

# Energean

## Strategic sale of Egypt, Italy and Croatia portfolio

20 June 2024

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**ENERGEAN**  
**ETHOS** Our World, Our Responsibility

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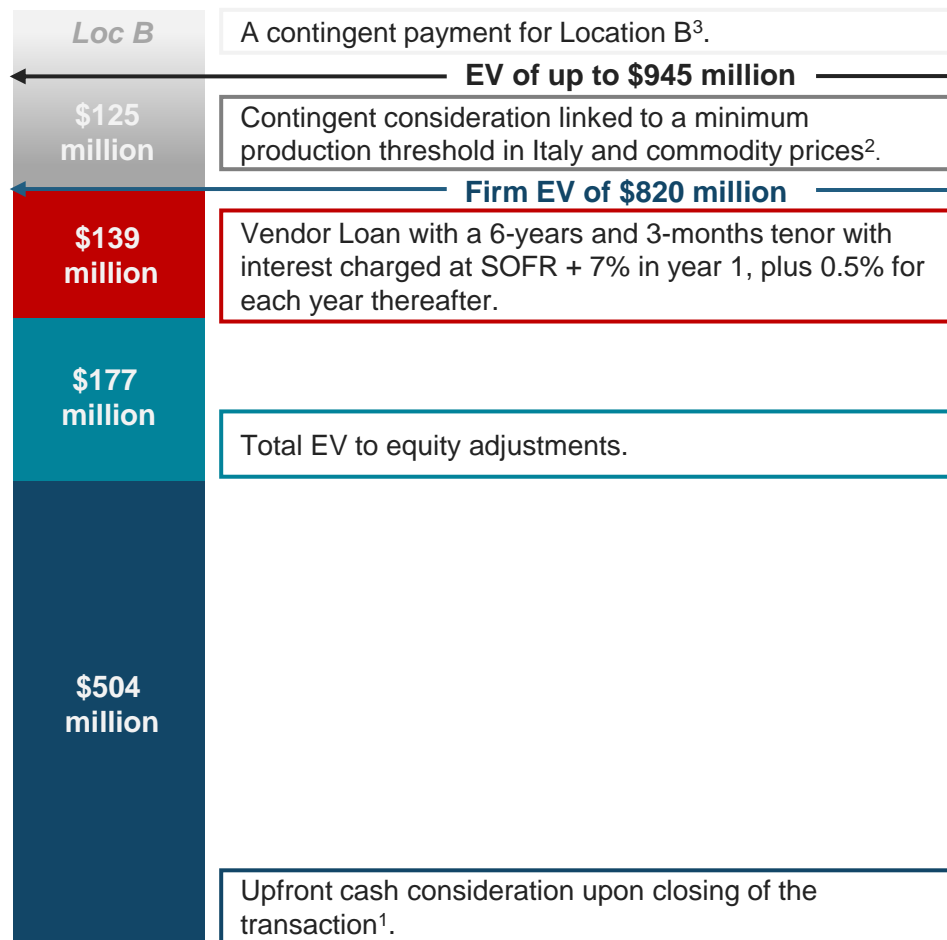
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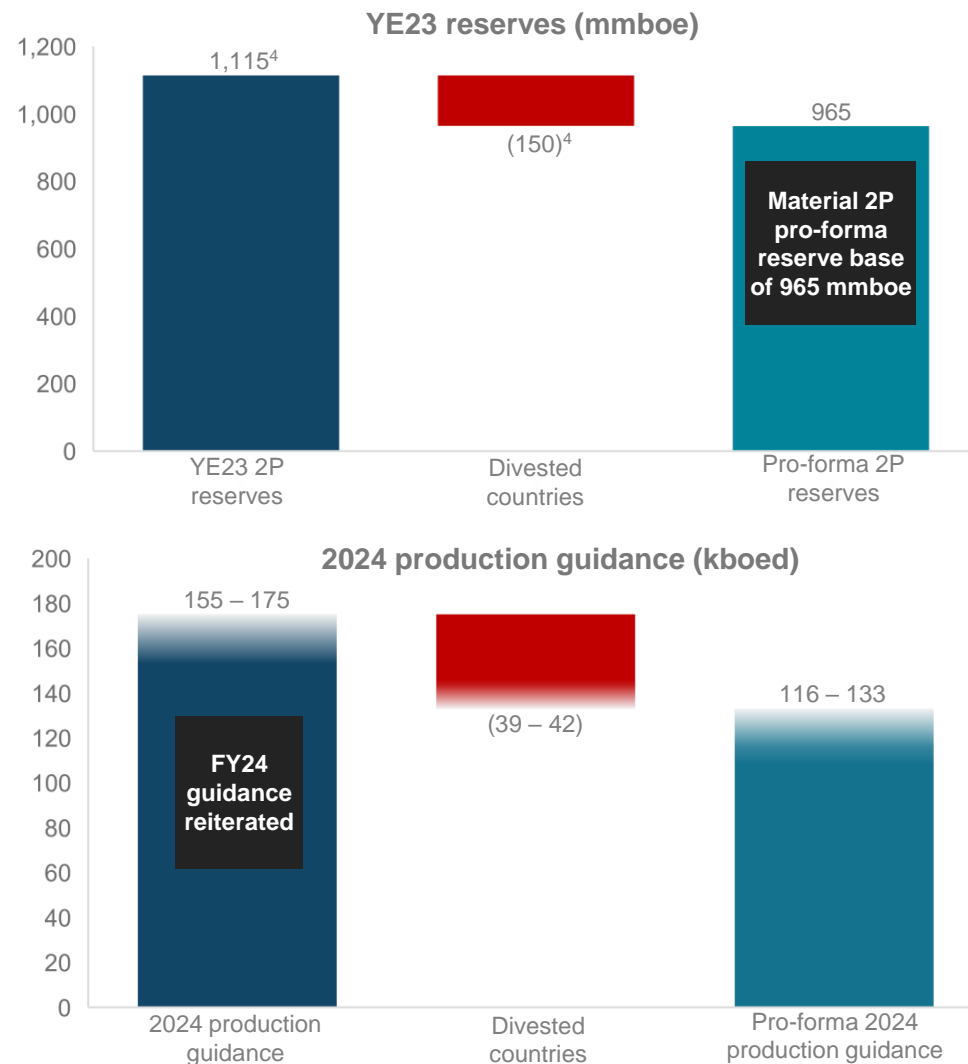
# Enterprise value of up to \$945 million

