

ENERGEAN ISRAEL LIMITED

UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

30 JUNE 2024

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AS OF 30 JUNE 2024

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INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

SIX MONTHS ENDED 30 JUNE 2024

	Notes	30 June (Unaudited)	
		2024 \$'000	2023 \$'000
Revenue	3	602,178	347,743
Cost of sales	4	(278,978)	(178,077)
Gross profit		323,200	169,666
Administrative expenses	4	(9,046)	(9,048)
Exploration and evaluation expenses	4	-	(50)
Other expenses	4	(448)	-
Other income	4	444	-
Operating profit		314,150	160,568
Finance income	5	4,485	1,044
Finance costs	5	(93,854)	(67,569)
Net foreign exchange losses	5	(291)	(5,578)
Profit for the period before tax		224,490	88,465
Taxation expense	6	(51,093)	(20,215)
Net profit for the period		173,397	68,250
<u>Other comprehensive loss:</u>			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Loss on cash flow hedge for the period		(406)	-
Income taxes on items that may be reclassified to profit and loss	9	93	-
Other comprehensive loss for the period		(313)	-
Total comprehensive income for the period		173,084	68,250

The accompanying notes are an integral part of the interim consolidated financial statements.

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS OF 30 JUNE 2024

	Notes	30 June 2024 (Unaudited) \$'000	31 December 2023 \$'000
ASSETS:			
NON-CURRENT ASSETS:			
Property, plant and equipment	7	2,734,037	2,797,831
Intangible assets	8	298,607	168,165
Other receivables	10	4,548	5,365
		3,037,192	2,971,361
CURRENT ASSETS:			
Trade and other receivables	10	136,025	130,135
Inventories	11	10,536	7,141
Restricted cash	12(A)	82,538	22,482
Cash and cash equivalents		210,666	286,625
		439,765	446,383
TOTAL ASSETS		3,476,957	3,417,744
EQUITY AND LIABILITIES:			
EQUITY:			
Share capital		1,708	1,708
Share Premium		212,539	212,539
Hedges Reserve		(313)	-
Retained earnings		97,678	74,781
TOTAL EQUITY		311,612	289,028
NON-CURRENT LIABILITIES:			
Senior secured notes	12(A)	2,591,098	2,588,492
Decommissioning provisions		91,237	92,613
Deferred tax liabilities	9	68,060	46,985
Trade and other payables	13	100,411	127,044
		2,850,806	2,855,134
CURRENT LIABILITIES:			
Trade and other payables	13	314,133	273,582
Derivative financial instruments	15	406	-
		314,539	273,582
TOTAL LIABILITIES		3,165,345	3,128,716
TOTAL EQUITY AND LIABILITIES		3,476,957	3,417,744

10 September 2024

Date of approval of the consolidated financial
statementsPanagiotis Benos
DirectorMatthaios Rigas
Director

The accompanying notes are an integral part of the interim consolidated financial statements.

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

SIX MONTHS ENDED 30 JUNE 2024

	Share capital \$'000	Share Premium \$'000	Hedges Reserve \$'000	Accumulated losses \$'000	Total equity \$'000
Balance as of 1 January 2024 (Audited)	1,708	212,539	-	74,781	289,028
<u>Transactions with shareholders:</u>					
Dividend, see note 14	-	-	-	(150,500)	(150,500)
<u>Comprehensive Income:</u>					
Profit for the period	-	-	-	173,397	173,397
Other comprehensive loss, net of tax			(313)	-	(313)
Total comprehensive income	-	-	(313)	173,397	173,084
Balance as of 30 June 2024 (Unaudited)	1,708	212,539	(313)	97,678	311,612
Balance as of 1 January 2023 (Audited)	1,708	212,539	-	(70,528)	143,719
<u>Comprehensive Income:</u>					
Profit for the period	-	-	-	68,250	68,250
Total comprehensive income	-	-	-	68,250	68,250
Balance as of 30 June 2023 (Unaudited)	1,708	212,539	-	(2,278)	211,969

The accompanying notes are an integral part of the interim consolidated financial statements.

INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

SIX MONTHS PERIOD ENDED 30 JUNE 2024

		30 June (Unaudited)	
	Notes	2024	2023
		\$'000	\$'000
Operating activities			
Profit for the period before tax		224,490	88,465
Adjustments to reconcile loss before taxation to net cash provided by:			
Depreciation, depletion and amortisation	4	115,305	74,375
Loss from sale on property, plant and equipment	4	448	-
Compensation to gas buyers, payment made in advance	3	-	4,928
Finance Income	5	(4,485)	(1,044)
Finance expenses	5	93,854	67,569
Net foreign exchange loss	5	291	5,578
Cash flow from operations before working capital		429,903	239,871
Increase in trade and other receivables		(7,882)	(36,564)
Increase in inventories		(3,395)	(5,014)
Increase/(decrease) in trade and other payables		13,971	(25,707)
Cash from operations		432,597	172,586
Income taxes paid		(1,946)	(368)
Net cash inflows from operating activities		430,651	172,218
Investing activities			
Payment for purchase of property, plant and equipment	7(C)	(132,585)	(115,511)
Payment for exploration and evaluation, and other intangible assets	8(B)	(67,481)	(69,227)
Amounts received from INGL related to transfer of property, plant and equipment	7(C)	1,801	56,906
Movement in restricted cash, net	12(A)	(60,056)	63,297
Interest received		5,012	1,841
Net cash outflow used in investing activities		(253,309)	(62,694)
Financing activities			
Transaction costs in relation to senior secured notes issuance		-	(1,214)
Senior secured notes - interest paid	12(A)	(96,326)	(64,453)
Dividends paid	14	(150,500)	-
Other finance cost paid		(714)	(91)
Finance costs paid for deferred license payments	13(2)	(4,000)	(2,496)
Repayment of obligations under leases	13	(2,786)	(570)
Net cash outflow used in financing activities		(254,326)	(68,824)
Net increase (decrease) in cash and cash equivalents		(76,984)	40,700
Cash and cash equivalents at beginning of the period		286,625	24,825
Effect of exchange differences on cash and cash equivalents		1,025	(837)
Cash and cash equivalents at end of period		210,666	64,688

The accompanying notes are an integral part of the interim consolidated financial statements.

NOTE 1: - GENERAL

- a. Energean Israel Limited (the "Company") was incorporated in Cyprus on 22 July 2014 as a private company with limited liability under the Companies Law, Cap. 113. As of 1 January 2024, the Company is tax resident in the UK by virtue of having transferred its management and control from Cyprus to the UK, with its registered address being at Accurist House, 44 Baker Street, London, Q1U 7AL.
- b. The Company and its subsidiaries (the "Group") has been established with the objective of exploration, production and commercialisation of natural gas and hydrocarbon liquids. The Group's main activities are performed in Israel by its Israeli Branch.
- c. As of 30 June 2024, the Company had investments in the following subsidiaries:

Name of subsidiary	Country of incorporation / registered office	Principal activities	Shareholding At 30 June 2024 (%)	Shareholding At 31 December 2023 (%)
Energean Israel Transmission LTD	121, Menachem Begin St. Azrieli Sarona Tower, POB 24, Tel Aviv 67012039 Israel	Gas transportation license holder	100	100
Energean Israel Finance LTD	121, Menachem Begin St. Azrieli Sarona Tower, POB 24, Tel Aviv 67012039 Israel	Financing activities	100	100

- d. The Group's core assets as of 30 June 2024 included the following:

Country	Asset	Field	Working interest	Field phase
Israel	Karish (*)	Karish Main including Karish North	100%	Production
Israel	Tanin (*)	Tanin	100%	Development
Israel	Block 12 (**)	Katlan	100%	Appraisal
Israel	Blocks 21, 23, 31	Hercules and Hermes	100%	Exploration

(*) The concession agreement expires in 2044.

(**) Katlan Final Investment Decision was taken in July 2024, and the concession agreement received the same month expires in 2054. Refer to note 17 for further details.

