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

Trading Statement & Operational Update

London, 18 January 2024 - Energean plc (LSE: ENOG TASE: אנאג) is pleased to provide an update on recent operations and the Group's trading performance in the 12-months to 31 December 2023 together with guidance for 2024. This information is unaudited and subject to further review. Energean will release its 2023 full year results on 21 March 2024.

Mathios Rigas, Chief Executive Officer of Energean, commented:
"2023 was the year we became the major independent gas producer in the Mediterranean. Despite the challenging regional geopolitical developments, we stabilised the production of the Energean Power FPSO, which operated at 99%[1] uptime during Q4 2023, and we produced at a maximum rate of 150 kboed from our 1 billion+ boe pan-Mediterranean portfolio, with full year production in line with our latest guidance.

"Energean has always focused on stable, long-term value creation and delivery for all our stakeholders. We are making good progress on the path to our near-term targets of 200 kboed, $1.75 billion adjusted EBITDAX and leverage of c.1.5x. Our strong operational and financial performance underpins our stated dividend policy.

"2024 shows significant potential; we are well advanced with our core strategic projects across Israel, Egypt, Italy and Greece, and have extended our footprint with a new gas development in Morocco. As we continue to optimise our portfolio, we look forward to enhancing our position as the leading independent gas-focused exploration, development and production company in the region."

"I want to thank all our staff for their dedication and commitment to Energean; it is their excellence, during a uniquely challenging time, that has driven our success."

Operational Highlights
- FY 2023 production of 123 kboed (83% gas) in line with latest full year guidance of 120-130 kboed.
  - Day-to-day production in Israel continues to be unimpacted by the ongoing geopolitical developments.
  - FPSO uptime (excluding planned shutdowns) was 99%[1] in Q4 2023.
- NEA/NI (Egypt) project completed on time and on budget, with the PY#1 and NI#1 wells brought online at the end of December 2023; production in line with expectations.
- New areas of development underway to expand and diversify the current business base:
  - Phase 1 of the Katlan (Israel) Field Development Plan approved by the Israeli Government[2]; Final Investment Decision ("FID") expected upon finalisation of the Engineering, Procurement and Construction ("EPC") terms, which are currently under negotiation.
  - New potential areas of growth in Italy following the conclusion of the PITESAI review, which has opened up previously frozen concessions in the Upper Adriatic and Sicilian Channel.
  - Discussions initiated to merge the Abu Qir, NEA and NI (Egypt) concessions to streamline the fiscal terms and extend the economic life of the fields.
  - Morocco farm-in expected to complete in the coming months; appraisal well planned for 2024.
  - Prinos Carbon Storage project progressing well and now included within the European Commission's Projects of Common Interest.

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[1] Uptime is defined as the number of hours that the Energean Power FPSO was operating; the Q4 2023 figure excludes the scheduled 6-day shutdown that occurred in December.
[2] Energean intends to develop the Katlan/Tanin area in a phased development. Phase 1 includes the Athena, Zeus, Hera and Apollo accumulations, for which the FDP has received government approval.

Corporate and Financial Highlights

- Strong financial performance for the 12 months to 31 December 2023, following the first full year of production contribution from Karish (Israel).
  - Revenues of $1,419.4 million, a 93% increase (FY 2022: $737.1 million).
  - Cost of Production per barrel (excluding royalties) of $6.5 , a 59% decrease (FY 2022: $15.9/boe).
  - Adjusted EBITDAX of $925 million, a 119% increase (FY 2022: $421.6 million).
- Strong balance sheet maintained; ongoing deleveraging:
  - 50% reduction in Group leverage to 3x (FY 2022: 6x).
  - Group cash as of 31 December 2023 was $372 million, including restricted amounts of $26 million Total liquidity was $607 million.
  - No immediate debt maturities following Energean Israel's bond refinancing in July 2023.
- Q3 2023 dividend of 30 US$cents/share paid on 29 December 2023; total of 120 US$cents/share ($214million) returned to shareholders in 2023.
- Scope 1 and 2 emissions intensity of approximately 9.4 kgCO2e/boe, a 41% reduction versus the 12 months ended 31 December 2022.