Energean is selling its Egypt, Italy and Croatia portfolio to Carlyle, expected to close by year-end '24

## Enterprise value



## Retaining a material reserves base and production outlook

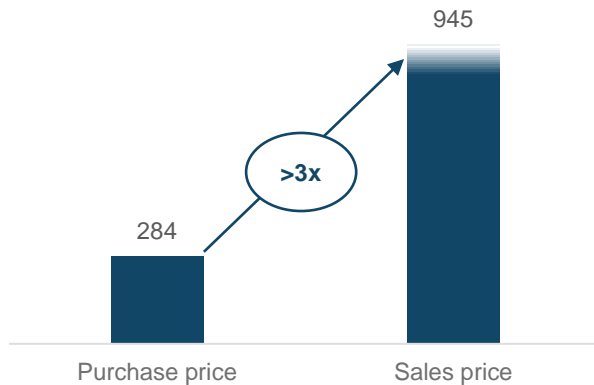


# Compelling transaction metrics

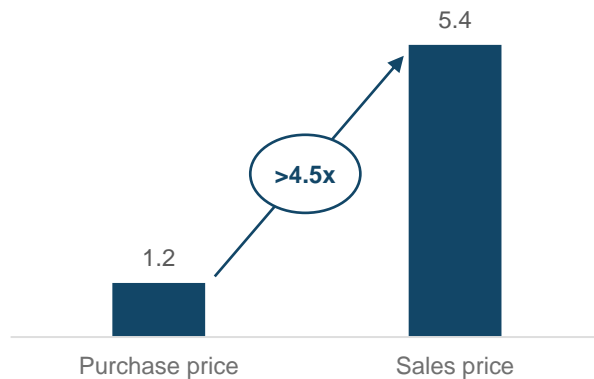
Clear financial rationale leading to an expected reduction of gross debt and special dividend

