Energean plc
("Energean" or the "Company")

2020 Full Year Results

London, 19 April 2021 - Energean plc (LSE: ENOG, TASE: אנאג) is pleased to announce its audited full-year results for the year ended 31 December 2020 (**"FY 2020"**).

Mathios Rigas, Chief Executive Officer, Energean commented:

"2020 was clearly a challenging year, but nevertheless a successful one for Energean. We completed our acquisition of Edison E&P, agreed to acquire the minority interest in Energean Israel Limited and made solid progress on our flagship Karish gas development.

"Strong momentum has continued into 2021; we have sanctioned the high-return Karish North and NEA/NI projects and successfully completed a $2.5 billion bond issuance at extremely attractive rates, significantly extending the average maturity-profile of our debt.

"Our focus in Israel is delivery of first gas from Karish and commencing our 1 billion boe growth programme. Together, these actions will significantly advance us towards our target of paying a meaningful and sustainable dividend and meeting our growth ambitions through targeting low-risk, high return opportunities.

"We remain fully committed to our net zero target and in 2021 we will roll out three initiatives across all of our operated sites: i) switching to purchasing "green" electricity; ii) introduce a zero-routine-flaring policy; and iii) establish procedures to reduce methane emissions.

"In the next stage of our transition strategy, we will apply new technologies to older fields, converting them into carbon capture and underground storage facilities, starting with Prinos. This will leverage our subsurface expertise to accelerate our path to net zero through implementation of NPV-positive initiatives. We are rapidly establishing ourselves as the leading independent, gas-focused E&P company in the Mediterranean with an aspiration to lead the region's energy transition."

Highlights

- Completed the acquisition of Edison E&P for a net consideration[1] of $203 million, approximately $1.0/2P boe[2]
- Karish approximately 87% complete at 31 December 2020 (90% at 31 March 2021)
- Total gas sales and purchase agreements ("**GSPA**s") in Israel now 7.4 Bcm/yr on plateau, utilising 93% of the Energean Power FPSO capacity

[1] *Net of cash acquired*
[2] *Based on 2020 year-end reserves position*

- Increased 2P reserves by 187%[3] to 982 million barrels of oil equivalent ("**MMboe**")[4], 79% of which is gas
- Average working interest *pro forma*[5] production of 48.3 kboed (3.6 kbopd on a consolidated basis) with *pro forma*[4] cost of production[6] of $11.3/boe ($21.4 /boe on a consolidated basis)
- *Pro forma*[4] revenues were $336 million ($28 million on a consolidated basis). *Pro forma*[4] EBITDAX[5] was $108 million ($(8) million on a consolidated basis). *Pro forma*[4] capital expenditure[5] was $565 million ($429 million on a consolidated basis)
- $65 million impairment charge reflects the impact of price and production assumptions on the Prinos field
- 67% year-on-year reduction in carbon emissions intensity when considering 2020 *pro forma* performance data versus 2019 Energean standalone data

Post Balance Sheet

- Took final investment decision ("**FID**") on the Karish North and NEA/NI projects in January 2021
- Closed the acquisition of the 30% minority interest in Energean Israel Limited ("**EISL**") on 25 February 2021
- Increased working interest in the producing Rospo Mare and Vega fields, offshore Italy, to 100%, at zero cost
- Issued $2.5 billion of senior secured notes, removing a key perceived risk on the Karish project and significantly extending the company's average debt maturity
- Confirmed a lower three-year CO2 intensity target of 9.5kg/boe, approximately half the current global average for the oil and gas industry

Outlook

- 2021 working interest production expected to be 36.0 - 41.0 kboepd, increased by 1 kboed due to the absorption of the Rospo Mare and Vega interests. Average working interest production in the three-months to 31 March 2021 was approximately 44.0 kboepd
- 2021 development and production capital expenditure guidance reduced to $470 – 550 million (from $510 - 590 million previously), of which $350 - 400 million relates to Karish and Karish North
- Future dividend policy to be defined, targeting inaugural dividend payment in 2022
- Energean continues to work towards first gas from Karish in 1Q 2022. The shipyard in Singapore remains under limitations imposed by COVID-related restrictions, including