		FY 2023	**FY 2022**	**Increase / (Decrease) %**
Average working interest production	kboed	123	42	200%
Sales and other revenues	$ million	1,419	737	93%
Cash Cost of Production	$ million	478 (of which 185 is royalties)	284 (of which 46 is royalties)	68%
Cash Cost of Production	($/boe)	10.6 (of which 4.1 is royalties)	18.9 (of which 3.0 is royalties)	(44%)
Adjusted EBITDAX[3]	$ million	925	422	119%
Development and production expenditure	$ million	566	729	(22%)
Exploration expenditure	$ million	57	140	(59%)
Decommissioning expenditure	$ million	19	9	110%
		31 December 2023	**31 December 2022**	**Increase / (Decrease) %**
Net Debt (including restricted cash)	$ million	2,849	2,518	13%
Leverage (Net Debt / Adjusted EBITDAX)		3x	6x	(50%)

Outlook

- 2024 working interest production is expected to be between 155 – 175 kboed (weighted towards the second half of 2024), a significant step up towards Energean's near-term targets.
  - This range is primarily driven by Energean's gas demand outlook for 2024 in Israel, which has been influenced by the coal phase-out delays and warmer than average winter temperatures so far.
- Remaining growth projects expected to be brought online in 2024:
  - Karish North first gas in Q1 2024; the second oil train will be installed as soon as the security situation allows.
  - Cassiopea first gas expected in the summer of 2024.
- 2024 development and production capital expenditure expected to be $400-500 million
- Results of the Orion-1x exploration well (Egypt).
- Quarterly dividend payments intended to be declared in line with previously communicated dividend policy.

[3] Adjusted EBITDAX 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, net finance costs and exploration and evaluation expenses.

Conference call

A webcast will be held today at 08:30 GMT / 10:30 Israel Time.

Webcast: https://brrmedia.news/ENOG_JTU24

Dial-In: +44 (0) 33 0551 0200

Dial-in (Israel only): +972 (0) 3 376 1321

Confirmation code: Energean

The presentation slides will be made available on the website shortly at www.energean.com.

Enquiries

For capital markets: ir@energean.com

Kyrah McKenzie, Investor Relations Manager Tel: +44 7921 210 862

For media: pblewer@energean.com

Paddy Blewer, Head of Corporate Communications Tel: +44 7765 250 857

Energean Operational Review

Production

In the 12 months to 31 December 2023, average working production was 123 kboed (83% gas), within the latest guidance range of 120-130 kboed. Q4 2023 production averaged 135 kboed (83% gas).

In Israel, production averaged 485 mmscfd (5 bcm/yr equivalent) in the fourth quarter, primarily as a result of the planned six-day shutdown in early December to enable the hook-up of the Karish North well and second gas export riser. The FPSO uptime during the quarter was 99%[1]. Day-to-day production remains unimpacted as a result of the ongoing geopolitical developments.

Portfolio-wide production in 2024 is expected to be 155-175 kboed. This range is primarily driven by Energean's gas demand outlook for 2024 in Israel, which has been influenced by the coal phase-out delays and warmer than average winter temperatures so far.

Energean is actively seeking additional gas contracts, to continue supporting the domestic demand, expanding to export in the medium-term.

	FY 2023 Kboed	FY 2024 guidance Kboed
Israel	87 (including 4.4 bcm of sales gas)	115-130 (including 5.7-6.4 bcm of sales gas)
Egypt	25 (86% gas)	29-31
Rest of portfolio	11 (34% gas)	11-14
Total production	**123 (83% gas)**	**155-175**

Development

Israel – Karish Growth Projects

Karish North is expected online in Q1 2024 and will utilise the second gas export riser, which has been fully installed, once onstream.

The second oil train will be will be installed as soon as the security situation allows.

Israel – Katlan

Energean intends to develop the Katlan/Tanin area in a phased development. Phase 1 includes the Athena, Zeus, Hera and Apollo accumulations, for which the field development plan was approved by the Israeli Government in December 2023. Energean expects to take FID expected upon finalisation of EPC terms, which are currently under negotiation.

Egypt

The NEA/NI development was completed in December 2023, with the remaining two wells PY#1 and NI#1 brought online on 30 December 2023. Overall production from the fields is currently 72 mmscfd (13 kboed), in line with expectations.

