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For immediate release

4 July 2019

**Energean Oil & Gas plc (“Energean” or the “Company”)**

**Proposed Acquisition of Edison E&P**

**Placing of New Ordinary Shares to raise up to US\$265 million**

### **Highlights**

- Acquisition of Edison E&P for US\$750 million initial consideration and US\$100 million contingent consideration
- Creates one of the largest independent E&P companies on the London and the Tel Aviv Stock Exchanges
- Enlarged 2P reserves of 639 mmboe and trajectory to produce up to 200 kboe/d
- Contributes EBITDAX of US\$434 million and Operating Cash Flow of US\$302 million
- Funding of initial consideration through US\$265million equity placing and US\$600million committed bridge loan facility

**London, 4 July 2019** - Energean (LSE: ENOG, TA: אנרג'ן) the oil and gas producer focused on the Mediterranean is pleased to announce that it has entered into a conditional sale and purchase agreement to acquire Edison Exploration & Production S.p.A. (“**Edison E&P**”) from Edison S.p.A. (“**Edison**”) (the “**Acquisition**”) for US\$750 million, to be adjusted for working capital, with additional contingent consideration of US\$100 million payable following first gas from the Cassiopea development (expected 2022), offshore Italy.

Edison E&P’s portfolio of assets includes producing assets in Egypt, Italy, Algeria, the UK North Sea and Croatia, development assets in Egypt, Italy and Norway and balanced-risk exploration opportunities across the portfolio. The Edison E&P portfolio adds working interest 2P reserves of 292 mmboe and 2018 net working interest production of 69 kboe/d.

The Acquisition of Edison E&P on attractive metrics is in line with Energean’s stated strategy of creating the leading independent, gas-focused E&P company in the Mediterranean. It will significantly increase Energean’s scale and diversification by adding a complementary portfolio of accretive development, appraisal and exploration opportunities, whilst immediately contributing



EBITDAX and cashflow to support the Enlarged Group's strategic growth and medium term ambition to start paying a dividend.

## **Highlights of the Acquisition**

### ***Significant increase in reserves***

- The Enlarged Group will have a total of 639 mmbob of 2P reserves and will be one of the largest independent E&P companies listed on the London and the Tel Aviv Stock Exchanges.

### ***Diversification and expansion of low cost production stream***

- The Enlarged Group is expected to produce more than 140 kboe/d in 2021, when the Karish and Tanin development project comes onstream, with a trajectory to approximately 200 kboe/d once the Energean Power FPSO reaches full capacity.
- Majority of portfolio operated with high working interest positions and operatorship on a number of key production and development assets.
- Majority of Energean and Edison E&P's gas is sold under fixed priced gas contracts, providing stability and predictability to cash flow, helping mitigate impact of oil price volatility.

### ***Complementary and experienced operating teams***

- Edison E&P brings 282 employees, which combined with the existing Energean team, will provide highly skilled and experienced coverage of all key geographies of the combined portfolio.

### ***Gas focused, complementing Energean's strategic commitment to transition fuels***

- Gas contributes 76% of Edison E&P's 2P reserves and 80% of its 2018 production, complementing Energean's gas-focused transition fuel growth strategy.

### ***Immediate EBITDAX contribution***

- Edison E&P adds 2018 EBITDAX of US\$434 million and Operating Cash Flow of US\$302 million, materially enhancing Energean's current cash flow ahead of Karish and Tanin First Gas. It supplements the long-term profile with sustainable cash flows that are largely shielded from commodity price fluctuations due to the gas sales agreements in place and supports the Company's medium-term ambition to pay a dividend.

### ***Near term growth further amplified***

- Edison E&P complements and augments Energean's growth profile into the 2020s through key developments with attractive IRRs and material Mediterranean gas focused exploration opportunities.

### ***Enhanced newsflow potential***

- The Enlarged Group has enhanced potential for a consistent stream of newsflow from production and development assets, as well as additional, balanced risk exploration opportunities.

### ***Increased scale to support strategic growth plans***



- Acquisition creates the leading full cycle, independent, gas-focused E&P company in the Mediterranean and will increase Energean's prominence and profile in the region and its ability to attract new investment opportunities.

***Transfer of E&P business and operating team from a European Utility to an E&P-focused management team***

- European Utilities as a sector have been retreating from hydrocarbon investment for several years. By enabling the Edison E&P assets and highly experienced teams to operate with the support and input from an E&P-investment focused parent company, Energean believes that significant value can be created across the portfolio.

***Aligned, entrepreneurial management team with a track record of value creation***

- Management team with significant shareholdings and investor alignment with a track record of value creation through acquisitions, rapid developments and asset improvement.

**Financing of the Acquisition**

The initial consideration for the Acquisition is US\$750 million, to be adjusted for working capital, with additional contingent consideration of US\$100 million payable following first gas at the Cassiopea development. Edison will also receive an 8% royalty on profit production resulting from future discoveries made by upcoming exploration wells in the North Thekah Offshore and North East Hap'y Blocks, offshore Egypt.

The initial consideration will be funded through a US\$600 million committed bridge loan facility (the "**Committed Bridge Loan Facility**") and up to US\$265 million of equity financing through the Placing announced today. The total debt and equity capital raised has been sized to cover both the initial consideration and working capital requirements of the Enlarged Group.

The US\$600 million committed bridge loan facility is expected to be replaced in H2 2019 using a combination of a reserve based facility and/or corporate debt. The US\$100 million of contingent consideration is expected to be funded by the combined free cash flow of the Enlarged Group as well as any incremental reserve based facility and/or corporate debt capacity. Energean is also evaluating the potential sale of non-core assets of the Enlarged Group.

**Placing**

Energean also announces today the launch of a placing with institutional investors of new ordinary shares of 1 pence each in the capital of Energean (the "**Placing Shares**") to raise up to £211 million (approximately US\$265 million) (before expenses) (the "**Placing**").

The number of Placing Shares to be issued by the Company will not exceed 19.99% of the existing issued share capital of the Company.

The Placing will be conducted through an accelerated bookbuilding process which will be launched immediately following this Announcement. Certain Energean Directors, their related parties and senior managers of Energean have indicated their intention to participate in the Placing up to an aggregate amount of approximately £3 million (approximately US\$3.8 million). Any related party transactions as a result of such participation by Energean Directors would constitute exempt small transactions pursuant to paragraph 1 of Annex 1 to Chapter 11 of the Listing Rules. The Placing is



not conditional upon Completion. The Placing is subject to the terms and conditions set out in Appendix 1 (which forms part of this Announcement).

The net proceeds of the Placing will be used to part-fund the Acquisition, with the remaining Acquisition consideration being funded through the Committed Bridge Loan Facility.

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

“The acquisition of Edison E&P establishes Energean as the leading independent, gas focused E&P company in the Mediterranean with a mainly operated, low cost, gas weighted portfolio, with the capability, focus and team to prosper in our rapidly changing industry. It will diversify Energean into a multi-country, multi-asset, full-cycle E&P company with scale, material cash flows, significant growth and portfolio optionality. Edison E&P brings with it an exceptional team and I look forward to working with them as we build on the multiple opportunities ahead of us.”

“Together, our priority is to maximise the economic value of the combined portfolio, whilst retaining as a key priority delivery of Karish and Tanin First Gas into Israel in Q1 2021. Since 2007, Energean has delivered significant growth and value for our investors and this acquisition is the next important step on this growth and value journey.”

The Acquisition is subject to relevant anti-trust and regulatory approvals. Since the Acquisition constitutes a reverse takeover for the purposes of the Listing Rules, Energean will need to seek shareholder approval and re-admission of its ordinary shares to the Official List upon completion of the Acquisition, which is targeted by Q4 2019.

Energean will in due course send a circular to Energean Shareholders convening a general meeting to approve the Acquisition. The Energean Board considers the Acquisition to be in the best interests of Energean and the Energean Shareholders as a whole. Accordingly, the Energean Board intends to recommend that Energean Shareholders vote in favour the resolution in respect of the Acquisition to be proposed at the Energean General Meeting, as the Energean Directors intend to do in respect of their own beneficial holdings of 41,640,468 Energean Shares, representing, in aggregate, approximately 27.8% of the total issued share capital of Energean as at 3 July 2019, being the Last Practicable Date. Shareholders currently representing approximately 53.7% of the issued share capital of the Company have given irrevocable undertakings to the Company to vote their shares in favour of the resolution to approve the Acquisition at the General Meeting.

Morgan Stanley is acting as global coordinator and joint bookrunner, Stifel is acting as joint bookrunner and Peel Hunt and RBC (trading as RBC Capital Markets) (“**RBC**”) are acting as co-lead managers in respect of the Placing.

A conference call for analysts and investors will be held today at 8.00a.m. Dial-in details are set out below:

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**This summary should be read in conjunction with the full text of the following Announcement and its Appendices including, in particular, the risks and other factors that should be considered which are set out in Appendix 3. Capitalised terms used in this Announcement have the meanings given to them in Appendix 2.**

**Appendix 1 to this Announcement (which forms part of this Announcement) sets out the terms and conditions of the Placing. Persons who choose to participate in the Placing, by making an oral or written offer to acquire Placing Shares, will be deemed to have read and understood this Announcement in its entirety (including Appendix 1) and to be making such offer on the terms and subject to the conditions herein, and to be providing the representations, warranties, agreements, acknowledgements and undertakings contained in Appendix 1.**



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The information contained within this Announcement is deemed by Energean to constitute inside information as stipulated under the Market Abuse Regulation (EU) No.596/2014 (“**MAR**”). By the publication of this Announcement via a Regulatory Information Service, this inside information is now considered to be in the public domain. The person responsible for arranging for the release of this Announcement on behalf of Energean is Russell Poynter, Company Secretary.

## **About Energean**

Energean is a London Premium Listed FTSE 250 and Tel Aviv Listed E&P company with operations offshore Israel, Greece and the Adriatic. Energean has 347 mmboe of 2P reserves and 58 mmboe of 2C resources across its portfolio.



In March 2018 the Company took Final Investment Decision on its flagship Karish and Tanin gas development project, where it intends to use the only FPSO in the Eastern Mediterranean to produce first gas in 2021. Energean has already signed firm contracts for 4.2 bcma, and has a further contingent contract of 0.4 bcma, of gas sales into the Israeli domestic market. Future gas sales agreements will focus on both the growing Israeli domestic market and key export markets in the region. In Greece, the Company is pursuing an ongoing investment and development programme to increase production from its Prinos and Prinos North oil fields and to develop the Epsilon oil field, located in the Gulf of Kavala, Northern Greece.

Energean has five exploration licences offshore Israel, and a 25 year exploitation licence for the Katakolo offshore block in Western Greece and additional exploration potential in its other licences in Western Greece and Montenegro.



No action has been taken by Energean, Morgan Stanley, Stifel, Peel Hunt, RBC or any of their respective affiliates, agents, directors, officers or employees that would permit an offer of the Placing Shares or possession or distribution of this Announcement or any other offering or publicity material relating to such Placing Shares in any jurisdiction where action for that purpose is required.

No prospectus will be made available in connection with the matters contained in this Announcement and no such prospectus is required (in accordance with the Prospectus Directive) to be published. Persons needing advice should consult an independent financial adviser.

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Certain statements contained in this Announcement, including those in Appendix 3, constitute “forward-looking statements” with respect to the financial condition, performance, strategic initiatives, objectives, results of operations and business of the Energean Group, the Edison E&P Group and the Enlarged Group.



All statements other than statements of historical facts included in this Announcement are, or may be deemed to be, forward-looking statements. Without limitation, any statements preceded or followed by or that include the words “targets”, “plans”, “believes”, “expects”, “aims”, “intends”, “anticipates”, “estimates”, “projects”, “will”, “may”, “would”, “could” or “should”, or words or terms of similar substance or the negative thereof, are forward-looking statements. Forward-looking statements include statements relating to the following: (i) future capital expenditures, expenses, revenues, earnings, synergies, economic performance, indebtedness, financial condition, dividend policy, losses and future prospects; (ii) business and management strategies and the expansion and growth of the Energean Group’s, the Edison E&P Group’s or the Enlarged Group’s operations and potential synergies resulting from the Acquisition; and (iii) the effects of government regulation on the Energean Group’s, the Edison E&P Group’s or the Enlarged Group’s business.

Such forward-looking statements involve risks and uncertainties that could significantly affect expected results and are based on certain key assumptions. Many factors could cause actual results, performance or achievements to differ materially from those projected or implied in any forward-looking statements. The important factors that could cause the Energean Group’s, the Edison E&P Group’s or the Enlarged Group’s actual results, performance or achievements to differ materially from those in the forward-looking statements include, among others, economic and business cycles, the terms and conditions of the Energean Group’s, the Edison E&P Group’s or the Enlarged Group’s financing arrangements, foreign currency rate fluctuations, competition in the Energean Group’s, the Edison E&P Group’s or the Enlarged Group’s principal markets, acquisitions or disposals of businesses or assets and trends in the Energean Group’s, the Edison E&P Group’s or the Enlarged Group’s principal industries. Due to such uncertainties and risks, readers are cautioned not to place undue reliance on such forward-looking statements, which speak only as of the date hereof.

Readers of this Announcement are advised to refer, in particular, to Appendix 3 of this Announcement for a more complete discussion of the factors that could affect the Energean Group’s, the Edison E&P Group’s or the Enlarged Group’s future performance and the industry in which the Energean Group and the Edison E&P Group operate or the Enlarged Group would operate. In light of these risks, uncertainties and assumptions, the events described in the forward-looking statements in this Announcement may not occur.

The forward-looking statements contained in this Announcement speak only as of the date of this Announcement. Energean, the Energean Directors, Morgan Stanley, Stifel, Peel Hunt and RBC each expressly disclaim any obligation or undertaking to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise, unless required to do so by applicable law or regulation, the Listing Rules, MAR, the DTRs, the rules of the London Stock Exchange or the FCA.

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Any indication in this Announcement of the price at which ordinary shares have been bought or sold in the past cannot be relied upon as a guide to future performance. No statement in this Announcement is intended as a profit forecast or estimate for any period and no statement in this Announcement should be interpreted to mean that earnings, earnings per share or income, cash flow from operations or free cash flow for the Energean Group, the Edison E&P Group or the Enlarged Group, as appropriate, for the current or future years would necessarily match or exceed the historical published earnings, earnings per share or income, cash flow from operations or free cash flow for the Energean Group, the Edison E&P Group or the Enlarged Group, as appropriate.

