



Press Release

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Energean Takes FID on Karish & Tanin Gas Project

Following the Company's successful IPO on the London Stock Exchange, Energean takes FID to proceed with its \$1.6 billion Karish & Tanin development offshore Israel.

Energean Oil & Gas PLC ("Energean" or "the Company"; ENOG:LN) is pleased to announce that its Board of Directors has approved the Final Investment Decision ("FID") to proceed with the \$1.6 billion Karish & Tanin Development Project, offshore Israel.

\$405 million of the \$460 million raised from the recent IPO of Energean will be used to fund the Company's 70% share in the project, while the remaining 30% will be funded by Kerogen Capital, Energean's partner in the project.

The project is also being financed through a Senior Credit Facility of US\$1.275 billion recently announced and underwritten by Morgan Stanley, Natixis, Bank Hapoalim and Société Générale.

Energean has secured long-term gas agreements with some of the largest private power producers and industrial companies in Israel. The Company has contracted for the purchase of a total of 61 BCM of gas over a period of 16 years, at an annual rate of approximately 4.2 BCM per year (on an ACQ basis).

Energean will develop the project through a new build, owned FPSO with gas treatment capacity of 800 MMscf/day (8 BCM/per annum) and liquids storage capacity of 800,000 bbls, which the Company believes provides a flexible infrastructure solution and, potentially the scope to expand output for potential additional projects. A 90km gas pipeline will link the FPSO to the Israeli coast and necessary onshore facilities to allow connection to the domestic sales gas grid operated by INGL, the national gas transmission company.

The entire project infrastructure has been contracted to be engineered, built and commissioned under a lump sum EPCIC Contract with Technip FMC, with a contracted delivery date of Q1 2021.

During 2019, three wells will be drilled into the Karish discovery, using the Stena Forth Drill Ship which is under contract from Energean. The Company has also secured options to drill five further wells in the licences Energean holds in Israel.

Energean Oil & Gas CEO, Mathios Rigas, commented: "We committed to the investors in the IPO that we would take FID immediately after the equity raise and I am pleased to be honouring this, the day after the shares started trading on the London Stock Exchange."

“Today, we commence the development of the project having, in a very short period of time, secured the necessary gas contracts, a turn-key EPCIC contract with Technip FMC, a drilling contract with Stena and project finance backed by four international banks. All this has been achieved in just 14 months since January 2017, when the Israeli Government approved the transfer of the licences to Energean.

“The Karish & Tanin development will bring competition and security of supply to the Israeli gas market, and will support Energean’s strategy to become a major player in the gas developments of the East Mediterranean.

“Owning and operating the only FPSO in the East Mediterranean with an 8 BCM per annum capacity gives Energean significant scope for growth through being able to support potential additional gas discoveries from Karish & Tanin and the five adjacent licences that we own in Israel.”

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About Energean Oil & Gas

Energean is a London premium-listed independent E&P company focused on the Eastern Mediterranean region, where it operates in offshore Israel, Greece and the Adriatic. It is the only oil and gas producer in Greece and it and its predecessors have a combined 36-year history of operating offshore and onshore assets in environmentally sensitive areas. Energean employs 388 oil and gas professionals in total. The Group has 2P reserves of 50.0 MMbbls of oil and 6 Bcf of gas and 2C resources of 22.9 MMbbls of oil and 11.5 Bcf of gas at its Prinos Basin and Katakolo fields, and its associate, Energean Israel, has 2C resources of 32.8 MMbbls of liquids and 2.4 Tcf of gas.

The Company received approval in August 2017 from the Israeli Government of the FDP for the Karish and Tanin fields, aiming to use an FPSO and produce first gas in 2021. The Company is also pursuing an ongoing investment and development programme to increase production from the Prinos and Prinos North oil fields and develop the Epsilon oil field, located in the Gulf of Kavala, Northern Greece. The Company has secured a 25-year exploitation licence for the Katakolo offshore block in Western Greece.

The Company also has significant exploration potential in the other licences held in offshore Israel, Western Greece, and Montenegro.

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