## Transaction Metrics

Enterprise Value<sup>1</sup> ('EV') (\$ million)



EV/2P multiple<sup>2</sup> (\$/boe)



## Financial Highlights

Immediately  
cashflow accretive

Annual G&A  
savings of at least  
\$7.5 million p.a.

Reduces  
decommissioning  
liability by >60%

## Use of Proceeds

Repayment of the  
\$450 million PLC  
Corporate Bond

Special dividend  
of up to \$200  
million

Redefined  
dividend policy  
upon transaction  
close

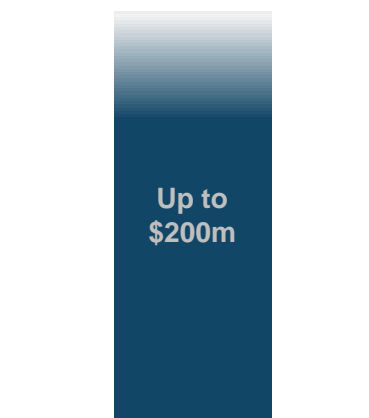
# Sale increases strategic and financial flexibility

Post-sale, Energean's highly disciplined approach to capital allocation will continue

## 1 Enhance returns to shareholders

- The Transaction is expected to be **immediately cash flow accretive**.
- At closing, Energean expects to pay a **special dividend of up to \$200 million** and expects to redefine its **dividend policy**.

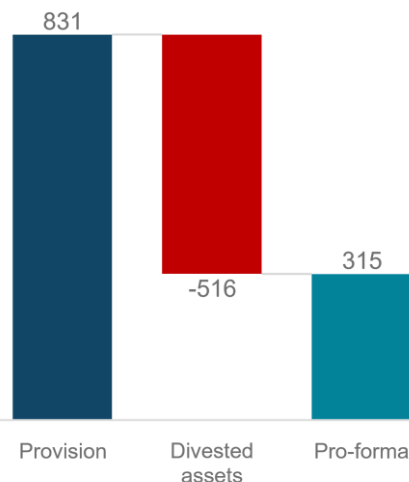
Anticipated special dividend (\$ million)



## 2 Focus on gas, optimise portfolio

- Focus on **gas-weighted assets**.
- Divests later-life assets, **reducing decommissioning costs**.
- Maximise **asset monetisation** through a **develop and operate model**.

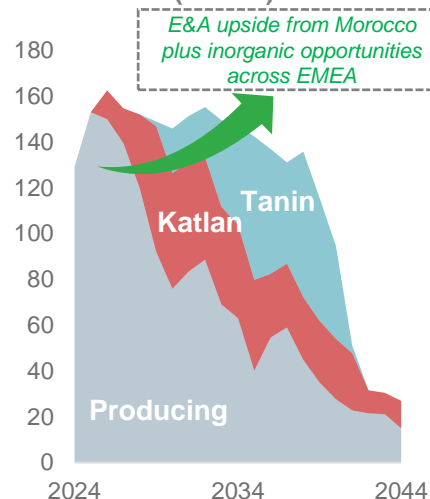
Decommissioning provision (\$ million)<sup>1</sup>



## 3 Grow the business

- Energean will maintain its footprint in the **Mediterranean** and look to the wider **EMEA<sup>2</sup>** region.
- Focus on countries where there is long-term **policy support for gas** and displacing of coal.

