	18,348	159,132
Capitalized borrowing costs	2,761	-	-	2,761
Transfers to property, plant and equipment	(41,822)	-	-	(41,822)
Exchange differences	1,856	-	1,454	3,310
At 31 December 2020	**158,213**	**101,146**	**22,355**	**281,714**
Accumulated amortisation and impairments				
At 1 January 2019	**261**	**-**	**1,135**	**1,396**
Charge for the period	-	-	252	252
Exchange differences	-	-	18	18
31 December 2019	**261**	**-**	**1,405**	**1,666**
Charge for the period	-	-	1,375	1,375

	Exploration and evaluation assets	Goodwill	Other Intangible assets	Total
	$'000	$'000	$'000	$'000
impairment	2,936	-	-	2,936
Exchange differences	(193)	-	114	(79)
31 December 2020	**3,004**	**-**	**2,894**	**5,898**
Net carrying amount				
At 31 December 2019	**71,340**	**75,800**	**536**	**147,676**
At 31 December 2020	**155,209**	**101,146**	**19,461**	**275,816**

Borrowing costs capitalised for qualifying assets for the year ended 31 December 2020 amounted to $2.8 million (31 December 2019: $0.8 million). The interest rates used was 8.72 % (31 December 2019: 9.4%).

Goodwill arises principally because of the requirement to recognise deferred tax assets and liabilities for the difference between the assigned values and the tax bases of assets acquired and liabilities assumed in a business combination at amounts that do not reflect fair value (refer to note 4).

Cash flow statement reconciliations:

Payment for additions to intangible assets	2020 $'000	2019 $'000
Additions to intangible assets	11,753	61,718
Associated cash flows		
Payment for additions to intangible assets	(15,041)	(57,397)
Non-cash movements/presented in other cash flow lines		
Borrowing cost capitalized	(2,761)	(755)
Movement in working capital	6,049	(3,566)

11. Net deferred tax (liability)/ asset

Deferred tax (liabilities)/assets	Property, plant and equipment	Right of use asset IFRS 16	Decom-missionin g	Prepaid expenses and other receivables	Inventor y	Tax losses	Retireme nt benefit liability	Accrued expenses and other short-term liabilities	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'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)
31 December 2019	**(137,998)**	**(1,078)**	**-**	**(971)**	**733**	**90,412**	**913**	**7,646**	**(40,343)**
Acquisition of subsidiary (Note	10,080					60,752			70,832

Deferred tax (liabilities)/assets	Property, plant and equipment $'000	Right of use asset IFRS 16 $'000	Decom-missioning $'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
6)									
Increase / (decrease) for the period through:									
profit or loss (Note 8)	8,381	819	8,877	(3,474)	(98)	7,384	53	(434)	21,508
other comprehensive income	-	-	-	130	-	-	-	1,603	1,733
Exchange difference	(4,006)	(33)	-	(336)	60	7,293	84	655	3,717
31 December 2020	**(123,543)**	**(292)**	**8,877**	**(4,651)**	**695**	**165,841**	**1,050**	**9,470**	**57,447**

	2020 $'000	2019 $'000
Deferred tax liabilities	(68,609)	(73,381)
Deferred tax assets	126,056	33,038
	57,447	**(40,343)**

The change in the deferred tax liability is not equal to the origination of temporary difference as in Note 8 mainly because of the acquisition of the subsidiary company Energean Israel (business combination).

At 31 December 2020 the Group has gross unused tax losses of $783.6 million (as of 31 December 2019: $364.4 million) available to offset against future profits. Out of the total tax losses, $386.1 million come from the Greek operations whereas amount of $40.5 million comes from the Israeli operations and specifically the Karish licence which is in the development phase and expected to commence production by 2021. Finally, tax losses of $357 million comes from the Edison E&P Group and especially from its Italian and UK operations. With respect to the Greek tax losses carried forward, the majority of them ($384.7 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 and Katakolo areas which are in the exploration and development phase respectively. A deferred tax asset has been recognised as of 31 December 2020 in respect of $165.8 million (as of 31 December 2019: $90.4 million) 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.

Italy

The Group is subject to corporation tax on its taxable profits in Italy at the rate of 24% (IRES) plus Italian regional income tax of 3.9% (IRAP). Tax losses can be carried forward for IRES purposes and used to offset income in the following tax periods without any time limitation. Tax losses can only be offset with taxable income for an amount not exceeding 80% of the taxable income. Thus, corporations are required to pay IRES on at least 20% of taxable income. For IRAP purposes, tax losses may not be carried forward. In Italy, tax losses may not be carried back.

Egypt

All of the producing areas in Egypt in which Energean holds an interest are subject to certain PSC terms. The terms of the PSCs provide contractors with cost recovery from a portion of the gross revenue as well as a share of the profit. All Egyptian income taxes are paid out of the state-owned Egyptian General Petroleum Corporation ("EGPC") on behalf of the contractor.

However as tax is still considered to have been incurred, the entity owning the concession may be able to credit the Egyptian tax paid for the purpose of calculating the tax liability in their country of residence (subject to domestic law / application of relevant double tax treaties).