Neither the content of Energean's website (or any other website) nor the content of any website accessible from hyperlinks on Energean's website (or any other website) is incorporated into or forms part of this Announcement.

This Announcement has been prepared for the purposes of complying with applicable law and regulation in the United Kingdom and the information disclosed may not be the same as that which would have been disclosed if this Announcement had been prepared in accordance with the laws and regulations of any jurisdiction outside the United Kingdom.



## Placing of New Ordinary Shares to raise up to US\$265 million

### 1. Introduction

Energean is pleased to announce that it has entered into a conditional sale and purchase agreement to acquire Edison Exploration & Production S.p.A. (“**Edison E&P**”) from Edison S.p.A. (“**Edison**”) (the “**Acquisition**”) for US\$750 million, to be adjusted for working capital, with additional contingent consideration of US\$100 million payable following first gas from the Cassiopea development, offshore Italy. Edison will also receive an 8% royalty on profit production resulting from future discoveries made by upcoming exploration wells in the North Thekah Offshore and North East Hap’y Blocks, offshore Egypt.

Edison E&P’s portfolio of assets includes producing assets in Egypt, Italy, Algeria, the UK North Sea and Croatia, development assets in Egypt, Italy and Norway, and balanced-risk exploration opportunities across the portfolio. The Edison E&P portfolio adds working interest 2P reserves of 292 mmboe and 2018 net working interest production of 69 kboe/d (49 kboe/d on a net entitlement basis).

Energean also announces today the launch of a placing with institutional investors of new ordinary shares of 1 pence each in the capital of Energean (the “**Placing Shares**”) to raise up to £211 million (US\$265 million) (before expenses) (the “**Placing**”). The Placing is not conditional upon Completion. The Placing is subject to the terms and conditions set out in Appendix 1 (which forms part of this Announcement).

The net proceeds of the Placing will be used to part-fund the initial consideration for the Acquisition, with the remaining initial consideration being funded through the Committed Bridge Loan Facility.

The facility agreement in respect of the Committed Bridge Loan Facility will be entered into between, amongst others, the Company and certain financial institutions as lenders, security agent and facility agent (the “**Bridge Facility Agreement**”). Pursuant to the terms of the Bridge Facility Agreement, the Company will grant security over its assets in favour of the security agent.

The Acquisition is subject to relevant anti-trust and regulatory approvals, as described further in paragraph 7 (*Principal Terms of the Acquisition*) of this Announcement. Since the Acquisition constitutes a reverse takeover for the purposes of the Listing Rules, Energean will need to seek shareholder approval and re-admission of its ordinary shares to the Official List upon completion of the Acquisition.

Completion of the Acquisition is expected in Q4 2019.

### 2. Background to and reasons for the Acquisition

#### 2.1 Background

Since its Initial Public Offering in March 2018, Energean has continued to focus on its strategy of becoming the leading independent, gas-focused E&P company in the Mediterranean, driven by development of the 2.4 Tcf Karish and Tanin gas fields, offshore Israel. To accelerate this strategy,



Energean sought to assess acquisition opportunities within its core region of focus on a case-by-case basis, focusing only on opportunities that would create meaningful value for shareholders.

The Acquisition of Edison E&P on attractive metrics will significantly increase Energean's scale and diversification by adding a complementary gas-focused portfolio of accretive development, appraisal and exploration opportunities, whilst immediately contributing EBITDAX and cashflow to support the group's strategic growth and medium-term ambition to start paying a dividend. The key highlights are outlined below.

### ***Significant Increase in Reserves***

The Acquisition delivers significant additional scale to Energean's reserve base, which secures and reinforces the Company's production profile longevity and further growth potential.

Edison E&P's portfolio contains 292 mmboe of working interest 2P reserves. Combined with Energean's existing 347 mmboe 2P reserve base, the Enlarged Group will have a total of 639 mmboe of 2P reserves, the distribution of which is outlined below, and will be one of the largest independent E&P companies by reserves listed on the London Stock Exchange.

Country	2P Reserves – mmboe	% of combined business portfolio
Israel	297	46%
Egypt	152	24%
Italy	85	13%
Greece	50	8%
Norway	26	4%
Algeria	24	4%
UK North Sea	4	1%
Croatia	2	<1%

### ***Diversification and Expansion of low cost Production Stream***

The Acquisition increases the number of countries in which Energean operates from four to nine, and the number of countries in which it produces from one to six. Diversification has been a strategic target of Energean's M&A strategy, in order to spread risk across the portfolio.

Edison E&P's 2018 working interest production was 69 kboe/d. Looking ahead, the Enlarged Group is expected to produce more than 140 kboe/d in 2021, when the Karish and Tanin development comes onstream, with a trajectory to approximately 200 kboe/d once the Energean Power FPSO reaches full capacity.

### ***Complementary and experienced operating teams***

Edison E&P brings 282 employees, which combined with the existing Energean team, will provide highly skilled and experienced coverage of all key geographies of the combined portfolio. Edison will provide transitional services to the Enlarged Group, ensuring a seamless integration process.

### ***Gas focused, complementing Energean's Strategic Commitment to Transition Fuels***



Energean's growth strategy is focused on gas, demonstrated by the fact that its existing production stream is expected to be in excess of 85% gas once the Karish and Tanin development comes onstream, a project that is enabling the Israeli economy to transition from coal to gas. Gas contributed 76% of Edison E&P's 2P reserves and 80% of its 2018 production, which complements Energean's stated, gas-focused transition fuel growth strategy.

The majority of Energean and Edison E&P's gas is sold under fixed priced gas contracts, providing stability and predictability to cash flow and helping to mitigate the impact of ongoing price volatility in the oil markets.

### ***Immediate EBITDAX Contribution***

Edison E&P's reserve base consists primarily of producing assets, resulting in 2018 EBITDAX of US\$434 million and operating cash flow of US\$302 million. This materially enhances Energean's current cash flow ahead of Karish and Tanin First Gas (expected in Q1 2021) and to amplify the position thereafter, supporting Energean's medium-term target to start paying a dividend.

Edison E&P generated US\$621 million of revenues in 2018 and Energean reported US\$90 million for the same period. Edison E&P's low unit operating costs of US\$14.1/boe are accretive to Energean, which reported US\$18/boe in 2018.

### ***Near Term Growth Further Amplified***

Edison E&P has two key, near-term development assets (NEA in Egypt and Cassiopea in Italy) that are expected to complement and amplify Energean's existing growth profile. Energean views these development assets as highly attractive, delivering estimated IRRs of 23% and 20%, respectively. Further information on the assets is provided below.

The portfolio also includes additional potential from infill-drilling, field life extension projects, appraisal opportunities and balanced risk exploration opportunities, including two material, near-term exploration wells offshore Egypt.

### ***Enhanced News Flow Potential***

The Enlarged Group has enhanced potential for a consistent stream of news flow from production and development assets, as well as additional, balanced risk exploration opportunities.

Key upcoming events include:

- Final Investment Decision at the NEA development, Egypt, expected in Q4 2019
- North Thekah Offshore exploration well (Edison E&P 85%, Op, Ratio Oil 15%), Egypt, targeting 7.5 Tcf GIIP. Results expected Q4 2019/Q1 2020.
- North East Hap'y exploration well (Edison E&P 30%, ENI 70% Op), Egypt, targeting 10 Tcf GIIP. Results expected Q1 2020.
- Royee Offshore exploration well (Edison E&P 20% Op, Ratio Oil 70%, Israel Opportunity Energy Resources 10%), Israel, targeting 3.5 Tcf GIIP, expected Q4 2019

### ***Increased Scale to support Strategic Growth Plans***



The Acquisition creates a leading full cycle, independent gas-focused E&P company in the Mediterranean and will increase Energean's prominence and profile in the region and its ability to attract new investment opportunities. The Enlarged Group's diversification, increased scale, operating capabilities and footprint will position Energean for further strategic growth. Country entries into Egypt and Algeria, in particular, provide a footprint for further activity.

***Transfer of E&P Business and Operating Team from a European Utility to an E&P-focused management team***

Over the last few years, European Utilities have retreated from investment in Upstream activities. The Energean management team has a track record of creating value both through acquisitions and organically. By enabling the Edison E&P assets and highly experienced teams to operate with the support and input from an E&P-investment focused parent company, Energean believes that significant value can be created across the portfolio.

Additionally, Energean management which has delivered considerable value to shareholders to date, are significant shareholders of the business and thus aligned with investors.

**2.2 Financing of the Acquisition**

The initial consideration for the Acquisition is US\$750 million, to be adjusted for working capital, with additional contingent consideration of US\$100 million payable following first gas at the Cassiopea development. Edison will also receive an 8% royalty on profit production resulting from future discoveries made by upcoming exploration wells in the North Thekah Offshore and North East Hap'y Blocks, offshore Egypt.

The initial consideration will be funded through a US\$600 million committed bridge loan facility and up to US\$265 million of equity financing through the Placing announced today. The total debt and equity capital raised has been sized to cover both the initial consideration and working capital requirements of the Enlarged Group. The US\$600 million committed bridge loan facility is expected to be replaced in H2 2019 using a combination of reserve based facility and/or corporate debt. The US\$100 million of contingent consideration is expected to be funded by the combined free cash flow of the Enlarged Group as well as any incremental reserve based facility and/or corporate debt capacity. Energean is also evaluating the potential sale of non-core assets of the Enlarged Group.

Energean today also entered into a standby underwriting agreement with Morgan Stanley for a total commitment amount of US\$265 million for the purposes of providing fund certainty in connection with the Acquisition. Following successful completion of today's Placing, the standby underwriting agreement will terminate.



### 3. Expected Timetable of Key Events

Admission of Placing Shares.....	8 July 2019
Regulatory Approvals and Partner Consents .....	H2 2019
Reserve Based Facility and Corporate Debt Takeout of Bridge Facility .....	H2 2019
Publication of Circular and EGM .....	Q4 2019
Publication of Enlarged Group Prospectus and Technical Readmission .....	Q4 2019

Completion of the Acquisition is expected in Q4 2019.

### 4. Information on Edison E&P

#### 4.1 Edison E&P Portfolio Overview

The Edison E&P portfolio consists of a material, Mediterranean-focused reserve base with assets across Egypt, Italy, Algeria, Croatia, Norway and UK, and net working interest 2P reserves of 292 mmboe (76% gas). The portfolio delivered 2018 working interest production of 69 kboe/d (80% gas).

Country	2P Reserves – mmboe	2019 Expected Net Production – kboe/d
Egypt	152	50
Italy	85	11
Norway	26	-
Algeria	24	5
UK	4	3
Croatia	2	<1

#### 4.2 Egypt

Edison E&P’s Egyptian portfolio is full-cycle, consisting of production at the 100% owned and operated Abu Qir field, development at the 100% owned and operated NEA field and exploration optionality that most notably includes three wells that are expected to spud before year end 2019.

##### 4.2.1 Abu Qir

Working Interest:	100% (via Abu Qir Petroleum Co.)
Operator:	Abu Qir Petroleum Co.
WI 2P Reserves:	131 mmboe (86% gas)
2019 Expected Net Production:	50 kboe/d



Cumulative Net Capex - next 5 years:	c.US\$350 MM
2018 year-end receivables balance (of which overdue):	US\$240 MM (US\$147 MM)

The Abu Qir concession is a gas and condensate field located in the shallow waters of Abu Qir Bay in the Nile Delta of Egypt. It is one of the largest gas producing hubs in Egypt, is composed of three fields (Abu Qir, North Abu Qir and West Abu Qir) and consists of an operating network of six interconnected platforms, each of which is linked to the local market via a pipeline. Abu Qir is a long-term producing asset with net working interest 2P reserves of 131 mmboe (86% gas).

Edison E&P has been operating Abu Qir since it won the licence tender in 2008, and this 10+ year track record of operating this low-risk producing asset reinforces the ability to realise further upside from infill drilling opportunities that can be developed quickly and cost effectively using existing infrastructure.

100% of the gas produced at Abu Qir is sold to EGPC under a Brent-linked gas price. At Brent prices of between US\$40/bbl and US\$72/bbl the gas price is US\$3.5/mmBTU, limiting volatility and exposure to commodity price fluctuations. There is a gas price floor of US\$1.29/mmBTU.

Edison E&P's receivables position at 31 December 2018 was US\$280 million, of which \$147 million was classified as overdue. The overdue receivables balance has improved from \$324 million at 31 December 2016, in line with the Egyptian Ministry of Petroleum's plans to settle total arrears for International Oil Companies by the end of 2019, and in part due to through agreements in place to accelerate the recovery of overdue receivables at this asset through direct or independent marketing of condensate and service cost offset.

In line with other Egyptian production sharing contracts, there are no decommissioning liabilities associated with Abu Qir and the other Egyptian assets.

#### 4.2.2 NEA

Working Interest:	100% (via Petro Amriya Co.)
Operator:	Petro Amriya Co.
WI 2P Reserves:	20 mmboe (88% gas)
Expected start-up year:	2022
Cumulative Net Capex to start-up:	c.US\$110 MM
Asset IRR:	20%

The NEA concession is a 100% owned and operated gas and condensate field located offshore of the Western Nile Delta in Egypt and next to Abu Qir. The asset holds net working interest 2P reserves of 20 mmboe (88% gas).

The asset's two fields Python and Yazzi are expected to be developed across, and produced through, the existing Abu Qir gas infrastructure, generating significant synergies and cost savings versus a standalone development. Beyond these two fields, there is further upside from the North Idku



development, which is located adjacent to NEA and is expected to be tied-back to NEA infrastructure. Energean management estimates cumulative net capex to start-up of production of approximately US\$110 million (which equates to US\$5.6/boe unit development capex and an internal rate of return of 20%). The development plan for this asset assumes four shallow water subsea wells integrated with the Abu Qir facilities whereby topside facilities are to be hosted onboard the North Abu Qir PIII Platform and operated remotely. No expansion of the existing onshore gas processing plant is required.