[3] *Versus 2019 Energean standalone working interest reserves of 342 mmboe*
[4] *2020 figure is Pro forma Energean plus the acquisition of Kerogen's 30% holding in Energean Israel Limited ("EISL"). The transaction closed on 25 February 2021.*
[5] *Pro forma production and financial results are presented as if Edison E&P results were consolidated for the entire year; the locked box date of the transaction was 1 January 2019 and therefore all economic results since that date accrue to Energean. Actual results consolidate from the closing date of the transaction, which occurred on 17 December 2020.*
[6] *Alternative performance measures are defined and reconciled on pages 10 to 11*

limited access to workers and yard productivity. Energean is working with its contractors to firm up this timetable and will update the market as the situation evolves

- Rig contract award for 2022 growth drilling campaign, offshore Israel, expected in 2Q 2021
- Contract awards for Karish North tie back and riser installation, and (separately) second oil train installation on the Energean Power FPSO
- Offtake agreement for Karish liquids expected 2H 2021
- Renewable energy usage to be rolled-out across operated assets and premises following successful implementation at Prinos
- Zero-routine-flaring policy to be introduced across all operated sites
- Progress carbon capture and underground storage feasibility study at Prinos

Financial Summary

	Pro Forma[7] FY 2020	Consolidated Results FY 2020	FY 2019
	$m	$m	$m
Sales revenue	335.9	28.0	75.7
Cost of production ($/boe)	11.3	21.4	21.5
Operating loss	(422.2)	(124.5)	(93.9)
Adjusted EBITDAX	107.7	(8.3)	35.6
Operating cash flow	137.0	1.5	36.3
Capital expenditure	565.4	429.0	685.1
Net debt (cash)	NA	1,240.1	561.6

[7] *Pro forma production and financial results are presented as if Edison E&P results were consolidated for the entire year; the locked box date of the transaction was 1 January 2019 and therefore all economic results since that date accrue to Energean. Actual results consolidate from the closing date of the transaction, which occurred on 17 December 2020.*

Webcast & conference call

A webcast & conference call will be held today at 08:30 BST / 10:30 Israel Time

Webcast Link: https://edge.media-server.com/mmc/p/nssut8c2

Conference Call:

Participant Std International Dial-In:	**+44 (0) 2071 928338**
Participant LocalCall Dial-In Israel, Tel Aviv	**35308845**
Event Passcode	**7793369**

Should you have any questions please contact energean@fticonsulting.com.

The presentation will be made available at www.energean.com ahead of the call.

Enquiries

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About Energean plc

Established in 2007, Energean is a London Premium Listed FTSE 250 and Tel Aviv 35 Listed E&P company with operations in nine countries across the Mediterranean and UK North Sea. Since IPO, Energean has grown to become the leading independent, gas-focused E&P company in the Eastern Mediterranean, with a strong production and development growth profile. The Company explores and invests in new ideas, concepts and solutions to produce and develop energy efficiently, at low cost and with a low carbon footprint.

Energean's production comes mainly from the Abu Qir field in Egypt and fields in Southern Europe and the UK. The company's flagship project is the 3.5 Tcf Karish, Karish North and Tanin development, offshore Israel, where it intends to use the newbuild fully-owned FPSO *Energean Power*, which will be the only FPSO in the Eastern Mediterranean. Energean continues to work towards delivering first gas in 1Q 2022. Energean Israel Limited has signed firm contracts for 7.4 Bcm/yr of gas sales into the Israeli domestic market, which have floor pricing, take-or-pay and/or exclusivity provisions that largely insulate the project's revenues against global commodity price fluctuations and underpin Energean's goal of paying a meaningful and sustainable dividend.

With a strong track record of growing reserves and resources, Energean is focused on maximising production from its large-scale gas-focused portfolio to deliver material free cash flow and

maximise total shareholder return in a sustainable way. ESG and health and safety are paramount to Energean; it aims to run safe and reliable operations, whilst targeting carbon-neutrality across its operations by 2050.

www.energean.com

Corporate Review

M&A

Acquisition of Edison E&P

The transformational acquisition of Edison E&P is another step towards establishing Energean as the leading independent, gas-focused E&P company in the Mediterranean, delivering significant increases in production and reserves.

