

ENERGEAN ISRAEL LIMITED

UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

30 SEPTEMBER 2024

ENERGEAN ISRAEL LIMITED

UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

AS OF 30 SEPTEMBER 2024

INDEX

	<u>Page</u>
Interim Consolidated Statement of Comprehensive Income	3
Interim Consolidated Statement of Financial Position	4
Interim Consolidated Statement of Changes in Equity	5
Interim Consolidated Statement of Cash Flows	6
Notes to the Interim Consolidated Financial Statements	7-20

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
NINE MONTHS ENDED 30 SEPTEMBER 2024

		30 September (Unaudited)	
		2024	2023
		'000	'000
	Notes		
Revenue	3	974,889	646,585
Cost of sales	4	(441,939)	(313,374)
Gross profit		532,950	333,211
Administrative expenses	4	(12,879)	(13,182)
Exploration and evaluation expenses	4	-	(50)
Other expenses	4	(448)	(170)
Other income	4	444	2
Operating profit		520,067	319,811
Finance income	5	7,296	9,133
Finance costs	5	(137,535)	(120,379)
Net foreign exchange losses	5	(3,818)	(4,872)
Profit for the period before tax		386,010	203,693
Taxation expense	6	(88,626)	(46,766)
Net profit for the period		297,384	156,927
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss:			
Gain on cash flow hedge for the period		744	-
Taxes expenses on items that may be reclassified to profit and loss	9	(171)	-
Other comprehensive income for the period		573	-
Total comprehensive income for the period		297,957	156,927

The accompanying notes are an integral part of the unaudited interim consolidated financial statements.

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS OF 30 SEPTEMBER 2024

	Notes	30 September (Unaudited) '000	31 December 2023 (Audited) '000
ASSETS:			
NON-CURRENT ASSETS:			
Property, plant and equipment	7	2,933,409	2,797,831
Intangible assets	8	95,110	168,165
Other receivables	10	8,989	5,365
		3,037,508	2,971,361
CURRENT ASSETS:			
Trade and other receivables	10	138,905	130,135
Inventories	11	12,204	7,141
Derivative financial instruments	15	745	-
Restricted cash	12	1,726	22,482
Cash and cash equivalents		255,556	286,625
		409,136	446,383
TOTAL ASSETS		3,446,644	3,417,744
EQUITY AND LIABILITIES:			
EQUITY:			
Share capital		1,708	1,708
Share Premium		212,539	212,539
Hedges Reserve		573	-
Retained earnings		95,665	74,781
TOTAL EQUITY		310,485	289,028
NON-CURRENT LIABILITIES:			
Senior secured notes	12	2,592,994	2,588,492
Decommissioning provisions		99,968	92,613
Deferred tax liabilities	9	71,183	46,985
Trade and other payables	13	84,459	127,044
		2,848,604	2,855,134
CURRENT LIABILITIES:			
Trade and other payables	13	223,537	271,997
Income tax liability	6	64,018	1,585
		287,555	273,582
TOTAL LIABILITIES		3,136,159	3,128,716
TOTAL EQUITY AND LIABILITIES		3,446,644	3,417,744

27 November 2024

Date of approval of the interim consolidated
financial statements

Panagiotis Benos
Director

Matthaios Rigas
Director

The accompanying notes are an integral part of the unaudited interim consolidated financial statements.

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

NINE MONTHS ENDED 30 SEPTEMBER 2024

	Share capital '000	Share Premium '000	Hedges Reserve '000	Accumulated losses '000	Total equity '000
Balance as of 1 January 2024 (Audited)	1,708	212,539	-	74,781	289,028
<u>Transactions with shareholders:</u>					
Dividend, see note 14	-	-	-	(276,500)	(276,500)
<u>Comprehensive Income:</u>					
Profit for the period	-	-	-	297,384	297,384
Other comprehensive income, net of tax			573	-	573
Total comprehensive income	-	-	573	297,384	297,957
Balance as of 30 September 2024 (Unaudited)	1,708	212,539	573	95,665	310,485
Balance as of 1 January 2023 (Audited)	1,708	212,539	-	(70,528)	143,719
<u>Comprehensive Income:</u>					
Profit for the period	-	-	-	156,927	156,927
Total comprehensive income	-	-	-	156,927	156,927
Balance as of 30 September 2023 (Unaudited)	1,708	212,539	-	86,399	300,646

The accompanying notes are an integral part of the unaudited interim consolidated financial statements.

INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2024

	30 September (Unaudited)	
Notes	2024 '000	2023 '000
Operating activities		
Profit for the period before tax	386,010	203,693
Adjustments to reconcile loss before taxation to net cash provided		

Adjustments to revenue less current taxation to net cash provided by: operating activities:

Depreciation, depletion and amortisation	4	182,450	132,527
Loss from sale on property, plant and equipment	4	448	170
Compensation to gas buyers, payment made in advance	3	-	4,929
Finance Income	5	(7,296)	(9,133)
Finance expenses	5	137,535	120,379
Net foreign exchange loss	5	3,818	4,872
Cash flow from operations before working capital		702,965	457,437
Increase in trade and other receivables		(14,935)	(56,590)
Increase in inventories		(5,063)	(3,543)
Increase/(decrease) in trade and other payables		17,475	(20,930)
Cash from operations		700,442	376,374
Income taxes paid		(2,384)	(397)
Net cash inflows from operating activities		698,058	375,977
Investing activities			
Payment for purchase of property, plant and equipment	7(C)	(227,567)	(164,913)
Payment for exploration and evaluation, and other intangible assets	8(B)	(70,286)	(92,634)
Proceeds from disposals of property, plant and equipment			2
Amounts received from INGL related to transfer of property, plant and equipment	7(C)	1,801	56,906
Movement in restricted cash, net	12	20,756	47,278
Interest received		8,036	9,921
Net cash outflow used in investing activities		(267,260)	(143,440)
Financing activities			
Transaction costs in relation to senior secured notes issuance		-	(3,690)
Senior secured notes issuance		-	750,000
Senior secured notes repayment		-	(625,000)
Other distribution		-	(4,386)
Senior secured notes - interest paid	12	(178,592)	(128,906)
Dividends paid	14	(276,500)	-
Other finance cost paid		(891)	(335)
Finance costs paid for deferred license payments	13(2)	(4,000)	(2,496)
Repayment of obligations under leases	13	(4,198)	(1,942)
Net cash outflow used in financing activities		(464,181)	(16,755)
Net (decrease) / increase in cash and cash equivalents		(33,383)	215,782
Cash and cash equivalents at beginning of the period		286,625	24,825
Effect of exchange differences on cash and cash equivalents		2,314	(1,531)
Cash and cash equivalents at end of period		255,556	239,076

The accompanying notes are an integral part of the unaudited interim consolidated financial statements.

NOTE 1: - GENERAL

- a. Energean Israel Limited (the "Company") was incorporated in Cyprus on 22 July 2014 as a private company with limited liability under the Companies Law, Cap. 113. As of 1 January 2024, the Company is tax resident in the UK by virtue of having transferred its management and control from Cyprus to the UK, with its registered address being at Accurist House, 44 Baker Street, London, W1U 7AL.

- b. The Company and its subsidiaries (the "Group") have been established with the objective of exploration, production and commercialisation of natural gas and hydrocarbon liquids. The Group's main activities are performed in Israel by its Israeli Branch.
- c. As of 30 September 2024, the Company had investments in the following subsidiaries:

Name of subsidiary	Country of incorporation / registered office	Principal activities	Shareholding At 30 September 2024 (%)	Shareholding At 31 December 2023 (%)
Energean Israel Transmission LTD	121, Menachem Begin St. Azrieli Sarona Tower, POB 24, Tel Aviv 67012039 Israel	Gas transportation license holder	100	100
Energean Israel Finance LTD	121, Menachem Begin St. Azrieli Sarona Tower, POB 24, Tel Aviv 67012039 Israel	Financing activities	100	100

- d. The Group's core assets as of 30 September 2024 included the following:

Country	Asset	Working interest	Field phase
Israel	Karish including Karish North (*)	100%	Production
Israel	Tanin (*)	100%	Development
Israel	Katlan (Block 12) (**)	100%	Development
Israel	Blocks 21, 23, 31	100%	Exploration

(*) The concession agreement expires in 2044.