NOTE 2: - Accounting policies and basis of preparation

The interim financial information included in this report has been prepared in accordance with IAS 34 “Interim Financial Reporting”. The results for the interim period are unaudited and, in the opinion of management, include all adjustments necessary for a fair presentation of the results for the period ended 30 June 2024. All such adjustments are of a normal recurring nature. The unaudited interim consolidated financial statements do not include all the information and disclosures that are required for the annual financial statements and must be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 December 2023.

The financial statements are presented in U.S. Dollars and all values are rounded to the nearest thousand dollars except where otherwise indicated.

The financial information presented herein has been prepared in accordance with the accounting policies expected to be used in preparing the Group’s annual consolidated financial statements for the year ended 31 December 2024 which are the same as those used in preparing the annual consolidated financial statements for the year ended 31 December 2023.

The directors consider it appropriate to adopt the going concern basis of accounting in preparing these interim financial statements. The Going Concern assessment covers the period up to 31 December 2025 ‘the forecast period’.

Israel geopolitical environment – Looking to the second half of 2024, Energean highlights the following developments as important in relation to its principal risks. Since October 7, 2023, and the ongoing conflict in Israel, the magnitude of regional geopolitical risk remains elevated. Growing concerns of escalations in the Middle East have intensified the security risk in the region, as essential infrastructure systems (such as the Energean Power FPSO offshore Israel) may be targets for missile fire and sabotage operations. While the Karish field has continued to produce in line with guidance and with no disruption to its production since the start of the conflict, any event that impacts production from this field could have a material adverse impact on the business, results of operations, cash flows, financial condition and prospects of the Group. In the first half of 2024, Energean has ensured that all measures are in place to continue business operations, maintain the mobility of our people and make certain that the security of information is unaffected.

New and amended accounting standards and interpretations:

The following amendments became effective as at 1 January 2024:

1. Amendments to IAS 1 - Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants;

The adoption of the above amendments to EU-adopted IAS did not result in any material changes to the Group’s accounting policies and did not have any material impact on the financial position or performance of the Group.

NOTE 3: - Revenues

	30 June (Unaudited)	
	2024	2023
	\$'000	\$'000
Revenue from gas sales ⁽¹⁾	388,459	271,399
Revenue from hydrocarbon liquids sales ⁽²⁾	213,719	81,272
Compensation to customers ⁽³⁾	-	(4,928)
Total revenue	602,178	347,743

⁽¹⁾ Sales gas for six months ended 30 June 2024 totaled approximately 2.7 bcm and for six months ended 30 June 2023 totaled approximately 1.8 bcm.

⁽²⁾ Sales from hydrocarbon liquids for six months ended 30 June 2024 totaled approximately 2.67 mmbbl and for six months ended 30 June 2023 totaled approximately 1.16 mmbbl.

⁽³⁾ During 2021 and in accordance with the GSPAs signed with a group of gas buyers, the Company paid compensation to these counterparties following delays to the supply of gas from the Karish project. The compensation is deducted from revenue in 2023, as variable consideration, as the gas is delivered to the gas buyers, in accordance with IFRS 15 Revenue Recognition.

NOTE 4: - Operating profit before taxation

	30 June (Unaudited)	
	2024	2023
	\$'000	\$'000
(a) <u>Cost of sales</u>		
Staff costs	6,702	4,071
Energy cost	1,228	2,285
Royalty payable	106,560	63,474
Depreciation (Note 7)	114,356	73,397
Other operating costs ⁽¹⁾	49,650	38,203
Oil stock movement	482	(3,353)
Total cost of sales	278,978	178,077
(b) <u>Administrative expenses</u>		
Staff costs	2,507	1,715
Share-based payment charge	518	312
Depreciation and amortisation (Note 7, 8)	949	978
Auditor fees	139	106
Other general & administration expenses ⁽²⁾	4,933	5,937
Total administrative expenses	9,046	9,048
(c) <u>Exploration and evaluation expenses</u>		
Other exploration and evaluation expenses	-	50
Total exploration and evaluation expenses	-	50
(d) <u>Other expenses</u>		
Loss from disposal of property, plant and equipment	448	-
Total other expenses	448	-
(e) <u>Other income</u>		
Other income	(444)	-
Total other income	(444)	-

⁽¹⁾ Other operating costs mainly consist of insurance and planned maintenance costs.