12. Cash and cash equivalents

	2020 $'000	2019 $'000
Cash at bank	197,514	349,857
Restricted bank deposits	5,425	4,562
	202,939	**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 1.07% for the year ended 31 December 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 Aitoloakarnania. These deposits can be used for funding the exploration activities of the respective blocks.

13. Inventories

	2020 $'000	2019 $'000
Crude oil	16,946	2,312
Raw materials and supplies	56,073	4,485
Total inventories	**73,019**	**6,797**

The Group's raw materials and supplies consumption for the year ended 31 December 2020 was $1.3 million (year ended 31 December 2019: $1.8million).

The Group recorded impairment and write-off charges on inventory of $0.1 million for the year ended 31 December 2020 (year ended 31 December 2019: $nil) related to materials written off (note 6e).

14. Trade and other receivables

	2020	2019

	$'000	$'000
Trade and other receivables-Current		
Financial items:		
Trade receivables	226,118	5,383
Government subsidies1	3,481	-
Receivables from related parties	22	23
Derivative asset	-	564
	229,621	5,970
Non-financial items:		
Deposits and prepayments[2]	38,756	18,155
Refundable VAT	49,414	30,247
Deferred insurance expenses	507	5,338
Accrued interest income	41	182
	88,718	53,922
	318,339	**59,892**
Trade and other receivables-Non Current		
Financial items:		
Government subsidies	-	2,964
Other tax recoverable	16,686	-
	16,686	**2,964**
Non-financial items:		
Deposits and prepayments	13,409	-
Deferred Insurance expenses	-	438
Other non-current assets	1,473	674
	14,882	1,112
	31,568	**4,076**

[1] 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.

[2] 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.

The table below summarizes the maturity profile of the Group receivables:

31 December 2020	Carrying amounts	Contractual cash flows	3 months or less	3-12 months	1-2 years	2-5 years
	$'000	$'000	$'000	$'000	$'000	$'000
Trade receivables	226,118	226,118	92,194	133,924	-	-
Government subsidies	3,481	3,481	-	3,481	-	-
Refundable VAT	49,414	49,414	34,618	14,796	-	-
Other tax recoverable	16,686	16,686	-	-	-	16,686
Total	**295,699**	**295,699**	**126,812**	**152,201**	**-**	**16,686**

31 December 2019	Carrying amounts	Contractual cash flows	3 months or less	3-12 months	1-2 years	2-5 years
Trade receivables	5,383	5,383	5,383	-	-	-
Government subsidies	2,964	2,964	-	-	-	2,964
Refundable VAT	30,247	30,247	-	30,247	-	-
Total	**38,594**	**38,594**	**5,383**	**30,247**	**-**	**2,964**

15. Share capital

On 30 June 2017, the Company 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 were 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.

	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 year			
- New shares	-	-	-
- Share based payment	-	-	-
At 31 December 2020	**177,089,406**	**2,367**	**915,388**

16. Non-controlling interests

Name of subsidiary	Voting rights		Share of loss		Accumulated balance	
	Year ended 31 December 2020	Year ended 31 December 2019	Year ended 31 December 2020	Year ended 31 December 2019	Year ended 31 December 2020	Year ended 31 December 2019
	%	%	$'000	$'000	$'000	$'000
Kavala Oil S.A.		-		-	-	92
Energean Israel Ltd	30.00	30.00	(3,173)	(323)	266,299	259,630
Total	**30.00**	**30.00**	**(3,173)**	**(323)**	**266,299**	**259,722**

Material partly-owned subsidiaries

Energean Israel Limited

On 29 March 2018, the Group, 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. At the time of completion of this subscription, the Group held 70% of the shares in Energean Israel, with Kerogen Capital holding the remaining 30%. On 25 February 2021 the Group completed the acquisition of Kerogen Capital's 30% holding in Energean Israel. See note 23 for further details.

In January 2020 Energean Israel Limited issued and allotted to Energean and Kerogen 32,500 total shares at nominal value of $1,000. The total number of shares issued to Energean and Kerogen were 22,750 and 9,750 respectively, consistent with each party's equity interest in Energean Israel at that date .

The summarised financial information of Energean Israel Limited for the year ended 31 December 2020, is provided below. This information is based on amounts before inter-company eliminations.

Summarized statement of financial position as at 31 December 2020:

	2020	2019
	$'000	$'000
Current assets	38,725	145,038

Non current assets	2,178,689	1,638,566
Current liabilities	(1,207,374)	(93,169)
Non-current liabilities	(122,759)	(825,011)
Total equity	**887,281**	**865,424**

Summarized statement of profit or loss for 2020:

	2020 $'000	**2019 $'000**
Administration expenses	(3,909)	(2,868)
Exploration and evaluation expenses	(502)	-
Other expenses	(2,701)	(55)
Operating loss	(7,112)	(2,923)
Finance income	2,063	2,262
Finance costs	(326)	(1,227)
Loss for the year before tax	**(5,375)**	**(1,888)**
Tax income	495	375
Net loss for the period	**(4,880)**	**(1,513)**
<u>Other comprehensive loss:</u>		
Items that may be reclassified subsequently to profit or loss:		
Cash Flow hedge, net of tax	(7,483)	564
Tax relating to items that may be reclassified subsequently to profit or loss	1,721	(130)
Other comprehensive (loss)/income	**(5,762)**	**434**
Total comprehensive income/(loss) for the period	**(10,642)**	**(1,079)**

