

Latest developments and Investment opportunities in the Greek E&P sector

Dimitris Gontikas, Vice-Chairman & CEO



The effect of the oil price

Wood Mackenzie
A Verisk Analytics Business

THEMES REPORTS & INSIGHTS **ANALYSIS** CONSULTANCY

14 Jan 2016

Pre-FID 2016: US\$380bn of capex deferred

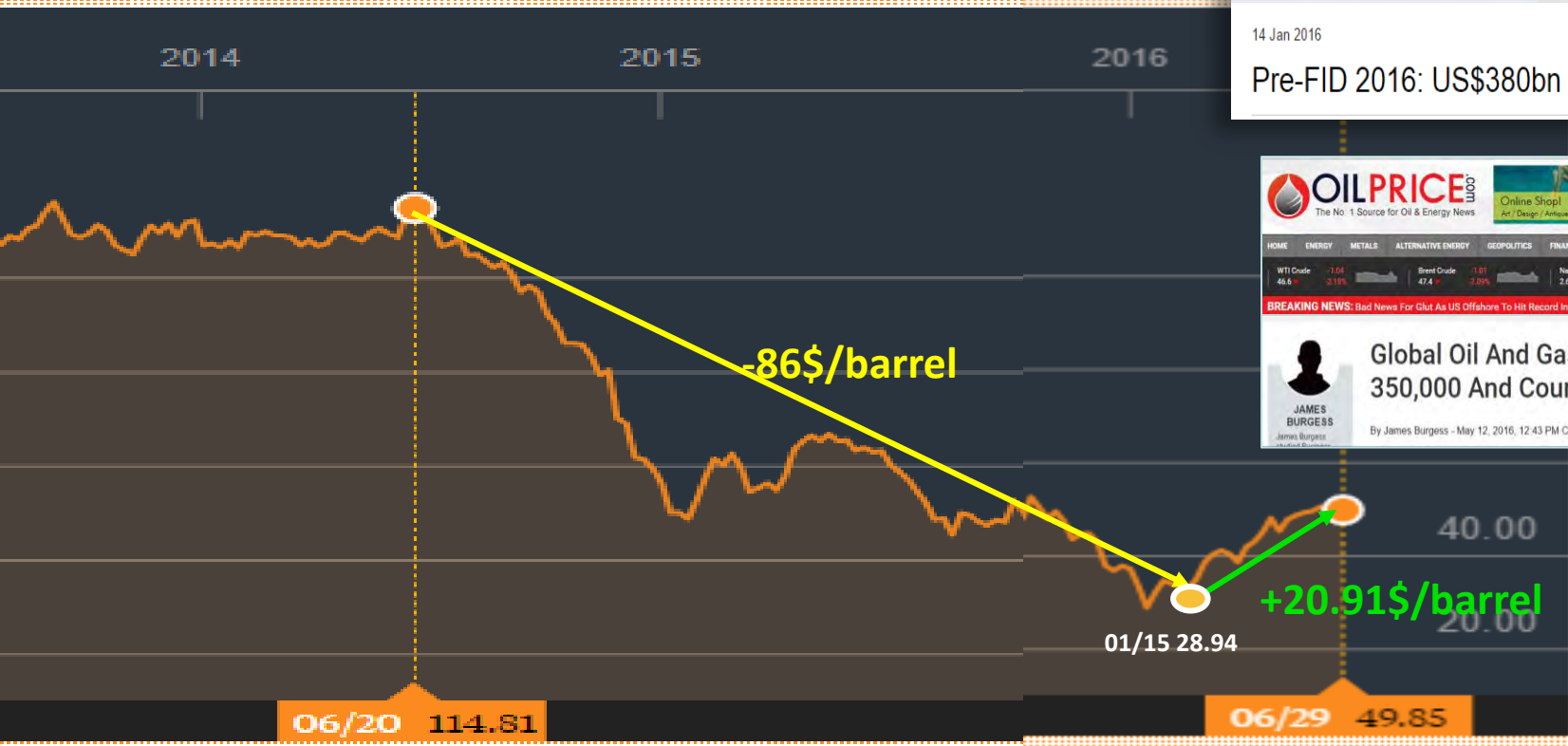
OILPRICE | The No. 1 Source for Oil & Energy News

HOME ENERGY METALS ALTERNATIVE ENERGY GEOPOLITICS FINANCE WIDGETS BREAKING NEWS LOGIN

WTI Crude -1.04 46.6 Brent Crude -1.01 47.4 Natural Gas +0.024 2.686 Gasoline -0.023 1.496

BREAKING NEWS: Bad News For Glut As US Offshore To Hit Record In 2017

Global Oil And Gas Job Losses: 350,000 And Counting
By James Burgess - May 12, 2016, 12:43 PM CDT



Source: Bloomberg.com

Brexit impact on oil price?



Markets | Wed Jun 29, 2016 10:10am EDT

Oil edges up further as Brexit shock fades; U.S. drawdown seen

NEW YORK | BY BARANI KRISHNAN



Housing | Mon Jun 27, 2016 5:09am EDT

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Crude Oil Brent

Latest Price & Chart for Crude Oil Brent

End of day Commodity Futures Price Quotes for Crude Oil Brent

CBQ16 - Crude Oil Brent (ICE)



Agenda

1. Energean at a glance
2. Update on Energean's Drilling campaign
 - Prinos
 - Epsilon development
3. Energean's exploration plan in Western Greece
4. International expansion
5. Challenges for the Greek E&P investor
6. Conclusions

Energiean at a glance

- Private E&P company with focus in the Med and N. Africa
- The Only Oil & Gas producer in Greece – over 4,000bbls/day current
- BP offtake agreement – 6 year term
- 30 mmbbls 2P Reserves
- 28mmbbls 2C Resources with significant upside through EOR/IOR prospectivity
- New 3D in Prinos in 2015 additional to 2 surveys in 1993 & 1997
- USD200 mm low risk ongoing investment plan to increase production to 10,000bbls per day – 15 wells- 2 already drilled
- Exploration upside in Western Greece, Egypt and Montenegro
- Experienced Management Team with International Oil Industry track record
- Low cost producer with stable cashflow from existing production at low breakeven
- Unparalleled HSE track record with 35 year offshore production history in environmentally sensitive areas in the Mediterranean