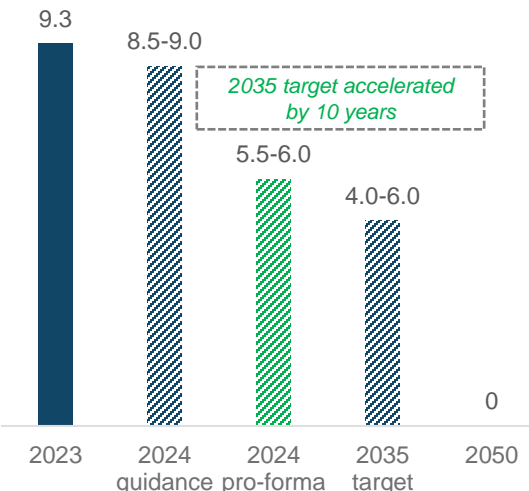
Pro-forma production outlook (kboed)<sup>3</sup>



## 4 Achieve Net Zero commitment

- Reduces 2024 emissions intensity** guidance by around 40%.
- Accelerates** the achievement of the Group's medium-term emissions intensity target by 10 years.
- Focus on creating a Carbon Storage Hub via **EnEarth**.

Emissions intensity (kgCO<sub>2</sub>e/boe)<sup>4</sup>





# Pro-forma business: Israel production is the foundation of Energean, delivering long-term and visible cash flows



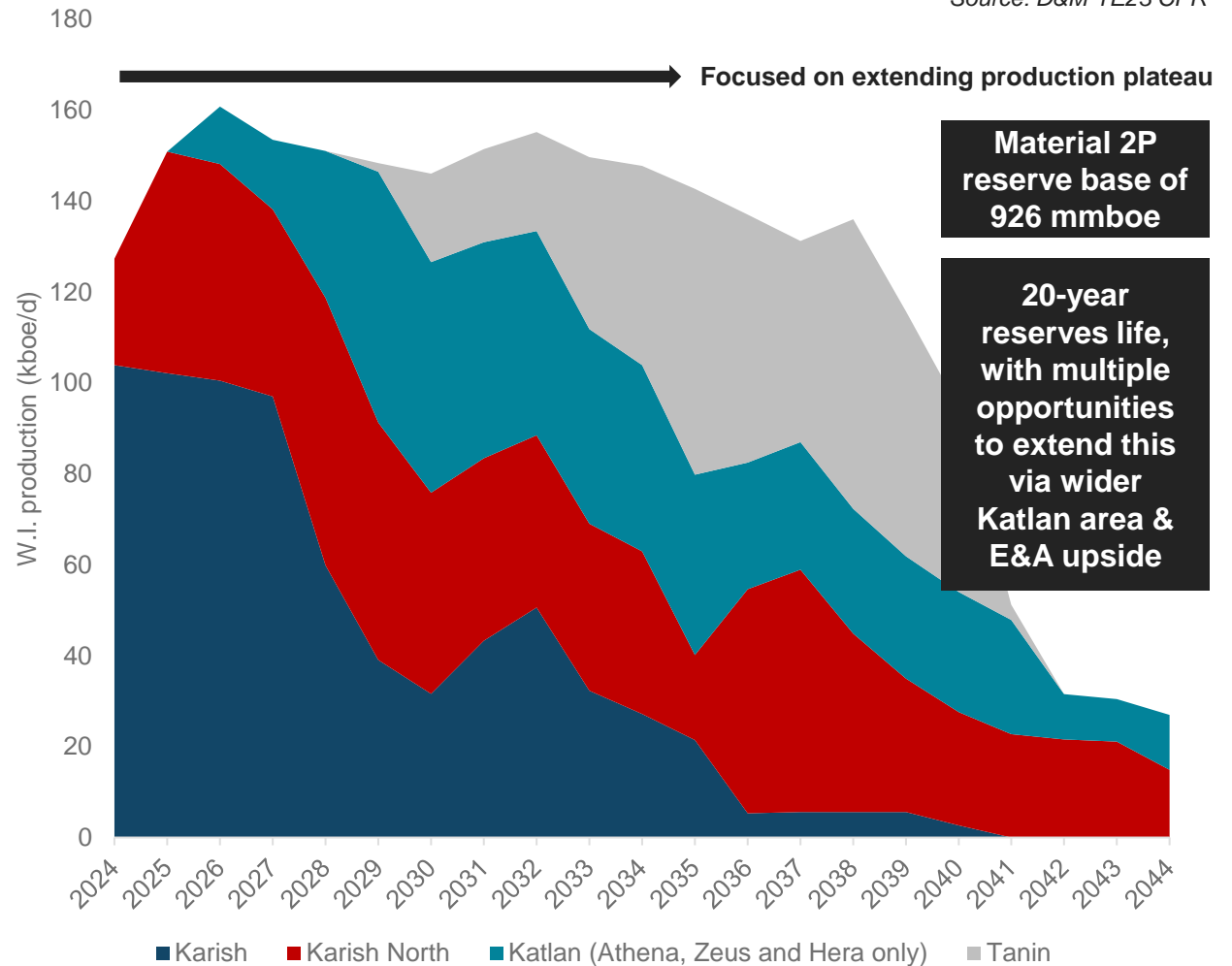
