

**ENERGEAN ISRAEL LIMITED**

**UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

**31 MARCH 2025**

**ENERGEAN ISRAEL LIMITED**  
**UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**AS OF 31 MARCH 2025**

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**ENERGEAN ISRAEL LIMITED**
**INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**
**THREE MONTHS ENDED 31 MARCH 2025**

		<b>31 March 2025 (Unaudited) \$'000</b>	<b>31 March 2024 (Unaudited) \$'000</b>
	<b>Notes</b>		
Revenue	3	253,283	266,286
Cost of sales	4	(132,342)	(126,268)
<b>Gross profit</b>		<b>120,941</b>	<b>140,018</b>
Administrative expenses	4	(5,335)	(3,409)
Exploration and evaluation expenses	4	(1,994)	-
Other income	4	9,500	-
<b>Operating profit</b>		<b>123,112</b>	<b>136,609</b>
Finance income	5	1,709	3,056
Finance costs	5	(41,148)	(46,554)
Unrealised gain (loss) on derivatives	5,15	(17)	5
Net foreign exchange gains (losses)	5	(3,283)	125
<b>Profit for the period before tax</b>		<b>80,373</b>	<b>93,241</b>
Taxation expense	6	(18,409)	(13,331)
<b>Net profit for the period</b>		<b>61,964</b>	<b>79,910</b>
<u>Other comprehensive income (loss):</u>			
<b><i>Items that may be reclassified subsequently to profit or loss:</i></b>			
Income (loss) on cash flow hedge for the period	15	17,211	(165)
Income tax on items that may be reclassified to profit and loss	15	(3,959)	38
<b>Other comprehensive income (loss) for the period</b>		<b>13,252</b>	<b>(127)</b>
<b>Total comprehensive income for the period</b>		<b>75,216</b>	<b>79,783</b>

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

**ENERGEAN ISRAEL LIMITED**  
**INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS OF 31 MARCH 2025**

	Notes	31 March 2025 (Unaudited) \$'000	31 December 2024 (Audited) \$'000
<b>ASSETS:</b>			
<b>NON-CURRENT ASSETS:</b>			
Property, plant and equipment	7	2,964,254	2,917,275
Intangible assets	8	94,803	96,103
Derivative financial instruments	15	9,498	-
Other receivables		9,767	9,848
		<b>3,078,322</b>	<b>3,023,226</b>
<b>CURRENT ASSETS:</b>			
Trade and other receivables	10	126,815	121,280
Derivative financial instruments	15	7,367	-
Inventories	11	18,124	16,714
Restricted cash	12(e)	1,554	82,427
Cash and cash equivalents		223,327	157,728
		<b>377,187</b>	<b>378,149</b>
<b>TOTAL ASSETS</b>		<b>3,455,509</b>	<b>3,401,375</b>
<b>EQUITY AND LIABILITIES:</b>			
<b>EQUITY:</b>			
Share capital		1,708	1,708
Share premium		212,539	212,539
Hedges reserve	15	12,986	(266)
Retained earnings		21,863	27,499
<b>TOTAL EQUITY</b>		<b>249,096</b>	<b>241,480</b>
<b>NON-CURRENT LIABILITIES:</b>			
Borrowings	12	2,039,115	2,594,213
Decommissioning provision		88,248	85,357
Deferred tax liabilities	9	75,999	69,046
Trade and other payables	13	56,720	67,044
		<b>2,260,082</b>	<b>2,815,660</b>
<b>CURRENT LIABILITIES:</b>			
Current portion of borrowings	12	622,706	-
Trade and other payables	13	245,045	262,924
Income tax liability	6	78,580	80,966
Derivative financial instruments	15	-	345
		<b>946,331</b>	<b>344,235</b>
<b>TOTAL LIABILITIES</b>		<b>3,206,413</b>	<b>3,159,895</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>3,455,509</b>	<b>3,401,375</b>

21 May 2025

Date of approval of the interim consolidated  
financial statements

Panagiotis Benos  
Director

Matthaios Rigas  
Director

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

**ENERGEAN ISRAEL LIMITED**
**INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**
**THREE MONTHS ENDED 31 MARCH 2025**