⁽²⁾ Other general & administration expenses primarily consist of legal expenses, management service fees and fees for external advisors.

NOTE 5: - Net finance expenses /(income)

	30 June (Unaudited)	
	2024	2023
	\$'000	\$'000
Interest on Senior Secured Notes (Note 12)	84,652	68,333
Interest expense on long terms payables (Note 13(2))	1,248	1,554
Less amounts included in the cost of qualifying assets (Note 7(A))	(4,655)	(7,592)
	81,245	62,295
Costs related to parent company guarantees	1,780	1,302
Other finance costs and bank charges	1,057	234
Unwinding of discount on trade payable (Note 13(3))	7,804	2,060
Unwinding of discount on provision for decommissioning	1,873	1,668
Unwinding of discount on right of use asset	433	98
Unrealised loss on derivatives	7	-
Less amounts included in the cost of qualifying assets (Note 7(A))	(345)	(88)
	12,609	5,274
Total finance costs	93,854	67,569
Interest income from time deposits	(4,485)	(1,044)
Total finance income	(4,485)	(1,044)
Net foreign exchange losses	291	5,578
Net finance costs	89,660	72,103

NOTE 6: - Taxation1. Corporate Tax rates applicable to the Company:Israel:

The Israeli corporate tax rate is 23% in 2024 and 2023.

UK:

With effect from 1st January 2024, the Company has migrated its tax residency from the Republic of Cyprus ("Cyprus") to the United Kingdom ("UK") through the transfer of its management and control to the UK. As of the same date, the Company came into the charge to UK corporation tax for the first time.

Under s.18A CTA 2009 the Company made an election for all current and future overseas branches (including its Israeli branch) to be exempt from UK corporation tax from its first accounting period commencing on 1 January 2024 and all subsequent accounting periods.

2. The Income and Natural Resources Taxation Law, 5771-2011 – Israel- the main provisions of the law are as follows:

In April 2011, the Knesset passed the Income and Natural Resources Tax Law, 5771-2011 ("the Law"), which imposed an oil and gas profits levy at a rate set out below. The rate of the levy is calculated according to a proposed R factor mechanism, according to the ratio between the net accrued revenues from the project and the cumulative investments as defined in the Law. A minimum levy of 20% is levied at the stage where the R factor ratio reaches 1.5, and when the ratio increases, the levy will increase gradually until the maximum rate of 50% until the ratio reaches 2.3. In addition, it was determined that the rate of the levy as stated will be reduced starting in 2017 by multiplying 0.64 by the difference between the corporate tax rate prescribed in section 126 of the Income Tax Ordinance for each tax year and the tax rate of 18%. In accordance with the corporate tax rate from 2018 onwards, the maximum rate will be 46.8%.

In addition, additional provisions were prescribed regarding the levy, inter alia, the levy is recognised as an expense for the purpose of calculating income tax; the limits of the levy shall not include export facilities; the levy will be calculated and imposed for each reservoir separately (Ring Fencing); payment by the owner of an oil right calculated as a percentage

NOTE 6: - Taxation (Cont.)

of the oil produced, the recipient of the payment will be liable to pay a levy according to the amount of the payment received, and this amount will be subtracted from the amount of the levy owed by the holder of the oil right. The Law also sets rules for the unification or separation or consolidation of oil projects for the purposes of the Law. In accordance with the provisions of the Law, the Group is not yet required to pay any payment in respect of the said levy, and therefore no liability has been recognised in the financial statements in respect of this payment.