## Israel

- **Flagship** Karish, Karish North, Katlan and Tanin **assets**.
- **Focus is on Katlan** development:
  - Extends **plateau production**;
  - **No export restrictions**.
- Focused on **optimising gas sales** in the shoulder seasons.
- **Liquids cargo** exported every 4-6 weeks.
- **E&A upside** through Arcadia and Hercules areas.



## Israel gas and liquids production outlook

Source: D&M YE23 CPR



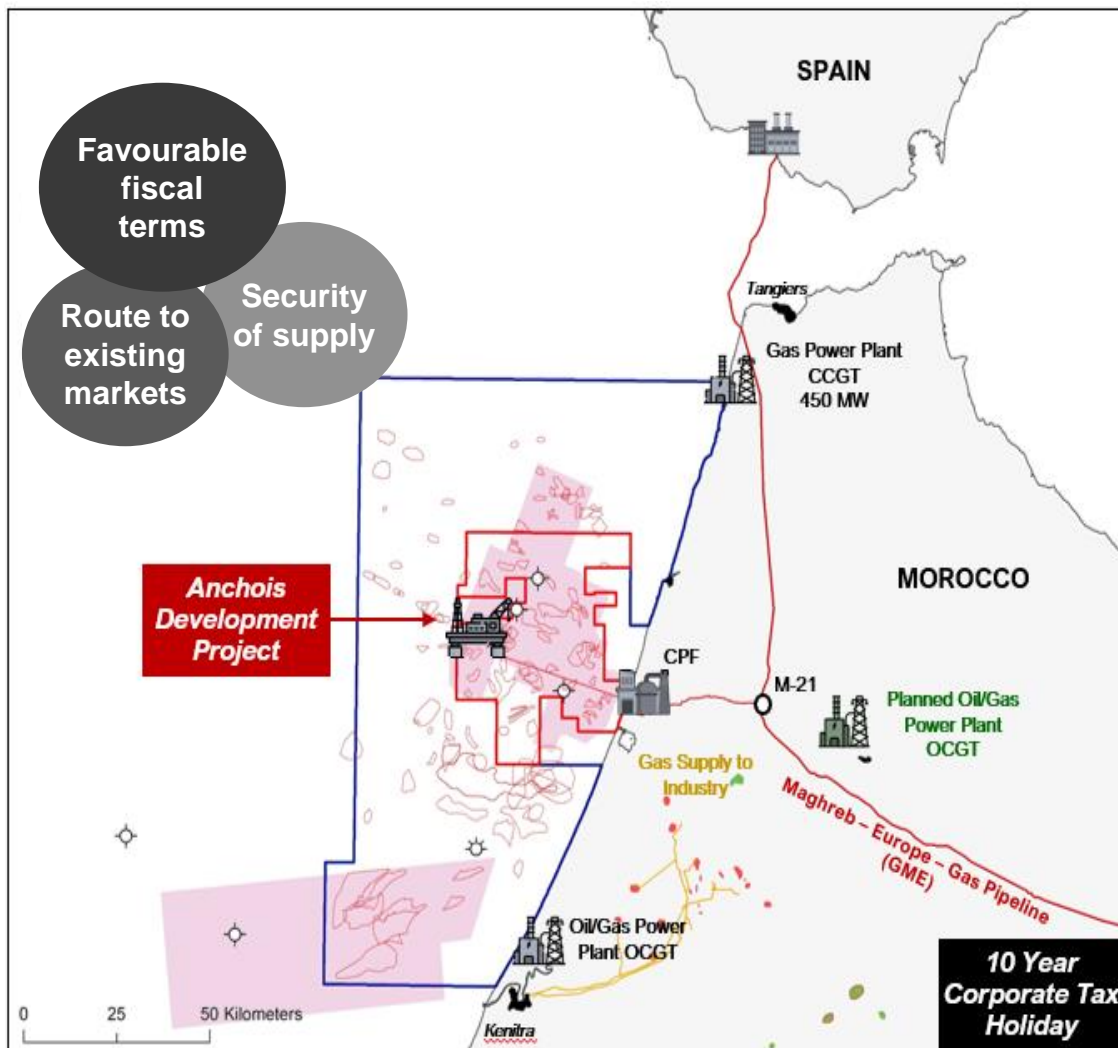
# Pro-forma business: growth targeted through Anchois project