	Share capital \$'000	Share Premium \$'000	Hedges Reserve \$'000	Retained earnings \$'000	Total equity \$'000
<b>Balance as of 1 January 2025 (Audited)</b>	<b>1,708</b>	<b>212,539</b>	<b>(266)</b>	<b>27,499</b>	<b>241,480</b>
<b><u>Transactions with shareholders:</u></b>					
Dividend, see note 14	-	-	-	(67,600)	(67,600)
<b><u>Comprehensive Income:</u></b>					
Profit for the period	-	-	-	61,964	61,964
Cashflow hedge, net of tax	-	-	13,252	-	13,252
Total comprehensive income	-	-	13,252	61,964	75,216
<b>Balance as of 31 March 2025 (Unaudited)</b>	<b>1,708</b>	<b>212,539</b>	<b>12,986</b>	<b>21,863</b>	<b>249,096</b>
<b><u>At 1 January 2024 (Audited)</u></b>					
	<b>1,708</b>	<b>212,539</b>	<b>-</b>	<b>74,781</b>	<b>289,028</b>
<b><u>Transactions with shareholders:</u></b>					
Dividend, see note 14	-	-	-	(110,000)	(110,000)
<b><u>Comprehensive Income:</u></b>					
Profit for the period	-	-	-	79,910	79,910
Cashflow hedge, net of tax	-	-	(127)	-	(127)
Total comprehensive income	-	-	(127)	79,910	79,783
<b>Balance as of 31 March 2024 (Unaudited)</b>	<b>1,708</b>	<b>212,539</b>	<b>(127)</b>	<b>44,691</b>	<b>258,811</b>

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

**ENERGEAN ISRAEL LIMITED**
**INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS**
**THREE MONTHS ENDED 31 MARCH 2025**

	Notes	31 March 2025 (Unaudited) \$'000	31 March 2024 (Unaudited) \$'000
<b>Operating activities</b>			
<b>Profit for the period before tax</b>		<b>80,373</b>	<b>93,241</b>
Adjustments to reconcile profit before taxation to net cash provided			
Depreciation, depletion and amortisation	4	57,453	54,787
Impairment of exploration and evaluation asset	4	1,994	-
Finance income	5	(1,709)	(3,056)
Finance expenses	5	41,148	46,554
Unrealised (gain) loss on derivatives	15	17	(5)
Net foreign exchange loss (gain)	5	3,283	(125)
Cash flow from operations before working capital		182,559	191,396
(Increase)/decrease in trade and other receivables		20,351	(20,495)
Increase in inventories		(1,410)	(4,134)
Decrease in trade and other payables		(22,134)	(18,950)
Cash flow from operations		179,366	147,817
Income tax paid		(18,109)	(1,946)
<b>Net cash inflows from operating activities</b>		<b>161,257</b>	<b>145,871</b>
<b>Investing activities</b>			
Payment for purchase of property, plant and equipment (PP&E)	7(C)	(66,902)	(69,160)
Payment for exploration and evaluation, and other intangible assets	8(B)	(646)	(5,724)
Amounts received from INGL related to transfer of PP&E	10(1)	-	1,712
Loan granted to Related Party	10	(28,000)	-
Movement in restricted cash, net	12(e)	80,873	21,191
Interest received		2,622	3,870
<b>Net cash outflow used in investing activities</b>		<b>(12,053)</b>	<b>(48,111)</b>
<b>Financing activities</b>			
Transaction costs in relation to borrowing issuance	12(b)	(5,860)	-
Drawdown of borrowings issuance	12(b)	75,000	-
Borrowings - interest paid	12	(82,482)	(96,326)
Dividends paid	14	(67,600)	(110,000)
Other finance cost paid		(395)	(280)
Finance costs paid for deferred license payments		-	(3,900)
Repayment of obligations under leases	13	(1,511)	(1,381)
<b>Net cash outflow used in financing activities</b>		<b>(82,848)</b>	<b>(211,887)</b>
<b>Net increase/ (decrease) in cash and cash equivalents</b>		<b>66,356</b>	<b>(114,127)</b>
Cash and cash equivalents at beginning of period		157,728	286,625
Effect of exchange differences on cash and cash equivalents		(757)	(283)
<b>Cash and cash equivalents at end of period</b>		<b>223,327</b>	<b>172,215</b>