Strong external financing



US fund with over USD20bn under management

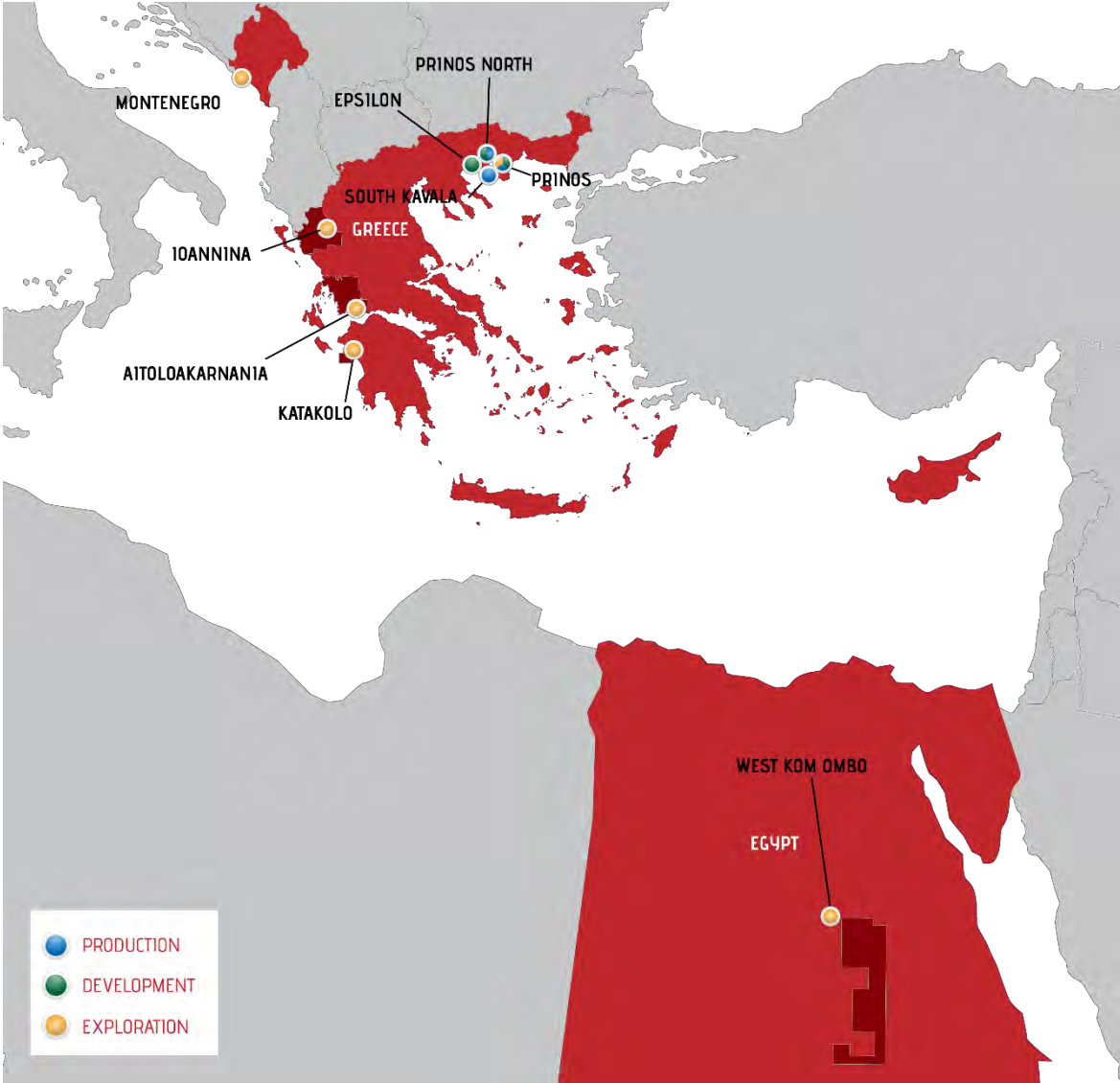


European Bank
for Reconstruction and Development

May 2016

The first non-financial project supported by EBRD in Greece.

