



# Energean

## 1H 2021 Results

2 September 2021



# ETHOS

Our World  
Our Responsibility

# Disclaimer

This presentation contains certain forward-looking statements that are subject to the usual risk factors and uncertainties associated with the oil and gas exploration and production business.

Whilst Energean believes the expectations reflected herein to be reasonable considering the information available to them at this time, the actual outcome may be materially different owing to factors beyond the Group's control or within the Group's control where, for example, the Group decides on a change of plan or strategy.

The Group undertakes no obligation to revise any such forward-looking statements to reflect any changes in the Group's expectations or any change in circumstances, events or the Group's plans and strategy. Accordingly, no reliance may be placed on the figures contained in such forward-looking statements.

# Key Milestones & Achievements



# Key Messages

**Record financial results following acquisition of Edison E&P**



**Firmly on track to deliver first gas from Karish in mid-2022**



**On track to achieve net zero, looking to accelerate 2050 target**



**Portfolio-wide growth plans generate catalyst-rich outlook**



# Key Milestones Achieved 1H 2021

Strong Delivery Against Strategic Targets Within Six Months of Edison Deal Close



## Robust Operational & Financial Performance

Strong 1H 2021 production 44.0 kboed (72% gas) – outperformance across portfolio

Record financial results – increase in revenues to \$206 million

\$75 million EBITDAX; \$53 million Operating Cash Flow

## Rapidly Delivering on Net Zero Commitments

Carbon intensity reduced to 18 kgCO<sub>2</sub>/boe – 19% decrease versus 2020 levels<sup>1</sup>

‘Green electricity’ rolled out at all operated sites in Italy<sup>2</sup>

Zero-routine flaring policy implemented at all operated sites

## Sustainable Capital Structure & Fully Funded

\$2.5 billion bond issued extending average life of debt to approx. 6 years

Completed cash-flow accretive acquisition of Kerogen’s 30% holding in Energean Israel

## Growth Plans Firmly On Track

Karish firmly on track for first gas mid-2022 – 1,700 workers on FPSO project at end-August 2021

Five high-return growth projects sanctioned<sup>3</sup>

Rig contract signed with Stena – Israel growth drilling campaign to commence 1Q-2022

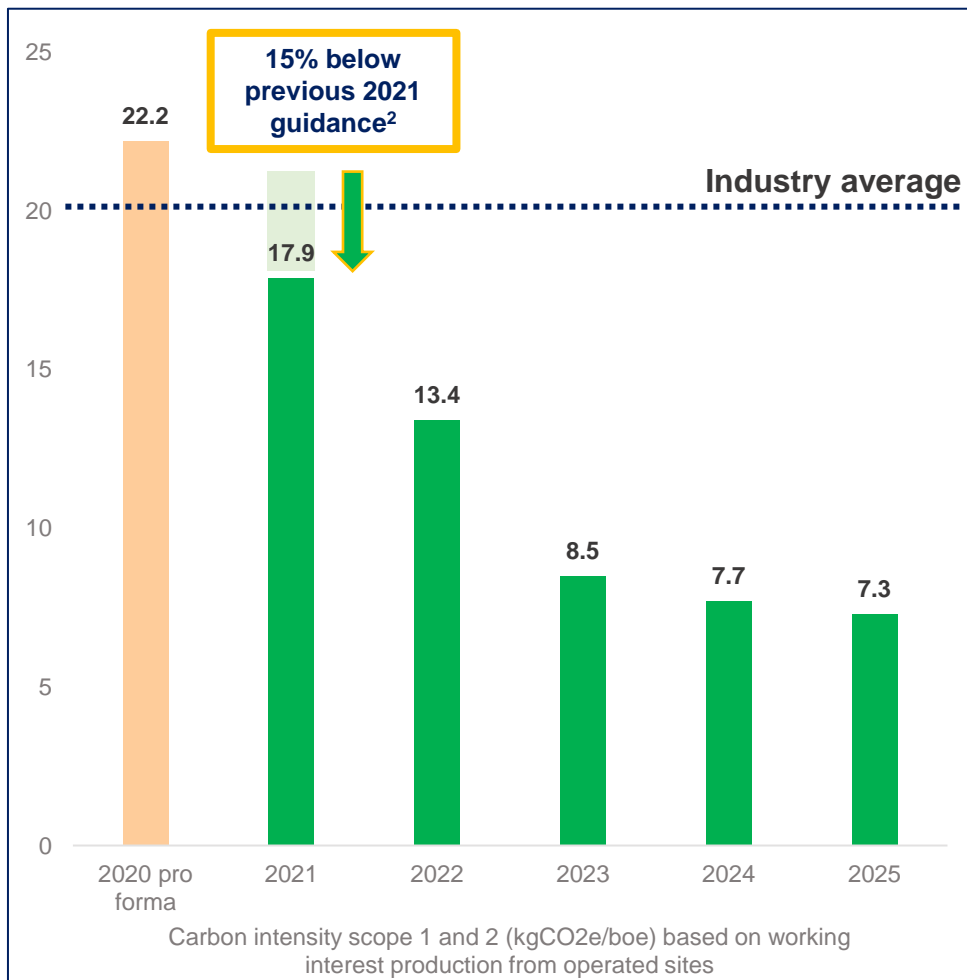
Various domestic & international commercialisation options under evaluation in event of further Israel discoveries

# Rapidly Delivering On Net Zero Commitments

## 19% Carbon Intensity Reduction YTD Achieved Versus 2020 Levels



### Rolling Short-Term Emissions Intensity Target



### Key Actions Taken During 1H 2021

First Climate Change Policy published – investigating acceleration of 2050 net zero<sup>1</sup> commitment



Agreements for purchase of 'Green Electricity' in place at operated sites in Israel, Greece, Italy & Croatia