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

## NOTES TO 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, W1U 7AL.
- b. The Company and its subsidiaries (the "Group") has been established with the objective of exploration, production and commercialisation of natural gas and crude oil. The Group's main activities are performed in Israel by its Israeli Branch.
- c. As of 31 March 2025, the Company had investments in the following subsidiaries:

Name of subsidiary	Country of incorporation / registered office	Principal activities	Shareholding At 31 March 2025 (%)	Shareholding At 31 December 2024 (%)
Energean Israel Transmission LTD	121, Menachem Begin St. Azrieli Saron Tower,	Gas transportation license holder	100	100
Energean Israel Finance LTD	POB 24, Tel Aviv 67012039 Israel	Financing activities	100	100

- d. The Group's core assets as of 31 March 2025 were comprised of:

Country	Asset	Working interest	Field phase
Israel	Karish including Karish North (1)	100%	Production
Israel	Tanin (1)	100%	Development
Israel	Katlan (Block 12) (2)	100%	Development
Israel	Blocks 23, 31 (3)	100%	Exploration

(1) The concession agreement expires in 2044.

(2) The concession agreement expires in 2054.

(3) Refer to Note 8.

## 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 31 March 2025. 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 2024.

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 2025 which are the same as those used in preparing the annual consolidated financial statements for the year ended 31 December 2024.

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 30 June 2026, "the forecast period".

**NOTE 2: - Accounting policies and basis of preparation (Cont.)**

Israel geopolitical environment – Energean highlights the following as important in relation to its principal risks. Since 7 October 2023, and the ongoing conflict in Israel, the magnitude of regional geopolitical risk remains elevated. 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 and Karish North fields have continued to produce with no disruption since the start of the conflict, any event that impacts production from these fields could have a material adverse impact on the business, results of operations, cash flows, financial condition and prospects of the Group. In Q1 2025, Energean has ensured that all measures are in place to continue business operations, maintain the mobility of its people and make certain that the security of information is unaffected.

New and amended accounting standards and interpretations:

The following amendments became effective as of 1 January 2025 and have been applied in the preparation of these consolidated financial statements

- Amendments to IAS 21- Lack of exchangeability.

The adoption of the above standard and interpretations did not lead to any material changes to the Group's accounting policies and did not have any other material impact on the financial position or performance of the Group.

**NOTE 3: - Revenues**

	<b>31 March 2025</b>	<b>31 March 2024</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<b>\$'000</b>	<b>\$'000</b>
Revenue from gas sales <sup>(1)</sup>	178,458	182,245
Revenue from hydrocarbon liquids sales <sup>(2)</sup>	74,825	84,041
<b>Total revenue</b>	<b>253,283</b>	<b>266,286</b>

<sup>(1)</sup> Sales gas for three months ended 31 March 2025 totaled approximately 1.2 bcm (billion cubic metres) and for three months ended 31 March 2024 totaled approximately 1.2 bcm.

<sup>(2)</sup> Sales from hydrocarbon liquids for three months ended 31 March 2025 totaled approximately 1,042 kbbl (kilo barrel) and for three months ended 31 March 2024 totaled approximately 1,069 kbbl.



**NOTE 4: - Operating profit before taxation**

	31 March 2025 (Unaudited) \$'000	31 March 2024 (Unaudited) \$'000
<b>(a) <u>Cost of sales</u></b>		
Staff costs	5,105	4,186
Energy cost	658	420
Royalty payable	44,821	47,122
Depreciation (Note 7)	56,884	54,317
Other operating costs <sup>(1)</sup>	26,085	22,938
Oil stock movement	(1,211)	(2,715)
<b>Total cost of sales</b>	<b>132,342</b>	<b>126,268</b>
<b>(b) <u>Administration expenses</u></b>		
Staff costs	1,710	1,478
Share-based payment charge	279	181
Depreciation and amortisation (Note 7, 8)	569	470
Auditor fees	69	52
Other general & administration expenses <sup>(2)</sup>	2,708	1,228
<b>Total administrative expenses</b>	<b>5,335</b>	<b>3,409</b>
<b>(c) <u>Exploration and evaluation expenses</u></b>		
Impairment of exploration and evaluation asset <sup>(3)</sup>	1,994	-
<b>Total exploration and evaluation expenses</b>	<b>1,994</b>	<b>-</b>
<b>(d) <u>Other income</u></b>		
Other income <sup>(4)</sup>	9,500	-
<b>Total other income</b>	<b>9,500</b>	<b>-</b>

<sup>(1)</sup> Other operating costs comprise of insurance costs and planned maintenance costs.

