



# Deutsche Bank 25th Annual European Leveraged Finance Conference

16 June 2021



# ETHOS

Our World  
Our Responsibility

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The forward-looking information included in this presentation derived from the D&M report as of 31 December 2020 ("**D&M Report**") is primarily based on the estimates of DeGolyer and MacNaughton Corp. ("**D&M**") with respect to the quantities of natural gas and condensate in the Karish & Tanin gas fields which are classified as reserves "On Production," and on certain other assumptions (the "**D&M Data**"). The D&M Data is also based on financial data representing Energean's 100% working interest in the Karish & Tanin gas fields (the "**Working Interest**"). As such, the D&M Data is not a projection or prediction, but simply illustrates hypothetical results that are mathematically derived from D&M's reserves estimates and the specified assumptions. Accordingly, it will not readily allow comparisons of actual results against forecasts and does not facilitate ongoing budget comparisons. Reference to the D&M Data derived from the D&M Report should not be regarded as a representation by Energean, the Initial Purchasers or any other person that the results provided will be achieved. The D&M Data has been prepared based on certain important assumptions. Actual production levels, sales volumes, gas and condensate sales prices, availability, operating expenses, maintenance costs, royalties, levies, capital costs and interest and inflation rates may differ from those assumed as a result of many risks and uncertainties, including those described in the preceding paragraph. Accordingly, the actual performance and cash flows of the Working Interest for any future period may differ significantly from those shown by the D&M Data. You are cautioned not to place undue reliance on the D&M Data and should make your own independent assessment of the Working Interest's future results of operations, cash flows and financial condition.

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# Energiean Overview



# The Leading Independent, Gas-Focused E&P Player in the Mediterranean

Material Sustainable Cash Flow Generation & Meaningful Dividend Payments



**9 Countries**  
Of operation

**1.1 bnboe**  
2P + 2C\*

**200 kboed**  
production target

**+70%**  
Gas-weighted

**Governance**  
Premium listing  
on LSE

**Management**  
30 years  
experience in gas

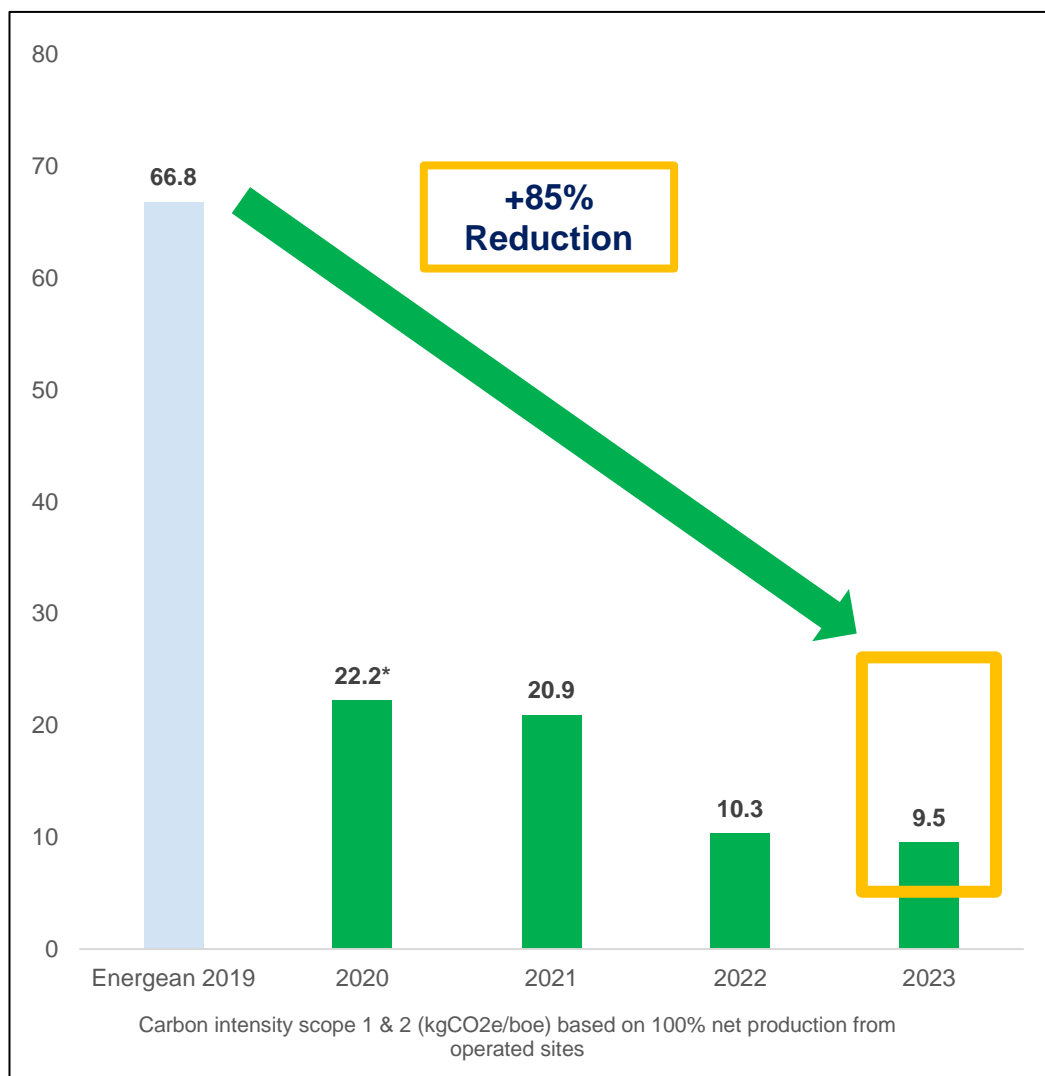
**Net Zero  
Emissions**  
Commitment by 2050\*\*

