

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

Trading Statement & Operational Update

London, 3 November 2021 - Energean plc (LSE: ENOG TASE: אנאג) is pleased to provide an update on recent operations and the Group's trading performance in the 9-months to 30 September 2021.

Mathios Rigas, Chief Executive of Energean, commented:

"In the third quarter of 2021, Energean continued to deliver excellent operational and financial results. Production was above expectations and combined with the quarter's high commodity prices has yielded strong financial results. We are on track to deliver record full year numbers, with annual revenues expected to be in excess of \$450 million and EBITDAX in excess of \$190 million.

"Our flagship project Karish remains on track to deliver first gas in mid-2022 and we will spud the first well of our new Israel growth campaign in 1Q 2022. Good progress is also being made across our key development projects in Egypt, Italy and Greece. We remain on target to grow production to over 200 kboed and achieve our medium-term revenue and EBITDAX targets of \$2 billion and \$1.4 billion, respectively.

"This will position Energean to deliver an industry-leading, sustainable and meaningful dividend.

"On the ESG-front, we are on track to reduce CO2 emissions intensity by approximately 20% year-on-year and are advancing our plans to accelerate our 2050 net zero target. The pre-FEED at our "Green Prinos" Carbon Capture and Storage project is progressing well and we are also investigating the feasibility of tying back a small scale eco-hydrogen project."

Highlights

- Average working interest production for the period was 42.6 kboed (72% gas), ahead of full year guidance
 - Production continued to exceed expectations across all countries of operation
 - Planned summer maintenance was successfully undertaken
- Strong performance has led to an increase in the lower end of the range with guidance now 40 – 42 kboed (from 38 – 42 kboed)
- Revenues for the period were \$350 million and EBITDAX was \$141 million
 - Energean is on track to deliver record full-year consolidated results with revenues in excess of \$450 million and EBITDAX of more than \$190 million
- At 30 September 2021, Energean had gross cash resources of \$895 million¹ and remains fully-funded for all of its key development projects, which remain on track and on budget
- The Karish development remains on budget and is on track to deliver first gas in mid-2022
 - On 30 September 2021, the project was 91.8% complete²
 - The FPSO, which is the critical path item in delivery of first gas, was 97.3% complete as of this date
- New gas supply agreement ("**GSA**") signed with A2A in Italy

¹ Including restricted amounts of \$200 million

² As measured by project milestones under the TechnipFMC EPCIC

		9-Months to 30 September 2021
Revenues	\$ million	349.0
Cost of production (excluding flux)	\$ million	172.5
Cost of production (excluding flux)	\$/boe	14.8
G&A	\$ million	25.0
EBITDAX	\$ million	141.3
Operating Cash Flow	\$ million	82.9
Capital Expenditure	\$ million	262.0
Exploration Expenditure	\$ million	41.1
Decommissioning Expenditure	\$ million	3.0
Cash (including restricted amounts)	\$ million	895.4
Net debt – consolidated	\$ million	1,948.1
Net debt – plc excluding Israel	\$ million	79.3
Net debt – Israel (Israel debt is non-recourse)	\$ million	1,868.8

Outlook

- Full year production guidance range narrowed to 40 – 42 kboed (from 38 – 40 kboed)
 - Looking ahead, Energean has taken advantage of current strong European gas prices, hedging 17% of expected 2022 Italian gas production at approximately \$14/mcf
- Improved net debt / EBITDAX medium term guidance, now expected to be <1.5x (versus <2.0x previously)
- Sailaway of the Energean Power FPSO from Singapore to Israel in 1Q 2022 with first gas from Karish expected mid-2022
- Commencement of the high-impact growth drilling campaign in 1Q 2022, starting with Athena
 - First drilling results anticipated during 2Q 2022, marking a catalyst-rich start to 2022
- Continued progress on key gas development projects in Egypt (NEA / NI) and Italy (Cassiopea)
- Finalisation of funding for the Epsilon project in Greece and commencement of the development programme, expected 4Q 2021
- Continued progress towards net zero target, and detailing of plans to accelerate ahead of 2050
- Acceleration of the Green Prinos suite of projects
 - Pre-Front-End Engineering Design (“**pre-FEED**”) on the carbon capture and storage (“**CCS**”) project underway and expected to complete by end 1Q 2022

Enquiries

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Energean Operational & Financial Review

Production

In the 9-months to 30 September 2021, average working interest production was 42.6 kboed (72% gas), ahead of full year guidance, which is revised to 40 – 42 kboed.