Appraisal well spud planned for August 2024



## Morocco

- **Farm-in** to Chariot's Lixus (45% W.I.) and Rissana (37.5% W.I.) licences **completed in April '24**.
- Country entry **aligned with Energean's strategy**.
- **Anchois appraisal** well spud planned for **August '24**.
- **Rig contract signed with Stena.**





# Pro-forma business: focus is on creating a carbon storage hub in Greece and the wider Med region



- New **EnEarth** subsidiary created to centralise Energean's carbon storage projects.
- Prinos Carbon Storage project to help **decarbonise heavy industries**, in line with commitment during COP28:
  - Expected to reach an injection capacity of up to **3 million tons of CO<sub>2</sub> a year**.
  - **Storage permit application** expected to be submitted by end-June '24.
  - **EUR 150 million of grants** have been committed.
  - Agreement signed with **RepAir** for the use of its **Direct Air Capture** technology for Prinos.



# Inorganic growth targets

Energean will continue to evaluate opportunistic M&A that is aligned with its key business drivers

## Creating value through capital discipline

*Energean has executed five well-timed deals, taking advantage of the opportunities in the market with strict capital discipline.*

Year	Transaction details	Consideration (\$/boe)
2007	Prinos acquisition	0.8 <sup>1</sup>
2016	Karish & Tanin acquisition	0.5 <sup>2</sup>
2020	Edison E&P acquisition	1.2 <sup>3</sup>
2021	30% minority interest in EISL acquisition	1.9 <sup>4</sup>
2023	45% interest in Chariot's offshore Morocco acreage acquisition	0.2 <sup>5</sup>
2024	Strategic sale of Egypt, Italy and Croatia portfolio	5.4 <sup>6</sup>

