

**ENERGEAN ISRAEL LIMITED**

**UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

**30 JUNE 2025**

**ENERGEAN ISRAEL LIMITED  
UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
AS OF 30 JUNE 2025**

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**INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
SIX MONTHS ENDED 30 JUNE 2025**

30 June 2025 (Unaudited) '000	30 June 2024 (Unaudited) '000
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**Notes**

Revenue	3	482,627	602,178
Cost of sales	4	(256,733)	(278,978)
<b>Gross profit</b>		<b>225,894</b>	<b>323,200</b>
Administrative expenses	4	(10,747)	(9,046)
Exploration and evaluation expenses	4	(1,994)	-
Other expenses	4	(9)	(448)
Other income	4	9,794	444
<b>Operating profit</b>		<b>222,938</b>	<b>314,150</b>
Finance income	5	2,579	4,485
Finance costs	5	(82,951)	(93,854)
Net foreign exchange losses	5	(11,814)	(291)
<b>Profit for the period before tax</b>		<b>130,752</b>	<b>224,490</b>
Taxation expense	6	(30,264)	(51,093)
<b>Net profit for the period</b>		<b>100,488</b>	<b>173,397</b>
<b>Other comprehensive income (loss):</b>			
<i>Items that may be reclassified subsequently to profit or loss:</i>	15		
Income (loss) on cash flow hedge for the period		37,502	(406)
Income taxes on items that may be reclassified to profit and loss	9	(8,625)	93
<b>Other comprehensive Income (loss) for the period</b>		<b>28,877</b>	<b>(313)</b>
<b>Total comprehensive income for the period</b>		<b>129,365</b>	<b>173,084</b>

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

**INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS OF 30 JUNE 2025**

		30 June 2025 (Unaudited) '000	31 December 2024 (Audited) '000
<b>Notes</b>			
<b>ASSETS:</b>			
<b>NON-CURRENT ASSETS:</b>			
Property, plant and equipment	7	3,057,997	2,917,275
Intangible assets	8	95,485	96,103
Derivative financial instruments	15	21,834	-
Other receivables	10	19,077	9,848
		<b>3,194,393</b>	<b>3,023,226</b>
<b>CURRENT ASSETS:</b>			
Trade and other receivables	10	108,823	121,280
Derivative financial instruments	15	15,323	-
Inventories	11	21,255	16,714
Restricted cash	12(e)	83,257	82,427
Cash and cash equivalents		<b>100,878</b>	<b>157,728</b>

		329,536	378,149
<b>TOTAL ASSETS</b>		<b>3,523,929</b>	<b>3,401,375</b>
<b>EQUITY AND LIABILITIES:</b>			
<b>EQUITY:</b>			
Share capital		1,708	1,708
Share Premium		212,539	212,539
Hedges Reserve	15	28,611	(266)
Retained earnings		32,137	27,499
<b>TOTAL EQUITY</b>		<b>274,995</b>	<b>241,480</b>
<b>NON-CURRENT LIABILITIES:</b>			
Borrowings	12	2,044,735	2,594,213
Decommissioning provisions		87,595	85,357
Deferred tax liabilities	9	85,085	69,046
Trade and other payables	13	34,181	67,044
		<b>2,251,596</b>	<b>2,815,660</b>
<b>CURRENT LIABILITIES:</b>			
Current portion of borrowings	12	623,219	-
Trade and other payables	13	374,119	262,924
Income tax liability	6	-	80,966
Derivative financial instruments	15	-	345
		<b>997,338</b>	<b>344,235</b>
<b>TOTAL LIABILITIES</b>		<b>3,248,934</b>	<b>3,159,895</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>3,523,929</b>	<b>3,401,375</b>

10 September 2025

Date of approval of the consolidated financial statements

Panagiotis Benos  
Director

Matthaios Rigas  
Director

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

### INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

SIX MONTHS ENDED 30 JUNE 2025

	Share capital '000	Share Premium '000	Hedges Reserve '000	Retained earnings '000	Total equity '000
<b>Balance as of 1 January 2025 (Audited)</b>	1,708	212,539	(266)	27,499	241,480
<b>Transactions with shareholders:</b>					
Dividend, see note 14	-	-	-	(95,850)	(95,850)
<b>Comprehensive Income:</b>					
Profit for the period	-	-	-	100,488	100,488
Other comprehensive income, net of tax	-	-	28,877	-	28,877
Total comprehensive income	-	-	28,877	100,488	129,365
<b>Balance as of 30 June 2025 (Unaudited)</b>	<b>1,708</b>	<b>212,539</b>	<b>28,611</b>	<b>32,137</b>	<b>274,995</b>
<b>Balance as of 1 January 2024 (Audited)</b>					
Dividend, see note 14	-	-	-	(150,500)	(150,500)
<b>Transactions with shareholders:</b>					
Dividend, see note 14	-	-	-	(150,500)	(150,500)
<b>Comprehensive Income:</b>					
Profit for the period	-	-	-	173,397	173,397
Other comprehensive loss, net of tax	-	-	(313)	-	(313)
Total comprehensive income	-	-	(313)	173,397	173,084
<b>Balance as of 30 June 2024</b>	<b>1,708</b>	<b>212,539</b>	<b>(313)</b>	<b>97,678</b>	<b>311,612</b>

