Deep Water Gas Development Project
Karish and Tanin development leases, offshore Israel

- Discovered Gas fields with ca 2.5 Tcf, 3rd party certified (NSAI), 2C Contingent Resources (3.2 Tcf GIIP) – 100% working interest
- Total liquid recovery estimated ~40 mm bbl liquid 2C Resources (Oil plus Condensate) creates valuable additional revenue stream
- Gas production through dedicated gas FPSO using proven technologies with pipeline to shore
- Energean in advanced discussions with several onshore power & industrial customers, targeting long-term contracted gas sales of at least 3 bcm/year
- Gas to be priced in USD, limiting FX risk
- Local government highly supportive of initiative to develop domestic energy supplies.
- Israel sovereign rating A+/A1
- 30 year production leases end 2044
- Potential to grow production in later development phases to 6 Bcm/year
- FID targeted end-2017
Energean Oil and Gas, a privately held Oil and Gas operator with assets in Greece, Montenegro and Egypt, completed its acquisition of the Karish and Tanin development leases, offshore Israel in December 2016. These fields were discovered by Noble in 2012/13 and contain audited 2C Resources ca. 2.5 Tcf of sweet biogenic gas and associated liquids in dense phase, representing ca. 40mm bbls light oil & condensates (recoverable). The fields are adjacent to the Leviathan field. Produced gas must be sold domestically in Israel. Engineering feasibility study for the gas project completed. Concept select work has commenced, targeting FDP submission mid-2017. Base case is a gas FPSO with gas pipeline to shore and offshore liquids offloading. Energean’s intent is to execute the project via an established deep water contractor alliance, minimizing project risk.

Selected Development Concept – Gas FPSO

- Feasibility study complete: Offshore processing is the selected strategy
  - Spread moored gas FPSO at Karish field
  - Dry pipeline spec gas will be produced and shipped to Israeli coast at Dor in underwater pipeline
  - Oil & condensate will be loaded offshore
  - Offshore facilities means reduced land acquisition and environmental permitting
  - Faster schedule & simpler installation campaign
  - Potential for 3rd party to build and lease FPSO and gas pipeline – reduced capex, increased opex
- Base facilities cost to develop Karish
  - Facilities Capex estimated to be ca $950 bln
  - Well costs estimated at $255 mln for Karish
- Engineering contracts being awarded
  - Concept select and FEED contracts in progress
  - Increased staffing (G&G, Facilities, HSE) being put in place

Project Planning Timeline

- May 2017: FDP
- Dec 2017: FID
- H1 2020: 1st Gas
NSAI audited 2C Resources based upon 65% Rf (high abandonment back pressure: Tamar)

Opportunity to add 10-20% additional reserves if developed via deep water floating facility

Karish: 1) D-sands up-dip of discovery well (200 Bcf GIIP); 2) 2 mapped prospects north of fault (600 Bcf GIIP); 3) increased rock volume in crest; 4) A/B sand development in crest

Tanin: 1) 4 mapped prospects east of initial discovery (700 Bcf GIIP); 2) GWC potentially below the GDT currently employed (500 Bcf GIIP)

Update expected imminently