(**) Katlan Final Investment Decision was taken in July 2024, and the concession agreement received in the same month expires in 2054. Refer to note 16 for further details.

NOTE 2: - Accounting policies and basis of preparation

The interim financial information included in this report has been prepared in accordance with IAS 34 "Interim Financial Reporting". The results for the interim period are unaudited and, in the opinion of management, include all adjustments necessary for a fair presentation of the results for the period ended 30 September 2024. All such adjustments are of a normal recurring nature. The unaudited interim consolidated financial statements do not include all the information and disclosures that are required for the annual financial statements and must be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2023.

The financial statements are presented in U.S. Dollars and all values are rounded to the nearest thousand dollars except where otherwise indicated.

The financial information presented herein has been prepared in accordance with the accounting policies expected to be used in preparing the Group's annual consolidated financial statements for the year ended 31 December 2024 which are the same as those used in preparing the annual consolidated financial statements for the year ended 31 December 2023.

The directors consider it appropriate to adopt the going concern basis of accounting in preparing these interim financial statements. The Going Concern assessment covers the period up to 31 December 2025 'the forecast period'.

Israel geopolitical environment - Looking to the fourth quarter of 2024, Energean highlights the following developments as important in relation to its principal risks. Since 7 October 2023, and the ongoing conflict in Israel, the magnitude of regional geopolitical risk remains elevated. Growing concerns of escalations in the Middle East have intensified the security risk in the region, as essential infrastructure systems (such as the Energean Power FPSO offshore Israel) may be targets for missile fire and sabotage operations. While the Karish and Karish North fields have continued to produce with no disruption since the start of the conflict, any event that impacts production from these fields could have a material adverse impact on the business, results of operations, cash flows, financial condition and prospects of the Group. In the first three quarters of 2024, Energean has ensured that all measures are in place to continue business operations, maintain the mobility of its people and make certain that the security of information is unaffected.

New and amended accounting standards and interpretations:

The following amendments became effective as at 1 January 2024:

1. Amendments to IAS 1 - Classification of Liabilities as Current or Non-current and Non-current Liabilities with

1. Amendments to IAS 1 - Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants;

The adoption of the above amendments to EU-adopted IFRS did not result in any material changes to the Group's accounting policies and did not have any material impact on the financial position or performance of the Group.

Other amendments coming into effect on 1 January 2024 are assessed to have no impact on the Group's operations

NOTE 3: - Revenues

	30 September (Unaudited)	
	2024 '000	2023 '000
Revenue from gas sales ⁽¹⁾	645,833	484,238
Revenue from hydrocarbon liquids sales ⁽²⁾	329,056	167,276
Compensation to customers ⁽³⁾	-	(4,929)
Total revenue	974,889	646,585

⁽¹⁾ Sales gas for the nine months ended 30 September 2024 totaled approximately 27.2 mmboe and for the nine months ended 30 September 2023 totaled approximately 20.2 mmboe.

⁽²⁾ Sales from hydrocarbon liquids for the nine months ended 30 September 2024 totaled approximately 4.3 mmboe and for the nine months ended 30 September 2023 totaled approximately 2.2 mmboe.

⁽³⁾ During 2021 and in accordance with the GSPAs signed with a group of gas buyers, the Company paid compensation to these counterparties following delays to the supply of gas from the Karish project. The compensation was deducted from revenue in 2023, as variable consideration, as the gas is delivered to the gas buyers, in accordance with IFRS 15 Revenue Recognition.

NOTE 4: - Operating profit before taxation

	30 September (Unaudited)	
	2024 '000	2023 '000
(a) Cost of sales		
Staff costs	10,299	6,566
Energy cost	1,819	2,869
Royalty payable	172,516	117,266
Depreciation (Note 7)	180,988	131,262
Other operating costs ⁽¹⁾	75,094	57,061
Oil stock movement	1,223	(1,650)
Total cost of sales	441,939	313,374
(b) Administrative expenses		
Staff costs	3,475	2,544
Share-based payment charge	867	517
Depreciation and amortisation (Note 7, 8)	1,462	1,265
Auditor fees	252	212
Other general & administration expenses ⁽²⁾	6,823	8,644
Total administrative expenses	12,879	13,182
(c) Exploration and evaluation expenses		
Other exploration and evaluation expenses	-	50
Total exploration and evaluation expenses	-	50
(d) Other expenses		
Loss from disposal of property, plant and equipment	448	170
Total other expenses	448	170
(e) Other income	(c)	(d)
Other income	(444)	(2)
Total other income	(444)	(2)

⁽¹⁾ Other operating costs mainly consist of insurance and planned maintenance costs.