Zero-routine flaring policy fully effective across entire portfolio

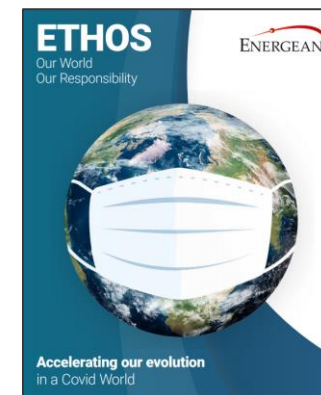


'Green Prinos' suite of projects under maturation – assessing potential to replicate across portfolio



### Best in Class ESG Ratings

- 'Outperformer' – Sustainalytics
- 'AA' – MSCI
- 'Gold' – Maala Index (Israel)
- 'B-' in Climate Change & 'B' in Suppliers – Carbon Disclosure Project
- Externally assured 2020 Sustainability Report



# Financials



# 1H 2021 Results – Key Figures

Record Operational & Financial Performance Within Six Months of Edison Deal Close

	1H 2021	Y-o-Y % Change		1H 2020
Working Interest Production	44.0 kboed	+1,995%	↑	2.1 kboed
Sales & Other Revenue	\$206 million	+9,686%	↑	\$2 million
Cash Cost of Production <sup>1</sup>	\$15.4/boe <sup>2</sup>	-44%	↓	\$27.5/boe
Cash S,G&A	\$17 million	+215%	↑	\$5 million
Adjusted EBITDAX	\$75 million	+939%	↑	(\$9 million)
Operating Cash Flow	\$53 million	+466%	↑	(\$15 million)
Capital Expenditure	\$230 million	-8%	↓	\$249 million
Net Debt <sup>3</sup>	\$1,693 million (\$231 million Plc excluding Israel)	+96%	↑	\$861 million



# 2021 Guidance and Medium-Term Outlook

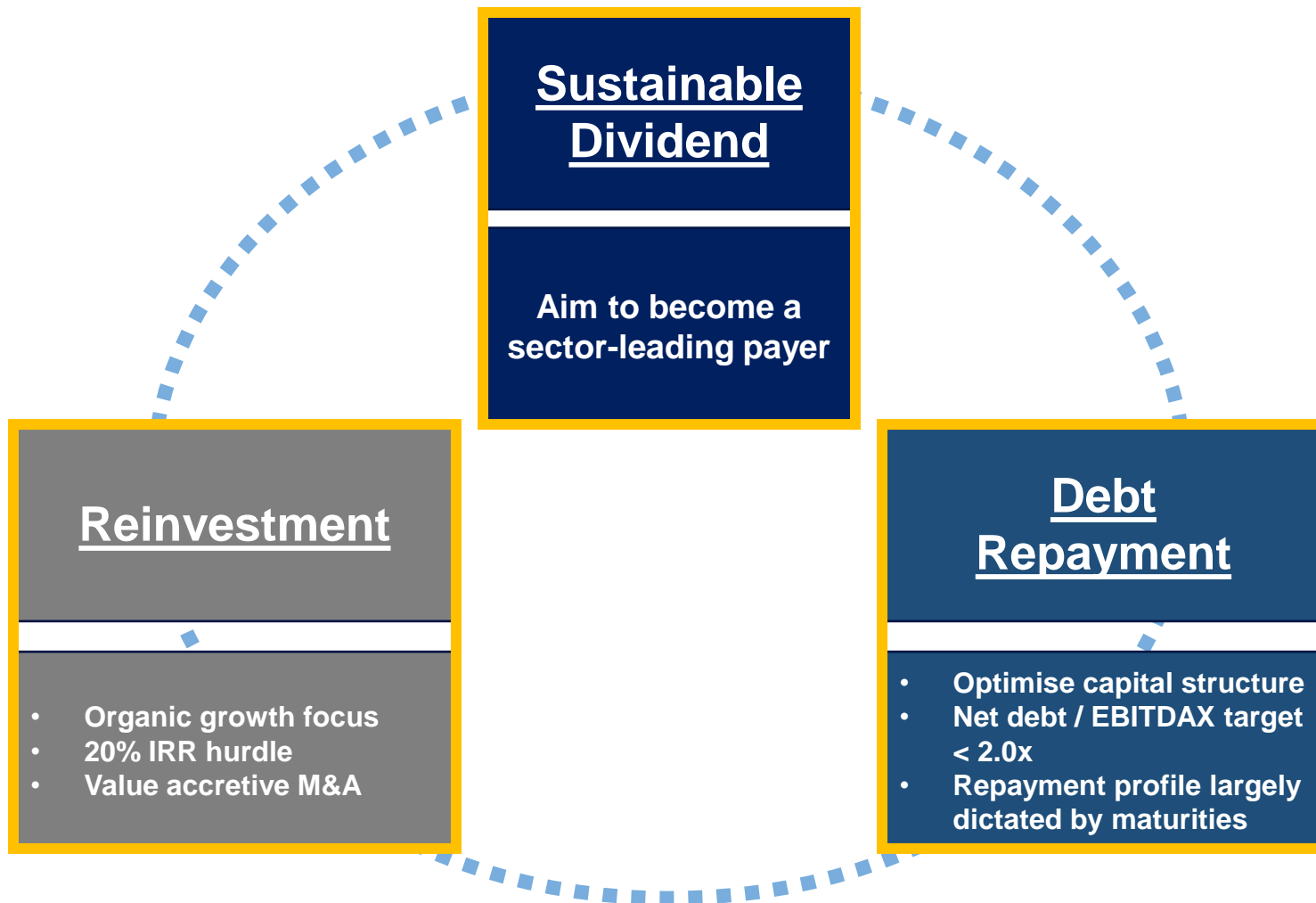
## Medium-Term Targets Maintained Under Revised Karish First Gas Timetable