From a commercial perspective, Edison E&P is in advanced discussions to agree a revised gas price at NEA of US\$4.60/mmbtu.

The Company estimates that there are 2.9 billion boe net un-risked resources across Edison E&P's exploration acreage in Egypt, which is primarily split across three main exploration assets:

- (a) North Thekah Offshore holds huge gas potential (the Ameerq prospect holds un-risked recoverable resources (P50) of approximately 795 mmboe net to Edison E&P) via an extension of the Tamar sand play in Egypt. Following an initial assessment of 3D seismic data on the asset, spud is targeted by the end of 2019 and is expected to target the Ameerq prospect. Ratio Oil recently farmed-into a 15% stake at this asset, with Edison E&P holding the remaining 85% stake as operator.
- (b) The North East Hap'y acreage provides additional gas exploration potential (the Volans East and Hydrus prospects hold P50 gas-in-place of approximately 12 tcf adjacent to North Thekah Offshore. Following an initial assessment of 3D seismic data on the asset, drilling is targeted in H1 2020, and is expected to target the Volans East prospect (10 tcf, gross, unrisked P50 prospective resources). Edison E&P recently completed on the farm down of 70% of this asset to ENI (operator). Edison E&P retains the residual 30%.
- (c) The South Idku concession is located in the onshore Nile Delta region and is primarily a gas play with secondary light oil potential. This asset includes three prospects with total resources of approximately 100 mmboe in place. Following an initial assessment of 3D seismic data on the asset, drilling is targeted by the end of 2019.

### 4.3 Italy

Edison E&P's Italian portfolio consists primarily of production and development, but also includes near-field, infrastructure-led exploration optionality. In 2018, total production was 11 kboe/d, of which approximately 50% was operated and 50% was non-operated. Edison E&P has a strategic partnership in Italy with ENI, which is the Operator for the majority of Edison E&P's non-operated licences. Cassiopea is the key development opportunity, contributing approximately 35% of overall Italian reserves and expected to more than double Italian production, at peak.

#### 4.3.1 Cassiopea

Working Interest:	40%
Partners:	Eni (60%)
Operator:	Eni
WI 2P Reserves:	31 mmboe (100% gas)



Expected start-up year:	2022
Cumulative Net Capex to start-up:	c.US\$240 MM
Asset IRR:	23%

Cassiopea is an offshore gas development asset located in the Strait of Sicily, offering medium-to-long term growth for Edison E&P. It is the largest greenfield gas development in Italy and, once onstream, is expected to be one of the country's largest producing gas fields. Net peak production is expected to be 14 kboe/d.

This asset will be developed with four subsea wells (consisting of two new wells and two re-completions), with an optimised subsea production system and sealine using existing facilities for shore approach, a wells control system and chemical injection from an existing Eni platform, and onshore gas treatment, in synergy with Gela Refinery operations. Cassiopea is expected to optimise the gas export sealine using existing facilities for shore approach.

There is a gas sale and purchase agreement with Edison at Cassiopea, which is expected to remain in place following the Acquisition.

There is additional upside potential from the Cassiopea asset through the Gemini and Centauro prospects, which hold estimated recoverable resources of 9.7 mmboe (Pmean). These reservoirs have strong geological and geophysical similarities with the Cassiopea discovery and they are estimated to have a 90% geological chance of success. These prospects are expected to be drilled in 2021 at a cost of approximately US\$30 million (net).

#### 4.3.2 Other Key Assets in Italy

	Vega	Rospo Mare	Clara North West	Sarago Mare
Working Interest:	60%	62%	49%	85%
Partners:	Eni (40%)	Eni (38%)	Eni (51%)	GasPlus (15%)
Operator:	Edison E&P	Edison E&P	Eni	Edison E&P
WI 2P Reserves:	8 mmboe (100% oil)	14 mmboe (100% oil)	6 mmboe (100% gas)	5 mmboe (4% gas)
2019 Expected Net Production:	1 kboe/d	2 kboe/d	3 kboe/d	1 kboe/d

The Edison E&P portfolio in Italy also includes (i) Vega, an offshore oil field located in the Sicilian Channel; (ii) Rospo Mare, an offshore oil field located in the Adriatic Sea; (iii) Clara North West,



a gas field located in the Adriatic Sea; and (iv) Sarago Mare, an offshore oil field located in the Adriatic Sea.

These assets have marketing agreements in place with key long term buyers, including BP at Vega, Total at Rospo Mare, API at Sarago Mare and Edison at Clara North West.

Energean management estimates a total decommissioning spend through life-of field at Edison E&P's Italian assets of approximately US\$540 million (of which approximately US\$100 million is expected to be due over the next 10 years). There is a decommissioning provision of approximately €390 million (approximately US\$450 million) in place on the Italian assets as of year-end 2018.

Energean is committed to optimising decommissioning activities and spend at these assets through initiatives such as proactive interaction with local government and/or regulatory bodies, delaying decommissioning through field life extension projects and grouping adjacent assets for decommissioning operations, amongst others.

## 5. Other Assets

### 5.1 Reggane, Algeria

Working Interest:	11%
Partners:	Sonatrach (40%), Repsol (29%), Wintershall DEA (20%)
Operator:	Repsol
WI 2P Reserves:	24 mmboe (100% gas)
2019 Expected Net Production:	5 kboe/d
2018 Net Exploration Recovery opening balance:	US\$56 MM

Reggane is a large, long life gas development that came onstream in 2017 with plateau production rate achieved in August 2018 and is operated by Repsol. The asset is comprised of six gas fields with 8 producing wells drilled since the start of development drilling in 2015. Edison E&P holds an 11% stake, which represents net working interest 2P reserves of 24 mmboe (100% gas). It is a self-funded asset, in which capex requirements are limited to infill drilling and maintenance capex.

Produced gas is transported by pipeline as part of the approximately 210km gathering network to the existing national gas evacuation system where it is marketed. An offtake agreement with Sonatrach is in place and was signed for a period of 12 years from production plateau.

### 5.2 Izabela, Croatia

Working Interest:	70%
Partners:	INA (30%)
Operator:	Edina



WI 2P Reserves:	2 mmboe (100% gas)
2019 Expected Net Production:	1 kboe/d

Izabela is an offshore gas asset located in the Croatian Adriatic Sea. It is a two-platform structure with five producing wells and came onstream in 2014. The production profile at Izabela is expected to decline, however to be offset by near-term development optionality at this asset.

Potential development upside at this asset includes the Irena development, which could be a two-well concept tied-back to Izabela. If the development concept is pursued, production startup could be targeted for 2022. Produced gas can be marketed into either the Italian or Croatian markets via existing infrastructure already in place in both countries.

### 5.3 Norway

Edison E&P's Norwegian portfolio is growth-oriented, consisting of two developments and a range of exploration opportunities.

#### 5.3.1 Nova

Working Interest:	15%
Partners:	Wintershall DEA (45%), Cairn (20%) Spirit Energy (20%)
Operator:	Wintershall DEA
WI 2P Reserves:	14 mmboe (34% gas)
Expected start-up year:	2021
Cumulative Net Capex to start-up:	c. US\$170 MM
Asset IRR:	30%

Nova is an oil and gas field currently under development that is expected to produce 8 kboe/d (net) at peak. The development concept is a tie-back to Gjoa with first oil expected in 2021. The development plan is currently on schedule and on budget with the Plan for Development and Operation submitted in May 2018 and approximately 15% of the project completed by year-end 2018. All the key subsea, topside and drilling rig contracts have already been awarded.

Oil from this asset is expected to be transported to the Mongstad Terminal in Norway via Gjoa infrastructure and gas to the St. Fergus Terminal in the UK via Gjoa infrastructure.

#### 5.3.2 Dvalin

Working Interest:	10%
Partners:	Wintershall DEA (55%), Petoro (35%)
Operator:	Wintershall DEA



WI 2P Reserves:	12 mmboe (96% gas)
Expected start-up year:	2020
Cumulative Net Capex to start-up:	c.US\$70 MM
Asset IRR:	46%

Dvalin is a gas and condensate development that is expected to contribute net production of 5 kboe/d at peak. The development concept is a tieback to the Heidrun Platform and first gas is expected in 2020. The development plan is currently on schedule and budget with the Plan for Development and Operation approved in March 2017 and over 40% of the project completed by end of Q3 2018. All the key subsea, topside and drilling rig contracts have already been awarded.

Gas from this asset is expected to be transported either to the Nyhamna processing plant via the Polarled pipeline or to enter the Gassled network to be transported to the UK and Continental Europe.

## 5.4 UK

Edison E&P's UK business consists of production and appraisal assets. The producing asset base is mature with some decommissioning ongoing, although there is substantial scope for decommissioning at the key fields, Scott and Telford, to be delayed beyond the currently expected start date of 2025. In January 2019, Total announced the 250 mmboe (gross) Glengorm discovery, in which Edison E&P holds a 25% working interest, substantially increasing the value associated with Edison E&P's UK portfolio.

### 5.4.1 Scott & Telford

	Scott	Telford
Working Interest:	10%	16%
Partners:	Nexen (42%), Total (27%), Dana (21%)	Nexen (80%), Total (4%)
Operator:	Nexen	Nexen
WI 2P Reserves:	2 mmboe (10% gas)	1 mmboe (15% gas)
2019 Expected Net Production:	2 kboe/d	1 kboe/d

The Scott and Telford assets are mature producing oil and gas assets located in the Central North Sea. Scott is a two-platform structure with twelve producing wells. Production started in 1993 and oil is transported from this asset to Cruden Bay via the Forties infrastructure network. Telford currently has three producing wells and is tied-back to the Scott platform. Production started in 1996 and oil and gas are transported from this asset via the Forties and Scottish Area Gas Evacuation System (SAGE) networks, respectively.

### 5.4.2 Glengorm



Working Interest:	25%
Partners:	Nexen (50%), Total (25%)
Operator:	Nexen
Announced reserves by CNOOC Limited at discovery:	62.5 mmboe

In January 2019, CNOOC Limited announced the largest UK North Sea gas discovery in ten years on the Glengorm prospect, which is located in the West Central Graben region. The discovery is close to existing infrastructure and offers tie-back possibilities, such as the Elgin-Franklin platform and the Culzean project, amongst others.

### 5.4.3 Other Assets in the UK

The rest of the UK North Sea portfolio consists of other mature producing assets located in the Southern Gas Basin. The production profile at these assets is expected to decline with decommissioning anticipated in the near- to medium-term, however there is optimisation potential from these assets by delaying the scope of this decommissioning.

## 5.5 Edison E&P Financial Information

	FY 2018 <sup>(1)</sup> US\$
Sales Revenue:	621 million
Unit Cost of Production (US\$/boe):	14
Adjusted EBITDAX:	434 million
Profit before Tax	73 million
Operating Cash Flow:	302 million
Capital Expenditure:	160 million
Gross Assets	2,472 million
Book Value	1,240 million

(1) All financial information is based on unaudited accounts.

## 6. Operational Update

At the Prinos area in Greece, average production for H1 2019 was 4,032 bopd net to Energean. As previously announced, Energean is currently implementing a cost reduction programme which is expected to realise cost savings of approximately US\$30-40 million in the Prinos area in 2019.



Following the completion of the Epsilon wells, EL-1 and EL-2, and the discovery of the deeper reservoirs comprising further upside potential in the Epsilon field, drilling of EL-3 has commenced. Technical work is ongoing to update the Epsilon field development plan in order to monetise both the A reservoir and the deeper reservoir. Additionally, a new CPR for Epsilon is being undertaken with the Company's reserves auditors.

In Israel, operations for the development of Energean's flagship Karish and Tanin project are on track, with the pipeline beach crossing at D'or having been completed in the period, with pipeline installation from Karish to D'or expected to begin imminently. The drilling of the three Karish Main production wells is continuing on schedule, as is work on the Hull and Topsides of the Energean Force FPSO, with sailaway from the Cosco Yard expected in Q4 2019.

## 7. Principal terms of the Acquisition

Energean and Edison have today entered into the Purchase Agreement in respect of the Acquisition, pursuant to which Energean has agreed, on the terms and subject to the conditions of the Purchase Agreement, to acquire Edison E&P from Edison for US\$750 million in cash, to be adjusted for working capital. In addition, Energean has agreed to pay a further US\$100 million in cash following first production at Cassiopea, Italy (expected 2022). Edison will also receive an 8% royalty on profit production resulting from discoveries made by exploration wells drilled in the North Thekah Offshore and North East Hap'y Blocks in Q4 2019 / Q1 2020.

The Acquisition is subject to relevant anti-trust, regulatory and shareholder approvals. As the Acquisition constitutes a reverse takeover for the purposes of the Listing Rules, Energean will need to seek re-admission of its ordinary shares to the Official List upon completion of the Acquisition.

Under the terms of the Purchase Agreement, a 100% subsidiary of the Company, expected to be Energean Capital Limited (the "**Purchaser**"), will acquire the shares in Edison E&P.

Edison has provided customary warranties to the Purchaser, subject to certain limitations, plus indemnities to cover specific identified risks including (i) claims from the National Iranian Oil Corporation and costs and liabilities arising from closure of the Iranian branch of Edison International S.p.A., (ii) certain environmental claims in relation to operations in Italy and (iii) any loss incurred from inclusion by OFAC on the Specifically Designated and Blocked Persons list of PB Tankers and FSO Alba Marina and the resolution of these sanctions

Edison has also provided customary interim covenants on the conduct of business of Edison E&P prior to Completion.

Completion of the Acquisition is conditional on the satisfaction or waiver, of certain conditions including regulatory approvals in Italy, Norway, Egypt, UK, Algeria, Greece, France and Israel, anti-trust approval in Israel, the approval of Energean's shareholders for the transaction, the approval of the Circular and Prospectus by the FCA and lifting of US sanctions on FSO Alba Marina and resumption of operations at Rospo Mare, Italy.

Completion of the Acquisition is subject to a longstop date of 10 months after signing, which may be extended for up to a further 2 months to satisfy certain regulatory conditions if not obtained by that date. The Purchase Agreement may also be terminated for any breach of certain fundamental warranties and the occurrence of any material adverse event affecting Edison E&P following signing.