3. Taxation charge:

	30 June (Unaudited)	
	2024 \$'000	2023 \$'000
Current income tax charge	(29,925)	(156)
Deferred tax relating to origination and reversal of temporary differences (Note 9)	(21,168)	(20,059)
Total taxation expense	(51,093)	(20,215)

NOTE 7: - Property, Plant and Equipmenta. Composition:

	Oil and gas Assets \$'000	Leased assets \$'000	Furniture, fixtures and equipment \$'000	Total \$'000
<u>Cost:</u>				
At 1 January 2023	2,932,789	4,740	1,994	2,939,523
Additions	135,126	12,246	396	147,768
Handover to INGL ⁽¹⁾	(111,448)	-	-	(111,448)
Capitalised borrowing cost	17,658	-	-	17,658
Change in decommissioning provision	4,913	-	-	4,913
Total cost at 31 December 2023	2,979,038	16,986	2,390	2,998,414
Additions	49,655	245	100	50,000
Disposals	(448)	-	-	(448)
Capitalised borrowing cost	5,000	-	-	5,000
Change in decommissioning provision	(3,250)	-	-	(3,250)
Total cost at 30 June 2024	3,029,995	17,231	2,490	3,049,716
<u>Depreciation:</u>				
At 1 January 2023	11,226	1,459	525	13,210
Charge for the year	183,898	2,966	509	187,373
Total Depreciation at 31 December 2023	195,124	4,425	1,034	200,583
Charge for the period	112,484	2,412	200	115,096
Total Depreciation at 30 June 2024	307,608	6,837	1,234	315,679
At 31 December 2023	2,783,914	12,561	1,356	2,797,831
At 30 June 2024	2,722,387	10,394	1,256	2,734,037

The additions to oil & gas assets in 2024 and 2023 are primarily due to development costs for the FPSO, Karish North and 2nd Oil Train.

⁽¹⁾ Handover to INGL took place on 22 March 2023, please refer to Note 10(1).

NOTE 7: - Property, Plant and Equipment (Cont.)

b. Depreciation expense for the year has been recognised as follows:

	30 June (Unaudited)	
	2024 \$'000	2023 \$'000
Cost of sales	114,356	73,397
Administration expenses	740	807
Total	115,096	74,204

c. Cash flow statement reconciliations:

	30 June (Unaudited)	
	2024 \$'000	2023 \$'000
Additions and disposals to property, plant and equipment, net	51,750	21,097
Associated cash flows		
Payments and receipts for additions to property, plant and equipment, net	(130,784)	(58,605)
Non-cash movements/presented in other cash flow lines		
Capitalised borrowing costs	(5,000)	(7,680)
Right-of-use asset additions	(245)	(12,197)
Handover to INGL	-	111,448
Change in decommissioning provision	3,250	(1,433)
Lease payments related to capital activities	2,786	-
Movement in working capital	78,243	(52,630)

d. Details of the Group's rights in petroleum and gas assets are presented in note 1.

NOTE 8: - Intangible Assets**a. Composition:**

	Exploration and evaluation assets \$'000	Software licenses \$'000	Total \$'000
Cost:			
At 1 January 2023	141,869	1,968	143,837
Additions	24,597	362	24,959
At 31 December 2023	166,466	2,330	168,796
Additions	130,651	-	130,651
At 30 June 2024	297,117	2,330	299,447
Amortisation:			
At 1 January 2023	-	283	283
Charge for the year	-	348	348
Total Amortisation at 31 December 2023	-	631	631
Charge for the period	-	209	209
Total Amortisation at 30 June 2024	-	840	840
At 31 December 2023	166,466	1,699	168,165
At 30 June 2024	297,117	1,490	298,607

The additions to exploration and evaluation assets in 2024 and 2023 are mainly related to pre-FID cost for Block 12 "Katlan".