⁽²⁾ Other general & administration expenses primarily consist of legal expenses, management service fees and fees for external advisors.

NOTE 5: - Net finance expenses /(income)

	30 September (Unaudited)	
	2024	2023
	'000	'000
Interest on Senior Secured Notes (Note 12)	127,681	119,322
Interest expense on long terms payables (Note 13(2))	1,248	2,485
Less amounts included in the cost of qualifying assets (Note 7(A))	(9,242)	(11,813)
	119,687	109,994
Costs related to parent company guarantees	2,266	1,757
Other finance costs and bank charges	1,456	497
Unwinding of discount on trade payable (Note 13(3))	11,265	5,407
Unwinding of discount on provision for decommissioning	2,923	2,513
Unwinding of discount on right of use asset (1)	627	391
Realised gain on derivatives	(189)	-
Less amounts included in the cost of qualifying assets (Note 7(A))	(500)	(180)
	17,848	10,385
Total finance costs	137,535	120,379
Interest income from time deposits	(7,296)	(9,133)
Total finance income	(7,296)	(9,133)
Net foreign exchange losses	3,818	4,872
Net finance costs	134,057	116,118

NOTE 6: - Taxation1. Corporate Tax rates applicable to the Company:Israel:

The Israeli corporate tax rate is 23% in 2024 and 2023.

UK:

With effect from 1st January 2024, the Company has migrated its tax residency from the Republic of Cyprus ("Cyprus") to the United Kingdom ("UK") through the transfer of its management and control to the UK. As of the same date, the Company came into the charge to UK corporation tax for the first time.

Under s.18A CTA 2009 the Company made an election for all current and future overseas branches (including its Israeli branch) to be exempt from UK corporation tax from its first accounting period commencing on 1 January 2024 and all subsequent accounting periods.

2. The Income and Natural Resources Taxation Law, 5771-2011 - Israel- the main provisions of the law are as follows:

In April 2011, the Knesset passed the Income and Natural Resources Tax Law, 5771-2011 ("the Law"), which imposed an oil and gas profits levy at a rate set out below. The rate of the levy is calculated according to a proposed R factor mechanism, according to the ratio between the net accrued revenues from the project and the cumulative investments as defined in the Law. A minimum levy of 20% is levied at the stage where the R factor ratio reaches 1.5, and when the ratio increases, the levy will increase gradually until the maximum rate of 50% until the ratio reaches 2.3. In addition, it was determined that the rate of the levy as stated will be reduced starting in 2017 by multiplying 0.64 by the difference between the corporate tax rate prescribed in section 126 of the Income Tax Ordinance for each tax year and the tax rate of 18%. In accordance with the corporate tax rate from 2018 onwards, the maximum rate will be 46.8%.

In addition, additional provisions were prescribed regarding the levy, inter alia, the levy is recognised as an expense for the purpose of calculating income tax; the limits of the levy shall not include export facilities; the levy will be calculated and imposed for each reservoir separately (Ring Fencing); payment by the owner of an oil right calculated as a percentage

NOTE 6: - Taxation (Cont.)

of the oil produced, the recipient of the payment will be liable to pay a levy according to the amount of the payment received, and this amount will be subtracted from the amount of the levy owed by the holder of the oil right. The Law also sets rules for the unification or separation or consolidation of oil projects for the purposes of the Law. In accordance with the provisions of the Law, the Group is not yet required to pay any payment in

respect of the said levy, and therefore no liability has been recognised in the financial statements in respect of this payment.