If Completion does not occur due to a breach by the Purchaser of any of its obligations under the Purchase Agreement, Energean will be liable to pay Edison an amount equal to US\$15 million by way of liquidated damages. If Completion does not occur due to the failure to obtain (i) Israeli anti-trust approval, (ii) the approval of the Company's shareholders to the Acquisition or (iii) the approval of the Prospectus for Re-Admission by the FCA, Energean is required to pay Edison an amount equal to US\$5 million.

The Company has also received irrevocable undertakings from shareholders currently representing approximately 53.7% of the Company's issued share capital that they would vote in favour of the Acquisition.

## 8. The Placing

Energean also announces today the launch of a placing with institutional investors of new ordinary shares of 1 pence each in the capital of Energean (the "**Placing Shares**") to raise up to £211 million (US\$265 million) (before expenses) (the "**Placing**").

The number of Placing Shares to be issued by the Company will not exceed 19.99 per cent. of the existing issued share capital of the Company.

The Placing will be conducted through an accelerated bookbuilding process which will be launched immediately following this Announcement. Certain Energean Directors, their related parties and senior managers of Energean have indicated their intention to participate in the Placing up to an aggregate amount of approximately £3 million (approximately US\$3.8 million). Any related party transactions as a result of such participation by the Energean Directors would constitute exempt small transactions pursuant to paragraph 1 of Annex 1 to Chapter 11 of the Listing Rules.

The Placing Shares, when issued, will rank *pari passu* in all respects with each other and with the ordinary shares of the Company ("**Ordinary Shares**").

Applications will be made (i) to the FCA for admission of the Placing Shares to the premium listing segment of the Official List, (ii) to London Stock Exchange for admission to trading on its main market for listed securities (together, "**Admission**") and (iii) to the Tel Aviv Stock Exchange for listing of the Placing Shares. It is expected that Admission will become effective on or around 8 July 2019 and that dealings in the Placing Shares will commence at that time. The Placing is conditional, among other things, upon Admission becoming effective and the placing agreement between Energean, Morgan Stanley, Stifel, Peel Hunt and RBC (the "**Placing Agreement**") not being terminated in accordance with its terms. Appendix 1 (which forms part of this Announcement) sets out further information relating to the Placing Agreement and the terms and conditions of the Placing.

The Placing is not conditional upon Completion of the Acquisition. In the event that the Acquisition does not Complete, the Energean Directors would consider, in light of circumstances at the time, the appropriate use of the funds raised.

Morgan Stanley is acting as global coordinator and joint bookrunner, Stifel is acting as joint bookrunner and Peel Hunt and RBC are acting as co-lead managers, in respect of the Placing. The book will open with immediate effect following this Announcement. The timing of the closing of the book and allocations are at the discretion of Morgan Stanley and Energean.



Your attention is drawn to the detailed terms and conditions of the Placing set out in Appendix 1.

## **9. Placing Statistics**

Number of Ordinary Shares in issue before the Placing	153,326,901
Gross proceeds of the Placing	up to £211 million (approximately US\$265 million)

## **10. Further information**

Further details in relation to the Acquisition will be set out in the Circular which is expected to be published in due course.



## Terms and Conditions of the Placing for invited placees only

MEMBERS OF THE PUBLIC ARE NOT ELIGIBLE TO TAKE PART IN THE PLACING EXCEPT AS DISCLOSED IN THIS ANNOUNCEMENT UNDER “DETAILS OF THE PLACING”. THIS ANNOUNCEMENT (INCLUDING THE APPENDIX) AND THE TERMS AND CONDITIONS SET OUT HEREIN (THE “ANNOUNCEMENT”) IS FOR INFORMATION PURPOSES ONLY AND IS DIRECTED ONLY AT PERSONS WHOSE ORDINARY ACTIVITIES INVOLVE THEM IN ACQUIRING, HOLDING, MANAGING AND DISPOSING OF INVESTMENTS (AS PRINCIPAL OR AGENT) FOR THE PURPOSES OF THEIR BUSINESS AND WHO HAVE PROFESSIONAL EXPERIENCE IN MATTERS RELATING TO INVESTMENTS AND ARE: (A) IF IN A MEMBER STATE OF THE EUROPEAN ECONOMIC AREA (THE “EEA”), PERSONS WHO ARE QUALIFIED INVESTORS (“QUALIFIED INVESTORS”), BEING PERSONS FALLING WITHIN THE MEANING OF ARTICLE 2(1)(E) OF DIRECTIVE 2003/71/EC, AS AMENDED, INCLUDING BY THE 2010 PD AMENDING DIRECTIVE (DIRECTIVE 2010/73/EU), TO THE EXTENT IMPLEMENTED IN THE RELEVANT MEMBER STATE (THE “PROSPECTUS DIRECTIVE”); OR (B) IF IN THE UNITED KINGDOM, QUALIFIED INVESTORS WHO ARE (I) PERSONS WHO FALL WITHIN THE DEFINITION OF “INVESTMENT PROFESSIONAL” IN ARTICLE 19(5) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005, AS AMENDED (THE “ORDER”), OR (II) PERSONS WHO FALL WITHIN ARTICLE 49(2)(A) TO (D) (“HIGH NET WORTH COMPANIES, UNINCORPORATED ASSOCIATIONS, ETC”) OF THE ORDER, OR (C) PERSONS TO WHOM IT MAY OTHERWISE BE LAWFULLY COMMUNICATED (ALL SUCH PERSONS REFERRED TO IN (A), (B) AND (C) ABOVE TOGETHER BEING REFERRED TO AS “RELEVANT PERSONS”).

THIS ANNOUNCEMENT MUST NOT BE ACTED ON OR RELIED ON BY PERSONS WHO ARE NOT RELEVANT PERSONS. PERSONS DISTRIBUTING THIS ANNOUNCEMENT MUST SATISFY THEMSELVES THAT IT IS LAWFUL TO DO SO. ANY INVESTMENT OR INVESTMENT ACTIVITY TO WHICH THIS ANNOUNCEMENT RELATES IS AVAILABLE ONLY TO RELEVANT PERSONS AND WILL BE ENGAGED IN ONLY WITH RELEVANT PERSONS. THIS ANNOUNCEMENT DOES NOT ITSELF CONSTITUTE AN OFFER FOR SALE OR SUBSCRIPTION OF ANY SECURITIES IN THE COMPANY.

EACH PLACEE SHOULD CONSULT WITH ITS OWN ADVISERS AS TO LEGAL, TAX, BUSINESS AND RELATED ASPECTS OF AN INVESTMENT IN THE PLACING SHARES.

THE PLACING SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), OR UNDER THE SECURITIES LAWS OF, OR WITH ANY SECURITIES REGULATORY AUTHORITY OF, ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES, AND MAY NOT BE OFFERED, SOLD OR TRANSFERRED, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES ABSENT REGISTRATION UNDER THE SECURITIES ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN COMPLIANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES. SUBJECT TO CERTAIN EXCEPTIONS, THE PLACING IS BEING MADE OUTSIDE THE UNITED STATES IN OFFSHORE TRANSACTIONS WITHIN THE MEANING OF, AND IN RELIANCE ON, REGULATION S UNDER THE SECURITIES ACT. NO PUBLIC OFFERING OF THE SHARES REFERRED TO



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Unless otherwise stated, capitalised terms in this Appendix have the meanings ascribed to them in Appendix 2.

This Announcement is for information only and does not itself constitute or form part of an offer to sell or issue or the solicitation of an offer to buy or subscribe for securities referred to herein in any jurisdiction including, without limitation, the United States, any Restricted Territory (as defined below) or in any jurisdiction where such offer or solicitation is unlawful. No public offering of securities will be made in connection with the Placing in the United Kingdom, the United States, any Restricted Territory or elsewhere.

This Announcement, and the information contained herein, is not for release, publication or distribution, directly or indirectly, to persons in the United States, Australia, New Zealand, Hong Kong Canada, Japan, the Republic of South Africa and Singapore (each a “**Restricted Territory**”) or in any jurisdiction in which such publication or distribution is unlawful. The distribution of this Announcement and the Placing and/or the offer or sale of the Placing Shares in certain jurisdictions may be restricted by law. No action has been taken by the Company or by Morgan Stanley & Co. International plc (“**Morgan Stanley**” or the “**Global Coordinator**”), Stifel Europe Nicolaus Limited (“**Stifel**”), Peel Hunt LLP (“**Peel Hunt**”) or RBC Europe Limited (“**RBC**” and together with Morgan Stanley, Stifel and Peel Hunt, the “**Banks**”) or any of their respective affiliates or agents which would permit an offer of the Placing Shares or possession or distribution of this Announcement or any other offering or publicity material relating to such Placing Shares in any jurisdiction where action for that purpose is required. Persons distributing any part of this Announcement must satisfy themselves that it is lawful to do so. Persons (including, without limitation, nominees and trustees) who have a contractual or other legal obligation to forward a copy of this Announcement should seek appropriate advice before taking any such action. Persons into whose possession this Announcement comes are required by the Company and the Banks to inform themselves about, and to observe, any such restrictions.

All offers of the Placing Shares will be made pursuant to an exemption under the Prospectus Directive from the requirement to produce a prospectus. This Announcement is being distributed and communicated to persons in the UK only in circumstances to which section 21(1) of the Financial Services and Markets Act 2000, as amended (“**FSMA**”) does not apply.

The Placing has not been approved and will not be approved or disapproved by the U.S. Securities and Exchange Commission, any State securities commission or any other regulatory authority in the United States, nor have any of the foregoing authorities passed upon or endorsed the merits of the Placing or the accuracy or adequacy of this Announcement. Any representation to the contrary is unlawful.

Subject to certain exceptions, the securities referred to in this Announcement may not be offered or sold in any Restricted Territory or to, or for the account or benefit of, a citizen or resident, or a corporation, partnership or other entity created or organised in or under the laws of a Restricted Territory.

This Announcement has been issued by, and is the sole responsibility of, the Company. No representation or warranty, express or implied, is or will be made as to, or in relation to, and no responsibility or liability is or will be accepted by any Bank or any of its respective affiliates or agents as to or in relation to, the accuracy or completeness of this Announcement or any other written or oral information made available to or publicly available to any party or its advisers, and any liability therefore is expressly disclaimed.



The Banks are acting exclusively for the Company and no-one else in connection with the Placing and are not, and will not be, responsible to anyone (including the Placees) other than the Company for providing the protections afforded to their clients nor for providing advice in relation to the Placing and/or any other matter referred to in this Announcement.

None of the Company or the Banks or their respective affiliates or agents makes any representation or warranty, express or implied to any Placees regarding an investment in the securities referred to in this Announcement under the laws applicable to such Placees. Each Placee should consult its own advisers as to the legal, tax, business, financial and related aspects of an investment in the Placing Shares.

**By participating in the Placing, Placees (including individuals, funds or otherwise) by whom or on whose behalf a commitment to acquire Placing Shares has been given will (i) be deemed to have read and understood this Announcement, in its entirety; and (ii) be making such offer on the terms and conditions contained in Appendix, including being deemed to be providing (and shall only be permitted to participate in the Placing on the basis that they have provided) the representations, warranties, acknowledgements and undertakings set out herein.**

In particular each such Placee represents, warrants and acknowledges that:

- (a) it is a Relevant Person and undertakes that it will acquire, hold, manage or dispose of any Placing Shares that are allocated to it for the purposes of its business;
- (b) it is and, at the time the Placing Shares are acquired, will be, subject to certain exceptions, outside the United States and is acquiring the Placing Shares in an “offshore transaction” in accordance with Rule 903 or Rule 904 of Regulation S under the Securities Act (“**Regulation S**”); if acquiring the Shares for the account of one or more other persons, it has full power and authority to make the representations, warranties, agreements and acknowledgements herein on behalf of each such account; and
- (c) if it is a financial intermediary, as that term is used in Article 3(2) of the Prospectus Directive, that it understands the resale and transfer restrictions set out in this Appendix and that any Placing Shares acquired by it in the Placing will not be acquired on a non-discretionary basis on behalf of, nor will they be acquired with a view to their offer or resale to, persons in circumstances which may give rise to an offer of securities to the public other than an offer or resale in a member state of the EEA which has implemented the Prospectus Directive to Qualified Investors, or in circumstances in which the prior consent of the Managers has been given to each such proposed offer or resale.

#### IMPORTANT INFORMATION FOR PLACEES ONLY REGARDING THE PLACING

Defined terms used in this Appendix are set out at in Appendix 2.

#### **Bookbuild**

Following this Announcement, the Managers will commence a bookbuilding process in respect of the Placing (the “**Bookbuild**”) to determine demand for participation in the Placing by Placees. No commissions will be paid to Placees or by Placees in respect of any Placing Shares. The book will open with immediate effect. Members of the public are not entitled to participate in the Placing. This Appendix gives details of the terms and conditions of, and the mechanics of participation in, the Placing.



## Details of the Placing Agreement and of the Placing Shares

Morgan Stanley is acting as sole global coordinator and joint bookrunner, Stifel is acting as joint bookrunner and Peel Hunt and RBC are acting as co-lead managers in connection with the Placing. The Banks have entered an agreement with the Company (the “**Placing Agreement**”) under which, subject to the conditions set out therein, Morgan Stanley, Stifel and Peel Hunt (together, the “**Managers**”) will agree to use their respective reasonable endeavours to procure Placees for the Placing Shares at a price determined following completion of the Bookbuild and as set out in the Placing Agreement.

The price per Ordinary Share at which the Placing Shares are to be placed (the “**Placing Price**”) and the final number of Placing Shares will be decided at the close of the Bookbuild following the execution of the placing terms by the Company and the Banks (the “**Placing Terms**”). The timing of the closing of the book, pricing and allocations are at the discretion of the Company and the Global Coordinator. Details of the Placing Price and the number of Placing Shares will be announced as soon as practicable after the close of the Bookbuild.

If any Placee defaults in paying the Placing Price in respect of any Placing Shares allotted to it, the Managers have agreed to subscribe for shares as principal, and the Company has agreed to allot or issue, as applicable, such shares to the Managers, at the Placing Price, on and subject to the terms set out in the Placing Agreement

The Placing Shares have been duly authorised and will, when issued, be credited as fully paid and will rank pari passu in all respects with the existing Ordinary Shares (other than treasury shares which are non-voting and do not qualify for dividends), including the right to receive all dividends and other distributions declared, made or paid in respect of the Ordinary Shares after the date of issue. The Placing Shares will be issued free of any encumbrances, liens or other security interests.