The Final Investment Decision for Katlan was made in July 2024, after the financial statements date, and the concession agreement granted the same month expires in 2054. Refer to note 17 for further details.

b. Cash flow statement reconciliations:

	30 June (Unaudited)	
	2024	2023
	\$'000	\$'000
Additions to intangible assets	130,651	13,306
Associated cash flows		
Payment for additions to intangible assets	(67,481)	(69,227)
Non-cash movements/presented in other cash flow lines		
Movement in working capital	(63,170)	55,921

c. Details on the Group's rights in the intangible assets:

Right	Type of right	Valid date of the right	Group's interest as at 30 June 2024
Block 12	Exploration license	13 January 2025*	100%
Block 21	Exploration license	13 January 2025	100%
Block 23	Exploration license	13 January 2025	100%
Block 31	Exploration license	13 January 2025	100%

*In July 2024, after the financial statement date, following Final Investment decision, a concession which is valid until 2054 received.

NOTE 8: - Intangible Assets (Cont.)

d. Additional information regarding the Exploration and Evaluation assets:

As of 30 June 2024, the Group holds four licences to explore for gas and oil in Block 12, Block 21, Block 23 and Block 31, which are located in the economic waters of the State of Israel. In January 2024 the licences were extended until 13 January 2025, and they may be extended for a further one year.

NOTE 9: - Deferred taxes

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.

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.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

NOTE 9: - Deferred taxes (Cont.)

Below are the items for which deferred taxes were recognised:

	Property, plant and equipment & intangible assets \$'000	Right of use asset IFRS 16 \$'000	Tax losses \$'000	Deferred expenses for tax \$'000	Staff leaving indemnities \$'000	Accrued expenses and other short-term liabilities and other long-term liabilities \$'000	Trade and other payables - Derivative liability \$'000	Total \$'000
At 1 January 2024	(61,050)	(2,888)	8,983	4,082	337	3,551	-	(46,985)
<u>Increase/(decrease) for the year through:</u>								
Profit or loss	(12,305)	531	(8,983)	(129)	(49)	(233)	-	(21,168)
Other comprehensive income	-	-	-	-	-	-	93	93
At 30 June 2024	(73,355)	(2,357)	-	3,953	288	3,318	93	(68,060)
At 1 January 2023	(40,344)	(754)	56,415	6,209	167	1,193	-	22,886
<u>Increase/(decrease) for the year through:</u>								
Profit or loss	(20,706)	(2,134)	(47,432)	(2,127)	170	2,358	-	(69,871)
At 31 December 2023	(61,050)	(2,888)	8,983	4,082	337	3,551	-	(46,985)

	30 June 2024 (Unaudited) \$'000	31 December 2023 \$'000
Deferred tax liabilities	(75,712)	(63,938)
Deferred tax assets	7,652	16,953
	(68,060)	(46,985)

NOTE 10: - Trade and other receivables

	30 June 2024	31 December
	(Unaudited)	2023
	\$'000	\$'000
Current		
Financial items		
Trade receivables	127,051	114,139
Receivables from related parties	449	-
Other receivables ⁽¹⁾	4,895	6,994
Accrued interest income	399	1,015
Refundable VAT	-	1,196
	132,794	123,344
Non-financial items		
Prepayments and prepaid expenses	3,231	6,791
	3,231	6,791
Total current trade and other receivables	136,025	130,135
Non-current		
Non-financial items		
Prepayments and prepaid expenses	4,548	5,365
Total non-current trade and other receivables	4,548	5,365

⁽¹⁾ The balance relates to the agreement with Israel Natural Gas Lines ("INGL") for the transfer of title (the "Hand Over") of the near shore and onshore segments of the infrastructure that delivers gas from the Energean Power FPSO into the Israeli national gas transmission grid. The Hand Over became effective in March 2023 and the final amount of \$5.0 million is expected to be collected in Q4 2024.

NOTE 11: - Inventories

	30 June 2024	31 December
	(Unaudited)	2023
	\$'000	\$'000
Hydrocarbon liquids	1,201	1,685
Natural gas	542	553
Raw materials and supplies	8,793	4,903
Total	10,536	7,141

NOTE 12: - Senior secured notes**a. Senior secured notes:**

On 24 March 2021 (the "Issue Date"), Energean Israel Finance Ltd (a 100% subsidiary of the Company) issued US\$2,500,000,000 of senior secured notes. The proceeds were primarily used to prepay in full the Project Finance Facility.