**ESG & HSE**  
focused

# First E&P Player Globally to Commit to Net Zero

## 85% Carbon Intensity Reduction Targeted by 2023 Versus Our 2019 Base

### Rolling 3-Year Plan - Emissions Intensity Target



### Fully Aligned with TCFD

#### TCFD Pillars

#### Key Actions Taken

<b>Governance</b>	Executive pay linked to ESG & achievement of emissions reduction targets	✓
<b>Strategy</b>	Implemented climate-based scenario analysis & internal carbon pricing to assist with investment-decision making	✓
<b>Risk Management</b>	Environment, Safety and Social Responsibility Committee & new entity** formed to address climate-related risks	✓
<b>Metrics &amp; Targets</b>	Full disclosure of metrics used to assess climate-related risks and opportunities	✓

### External ESG Ratings

<b>Sustainalytics</b>	Outperformer
<b>Carbon Disclosure Project</b>	“B-” in climate change and “B” in suppliers’ engagement



# Bond Characteristics



# Successful \$2.5bn Bond Raise – closed March 2021

## Bond Structure:



# Bond- Key Highlights

The Notes includes 4 equal bullet tranches of \$625M each

Issuer/ Sponsor	Energean Israel Finance LTD			
Format	Rule 144A and Regulation S			
Ranking	Senior Secured Notes			
Rating (Moody's/S&P)	Ba3 / BB-			
Issue size	USD 2.5Bn			
Amount per tranche	USD 625mm	USD 625mm	USD 625mm	USD 625mm
Tenor	3 years	5 years	7 years	10 years
Maturity date	30 <sup>th</sup> March 30 2024	30 <sup>th</sup> March 2026	30 <sup>th</sup> March 2028	30 <sup>th</sup> March 2031
Coupon	4.5%	4.875%	5.375%	5.875%
Listing	TACT (Israel) Institutional			