The Placing will be effected by way of a placing of new ordinary shares in the Company for non-cash consideration. The Global Coordinator will subscribe for ordinary shares and redeemable preference shares in Delphinidae Finance (Jersey) Limited, a wholly owned subsidiary of the Company, for an amount approximately equal to the net proceeds of the Placing. The Company will allot and issue the Placing Shares on a non-pre-emptive basis to Placees in consideration for the transfer of the ordinary shares and redeemable preference shares in Delphinidae Finance (Jersey) Limited that will be issued to the Global Coordinator.

### Application for admission to trading

The Company will apply to the Financial Conduct Authority (the “**FCA**”) for admission of the Placing Shares to the premium listing segment of the Official List of the UK Listing Authority (the “**Official List**”) and to London Stock Exchange plc (the “**London Stock Exchange**”) for admission to trading of the Placing Shares on its Main Market (“**Admission**”). It is expected that Admission will become effective at 8.00 a.m. on 8 July 2019 (or such later date as may be agreed between the Company and the Global Coordinator). The Company will also apply to the Tel Aviv Stock Exchange for the listing of the Placing Shares.

### Participation in, and principal terms of, the Placing

1. The Managers are arranging the Placing severally, and not jointly, nor jointly and severally, as agents of the Company. Participation will only be available to persons who may lawfully be, and are, invited to participate by any of the Managers. Each of the Managers and their respective affiliates are entitled to enter bids as principal in the Bookbuild.
2. The Bookbuild, if successful, will establish the Placing Price to the Managers by all Placees whose bids are successful. The Placing Price and the aggregate proceeds to be raised



through the Placing will be agreed between the Managers and the Company following completion of the Bookbuild. The Placing Price will be announced on a Regulatory Information Service following the completion of the Bookbuild.

3. To bid in the Bookbuild, Placees should communicate their bid by telephone or in writing to their usual sales contact at one of the Managers. Each bid should state the number of Placing Shares which the prospective Placee wishes to acquire at the Placing Price ultimately established by the Company and the Managers or at prices up to a price limit specified in its bid. Bids may be scaled down by the Managers on the basis referred to in paragraph 6 below.
4. The Bookbuild is expected to close no later than 4:30 p.m. (London time) on 4 July 2019 but may be closed earlier or later, at the discretion of the Global Coordinator. The Managers may, in agreement with the Company, accept bids that are received after the Bookbuild has closed.
5. Each Placee's allocation will be confirmed to Placees orally by the relevant Manager following the close of the Bookbuild, and a contract note will be dispatched as soon as possible thereafter. Subject to clause 7 below, the relevant Manager's oral confirmation to such Placee will constitute an irrevocable legally binding commitment upon such person (who will at that point become a Placee) in favour of such Manager and the Company, under which such Placee agrees to acquire the number of Placing Shares allocated to it and to pay the relevant Placing Price on the terms and conditions set out in this Appendix and in accordance with the Company's corporate documents.
6. Subject to paragraphs 2 and 3 above, the Managers will, in effecting the Placing, agree with the Company the identity of the Placees and the basis of allocation of the Placing Shares and may scale down any bids for this purpose on such basis as it may determine. The Managers may also, notwithstanding paragraphs 2 and 3 above and subject to the prior consent of the Company, (i) allocate Placing Shares after the time of any initial allocation to any person submitting a bid after that time and (ii) allocate Placing Shares after the Bookbuild has closed to any person submitting a bid after that time. The acceptance of offers shall be at the absolute discretion of the Global Coordinator.
7. The allocation of the Placing Shares to the Placees shall be conditional on the execution by each Placee of an Investor Representation Letter in the form set out in the Placing Agreement.
8. A bid in the Bookbuild will be made on the terms and subject to the conditions in this Appendix and will be legally binding on the Placee on behalf of which it is made and except with the relevant Manager's consent will not be capable of variation or revocation after the time at which it is submitted. Each Placee will also have an immediate, separate, irrevocable and binding obligation, owed to the relevant Manager, to pay it (or as it may direct) in cleared funds an amount equal to the product of the Placing Price and the number of Placing Shares that such Placee has agreed to acquire. Each Placee's obligations will be owed to the relevant Manager.
9. Except as required by law or regulation, no press release or other announcement will be made by any of the Banks or the Company using the name of any Placee (or its agent), in its capacity as Placee (or agent), other than with such Placee's prior written consent.
10. Irrespective of the time at which a Placee's allocation(s) pursuant to the Placing is/are confirmed, settlement for all Placing Shares to be acquired pursuant to the Placing will be



required to be made at the same time, on the basis explained below under “Registration and Settlement”.

11. All obligations under the Bookbuild and Placing will be subject to fulfilment or (where applicable) waiver of the conditions referred to below under “Conditions of the Placing” and to the Placing not being terminated on the basis referred to below under “Termination of the Placing Agreement”.
12. By participating in the Bookbuild, each Placee agrees that its rights and obligations in respect of the Placing will terminate only in the circumstances described below and will not be capable of rescission or termination by the Placee after confirmation (oral or otherwise) by a Manager.
13. To the fullest extent permissible by law, none of the Banks, the Company or any of their respective affiliates shall have any responsibility or liability to Placees (or to any other person whether acting on behalf of a Placee or otherwise). In particular, none of the Banks, nor the Company, nor any of their respective affiliates shall have any responsibility or liability (including to the extent permissible by law, any fiduciary duties) in respect of the Managers' conduct of the Bookbuild or of such alternative method of effecting the Placing as the Managers, their respective affiliates and the Company may agree.

### **Conditions of the Placing**

The Placing is conditional upon the Placing Agreement becoming unconditional and not having been terminated in accordance with its terms. The Managers' obligations under the Placing Agreement are conditional on certain conditions, including:

- (a) Admission of the Placing Shares occurring at or before 8:00 a.m. (London time) on 8 July 2019 (or at such later time or date as the Company and the Global Coordinator may agree);
- (b) the Company having complied in all material respects with its obligations under the Placing Agreement;
- (c) the Placing Terms having been executed by the Company and the Managers;
- (d) the publication by the Company of the results of the Placing on a Regulatory Information Service as soon as reasonably practicable after execution of the Placing Terms and in any event by 7.00 a.m. on the Business Day following the date of the Placing Terms;
- (e) each of the warranties on the part of the Company in the Placing Agreement being true and accurate and not misleading on the date of the Placing Agreement, the date of execution of the Placing Terms and the date of the closing of the Placing as though, in each such case, they had been given and made on such date by reference to the facts and circumstances then subsisting;
- (f) the Option Agreement and the Subscription and Transfer Agreement having been duly executed and delivered by the parties thereto and there having occurred no event of default or breach of the terms thereof and the Option Agreement and the Subscription and Transfer Agreement remaining in full force and effect and having become wholly unconditional (save for any conditions therein relating to Admission);
- (g) the agreement for the acquisition of Edison E&P from Edison (the “**Acquisition Agreement**”) having been duly executed and delivered by the parties thereto and not having



been terminated and there not having arisen any fact or circumstance which gives a party to the Acquisition Agreement a right to terminate;

- (h) the Bridge Facility Agreement having been duly executed and delivered by the parties thereto and not having been terminated and there not having arisen any fact or circumstance which gives a party to the Acquisition Agreement a right to terminate or which would prevent drawdown of funds under the Bridge Facility Agreement as required;
- (i) the delivery by each Placee to the relevant Manager of an Investor Representation Letter, as described under “Registration and settlement” below; and
- (j) the Company allotting and/or issuing, as applicable, subject only to Admission, the Placing Shares in accordance with the Placing Agreement.

If: (i) any of the conditions contained in the Placing Agreement, including those described above, are not fulfilled or (where applicable) waived by the Global Coordinator (on behalf of the Banks) by the relevant time or date specified (or such later time or date as the Company and the Global Coordinator (for and on behalf of the Banks) may agree); or (ii) the Placing Agreement is terminated in the circumstances specified below, the Placing will lapse and the Placees’ rights and obligations hereunder in relation to the Placing Shares shall cease and terminate at such time and each Placee agrees that no claim can be made by it in respect thereof.

The Global Coordinator (for and on behalf of the Banks) may, at its discretion waive compliance by the Company with the whole or any part of any of the Company’s obligations in relation to the conditions in the Placing Agreement save that the above conditions relating, *inter alia*, to Admission taking place and the Company allotting and/or issuing, as applicable, the Placing Shares may not be waived. Any such extension or waiver will not affect Placees’ commitments as set out in this Announcement.

None of the Managers shall have any liability to any Placee (or to any other person whether acting on behalf of a Placee or otherwise) in respect of any decision it may make as to whether or not to waive or to extend the time and/or date for the satisfaction of any condition to the Placing nor for any decision it may make as to the satisfaction of any condition or in respect of the Placing generally and by participating in the Placing each Placee agrees that any such decision is within the absolute discretion of the Global Coordinator.

By participating in the Bookbuild, each Placee agrees that its rights and obligations hereunder terminate only in the circumstances described above and under “Termination of the Placing Agreement” below, and will not be capable of rescission or termination by the Placee.

### **Termination of the Placing Agreement**

The Global Coordinator (for and on behalf of the Banks) is entitled, at any time before Admission, to terminate the Placing Agreement in accordance with its terms in certain circumstances, including, if: (i) there has been a breach by the Company of any of the warranties or undertakings contained in the Placing Agreement or an event has occurred or matter has arisen which would have rendered any of the warranties untrue, inaccurate or misleading in any respect; (ii) in the opinion of the Global Coordinator (acting in good faith and in consultation with the Company), there has been a material adverse change in or affecting, or any development reasonably likely to result in a material adverse change in or affecting, the condition (whether financial, operational, legal or otherwise) or earnings, business affairs or prospects of either the Group (taken as a whole) or the Target Group (taken as a whole); or (iii) the application for Admission is withdrawn or refused by the FCA or the London Stock Exchange.



By participating in the Placing, Placees agree that the exercise by the Global Coordinator of any right of termination or other discretion under the Placing Agreement shall be within the absolute discretion of the Company or the Global Coordinator or for agreement between the Company and the Global Coordinator (for and on behalf of the Banks) (as the case may be) and that neither the Company nor the Global Coordinator need make any reference to, or consultation with, Placees and that neither they nor any of their respective affiliates, agents, directors, officers or employees shall have any liability to Placees whatsoever in connection with any such exercise.

### **No prospectus**

No offering document, prospectus or admission document has been or will be prepared or submitted to be approved by the FCA (or any other authority) in relation to the Placing, and Placees' commitments will be made solely on the basis of publicly available information taken together with the information contained in this Announcement, and any Exchange Information (as defined below) previously published by or on behalf of the Company simultaneously with or prior to the date of this Announcement and subject to the further terms set forth in the contract note to be provided to individual prospective Placees.

Each Placee, by accepting a participation in the Placing, agrees that the content of this Announcement, the Investor Presentation and the publicly available information released by or on behalf of the Company is exclusively the responsibility of the Company and confirms to the Banks and the Company that it has neither received nor relied on any other information, representation, warranty, or statement made by or on behalf of the Company (other than publicly available information) or the Banks or their respective Affiliates or any other person and none of the Banks or the Company, or any of their respective Affiliates or any other person will be liable for any Placee's decision to participate in the Placing based on any other information, representation, warranty or statement which the Placees may have obtained or received (regardless of whether or not such information, representation, warranty or statement was given or made by or on behalf of any such persons). By participating in the Placing, each Placee acknowledges and agrees that it has relied on its own investigation of the business, financial or other position of the Company in accepting a participation in the Placing. Nothing in this paragraph shall exclude or limit the liability of any person for fraudulent misrepresentation by that person.

### **Lock-up**

The Company has undertaken to the Banks that, between the date of the Placing Agreement and 90 days after the Closing Date, it will not, without the prior written consent of the Global Coordinator (such consent not to be unreasonably withheld or delayed) enter into certain transactions involving or relating to the Ordinary Shares, subject to certain carve-outs agreed between the Banks and the Company.

By participating in the Placing, Placees agree that the exercise by the Global Coordinator of any power to grant consent to waive the undertaking by the Company of a transaction which would otherwise be subject to the lock-up under the Placing Agreement shall be within the absolute discretion of the Global Coordinator and that they need not make any reference to, or consultation with, Placees and that they shall have no liability to Placees whatsoever in connection with any such exercise of the power to grant consent.

### **Registration and settlement**

Settlement of transactions in the Placing Shares (ISIN: GB00BG12YO42) following Admission will take place within the relevant system administered by Euroclear UK & Ireland Limited ("CREST"), using the delivery versus payment mechanism, subject to certain exceptions. Subject to certain exceptions, the Managers and the Company reserve the right to require settlement for, and



delivery of, the Placing Shares to Placees by such other means that they deem necessary if delivery or settlement is not practicable in CREST within the timetable set out in this Announcement or would not be consistent with the regulatory requirements in the Placee's jurisdiction.

Following the close of the Bookbuild for the Placing, each Placee allocated Placing Shares in the Placing will be sent a contract note stating the number of Placing Shares to be allocated to it at the Placing Price, the aggregate amount owed by such Placee to the Managers and settlement instructions. Placees should settle against CREST ID: 50703. It is expected that such contract note will be despatched on 4 July 2019 and that this will also be the trade date.

Prior to the allocation of the Placing Shares, each Placee shall be required to execute an Investor Representation Letter, to be circulated to each prospective Placee by the relevant Manager during the Bookbuild. The allocation of the Placing Shares to each Placee shall be conditional on receipt by the relevant Manager of an Investor Representation Letter, duly executed by such Placee.

Each Placee agrees that it will do all things necessary to ensure that delivery and payment is completed in accordance with either the standing CREST or certificated settlement instructions that it has in place with the relevant Manager.

The Company will deliver the Placing Shares to a CREST account operated by Morgan Stanley as agent for the Company and Morgan Stanley will enter its delivery (DEL) instruction into the CREST system. Morgan Stanley will hold any Placing Shares delivered to this account as nominee for the Placees. The input to CREST by a Placee of a matching or acceptance instruction will then allow delivery of the relevant Placing Shares to that Placee against payment.