2021 Guidance	
Production	38.0 – 42.0 kboed <small>Maintained</small>
Cash Cost of Production*	\$195 – 220 million <small>Maintained</small>
Development & Production Capital Expenditure	\$470 – 550 million <small>Maintained</small>
Exploration Capital Expenditure	\$55 – 70 million <small>Maintained</small>
Decommissioning Expenditure	\$2 – 5 million <small>Guidance range narrowed</small>
Consolidated Net Debt	\$2,000 million <small>Guidance range narrowed</small>

Medium-Term Targets	
Production	200 <small>Kboed</small>
Revenues	\$2,000 <small>Million</small>
Cost of Production*	\$9 – 11 <small>/ boe</small>
G&A	\$25 – 35 <small>Million</small>
EBITDAX	\$1,400 <small>Million</small>
Net Debt / EBITDAX	< 2.0x

# Capital Allocation Policy

Focusing on Shareholder Returns, Whilst Maintaining a Balance with Reinvestment & Debt Repayment



# Sustainable Capital Structure

Strong Financial Position & Fully Funded For All Sanctioned Projects

## Net Debt Position End-June 2021

### Group net debt: \$1,693 million

- \$(1,146) million cash
- \$2,839 million debt

### Energean Israel net debt: \$1,462 million

- \$(998) million cash<sup>1</sup>
- \$2,460 million debt

### Energean Plc excl. Israel net debt: \$231 million

- \$(148) million cash
- \$379 million debt

**\$2,000 million FY  
net debt  
guidance**

**\$1,400 million  
medium-term  
EBITDAX target**

## Optimised Debt Structure

### Israel Bond

- \$2.5 billion
- Non-recourse to the Group
- Maturities 2024, 2026, 2028 & 2031
- Coupon rates (%) 4.5/4.875/5.375/5.875

### Egypt RBL

- \$280m RBL facility with \$75m accordion
- LIBOR + 4.75% yrs 1-3 / LIBOR + 5.75% yrs 4-6
- 6-year term, semi-annual redeterminations
- 3-year grace period with first amortisation July 2023

### Greek RBL<sup>2</sup>

- Outstanding loans as of 30 June \$118 million
- Scheduled principal repayments of \$19m every six months
- Maturity date:
  - RBL 31 October 2024
  - Sub-loan 31 August 2025

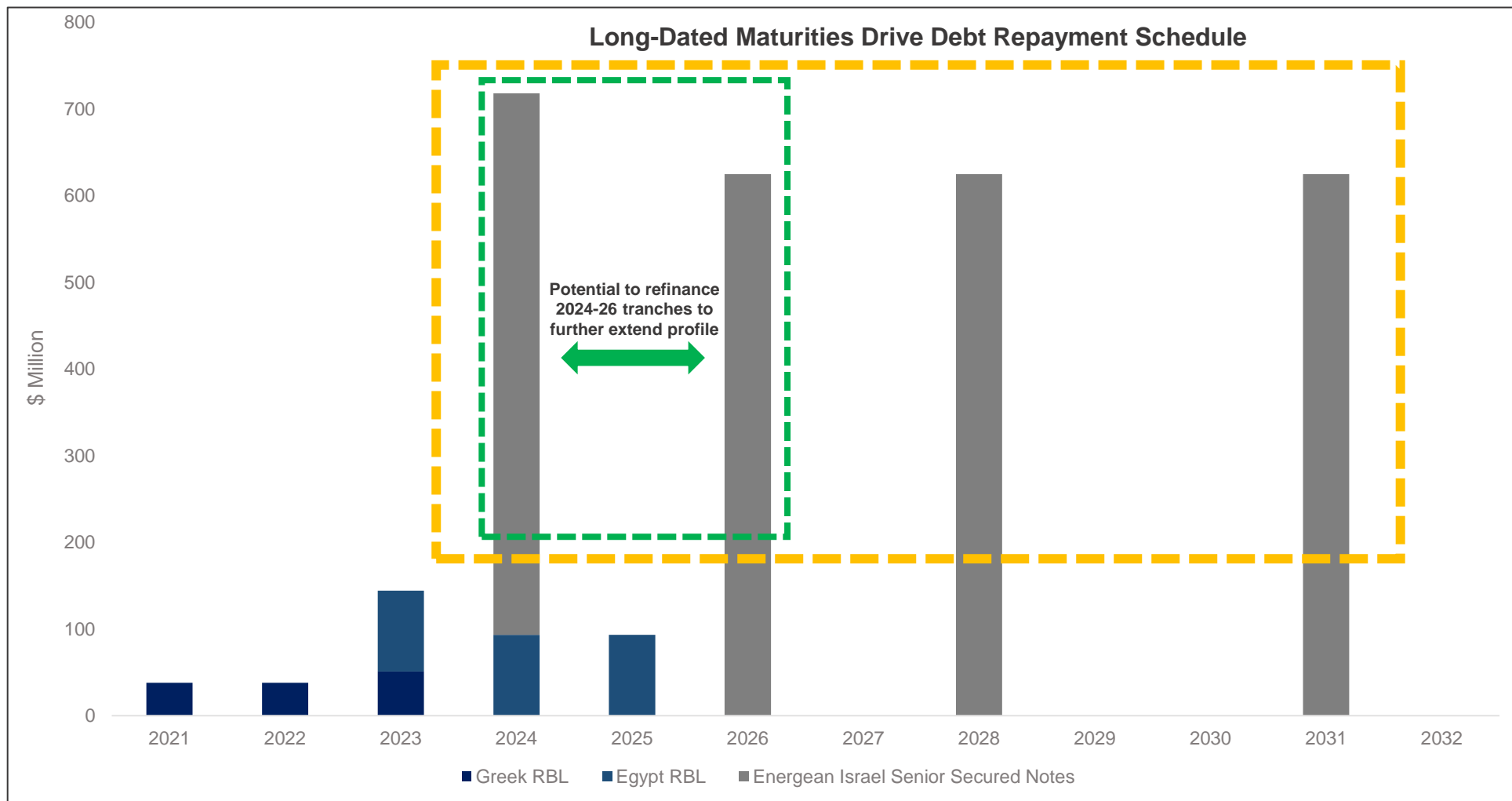
**Cash position provides significant financial flexibility  
– all planned activities fully funded**