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

**INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**SIX MONTHS PERIOD ENDED 30 JUNE 2025**

	Notes	30 June 2025 (Unaudited) '000	30 June 2024 (Unaudited) '000
<b>Operating activities</b>			
<b>Profit for the period before tax</b>			
Profit for the period before tax		130,752	224,490
<u>Adjustments to reconcile income before taxation to net cash: provided by: operating activities:</u>			
Depreciation, depletion and amortisation	4	110,138	115,305
Loss from sale on property, plant and equipment (PP&E)	4	-	448
Impairment of exploration and evaluation asset	4	1,994	-
Other income	4	(294)	-
Finance Income	5	(2,579)	(4,485)
Finance expenses	5	82,951	93,854
Net foreign exchange loss	5	11,814	291
Cash flow from operations before working capital		334,776	429,903
Decrease/(increase) in trade and other receivables		7,920	(7,882)
Increase in inventories		(4,541)	(3,395)
Increase in trade and other payables		9,770	13,971
Cash flow from operations		347,925	432,597
Income taxes paid		(110,460)	(1,946)
<b>Net cash inflows from operating activities</b>		<b>237,465</b>	<b>430,651</b>
<b>Investing activities</b>			
Payment for purchase of PP&E	7(c)	(183,521)	(132,585)
Payment for exploration and evaluation, and other intangible assets	8(b)	(897)	(67,481)
Amounts received from INGL related to transfer PP&E	7(c)	-	1,801
Proceeds from insurance	4	9,500	-
Loan granted to Related Party <sup>(1)</sup>		(28,000)	-
Movement in restricted cash, net	12(e)	(830)	(60,056)
Interest received		3,173	5,012
<b>Net cash outflow used in investing activities</b>		<b>(200,575)</b>	<b>(253,309)</b>
<b>Financing activities</b>			
Transaction costs in relation to borrowings	12(b)	(17,647)	-
Drawdown of borrowings	12(b)	75,000	-
Borrowings - interest paid	12	(82,481)	(96,326)
Dividends paid <sup>(1)</sup>	14	(67,600)	(150,500)
Other finance cost paid		(1,366)	(714)

Finance costs paid for deferred license payments		-	(4,000)
Repayment of obligations under leases	13	(2,677)	(2,786)
Income on derivatives	15	134	-
<b>Net cash outflow used in financing activities</b>		<b>(96,637)</b>	<b>(254,326)</b>
Net decrease in cash and cash equivalents		(59,747)	(76,984)
Cash and cash equivalents at beginning of the period		157,728	286,625
Effect of exchange differences on cash and cash equivalents		2,897	1,025
<b>Cash and cash equivalents at end of period</b>		<b>100,878</b>	<b>210,666</b>

(1) An interim dividend of US 28.25 million was declared in May 2025 and was settled through the offset of a loan to the parent company, including accrued interest.

The accompanying notes are an integral part of the 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, Q1U 7AL.
- b. The Company and its subsidiaries (the "Group") has 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 June 2025, the Company had investments in the following subsidiaries:

Name of subsidiary	Country of incorporation / registered office	Principal activities	Shareholding At 30 June 2025 (%)	Shareholding At 31 December 2024 (%)
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		Financing activities	100	100

- d. The Group's core assets as of 30 June 2025 were comprised of:

Country	Asset	Working interest	Field phase
Israel	Karish including Karish North <sup>(1)</sup>	100%	Production
Israel	Tanin <sup>(1)</sup>	100%	Development
Israel	Katlan (Block 12) <sup>(2)</sup>	100%	Development
Israel	Blocks 23, 31 <sup>(3)</sup>	100%	Exploration

(1) The concession agreement expires in 2044.

(2) The concession agreement expires in 2054.

(3) Refer to Note 8.

- e. There have been no significant changes to related parties since 31 December 2024, refer to note 22 in the 2024 Group's annual consolidated financial statements for more information.

## 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 June 2025. 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 2024. The financial statements are presented in U.S. Dollars and all values are rounded to the nearest thousand dollars except where otherwise indicated.