# Karish and Tanin – key highlights



# Key highlights of Karish and Tanin fields



1 WORLD CLASS ASSET

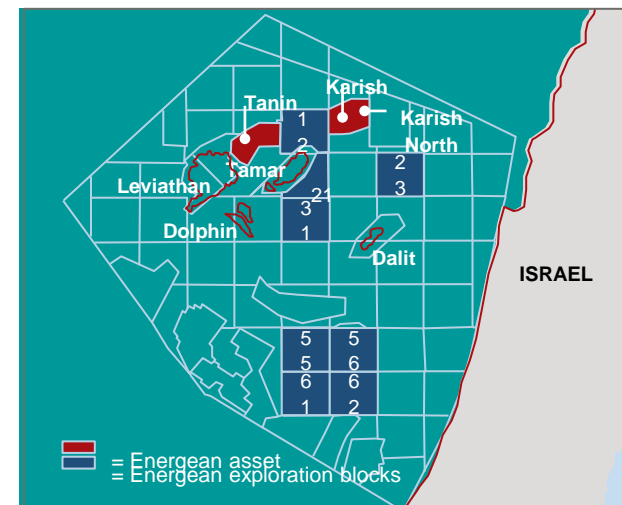
2 CONVENTIONAL OFFSHORE DEVELOPMENT INCLUDING OWNED FPSO

3 LIMITED PROJECT EXECUTION RISK<sup>1</sup>

4 LONG-TERM FIXED PRICE GSPAs WITH 100% ISRAELI OFFTAKERS

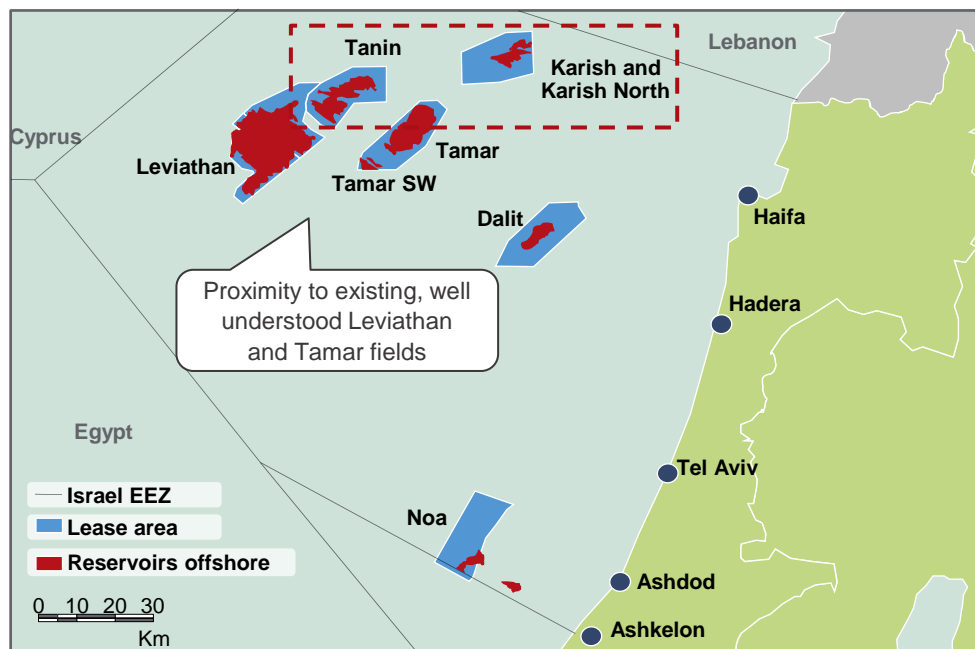
5 100% OECD, INVESTMENT GRADE COUNTRY RISK

6 STABLE CASHFLOW WITH LOW COST BASE AND CUSHIONED FROM COMMODITY PRICE FLUCTUATION<sup>2</sup>



# 1 World-class asset

Proximity to and core similarities with Leviathan and Tamar gas producing fields in the region