On 11 July 2023, Energean Israel Finance Ltd. completed the offering of US\$750 million aggregate principal amount of senior secured notes with a fixed annual interest rate of 8.500%. The funds were released from escrow in September 2023 and were used mainly to repay Energean Israel's US\$625 million notes that were due in March 2024.

The Notes were issued in four tranches as follows:

Series	Maturity	Annual fixed Interest rate	30 June 2024	31 December 2023
			(Unaudited) Carrying value \$'000	Carrying value \$'000
US\$ 625 million	30 March 2026	4.875%	621,013	619,932
US\$ 625 million	30 March 2028	5.375%	618,863	618,145
US\$ 625 million	30 March 2031	5.875%	617,218	616,762
US\$ 750 million	30 September 2033	8.500%	734,004	733,653
US\$2,625 million			2,591,098	2,588,492

The interest on each series of the Notes is paid semi-annually, on 30 March and on 30 September of each year.

The Notes are listed on the TACT Institutional of the Tel Aviv Stock Exchange Ltd. (the "TASE").

With regards to the indenture document, signed on 24 March 2021 with HSBC BANK USA, N.A (the "Trustee"), no indenture default or indenture event of default has occurred and is continuing.

Collateral:

The Company has provided/undertakes to provide the following collateral in favor of the Trustee:

- First rank fixed charges over the shares of Energean Israel Limited, Energean Israel Finance Ltd and Energean Israel Transmission Ltd, the Karish & Tanin Leases, the gas sales purchase agreements ("GSPAs"), several bank accounts, operating permits, insurance policies, the Company's exploration licenses and the INGL Agreement.
- Floating charge over all of the present and future assets of Energean Israel Limited and Energean Israel Finance Ltd.
- The Energean Power FPSO.

Restricted cash:

As of 30 June 2024, the Company had short-term restricted cash of US\$82.54 million (31 December 2023: US\$22.48 million), which will be used for the September 2024 interest payment.

Credit rating:

The senior secured notes have been assigned a Ba3 rating by Moody's and a BB- rating by S&P Global.

NOTE 13: - Trade and other payables

	30 June 2024 (Unaudited) \$'000	31 December 2023 \$'000
Current		
Financial items		
Trade accounts payable ⁽¹⁾	170,263	97,350
Payables to related parties	12,584	19,023
VAT payable	1,481	-
Deferred licence payments due within one year ⁽²⁾	-	46,154
Other creditors ⁽⁴⁾	40,128	32,034
Short term lease liabilities	4,859	4,718
	229,315	199,279
Non-financial items		
Accrued expenses ⁽¹⁾	13,450	16,765
Other finance costs accrued	41,133	55,411
Income taxes (Note 6)	29,598	1,585
Social insurance and other taxes	637	542
	84,818	74,303
Total current trade and other payables	314,133	273,582
Non-current		
Financial items		
Trade and other payables ⁽³⁾	93,187	117,796
Long term lease liabilities	6,629	8,880
	99,816	126,676
Non-financial items		
Accrued expenses to related parties	595	368
	595	368
Total non-current trade and other payables	100,411	127,044

⁽¹⁾ Trade payables and accrued expenses relate primarily to operations, development expenditure on the Karish project, with the main contributors being the FPSO, Karish North, the second oil train and Katlan pre-FID works.

⁽²⁾ In December 2016, Energean Israel acquired the Karish and Tanin offshore gas fields for \$40.0 million at closing with an obligation to pay an additional consideration of \$108.5 million, plus interest inflated at an annual rate of 4.6%, in ten equal annual payments. A settlement agreement was signed in November 2023, whereby it was agreed that the final amount owed would be paid in two instalments which took place in H1 2024. As of 30 June 2024, the full amount of the consideration has been paid.

⁽³⁾ The amount represents a long-term amount payable in terms of the EPCIC contract. Following the amendment to the terms of the deferred payment agreement with Technip signed in February 2024, the remaining amount payable under the EPCIC contract has been reduced to \$210 million. The amount is payable in twelve equal quarterly deferred payments starting in March 2024 and therefore has been discounted at 8.668% per annum (being the yield rate of the senior secured loan notes, maturing in 2026, at the date of agreeing the payment terms). As of 30 June 2024, two installments have been paid.