Energean in the region



Energean active licenses in Greece



Prinos USD200 million investment plan - Update

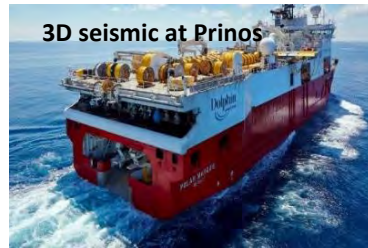
2014

Energiean Force

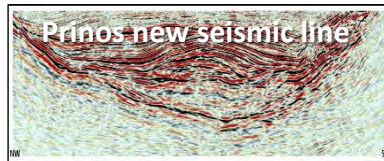


2015

3D seismic at Prinos



Prinos new seismic line

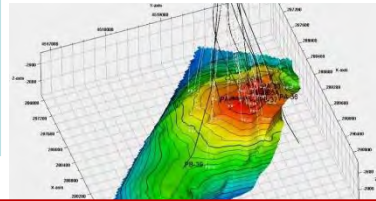


Drill PA35



2016

Well PA-40 completed
Well PA-36 on going
Drill 4 more PRINOS Wells



Energiean Wave

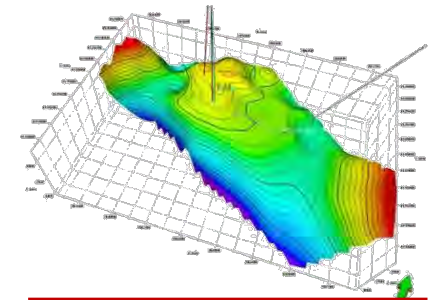


Epsilon SIP construction

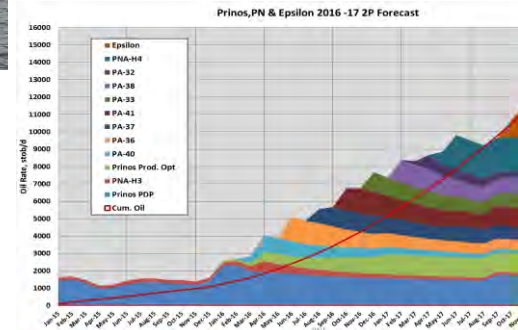


2017

Drill 7 EPSILON wells



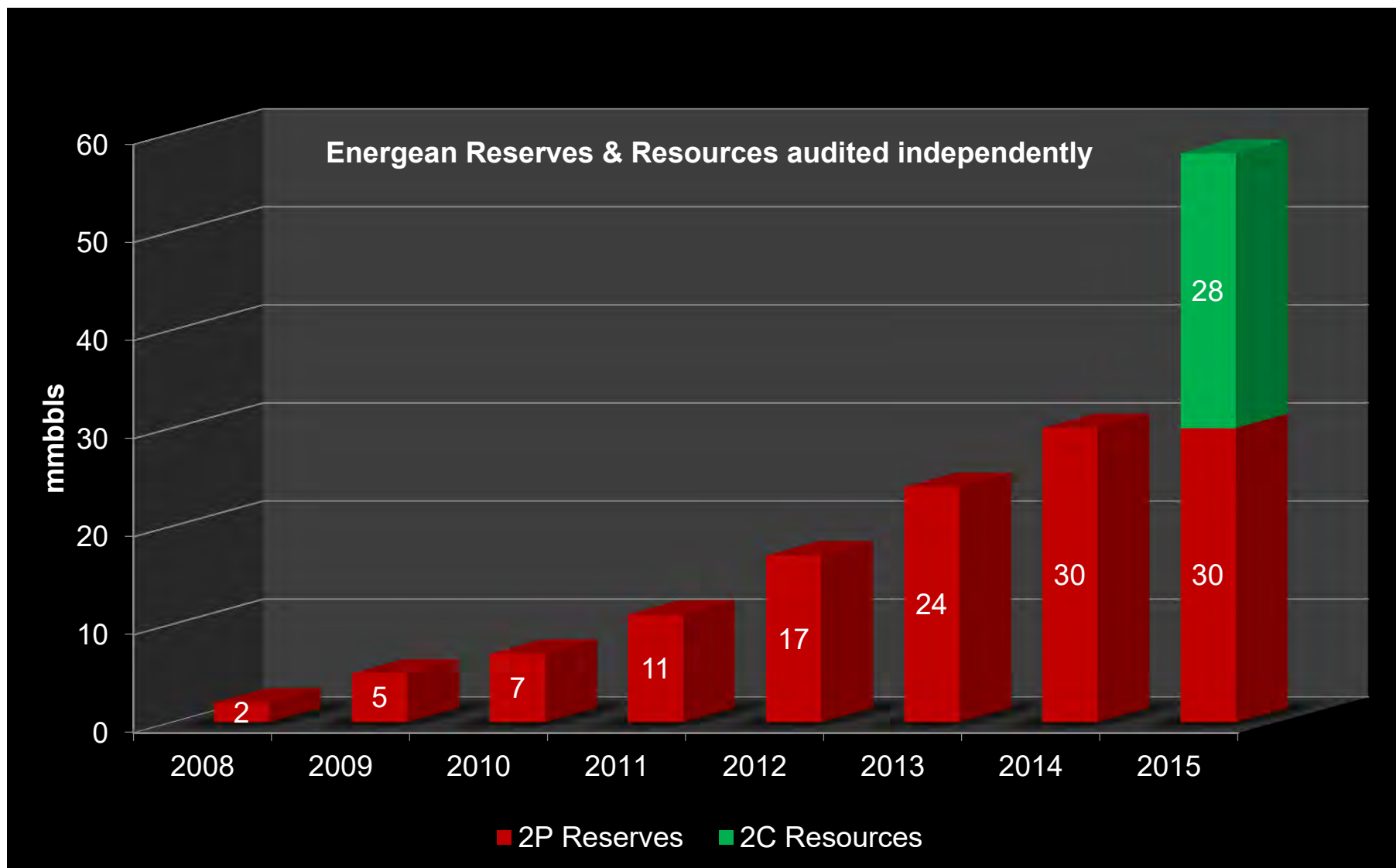
Production target: 10,000bpd by end of drilling campaign