<sup>(2)</sup> The Administration expenses mainly consist of legal expenses, intercompany management fees and external advisors' fees.

<sup>(3)</sup> The licence for Block 21 expired on 13 January 2025. Capitalized costs associated with Block 21 were written off. (Refer to Note 8)

<sup>(4)</sup> The amount of US\$9.5 million relates to insurance compensation due to remedial work on auxiliary piping systems.

**NOTE 5: - Net finance costs**

	31 March 2025 (Unaudited) \$'000	31 March 2024 (Unaudited) \$'000
Interest expense on borrowing (Note 12)	42,957	42,525
Interest expense on long terms payables	-	1,046
Less amounts included in the cost of qualifying assets (Note 7(A))	(6,628)	(3,686)
	<b>36,329</b>	<b>39,885</b>
Costs related to parent company guarantees	556	932
Other finance costs and bank charges	534	594
Unwinding of discount on trade payable (Note 13(2))	2,731	4,051
Unwinding of discount on provision for decommissioning	1,019	926
Unwinding of discount on right of use asset	167	226
Less amounts included in the cost of qualifying assets (Note 7(A))	(188)	(60)
	<b>4,819</b>	<b>6,669</b>
<b>Total finance costs</b>	<b>41,148</b>	<b>46,554</b>
<b>Unrealised loss (gain) on derivatives</b>	<b>17</b>	<b>(5)</b>
Interest income from related parties	(34)	-
Interest income from time deposits	(1,675)	(3,056)
<b>Total finance income</b>	<b>(1,709)</b>	<b>(3,056)</b>
Net foreign exchange losses (gains)	3,283	(125)
<b>Net finance costs</b>	<b>42,739</b>	<b>43,368</b>

**NOTE 6: - Taxation**1. Corporate Tax rates applicable to the Company:Israel:

The Israeli corporate tax rate is 23% in 2025 and 2024.

United Kingdom:

Starting from 1 January 2024, the company's control and management was transferred from the Republic of Cyprus to the United Kingdom ("UK") and as such the company's tax residency migrated from Cyprus to UK from the first day of the accounting period. The applicable tax rate in the UK is 25%.

Under s.18A of the UK CTA 2009, the Company made an election for the branch of Energean Israel Limited (and any other branches that may open from time to time) to be exempt from UK corporation tax from its first accounting period commencing on 1 January 2024 and all subsequent accounting period.

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"). The imposition of oil and gas profits levy at a rate to be set as set out below. The rate of the levy will be 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% will be 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%.

**NOTE 6: - Taxation (Cont.)**

In addition, additional provisions were prescribed regarding the levy, inter alia: the levy will be 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 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:

	31 March 2025 (Unaudited) \$'000	31 March 2024 (Unaudited) \$'000
Current income tax charge	(15,414)	(246)
Deferred tax relating to origination and reversal of temporary differences (Note 9)	(2,995)	(13,085)
<b>Total taxation expense</b>	<b>(18,409)</b>	<b>(13,331)</b>