17. Borrowings

	2020 $'000	**2019 $'000**
Net Debt		
Current borrowings	1,112,984	38,052
Non-current borrowings	330,092	877,932
Total borrowings	1,443,076	915,984
Less: Cash and cash equivalents and bank deposits	(202,939)	(354,419)
Net Debt (1)	**1,240,137**	**561,565**
Total equity (2)	1,194,392	1,260,752
Gearing Ratio (1)/(2):	**103.83%**	**44.54%**

<u>EBRD Senior Facility</u>

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 2020, the Group made a prepayment of $38 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 31 December 2020 the amortised carrying value of the loan was $103.5 million.

EBRD Subordinated Facility

In July 2016, the Group signed an 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 of the Greek subsidiary Energean Oil & Gas S.A. an 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 (25 August 2025) and EBITDA participation rate increase by 0.5% . EBITDA participation amount accrued in 2020 was $nil million (31 December 2019: $2.1 million). As at 31 December 2020 an amount of $20.0 million has been drawn down from the EBRD Subordinated Facility (31 December 2019: $20 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 $1.45 billion, providing an additional $175 million of liquidity for the Karish project and future appraisal activity in Israel.

As at 31 December 2020 an amount of $1,150.0 million (31 December 2019: $830.0) was drawn down from the $1.450,0 million Karish-Tanin project finance facility. In January 2020, the Group 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. As such from January 2021 the said loan which is presented at short term borrowings was classified as long-term borrowings.

In 1Q 2021, the Group issued a $2.5 billion bond, part of which will be used to repay the $1.45 billion project finance facility.

New Egypt RBL Facility:

On 20 June 2020, the Group signed a reserve based facility with a group of lending banks (the "Egypt RBL") in order to fund a portion of the cash consideration to be paid to Edison S.p.A for the Edison E&P Acquisition, to fund transaction costs and for general corporate purposes.

The Egypt RBL comprises a single senior secured revolving reserve-based credit facility of up to $280 million (the "Facility Limit"), which may be drawn by way of loans or letters of credit. The Facility Limit may be increased by up to $175 million (for a total Facility Limit of up to $455 million) subject to certain conditions contained in the accordion provisions in the Egypt RBL.

The New RBL Facility has a tenor of six years from the closing date and matures on the earlier of (i) the date on which aggregate remaining reserves for the borrowing base assets are projected to be less than 25% of the initial approved reserves and (ii) the date falling six years from the closing date. As at 31 December 2020 an amount of $237.0 million has been drawn down from the Egypt RBL Facility.

Reconciliation of liabilities arising from financing activities

	1 January $'000	Cash inflows $'000	Cash outflows $'000	Reclassi-fication $'000	IFRS 16 adoption $'000	Acquisition of subsidiary $'000	Additions $'000	Lease modification $'000	Borrowing costs including amortisation of arrangement fees $'000	Foreign exchange impact $'000	Fair value changes	31 December $'000
2020	**999,551**	**557,000**	**(140,621)**	**(1,130)**	**-**	**43,347**	**57,173**	**(1,519)**	**100,522**	**434**	**7,597**	**1,622,354**
Long -term borrowings	877,931	237,000	(53,033)	(740,579)	-	-	-	-	8,669	104	-	330,092
Current borrowings [(1)]	38,052	320,000	(61,437)	735,649	-	-	-	-	80,720	-	-	1,112,984
Lease liabilities	6,111	-	(6,644)	3,800	-	43,347	1,951	(1,519)	247	330	-	47,623
Deferred licence payments	78,139	-	(14,843)	-	-	-	-	-	6,222	-	-	69,518
Contingent consideration	-	-	-	-	-	-	55,222	-	-	-	-	55,222
Asset held to hedge long-term borrowings	(682)	-	(4,664)	-	-	-	-	-	4,664	-	7,597	6,915
2019	**230,788**	**849,546**	**(61,104)**	**(2,517)**	**9,792**	**-**	**123**	**(699)**	**(25,756)**	**(57)**	**(564)**	**999,552**
Long -term borrowings	142,985	848,658	(44,738)	(38,052)	-	-	-	-	(30,890)	(31)	-	877,932
Current portion of long-term borrowings	1,285	-	-	38,052	-	-	-	-	(1,259)	(26)	-	38,052
Lease liabilities	-	-	(1,024)	(2,517)	9,792	-	123	(699)	436	-	-	6,111
Deferred licence payments	86,518	-	(15,342)	-	-	-	-	-	6,963	-	-	78,139
Asset held to hedge long-term borrowings	-	888		-	-	-	-	-	(1,006)	-	(564)	(682)

[(1)] As of 31 December 2020 the balance amount $756.2 million classified as long-term borrowings under Karish facility , is currently presented in short term borrowings. On 13 January 2021, the Group signed with its existing lenders for the facility for Karish development a nine-month extension for the facility maturity date, from December 2021 to September 2022. As such from January 2021 the said loan balance amount $1,094 million which currently presented in short term borrowings will be classified in long-term borrowings.