US\$60 million invested

US\$140 million to be invested

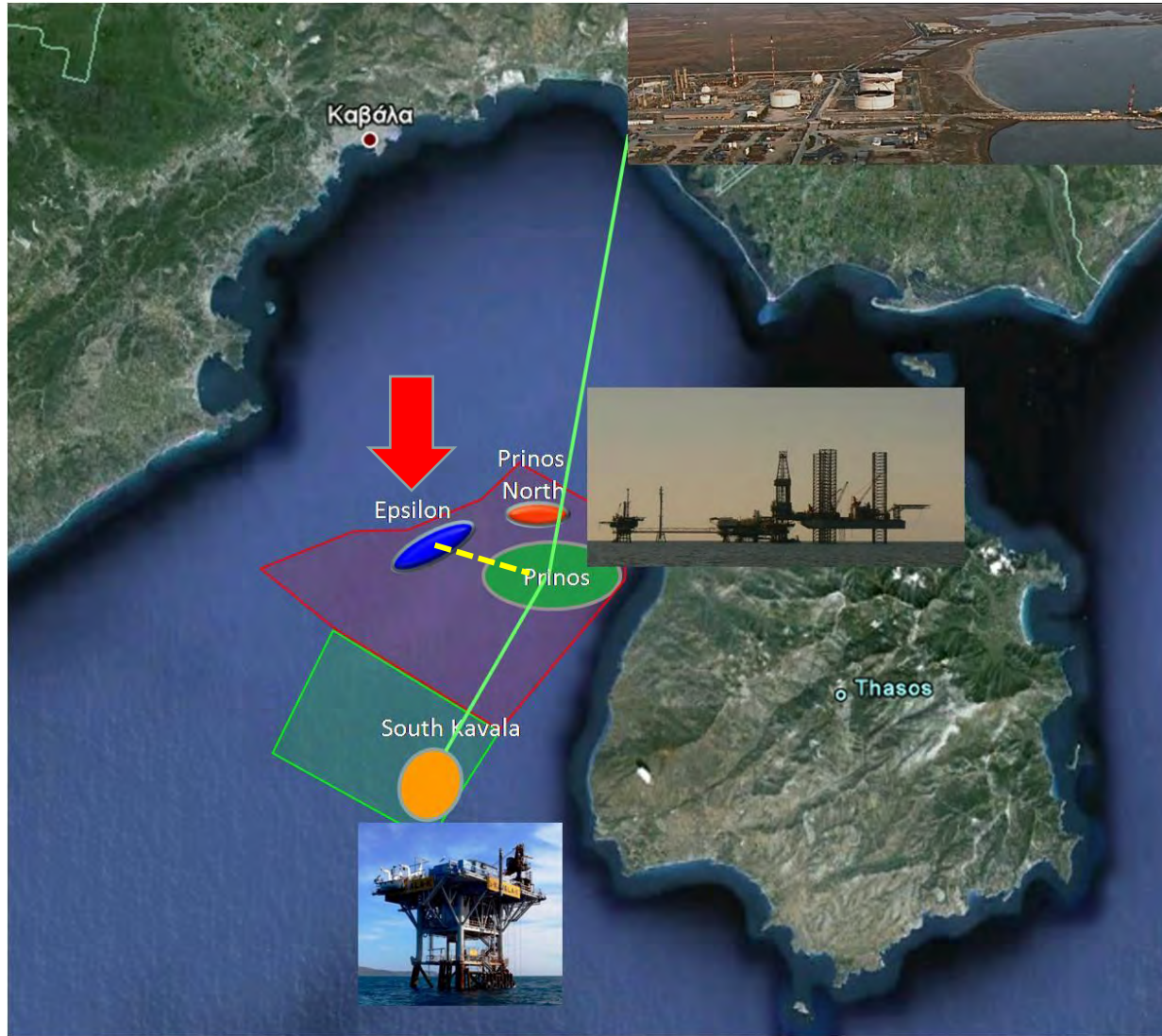
The revival of Prinos



Prinos Operating Break Even



Epsilon Development



Epsilon field

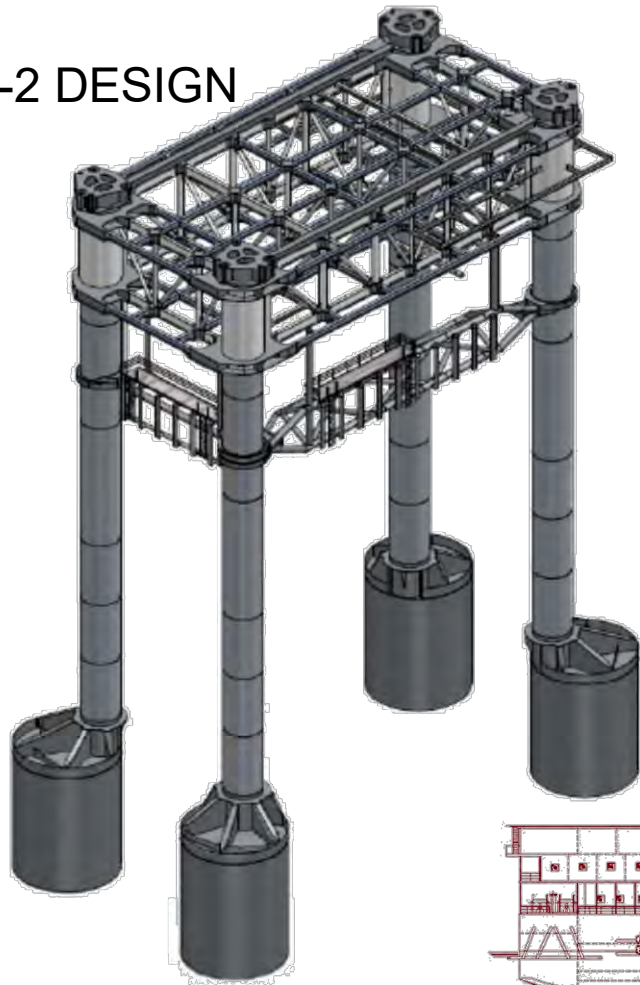
- Discovered 2002
- Appraised 2010 via ERD well drilled from Prinos
- Similar reservoir setting to Prinos, although poorer properties due to increased depth

