



Press Release

Tuesday, 19 November 2019

**Energean submits applications to import and supply natural gas to Cyprus
Gas from Karish North will flow in 2021**

Energean Oil & Gas plc (LSE: ENOG, TASE:אנאג), the oil and gas producer focused on the Mediterranean, is pleased to announce that its subsidiary Energean International has submitted to the authorities of the Republic of Cyprus, applications to import and supply natural gas to Cyprus commencing 2021. The submission of the applications follows the 'Karish to Cyprus Preliminary Pipeline Development Plan' that has already been presented to Cyprus Energy Regulatory Authority, according to which, natural gas will be transported through pipelines from the Karish offshore block to the "Energean Power" Floating Production, Storage and Offloading unit, and from there through a pipeline to Vassiliko, Cyprus, where it will landfall.

The pipeline from the Energean Power FPSO to Vassiliko will have a total length of 215 kilometres and transport natural gas from the Karish North field, offshore Israel, which contains 25 BCM of discovered recoverable resources. Total investment will be circa \$350 million and will be funded by Energean. The Republic of Cyprus will bear no upfront cost. Provided that there will be no delays in permitting procedures, the project will allow the Republic of Cyprus to receive competitively priced natural gas from 2021.

Moreover, the project will further strengthen Cyprus' geostrategic role in the Eastern Mediterranean, in accordance with the trilateral cooperation between Cyprus, Israel and Greece and in reference to the East Med Pipeline project that is planned to transport natural gas to Europe.

Mathios Rigas, CEO of Energean, stated:

"Energean's proposal offers the Republic of Cyprus the option to switch to natural gas as soon as possible, and under the most competitive terms. Execution of the proposal will bring competition to the Cypriot natural gas market, decrease energy costs across the economy and result in enhanced diversity and security of supply. Our proposal enhances the planning of the Republic of Cyprus and the security of supply, as it is supplementary to the LNG import procedures launched by the Cypriot Government.

We expect that the Republic of Cyprus will take advantage of the options that the market offers for the benefit of the Cypriot economy and the consumers".

Energean has already signed Letters of Intent (LOIs) with all three IPPs that have been granted a licence to construct combined cycle power plants in Cyprus: Power Energy Cyprus, Lysarea Energia and Paramount Energy Corporation.

The Energean Power FPSO has a capacity of 8BCM per year and Energean has already signed firm GSPAs with Israeli IPPs and industrial consumers for 4.5 BCM per year for an average period of 16 years as of 2021.