**NOTE 7: - Property, Plant and Equipment**a. Composition:

First half	Oil and gas Assets \$'000	Leased assets \$'000	Furniture, fixtures and equipment \$'000	Total \$'000
<b><u>Cost:</u></b>				
<b>At 1 January 2024</b>	<b>2,979,038</b>	<b>16,986</b>	<b>2,390</b>	<b>2,998,414</b>
Additions	172,421	1,363	351	174,135
Transfer from Intangible Assets <sup>(1)</sup>	205,324	-	-	205,324
Disposals	(448)	-	-	(448)
Capitalised borrowing cost	15,348	-	-	15,348
Change in decommissioning provision	(11,207)	-	-	(11,207)
<b>Total cost at 31 December 2024 (Audited)</b>	<b>3,360,476</b>	<b>18,349</b>	<b>2,741</b>	<b>3,381,566</b>
Additions	95,028	149	441	95,618
Capitalised borrowing cost	6,816	-	-	6,816
Change in decommissioning provision	1,872	-	-	1,872
<b>Total cost at 31 March 2025 (Unaudited)</b>	<b>3,464,192</b>	<b>18,498</b>	<b>3,182</b>	<b>3,485,872</b>
<b><u>Depreciation:</u></b>				
At 1 January 2024	195,124	4,425	1,034	200,583
Charge for the year	258,328	4,962	418	263,708
<b>Total depreciation at 31 December 2024 (Audited)</b>	<b>453,452</b>	<b>9,387</b>	<b>1,452</b>	<b>464,291</b>
Charge for the period	55,899	1,305	123	57,327
<b>Total Depreciation at 31 March 2025 (Unaudited)</b>	<b>509,351</b>	<b>10,692</b>	<b>1,575</b>	<b>521,618</b>
<b>At 31 December 2024 (Audited)</b>	<b>2,907,024</b>	<b>8,962</b>	<b>1,289</b>	<b>2,917,275</b>
<b>At 31 March 2025 (Unaudited)</b>	<b>2,954,841</b>	<b>7,806</b>	<b>1,607</b>	<b>2,964,254</b>

The additions to oil & gas assets in Q1 2025 mainly relates to Katlan development.

In February 2024, Karish North first gas was achieved and the second gas export riser was completed.

Second oil train lift safely and successfully performed in Q4 2024; commissioning activities are ongoing and are expected to complete in late Q2 2025, which will result in an increase in liquids' production capacity.

<sup>(1)</sup> The Final Investment Decision ("FID") for Katlan was made in July 2024, and the concession agreement granted in the same month expires in 2054. Refer to note 8 for further details.

Borrowing costs capitalised for qualifying assets during the year are calculated by applying a weighted average interest rate of 1.47% for the period ended 31 March 2025 (for the year ended 31 December 2024: 3.93%).

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

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

	31 March 2025 (Unaudited) \$'000	31 March 2024 (Unaudited) \$'000
Cost of sales	56,884	54,317
Administration expenses	444	365
<b>Total</b>	<b>57,328</b>	<b>54,682</b>

c. Cash flow statement reconciliations:

	31 March 2025 (Unaudited) \$'000	31 March 2024 (Unaudited) \$'000
Additions and disposals to property, plant and equipment	104,306	33,690
<b>Associated cash flows</b>		
Payments for additions to property, plant and equipment	(66,902)	(67,448)
<b>Non-cash movements/presented in other cash flow lines</b>		
Capitalised borrowing costs	(6,816)	(3,746)
Right-of-use asset additions	(149)	(47)
Change in decommissioning provision	(1,872)	7,072
Lease payments related to capital activities	1,511	1,381
Movement in working capital	(30,078)	29,098

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 licences \$'000	Total \$'000
<b>Cost:</b>			
<b>At 1 January 2024</b>	<b>166,466</b>	<b>2,330</b>	<b>168,796</b>
Additions	133,224	536	133,760
Transfer to Property Plant and Equipment (*)	(205,324)	-	(205,324)
<b>31 December 2024 (Audited)</b>	<b>94,366</b>	<b>2,866</b>	<b>97,232</b>
Additions	819	-	819
<b>At 31 March 2025 (Unaudited)</b>	<b>95,185</b>	<b>2,866</b>	<b>98,051</b>
<b>Amortisation:</b>			
At 1 January 2024	-	<b>631</b>	<b>631</b>
Charge for the year	-	498	498
<b>Total Amortisation at 31 December 2024 (Audited)</b>	<b>-</b>	<b>1,129</b>	<b>1,129</b>
Impairment of exploration and evaluation assets (note 8(d))	1,994	-	1,994
Charge for the period	-	125	125
<b>Total Amortisation at 31 March 2025 (Unaudited)</b>	<b>1,994</b>	<b>1,254</b>	<b>3,248</b>
<b>At 31 December 2024 (Audited)</b>	<b>94,366</b>	<b>1,737</b>	<b>96,103</b>
<b>At 31 March 2025 (Unaudited)</b>	<b>93,191</b>	<b>1,612</b>	<b>94,803</b>