Development Concept

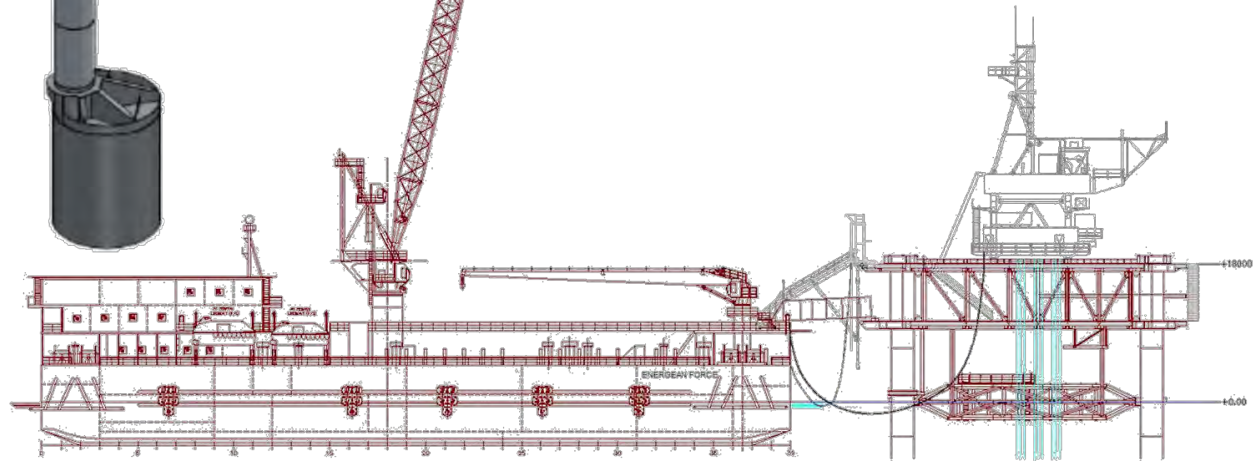
- Satellite tie back to Prinos complex: utilize available spare capacity – multiphase production to Delta platform
- Minimum manned facility: controlled remotely from Prinos Delta
- Gas lift, water injection
Power and chemicals supplied from Delta
- In-house concept design and development of BOD

Lamda Platform

SIP-2 DESIGN



DESIGNED TO SUPPORT
DRILLING OPERATIONS FROM
ENERGEAN FORCE



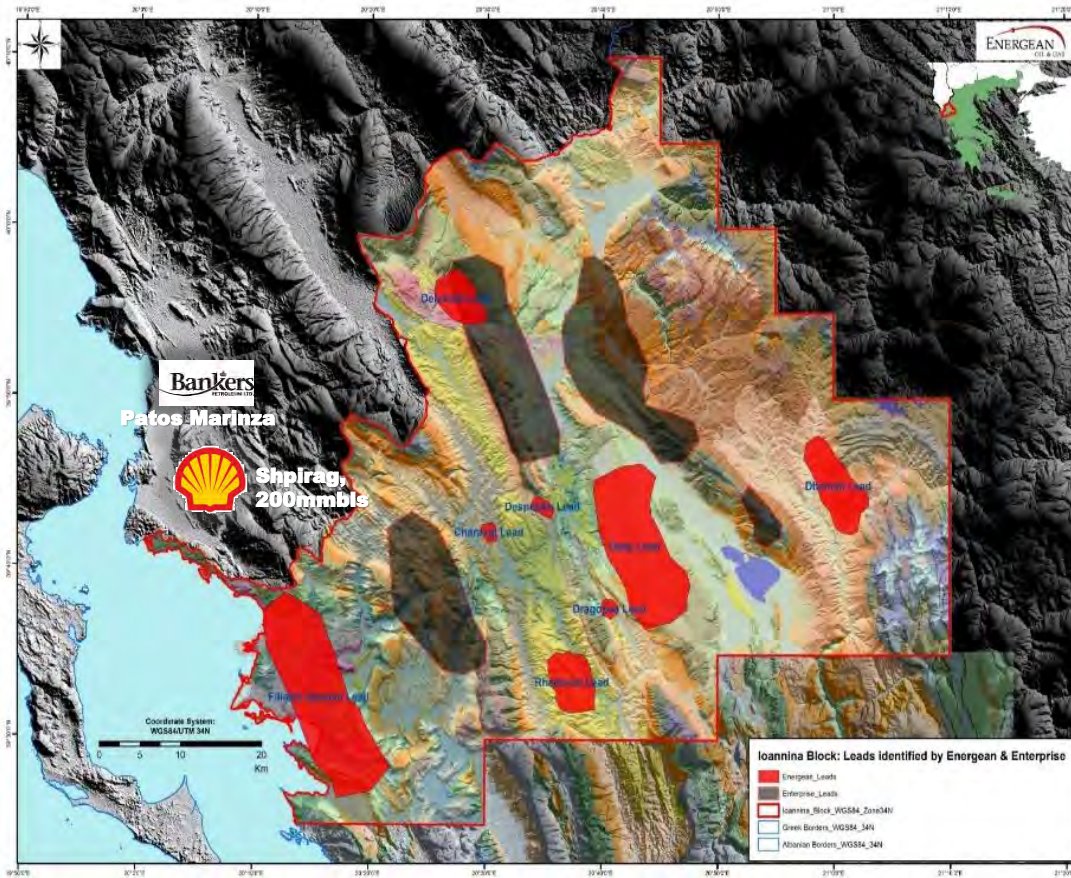
PLATFORM INSTALLATION SEQUENCE



Lamda platform SIP- 2 Concept Primary Drivers

- No offshore crane utilization
- Simple fabrication
 - Topside fabricated in Greece: mated with substructure onshore to avoid offshore campaign
 - Onshore pipeline construction and towed installation
 - Foundations (suction piles very suitable to sand conditions)– est 550t (no piling, no noise pollution)
- Leverage Greek marine and structural engineering capability
- CAPEX 75% of traditional jacket based approach
- 2 day offshore installation period
- Reversible process for decommissioning, no offshore crane utilization

Ioannina - Operator 100%



Block characteristics

- Large under explored onshore block, area 4,187km²
- Previously licensed by Enterprise – relinquished after takeover by Shell
- Good evidence for working source rock – good HC shows and seeps
- Working analogues in Albania and Italy
- Multiple play concepts – shallow and deep exploration targets identified
- Complex structural setting - geological regime (thrust fold belt)

