For immediate release

Energean Oil and Gas
("Energean" or the "Company")

Trading and Operational Update

"2019 Israel drilling to target 2.3 Tcf prospective resources"

London, 15 November 2018 - Energean Oil and Gas plc (LSE: ENOG, TA: ENOG), the London Premium Listed FTSE 250 and Tel Aviv Listed E&P company with operations offshore Israel, Greece and the Adriatic is pleased to issue the following Trading Update for the period from 1 July to 13 November 2018. The Group will publish a Trading Statement and Operational Update on 16 January 2019 and Full Year results for 2018 will be announced on 21 March 2019.

Highlights

- On track to deliver first gas from the 2.4 Tcf Karish - Tanin development in 1Q 2021.
- Scheduled first steel cut on the Karish - Tanin FPSO for 26 November 2018.
- Targeting 2.3 Tcf gas and 31 million barrels liquids gross prospective resources with a high probability of success through the 2019 Israeli drilling programme.
- Aiming to fill the 3.8 BCM per annum ('bcma')[1] of FPSO spare capacity in the medium term. Identified strong incremental demand for gas with future sales contracts targeting growing domestic and regional export markets.
- Expecting first oil from the Epsilon extended reach well in late 2018 and achieved first steel cut on the Epsilon jacket on 26 September.
- Started trading on the Tel Aviv Stock Exchange ("TASE") on 29 October and expecting to enter the TA-90, TA-125 and TA-Oil & Gas Indices.
- Strengthened the senior management team with the appointment of Iman Hill as Chief Operating Officer.
- Well-funded for all development projects. At 30 September 2018 the group had gross cash of $289 million (net cash $160 million), plus liquidity of $68 million under its RBL and $1,275 million under its project finance facility.

[1] Exclusive of the 0.7 bcma Or Contract, which is contingent on financial close on the construction of its power plant.

Mathios Rigas, CEO of Energean said:

"Our developments are on schedule and we have an active programme of drilling in both Israel and Greece in the months ahead, targeting significant increases in prospective resources and production.

We are seeing strong incremental demand for our gas and aim to prove up enough resources to fill the 3.8 bcma of spare capacity in our 8 bcma FPSO. Future gas sales agreements will focus on both further contributing to security and diversity of supply in the Israeli markets as well as targeting key regional export markets."

<u>**Enquiries**</u>

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Operational Update

Israel – Karish and Tanin Development

Energean's Karish and Tanin development remains on track to deliver first gas into the Israeli domestic market in 1Q 2021. The next visible milestone will be first steel cut on the FPSO hull on 26 November 2018.

Karish development drilling will immediately follow the Karish North well. Three development wells will target Karish Main with completion expected by 2019 year end. These three wells will deliver 4.2 bcma (c. 406 mmcfd) of firm gas sales into the Israeli domestic market from 1Q 2021. Gross production capability of the three wells is expected to be far in excess of the 4.2 bcma requirement.

The subsea workstream, managed and executed by TechnipFMC under the $1.36 billion lump sum turnkey EPCIC contract signed earlier this year, is progressing in line with expectations.

Energean has recently awarded a second contract to Wood. The latest contract, effective immediately, is to provide operations and maintenance manpower and specialist engineering services over the next five years. This follows an earlier two-year contract, awarded in April 2018, which involves the preparation of systems and procedures to ensure safety and efficiency in all aspects of the pre-operation period.

Israel – Exploration

Energean sees strong incremental demand for its gas and future gas sales contracts will target both the growing domestic and key regional export markets. Over the medium term, Energean aims to prove up enough resource to fill the remaining 3.8 bcma of spare capacity[2] in its 8 bcma FPSO and fulfil this additional demand.

The Company's 2019 drilling programme will target 2.3 Tcf of gross prospective gas resources and is well aligned with its exploration strategy to target resources that can be quickly, economically and safely monetised.

Planning for Karish North is currently being concluded. Spud is expected in March 2019 and drilling is forecast to take 45 days. Karish North will directly target 1.3 Tcf of gas and 16 million barrels of liquids (gross) with a volume weighted geological chance of success of 69%[4].

Energean is of the view that success at Karish North could have a positive read-across to Karish East; technical analysis indicates that the fault between Karish North and Karish East does not form a barrier and, therefore, does not limit the extent or flow of any hydrocarbons. Karish East contains gross prospective resources of 0.5 Tcf of gas and 7.5 million barrels of liquids with a volume weighted geological probability of success of 70%. Karish North will also provide important read-across information for the Karish Main structure.

The exploration component of the Karish Main wells consists of drilling into the deeper D sand horizons, which have been proven in the Tamar field (upper D sands) and Aphrodite (lower D sands) discovery. Energean believes that Karish Main drilling offers additional upside beyond that reflected in NSAI independent estimates.

	Gross Prospective Resources[3]			Volume weighted
	Oil – mmbls	**Gas - Tcf**	**Gas - BCM**	**chance of success**
Karish North	16.4	1.33	36.67	69%
Karish East	7.5	0.51	14.33	70%
Karish Main[i4]	7.0	0.48	13.60	61%
Total	**30.9**	**2.32**	**65.60**	**68%**

Energean estimates that incremental discoveries in the Karish lease could be monetised with limited additional capex, therefore generating attractive incremental economics.

Energean has a further six options available on the Stena drilling contract at an attractive rig rate. NSAI has identified additional gross prospective resources of 5 Tcf of gas and 62 million bbls across the Tanin lease and five exploration blocks that were awarded as part of the recent offshore licensing round. Energean would likely target structures in Block 12 if it decided to drill a fifth well.