**Debt capital structure, excluding Israel, expected to  
be optimised**

# Optimised Debt Structure

Weighted-Average Life of Debt Extended from approx. 2.5 to 6 Years

## Debt Maturity Profile



# Project Updates: Israel



# Flagship Karish Development – Firmly On Track to Deliver First Gas Mid-2022



*Energean Power FPSO*

## Key Milestones to First Gas

August 2021

Daily workforce levels > 1,700 at end-August 2021

1Q 2022

35-day sail from Singapore to Israel

2Q 2022

3-month FPSO hook-up & commissioning

Mid-2022

Karish first gas

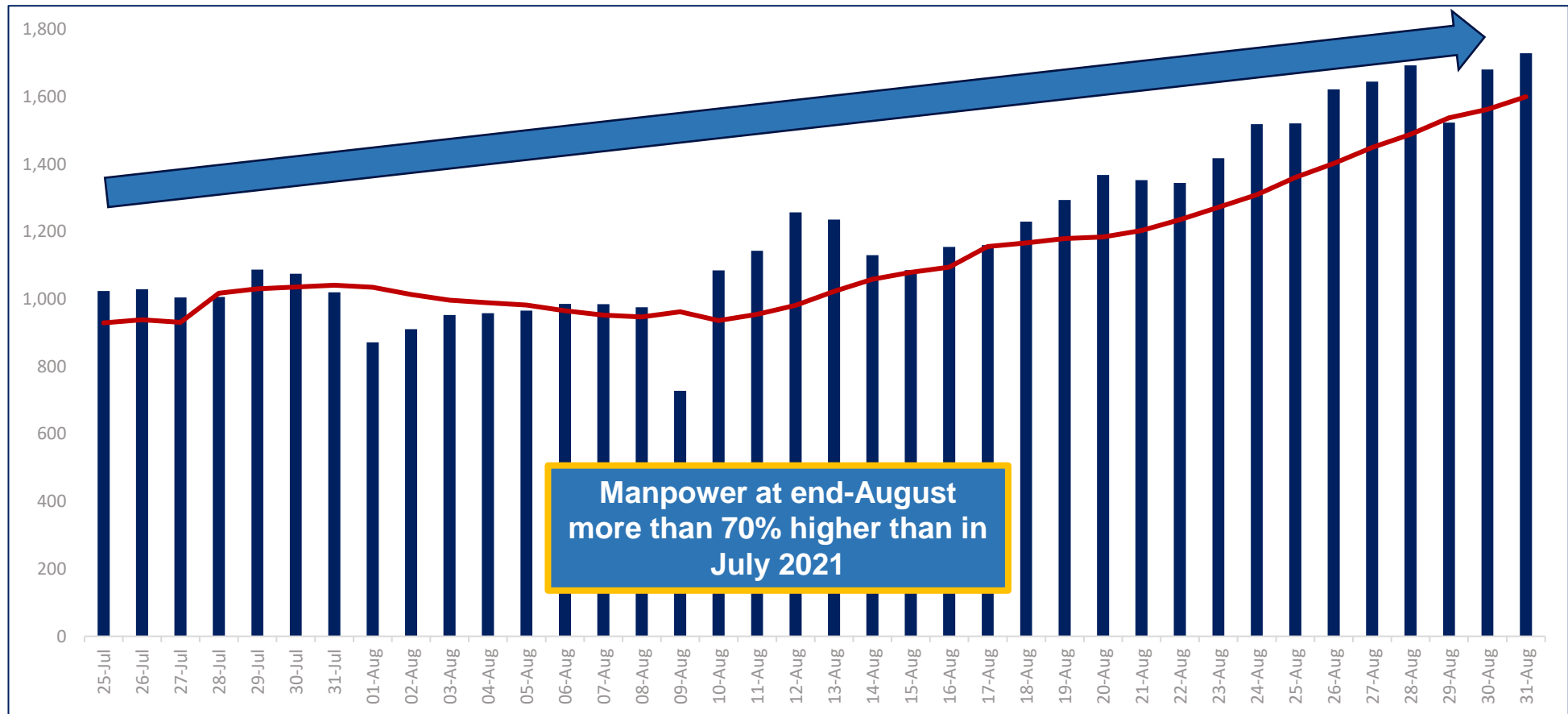
# Manpower Improvement over August 2021

## Acceleration Measures in Action

Significant ramp in manpower experienced over August

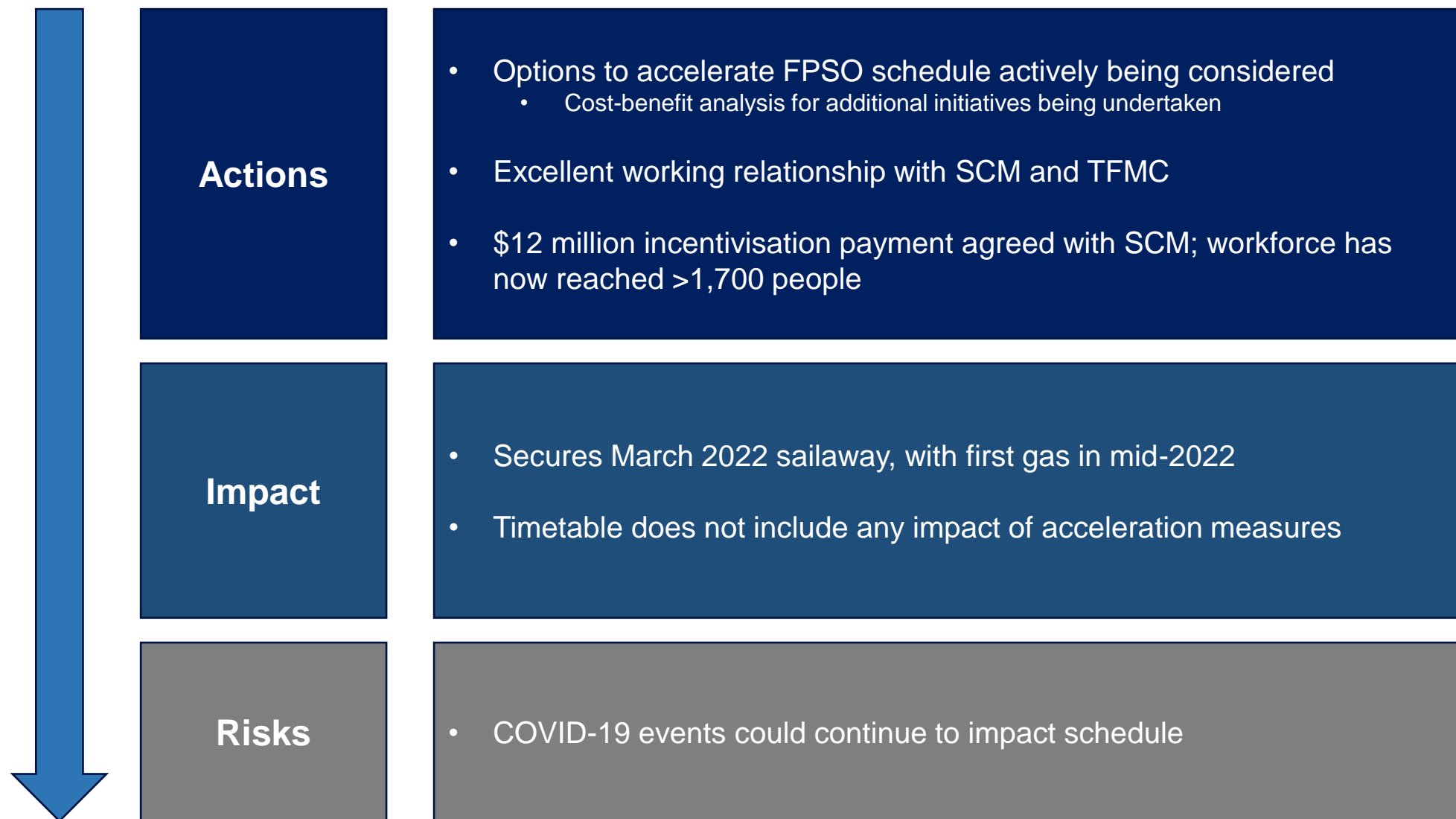
Manpower at 1,700 end-August 2021

\$12 million incentivisation payment agreed with Sembcorp to participate in its scheme to source workers from less traditional labour markets



# Acceleration Programme in Action

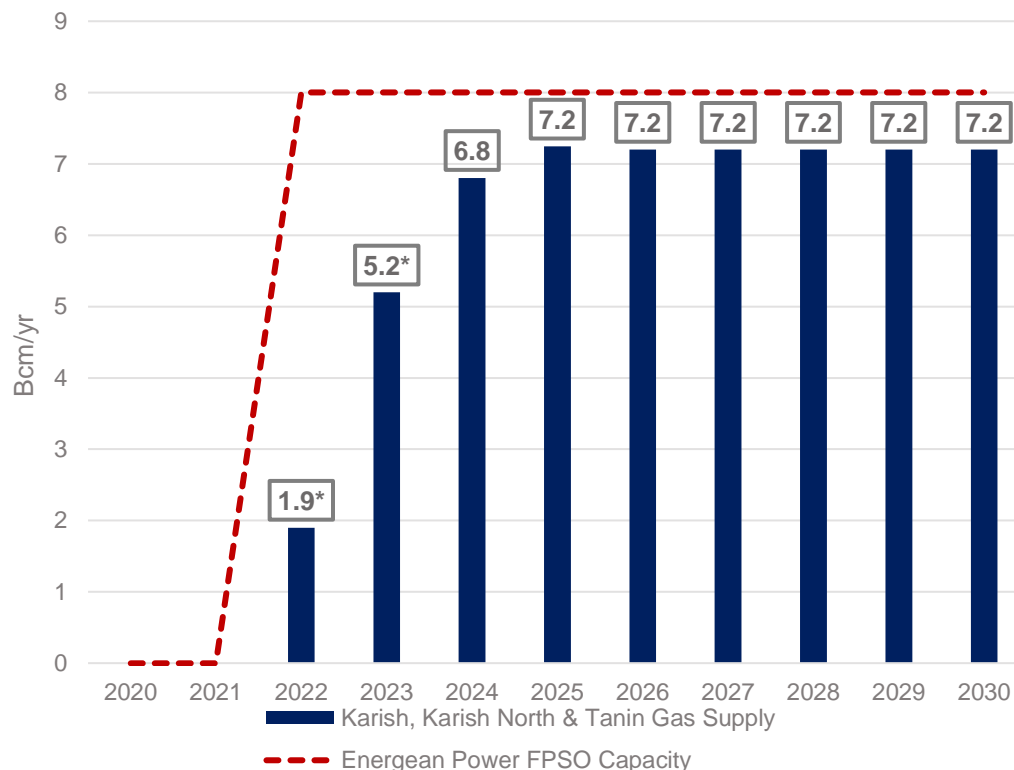
## Key Actions Identified & Under Consideration for Implementation