As previously announced, on 17 December 2020, Energean closed its acquisition of Edison E&P. The net consideration paid, net of cash received, was $203 million. This represented a highly attractive acquisition price of $1.0/2P boe, based on the 2020-year end independent reserves report from Degolyer and MacNaughton ("**D&M**").

The effective date of the acquisition of Edison E&P was 1 January 2019, meaning that all economic results occurring after this date belong to Energean. Edison E&P results are, however, only consolidated into Energean's results from the date of transaction completion; all results before this date are accounted for as completion adjustments, which form part of the purchase price consideration. Management presents both the consolidated and pro forma sets of figures in this report as it believes that pro forma results provide the reader with a clearer view on performance of the combined business. Pro forma production and financial results are presented as if Edison E&P results were consolidated for the entire year; the locked box date of the transaction was 1 January 2019 and therefore all economic results since that date accrue to Energean. Actual results consolidate from the closing date of the transaction, which occurred on 17 December 2020.

Acquisition of the minority interest in EISL

As previously announced, Energean agreed to acquire the 30% minority interest in EISL, held by Kerogen, in December 2020 for between $380 million and $405 million and closed the acquisition on 25 February 2021. The acquisition added 2P reserves of 20.5 billion cubic metres ("**Bcm**") of gas and 30 million barrels of liquids, representing approximately 219 MMboe in total, to the Company, included within the *pro forma* reserve position reflected within this report.

The total consideration for the acquisition included i) $175 million of upfront consideration that was funded through partial drawdown of the $700 million term loan facility that was arranged on 14 January 2021, ii) between $125 million and $150 million of deferred consideration, which is expected to be funded from the proceeds of the $2.5 billion bond issued and discussed below, iii) $30 million of deferred consideration payable at end-2022 and expected to be funded from free

cash flows from the Karish project, and iv) $50 million of bilateral convertible loan notes that have been issued to Kerogen and have a maturity date of 29 December 2023, a strike price of GBP 9.50 and a zero-coupon rate.

Financing

Refinancing progress

On 24 March 2021, Energean's subsidiary, Energean Israel Finance Limited completed the issuance of $2.5 billion aggregate principal of senior secured notes, split into four equal tranches with maturities in 2024, 2026, 2028 and 2031. This is non-recourse to the Group with the gross proceeds currently held in a segregated escrow account until certain release conditions, including the receipt of regulatory approvals and the release of certain pledges, are satisfied, expected shortly. Upon release from escrow the proceeds will be used, *inter alia*, to refinance the Company's $1.45 billion project finance facility, its $700 million term loan, to pay the first deferred amounts due to Kerogen, to fund certain reserve accounts, and for transaction expenses and general corporate purposes.

Greek government support for Prinos

In March 2021, the European Commission approved €100 million of support for Energean's Epsilon project, consisting of a public guarantee on a commercial loan of around €90.5 million to be contracted by Energean with its commercial banks and a €9.5 million subordinated loan from the Greek state. Terms are yet to be agreed. Energean has full control over whether or not it takes advantage of this funding, the decision being contingent primarily on an FID-decision on the 53 MMboe 2P + 2C Epsilon development. Under the terms of the approval, the support will be granted no later than 31 December 2021 and has a maximum duration of eight years. The uses of the loans are stipulated to cover Energean's investment and working capital requirements in Greece for the next 12 months.

ESG and Climate Change

Energean is committed to industry-leading disclosure of its energy transition intentions and on long-term carbon neutrality. It maintains a rolling three-year carbon intensity reduction plan and currently anticipates a reduction to a carbon emissions intensity of 9.5 kgCO2/boe by 2023, a reduction of more than 85% versus 2019 and roughly half the current global average for the oil and gas sector. In 2021, Energean also aims to verify all greenhouse gas emissions across all assets to ISO 14064-1 standards

2020 was the first year Energean participated in the Carbon Disclosure Project, achieving a score

of B- and in 2021, Energean targets an improvement to B. In 2020, Energean has also complied with the Task Force on Climate Related Financial Disclosure ("**TCFD**") recommendations, full disclosure on which will be provided in the Annual Report and Accounts, expected to be published later this month.