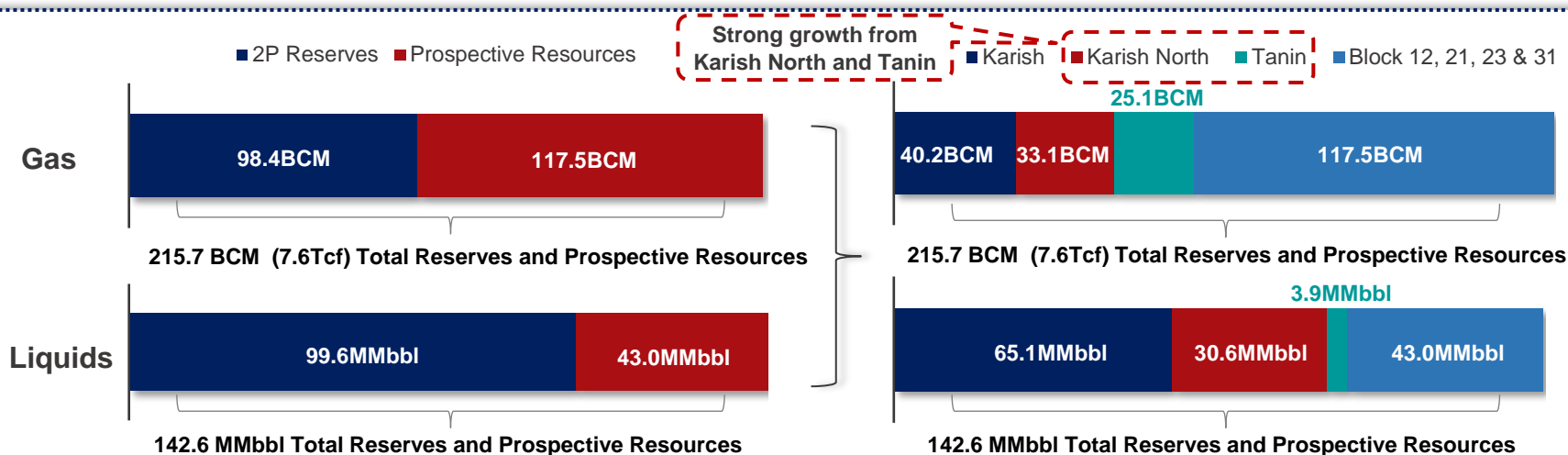
1 Analogous geology

2 Strong aquifer pressure support

3 Highly productive wells

4 High purity gas

World class development with large reserve base



Source: Reserves and Resources as of January 2021 D&M CPR

## 2 Conventional offshore development including owned FPSO

1 Standard non-horizontal subsea wells

2 Spread-moored FPSO<sup>1</sup> – no turret required

3 FPSO processes gas to sales specification before piping to shore

4 Offshore loading of liquids

### Fully owned FPSO allows flexibility and resilience

- ✓ Energian decided to place an FPSO at sea, far from the coast.
  - Such a structure is better environmentally in case of spill
  - It also reduces project execution complexity as well as stakeholder management
- ✓ FPSO are more common and user-friendly floaters than semi-submersibles in terms of standardized product, fabrication and deck space, as well as weight and flexibility for topside future growth
- ✓ This is especially true in benign weather conditions that allow for spread moored configuration
- ✓ Energian placed its floater close to its wells to maximize ultimate recovery, eliminate use of permanent SS MEG injection, and withstand water break through
- ✓ Removal of SS MEG complex technology has saved significant CAPEX, and will save even more significant OPEX and yearly emissions
  - This is part of Energian's integrated project execution and production philosophy
- ✓ Although gas remains the primary focus, oil throughput via the FPSO provides additional upside for the identified liquids in Karish and Tanin fields

## Limited project execution risk

### Robust Technip turnkey EPCIC fully wrapped contract...

- Global leader in O&G contracting with significant experience in deepwater development projects and FPSOs globally
- Technip is a financially strong, credit worthy market leader with an established track record
- The EPCIC contract covers the engineering, procurement, construction, installation and commissioning of the entire Karish integrated production system
- With a turnkey contract excluding the drilling of wells (already 100% complete), there is no incremental risk of cost overruns to Energean
- Contractual Terms
  - Fixed contract price with stage payments based on certain milestones
  - Liquidated damages (LDs) endorsed by the Independent Engineer in case of delay to completion
  - Performance LDs if system capacity is below its design capacity by a certain amount
  - Extensive project insurance package, covering project property and third parties
  - Limitation of liability at appropriate % of the contract value
- Technip has provided a performance bond from an investment grade rated Bank

### ...and operations readiness and support contract for the FPSO with Wood Group

- Wood Group is the 'go to' Contractor as O&M partner for FPSOs worldwide
- Very commonly provides associated services to offshore operators

### Energean has 30+ years experience in developing and operating Oil & Gas assets in the Mediterranean region

- Energean, along with Edison E&P, has a 30+ year track record of operating offshore and onshore assets in environmentally sensitive areas
- Longstanding track record of operating the complex Prinos basin offshore Greece

