



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

### **Morocco Country Entry and Farm In to Gas Development**

**London, 7 December 2023** - Energean plc (LSE: ENOG, TASE: אנגאן) is pleased to announce that it has farmed into Chariot Limited's ("Chariot", AIM:CHAR) acreage offshore Morocco, which includes the 18 Bcm (gross) Anchois gas development and significant exploration prospectivity. This new country entry is well-aligned with Energean's strategy to become the pre-eminent independent producer in the Mediterranean, with a focus on high quality gas assets.

#### **Highlights:**

- New country entry in Energean's core Mediterranean region with acreage underpinned by an attractive gas development
- Farm in to 45% of the Lixus licence, with the option to increase to 55% post drilling results, and 37.5% of the Rissana licence and assumes operatorship of both licences
- Includes the commercial 18 Bcm (gross) Anchois development, located near to infrastructure for supply of gas to domestic and international markets
- Up front cash consideration of \$10 million
- Appraisal well planned for 2024, targeting an additional 11 Bcm of gross unrisked prospective resource to be commercialised through the Anchois development
- Energean to carry Chariot for its share of pre-FID costs, which are recoverable from Chariot's future revenues
- Significant additional near-field, near-infrastructure prospectivity that is expected to add attractive, balanced-risk growth potential

#### **Dr Leila Benali, Minister of Energy Transition and Sustainable Development, commented:**

"This agreement is pivotal for the wider acreage offshore Morocco, on its Atlantic coast, a key energy asset for the Kingdom. We welcome Energean on these licences as the important investments will contribute greatly to the monetisation of the country's resources and to our ambitious energy strategy."

#### **Mrs Amina Benkhadra, General Director Office National des Hydrocarbures et des Mines, ("ONHYM") commented:**

"I would like to congratulate both parties on signing this agreement. The discovery and extensive work to date has set an excellent foundation on which the project can be developed and this partnership will now

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be instrumental in financing and taking it through the next phase. We look forward to working alongside Energean and Chariot in bringing the project to first gas.”

**Mathios Rigas, Chief Executive Officer of Energean, commented:**

“This is an exciting step in the next stage of our development, one that can only enhance our position as the pre-eminent independent natural gas producer listed in London. These assets are particularly attractive as we understand the core geological, commercial and political drivers of the region, we have a track record in developing material gas resources prioritised for the domestic market and they are a complementary fit with our broader portfolio, not least the potential for surplus supply to other markets. We look forward to working with our partners Chariot and ONHYM, and developing an outstanding resource for the benefit of all parties, including Morocco and its people.”

**Adonis Pouroulis, Chief Executive Officer of Chariot, commented:**

“In Energean, we have secured a partner with a proven track record of rapidly building and delivering this kind of offshore development. Energean also shares our view that Anchois and its surrounding acreage offers significant upside potential and we are aligned with our plans moving forward. The new partnership is a key step in bringing the development of the Anchois field to reality and we are looking forward to continuing the extensive work undertaken so far to reach Final Investment Decision.”

**Assets**

Energean has agreed to farm into a 45% working interest in the Lixus offshore licence, which contains the Anchois gas development (Chariot 30%, ONHYM 25%), and a 37.5% working interest in the Rissana licence (Chariot 37.5%, ONHYM 25%). Energean will assume operatorship for both licences.

**Farm in terms**

As consideration for the interests in the licences, Energean has agreed to the following terms:

- \$10 million cash consideration on closing of the transaction
- Energean agrees to carry Chariot for its share of pre-FID costs (which are recoverable from Chariot’s future revenues, see terms below), up to a gross expenditure cap of \$85 million, covering:
  - drilling of the appraisal well; and
  - all other pre-FID costs; and
  - up to \$7 million of seismic expenditure on the Rissana licence.
- \$15 million in cash, which is contingent on FID being taken on the Anchois Development.

**Post appraisal well option to increase working interest from 45% to 55%**

Following the drilling of the appraisal well, Energean has the option to increase its working interest in the Lixus licence (which includes the Anchois development) by 10%, to 55%. On exercise of this option, the amount payable would be:



- Chariot's choice between either:
  - i. 5-year, \$50 million of convertible loan notes with a GBP20 strike price and 0% coupon; or
  - ii. 3 million Energean plc shares, issued immediately upon exercise of the option but subject to a lock-up period until the earlier of first gas and 3 years post FID
- Energean will pay to Chariot a 7% royalty for every dollar achieved on gas prices (post transportation costs) in excess of a base hurdle
- An agreement to carry Chariot's 20% share of development costs for the Anchois development with the following terms:
  - A net expenditure cap of \$170 million
  - The carry available for development costs is reduced by costs carried in the pre-FID phase
  - All carried amounts are recoverable from 50% of Chariot's future revenues with interest charged at SOFR + 7%

If the option is not exercised, subject to FID, the partners agree to progress the Anchois development with an ownership structure of Energean 45%, Chariot 30%, ONHYM 25%. All amounts carried by Energean on behalf of Chariot would be recoverable from Chariot's future revenues under the same terms as above.

The completion of the transaction is subject to government approval.

#### **Lixus licence and Anchois Development**

The Lixus Offshore licence covers an area of approximately 1,794 km<sup>2</sup> with water depths ranging from the coastline to 850 m. The area has extensive data coverage with legacy 3D seismic data covering approximately 1,425 km<sup>2</sup> and five exploration wells have been drilled historically, including the Anchois-1 and Anchois-2 discovery wells.

Chariot's latest competent persons report covering the Anchois Field has certified gross 2C contingent resources of 18 Bcm in the discovered gas sands and gross unrisked prospective resources of 21 Bcm in undrilled sands.

Energean and Chariot plan to drill an appraisal well in 2024, with the following objectives:

- To undertake a drill stem test on the main gas-containing sands
- To target an additional 5 Bcm of recoverable gas with a 61% geological chance of success through a sidetrack into the O sands in the Anchois Footwall prospect
- To target an additional 6 Bcm of recoverable gas with a 49% geological chance of success through a deepening of the well into previously undrilled sands in the Anchois North Flank prospect

Once drilled, the well is expected to be retained as a future producer for the Anchois development.

It is anticipated that the licence contains significant additional prospectivity that could allow for further balanced-risk, near-field exploration activity.

#### **Enquiries**

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### **Forward looking statements**

This announcement contains statements that are, or are deemed to be, forward-looking statements. In some instances, forward-looking statements can be identified by the use of terms such as "projects", "forecasts", "on track", "anticipates", "expects", "believes", "intends", "may", "will", or "should" or, in each case, their negative or other variations or comparable terminology. Forward-looking statements are subject to a number of known and unknown risks and uncertainties that may cause actual results and events to differ materially from those expressed in or implied by such forward-looking statements, including, but not limited to: general economic and business conditions; demand for the Company's products and services; competitive factors in the industries in which the Company operates; exchange rate fluctuations; legislative, fiscal and regulatory developments; political risks; terrorism, acts of war and pandemics; changes in law and legal interpretations; and the impact of technological change. Forward-looking statements speak only as of the date of such statements and, except as required by applicable law, the Company undertakes no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise. The information contained in this announcement is subject to change without notice.