Capital management

The Group defines capital as the total equity and net debt of the Group. Capital is managed in order to provide returns for shareholders and benefits to stakeholders and to safeguard the Group's ability to continue as a going concern. Energean is not subject to any externally imposed capital requirements. To maintain or adjust the capital structure, the Group may put in place new debt facilities, issue new shares for cash, repay debt, engage in active portfolio management, adjust the dividend payment to shareholders, or undertake other such restructuring activities as appropriate.

In March 2021 the Group issued a $2.5 billion Bond to (i) refinance its $1.45 billion Project Finance Facility (ii) cancel and replace the $700 million Term Loan which was drawn to fund the acquisition of Kerogen's minority interest in Energean Israel, (iii) fund future capital and exploration expenditure in Israel, including Karish and Karish North and (iv) for general corporate purposes of the Group. The gross processed were deposited into an escrow account pending the receipt of regulatory approvals and registration of certain pledges.

18. Retirement benefit liability

The Group operates defined benefit pension plans in Greece and Italy.

Under Italian law, Edison E&P is required to operate a Target Retirement Fund "TFR" for its local employees. This is technically a defined benefit scheme, though has no pension assets, with the liability measured by independent actuaries.

In accordance with the provisions of Greek labour law, employees are entitled to compensation in case of dismissal or retirement. The amount of compensation varies depending on salary, years of service and the manner of termination (dismissal or retirement). Employees who resign are not entitled to compensation. The compensation payable in case of retirement is equal to 40% of the compensation which would be payable in case of unjustified dismissal

These plans are not funded and are defined benefit plans in accordance with IAS 19. The Group charges the accrued benefits in each period with a corresponding increase in the relative actuarial liability. The payments made to retirees in every period are charged against this liability. The liabilities of the Group arising from the obligation to pay termination indemnities are determined through actuarial studies, conducted by independent actuaries.

18.1 Provision for retirement benefits

	2020 $'000	2019 $'000
Defined benefit obligation	7,839	4,265
Provision for retirement benefits recognised	7,839	4,265
Allocated as:		
Non-current portion	7,839	4,265
	7,839	4,265

18.2 Defined benefit obligation

	2020 $'000	2019 $'000
At 1 January	4,265	3,659
Acquisition of subsidiary	3,021	-
Current service cost	364	405
Interest cost	39	61
Extra payments or expenses	557	564

	2020 $'000	2019 $'000
Actuarial losses - from changes in financial assumptions	49	466
Benefits paid	(866)	(824)
Exchange differences	410	(66)
At 31 December	**7,839**	**4,265**

18.3 Actuarial assumptions and risks

The most recent actuarial valuation was carried out as of 31 December 2020 and it was based on the following key assumptions:

	2020 $'000	2019 $'000
Discount rate	**1.70%**	**1.70%**
Expected rate of salary increases	**3.54%**	**3.54%**
Average life expectancy over retirement age	**19.4 years**	**20.8 years**
Inflation rate	**1.84%**	**1.70%**

Sensitivity analysis

The sensitivity analysis below shows the impact on the defined benefit obligation of changing each assumption while not changing all other assumptions. This analysis may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in the assumptions would occur in isolation of one another as some of the assumptions may be correlated.

	2020	2019
Percentage Effect on defined benefit obligation		
Change + 0,5% in Discount rate	-9%	-8%
Change - 0,5% in Discount rate	9%	8%
Change +0,5% in Expected rate of salary increases	8%	8%
Change -0,5% in Expected rate of salary increases	-8%	-8%

	2020	2019
Percentage Effect on current service cost		
Change + 0,5% in Discount rate	-12%	-12%
Change - 0,5% in Discount rate	12%	12%
Change +0,5% in Expected rate of salary increases	12%	13%
Change -0,5% in Expected rate of salary increases	-12%	-13%

The amounts presented reflect the impact from the percentage increase / (decrease) in the given assumption by +/- 0.5% on the defined benefit obligation and current service cost , while holding all other assumptions constant.

The plan exposes the Group to actuarial risks such as interest rate risk, longevity changes and inflation risk.

Interest rate risk

The present value of the defined benefit liability is calculated using a discount rate determined by reference to market yields of high quality corporate bonds. The estimated term of the bonds is consistent with the estimated term of the defined benefit obligation and it is denominated in Euro. A decrease in market yield on high quality corporate bonds will increase the Group's defined benefit liability.

Longevity of members

Any increase in the life expectancy of the members will increase the defined benefit liability.

Inflation risk

A significant proportion of the defined benefit liability is linked to inflation. An increase in the inflation rate will increase the Group's defined benefit liability.