Operational Review

Production and Reserves

Full year 2020 working interest 2P reserves were 982 MMboe, adjusted *pro forma* for the acquisition of the minority interest in EISL that completed in February 2021, a 187% year-on-year increase[8], due mainly to:

- Transfer of Karish North resources from 2C to 2P, adding *pro forma*[9] working interest 2P reserves of 243 MMboe
- Completion of the acquisition of Edison E&P on 17 December 2020, which added 198 MMboe of 2P reserves according to an independent Competent Persons Report ("**CPR**") prepared by D&M.

	2020 2P Reserves MMboe (% gas)	2019 2P Reserves MMboe (% gas)
Israel	730 (86%)[10]	287 (96%)
Egypt	114 (88%)	-
Italy	79 (54%)	-
UK	2 (22%)	-
Greece	53 (2%)	55 (2%)
Croatia	2 (100%)	-
Total	**982 (79%)**	**342 (80%)**

[8] *Versus the Energean 2019 year-end standalone position*

[9] *Pro forma production and financial results are presented as if Edison E&P results were consolidated for the entire year; the locked box date of the transaction was 1 January 2019 and therefore all economic results since that date accrue to Energean. Actual results consolidate from the closing date of the transaction, which occurred on 17 December 2020.*

10 Including the minority interest position, the acquisition of which closed on 24 February 2021

Consolidated 2020 working interest production was 3.6 kboed, whilst *pro forma*[11] production was 48.3 kboed.

	2020 *Pro forma*[8] Kboed (% gas)	2020 Consolidated Kboed (% gas)
Egypt	35.4 (86%)	1.4 (87%)
Italy	9.1 (52%)	0.3 (53%)
UK	1.8 (29%)	0.1 (100%)
Greece	1.8 (0%)	1.8 (8%)
Croatia	0.2 (100%)	0 (100%)
Total	**48.3 (74%)**	**3.6 (39%)**

Israel

Karish Gas Development

On 31 December 2020, the Karish Project was approximately 87% complete, increasing to 90% complete at 31 March 2021. Energean continues to work towards first gas from Karish in 1Q 2022. The shipyard in Singapore remains under limitations imposed by COVID-related restrictions, including limited access to workers and yard productivity. Energean is working with its contractors to firm up this timetable and will update the market as the situation evolves.

Israel Growth Projects

1. Karish North

Energean took FID on the 243 MMboe Karish North project in January 2021. The project entails:

i) Drilling: re-entry, sidetracking and completion of the KN-01 exploration well, which is expected to cost approximately $50 million. The well will be drilled as part of Energean's upcoming growth drilling programme (described below); and

ii) Facilities: Installation of a two-slot manifold and 12-inch flowline between the KN-01 well and the Karish Main production manifold. An EPCIC contract is expected to be awarded later in 2021. The facilities cost is expected to be approximately $100 million.

[11] *Pro forma production and financial results are presented as if Edison E&P results were consolidated for the entire year; the locked box date of the transaction was 1 January 2019 and therefore all economic results since that date accrue to Energean. Actual results consolidate from the closing date of the transaction, which occurred on 17 December 2020.*

Karish North is expected to commence production in 2H 2023. A second well is expected to be drilled in 2025 and, combined with later life workovers to both wells, is expected to be sufficient to fully develop the 243 MMboe of 2P reserves.

2. *Second oil train & riser*

Energean is concurrently progressing two additional growth projects that are expected to cost approximately $100 million:

i) Additional gas export riser, required to deliver gas production in excess of 6.5 Bcm/yr; and

ii) Additional oil train, required due to the increased liquids handling necessary following the discovery of richer fluids in the KM-03 area.

Contract awards for the projects are expected later in 2021, and both are expected online in 2H 2023.

3. Growth drilling programme

Energean is tendering a rig for three firm plus two optional wells in 2Q 2021, with the first well expected to spud in late 1Q 2022.

The first well is expected to target the 20 Bcm (0.7 Tcf) Athena prospect, for which the primary target (11 Bcm / 0.4 Tcf) has a 70% geological chance of success. Success at Athena would significantly de-risk the remaining recoverable resources in Block 12, estimated at a total 88 Bcm (3.1 Tcf) of gas, such that a development plan could be undertaken without recourse to further exploration drilling.