# Israel – 7.2 Bcm/yr Gas Sales Agreements

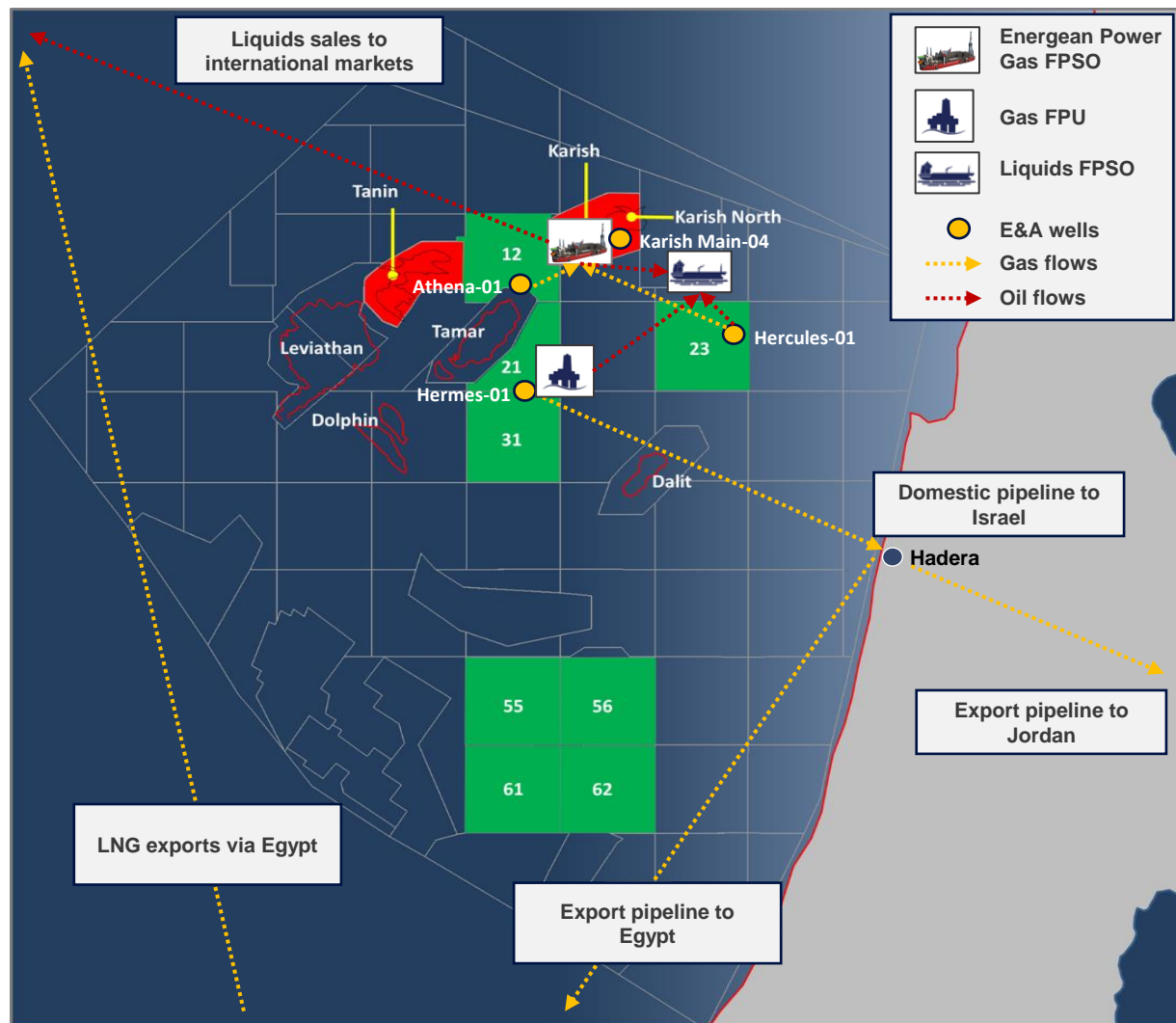
Secured Revenues with 90% of Energean Power FPSO Capacity Utilised



## Energean Israel Gas Supply Profile

- **Mid-2022** – Karish first gas
- **2022-25** – Ramp up of 18 contracts signed with independent power producers (IPPs) including both recently privatised IEC stations, Alon Tavor & Ramat Hovav, and blue-chip industrial customers including ORL and ICL
- **Plateau output** updated to 7.2 from 7.4 Bcm/yr – for one contract the buyer was unable to meet its conditions subsequent under the contract, and both parties therefore agreed to mutually terminate the agreement. Energean believes it will replace these volumes shortly
- **Hagit Power Station privatisation** tender expected 2022. Energean expects to participate

# Growth Drilling Campaign to Commence 1Q-2022 – Targeting Derisking of +1 Billion Boe Prospective Resources



## Growth Drilling Programme

**Establishing a gas production hub in the East Med**

**\$80 million committed investment**  
(excludes the Karish North development well)

**PoS ranging from 72-94%<sup>1</sup>**

**Growing Israeli domestic gas market**

**High global gas prices support regional export options e.g. Egypt, Jordan & Europe**

<sup>1</sup> Firm wells only. Excludes the Karish North development well.