## Focus on gas

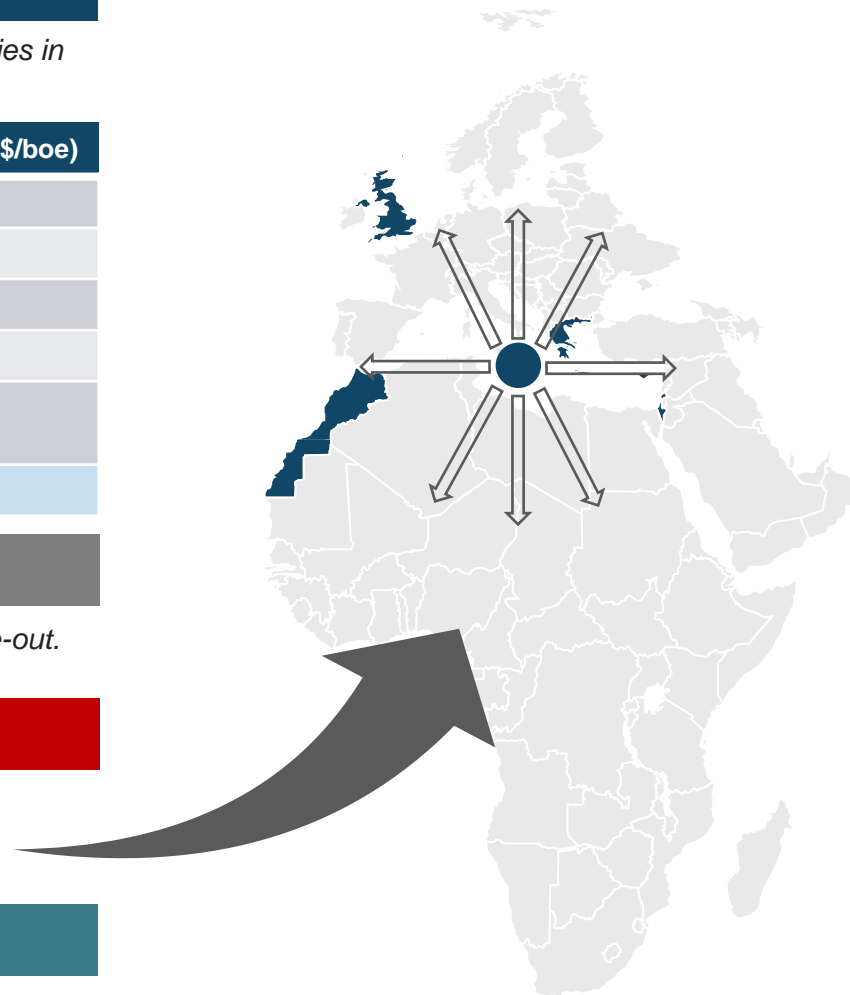
*Prioritising regions where there is long-term policy support for gas and coal phase-out.*

## Evaluate wider EMEA region

*Energean will now evaluate opportunities beyond the Mediterranean in the wider Europe, Middle East and Africa ("EMEA") region.*

