

December 17, 2018

Energean to Receive US\$98 million from Israel Natural Gas Lines

According to a Memorandum of Understanding signed between Energean Israel and INGL, US\$98 million will be paid to Energean in consideration for constructing and transferring to Israel Natural Gas Lines the onshore and near shore part of natural gas facilities in Israel for the Karish and Tanin development

Mathios Rigas: “This is an important milestone – which demonstrates the support and commitment of the Israeli government to the Karish Tanin project”



Energean Oil and Gas plc, listed on both London and Tel Aviv Stock Exchange (LSE: ENOG, TASE: אנגא), is pleased to announced it has signed a Memorandum of Understanding (“MOU”) with Israel Natural Gas Lines (“INGL”) for the construction and transfer of the near



shore and onshore part of the infrastructure that will deliver gas from the Karish and Tanin FPSO into the Israeli national gas transmission grid.

Energean will be paid 369 million Israeli New Shekels, approximately US\$98 million, 15% of which is expected to contribute to the Company's available liquidity between now and end 1Q 2019. Another 80% is expected to become available at handover of the infrastructure in 2021, with the remaining 5% due following an 18 month warranty period.

The MOU covers the onshore section of the Karish and Tanin infrastructure and the near shore section of pipeline extending to approximately 10km offshore. The hand over to INGL will occur shortly after the delivery of first gas from the Karish field in 1Q 2021. Following handover, INGL will be responsible for the operation and maintenance of this part of the infrastructure. Energean will not incur any charges or tariffs for use of this infrastructure.

Energean expects the detailed agreement to be signed in 1Q 2019.

Minister of Energy, Dr. Yuval Steinitz: "This is an important step in the way to further development of small and mid-size gas fields, relying on the infrastructure built for INGL. It will encourage exploration and development of natural gas and contribute to Israel's energy security in the future".

CEO of Energean Oil & Gas plc, Mathios Rigas, said: "This is another important milestone for the Karish and Tanin development. The collaboration with INGL demonstrates the Israeli government's support and commitment to the Karish Tanin project, from which natural gas will flow to the Israeli market".

Chairman of INGL, Eitan Padan: "This MOU, which was signed today following a whole year of intensive negotiations, will contribute to the development of INGL Marine transmission system project, 'Maagarim', and will enable Karish Tanin as well as other future fields to connect to INGL transmission grid, saving time and costs. With further adaptation, the system will be able to serve for Israeli gas export to future destinations as well".

**In the picture, from left to right, Energean Israel Country Manager Shaul Zemach, Energean Group CEO Mathios Rigas, INGL Chairman Eitan Padan and INGL CEO Samuel Tordjman (photo credit: INGL)*

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 mmboc of 2P reserves and 48 mmboc of 2C resources across its portfolio.

In March 2018 the Company took the Final Investment Decision (FID) for its flagship Karish-Tanin gas development project, where it intends to use an FPSO and 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 significant exploration upside from its five exploration licences offshore Israel, a 25 year exploitation licence for the Katakolo offshore block in Western Greece and its other licences in Western Greece and Montenegro.

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