It is expected that settlement will be on 8 July 2019 on a T+2 basis in accordance with the instructions given to the Managers.

Interest is chargeable daily on payments not received from Placees on the due date in accordance with the arrangements set out above at the rate of two percentage points above LIBOR as determined by the Global Coordinator.

Each Placee agrees that, if it does not comply with these obligations, the Managers may sell any or all of the Placing Shares allocated to that Placee on such Placee's behalf and retain from the proceeds, for the Company's account and benefit, an amount equal to the aggregate amount owed by the Placee plus any interest due. The relevant Placee will, however, remain liable for any shortfall below the aggregate amount owed by it and shall be required to bear any stamp duty, stamp duty reserve tax or other stamp, securities, transfer, registration, execution, documentary or other similar impost, duty or tax (together with any interest or penalties) which may arise upon the sale of such Placing Shares on such Placee's behalf.

If Placing Shares are to be delivered to a custodian or settlement agent, Placees should ensure that the contract note is copied and delivered immediately to the relevant person within that organisation. Insofar as Placing Shares are registered in a Placee's name or that of its nominee or in the name of any person for whom a Placee is contracting as agent or that of a nominee for such person, such Placing Shares should, subject to as provided below, be so registered free from any liability to UK stamp duty or UK stamp duty reserve tax. If there are any circumstances in which any other stamp duty or stamp duty reserve tax (together with interest and penalties) is payable in respect of the issue of the Placing Shares, neither the Managers nor the Company shall be responsible for the payment thereof.

### **Representations and warranties**

By participating in the Placing each Placee (and any person acting on such Placee's behalf) irrevocably acknowledges, confirms, undertakes, represents, warrants and agrees (as the case may



be) with the Managers (in their capacity as Joint Bookrunners (if applicable) and as placing agents of the Company in respect of the Placing) and the Company, in each case as a fundamental term of its application for Placing Shares, the following:

1. it has read and understood this Announcement, including this Appendix, in its entirety and that its subscription for and purchase of Placing Shares is subject to and based upon all the terms, conditions, representations, warranties, indemnities, acknowledgements, agreements and undertakings and other information contained herein and undertakes not to redistribute or duplicate this Announcement and that it has not relied on, and will not rely on, any information given or any representations, warranties or statements made at any time by any person in connection with Admission, the Placing, the Company, the Placing Shares or otherwise;
2. that no offering document or prospectus or admission document has been or will be prepared in connection with the Placing or is required under the Prospectus Directive and it has not received and will not receive a prospectus, admission document or other offering document in connection with the Bookbuild, the Placing or the Placing Shares;
3. that certain Ordinary Shares are admitted to trading on London Stock Exchange plc and that the Company is therefore required to publish certain business and financial information in accordance with MAR and the rules and practices of the London Stock Exchange and/or the FCA (collectively, the “**Exchange Information**”), which includes a description of the nature of the Company's business and the Company's most recent balance sheet and profit and loss account, and similar statements for preceding financial years and that it has reviewed such Exchange Information and that it is able to obtain or access such Exchange Information;
4. that none of the Banks, nor the Company nor any of their respective Affiliates nor any person acting on behalf of any of them has provided, and none of them will provide, it with any material or information regarding the Placing Shares, the Placing or the Company or any other person other than this Announcement, nor has it requested any of the Banks, the Company, or any of their respective Affiliates nor any person acting on behalf of any of them to provide it with any such material or information;
5. unless otherwise specifically agreed with the Managers, that they are not, and at the time the Placing Shares are acquired, neither it nor the beneficial owner of the Placing Shares will be, a resident of a Restricted Territory or any other jurisdiction in which it would be unlawful to make or accept an offer to acquire the Placing Shares, and further acknowledges that the Placing Shares have not been and will not be registered or otherwise qualified, for offer and sale nor will an offering document, prospectus or admission document be cleared or approved in respect of any of the Placing Shares under the securities legislation of the United States or any other Restricted Territory and, subject to certain exceptions, may not be offered, sold, transferred, delivered or distributed, directly or indirectly, in or into those jurisdictions or in any country or jurisdiction where any such action for that purpose is required;
6. that the Company anticipates using the proceeds raised through the Placing for the Acquisition is dependent upon certain conditions being satisfied and that none of the Company, the Banks warrant or represent that the Acquisition will take place. The Placing is not conditional on the Acquisition and if the Acquisition does not complete the Company is under no obligation to return the proceeds to the investors;
7. that the content of this Announcement is exclusively the responsibility of the Company and that none of the Banks or any of their respective Affiliates or any person acting on their



behalf has or shall have any responsibility or liability for any information, representation or statement contained in this Announcement or any information previously or subsequently published by or on behalf of the Company, including, without limitation, any Exchange Information, and will not be liable for any Placee's decision to participate in the Placing based on any information, representation or statement contained in this Announcement or any information previously published by or on behalf of the Company or otherwise. Each Placee further represents, warrants and agrees that the only information on which it is entitled to rely and on which such Placee has relied in committing itself to acquire the Placing Shares is contained in this Announcement and any Exchange Information, such information being all that it deems necessary to make an investment decision in respect of the Placing Shares, and that it has neither received nor relied on any other information given or investigations, representations, warranties or statements made by the Banks or the Company and none of the Banks or the Company will be liable for any Placee's decision to accept an invitation to participate in the Placing based on any other information, representation, warranty or statement. Each Placee further acknowledges and agrees that it has relied on its own investigation of the business, financial or other position of the Company in deciding to participate in the Placing and that none of the Banks or any of their Affiliates have made any representations to it, express or implied, with respect to the Company, the Placing and the Placing Shares or the accuracy, completeness or adequacy of the Exchange Information, and each of them expressly disclaims any liability in respect thereof. Nothing in this paragraph or otherwise in this Announcement excludes the liability of any person for fraudulent misrepresentation made by that person;

8. that it has not relied on any information relating to the Company contained in any research reports prepared by the Banks, any of its Affiliates or any person acting on the Banks or any of its Affiliates' behalf and understands that (i) none of the Banks or any of their respective Affiliates nor any person acting on its behalf has or shall have any liability for public information or any representation; (ii) none of the Banks or any of their respective Affiliates nor any person acting on its behalf has or shall have any liability for any additional information that has otherwise been made available to such Placee, whether at the date of publication, the date of this document or otherwise; and that (iii) none of the Banks or any of their respective Affiliates nor any person acting on their behalf makes any representation or warranty, express or implied, as to the truth, accuracy or completeness of such information, whether at the date of publication, the date of this Announcement or otherwise;
9. that the allocation, allotment, issue and delivery to it, or the person specified by it for registration as holder, of Placing Shares will not give rise to a liability under any of sections 67, 70, 93 or 96 of the Finance Act 1986 (depository receipts and clearance services) and that it is not participating in the Placing as nominee or agent for any person to whom the allocation, allotment, issue or delivery of the Placing Shares would give rise to such a liability and that the Placing Shares are not being acquired in connection with arrangements to issue depository receipts or to issue or transfer Placing Shares into a clearance service;
10. acknowledges that no action has been or will be taken by the Company, the Banks or any person acting on behalf of the Company or the Banks that would, or is intended to, permit a public offer of the Placing Shares in any country or jurisdiction where any such action for that purpose is required;
11. that it and any person acting on its behalf is entitled to acquire the Placing Shares under the laws of all relevant jurisdictions which apply to it and that it has fully observed such laws and obtained all such governmental and other guarantees, permits, authorisations, approvals and consents which may be required thereunder and complied with all necessary formalities and that it has not taken any action or omitted to take any action which will or may result



in the Banks, the Company or any of their respective Affiliates acting in breach of the legal or regulatory requirements of any jurisdiction in connection with the Placing;

12. that it (and any person acting on its behalf) has all necessary capacity and has obtained all necessary consents and authorities to enable it to commit to its participation in the Placing and to perform its obligations in relation thereto (including, without limitation, in the case of any person on whose behalf it is acting, all necessary consents and authorities to agree to the terms set out or referred to in this Announcement) and will honour such obligations;
13. that it has complied with its obligations under the Criminal Justice Act 1993, the EU Market Abuse Regulation and in connection with money laundering and terrorist financing under the Proceeds of Crime Act 2002 (as amended), the Terrorism Act 2000, the Anti-Terrorism Crime and Security Act 2001, the Terrorism Act 2006, the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 and the Money Laundering Sourcebook of the FCA and any related or similar rules, regulations or guidelines issued, administered or enforced by any government agency having jurisdiction in respect thereof (the “**Regulations**”) and, if making payment on behalf of a third party, that satisfactory evidence has been obtained and recorded by it to verify the identity of the third party as required by the Regulations. If within a reasonable time after a request for verification of identity, the Banks have not received such satisfactory evidence, the Banks may, in their absolute discretion, terminate the Placee’s Placing participation in which event all funds delivered by the Placee to the Banks will be returned without interest to the account of the drawee bank or CREST account from which they were originally debited;
14. that it is acting as principal only in respect of the Placing or, if it is acting for any other person: (i) it is duly authorised to do so and has full power to make, and does make, the acknowledgments, representations and agreements herein on behalf of each such person; and (ii) it is and will remain liable to the Managers and the Company for the performance of all its obligations as a Placee in respect of the Placing (regardless of the fact that it is acting for another person);
15. if in a Member State of the EEA and except as disclosed in this Announcement under “Details of the Placing”, that it is a “**Qualified Investor**” within the meaning of Article 2(1)(e) of the Prospectus Directive;
16. if in the United Kingdom, that it is a person (i) who falls within the definition of “investment professional” in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “Order”) or (ii) who falls within Article 49(2)(a) to (d) (“**High Net Worth Companies, Unincorporated Associations, etc**”) of the Order or (iii) to whom this Announcement may otherwise lawfully be communicated and it undertakes that it will acquire, hold, manage and (if applicable) dispose of any Placing Shares that are allocated to it for the purposes of its business only;
17. that it will not distribute, transfer or otherwise transmit this Announcement or any part of it, or any other presentation or other materials concerning the Placing, in or into the United States (including electronic copies thereof) to any person, and it has not distributed, forwarded, transferred or otherwise transmitted any such materials to any person;
18. where it is acquiring the Placing Shares for one or more managed accounts, it represents, warrants and undertakes that it is authorised in writing by each managed account to acquire the Placing Shares for each managed account and it has full power to make the acknowledgements, representations and agreements herein on behalf of each such account;



19. that if it is a pension fund or investment company, it represents, warrants and undertakes that its acquisition of Placing Shares is in full compliance with applicable laws and regulations;
20. if it is acting as a financial intermediary, as that term is used in Article 3(2) of the Prospectus Directive, that the Placing Shares acquired for by it in the Placing will not be acquired for on a nondiscretionary basis on behalf of, nor will they be acquired for with a view to their offer or resale to, persons in a member state of the EEA other than Qualified Investors, or in circumstances in which the prior consent of the Banks has been given to the proposed offer or resale;
21. that it has not offered or sold and, prior to the expiry of a period of six months from Admission, will not offer or sell any Placing Shares to persons in the United Kingdom, except to Qualified Investors or otherwise in circumstances which have not resulted and which will not result in an offer to the public in the United Kingdom within the meaning of section 85(1) of FSMA;
22. that any offer of Placing Shares may only be directed at persons in member states of the EEA who are Qualified Investors and represents, warrants and undertakes that it has not offered or sold and will not offer or sell any Placing Shares to persons in the EEA prior to Admission except to Qualified Investors or otherwise in circumstances which have not resulted in and which will not result in an offer to the public in any member state of the EEA within the meaning of the Prospectus Directive (including any relevant implementing measure in any member state);
23. that it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) relating to the Placing Shares in circumstances in which section 21(1) of the FSMA does not require approval of the communication by an authorised person;
24. that it has complied and will comply with all applicable laws (including all relevant provisions of the FSMA) with respect to anything done by it in relation to the Placing Shares in respect of anything done in, from or otherwise involving, the United Kingdom;
25. if it has received any confidential price sensitive information about the Company in advance of the Placing, it has not: (i) dealt in the securities of the Company; (ii) encouraged or required another person to deal in the securities of the Company; or (iii) disclosed such information to any person except as permitted by the MAR, prior to the information being made publicly available;
26. that (i) it (and any person acting on its behalf) has capacity and authority and is otherwise entitled to purchase the Placing Shares under the laws of all relevant jurisdictions which apply to it; (ii) it has paid any issue, transfer or other taxes due in connection with its participation in any territory; (iii) it has not taken any action which will or may result in the Company, the Banks, any of their Affiliates or any person acting on their behalf being in breach of the legal and/or regulatory requirements and/or any anti money laundering requirements of any territory in connection with the Placing and (iv) that the subscription for and purchase of the Placing Shares by it or any person acting on its behalf will be in compliance with applicable laws and regulations in the jurisdiction of its residence, the residence of the Company, or otherwise;
27. that it (and any person acting on its behalf) will make payment for the Placing Shares allocated to it in accordance with this Announcement on the due time and date set out herein



against delivery of such Placing Shares to it, failing which the relevant Placing Shares may be placed with other Placees or sold as the Banks may in their absolute discretion determine and without liability to such Placee. It will, however, remain liable for any shortfall below the net proceeds of such sale and the placing proceeds of such Placing Shares and may be required to bear any stamp duty or stamp duty reserve tax (together with any interest or penalties) due pursuant to the terms set out or referred to in this Announcement which may arise upon the sale of such Placee's Placing Shares on its behalf;