An infill well (NAQPII#2) on the Abu Qir field began drilling in December 2023 and was brought online in January 2024. Energean is evaluating other infill and step-out exploration opportunities around its Abu Qir hub.

Energean is working in partnership with the Egyptian authorities to merge its three production concessions (Abu Qir, NEA and NI) into a single concession. The resultant single concession is expected to streamline the fiscal conditions and extend the economic life of the fields.

At 31 December 2023, net receivables (after provision for bad and doubtful debts) in Egypt were $149 million (30 September 2023: $162 million), of which $101 million (30 September 2023: $119 million) was classified as overdue.

Italy

At Cassiopea (W.I. 40% non-operator), drilling operations began in November 2023. First gas remains on track for the summer of 2024. Also in 2024 on the Cassiopea licence, Energean expects to participate in two near-field drilling targets (Gemini and Centauro) with its partner ENI (operator; 60%).

In December 2023, the Italian government introduced a new framework to unlock previously frozen concessions as part of its PITESAI review. Energean is subsequently focused on progressing certain non-operated concessions in the Upper Adriatic and Sicilian Channel, with the expectation to unlock additional reserves.

Greece

Energean's Prinos Carbon Storage ("CS") project in Greece has been included by the European Commission as a Project of Common Interest. Non-binding memorandum of understandings have been signed for c.5 million tonnes per annum of storage and EUR 150 million of grants have been committed. Energean is advancing the conversion of its exploration licence into a storage permit.

Exploration

Egypt

Drilling operations are ongoing on the Orion-1X exploration well (W.I. 19% subject to final government approvals expected shortly; non-operator) located on the North East Hap'y Concession, offshore Egypt.

Energean Corporate Review

Morocco country entry

As announced on 7 December 2023, Energean agreed to farm-in to Chariot Limited ("Chariot", AIM:CHAR) acreage offshore Morocco, which includes the 18 bcm (gross)[4] Anchois gas development and significant exploration prospectivity. Approval by the Moroccan Authorities is expected in the near-term, with closing of the transaction expected shortly thereafter.

Energean (Operator) and Chariot plan to drill an appraisal well on the Anchois field in 2024.

Kerogen convertible

As announced on 13 December 2023, Energean received a conversion notice in respect of $50 million worth of convertible loan notes from Kerogen Investments No. 38 Limited, resulting in the issuance of 4,422,013 new ordinary shares ("New Ordinary Shares") at a conversion price of GBP 8.3843 per New Ordinary Share. The New Ordinary Shares were admitted for trading on the London and Tel Aviv Stock Exchanges on 20 December 2023.

Dividend

In 2023, Energean returned a total of US$1.20/share to shareholders (approximately $214 million), representing four quarters of dividend payments.

In 2024, Energean intends to continue to pay quarterly dividends to its shareholders in line with its previously communicated dividend policy.

Net Zero progress

Energean's scope 1 and 2 emissions intensity in the 12 months to 31 December 2023 was estimated to be approximately 9.4 kgCO2e/boe, a 41% reduction versus 31 December 2022 (16.0 kgCO2e/boe), in line with guidance. FY 2024 emissions intensity are expected between 8.5-9.0 kgCO2e/boe.

[4] As per Chariot's latest competent persons report covering the Anchois Field that has certified gross 2C contingent resources of 18 bcm in the discovered gas sands

2024 guidance

	FY 2024
Production	
Israel (kboed)	115-130
Egypt (kboed)	29-31
Rest of portfolio (kboed)	11-14
Total Production (kboed)	**155-175**
Consolidated net debt ($ million)	**2,800-2,900**
Cash Cost of Production (operating costs plus royalties)	
Israel ($ million)	350-380
Egypt ($ million)	30-40
Rest of portfolio ($ million)	190-210
Total Cash Cost of Production ($ million)	**570-630**
Development and production capital expenditure	
Israel ($ million)	150-200
Egypt ($ million)	30-50
Rest of portfolio ($ million)	220-250[5]
Total development & production capital expenditure ($ million)	**400-500**
Exploration and appraisal expenditure ($ million)	**130-170**[6]
Decommissioning expenditure ($ million)	**40-50**

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", "on track", "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.

[5] Includes $20-25 million of expenditure on the Prinos Carbon Storage project in Greece, which is expected to be covered by EU grants

[6] Includes the Anchois appraisal well in Morocco