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

Operational Update

London, 24 May 2021 - Energean plc (LSE: ENOG, TASE: אנאג) is pleased to provide an update on recent operations and the Group’s trading performance in the 3-months to 31 March 2021.

Highlights

- Production in the four-months to 30 April 2021 was 44.2 kboepd (72% gas)
  - 15% ahead of the mid-point of full year guidance
  - Guidance increased to 38 – 42 kboepd (from 36 – 41 kboepd)
- First production from Karish now expected in mid-2022 following the re-introduction of enhanced COVID-19-related restrictions in Singapore
  - Core focus on optimising the revised timetable with approximately 30 improvements being considered for implementation and not reflected in the schedule
- Final Investment Decision (“FID”) taken on two growth projects, offshore Israel:
  - $70 million second oil train that will enable increased production of approximately 5 million barrels of hydrocarbon liquids per year at minimal incremental operating costs
  - $40 million second gas sales riser, which will enable gas production at the full 8 Bcm/yr capacity of the FPSO
- Rig contract award for the 2022/2023 five-well growth drilling programme, offshore Israel, is expected to be signed shortly
  - Targeting more than 1 billion barrels of oil equivalent of prospective resources
  - Athena well on Block 12 expected to spud in 1Q 2022
- FID taken on the revised Epsilon project, offshore Greece:
  - Tieback to existing Prinos infrastructure with first oil expected around year-end 2022
- Greek parliamentary approval has been granted for the Prinos area funding package. Investment targets:
  - Unlevered IRRs in excess of 30%
  - Peak production rates in excess of 10 kboepd
  - Extending the life of the fields as a pre-cursor to the implementation of carbon capture and underground storage (“CCUS”)
- $122 million of receivables collection in Egypt December 2020 – April 2021 (inclusive), following closing of the acquisition of Edison E&P in December 2020
- At 30 April 2021, following the refinancing of Energean Israel Limited’s project finance facility and term loan on 29 April 2021, Energean had cash resources of $1.1 billion, providing financial flexibility and ensuring that all planned activities are fully-funded
- 2021 year-end net debt guidance reduced to between $1.9 billion and $2.0 billion (from $2.0 billion to $2.2 billion)

Mathios Rigas, Chief Executive of Energean commented:

"Although COVID-19 continues to present challenges, we continue to deliver upon all of our promises that are within our control. Our production is 15% ahead of guidance, we have taken Final Investment Decision on three low-cost, high-return organic projects and have $1.1 billion of cash on our balance sheet, providing financial flexibility and ensuring that we are fully-funded for all of our planned investments.

Due to the ongoing impact of COVID-19 in Singapore, we are prudently updating our guidance for Karish first gas to reflect revised forecasts from our EPCiC contractor, TechnipFMC; but we continue to work together to improve the timetable. Although unfortunate, the revised timetable should not have a material impact on the 15+ year secured revenue stream of our Israeli gas business.

In the near-term, we expect to sign a rig contract for our Israel-growth programme, commencing 2022, and with the potential to double the size of our resource base. We have also recently received Greek parliamentary approval of the Prinos area funding package, which will enable us to extend the productive life of the area as a precursor to the implementation of our carbon capture and eco-hydrogen plans."

Enquiries

Kate Sloan, Head of IR, ECM & Communications Tel: +44 (0)7917 608 645

Operational Review

Production

Production in the four-months to 30 April 2021 was 44.2 kboepd (72% gas), approximately 15% ahead of the mid-point of full year guidance of 38 – 42 kboepd. Production is ahead of the guidance range across all countries following robust operational performance since the start of the year. Following this performance, Energean has increased its full year guidance range to 38 – 42 kboepd (from 36 – 41 kboepd).

	Four-months to 30 April 2021 kboepd	Full year guidance range kboepd	Performance versus mid-point of guidance kboepd
Egypt	31.7	27 – 30	13%
Italy	10.1	9 – 10	19%
Greece & Croatia	1.7	1.5	13%
UK North Sea	0.6	0.5	20%

Total[1]	**44.2**	**38 - 42**	**15%**

Israel

Karish project

The Karish project was 90.6% complete at the end of April 2021.

Subsea and onshore works in Israel and its economic waters have not been significantly affected by the pandemic and remain on schedule. Under Energean's EPCIC contract with TechnipFMC, the subsea works are 82.3% complete and the onshore works are 97.7% complete.

The FPSO was 95.6% complete as of 30 April 2021 and remains the critical path item to delivering first gas from the Karish development. Singapore has recently tightened its legal restrictions, including on movement of people, in response to an increased domestic COVID-19 case load and regional proliferation of new virus variants. The Admiralty Yard is facing renewed difficulties in mobilising workforce numbers and the appropriate balance of trades required to maintain the previous schedule. Furthermore, between 22 and 27 April 2021, the yard experienced a five-day shut-down period, following the identification of a COVID-19 case within the workforce, which, together with the associated shut-down and re-start activities, resulted in an extended period of reduced manpower. Manpower availability is expected to improve in the coming weeks as other projects in the yard approach completion.