28. that its allocation (if any) of Placing Shares will represent a maximum number of Placing Shares to which it will be entitled, and required, to acquire, and that the Managers or the Company may call upon it to acquire a lower number of Placing Shares (if any), but in no event in aggregate more than the aforementioned maximum;
29. that none of the Banks nor any of their respective Affiliates nor any person acting on their behalf, is making any recommendations to it, or advising it regarding the suitability or merits of any transactions it may enter into in connection with the Placing and that participation in the Placing is on the basis that it is not and will not be a client of the Banks and that the Banks do not have any duties or responsibilities to it for providing the protections afforded to their respective clients or customers or for providing advice in relation to the Placing nor in respect of any representations, warranties, undertakings or indemnities contained in the Placing Agreement nor for the exercise or performance of any of the Banks' rights and obligations thereunder including any rights to waive or vary any conditions or exercise any termination right;
30. that the person whom it specifies for registration as holder of the Placing Shares will be (i) itself or (ii) its nominee, as the case may be. Neither the Banks nor the Company will be responsible for any liability to stamp duty or stamp duty reserve tax or other similar duties or taxes (together with any interest or penalties) resulting from a failure to observe this requirement. Each Placee and any person acting on behalf of such Placee agrees to indemnify each of the Banks, the Company and any of their respective Affiliates in respect of the same on an after-tax basis on the basis that the Placing Shares will be allotted to the CREST stock account of Davy who will hold them as nominee on behalf of such Placee until settlement in accordance with its standing settlement instructions;
31. that these terms and conditions and any agreements entered into by it pursuant to these terms and conditions, and any non-contractual obligations arising out of or in connection with such agreements, shall be governed by and construed in accordance with the laws of England and Wales and it subjects (on behalf of itself and on behalf of any person on whose behalf it is acting) to the exclusive jurisdiction of the English courts as regards any claim, dispute or matter arising out of any such contract, except that enforcement proceedings in respect of the obligation to make payment for the Placing Shares (together with any interest chargeable thereon) may be taken by the Banks or the Company in any jurisdiction in which the relevant Placee is incorporated or in which any of its securities have a quotation on a recognised stock exchange;
32. that each of the Managers, the Company and their respective Affiliates and others will rely upon the truth and accuracy of the representations, warranties, agreements, undertakings and acknowledgements set forth herein and which are given to each of the Banks on their own behalf and on behalf of the Company and are irrevocable and it irrevocably authorises each of the Banks and the Company to produce this Announcement, pursuant to, in connection with, or as may be required by any applicable law or regulation, administrative or legal proceeding or official inquiry with respect to the matters set forth herein;



33. that it will indemnify on an after-tax basis and hold each of the Banks, the Company and their respective Affiliates and any person acting on their behalf harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach by it of the representations, warranties, acknowledgements, agreements and undertakings in this Appendix and further agrees that the provisions of this Appendix shall survive after completion of the Placing;
34. acknowledges that it irrevocably appoints any director of the Banks as its agent for the purposes of executing and delivering to the Company and/or its registrars any documents on its behalf necessary to enable it to be registered as the holder of any of the Placing Shares agreed to be taken up by it under the Placing;
35. that it acknowledges that its commitment to acquire Placing Shares on the terms set out herein and in the contract note will continue notwithstanding any amendment that may in future be made to the terms and conditions of the Placing and that Placees will have no right to be consulted or require that their consent be obtained with respect to the Company's or the Banks conduct of the Placing;
36. that in making any decision to acquire the Placing Shares (i) it has sufficient knowledge, sophistication and experience in financial, business and international investment matters as is required to evaluate the merits and risks of subscribing for or purchasing the Placing Shares, (ii) it is experienced in investing in securities of this nature in this sector and is aware that it may be required to bear, and is able to bear, the economic risk of participating in, and is able to sustain a complete loss in connection with, the Placing, (iii) it has relied on its own examination, due diligence and analysis of the Company and its Affiliates taken as a whole, including the markets in which the Group operates, and the terms of the Placing, including the merits and risks involved and not upon any view expressed or information provided by or on behalf of the Banks, (iv) it has had sufficient time and access to information to consider and conduct its own investigation with respect to the offer and purchase of the Placing Shares, including the legal, regulatory, tax, business, currency and other economic and financial considerations relevant to such investment and has so conducted its own investigation to the extent it deems necessary for the purposes of its investigation, and (v) it will not look to the Company, the Banks, any of their respective Affiliates or any person acting on their behalf for all or part of any such loss or losses it or they may suffer;
37. acknowledges and agrees that none of the Banks or the Company owe any fiduciary or other duties to it or any Placee in respect of any representations, warranties, undertakings or indemnities in the Placing Agreement;
38. understands and agrees that it may not rely on any investigation that the Banks or any person acting on its behalf may or may not have conducted with respect to the Company and its Affiliates or the Placing and the Banks have not made any representation or warranty to it, express or implied, with respect to the merits of the Placing, the subscription for or purchase of the Placing Shares, or as to the condition, financial or otherwise, of the Company and its Affiliates, or as to any other matter relating thereto, and nothing herein shall be construed as any investment or other recommendation to it to acquire the Placing Shares. It acknowledges and agrees that no information has been prepared by, or is the responsibility of, the Managers for the purposes of this Placing;
39. acknowledges and agrees that it will not hold any of the Banks or any of their respective Affiliates or any person acting on their behalf responsible or liable for any misstatements in or omission from any publicly available information relating to the Group or information made available (whether in written or oral form) relating to the Group (the "Information")



and that none of the Banks or any person acting on behalf of the Banks makes any representation or warranty, express or implied, as to the truth, accuracy or completeness of such Information or accepts any responsibility for any of such Information;

40. that in connection with the Placing, the Banks and any of their respective Affiliates acting as an investor for its own account may take up shares in the Company and in that capacity may retain, purchase or sell for its own account such shares in the Company and any securities of the Company or related investments and may offer or sell such securities or other investments otherwise than in connection with the Placing. Accordingly, references in this Announcement to shares being issued, offered or placed should be read as including any issue, offering or placement of such shares in the Company to the Banks and any of their respective Affiliates acting in such capacity. In addition the Banks may enter into financing arrangements and swaps with investors in connection with which the Banks may from time to time acquire, hold or dispose of such securities of the Company, including the Placing Shares. None of the Banks or any of their respective Affiliates intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so;
41. acknowledges that (i) the Placing Shares have not been and will not be registered under the Securities Act or under the securities laws of any state or other jurisdiction of the United States, nor approved or disapproved by the U.S. Securities and Exchange Commission, any state securities commission in the United States or any other United States regulatory authority; (ii) subject to certain exceptions the Placing Shares are being offered and sold outside the United States in reliance on Regulation S; and (iii) the Placing Shares may not be reoffered, resold, pledged or otherwise transferred except in transactions not requiring registration under the Securities Act;
42. represents and warrants that, subject to certain exceptions, (a) each of it and each beneficial owner of the Placing Shares for whom it is acting is and at the time the Placing Shares are acquired will be, located outside the United States and is and will be acquiring the Placing Shares in an “offshore transaction” as defined in, and in accordance with, Regulation S and (b) it will not offer or sell, directly or indirectly, any of the Placing Shares except in an “offshore transaction” in accordance with Regulation S or in the United States pursuant to an available exemption from, or in a transaction not subject to, the registration requirements of the Securities Act; and
43. that it is not acquiring any of the Placing Shares as a result of any form of general solicitation or general advertising (within the meaning of Rule 502(c) of Regulation D under the Securities Act) or any form of directed selling efforts (as defined in Regulation S).

The foregoing acknowledgements, agreements, undertakings, representations, warranties and confirmations are given for the benefit of the Company as well as each of the Banks (for their own benefit and, where relevant, the benefit of their respective Affiliates and any person acting on their behalf) and are irrevocable. Each Placee, and any person acting on behalf of a Placee, acknowledges that none of the Banks or the Company owe any fiduciary or other duties to any Placee in respect of any representations, warranties, undertakings or indemnities in the Placing Agreement.

Please also note that the agreement to allot and issue Placing Shares to Placees (or the persons for whom Placees are contracting as agent) free of UK stamp duty and stamp duty reserve tax relates only to their allotment and issue to Placees, or such persons as they nominate as their agents, direct from the Company for the Placing Shares in question.

Such agreement also assumes, and is based on a warranty from each Placee, that the Placing Shares are not being acquired in connection with arrangements to issue depositary receipts or to issue or



transfer the Placing Shares into a clearance service. Neither the Banks nor the Company are liable to bear any stamp duty or stamp duty reserve tax or any other similar duties or taxes (transfer taxes) that arise on a sale of Placing Shares, if there are any such arrangements, or any arrangements that arise subsequent to their acquisition by Placees or for transfer taxes arising otherwise than under the laws of the United Kingdom. Each Placee should, therefore, take its own advice as to whether any such transfer tax liability arises. Furthermore, each Placee agrees to indemnify on an after-tax basis and hold the Banks and/or the Company and their respective Affiliates harmless from any and all interest, fines or penalties in relation to transfer taxes to the extent that such interest, fines or penalties arise from the unreasonable default or delay of that Placee or its agent.

Each Placee and any person acting on behalf of each Placee acknowledges and agrees that any of the Banks or any of their respective Affiliates may, at their absolute discretion, agree to become a Placee in respect of some or all of the Placing Shares. Each Placee acknowledges and is aware that the Banks are receiving a fee in connection with their role in respect of the Placing as detailed in the Placing Agreement.

When a Placee or person acting on behalf of the Placee is dealing with the Banks, any money held in an account with any of the Banks on behalf of the Placee and/or any person acting on behalf of the Placee will not be treated as client money within the meaning of the rules and regulations of the FCA made under the FSMA. The Placee acknowledges that the money will not be subject to the protections conferred by the client money rules; as a consequence, this money will not be segregated from the Banks money in accordance with the client money rules and will be used by the Banks in the course of its own business; and the Placee will rank only as a general creditor of the Banks.

All times and dates in this Announcement may be subject to amendment by the Banks (in its absolute discretion). The Banks shall notify the Placees and any person acting on behalf of the Placees of any changes.

Past performance is no guide to future performance and persons needing advice should consult an independent financial adviser.

The rights and remedies of the Banks and the Company under these Terms and Conditions are in addition to any rights and remedies which would otherwise be available to each of them and the exercise or partial exercise of one will not prevent the exercise of others.

Each Placee may be asked to disclose in writing or orally to the Banks:

- (a) if he or she is an individual, his or her nationality; or
- (b) if he or she is a discretionary fund manager, the jurisdiction in which the funds are managed or owned.



## Definitions

The following definitions apply throughout this Announcement unless the context otherwise requires:

Acquisition	means the proposed acquisition of Edison E&P by Energean, as described in this Announcement;
Admission	means admission of the Placing Shares to the premium listing segment of the Official List and to the London Stock Exchange for admission to trading on its main market for listed securities;
Affiliate	has the meaning given in Rule 501(b) of Regulation D under the Securities Act or Rule 405 under the Securities Act, as applicable;
Announcement	means this announcement (including its appendices);
Banks	means Morgan Stanley, Stifel, Peel Hunt and RBC;
Bookbuild	means the bookbuilding process to be commenced by the Managers to use reasonable endeavours to procure placees for the Placing Shares, as described in this Announcement and subject to the terms and conditions set out in this Announcement and the Placing Agreement;
Circular	means the circular to be published by Energean for the purposes of convening the Energean General Meeting to consider and, if thought fit, approve the Acquisition;
Company	means Energean Oil & Gas plc;
Completion	means the completion of the Acquisition in accordance with the terms of the Purchase Agreement (and “ <b>Complete</b> ” shall be construed accordingly);
Conditions	means the conditions to Completion as set out in the Purchase Agreement, including those summarised at paragraph 7 of this Announcement;
CREST	means the relevant system (as defined in the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755)) in respect of which Euroclear is the Operator (as defined in such Regulations) in accordance with which securities may be held and transferred in uncertificated form;



DTRs	means the Disclosure Guidance and Transparency Rules made by the FCA pursuant to Part VI of FSMA;
EBITDAX	means earnings before interest tax, depreciation, amortisation and exploration expenses;
Edison	means Edison S.p.A., a company incorporated under the laws of Italy;
Edison E&P	means Edison Exploration & Production S.p.A., a company incorporated under the laws of Italy;
Edison E&P Group	means Edison E&P and Edison E&P's subsidiaries and subsidiary undertakings;
Energean	means Energean Oil & Gas plc;
Energean Board	the board of Directors of Energean;
Energean Directors	the directors of Energean;
Energean General Meeting	means the general meeting of Energean to be convened for the purposes of considering and, if thought fit, approving the Acquisition;
Energean Group	means Energean and Energean's subsidiaries and subsidiary undertakings;
Energean Shareholder	means a holder of Energean Shares;
Energean Shares	means ordinary shares with a nominal value of 1 pence each in the capital of Energean;
Enlarged Group	means the enlarged group, comprising the Energean Group and the Edison E&P Group;
Euroclear	means Euroclear UK & Ireland Limited, a company incorporated under the laws of England and Wales;
FCA or Financial Conduct Authority	means the UK Financial Conduct Authority;
FSMA	means the Financial Services and Markets Act 2000 (as amended);
Group	means the Company and its subsidiary undertakings;
ING	means ING Bank N.V.;



Investor Presentation	means the presentation prepared by (or on behalf of) Energean for use during the course of presentations to investors in connection with the Acquisition and the Placing;
Investor Representation Letter	means the letter in the form set out in the Placing Agreement;
Joint Bookrunners	means Morgan Stanley and Stifel;
Last Practicable Date	3 July 2019 (being the latest practicable date prior to the date of this Announcement);
Listing Rules	means the rules and regulations made by the Financial Conduct Authority under FSMA;
LSE or London Stock Exchange	means London Stock Exchange plc;
MAR	means the Market Abuse Regulation (EU) No.596/2014;
Managers	means Morgan Stanley, Stifel and Peel Hunt;
Morgan Stanley	means Morgan Stanley & Co. International plc;
Peel Hunt	means Peel Hunt LLP;
Placee	means any person (including individuals, funds or otherwise) by whom or on whose behalf a commitment to acquire Placing Shares has been given;
Placing	means the placing of the Placing Shares by Morgan Stanley, Stifel and Peel Hunt for the purposes of financing the Acquisition in part, as more particularly described in paragraph 8 of this Announcement;
Placing Agreement	has the meaning given in paragraph 8 of this Announcement;
Placing Price	means the price per Ordinary Share at which the Placing Shares are placed;
Placing Shares	has the meaning given in this Announcement;
PRA or Prudential Regulation Authority	means the UK Prudential Regulation Authority;
Prospectus Directive	means the Directive of the European Parliament and of the Council of the European Union 2003/71/EC, as amended (which includes any relevant implementing measure in each member state of the European



Economic Area and amendments thereto, including the Directive of the European Parliament and of the Council of the European Union 2010/73/EU to the extent implemented in each member state of the European Economic Area);

Purchase Agreement	means the sale and purchase agreement dated the same date as this Announcement and entered into between Energean, Energean Med Limited, and Edison;
Purchaser	means Energean Capital Limited, a wholly owned subsidiary of Energean;
Ordinary Share	means an ordinary share of £0.01 each in the capital of the Company;
RBC	means RBC Europe Limited (trading as RBC Capital Markets)
Regulation S	means Regulation S promulgated under the Securities Act;
Regulatory Information Service	means any of the services set out in Appendix 3 of the Listing Rules;
Restricted Territory	means the United States, Australia, New Zealand, Canada, Japan, Hong Kong, Singapore or South Africa;
Securities Act	means the U.S. Securities Act of 1933, as amended;
Stifel	means Stifel Nicolaus Europe Limited;
subsidiary	has the meaning given to that term in the Companies Act 2006;
subsidiary undertaking	has the meaning given to that term in the Companies Act 2006;
Terms and Conditions	means the terms and conditions of the Placing set out in Appendix 1 to this Announcement;
uncertificated or in uncertificated form	means in respect of a share or other security, where that share or other security is recorded on the relevant register of the share or security concerned as being held in uncertificated form in CREST and title to which may be transferred by means of CREST; and
United Kingdom or UK	means the United Kingdom of Great Britain and Northern Ireland
United States or US	means the United States of America, its territories and possessions, any state of the United States of America, the District of Columbia and all other areas subject to its jurisdiction and any political sub-division thereof.