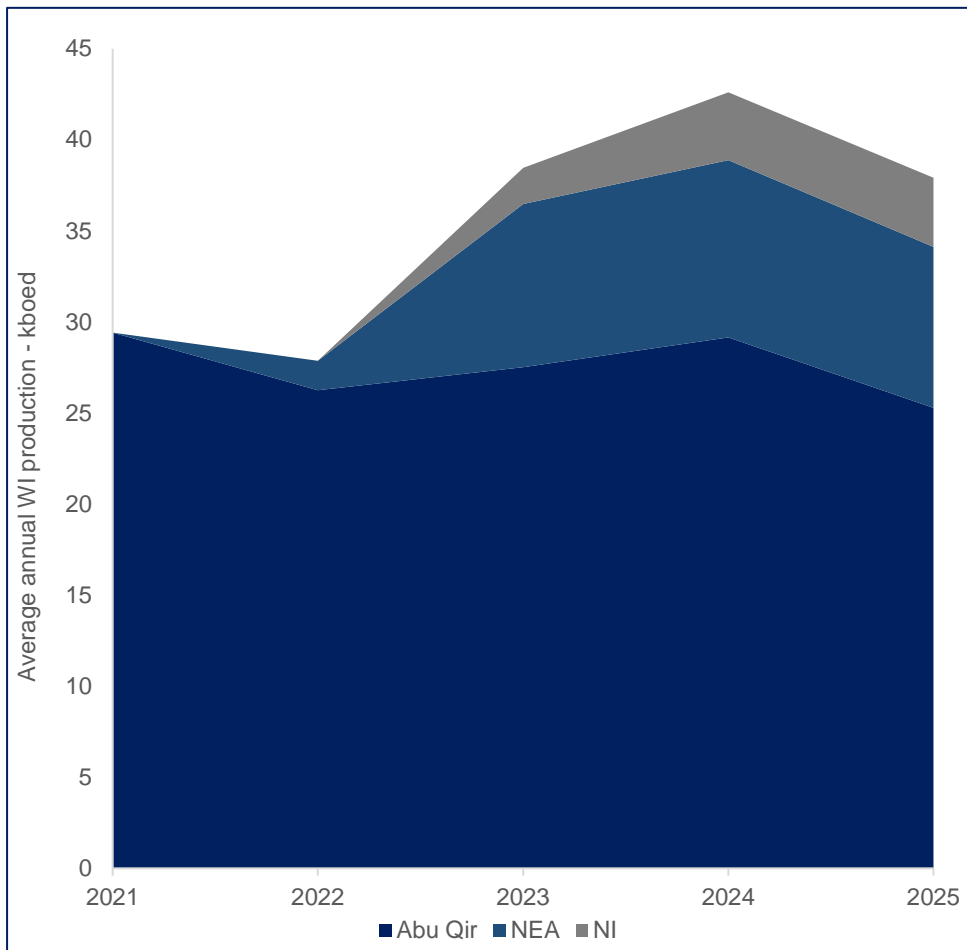
# Project Updates: Egypt



# Low-Cost Cash-Generative Production

## Near-Term Production Growth Through NEA/NI Development & Abu Qir Infill Drilling

### Production Outlook 2021-25



### Improving Abu Qir production

1H 2021 production of 31.4 kboed (87% gas) above FY guidance of 27 - 30 kboed

### Improving receivables position

Total EGPC receivables<sup>1</sup> on 30 June 2021 of \$159 million versus \$221 million on 31 December 2019

### Portfolio optimisation ongoing

Reducing operating costs, evaluating production efficiencies & optimising Technical teams

### Cash-generative production

Revenue stream underpinned by gas sold under fixed price contracts

# High-Return NEA/NI Development Firmly On Track

Project 14% Complete on 31 July 2021 – First Gas Expected 2H 2022

Lump sum EPCI contract awarded to TechnipFMC

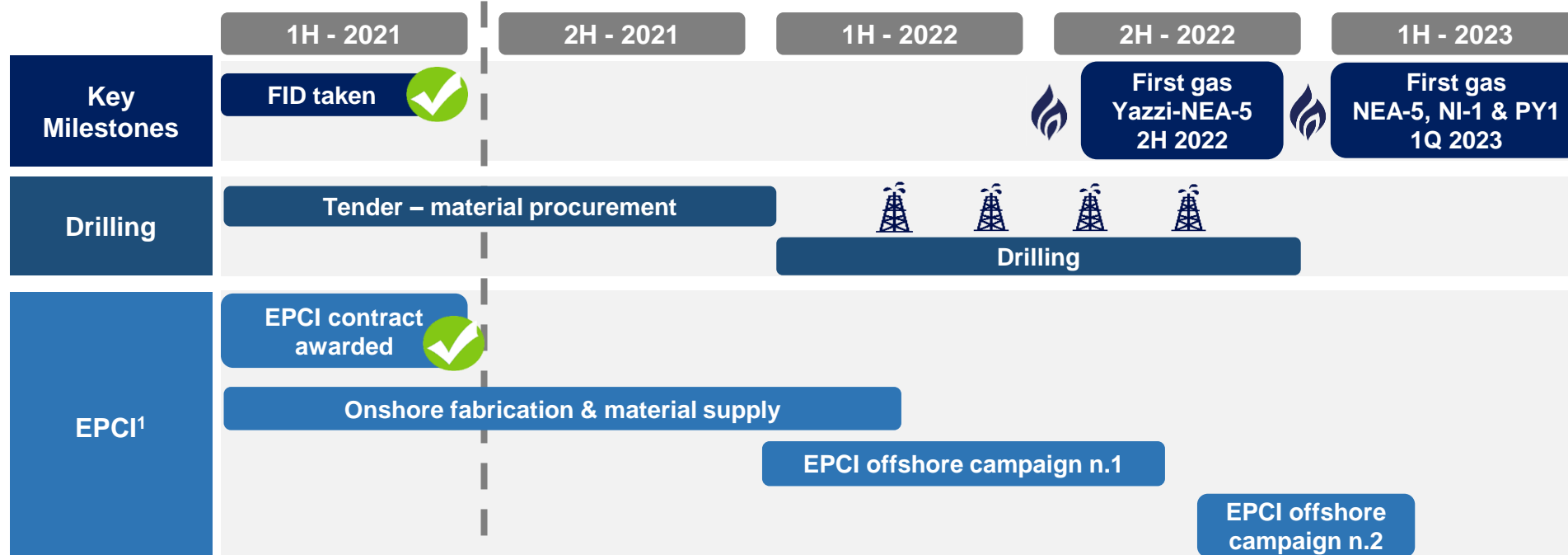
Four subsea wells tied back to Abu Qir infrastructure