#### Workstreams

— FPSO 96% complete

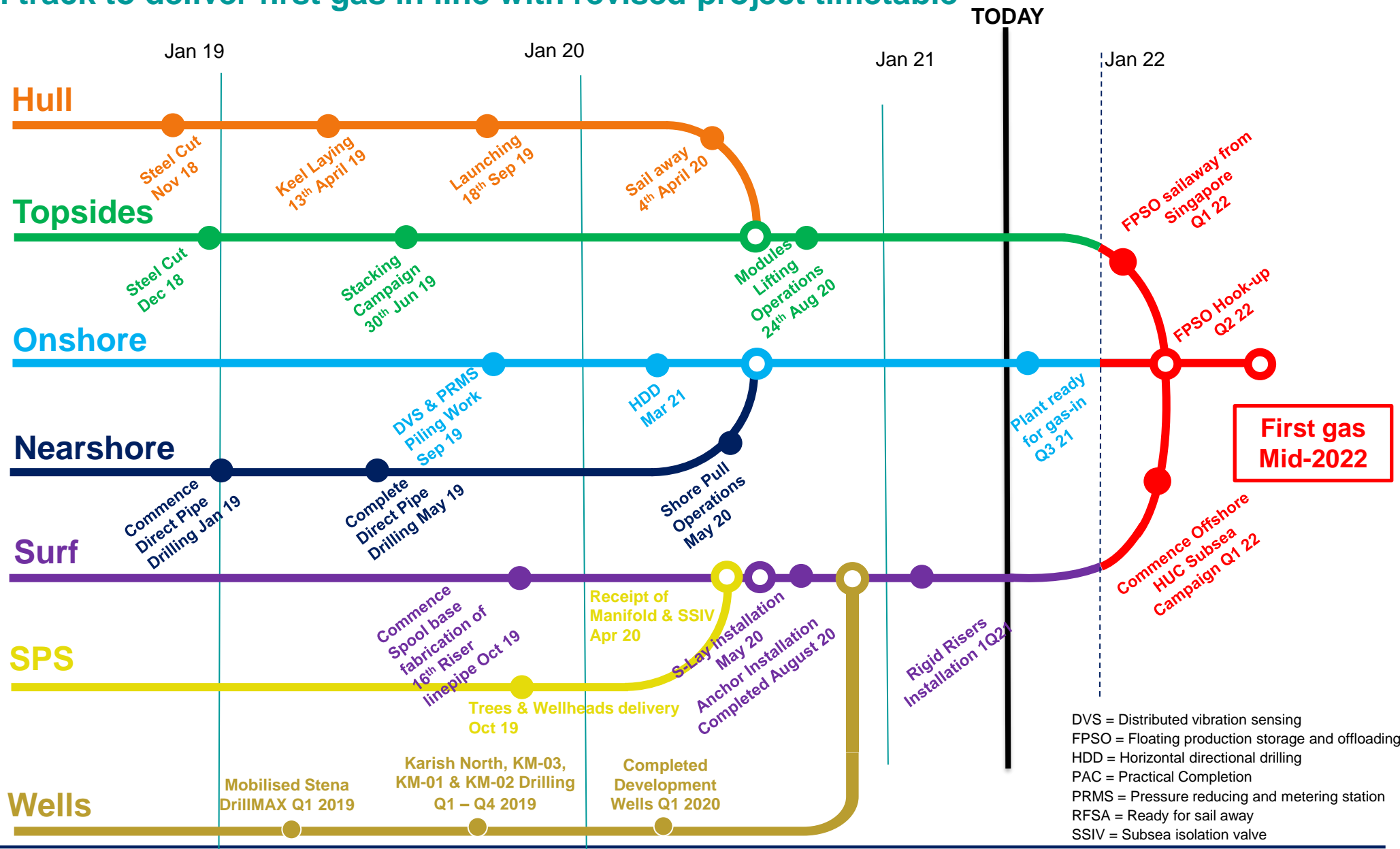
— Onshore 98% complete

— Subsea 83% complete

— Drilling 100% complete

### 3 Project update

On track to deliver first gas in line with revised project timetable





4

# Long-term GSPAs signed with 100% Israeli Offtakers

Secured Revenues with 93% of *Energean Power* FPSO Capacity Utilised

## Contracts features

**Diversified Offtake Contracts on 90% of Total Volumes**



7.4 Bcm/yr at plateau  
19 contracts with IPPs & industrial players

**Long-Term Tenors (Years)**



Min: 6 | **Weighted Average: 16** | Max: 20

**With Take-or-Pay or Exclusivity**



75% weighted average **ToP**

**Highly Competitive Pricing Terms**

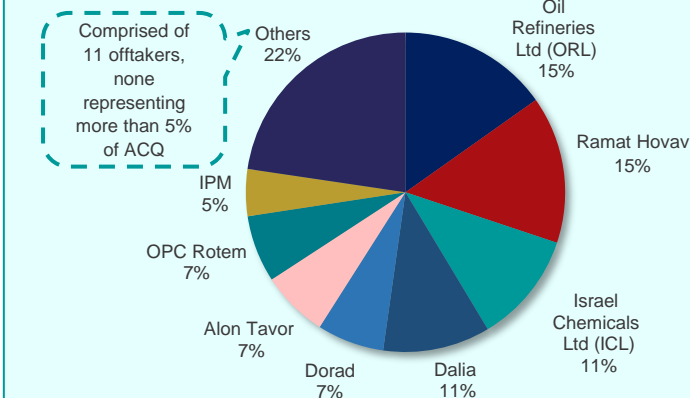


Weighted average floor price of \$4.0/MMbtu

**High Quality, Reputable and Diverse Customer Base**



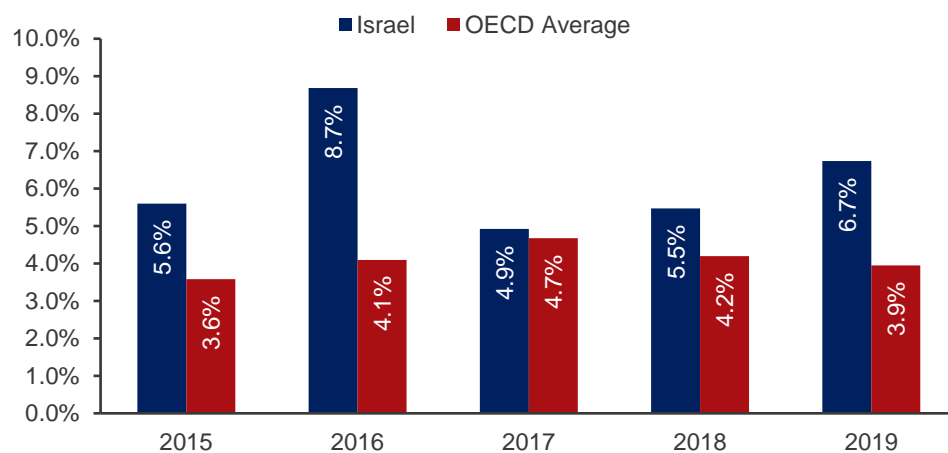
(Based on ACQ)