19. Provisions

	Decommissioning	Provision for litigation and other claims	Total
	$'000	$'000	$'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	38,125	-	38,125
Change in estimates	1,496	-	1,496
Refunds	-	(145)	(145)
Acquisition of subsidiary	808,994	16,375	825,369
Unwinding of discount	919	-	919
Currency translation adjustment	2,448	45	2,493
At 31 December 2020	**865,127**	**16,408**	**881,535**
Current provisions	**-**	**-**	**-**
Non-current provisions	**865,127**	**16,408**	**881,535**

Decommissioning provision

The decommissioning provision represents the present value of decommissioning costs relating to oil and gas properties, which are expected to be incurred up to 2040, when the producing oil and gas properties are expected to cease operations. The future costs are based on a combination of estimates from an external study completed at the end of 2019 and internal estimates. 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 decommissioning provision represents the present value of decommissioning costs relating to assets in Italy, Greece, UK, Israel and Croatia. No provision is recognized for Egypt as there is no legal or constructive obligation as at 31 December 2020.

	Inflation assumption	Discount rate assumption	Cessation of production assumption	*2020* $'000	*2019* $'000
Greece	1.2% – 1.6	1.26%	2034	16,082	13,105
Italy	0.6%-1.4%	1.45%	2021-2040	551,464	-
UK	1.9%	0.35%	2022-2030	239,708	-
Israel	2.2%	1.44%	2040	38,399	-
Croatia	na	na	2021	19,474	-
Total				**865,127**	**13,105**

Litigation and other claims provisions

Litigation and other claim provision related to litigation actions currently open in Italy with the Termoli Port Authority in respect of the fees payable under the marine concession regarding FSO Alba Marina serving the Rospo Mare field in Italy. The fees have been paid on the basis of the actual area of the FSO Alba Marina ship. The Termoli Port Authority subsequently claimed that the concession fees should have been calculated according to the "virtual area" criterion, which would look at the whole sea area which might be taken up by the FSO Alba Marina as it pivoted around its anchor buoy. Based on legal advice received, Energean is confident that Energean Italy Spa has a good chance of being successful in these litigations. However, The Termoli Port Authority has been successful in a couple of first instance cases on procedural grounds in the Court of Campobasso, but the judge did not consider the substantive issue as to whether the virtual area criterion or "actual area" was the correct method of calculation for the Concession Fee. Accordingly, Energean Italy Spa has appealed these cases to the Campobasso Court of Appeal. None of the other cases has yet had a decision on the substantive issue. The Group contain a provision of €4.7 million against an adverse outcome of these court cases.

Between 20 December 2019 and 5 January 2021 a number of new tax assessments were received by Edison in respect of the years 2016 to 2019 from the municipalities of Porto Sant'Elpidio, Torino di Sangro, Cupra Marittima, Scicli and Pineto claiming amounts in respect of IMU, TASI, interest and sanctions. These will be defended vigorously by Edison S.p.A. and by Energean Italy Spa and there are a number of lines of defence. Energean Italy's Spa potential liability is in respect of the 2019 year only. The assessments from the municipalities of Scicli and Cupra Marittima are illegitimate as they disregard the previous agreements entered by the two Municipalities, in which the same Municipalities recognized the lack of the conditions for taxation of the platforms for 2016 onwards. The Group strongly believes based on legal advice received that the outcome of the court decisions will be in its favour with no material exposure expected, therefore the Group recognised a provision of $1.9 million in respect of this claim.

Amount of $1.9 million provision relates to leasing cost charged to ENI on the floating storage located in the Leoanis plan. The Group following a claim from ENI accounted for this provision since these overestimated costs were required to be reimbursement.

Other provisions include non-income tax provision and other potential claim in Egypt.

It is not currently possible to accurately predict the timing of the settlement of these claims and therefore the expected timing of the cash flows.

It is not currently possible to accurately predict the timing of the settlement of these claims and therefore the expected timing of the cash flows.

20. Trade and other payables

	2020 $'000	2019 $'000
Trade and other payables-Current		
Financial items:		
Trade accounts payable [1]	193,987	95,919
Payables to partners under JOA 2	64,752	-
Deferred licence payments due within one year[3]	14,344	14,843

	2020 $'000	2019 $'000
Other creditors	12,502	5,641
Short term lease liability	10,561	3,541
	296,146	119,944
Non-financial items:		
Accrued Expenses [1]	49,812	42,026
Other finance costs accrued	2,630	2,306
Social insurance and other taxes	5,695	3,774
Income taxes	1,171	58
	59,308	48,164
	355,454	**168,108**
Trade and other payables-Non Current		
Financial items:		
Deferred licence payments [3]	55,174	63,296
Contingent consideration (note 4)	55,222	-
Long term lease liability	37,062	2,570
	147,458	65,866
Non-financial items:		
Long term prepayment [3]	29,105	5,306
Social insurance	630	1,229
	29,735	6,535
	177,193	**72,401**

[1] Included in trade payables and accrued expenses in FY2020 and Y2019, are mainly Karish field related development expenditures (mainly FPSO and Sub Sea construction cost) .

[2] Payables related to operated Joint operations primarily in Italy

[3] 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 31 December 2020 the total discounted deferred consideration was $69.5 million (31 December 2019: $78.1 million).

[4] 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 Q4 2021/Q1 2022 . Following hand over, INGL will be responsible for the operation and maintenance of this part of the infrastructure.

Trade and other payables are non-interest bearing except for finance leases and deferred licence payments.
The change in trade payables and in other payables predominantly represents payables of the new acquired business Edison E&P.