1st exploration period: (3 years) Oct.2014- Oct.2017

- Aeromagnetic and 2D seismic surveys
- Environmental preparation activity

2nd expl. period: (2 yrs) Oct.2017- Oct. 2019

Drill 1st Well

3rd expl. period:(2 yrs) Oct.2019- Oct. 2021

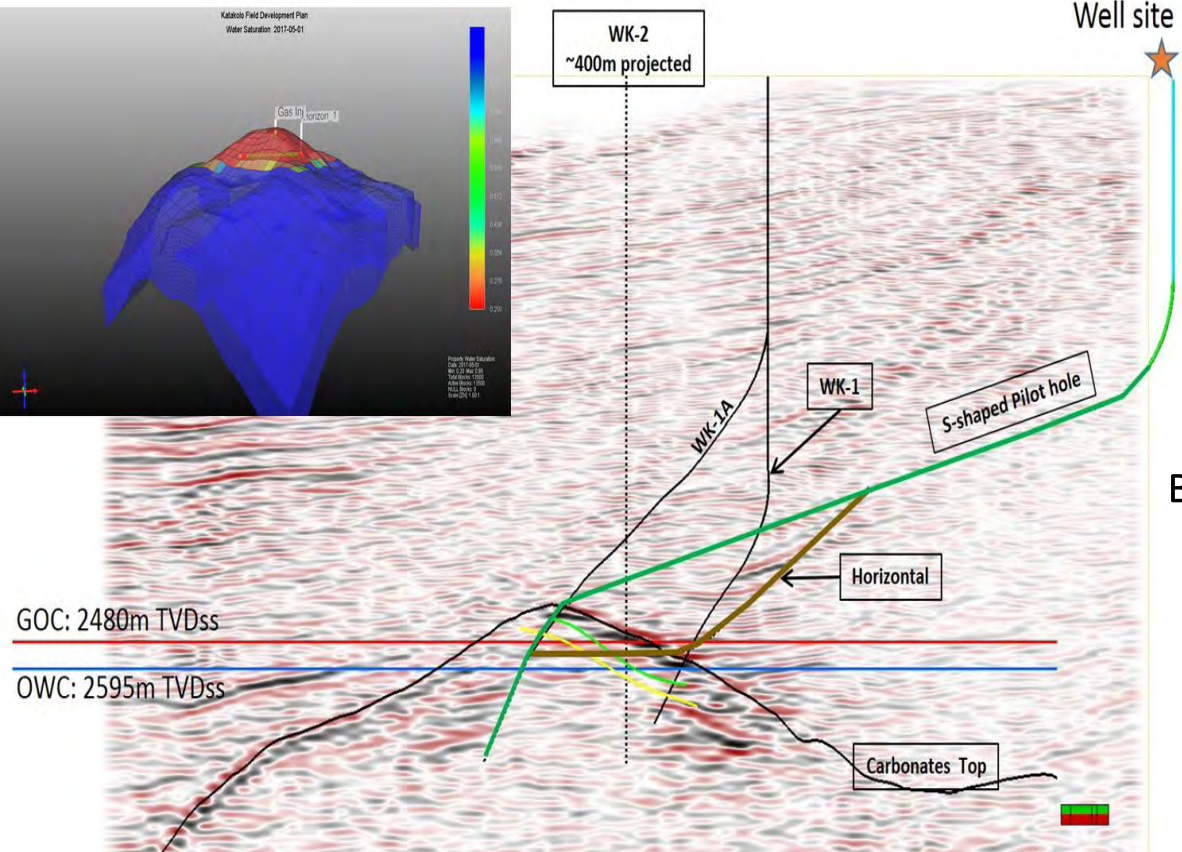
Drill 2nd Well

Katakolo – 60% Operator



Block characteristics

- 545km² – offshore / onshore
- 2 wells tested: W.KAT-1 (+1A) in 1981, W.KAT-2 in 1982
- Plan to develop the field from onshore with ERD



1st exploration period: 3/10/2014-2/10/2016 (2years)

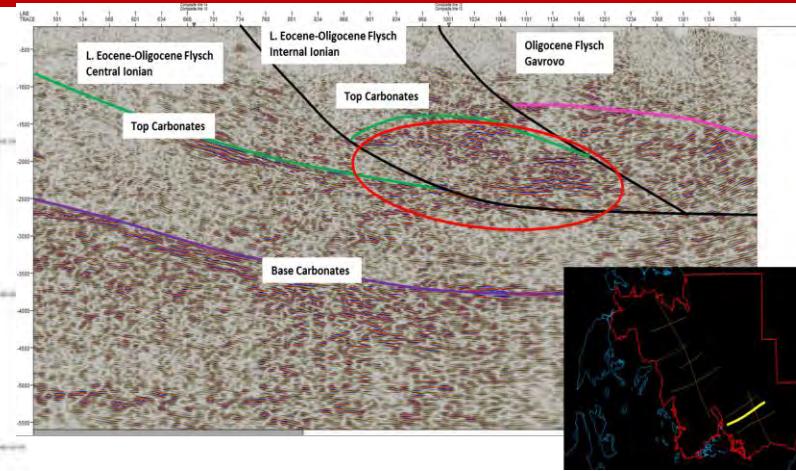
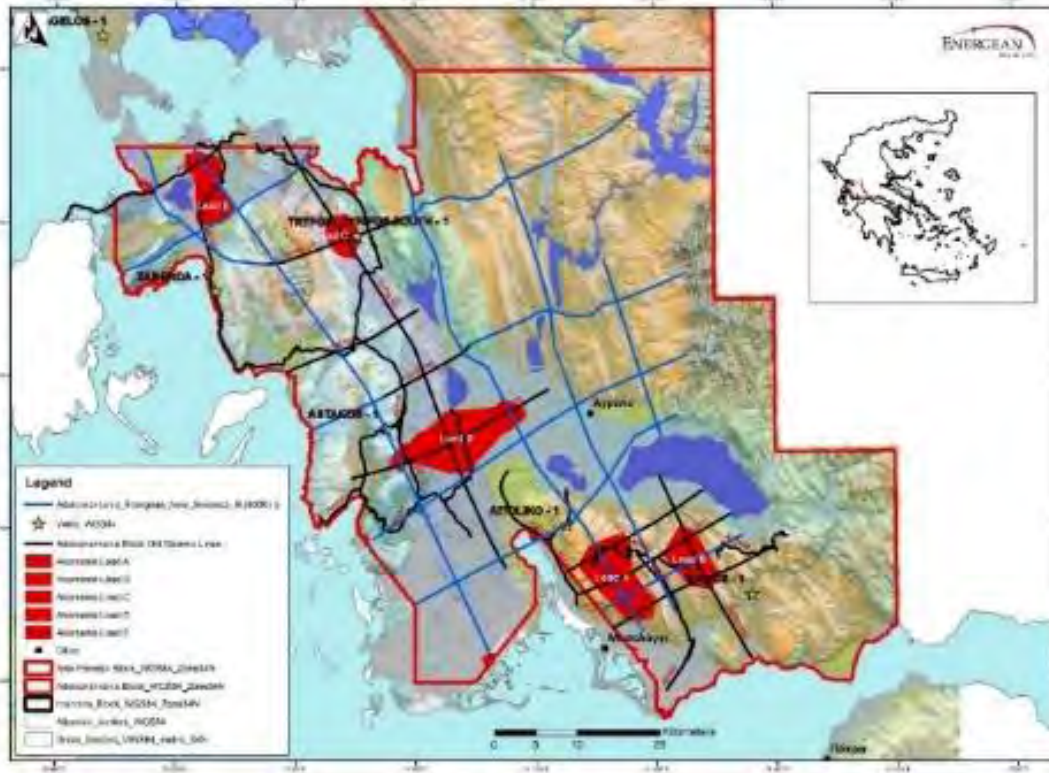
- Reprocessing of 3D data, Reservoir studies, Interpretation & Petrophysical analysis
- Environmental: EBR completed, ESIA to commence