3. Taxation charge:

	30 September (Unaudited)	
	2024	2023
	'000	'000
Current income tax charge	(64,599)	(1,853)
Deferred tax relating to origination and reversal of temporary differences (Note 9)	(24,027)	(44,913)
Total taxation expense	(88,626)	(46,766)

NOTE 7: - Property, Plant and Equipment

a. Composition:

	Oil and gas Assets '000	Leased assets '000	Furniture, fixtures and equipment '000	Total '000
<u>Cost:</u>				
At 1 January 2023	2,932,789	4,740	1,994	2,939,523
Additions	135,126	12,246	396	147,768
Handover to INGL ⁽¹⁾	(111,448)	-	-	(111,448)
Capitalised borrowing cost	17,658	-	-	17,658
Change in decommissioning provision	4,913	-	-	4,913
Total cost at 31 December 2023	2,979,038	16,986	2,390	2,998,414
Additions	97,348	1,129	190	98,667
Transfer from Intangible Assets ⁽²⁾	205,324	-	-	205,324
Disposals	(448)	-	-	(448)
Capitalised borrowing cost	9,742	-	-	9,742
Change in decommissioning provision	4,432	-	-	4,432
Total cost at 30 September 2024	3,295,436	18,115	2,580	3,316,131
<u>Depreciation:</u>				
At 1 January 2023	11,226	1,459	525	13,210
Charge for the year	183,898	2,966	509	187,373
Total Depreciation at 31 December 2023	195,124	4,425	1,034	200,583
Charge for the period	178,179	3,653	307	182,139
Total Depreciation at 30 September 2024	373,303	8,078	1,341	382,722
At 31 December 2023	2,783,914	12,561	1,356	2,797,831
At 30 September 2024	2,922,133	10,037	1,239	2,933,409

NOTE 7: - Property, Plant and Equipment (Cont.)

The additions to oil & gas assets in 2024 and 2023 are primarily due to development costs for the FPSO, Karish North, the second oil train and Katlan.

⁽¹⁾ Handover to INGL took place on 22 March 2023. Refer to Note 10(1).

⁽²⁾ The Final Investment Decision for Katlan was made in July 2024, and the concession agreement granted in the same month expires in 2054. Refer to note 16 for further details.

b. Depreciation expense for the year has been recognised as follows:

	30 September (Unaudited)	
	2024	2023
	'000	'000
Cost of sales	180,988	131,262
Administration expenses	1,151	1,008
Total	182,139	132,270

c. Cash flow statement reconciliations:

	30 September (Unaudited)	
	2024 '000	2023 '000
	112,841	
Additions and disposals to property, plant and equipment, net		188,106
Associated cash flows		
Payments for additions to property, plant and equipment, net	(225,766)	(164,913)
Non-cash movements/presented in other cash flow lines		
Capitalised borrowing costs	(9,742)	-
Right-of-use asset additions	(1,129)	(12,197)
Change in decommissioning provision	(4,432)	-
Lease payments related to capital activities	4,198	1,942
Movement in working capital	124,030	(12,938)

d. Details of the Group's rights in petroleum and gas assets are presented in note 1.

NOTE 8: - Intangible Assets

a. Composition:

	Exploration and evaluation assets '000	Software licenses '000	Total '000
Cost:			
At 1 January 2023	141,869	1,968	143,837
Additions	24,597	362	24,959
At 31 December 2023	166,466	2,330	168,796
Additions	132,580	-	132,580
Transfer to Property Plant and Equipment (*)	(205,324)	-	(205,324)
At 30 September 2024	93,722	2,330	96,052
Amortisation:			
At 1 January 2023	-	283	283
Charge for the year	-	348	348
Total Amortisation at 31 December 2023	-	631	631
Charge for the period	-	311	311
Total Amortisation at 30 September 2024	-	942	942
At 31 December 2023	166,466	1,699	168,165
At 30 September 2024	93,722	1,388	95,110

The additions to exploration and evaluation assets in 2023 are mainly related to pre-FID costs for Block 12 "Katlan".

