



Press Release

Friday, 10 May 2019

**Energean: Karish to Cyprus Preliminary Pipeline Development Plan
and LOI signed with private electricity producers**

Energean (LSE: ENOG, TASE: אנגא) is pleased to announce that it has submitted to the Cyprus Energy Regulatory Authority (CERA) an updated proposal to supply the Republic of Cyprus with natural gas through the "Energean Power" FPSO, which will commence operations in March 2021 in the EEZ of Israel.

The technical report of the proposal, which was prepared with the assistance of TechnipFMC, EPCiC of the Karish Development project, presents in detail the way natural gas will be imported to the Republic of Cyprus: natural gas will be transported through pipelines from Karish offshore block to the "Energean Power" Floating Production, Storage and Offloading unit, and from there through a pipeline to Vasilico, Cyprus, where it will emerge onshore.

In addition, Energean has signed a Letter of Intent (LOI) for the supply of natural gas to private power generation licence holders in Cyprus.

Alongside the proposal Energean has expressed its views regarding the Cyprus gas market in the context of the draft Regulatory Decision No: 01/2019 "Statement of Regulatory Practice and Methodology of Natural Gas Tariffs".

Energean believes that the Plan:

- Offers Cyprus the opportunity to import gas at a very competitive price, with no upfront infrastructure costs, for the benefit of the Cypriot economy and Cypriot electricity consumers.
- Establishes competition in the Cypriot energy market as a whole, as there are now options for the supply of natural gas to private electricity producers.
- Enhances the planning of the Republic of Cyprus and the security of supply, as our plan is supplementary to the LNG import procedures launched by the Cypriot Government.
- Strengthens the geopolitical role of the Republic of Cyprus in the region.

Mr. Mathios Rigas, CEO of Energean, stated:

"We have submitted a comprehensive Plan to supply the Republic of Cyprus with natural gas through the infrastructure that Energean is constructing and will be operating in Israel. We are at the disposal of the Cypriot Government and the Cypriot Authorities to discuss how this Plan could be implemented so that Cyprus will be able to start using affordable natural gas in March 2021, provided there are no delays in permitting procedures".



It should be noted that Energean has already initiated the procedures for obtaining the necessary Natural Gas Export and Pipeline Construction Licences from its FPSO in the Israeli EEZ to Vasiliko, Cyprus.