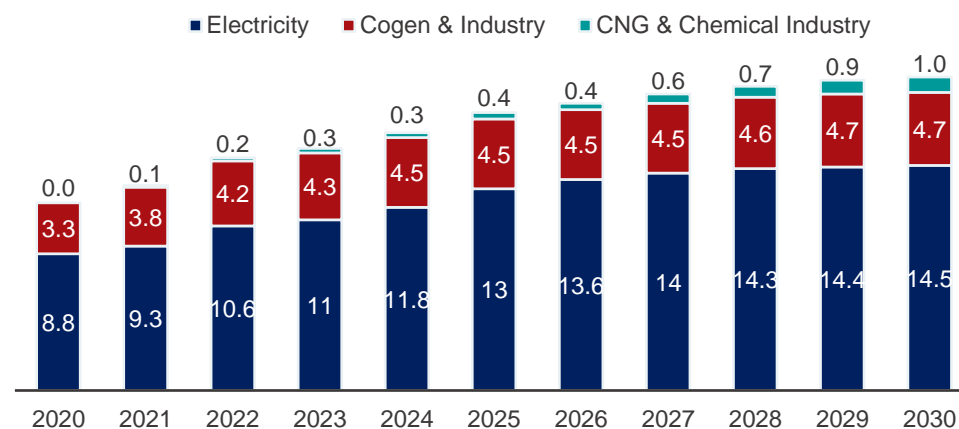
## OECD, Investment Grade Country of Operations and Offtakers

- ✓ Energean Israel's existing 2P gas production is fully contracted with Israeli counterparties that include Israel Chemical Ltd. and other independent power producers which are all domiciled in Israel
- ✓ Israel has held an A-rated credit rating from S&P, Moody's, and Fitch since 1995, representing minimal country risk
- ✓ Higher overall offtaker credit quality vs. comparable gas suppliers in the region
- ✓ Gas volumes are fully contracted with Israeli offtakers
- ✓ Israel is amongst the countries leading the world in COVID vaccinations, with over 60% of the population vaccinated<sup>1</sup>

### Israel GDP Growth Outpaced the OECD<sup>2</sup>



### Natural Gas Demand Forecast for Israel 2020-2030 (BCM)<sup>3</sup>



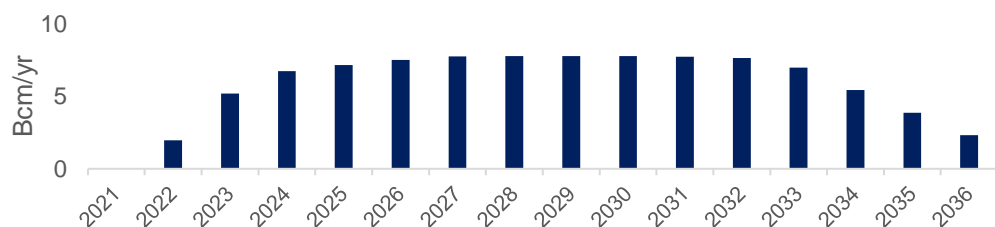
**Demand growth drivers are expected to create 8 BCM of additional Israel annual gas demand by 2030<sup>3</sup>**

6

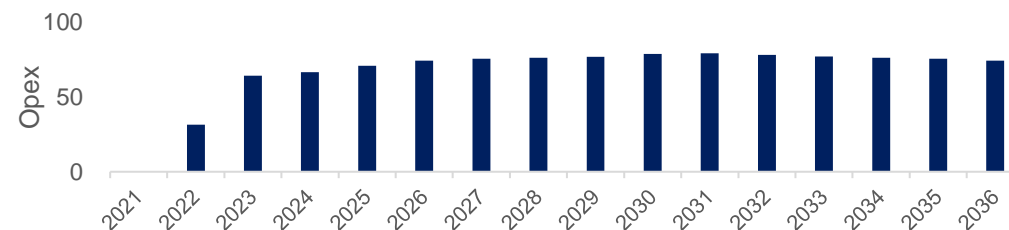
# Stable cash flow with low cost base and cushioned from commodity price volatility