The first Karish North development well represents a further firm well. The third, in addition to the Karish North development well and the Athena exploration well, will target prospective resources in the Karish Main block, including the potential oil rim identified as part of the KM-03 development well drilling.

Egypt

In January 2021, Energean sanctioned the North East Almeyra ("**NEA**")/North Idku ("**NI**") project, shallow-water offshore Egypt and neighbouring the Abu Qir concession. An Engineering, Procurement, Construction and Installation ("**EPCI**") contract for the four subsea wells and the associated tie-back to the Abu Qir platform and associated infrastructure was awarded to TechnipFMC in February 2021. The integrated NEA/NI project is expected to deliver first gas from one well in 2H 2022 and from the remaining three wells in 1Q 2023. The project contains an estimated 37 MMboe of 2P reserves according to D&M and peak production is expected to be approximately 90 MMscfd plus 1 kbopd of condensates. The North Idku field contains further 2C resources of 22 mmboe.

Following the 4-well programme at NEA/NI, Energean expects to drill at least two sidetracks to support production in the Abu Qir concession, with the concurrent drilling programmes generating significant synergies.

Rest of Portfolio

Greece: *Carbon Capture and Underground Storage and Blue Hydrogen*

Energean is committed to meeting its carbon neutral target by 2050 and leading the Mediterranean region's energy transition. During 2020 the Group commenced a feasibility study on carbon capture and storage in the Prinos asset. Energean estimates that the Prinos subsurface volumes are sufficient to sequester up to 50 million tonnes of CO2. Use of captured CO2 for enhanced oil recovery is also under investigation.

In addition to a CO2 sequestration project, Energean is evaluating an opportunity to develop a small-scale blue hydrogen (H2) plant within the existing onshore Sigma gas plant. Natural gas would be converted into H2 and CO2 through an Oxy-combustion process with a Carbon Capture efficiency of over 99%.

Italy

Post period, Energean increased its positions in the Vega and Rospo Mare fields to 100% (from 60% and 62%, respectively) at nil cost and with an economic reference date of 1 January 2021. ENI retains its share of abandonment expenses associated with both fields.

UK North Sea

The Glengorm South appraisal well contained no commercial hydrocarbons. The existing Glengorm North discovery and the Glengorm Central appraisal well (expected to spud shortly) are considered to be independent of the Glengorm South appraisal well.

2021 Guidance

	FY 2021
Production (excluding any contribution from Karish)	
Egypt (kboed)	26 – 30
Italy (kboed)	8 - 9

Greece & Croatia (kboed)	1.5
UK North Sea (kboed)	0.5
Total production (kboed)	**36.0 – 41.0**
Financials	
Consolidated net debt ($ million)	2,000 – 2,200[12]
Cost of Production (Operating Costs plus Royalties)	
- Israel ($ million)	-
- Egypt ($ million)	55 – 60
- Italy ($ million)	95 - 105[13]
- Greece ($ million)	20 - 25
- Croatia ($ million	5
- UK North Sea ($ million)	20 - 25
Total Cost of Production ($ million)	**195 - 220**
Cash SG&A ($ million)	**35 - 40**
Development and production capital expenditure	
- Israel ($ million)	350 - 400[14]
- Egypt ($ million)	60 - 70
- Italy ($ million)	40 - 50
- Greece and Croatia ($ million)	5 - 10
- UK North Sea ($ million)	15 - 20
Total Development & Production Capital Expenditure ($ million)	**470 - 550**
Exploration Expenditure	
- Israel ($ million)	10
- Egypt ($ million)	0 - 5
- Italy, Greece and Croatia ($ million)	5 - 10
- UK North Sea ($ million)	40 - 45
Total Exploration Expenditure ($ million)	**55 - 70**
Decommissioning	
- UK North Sea	0
- Italy	0 - 5
Decommissioning expenditure ($ million)	**0 - 5**

[12] Forecast net debt is presented on a gross basis. i.e. without amortisation of fees

[13] Excluding Flussante costs of approximately $10 – 15 million, which is sold onwards following use at zero margin

[14] Including the $140 million of deferred payments under the TechnipFMC contract that become payable in 2022 and 2023. These amounts are expected to be accrued during 2021. Cash capital expenditure is therefore expected to be $140 million lower.

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