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

**(\*) 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 had taken 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 Technip FMC.

b. Cash flow statement reconciliations:

	31 March 2025 (Unaudited) \$'000	31 March 2024 (Unaudited) \$'000
Additions to intangible assets	819	6,237
<b>Associated cash flows</b>		
Payment for additions to intangible assets	(646)	(5,724)
<b>Non-cash movements/presented in other cash flow lines</b>		
Movement in working capital	(173)	(513)

**NOTE 8: - Intangible Assets (Cont.)**

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 31 March 2025
Block 23	Licence	13 January 2027	100%
Block 31	Licence	13 January 2027	100%

d. Additional information regarding the Exploration and Evaluation assets:

As of 31 March 2025, the Group holds two licences to explore for gas and oil, Block 23 and Block 31, which are located in the economic waters of the State of Israel. In January 2025 the licences for Blocks 23 and 31 were extended until 13 January 2027.

The licence for Block 21 was not extended and expired on 13 January 2025.

**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.

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 indemniti- es \$'000	Accrued expenses and other short-term liabilities and other long-term liabilities \$'000	Derivative asset/ liability \$'000	Total \$'000
<b>At 1 January 2024</b>	(61,050)	(2,888)	8,983	4,082	337	3,551	-	(46,985)
<u>Increase/(decrease) for the year through:</u>								
Profit or loss	(12,040)	860	(8,983)	(1,373)	(45)	(559)	-	(22,140)
Other comprehensive income	-	-	-	-	-	-	79	79
<b>At 31 December 2024 (Audited)</b>	<b>(73,090)</b>	<b>(2,028)</b>	<b>-</b>	<b>2,709</b>	<b>292</b>	<b>2,992</b>	<b>79</b>	<b>(69,046)</b>
<b>At 1 January 2025</b>	<b>(73,090)</b>	<b>(2,028)</b>	<b>-</b>	<b>2,709</b>	<b>292</b>	<b>2,992</b>	<b>79</b>	<b>(69,046)</b>
<u>Increase/(decrease) for the period through:</u>								
Profit or loss	(2,693)	266	-	(378)	19	(209)	-	(2,995)
Other comprehensive loss	-	-	-	-	-	-	(3,958)	(3,958)
<b>At 31 March 2025 (Unaudited)</b>	<b>(75,783)</b>	<b>(1,762)</b>	<b>-</b>	<b>2,331</b>	<b>311</b>	<b>2,783</b>	<b>(3,879)</b>	<b>(75,999)</b>

**NOTE 9: - Deferred taxes (Cont.)**

	31 March 2025 (Unaudited) \$'000	31 December 2024 (Audited) \$'000
Deferred tax liabilities	(81,424)	(75,118)
Deferred tax assets	5,425	6,072
	<b>(75,999)</b>	<b>(69,046)</b>

**NOTE 10: - Trade and other receivables**

	31 March 2025 (Unaudited) \$'000	31 December 2024 (Audited) \$'000
<b>Financial items</b>		
Trade receivables	68,153	108,085
Receivables from related parties <sup>(1)</sup>	28,363	330
Other receivables <sup>(2)</sup>	14,435	5,038
Accrued interest income	102	1,048
Refundable VAT	7,555	-
	<b>118,608</b>	<b>114,501</b>
<b>Non-financial items</b>		
Prepayments and prepaid expenses	8,207	6,779
	<b>8,207</b>	<b>6,779</b>
<b>Total trade and other receivables</b>	<b>126,815</b>	<b>121,280</b>

<sup>(1)</sup> During March 2025, the Company provided an interim loan of US\$28 million to its parent company. The loan was settled in May 2025.

<sup>(2)</sup> The balance relates to:

- (a) The final amount related 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 is approximately US\$5 million and is expected to be received in 2025.
- (b) The agreement regarding insurance compensation for US\$9.5 million reached during Q1 2025 and received in April 2025 (refer to note 4).