Unless otherwise indicated in this Announcement, all references to “**£**”, “**GBP**”, “**pounds**”, “**pound sterling**”, “**sterling**”, “**p**”, “**penny**” or “**pence**” are to the lawful currency of the UK. All references to “**US\$**”, “**\$**” or “**dollars**” are to the lawful currency of the United States of America.



## Risk Factors

This Appendix highlights certain key risks and uncertainties associated with the Acquisition, Edison E&P and the Enlarged Group. The risks and uncertainties described in this Appendix are neither exhaustive nor listed in order of importance or likelihood. There may be additional risks and uncertainties not currently known or not currently considered material that may also have a material adverse effect on the Acquisition, the businesses of Edison E&P or the Enlarged Group and may cause the price of the shares to decline.

Energean published its 2018 Annual Report on 18 April 2019 in which Energean has set forth, at pages 58-62 under the section titled “Principal risks and uncertainties”, the material existing and emerging risks it has identified to its business and an investment in the Energean Shares. This Appendix should be read in conjunction with the information included in Energean’s 2018 Annual Report and Energean’s other public disclosures.

### Summary of certain key risks associated with the Acquisition:

- 1. Failure to satisfy conditions precedent or obtain regulatory approvals could delay or prevent completion of the Acquisition:** The Acquisition may not complete in a timely manner or at all due to delays in satisfying, or failure to satisfy, relevant conditions precedent. These include necessary regulatory approvals in various jurisdictions (including the UK, Norway, Algeria, Egypt, Israel, France, Greece and Italy) in relation to change of control and asset transfers. Even if regulatory approvals are received, such approvals may be delayed or subject to onerous terms and conditions. If any such approval is not obtained, then the Acquisition will not proceed.
- 2. Energean may fail to successfully integrate Edison E&P and to realise the expected benefits of the Acquisition:** The Acquisition constitutes the largest acquisition Energean has undertaken to date. Risks to the successful integration of Edison E&P with Energean’s existing business and the realisation of the expected benefits of the Acquisition include, among others, potential delays and additional costs in implementing changes to the businesses, acquisition-related and integration costs exceeding Energean management’s expectations, exposure to unforeseen liabilities in connection with the Acquisition, disruptions to the ongoing operations of the businesses, and failure to effectively execute post-Acquisition strategies. Successful integration of Edison E&P with Energean’s existing business will also depend on the ability of Energean management to bring together the cultures and capabilities of both organisations in an effective manner, which will require the cooperation of Edison E&P’s existing workforce. Edison E&P has also been part of the larger Edison corporate structure prior to the Acquisition and will no longer be able to rely on intra-group arrangements after the expiration of an anticipated transitional services agreement and certain guarantees will need to be replaced after the completion of the Acquisition.
- 3. The contingent consideration is expected to be funded via free cash flow generated post 2021 and/or headroom under Energean’s proposed RBL / Corporate Debt Takeout of the Committed Bridge Loan Facility:** Energean has agreed to pay \$100 million of contingent consideration following first gas production at Cassiopea, which is expected in 2022. Energean intends to fund this contingent consideration through free cash



flow or via headroom on the RBL /Corporate Debt Takeout of the Committed Bridge Loan Facility. There can be no assurance that there will be sufficient free cash flow generated to make such payment or indeed headroom available under the Corporate Debt takeout of the Committed Bridge Loan Facility. In the event that Energean cannot fund the consideration, Energean may need to raise additional funding. There can be no assurance as to whether any such additional funding could be raised in a timely manner or on commercially reasonable terms. Any such additional equity raise could result in dilution of shareholders.

4. **The Acquisition has been part of a competitive process and there have been limitations on the amount of information provided to Energean:** There can be no assurance that the due diligence conducted will have revealed all relevant facts and financial information, including with respect to potential liabilities, necessary to evaluate the Acquisition.
5. **The Acquisition is classified as a reverse takeover and will be subject to shareholder approval and re-admission of the Enlarged Group:** Pursuant to LR 10 of the Listing Rules, the Acquisition is classified as a reverse takeover and therefore is subject to the approval by Energean's shareholders with the associated Circular expected to be published in Q4 2019. In addition, Energean will need to re-apply for admission of the Enlarged Group's shares to listing on the Official List of the FCA and to trading on the LSE and there is a risk that the FCA and LSE will not grant such re-admission.
6. **The Acquisition will result in the enlarged group operating in countries in which Energean currently has less significant or no previous experience:** A number of the jurisdictions in which Edison E&P operates (including Egypt and Algeria) have significant social, economic and political risks. The Enlarged Group will thus be further exposed to the inherent risks of operating internationally, particularly in emerging markets. Edison E&P's operations, particularly in Egypt, have not been operated on Energean's Health, Safety and Environment policy and other policies relating to operational integrity; adapting them to Energean's policies may require additional expenses and/or investment or result in operational disruption through the integration period. In addition, potential regulatory developments may substantially limit the further development of hydrocarbon-producing assets in Italy.
7. **Edison E&P's planned capital expenditure profile on development projects is scheduled to take place concurrently with Energean's proposed expenditure over 2019 – 2020:** The Acquisition will result in a significant increase in capital expenditure of the Enlarged Group since proposed expenditures by each of Energean and Edison E&P are scheduled concurrently. Edison E&P's development spend on the Cassiopea and NEA assets will take place as Energean increases capex on its Karish-Tanin development project ahead of first gas. Karish-Tanin is funded via project finance at the Energean Israel level and this facility is non-recourse to Energean. Funding of Karish-Tanin is therefore separate from that of the Edison E&P portfolio. However, in the event of cost overruns on either Karish-Tanin or the Edison E&P portfolio assets, Energean may experience difficulties in financing these increased amounts, which may result in additional funding requirements.
8. **Energean will incur substantial increases in its indebtedness in connection with the Acquisition which it may fail to refinance or limit its financial flexibility:** The Acquisition is to be financed with at least \$600 million of new debt financing. Although it is intended that the Acquisition debt financing will be refinanced in due course with a reserve based facility and / or corporate debt takeout, there can be no assurance whether and on what terms Energean will be able to do so.



9. **Proceeds:** The Placing is not conditional on completion of the Acquisition and if the Acquisition does not complete Energean is under no obligation to return the proceeds of the placing to investors.

#### **Summary of certain key risks associated with Edison E&P:**

1. **Edison E&P had \$147 million of overdue receivables due from EGPC at 31 December 2018 out of total EGPC receivables at such date of \$241 million (net of a \$40 million bad debt provision):** Edison E&P has receivables due from Edison's operations in Egypt which have historically been paid irregularly and after significant delay. Energean management believes that this risk is not specific to Edison E&P and affects all operators in the country, albeit total outstanding arrears to these operators in Egypt has reduced from approximately \$4.0 billion as of year-end 2016 to approximately \$1.2 billion as of year-end 2018. Particularly as a result of political unrest in Egypt beginning in 2011, the pace of payments received from EGPC has varied widely. Further, receipt of cash payments from EGPC may be subject to continued or increased delay in the future as a result of various factors, including the prevailing political and economic climate in Egypt, the availability of US dollars in Egypt and trends in international oil prices. In addition, rising oil prices and increased production have historically resulted in longer payment periods as total receivables increase, due in part to the impact of higher prices on EGPC's financial commitments to subsidise oil imports. The Enlarged Group will be further exposed to delays in and irregularities in payment from its Egyptian operations after completion of the Acquisition.
2. **Edison E&P depends on third parties who majority own and exclusively operate a significant portion of its portfolio assets under joint operating agreements:** The Edison E&P portfolio includes a number of assets which Edison E&P does not operate under its joint operating agreements, particularly certain of its material Italian and Algerian assets. Operators share a single exploration permit/exploitation concession and Edison E&P does not have responsibility for running the concession. The Enlarged Group's control over such activities (including but not limited to development spend) is therefore very limited and there is a risk that these third parties may delay development and capital expenditures at the assets they operate.
3. **Edison E&P could face higher than expected costs in connection with Edison E&P's decommissioning obligations:** Decommissioning estimates are subject to uncertainty but expected to be significant for the Enlarged Group. The estimates for decommissioning obligations vary depending on the sources provided during the due diligence undertaken as part of the competitive sale process for Edison E&P. Decommissioning obligations are in any event expected to be material, specifically in the UK and Italy, and the decommissioning spend on certain assets in these geographies could be required in the near-term. Further, in connection with the sale or transfer of assets, Edison E&P may retain or be liable for decommissioning liabilities in the UK, even if it has not contractually agreed to accept these liabilities. It is possible that Edison E&P may incur decommissioning liabilities sooner or later than budgeted for, particularly if further declines in oil prices resulted in production from certain oil fields no longer being commercially viable. To the extent that Edison E&P's costs in connection with decommissioning are higher than anticipated or are incurred earlier than anticipated, there could be a material adverse effect on Edison E&P's business, results of operations, financial condition and/or prospects.
4. **Edison E&P could face liabilities relating to Iran and Venezuela sanctions:** Edison E&P could face liabilities stemming from the 2011 withdrawal by Edison International S.p.A ("Edison International") from a service contract with the National Iranian Oil



Company (the “NIOC”) relating to the Dayyer gas field following the imposition of sanctions against Iran, and liabilities relating to the subsequent claim by NIOC in the amount of US\$24.7 million against Edison International for unpaid minimum exploration commitments, which NIOC maintains Edison International remains liable for. Edison International may also be exposed to sanctions liabilities in respect of the service contract in respect of the Dayyer gas field and/or payments associated therewith. Energean is indemnified in respect of any payment obligation to NIOC for Edison International, but not for any breach of sanctions (at present, there is no claim in respect of any such breach). In addition, Edison E&P may also face liabilities stemming from the prior listing by the Office of Foreign Assets Control of the US Treasury Department (“OFAC”) of PB Tankers S.p.A., on the list of Specially Designated and Blocked Persons (“SDBP”) following an alleged breach by PB Tankers S.p.A. of the US embargo against Venezuela. OFAC also previously included the Alba Marina, Edison E&P’s floating storage vessel, used in connection with the Italian Rospo Mare field, on the list of SDBP. Both PB Tankers S.p.A. and the Alba Marina were delisted from the SDBP list on 3 July 2019. The Acquisition nonetheless remains subject to a condition precedent that the Alba Marina is delisted from the SDBP and production resumes at Rospo Mare and Energean is also indemnified for any costs relating to the SDBP listing of the Alba Marina and the resolution of these sanctions.

5. **Edison E&P has a significant development programme:** Exploration, appraisal and development programmes may be subject to delay as a result of shortages of appropriate equipment and materials or other factors outside of Edison E&P's control. The risk of delays exists in respect of certain development projects in the Edison E&P portfolio, principally in relation to the Cassiopea and NEA assets, because of the scale of these development projects and the non-operated nature of Edison E&P’s stake in the former reducing control over development activities.
6. **Edison E&P must comply with environmental regulations in the countries it operates and the Enlarged Group may be subject to environmental liabilities if it fails to meet its compliance obligations:** Edison E&P may be subject to the imposition of damages, cleanup costs of spills, remediation, fines and penalties, compensation to third parties and, in certain cases, criminal sanctions for non-compliance with environmental laws and regulations. There are certain risks inherent in its activities, such as accidental spills, leakages explosions, blow-outs, equipment damage or failure, natural disasters, geological uncertainties, fires or other unforeseen circumstances that could expose Edison E&P to further significant liabilities. Such liabilities could materially adversely affect the Enlarged Group’s business, results of operations, financial condition and/or prospects.
7. **Impairment of exploration and production assets of Edison E&P:** Edison E&P may undertake impairments assessments in relation to its exploration and production assets which may result in write-downs in the value of the assets, mainly due to the expected trends in long-term prices of oil & gas and the change in the future production profiles of the Edison E&P assets.
8. **Tax related risks:** Edison E&P recognised deferred tax assets on tax losses carried forward in Italy which may not be recovered if the company does not generate sufficient taxable profits in the future.
9. **Litigation related risks:** Several Italian municipal authorities have raised claims challenging the Ministerial Decree of 7 December 2016, under which concessions falling within the 12 nautical mile Environmental Protected Zone, including the Rospo Mare and Vega fields, can be extended to the end of their economic field life. If successful, such claims would have material implications on the ability to obtain extensions to concessions



and approvals required for infill drilling within the Environmental Protected Zone, potentially accelerating decommissioning costs. In addition, the municipality of Legambiente and Ragusa has launched a challenge to the Environmental Impact Assessment no. 68 of 16 April 2015 issued by the Italian Ministry of Environment (MATMM), under which the MSE Decree of 13 November 2015, which approved the extension and development of the Vega concession, was granted. If successful, such claim could adversely impact the extension and development of the Vega concessions to the end of field life, impacting projected revenue and potentially accelerating decommissioning costs.