

15 February 2017

Kerogen Capital invests in Energean Israel

Athens, Greece - Energean Oil & Gas ("Energean") is pleased to announce that Kerogen Capital ("Kerogen") has committed to invest an initial US\$50 million in Energean Israel, a subsidiary of Energean, ahead of the planned \$1.3 billion development of the Karish and Tanin gas fields, offshore Israel.

Energean Israel is the operator of and holds a 100% interest in each of the Karish and Tanin licences, acquired from Delek Group in December 2016, for an upfront consideration of \$40mm as well as \$108.5mm in contingent payments. Proceeds from Kerogen's investment in Energean Israel will finance the acquisition and key workstreams to investment sanction including FEED studies and the Field Development Plan currently being prepared in cooperation with TechnipFMC. The fields contain at least 2.4 Tcf of Gas contingent resources (NSAI report), and will be developed through an FPSO that will be the first to be installed and operated in the East Mediterranean. The gas produced from the fields will supply Israel's growing domestic gas market, with first gas expected in 2020.

Kerogen's investment is subject to approval by the Israeli Government, after which Kerogen will own a 50% interest in Energean Israel with Energean holding the balance. It is intended that Roy Franklin OBE, Kerogen Executive Board Member, will become Non Executive Chairman of Energean Israel.

Energean Group Chairman & CEO, Mr. Mathios Rigas, commented:

"We are delighted to welcome Kerogen to the Karish and Tanin project, planned to deliver gas to a rapidly growing market in 2020 for the benefit of Israeli domestic consumers and the economy. Energean has already commenced negotiations with potential gas consumers in Israel and is progressing rapidly the Field Development Plan that we expect to submit to the Israeli Government by May 2017 with an intention to FID the project by year end 2017."

"We believe Israel is an attractive destination for energy investment offering exciting growth opportunities through the development of Karish and Tanin, as well as through the additional exploration potential in offshore Israel, all of which are underpinned by a supportive government policy and favorable financing environment."

Roy Franklin, Kerogen Executive Board Member, commented:

"Energean's track record speaks for itself. The company has successfully redeveloped the Prinos complex in Greece, increasing reserves and production substantially. Kerogen intends to collaborate with Energean to deliver a successful development of the Karish and Tanin fields in Israel."

"This investment provides Kerogen with exposure to a large-scale, low break-even discovered gas resource located within an OECD country, which, as a near-term development, can benefit from today's deflationary cost environment."

Ends -

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About Energean Oil & Gas

Energean is a leading independent E&P company focused on the Eastern Mediterranean region where it already holds seven E&P licences, encompassing Greece, the Adriatic, offshore Israel and onshore North Africa.

It is the only oil and gas producer in Greece with a 35-year track record of operating offshore and onshore assets in environmentally sensitive areas and employs more than 460 oil and gas professionals. Energean has reserves of 30 million barrels (2P) audited by ERC Equipoise and 28 million barrels of contingent resources (2C) in the Prinos Licence, offshore NE. Greece, as well as 2.4 Tcf of natural gas (2C) at the Karish and Tanin fields, offshore Israel.

The Company is pursuing an ongoing investment and development programme to take production from the Prinos and North Prinos Oil Fields to 10,000 boepd in 2018. Energean recently secured an exploitation license from the Government of Greece for the West Katakolon offshore block in Western Greece with first oil expected in 2018/19, representing the first ever hydrocarbons production in the west of country.

At the end of 2016 the Company also agreed exploration licences with the Ministry of Economy of Montenegro for two significant offshore blocks to further develop its Adriatic portfolio.

www.energean.com

About Kerogen Capital

Kerogen Capital is an independent private equity fund manager specialising in the international oil and gas sector. Kerogen Capital was established in 2007 and manages approximately US\$2 billion across its funds. Its investors comprise a range of blue-chip institutions including endowment funds, foundations, pension plans, fund of funds, international corporations and family offices.

The team at Kerogen Capital comprises highly experienced investment professionals, in-house technical and operations expertise and a world class Executive Board. Kerogen Capital seeks to support and assist its portfolio companies in delivering the full potential of their assets. Energean Israel represents Kerogen Capital's first investment in the Eastern Mediterranean hydrocarbon province.

www.kerogencap.com