21. Employee share schemes

Analysis of share-based payment charge

	2020 $'000	2019 $'000
Employee Share Award Plan		1,178
Energean DSBP Plan	693	314
Energean Long Term Incentive Plan	2,632	1,989
Total share-based payment charge	**3,325**	**3,481**

	2020 $'000	2019 $'000
Capitalised to intangible and tangible assets	99	730
Expensed as administration expenses	2,776	2,685
Expensed to exploration and evaluation expenses	442	52
Expensed as other expenses	8	14
Total share-based payment charge	**3,325**	**3,481**

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 31 December 2020 was 1.4 years (31 December 2019: 1.7 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 31 December 2020 was 0.8 years, number of shares outstanding 196,514 and weighted price at grant date £6.27.

Employee Share Award Plan (ESAP)

Most Group employees are eligible to be granted nil exercise price options under the ESAP.

On 24 May 2018, the Company, following its admission on the London Stock Exchange on 21 March 2018 granted conditional awards to most of the Group employees under the Energean 2018 Long Term Incentive Plan (LTIP) over 659,050 ordinary shares in Energean Oil & Gas plc.

Subject to the rules of the LTIP, half of the shares subject to each employee Award vested on 22 November 2018, and the remainder vested on 22 November 2019.

22. Financial instruments

The Group is exposed to a variety of risks including commodity price risk, interest rate risk, credit risk, foreign currency risk and liquidity risk. The use of derivative financial instruments is governed by the Group's policies approved by the Board of Directors. Compliance with policies and exposure limits are monitored and reviewed internally on a regular basis. The Group does not enter into or trade financial instruments, including derivatives, for speculative purposes.

22.1. Fair values of financial assets and liabilities

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.

As at 31 December 2020 the Group recognized contingent consideration payable of $55.2 million (31 December 2019: $nil) at fair value through profit and loss. The consideration payable has been recognized at level 3 in the fair value hierarchy. The fair value of the consideration payable has been estimated by reference to the sales and purchase agreement and by simulating PSV pricing by reference to the forecasted PSV pricing, historical volatility and a log normal distribution. The total cash payable has been discounted at the cost of debt. See note 4 for further details.

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 31 December 2020			
	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Financial assets				
Trade and other receivables (note 14)	-	246,307	-	246,307
Cash and cash equivalents and bank deposits (note 12)	202,939	-	-	202,939
Total	**202,939**	**246,307**	**-**	**449,246**
Financial liabilities				
Financial liabilities held at amortised cost:				
Borrowings (note 17)	-	1,443,076	-	1,443,076
Net obligations under finance leases (note 20)	-	47,623	-	47,623
Deferred licence payments (note 20)	-	69,518	-	69,518
Financial liabilities held at FVTPL:				-
Interest rate derivatives	-	6,915	-	6,915
Contingent consideration (note 4)	-	-	55,222	55,222
Total	**-**	**1,567,132**	**55,222**	**1,622,354**

	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 14)	-	8,934	-	8,934
Cash and cash equivalents and bank deposits	354,419	-	-	354,419

	Fair value hierarchy as at 31 December 2019			
	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
(note 12)				
Total	354,419	8,934	**-**	**363,353**
Financial liabilities				
Financial liabilities held at amortised cost:				
Borrowings (note 17)	-	915,984	-	915,984
Net obligations under finance leases (note 20)	-	6,111	-	6,111
Deferred licence payments (note 20)	-	78,139	-	78,139
Total	**-**	**1,000,234**	**-**	**1,000,234**

22.2 Fair values of derivative financial instruments

The Group held financial instruments at fair value at 31 December 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 31 December 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.

22.3 Commodity price risk

The Group does not have a formal hedging policy with regard to the oil price and is limited in the scope of its hedging activities under the terms of its facility agreements with the EBRD. Historically, hedging has been undertaken via zero cost collars for general downside risk and fixed price contracts to set a fixed price for a set number of barrels for a known future BP lifting to protect against either (i) a fall in the oil price and/or (ii) the pricing optionality afforded to BP under the BP Offtake Agreement.

The Group did not enter into any hedging agreement in relation to oil or gas prices during 2019 or 2020.

22.4 Interest rate risk

The Group's policy is to minimise interest rate cash flow risk exposures on long-term financing. Longer-term borrowings are therefore usually at fixed rates. At 31 December 2020, the Group is exposed to changes in market interest rates through bank borrowings at variable interest rates. The exposure to interest rates for the Group's money market funds is considered immaterial.

The following table illustrates the sensitivity of profit to a reasonably possible change in interest rates of +/- 1%. These changes are considered to be reasonably possible based on observation of current market conditions. The calculations are based on a change in the average market interest rate for each period, and the financial instruments held at each reporting date that are sensitive to changes in interest rates. All other variables are held constant.