(*) The Final Investment Decision for Katlan was made in July 2024, and the concession agreement granted in the same month expires in 2054. Refer to note 16 for further details.

b. Cash flow statement reconciliations:

	30 September (Unaudited)	
	2024 '000	2023 '000
Additions to intangible assets	132,580	17,113
Associated cash flows		

Payment for additions to intangible assets	30 September (Unaudited)	
	(70,286)	(87,634)
Non-cash movements/presented in other cash flow lines		
Movement in working capital	(62,294)	75,521

c. Details on the Group's rights in the intangible assets:

Right	Type of right	Valid date of the right	Group's interest as at 30 September 2024
Block 21	Exploration license	13 January 2025	100%
Block 23	Exploration license	13 January 2025	100%
Block 31	Exploration license	13 January 2025	100%

NOTE 8: - Intangible Assets (Cont.)

d. Additional information regarding the Exploration and Evaluation assets:

As of 30 September 2024, the Group holds three licences to explore for gas and oil in Block 21, Block 23 and Block 31, which are located in the economic waters of the State of Israel. In January 2024 the licences were extended until 13 January 2025, and they may be extended for a further one year.

NOTE 9: - Deferred taxes

The Group is subject to corporation tax on its taxable profits in Israel at the rate of 23%. The Capital Gain Tax rates depends on the purchase date and the nature of asset. The general capital tax rate for a corporation is the standard corporate tax rate.

Tax losses can be utilised for an unlimited period, and tax losses may not be carried back.

According to Income Tax (Deductions from Income of Oil Rights Holders) Regulations, 5716-1956, the exploration and evaluation expenses of oil and gas assets are deductible in the year in which they are incurred.

NOTE 9: - Deferred taxes (Cont.)

Below are the items for which deferred taxes were recognised:

	Property, plant and equipment & intangible assets '000	Right of use asset IFRS 16 '000	Tax losses '000	Deferred expenses for tax '000	Staff leaving indemnities '000	Accrued expenses an other short term liabilities and other long term liabilities '000
At 1 January 2024	(61,050)	(2,888)	8,983	4,082	337	3,55
<u>Increase/(decrease) for the year through:</u>						
Profit or loss	(14,050)	613	(8,983)	(1,309)	(65)	(23)
Other comprehensive income	-	-	-	-	-	-
At 30 September 2024	(75,100)	(2,275)	-	2,773	272	3,31
At 1 January 2023	(40,344)	(754)	56,415	6,209	167	1,19
<u>Increase/(decrease) for the year through:</u>						
Profit or loss	(20,706)	(2,134)	(47,432)	(2,127)	170	2,35
At 31 December 2023	(61,050)	(2,888)	8,983	4,082	337	3,55

Deferred tax liabilities

Deferred tax assets

NOTE 10: - Trade and other receivables

	30 September 2024 (Unaudited) '000	31 December 2023 '000
Current		
Financial items		
Trade receivables		
Trade receivables	129,254	114,139
Receivables from related parties	449	-
Other receivables ⁽¹⁾	4,939	6,994
Accrued interest income	163	1,015
Refundable VAT	-	1,196
	134,805	123,344
Non-financial items		
Prepayments and prepaid expenses	4,100	6,791
	4,100	6,791
Total current trade and other receivables	138,905	130,135
Non-current		
Non-financial items		
Prepayments and prepaid expenses	8,989	5,365
Total non-current trade and other receivables	8,989	5,365

⁽¹⁾ The balance relates to the agreement with Israel Natural Gas Lines ("INGL") for the transfer of title (the "Hand Over") of the near shore and onshore segments of the infrastructure that delivers gas from the Energean Power FPSO into the Israeli national gas transmission grid. The Hand Over became effective in March 2023 and the final amount of approximately 5.0 million is expected to be collected in Q4 2024.

NOTE 11: - Inventories

	30 September 2024 (Unaudited) '000	31 December 2023 '000
Hydrocarbon liquids	523	1,685
Natural gas	493	553
Raw materials and supplies	11,188	4,903
Total	12,204	7,141

NOTE 12: - Senior secured notes**Senior secured notes:**

On 24 March 2021 (the "Issue Date"), Energean Israel Finance Ltd (a 100% subsidiary of the Company) issued US 2,500,000,000 of senior secured notes. The proceeds were primarily used to prepay in full the Project Finance Facility. On 11 July 2023, Energean Israel Finance Ltd. completed the offering of US 750 million aggregate principal amount of senior secured notes with a fixed annual interest rate of 8.500%. The funds were released from escrow in September

2023 and were used mainly to repay Energean Israel's US 625 million notes that were due in March 2024.