**NOTE 11: - Inventories**

	31 March 2025 (Unaudited) \$'000	31 December 2024 (Audited) \$'000
Hydrocarbon liquids	4,764	3,581
Natural gas	486	502
Raw materials and supplies	12,874	12,631
<b>Total</b>	<b>18,124</b>	<b>16,714</b>



**NOTE 12: - Borrowings****a. Senior secured notes (the “Notes”):**

On 24 March 2021 (the “Issue Date”), Energean Israel Finance Ltd (a 100% subsidiary of the Company) issued US\$2,500 million 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. Ltd completed the offering of US\$750 million aggregate principal amount of the Notes with a fixed annual interest rate of 8.500%. The proceeds were used mainly to repay Energean Israel's US\$625 million Notes series due in March 2024.

**b. US\$750 Million Term Loan:**

In February 2025 Energean Israel Finance Ltd signed a 10-year, senior-secured term loan with banking corporation in Israel as the facility agent and arranger for US\$750 million (the “Term Loan” and the “Term Loan Agent”, respectively). The Term Loan will be available to refinance its 2026 senior secured notes series and to provide additional liquidity for the Katlan development. It has a 12-month availability period, during which multiple drawdowns can be made. Up to US\$475 million is available in US dollars and up to US\$275 million is available in New Israeli Shekel. The Term Loan is bearing floating interest SOFR plus margin on the USD component and Bank of Israel (BOI) plus margin on the ILS component. The Term Loan is secured on the assets of the Group (including the Company's shares), pari passu with the senior secured Notes, non-recourse to Energean plc and has a bullet repayment in 2035 (refer to note 12(d) for related collaterals).

During Q1 2025, Energean Israel Finance Ltd drew US\$75 million from the above facility.

**c. Composition:**

				31 March 2025 (Unaudited)	31 December 2024 (Audited)
Series	Type	Maturity	Annual Interest rate	Carrying value \$'000	Carrying value \$'000
<b><u>Non-current</u></b>					
US\$ 625 million	Senior secured notes	30/03/2026	4.875%	-	622,102
US\$ 625 million	Senior secured notes	30/03/2028	5.375%	620,038	619,602
US\$ 625 million	Senior secured notes	30/03/2031	5.875%	617,998	617,689
US\$ 750 million	Senior secured notes	30/09/2033	8.5%	735,052	734,820
US\$ 75 million	Term Loan	26/02/2035	3.1%+ BOI	66,027	-
				<b>2,039,115</b>	<b>2,594,213</b>
<b><u>Current</u></b>					
US\$ 625 million	Senior secured notes	30/03/2026	4.875%	622,706	-
				<b>622,706</b>	-
<b>Total</b>				<b>2,661,821</b>	<b>2,594,213</b>

The interest on each series of the Notes and loan 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. (“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.

**d. Collateral:**

The Company has provided/undertakes to provide the following collateral in favor of HSBC BANK USA, N.A, which serves as the “Collateral Agent” under both the Notes and the Term Loan:

- 1) 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 licences and the INGL Agreement.
- 2) Floating charge over all of the present and future assets of Energean Israel Limited and Energean Israel Finance Ltd (except specifically excluded assets).
- 3) The Energean Power FPSO.

**NOTE 12: - Borrowings (Cont.)****e. Restricted cash:**

As of 31 March 2025, the Company had short-term restricted cash of US\$1.55 million (31 December 2024: US\$82.43 million), which will be used mainly for the September 2025 interest payment.

**f. Credit rating:**

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

The Term Loan has been assigned a local rating of iIA by S&P Maalot.