Based on current restrictions in Singapore, the *Energean Power* FPSO is now expected to sailaway from Singapore to Israel in 1Q 2022 with first gas in mid-2022. However, Energean and its contractors are focused on optimising the revised Karish timetable and have identified approximately 30 improvements that are being considered for implementation.

Energean is committed to complying with all necessary regulations to protect the health and safety of its workforce and contractors.

Growth Projects
Energean has taken FID on two high-return growth projects, offshore Israel, both of which are expected to come onstream in summer 2023. Combined capital expenditure on the projects is expected to be approximately $110 million, and is included in the Karish North economics, which are expected to deliver IRRs in excess of 40%

1. **Second oil train**
   Installation of a second oil train is required due to the richer-than-expected fluids discovered in the KM-03 development well area of the Karish Main field and will increase the hydrocarbon liquids handling capacity of the FPSO from 18 kbopd to 32 kbopd. The overall capital expenditure on the second oil train is expected to be approximately $70 million and the incremental hydrocarbon liquids production will be achieved with minimal additional operating costs.

[1] Numbers may not sum due to rounding

2. **Second gas sales riser**
   The current gas sales riser allows sales gas of up to 6.5 Bcm/yr. A second sales riser is required to align the sales gas system capacity with the maximum FPSO capacity of 8 Bcm/yr and enable Energean to fulfil its current gas sales commitments of approximately 7.4 Bcm/yr on reaching plateau. Capital expenditure on the second gas sales riser is expected to be approximately $40 million.

In the coming weeks, Energean expects to sign a rig contract for its five-well growth drilling programme. The contract is expected to consist of three firm wells plus two optional wells, with the first expected to spud in 1Q 2022.

- The first firm 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 is the second firm well.
- The third firm 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

At 30 April 2021, net receivables (after provision for bad and doubtful debts) in Egypt were $167 million, of which $97 million were classified as overdue. Since December 2020, the month in which Energean closed its acquisition of Edison E&P, Energean has collected $122 million of revenues.

Italy

Production continues to outperform in Italy. Across Energean's operated oil portfolio, Vega, in which Energean increased its working interest to 100% in January following the nil-cost acquisition from ENI, continues to outperform; and a temporary shut-down of Sarago Mare has been postponed until 2022.Operated oil production is expected to benefit from the re-start of the Tresauro field in 3Q 2021, which has been offline since July 2020.

Greece

Funding
In March 2021, the European Commission approved Greek state support for a funding package for Energean's Prinos area development plan, including the Epsilon tie-back development, further development of Prinos and additional investment in Prinos infrastructure. The funding package is expected to include:

- €90.5 million 8-year, senior secured credit, arranged with commercial lenders and 90% backed by the Greek government. The facility is expected to have an extended grace period before commencement of amortisation; and
- €9.5 million 8-year subordinated loan with bullet repayment, directly from the Greek state.

An amendment that incorporates the European Commission approval was submitted for approval by the Greek Parliament and was ratified on 21 May 2022.

The full funding package is expected to be in place in 3Q 2021 with commencement of investment expected shortly thereafter.

Prinos Area Development Plan
Energean has taken FID on the revised Epsilon shallow-water tie-back development, subject to finalisation on the funding package discussed above.

Epsilon Phase 1 development capex is expected to be approximately $70 million, including construction of the Lamda platform and completion of the three pre-drilled production wells. Production is expected to commence approximately 15 months following the start of reinvestment.

The wider Prinos area development plan is expected to increase production levels to more than 10 kboepd on plateau, generating field-wide IRRs in excess of 30%. Key activities include:

- Phase 1: Epsilon development
- Phase 2: Six workovers on existing wells
- Phase 3: Nine further wells at the Epsilon Lamda platform
- Phase 4: Prinos North B and Lydia horizontal wells and Prinos Main infill drilling.

CCUS
Extending the life of the Prinos production area is key to Energean's longer-term ambitions of leveraging its subsurface knowledge and expertise in developing a CCUS and eco-hydrogen project, for which economic and technical feasibility studies are underway.

Financial

The table below presents Energean's key results to 31 March 2021.

On 29 April 2021, Energean Israel Finance Limited satisfied the escrow release conditions in respect of its $2.5 billion aggregate principal amount of senior secured notes offering completed on 24 March 2021. On the same date, the proceeds were released from escrow and were part used to refinance the $1.45 billion project finance facility and $700 million term loan.

		Three months to 31 March 2021
Revenues	$ million	94.9
Cost of production (excluding flux)	$ million	59.2 / (52.6)

Cost of production (excluding flux)	$ / boe	14.9 / (13.3)
G&A	$ million	10.2
EBITDAX	$ million	32.9
Capital expenditure	$ million	91.2
Exploration expenditure	$ million	16.0
Decommissioning expenditure	$ million	1.1
Net debt - consolidated	$ million	1,630.2
Net debt – plc excluding Israel	$ million	438.0
Net debt – Israel	$ million	1,192.2

Forward looking statements

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

About Energean plc

Established in 2007, Energean is a London Premium Listed FTSE 250 and Tel Aviv 35 Listed E&P company with operations in nine countries across the Mediterranean and UK North Sea. Since IPO, 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 expects to deliver first gas in mid-2022. Energean Israel Limited has signed 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.

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