	9-Months to September 2021 Kboed	FY 2021 guidance Kboed
Egypt	30.3	28.5 – 30
Italy	10.0	9.5 – 10
Greece	1.5	1.5
UK	0.7	0.5
Croatia	0.2	0.1
Total production	42.6	40 – 42

Israel

Karish Project Progress

Energean remains on track to deliver first gas from the Karish gas development project in mid-2022. At 30 September 2021, the project was approximately 91.8% complete³.

The FPSO is expected to leave the yard in Singapore for Israel in 1Q 2022. This journey will take around 35 days. Hook-up and pre-first gas commissioning will then take approximately three months.

	% Completion at 30 September 2021 ⁴
Production Wells	100.0
FPSO	97.3
Subsea	83.3
Onshore	99.7
Total	91.8

On 2 November 2021, further to its initiation of arbitration proceedings in August 2021, Dalia served a notice upon Energean purporting to terminate the GSPA (the “Notice of Termination”), which represents 0.8 Bcm/yr of contracted gas sales. The notice does not specify what date, on Dalia’s view, the purported termination takes effect. Alongside the Notice of Termination, Dalia sent a separate letter informing Energean that if the Notice of Termination is determined by the arbitral tribunal to be invalid or wrongly issued, the contract will not have been terminated and Dalia will perform its obligations. Energean wholly rejects the validity of the Notice of

³ As measured by project milestones under the TechnipFMC EPCIC

⁴ As measured by project milestones under the TechnipFMC EPCIC

Termination. It believes that it was served in breach of Dalia's obligations under the contract. Energean will vigorously pursue all rights at its disposal.

Energean has identified multiple incremental buyers, both domestic and international, for its gas reserves and prospective resources and is confident of selling all volumes profitably.

Drilling Campaign

Energean's preparatory work ahead of the 2022 drilling campaign is progressing in line with expectations. The first well, Athena on Block 12, is expected to be spudded in 1Q 2022 using Stena Drilling's IceMax rig. Export commercialisation routes are being matured to access international gas prices if (and when) additional volumes become available.

Egypt

In the 9-months to 30 September 2021, working interest production from the Abu Qir area averaged 30.3 kboed (87% gas), with full year production guidance increased to between 28.5 – 30 kboed (from 28 – 30 kboed).

NEA/NI is progressing on budget and on schedule, being 22.1% complete as of 30 September 2021. First gas from one well is anticipated in 2H 2022, with the remaining three wells expected online in 1Q 2023.

At 30 September 2021, net receivables (after provision for bad and doubtful debts) in Egypt were \$145.3 million, of which \$114 million was classified as overdue. Cash collection from EGPC during 9-months of 2021 was \$120 million.

Italy

In the 9-months to 30 September 2021, working interest production from Italy averaged 10.0 kboed (42% gas), with full year production guidance increased to between 9.5 – 10 kboed (from 9 – 10 kboed).

In September 2021, ENI began construction of the gas treatment plant for the Cassiopea project (Energean = 40% non-operated interest). First gas from Cassiopea remains on track for 1H 2024 and at peak production will provide more than 30% of the region's gas consumption. In line with Energean's sustainability strategy, the project will, according to ENI, have close to zero emissions and the installation of 1 MWp of photovoltaic solar panels will allow the project to achieve carbon neutrality.

In October 2021, Energean (49%), alongside operator ENI, spudded a sidetrack from an existing development well from the Calipso platform. Calipso is a gas field located in the northern Adriatic Sea and the well is being drilled by the Key Manhattan jack-up rig.