**NOTE 13: - Trade and other payables**

	31 March 2025 (Unaudited)	31 December 2024 (Audited)
	\$'000	\$'000
<b>Current</b>		
<b>Financial items</b>		
Trade accounts payable	161,358	140,840
Payables to related parties	13,148	11,021
VAT payable	-	4,182
Other creditors <sup>(1)</sup>	24,827	35,468
Short term lease liabilities	5,345	5,296
	<b>204,678</b>	<b>196,807</b>
<b>Non-financial items</b>		
Accrued expenses	38,943	24,480
Other finance costs accrued	15	41,133
Social insurance and other taxes	1,409	504
	<b>40,367</b>	<b>66,117</b>
<b>Total current trade and other payables</b>	<b>245,045</b>	<b>262,924</b>
<b>Non-current</b>		
<b>Financial items</b>		
Trade and other payables <sup>(2)</sup>	52,710	61,758
Long term lease liabilities	3,531	4,767
	<b>56,241</b>	<b>66,525</b>
<b>Non-financial items</b>		
Accrued expenses to related parties	479	519
	<b>479</b>	<b>519</b>
<b>Total non-current trade and other payables</b>	<b>56,720</b>	<b>67,044</b>

<sup>(1)</sup> The amount mainly comprises of royalties payables to the Israel government and third parties with regards to the Karish Lease, including US\$9.4 million (2024: US\$12.9 million) of royalties payable to third parties. Contractual royalties are payable to 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 third-party holders 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 13: - Trade and other payables (Cont.)**

- <sup>(2)</sup> The amount represents a long-term amount payable in terms of the EPCIC (Engineering, Procurement, Construction, Installation and Commissioning) contract to Technip. According to the agreement with the EPCIC contractor, the last US\$210 million of the consideration will be paid in 12 equal quarterly deferred payments started in March 2024 and as such has been discounted at 8.67% per annum (being the yield rate of the senior secured loan notes, maturing in 2026, as at the date of agreeing the payment terms). As of 31 March 2025, 5 installments have been paid.

**NOTE 14: - Equity**Interim dividends:

Dividends of US\$67.6 million were declared and paid during Q1 2025 (Q1 2024: US\$110 million).

**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.

	31 March 2025 (Unaudited)		31 December 2024 (Audited)	
	Book Value \$'000	Fair value \$'000	Book Value \$'000	Fair value \$'000
Senior Secured Notes (Note 12)	2,595,794	2,566,375	2,594,213	2,485,589

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, trade and other payables and the Term Loan which equate approximately to their carrying amounts.

**Cash Flow Hedging**

In addition to the hedging agreements described in the 2024 annual consolidated financial statements, in February 2025 the Group entered into a forward transaction to hedge against foreign currency volatility risk associated with its forecasted payment to the EPCI contractor for its Katlan development. 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 31 March 2025, the Group recorded a derivative asset of US\$16.86 million, and other comprehensive gain of US\$13.25 million, during the reporting period (31 December 2024, the Group recorded a derivative liability of US\$0.3 million, and other comprehensive gain of US\$0.3 million during 2024).

**Financial risk management objectives**

In addition to the risks discussed in the consolidated annual financial statements, due to the Term Loan (refer to note 12), the Company has some exposure to interest rate risk. The management carefully considers the future impact of the floating interest fluctuation and will consider mitigation plans as needed and implement accordingly.

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

- a. Approximately US\$2 billion binding term sheet signed with Dalia Energy Companies Ltd in January 2025 for gas sales in Israel. The agreed terms are for the supply of up to 0.1 bcm/year from April 2026, rising to up to 0.5 bcm/year from around January 2030 and then approx. 1 bcm/year from June 2035 till 2044 with potential extension, and excludes supply in the summer months (between June to September) between 2026-2034. The binding term sheet contains provisions regarding floor pricing, take or pay and price indexation linked to CPI (not Brent-price linked). The terms have been agreed at levels that are in line with the other large, long-term contracts within the Company portfolio.

**NOTE 17: - Subsequent events**

- a. An interim dividend of US\$28.3 million was declared in May 2025 and settled the loan to its parent company (refer to note 10(1)).
- b. The Company has signed a Gas Sale and Purchase Agreement ("GSPA") with Kesem Energy Ltd ("Kesem"). The contract is for the supply of gas to Kesem's new power plant, which is estimated to be operational before the end of the current decade. The contracted supply is approx. 1 bcm/year from around the middle of the 2030s with limited quantities of gas supplied intermittently before then. The contract represents over US\$2 billion in revenues and approx. 12.5 bcm in contracted supply over the approx. 17 years period. The contract contains provisions regarding floor pricing, take or pay and price indexation (not Brent-price linked). GSPA has been signed at levels that are in line with the other large, long-term contracts within the Company portfolio.