## Protect dividend per share

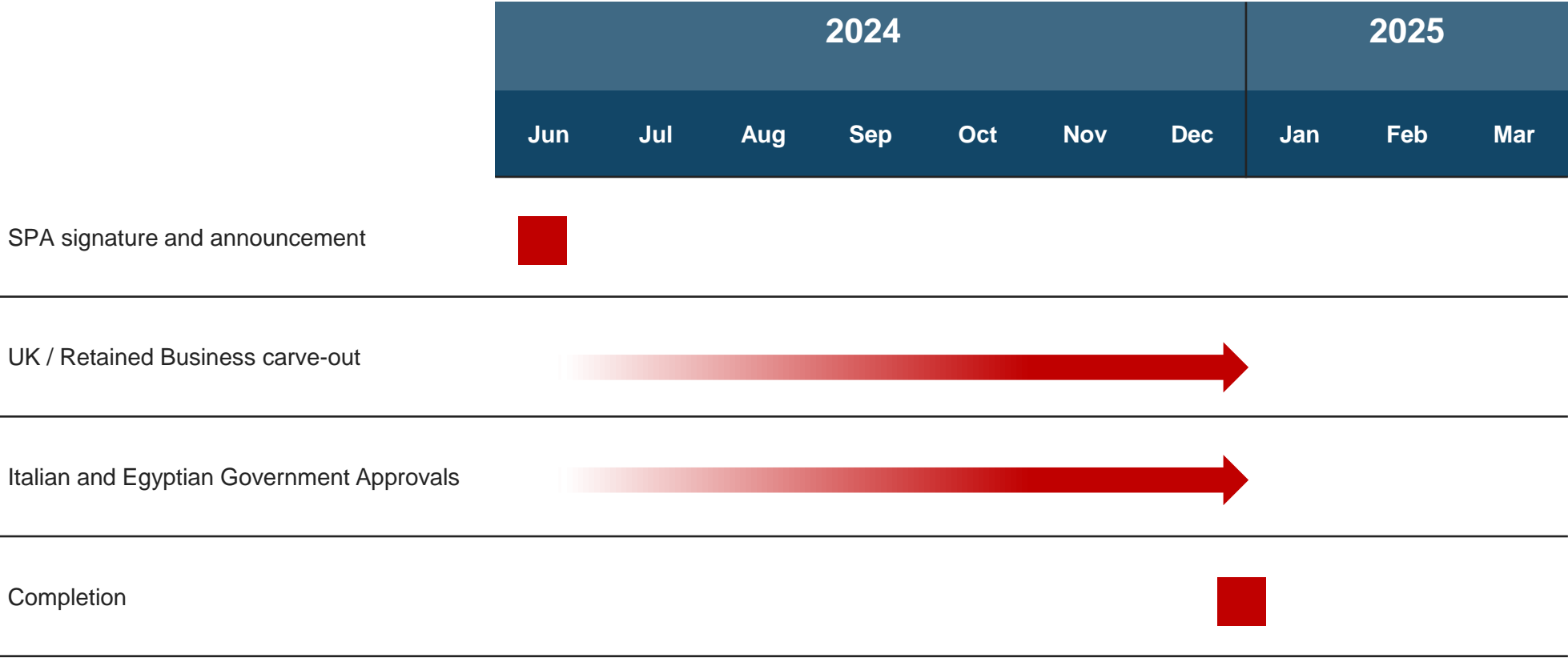
*Any future acquisitions will be opportunistic and focus on protecting shareholder returns.*



# Appendix

# Appendix 1 – Indicative completion timeline

Expected to complete by Q4 2024



## Appendix 2 – up to \$125 million Italy contingent consideration

Capped contingent consideration, inflated at the US CPI index from 1 January 2024 onwards, varying from nil to \$125 million (as inflation adjusted) depending on:

- Working interest Italian oil and gas production over the period 2025-2028 exceeding the below Proved Developed Reserves and Proved Reserves<sup>1</sup> respectively; and

	2025	2026	2027	2028
<b>Oil production (mmbbl)</b>	1.794	1.666	1.55	1.444
<b>Gas production (mmscf)</b>	26,918	24,551	21,574	19,063

- Brent and Italian PSV gas prices over the period 2025-2028 exceeding the below reference price:

	2025	2026	2027	2028
<b>Brent Price (US\$/bbl)</b>	77.33	73.56	70.00	70.00
<b>Italian PSV Price Gas (€ / MWh)</b>	29.87	29.16	25.00	25.00

The contingent payment due is based on 25% of the incremental commodity price multiplied by the actual production and payable on an annual basis in respect of the years 2025-28.

## Appendix 3 – contingent consideration for Location B

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An uncapped contingent payment for the recently drilled Location B well in Egypt.

This payment will be calculated based off (i) the 2P reserves (as determined by an independent auditor at YE24) plus (ii) the actual 2024 production, that are in excess of the below pre-drill estimated volumes:

- a) US\$2.00 per boe for gas in excess of 8,672,924 boe;
- b) US\$5.00 per boe for oil in excess of 0 boe;
- c) US\$4.50 per boe for condensate in excess of 490,055 boe; and
- d) US\$3.75 per boe for LPG in excess of 539,060 boe.

The first \$15 million of any payable amount shall be payable in cash in Q3 2025 and any balance due shall be payable (at Carlyle's option) either in cash or as a corresponding increase in the principal amount of the Vendor Loan.