	2020 $'000	2019 $'000
Variable rate instruments		
Borrowings	1,443,076	915,985
	1,443,076	**915,985**

<u>**Interest rate sensitivity**</u>

	Profit and loss for the period	
31 December 2020	5,780	(4,286)
	+ 50 basis points	**- 50 basis points**
31 December 2019	(2,645)	2,405

22.5 Credit risk

Credit risk arises when a failure by counterparties to discharge their obligations could reduce the amount of future cash inflows from financial assets on hand at the reporting date. The Group has policies in place to ensure that all of its transactions giving rise to credit risk are made with parties having an appropriate credit history and monitors on a continuous basis the ageing profile of its receivables.

Also, the Group has policies to limit the amount of credit exposure to any banking institution, considering among other factors the credit ratings of the banks with which deposits are held. Credit quality information in relation to those banks is provided below.

With regard to the risk of potential losses caused by the failure of any of the counterparties the Company interacts with to honour the commitments they have undertaken, the Group has implemented for some time procedures and tools to evaluate and select counterparties based on their credit rating, constantly monitor its exposure to the various counterparties and implement appropriate mitigating actions, primarily aimed at recovering or transferring receivables. For the period ended 31 December 2020 the Group has also considered the impact of COVID-19 in relation to the recoverability of its trade receivables and expected credit loss allowances recognised at period end.

Presented below is a breakdown of trade receivables by past due bracket:

(in thousands of USD)	31 December 2020	31 December 2019
Trade receivables	257,779	5,383
Allowance for impairment	(31,661)	-
Total	**226,118**	**5,383**

Trade receivables include balances from EGPC, the Egyptian governmental body that are significantly aged.

	31 December 2020		31 December 2019	
(in thousands of US$)	Trade receivables	Allowance	Trade receivables	Allowance
Not yet due	133,144	(2,127)	5,383	-
Past due by less than one month	16,511	(424)	-	-
Past due by one to three months	14,269	(298)	-	-
Past due by three to six months	53,055	(1,850)	-	-
Past due by more than six months	40,800	(26,962)	-	-
Total	**257,779**	**(31,661)**	**5,383**	**-**

Trade Receivables by geography

(in thousands of USD)	31 December 2020	31 December 2019
Italy	62,622	-
United Kingdom	1,931	-
Egypt	184,940	-
Greece	5,617	5,383
Falkland	1,865	-
Croatia	301	-
Other Countries	503	-
Total	**257,779**	**5,383**

Credit quality of bank deposits

The credit quality of the banks in which the Group keeps its deposits is assessed by reference to the credit rating of these banks. Moody's credit ratings of the corresponding banks in which the Group keeps its deposits is as follows:

	2020 $'000	2019 $'000
Aa3	51,502	926
A1	25,974	8
A2	37,967	114,760
A3	-	235,355
BBB	50,507	-
B1	9,614	-
B2	23,443	-
B3	2,723	1,553
Baa1	26	-
Caa1	776	1,790
Unrated	407	4
	202,939	**354,396**

The Company has assessed the recoverability of all cash balances and believe they are carried within the consolidated statement of financial position at amounts not materially different to their fair value.

22.6 Foreign exchange risk

The Group is exposed to foreign exchange risk as it undertakes operations in various foreign currencies. The key sources of the risk are attributed to the fact that the Group has certain subsidiaries with Euro functional currencies in which a number of loan agreements denominated in US$ and sales of crude oil are additionally denominated in US$.

The Group's exposure to foreign currency risk, as a result of financial instruments, at each reporting date is shown in the table below. The amounts shown are the US$ equivalent of the foreign currency amounts.

	Liabilities		Assets	
	2020 $'000	2019 $'000	2020 $'000	2019 $'000
Dollars (US$)	130,161	176,802	19,710	4,861
United Kingdom Pounds (GBP)	358,083	16,099	373,462	29,035

	Liabilities		Assets	
	2020	2019	2020	2019
	$'000	$'000	$'000	$'000
Euro	1,072,146	2,488	1,559,366	84,404
CAD	15	-	-	-
NOK	259	-	50,723	49,320
ILS	32,593	9,889	23,103	702
SGD	161	83	91	-
EGP	41		1	-
Total	**1,593,459**	**205,361**	**2,026,456**	**168,322**

The following table reflects the sensitivity analysis for profit and loss results for the year and equity, taking into consideration for the periods presented foreign exchange variation by +/- 10%.

	31-Dec-20													
	USD		GBP		Euro		ILS		NOK		SGD		EGP	
	Variation		Variation		Variation		Variation		Variation		Variation		Variation	
	10%	-10%	10%	-10%	10%	-10%	10%	-10%	10%	-10%	10%	-10%	10%	-10%
Profit or loss (before tax)	12,542	(15,329)	1,503	(1,746)	14,191	(17,220)	5,570	(5,063)	4,637	(5,659)	25	(23)	(4)	5
Other comprehensive income	15,245	(3,706)												
Equity	**27,787**	**(19,035)**	**1,503**	**(1,746)**	**14,191**	**(17,220)**	**5,570**	**(5,063)**	**4,637**	**(5,659)**	**25**	**(23)**	**(4)**	**5**

	31 December 2019									
	USD		GBP		Euro		ILS		NOK	
	Variation		Variation		Variation		Variation		Variation	
	10%	-10%	10%	-10%	10%	-10%	10%	-10%	10%	-10%
Profit or loss (before tax)	16,396	(20,039)	3,427	(4,289)	7,527	(9,215)	(919)	835	4,485	(5,477)
Other comprehensive income	10,129	(9,642)	-	-	-	-	-	-	-	-
Equity	**26,525**	**(29,681)**	**3,427**	**(4,289)**	**7,527**	**(9,215)**	**(919)**	**835**	**4,485**	**(5,477)**

The above calculations assume that interest rates remain the same as at the reporting date.