**2nd expl. period: (3years)
3/10/2016-2/10/2019**

**2017
Drill 1st Well**

Aitoloakarnania Block – Operator 100%

Awaiting contract procedure



Block characteristics

- Large underexplored block, 4,360 km²
- 4 wells
- Nearby oil seep

1st exploration period: 3 years

- Environmental baseline report
- Seismic reprocessing, Geological, Geochemical and Geophysical surveys
- Full Tensor Gravity Gradiometry and Aeromagnetic survey
- New Seismic acquisition of 400km of 2D data Pre-drill

2nd expl. period: 2 years

Drill 1st Well

3rd expl. period: 2 years

Drill 2nd Well

Egypt, West Kom Ombo – Operator Energean

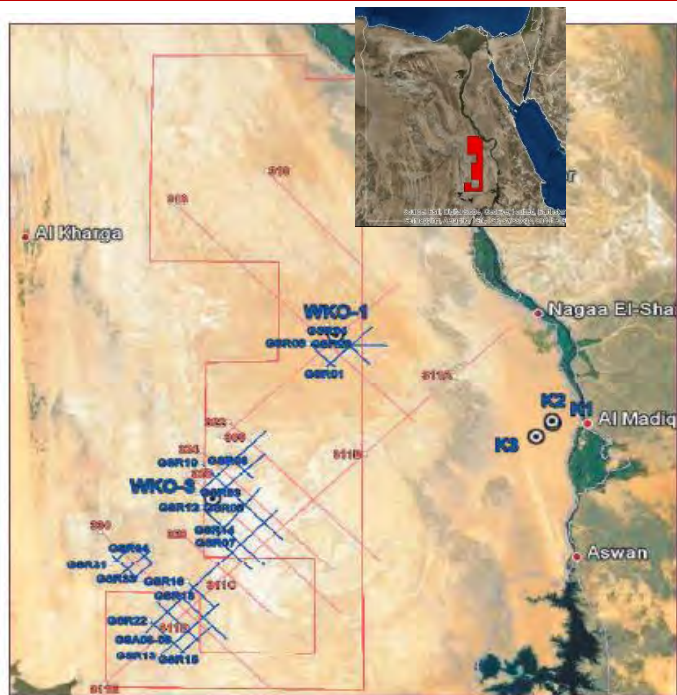


Figure 15. The red polygon indicates the boundaries of the WKO Block after the 2nd relinquishment. The 2D seismic lines of the 1997 vintage in orange and the 2008 vintage in blue.



New 2D seismic survey in Q1 2016

Block characteristics

- Limited 2D seismic coverage, 699 km
- 20,948 km² remaining exploration area
- Potential for the development of a rift basin trend in the block analogous to the Kom Ombo Basin on the eastern border, which sources the producing Al Baraka oil field.

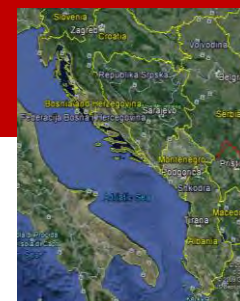
1st exploration period

- 2 wells completed in 2011- obligations completed

2nd exploration period

- Aeromagnetic survey acquired and results currently being evaluated
- 400 km new 2D seismic
- 2 new exploration wells
- No financial commitment

Montenegro – 100% Operator



Agreement reached with the Government of Montenegro

Block characteristics

- 2 blocks: 4218-30 (275km²) and 4219-26 (63km²)
- Old geophysical studies indicated strong probability of oil field

The shallow water offshore Montenegro is the NW extension of the “Krug” thrust front onshore Albania, which has been well studied and explored.