The Notes were issued in four tranches as follows:

Series	Maturity	Annual fixed Interest rate	30 September 2024	31 December 2023
			(Unaudited) Carrying value '000	Carrying value '000
US 625 million	30 March 2026	4.875%	621,604	619,932
US 625 million	30 March 2028	5.375%	619,289	618,145
US 625 million	30 March 2031	5.875%	617,521	616,762
US 750 million	30 September 2033	8.500%	734,580	733,653
US 2,625 million			2,592,994	2,588,492

The interest on each series of the Notes is paid semi-annually, on 30 March and on 30 September of each year.

The Notes are listed on the TACT Institutional of the Tel Aviv Stock Exchange Ltd. (the "TASE").

With regards to the indenture document, signed on 24 March 2021 with HSBC BANK USA, N.A (the "Trustee"), no indenture default or indenture event of default has occurred and is continuing.

Collateral:

The Company has provided/undertakes to provide the following collateral in favor of the Trustee:

- First rank fixed charges over the shares of Energean Israel Limited, Energean Israel Finance Ltd and Energean Israel Transmission Ltd, the Karish & Tanin Leases, the gas sales purchase agreements ("GSPAs"), several bank accounts, operating permits, insurance policies, the Company's exploration licenses and the INGL Agreement.
- Floating charge over all of the present and future assets of Energean Israel Limited and Energean Israel Finance Ltd.
- The Energean Power FPSO.

Restricted cash:

As of 30 September 2024, the Company had short-term restricted cash of US 1.7 million (31 December 2023: US 22.5 million), which will be used for the March 2025 interest payment.

Credit rating:

The senior secured notes have been assigned a Ba3 rating by Moody's and a BB- rating by S&P Global.

NOTE 13: - Trade and other payables

	30 September 2024 (Unaudited) '000	31 December 2023 '000
Current		
Financial items		
Trade accounts payable ⁽¹⁾	134,470	97,350
Payables to related parties	16,691	19,023
VAT payable	5,190	-
Deferred licence payments due within one year ⁽²⁾	-	46,154
Other creditors ⁽³⁾	43,541	32,034
Short term lease liabilities	5,172	4,718
	205,064	199,279
Non-financial items		
Accrued expenses ⁽¹⁾	18,018	16,765
Other finance costs accrued	-	55,411
Social insurance and other taxes	455	542
	18,473	72,718
Total current trade and other payables	223,537	271,997
Non-current		
Financial items		
Trade and other payables ⁽⁴⁾	77,639	117,796

Long term lease liabilities	30 September 2024	8,880
	(Unaudited)	126,503
Non-financial items	'000	'000
Accrued expenses to related parties	853	368
	853	368
Total non-current trade and other payables	84,459	127,044

- (1) Trade payables and accrued expenses relate primarily to operations, development expenditure on the Karish project, with the main contributors being the FPSO, Karish North, the second oil train and Katlan works.
- (2) In December 2016, Energean Israel acquired the Karish and Tanin offshore gas fields for 40.0 million at closing with an obligation to pay an additional consideration of 108.5 million, plus interest inflated at an annual rate of 4.6%, in ten equal annual payments. A settlement agreement was signed in November 2023, whereby it was agreed that the final amount owed would be paid in two instalments which took place in H1 2024. As of 30 September 2024, the full amount of the consideration has been paid.
- (3) The amount mainly comprises of royalties payable to the Israel government and third parties with regards to the Karish Lease, including 16.4 million (2023: 12.1 million) of royalties payable to third parties. Contractual royalties are payable to NewMed (previously Delek Drilling) and third-party holders at a total rate of 7.5%, increasing to 8.25% after the date at which the lease in question starts to pay the oil and gas profits levy. The royalty payable to NewMed under the SPA is calculated on the value of the total amount of natural gas and condensate produced at the wellhead without any deduction (except for natural gas and Petroleum (as defined under the Petroleum Law) used in the production process). No contractual royalties under the SPA will be payable on future discoveries that were not part of the original acquisition of the Karish and Tanin leases.
- (4) The amount represents a long-term amount payable in terms of the EPCIC contract. Following the amendment to the terms of the deferred payment agreement with Technip signed in February 2024, the remaining amount payable under the EPCIC contract has been reduced to 210 million. The amount is payable in twelve equal quarterly deferred payments starting in March 2024 and therefore has been discounted at 8.668% per annum (being the yield rate of the senior secured loan notes, maturing in 2026, at the date of agreeing the payment terms). As of 30 September 2024, three installments have been paid.