22.7 Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

The Group monitors its risk to a shortage of funds by monitoring its debt rating and the maturity dates of existing debt and other payables. As at 31 December 2020, the Group had available US$1,040 million (2019: $480.0 million) of undrawn committed borrowing facilities.

The following tables detail the Group's remaining contractual maturity for its financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

The Group manages its liquidity risk by ongoing monitoring of its cash flows. Group management prepares budgets and regular cash flow forecasts and takes appropriate actions to ensure available cash deposits and credit lines with the banks are available to meet the Group's liabilities as they fall due.

The table below summarizes the maturity profile of the Group financial liabilities based on contractual undiscounted payments:

31 December 2020	Carrying amounts	Contractual cash flows	3 months or less	3-12 months	1-2 years	2-5 years	More than 5 years
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Bank loans	1,443,076	1,652,004	13,541	1,226,014	98,718	273,231	40,500
Lease liabilities	47,623	48,199	3,539	7,372	5,978	10,082	21,228
Trade and other payables	395,980	412,544	218,910	63,735	26,155	92,394	11,350
Total	**1,866,679**	**2,112,747**	**235,990**	**1,297,121**	**130,851**	**375,707**	**73,078**

31 December 2019	Carrying amounts	Contractual cash flows	3 months or less	3-12 months	1-2 years	2-5 years	More than 5 years
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Bank loans	915,985	1,146,599	34,806	64,022	968,320	79,451	-
Lease liabilities	6,111	6,626	797	2,761	1,955	1,113	-
Trade and other payables	233,428	260,910	100,917	63,270	21,136	52,390	23,197
Total	**1,155,524**	**1,414,135**	**136,520**	**130,053**	**991,411**	**132,954**	**23,197**

23. 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:

	2020	2019
	$'000	$'000
Capital Commitments*:		
Due within one year	102,255	5,425
Due later than one year but within two years	84,855	5,729
Due later than two years but within five years	200,895	-
	388,005	**11,154**
		-
Contingent liabilities		
Performance guarantees*		
Greece	6,743	658
Israel	62,101	38,330
UK	96,655	-
Italy	15,361	-
Montenegro	614	562
	181,474	**39,550**

* Amount of $15.9 million is towards to Government and amount of $372.1 million refers to capital commitments to partners based on future work programmes

** Performance guarantees are in respect of abandonment obligations, committed work programmes and certain financial obligations

Issued guarantees:

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 in March 2021 until 31 March 2022.

Blocks 12, 21, 22, 23 and 31 in Israel - 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 13 January 2023.

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 2022.

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 21 November 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 10 million ILS (approx. US$2.9 million). The bank guarantees are in force until 28 February 2021.

United Kingdom: Following Edison E&P acquisition the Group issued letters of credit amount $96.7 million for United Kingdom decommissioning obligations and obligations under the United Kingdom licenses

Italy: Following Edison E&P acquisition the Group issued letters of credit amount $15.4 million for decommissioning obligations and obligations under the Italian licenses

Legal cases and contingent liabilities

The Group had no material contingent liabilities as of 31 December 2020.

Liquidated damages

To date, the Energean Group has entered into gas sale and purchase agreements with various gas buyers (the "GSPAs" or "Gas Supply Agreements") in Israel.

During 2021, the Company expects to compensate group of gas buyers due to the fact the gas supply date expected to take place beyond a certain date which is defined in the GSPAs. The subject compensation is estimated at approximately $23.0 million.

TechnipFMC starts to pay LDs under its EPCIC contract, on a sliding scale, if practical completion (which is expected to quickly follow first gas) is not achieved by 6 April 2021. In respect of delay to first gas, the aggregate of the LDs payable under the GSPAs is generally less than the amount of LDs payable by TechnipFMC.

Significant transaction

On 29 December 2020, the Group had entered into a conditional sale and purchase agreement to acquire Kerogen Investments No. 38 Limited's ("**Kerogen**") entire interest in Energean Israel Limited ("**Energean Israel**"), which constitutes 30% of the total issued share capital of Energean Israel (the "**Minority Interest**") for a total consideration of between US$380 million and US$405. The Total Consideration includes:

- US$175 million of up-front cash consideration (the "**Up-Front Cash Consideration**").
- Between US$125 million and US$150 million of deferred cash consideration (the "**Deferred Cash Consideration**"),
- A further US$30 million of deferred cash consideration, payable on 31 December 2022 (the "**Additional Deferred Cash Consideration**").
- US$50 million of convertible loan notes, to be issued by the Company to Kerogen, which have a maturity date of 29 December 2023, a strike price of GBP 9.50 and zero coupon (the "**Convertible Loan Notes**"). Issuance of the Convertible Loan Notes requires no up-front cash outlay by the Company.

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