Based on D&M CPR Low Case 2P profile

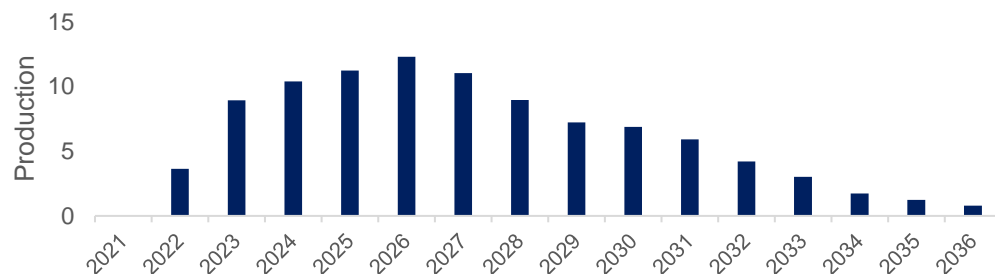
## Gas production<sup>1</sup> (Bcm)



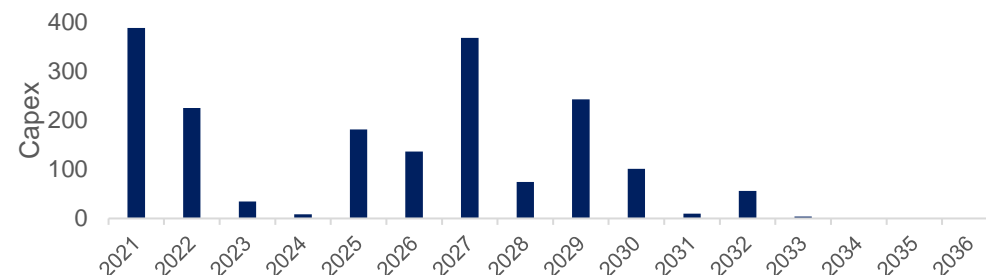
## OPEX<sup>1</sup> (\$m)



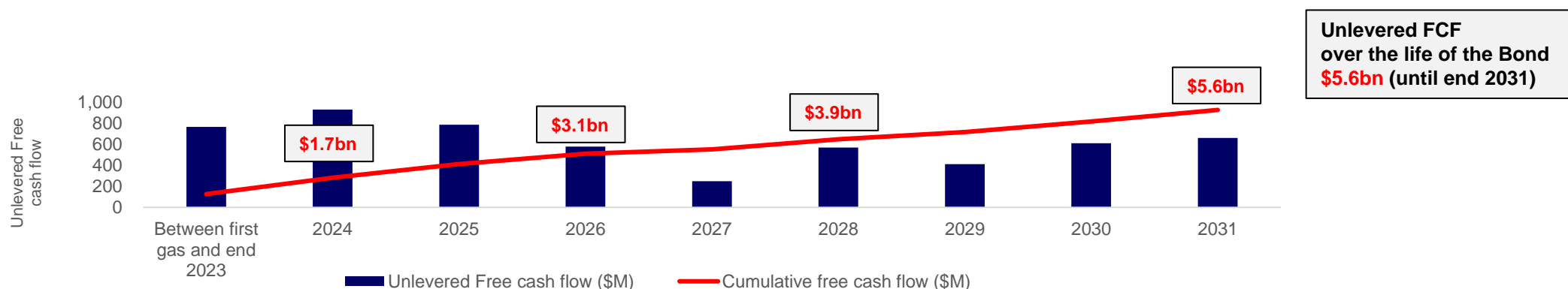
## Liquids production<sup>1</sup> (MMbbl)



## CAPEX<sup>1,2</sup> (\$m)



## Unlevered free cash flow / tranche maturity years<sup>2,3,4,5</sup> (\$m)



<sup>1</sup>Based on D&M CPR 2P Low Case Profile with 6 months delay in 1<sup>st</sup> gas to mid-2022

<sup>2</sup>The Capex schedule remained as originally planned

<sup>3</sup>Transaction costs, certain EISL level corporate costs and exploration included in addition to D&M profile

<sup>4</sup>Based on fixed gas price of \$4.04 per MMBTU for the fields life

<sup>5</sup>Based on Brent price of \$52.1 for 2022,\$50.9 for 2023,\$50.4 for 2024,\$50.1 for 2025,\$51.1 for 2026,\$52.1 for 2027,\$53.2 for 2028,\$54.2 for 2029,\$55.3 for 2030,\$56.4 for 2031.The price is inflated at 2% thereafter ,capped \$66/bbl