NOTE 14: - Equity

Interim dividend

An interim dividend of US 276.5 million was declared and paid during the 2024 reporting period.

NOTE 15: - Financial Instruments

Fair Values of other financial instruments

The following financial instruments are measured at amortised cost and are considered to have fair values different to their book values.

	30 September 2024 (Unaudited)		31 December 2023	
	Book Value '000	Fair Value '000	Book Value '000	Fair value '000
Senior Secured Notes (Note 12)	2,592,994	2,404,125	2,588,492	2,371,125

The fair value of the Senior Secured Notes is within level 1 of the fair value hierarchy and has been estimated by discounting future cash flows by the relevant market yield curve at the balance sheet date. The fair values of other financial instruments not measured at fair value including cash and short-term deposits, trade receivables and trade and other payables equate approximately to their carrying amounts.

Cash Flow Hedging

In February 2024, the Group entered into a forward transaction to hedge against foreign currency volatility risk associated with its deferred payment to Technip. The hedge relationship was deemed effective at inception, and in accordance with the Group's accounting policy, the transaction was subject to cash flow hedge accounting. Consequently, as of 30 September 2024, the Group recorded a derivative asset of 0.7 million, an other comprehensive gain of 0.6 million, and 0.19 million in finance income related to this transaction during the reporting period.

NOTE 16: - Significant events and transaction during the reporting period

- In February 2024, Karish North first gas was achieved and the second gas export riser was completed.
- New Gas Sales Purchase Agreements ("GSPAs") in the period:
 - In February 2024, the Company signed a new GSPA with Eshkol Energies Generation LTD, majority owned Dalia Energy Companies Ltd, for the supply of an initial quantity of 0.6 bcm/year starting June 2024, rising to 1 bcm/ year from 2032 onwards. The GSPA is for a term of approximately 15 years, for a total contract quantity of up to approximately 12 bcm. The contract contains provisions regarding floor and ceiling pricing, take or pay and price indexation (not Brent-price linked). The GSPA has been signed at levels that are in line with the other large, long-term contracts within Energean's portfolio.
 - Energean has also signed two contracts with two peaker stations for the supply of 0.1 bcm/yr each, commencing in October 2024 and May 2025 respectively.

- Katlan Final Investment Decision**

In July 2024, the Ministry of Energy and Infrastructure granted the Company a 30-year concession for the Katlan area including a 20-year extension option. Following this, Energean announced in July 2024 that it had taken Final Investment Decision ("FID") for the Katlan development project in Israel. The Katlan area will be developed in a phased approach through a subsea tieback to the existing Energean Power FPSO. First gas

be developed in a phased approach through a subsea tieback to the existing Energen Tower 1 subsea system is planned for H1 2027. The EPCI (Engineering, Procurement, Construction and Installation) contract for the subsea scope was awarded to TechnipFMC and includes four-well-slot tieback capacity to a single large ~30 kilometer production line, which can be used by future Katlan area phases.

NOTE 17: - Subsequent events

1. An interim dividend of US 82.5 million was declared and paid in Q4 2024.
2. Second oil train lift safely and successfully performed in October. Post-lift, installation and commissioning activities are expected to take up to 6 months to complete, which will result in an increase in liquids production capacity.



This information is provided by RNS, the news service of the London Stock Exchange. RNS is approved by the Financial Conduct Authority to act as a Primary Information Provider in the United Kingdom. Terms and conditions relating to the use and distribution of this information may apply. For further information, please contact rs@seg.com or visit www.rs.com.

RNS may use your IP address to confirm compliance with the terms and conditions, to analyse how you engage with the information contained in this communication, and to share such analysis on an anonymised basis with others as part of our commercial services. For further information about how RNS and the London Stock Exchange use the personal data you provide us, please see our [Privacy Policy](#).

END

QRTFLFEALFLDFIS