[2] Exclusive of the 0.7 bcma Or Contract, which is contingent on financial close on the construction of its power plant.
[3] August 2018 NSAI report
[4] Exclusive of Tamar A sands, which will not be intersected by the Karish Main development wells. The Tamar A sands contain gross prospective resources of 0.2 Tcf of gas and 1 million bbls of liquids

	Gross Prospective Resources[5]			Volume weighted chance of success[6]
	Oil – mmbls	Gas - Tcf	Gas - BCM	
Tanin lease	39.8	0.44	12.58	74%
Block 12	5.7	1.15	32.66	68%
Blocks 21/22/23/31	16.6	3.37	95.60	52%
Total	**62.1**	**4.97**	**140.83**	

Greece – Prinos Area

Prinos produced 4.0 kbopd in 3Q 2018 with production in the 9 months to 30 September 2018 averaging 3.9 kbopd. Energean maintains its Full Year 2018 guidance at 4.0 – 4.25 kbopd. The Epsilon extended reach well, which is being drilled using the Energean Force from Prinos Alpha, is expected to start producing in December at rates exceeding 1.0 kbopd. Unit operating costs in the 9 months to 30 September were $19 per barrel and the Company maintains its full year guidance at $17 – 19 per barrel.

Production guidance for 2019 will be provided in January's Trading and Operational Update and is contingent on well sequencing, well interventions, workovers and decline rates, and the Epsilon Extended Reach Well. Beyond 2019, Energean is on track to deliver production growth in the Prinos Area to more than 10 kbopd by 2021, at which point unit operating costs should fall to below $10 per barrel.

The Epsilon platform (vertical well) development is on track for first oil at the end of 2019 and the first of three wells is currently drilling ahead. First steel cut was achieved on the lamda jacket on 26 September and Energean expects the platform to be delivered to the field in 2H 2019. Energean forecasts peak production from the Epsilon platform (vertical well) development to be more than 5.0 kbopd.

Energean continues to look for incremental volumes in the Prinos Area. NSAI has identified 23 million bbls of 2C resources across the Prinos and South Kavala blocks. Recent associated activity has involved re-mapping the 5.3 million bbl STOIIP Delta discovery based on updated seismic interpretation. Energean is also looking at the potential for an Enhanced Oil Recovery ("EOR") and Improved Oil Recovery ("IOR") schemes in the area, which could increase recovery factors to >50% at relatively low capital cost.

An updated CPR for the Prinos Area will be produced to reflect reserves and resources at Year End 2018, taking into account recent drilling results and the addition of the Epsilon Extended Reach Well to the drilling schedule.

New business ventures

Early stage seismic operations continue in Western Greece and Montenegro. M&A opportunities are constantly being considered.

[5] August 2018 NSAI report
[6] Geological proabability of success across Blocks 12, 21, 22, 23 and 31 is weighted to gas volumes because the deeper, Cretaceous volumes are oil prospects and higher risk.

Financial Update

Energean recorded revenues of $55 million in the 9 months to 30 September 2018, (Full Year 2017: US$57 million), reflecting two cargoes totalling 826k bbls (3Q 2017: 850k bbls). A cargo of 321k barrels was subsequently lifted on 12 October 2018 and Energean expects one further cargo to be lifted before year end.

Operating costs were $19 per barrel and Energean maintains its Full Year guidance at $17 – 19 per barrel, the key driver of the range being production levels. Operational leverage is a core attraction of investment in the Prinos Area and Energean expects per barrel costs to fall below US$10 once production exceeds 8,000 bopd.

Full Year 2018 accrued capex guidance remains at $470 million and G&A at $10 million.

At 30 September 2018, Energean had net cash of $160 million. Gross cash was $289 million, offset by $129 million of financial liabilities. As at this date, Energean had $68 million remaining undrawn under its EBRD RBL facility and the $1.275 billion Karish-Tanin project finance facility remained undrawn. Energean continues to expect first drawdown on the project finance facility in 1Q 2019.

Energean has hedged 150,000 of the c.300,000 barrel lifting expected this December at a fixed price of $67.91 per barrel.

Corporate Update

Energean's shares started trading on the Tel Aviv Stock Exchange ("TASE") on 29 October under the identifier TA:ENOG. Energean expects to become one of the largest constituents of the TA-90 index at the next available assessment date, which TASE guides as being 3 January 2019. Energean also expects to become a member of the TA-125 and TA-Oil & Gas indices.

The Company strengthened its senior management team with the appointment of Iman Hill as Chief Operating Officer. Iman is a petroleum engineer with over 30 years' of global experience in the oil and gas industry with extensive expertise in the technical and commercial aspects of the petroleum business, in particular development and production projects.

About Energean Oil & Gas plc

Energean is a London Premium Listed FTSE 250 and Tel Aviv Listed E&P company with operations offshore Israel, Greece and the Adriatic. Energean has 349 mmboe of 2P reserves and 48 mmboe of 2C resources across its portfolio.

In August 2017 the Company received Israeli Governmental approval for the FDP for its flagship Karish-Tanin gas development project, where it intends to use the only FPSO in the Eastern Mediterranean to produce first gas in 2021. Energean has already signed firm contracts for 4.2 bcma of gas sales into the Israeli domestic market. Future gas sales agreements will focus on both the growing Israeli domestic market and key export markets in the region. In Greece, the Company is pursuing an ongoing investment and development programme to increase production from its Prinos and Prinos North oil fields and to develop the Epsilon oil field, located in the Gulf of Kavala, Northern Greece.

Energean has five exploration licences offshore Israel, and a 25 year exploitation licence for the Katakolo offshore block in Western Greece and additional exploration potential in its other licences in Western Greece and Montenegro.

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