Maturing several other near-field & infrastructure led opportunities

Discovered NI-B field identified as potential future drilling candidate

## NEA/NI Project Schedule

Today

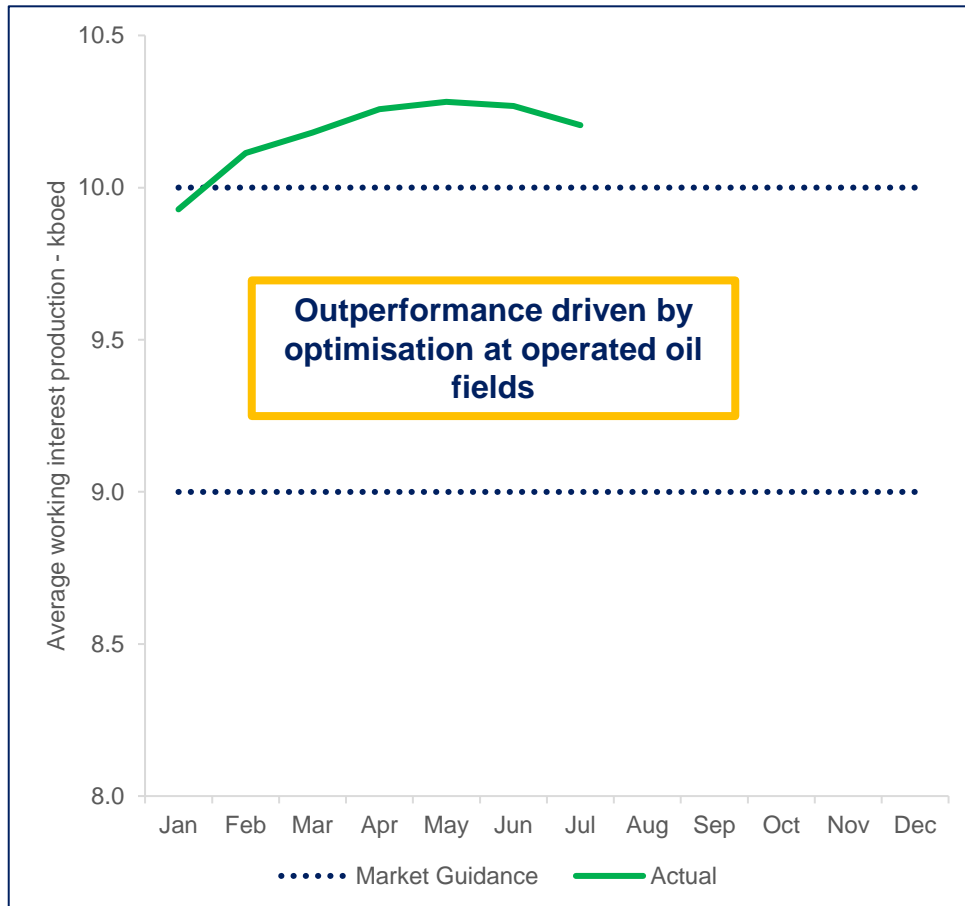


# Project Updates: Italy



# Italian Asset Base – Strong Operational Performance

## Italian Year-To-Date Production



**Operational Outperformance**  
Strong production >10 kboed 1H 2021

**Cassiopea Development on Track**  
First gas expected 1H 2024

**Access to Infrastructure**  
Substantial regional infrastructure in place

**Maturing Low-Risk Investments**  
Rospo sidetrack drilling campaign in 2023

**Vega & Rospo Interests Increased**  
To 100% at nil cost

# The Outlook





# H2 2021-22 Outlook

Continue to Execute Strategic Goals to Provide Substantial and Sustainable Growth

Operational & Financial Performance	2021 production guidance re-iterated at 38-42 kboed <sup>1</sup>	2021
	2021 capex <sup>2</sup> re-iterated at \$525-620 million	2021
Growth Plans On Track	First gas from Karish, offshore Israel	Mid-2022
	Commencement of high-impact growth drilling campaign offshore Israel, at Athena	1Q 2022
	First gas from first well at NEA/NI, offshore Egypt	2H 2022
	Commencement of the Epsilon development programme, Greece	1H 2023
Sustainable Capital Structure & Fully Funded	Future dividend policy to be declared in due course	2022
	Optimised debt structure, excluding Israel	2022
Net Zero Commitments	Commencement of Pre-FEED on Prinos CCS, Greece	2H 2021
	Target to accelerate net zero commitment	Ongoing

# Appendix



# 1H 2021 Production, Above FY 2021 Guidance



KBOEPD

1H 2021

31.4

12.0

0.6

44

FY 2021  
Guidance

27 - 30

11 - 12

0.5

38 - 42

# Epsilon Development

## Potential to Extend the Life of the Prinos Area

### Key Project Metrics<sup>1</sup>

Peak Production

>13 Kbbbl/d

2P Reserves

58 MMbbl

Capex

\$15 / Boe

Opex

<\$10 / Boe

IRR

+60%

### Production Profile