1st exploration period: 3 years

- 3D seismic surveys for a total area of 338 km²
- Complete set of Geophysical and Geological studies

2nd exploration period: 4 years

- Geophysical and Geological studies necessary to complete the drilling of mandatory wells
- One mandatory well and 1 optional well to be drilled targeting a plio-pleistocene play to a depth no less than 2,800 meters

Exploring a New Area in the East Med

The Mesozoic productive basin in Albania known as the Ionian Zone continues south into Western Greece, where it is under explored



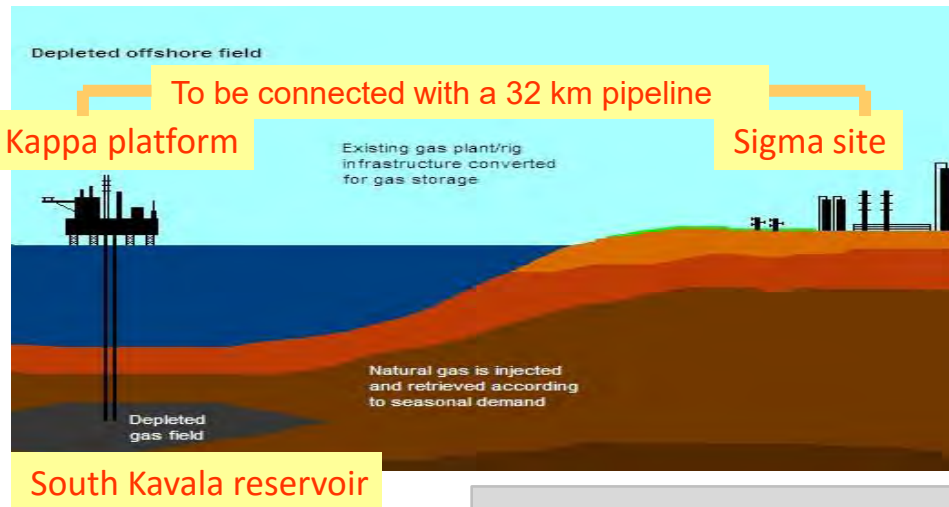
South Kavala Underground Gas Storage

Project Update

- Energean submitted proposal to the Greek Government since 2011
- UGS Kavala project was included in EU's Projects of Common Interest (PCI) in 2014. Taken off the list in 2016 due to inactivity
- 2nd Ministry Committee's decision still pending

Field Characteristics

- South Kavala is an almost depleted, offshore gas field producing since 1981 (85 % RF; 52 m water depth; GIIP $0.95 \cdot 10^9 \text{ m}^3$)
- Located next to the Greek gas transportation network
⇒ **Ideal candidate for UGS**



Gas initially in place	1 BCM
Remaining Gas in reservoir	150 MCM
Working gas	530 X 2 MCM
Max deliverability	9 mcm/day
Max injection	7,5 Mcm/day
Cycles per year	2
Max well-head pressure	180 barg
Number of wells	5
Gas pipeline diameter	30 inch



Total Investment: €400 million

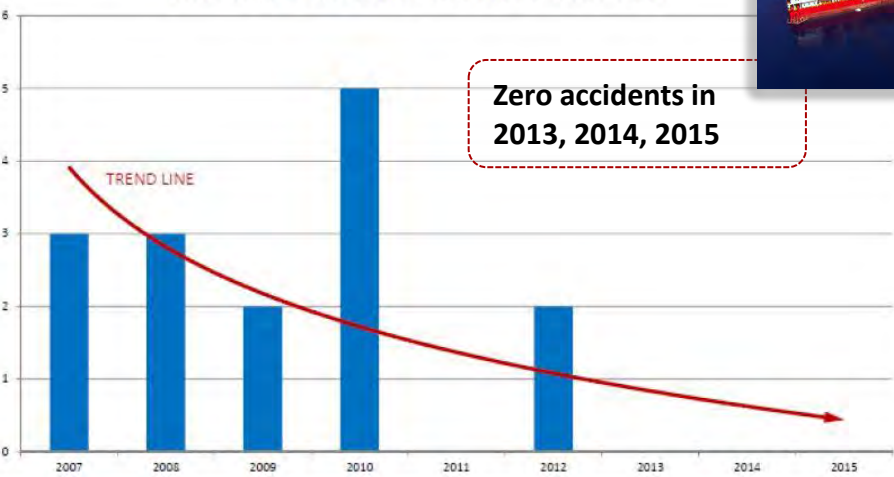
The Prinios Experience – E&P can co-exist with Tourism



14 blue flags every year



ENERGEAN's PERSONNEL ACCIDENTAL TREND LINE



CSR - Strong Relationships with the local communities



Kavala, Donation to the Municipality to cover pharmaceutical and children's basic needs for the refugees stranded in Kavala



Kavala, Ambulance Emergency Center: repair of 3 vehicles



Kavala, Volunteer Firemen, Donation of personal protection equipment, August 2015

OUR VISION is to become a leading independent E&P company. Our primary objective is to create value for all our stakeholders and be capable of sustainable economic growth, by being dynamic and innovative. By adhering to our corporate principles and values we aspire to be a responsible corporate citizen and to be recognized as a global champion in sustainability issues".



Kavala Special Education Elementary School, Donation for educational and cultural purposes, February 2015



Kavala, Association for the Visually impaired, Donation of laptops with special software, June 2015



Close collaboration with TEI KAVALA:
240 hrs of training - 60 hrs of lectures- 12 scholarships for post graduate studies - 70 internships- 40 people employed, in 2007-2016

International oil players are all over Greece but not yet in Greece



Conclusions

- Energean as the only oil & gas producer in Greece is:
 - Developing 60 mmbbls of Reserves & Resources in Prinos
 - Exploring Prinos, Western Greece, Egypt and Montenegro
 - Despite the oil price drop remains committed to the region
 - Financially Strong with low breakeven, cashflow underpinned by BP contract, committed shareholders and funding from robust financial institutions
- Energean's commitment and consistent investment succeeded in the revival of Prinos and increasing daily production at over 4,000bpd while aiming at 10,000 bpd by the end of the new investment plan
- During the worst economic crisis of the country, Energean retained every job position and occupies today more than 400 professionals
- Oil & Gas can co-exist with tourism as proven by Energean's long experience in operating successfully in very sensitive environments with excellent relationship with local communities and Government
- Greece is an underexplored country in the EU, with significant exploration potential; however, political and fiscal stability and national strategy are necessary to attract international players.

The example of the success story of Energean in Prinos can be used as a proof that long-term investors can succeed despite the challenges

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