New gas supply agreement ("GSA") signed with A2A

On 5 August 2021, Energean Italy and A2A S.p.A. entered into a new GSA for the delivery of gas commencing 1 April 2022 (being the effective date of termination of Energean Italy's current GSA with Edison SpA), until 30 September 2023. Under the agreement, Energean will sell its full entitlement production to A2A, which agrees to purchase, take and pay for the quantities. For each of Energean's concessions, gas will be delivered at the relevant entry point to the Italian gas network. The realised price will be the day ahead, PSV (Italian hub) price net of entry costs to the Italian gas network, and has no penalties or liquidated damages (e.g. shortfall) in case of over and under deliveries.

Hedging

Energean has taken advantage of current strong market pricing and hedged its 2022 Italian gas production, entering into the following swap contracts, hedging a total of 17% of expected 2022 Italian gas production:

1. 9% (240 MWH) of 2022 Italian gas production hedged at an average price of €51.15/MWH (approximately \$14.43/mcf)
2. 8% (180 MWH) of 2022 Italian gas production hedged at an average price of €50.05/MWH (approximately \$14.30/mcf)

Greece

In the 9-months to 30 September 2021, working interest production from the Prinos area averaged 1.5 kboed (100% oil), in line with full year production guidance at 1.5 kboed.

Energean expects the EUR100 million funding package for the Epsilon development to be finalised in 4Q 2021. First gas is expected in 1H 2023.

Pre-FEED for the Prinos CCS project is underway and progressing well.

United Kingdom

During the first nine months of 2021, production in the UK North Sea was 0.7 kboed (11% gas), ahead of full year guidance of 0.5 kboed.

Croatia

In the 9-months to 30 September 2021, working interest production from the Izabela field (Energean 70%) averaged 0.2 kboed (100% gas).

Energean is currently in FEED for the development of the Irena gas field. If progressed, first gas is anticipated for Q4 2024, generating net working interest production of 3.5 kboed at peak.

ESG

In September 2021, Energean improved its Sustainalytics ESG risk rating by 5.8 points, positioning it 22 out of 256 in the oil and gas producers' industry group, and 11 out of 149 in the E&P industry group. Sustainalytics, a Morningstar company, provides ESG ratings for listed companies across the world.

Also in September 2021, Energean was awarded the 'Best ESG Energy Growth Strategy – Europe 2021' by CFI.

9-month to 30 September 2021 performance and 2021 guidance

	FY 2021	9-Months to September 2021
Consolidated net debt (\$ million)	2,000 – 2,100 ⁵	1,948.1
Cost of Production (Operating Costs plus Royalties)		
- Egypt (\$ million)	55 – 60	41.3
- Italy (\$ million)	130 – 140 (including Flux costs of approximately \$20 million)	103.1 (including Flux costs of approximately \$17 million)
- Greece (\$ million)	25	19.0
- Croatia (\$ million)	0 – 5	1.4
- UK North Sea (\$ million)	25	20.6
Total Cost of Production (\$ million)	235 – 255	185.4
Cash SG&A (\$ million)	30	21.5
Development and production capital expenditure		
- Israel (\$ million)	300 – 350 ⁶	188.6
- Egypt (\$ million)	60 – 65	42.2
- Italy (\$ million)	40 – 45	16.5
- Greece and Croatia (\$ million)	5 – 10	6.4
- UK North Sea (\$ million)	10 – 15	8.4
Total Development & Production Capital Expenditure (\$ million)	415 – 485	262.0
Exploration Expenditure		
- Israel (\$ million)	10 – 15	4.5
- Egypt (\$ million)	0 – 5	1.0
- Italy, Greece and Croatia (\$ million)	5 – 10	4.7
- UK North Sea (\$ million)	40 – 45	30.9
Total Exploration Expenditure (\$ million)	55 – 75	41.1
Decommissioning		
- UK North Sea	0.0	0.0
- Italy	5.0	3.0
Decommissioning expenditure (\$ million)	5.0	3.0

⁵ Actual net debt, exclusive of amortisation

⁶ Including amounts that will be capitalized in 2021 capital expenditure, payment for which will be deferred under the EPCIC with TechnipFMC