# Appendix- Bond Summary Terms



# Summary terms – Senior Secured Notes

Issuer	Energean Israel Finance Ltd (100% owned subsidiary of Energean Israel Ltd.)			
Ranking / Issue	Senior Secured Notes			
Issue Ratings (Moody's / S&P)	Ba3 / BB-			
Total Issuance Size:	\$2.50bn			
Tenor	3 years	5 years	7 years	10 years
Optional Redemption	<ul style="list-style-type: none"> <li>• NCL, T+ 50 make-whole</li> <li>• Redeemable at par 3 months prior to maturity date</li> </ul>	<ul style="list-style-type: none"> <li>• NCL, T+ 50 make-whole</li> <li>• Redeemable at par 3 months prior to maturity date</li> </ul>	<ul style="list-style-type: none"> <li>• NCL, T+ 50 make-whole</li> <li>• Redeemable at par 6 months prior to maturity date</li> </ul>	<ul style="list-style-type: none"> <li>• NCL, T+ 50 make-whole</li> <li>• Redeemable at par 6 months prior to maturity date</li> </ul>
Security	<ul style="list-style-type: none"> <li>• Fixed charge over: <ul style="list-style-type: none"> <li>◦ shares of the Sponsor, Issuer and Transco</li> <li>◦ the Issuer's rights under the Sponsor Loan Agreement and the Sponsor Notes and Issuer Accounts</li> <li>◦ the Karish &amp; Tanin Leases</li> <li>◦ the GSPAs</li> <li>◦ the revenue and loss proceeds accounts</li> <li>◦ Operating Permits</li> <li>◦ specified insurance policies (other than liability insurance) covering the property of the Projects</li> <li>◦ Segment A of the delivery transmission system</li> <li>◦ Block 12 and Exploration Licenses related to the Non-Core Projects (each subject to Petroleum Commissioner approval)</li> <li>◦ the INGL Agreement</li> <li>◦ the Projects as existing on the Closing Date</li> </ul> </li> <li>• Floating charge over all of the present and future assets of the Issuer and the Sponsor, including any Petroleum</li> <li>• Energean Power FPSO (subject to using commercially reasonable efforts, including obtaining PC approval and any other applicable governmental authority)</li> </ul>			

# Summary terms – Senior Secured Notes Cont.

Debt incurrence	<ul style="list-style-type: none"> <li>Any increase in borrowing, or refinancing of a maturing tranche, requires that the following tests to be met (calculated on pro forma basis): <ul style="list-style-type: none"> <li>1.50x NPV10 / Net debt test<sup>1</sup></li> <li>Weighted average life to maturity of incremental debt no earlier than the remaining weighted average life to maturity of the outstanding debt</li> <li>Reserve tail: 25% of reserves remaining post maturity of any refinancing on a rolling basis</li> <li><b>Ratings Affirmation:</b> Until 2024, ratings affirmation required if aggregate amount outstanding of the Notes or any Additional Pari Indebtedness is to exceed \$3.0bn, and anytime after, ratings affirmation required if base debt amount is to increase by more than \$500mm</li> <li>Practical completion and LQA run-rate production equating to 3.8 Bcm/yr has been achieved</li> <li><b>Debt Baskets:</b> \$85mm of additional pari passu debt (\$20mm of which may be incurred prior to first gas) and \$150mm of unsecured debt (\$20mm of which may be incurred prior to first gas)</li> </ul> </li> </ul>
Mandatory prepayment	<p>None prior to maturity except:</p> <ul style="list-style-type: none"> <li>Limitation on asset sales and proceeds to be used for redemption or offer to purchase debt, but if investors don't accept, remaining proceeds deposited in revenue account</li> <li>Redemption in the event of certain material events of loss</li> <li>In the event of a "Change of Control" requiring an offer to purchase the Notes at 101% of par plus accrued interest to the purchase date</li> </ul>
Reserve accounts	<ul style="list-style-type: none"> <li>Accounts to include: <ul style="list-style-type: none"> <li><b>Debt Payment Fund:</b> \$100mm funded until run-rate production is 3.8bcm/year annualized over 9 months</li> <li><b>Interest Payment Account:</b> Prior to practical completion, accrued interest until 30 June 2022 and thereafter 6 months forward looking interest must be deposited in order to make a distribution</li> <li><b>Principal Reserve Fund:</b> 50% an upcoming maturity within 12 months for the 3-year and 5-year Notes, and 75% of an upcoming maturity within 18 months for the 7-year and 10-year Notes</li> <li><b>Minimum Cash Requirement:</b> Upon release of the debt payment fund, minimum cash of \$50mm must be maintained in order to pay distributions, stepping up to \$75mm beginning in 2026</li> </ul> </li> <li>Underfunded reserve accounts result in a distribution lock-up</li> </ul>
Distribution tests	<ul style="list-style-type: none"> <li>No restricted payments until practical completion and LQA run-rate production equating to 3.8 BCM/yr has been achieved</li> <li>1.50x NPV10 / Net debt test<sup>1</sup></li> <li>No distributions unless reserve accounts are fully funded, and the minimum cash requirements are met</li> <li>Minimum 2P NPV-10 of \$750mm to make any distributions</li> </ul>
Coupon Frequency	Semi-annual
Governing Law of Transaction Documents	NY Law
Governing Law of Securities Documents	New York, Israeli, and Cypriot Law
Format	144a / Reg S Senior Secured Notes