NOTE 13: - Trade and other payables (Cont.)

⁽⁴⁾ The amount mainly comprises of royalties payable to the Israel government and third parties with regards to the Karish Lease, including \$15.1 million (2023: \$12.1 million) of royalties payable to third parties. Contractual royalties are payable to NewMed (previously Delek Drilling) and third-party holders at a total rate of 7.5%, increasing to 8.25% after the date at which the lease in question starts to pay the oil and gas profits levy. The royalty payable to NewMed under the SPA is calculated on the value of the total amount of natural gas and condensate produced at the wellhead without any deduction (except for natural gas and Petroleum (as defined under the Petroleum Law) used in the production process). No contractual royalties under the SPA will be payable on future discoveries that were not part of the original acquisition of the Karish and Tanin leases.

NOTE 14: - EquityInterim dividend

An interim dividend of US\$150.5 million was declared and paid during the 2024 reporting period.

NOTE 15: - Financial Instruments**Fair Values of other financial instruments**

The following financial instruments are measured at amortised cost and are considered to have fair values different to their book values.

	30 June 2024 (Unaudited)		31 December 2023	
	Book Value \$'000	Fair Value \$'000	Book Value \$'000	Fair value \$'000
Senior Secured Notes (Note 12)	2,591,098	2,385,250	2,588,492	2,371,125

The fair value of the Senior Secured Notes is within level 1 of the fair value hierarchy and has been estimated by discounting future cash flows by the relevant market yield curve at the balance sheet date. The fair values of other financial instruments not measured at fair value including cash and short-term deposits, trade receivables and trade and other payables equate approximately to their carrying amounts.

Cash Flow Hedging

In February 2024, the Group entered into a forward transaction to hedge against foreign currency volatility risk associated with its deferred payment to Technip. The hedge relationship was deemed effective at inception, and in accordance with the Group's accounting policy, the transaction was subject to cash flow hedge accounting. Consequently, as of 30 June 2024, the Group recorded a derivative liability of \$0.4 million, an other comprehensive loss of \$0.3 million, and \$0.07 million in finance income related to this transaction during the reporting period.

NOTE 16: - Significant events and transaction during the reporting period

- a) In February 2024, Karish North first gas was achieved and the second gas export riser was completed.
- b) New Gas Sales Purchase Agreements ("GSPAs") in the period:
 - 1) In February 2024, the Company signed a new GSPA with Eshkol Energies Generation LTD, majority owned Dalia Energy Companies Ltd, for the supply of an initial quantity of 0.6 bcm/year starting June 2024, rising to 1 bcm/year from 2032 onwards. The GSPA is for a term of approximately 15 years, for a total contract quantity of up to approximately 12 bcm. The contract contains provisions regarding floor and ceiling pricing, take or pay and price indexation (not Brent-price linked). The GSPA has been signed at levels that are in line with the other large, long-term contracts within Energean's portfolio.
 - 2) Energean has also signed two contracts with two peaker stations for the supply of 0.1 bcm/yr each, commencing in October 2024 and May 2025 respectively, representing around \$400 million in revenues over the life of the contracts.

NOTE 17: - Subsequent events

- a) An interim dividend of US\$126 million was declared and paid in Q3 2024.

b) Katlan Final Investment Decision

In July 2024, the Ministry of Energy and Infrastructure granted the Company a 30-year concession for the Katlan area including a 20-year extension option. Following this, Energean announced in July 2024 that it has taken Final Investment Decision ("FID") for the Katlan development project in Israel. The Katlan area will be developed in a phased approach through a subsea tieback to the existing Energean Power FPSO. First gas is planned for H1 2027. The EPCI (Engineering, Procurement, Construction and Installation) contract for the subsea scope was awarded to TechnipFMC and includes four-well-slot tieback capacity to a single large ~30 kilometer production line, which can be used by future Katlan area phases.