## **NOTE 2: Accounting policies and basis of preparation (Cont.)**

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 2025 which are the same as those used in preparing the annual consolidated financial statements for the year ended 31 December 2024.

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 2026, "the forecast period".

Israel geopolitical environment - Energean highlights the following 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. 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. 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. On June 13, 2025, the Ministry of Energy and Infrastructure ordered the temporary suspension of production and activities of the Energean Power FPSO, following geopolitical escalation in the region at the time of the notice. On June 25, 2025, the Ministry of Energy and Infrastructure instructed the safe restart and resumption of production and operations of the Energean Power FPSO, and Energean acted in accordance with the instructions. Apart from that temporary suspension, the Karish and Karish North fields have continued to produce with no disruption since the start of the conflict. In the first half of 2025, 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 of 1 January 2025 and have been applied in the preparation of these consolidated financial statements

- Amendments to IAS 21- Lack of exchangeability.

The adoption of the above standard and interpretations did not lead to any material changes to the Group's accounting policies and did not have any other material impact on the financial position or performance of the Group.

## **NOTE 3: Revenues**

	30 June 2025 (Unaudited) '000	30 June 2024 (Unaudited) '000
Revenue from gas sales <sup>(1)</sup>	345,718	388,459
Revenue from hydrocarbon liquids sales <sup>(2)</sup>	136,909	213,719
<b>Total revenue</b>	<b>482,627</b>	<b>602,178</b>

(1) Sales gas for six months ended 30 June 2025 totaled approximately 2.3 bcm (billion cubic metres) and for six months ended 30 June 2024 totaled approximately 2.5 bcm.

(2) Sales from hydrocarbon liquids for six months ended 30 June 2025 totaled approximately 2,057 kbb (kilo barrel) and for six months ended 30 June 2024 totaled approximately 2,686 kbb.

## **NOTE 4: Operating profit before taxation**

	30 June 2025 (Unaudited) '000	30 June 2024 (Unaudited) '000
<b>(a) Cost of sales</b>		
Staff costs	9,000	6,702
Energy cost	1,222	1,228
Royalty payable	85,406	106,560
Depreciation and depletion (Note 7)	109,239	114,356
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Other operating costs <sup>(1)</sup>	52,889	49,650
Oil stock movement	(1,023)	482
<b>Total cost of sales</b>	<b>256,733</b>	<b>278,978</b>
<b>(b) <u>Administrative expenses</u></b>		
Staff costs	3,065	2,507
Share-based payment charge	614	518
Depreciation and amortisation (Note 7, 8)	899	949
Auditor fees	145	139
Other general & administration expenses <sup>(2)</sup>	6,024	4,933
<b>Total administrative expenses</b>	<b>10,747</b>	<b>9,046</b>
<b>(c) <u>Exploration and evaluation expenses</u></b>		
Impairment of exploration and evaluation asset <sup>(3)</sup>	1,994	-
<b>Total exploration and evaluation expenses</b>	<b>1,994</b>	<b>-</b>
<b>(d) <u>Other expenses</u></b>		
Other expenses	9	448
<b>Total other expenses</b>	<b>9</b>	<b>448</b>
<b>(e) <u>Other income</u></b>		
Insurance compensation <sup>(4)</sup>	9,500	-
Other income	294	444
<b>Total other income</b>	<b>9,794</b>	<b>444</b>

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

(2) The Administration expenses mainly consist of legal expenses, intercompany management fees and external advisors' fees.

(3) The licence for Block 21 expired on 13 January 2025. Capitalized costs associated with Block 21 were written off. (Refer to Note 8)

(4) The amount of US 9.5 million relates to insurance compensation due to remedial work on auxiliary piping systems.

#### NOTE 5: Net finance expenses /(income)

	30 June 2025 (Unaudited) '000	30 June 2024 (Unaudited) '000
Interest on Senior Secured Notes (Note 12)	86,930	84,652
Interest expense on long terms payables	-	1,248
Less amounts included in the cost of qualifying assets (Note 7(A))	(15,498)	(4,655)
	<b>71,432</b>	<b>81,245</b>
Costs related to parent company guarantees	1,378	1,780
Other finance costs and bank charges	2,367	1,057
Unwinding of discount on trade payable (Note 13(2))	5,146	7,804
Unwinding of discount on provision for decommissioning	3,026	1,873
Unwinding of discount on right of use asset		
(1)	277	433
Loss (income) from hedging operations	(134)	7
Less amounts included in the cost of qualifying assets <sup>(1)</sup>	(541)	(345)
	<b>11,519</b>	<b>12,609</b>
<b>Total finance costs</b>	<b>82,951</b>	<b>93,854</b>
Interest income from related parties	(224)	-
Interest income from time deposits	(2,355)	(4,485)
<b>Total finance income</b>	<b>10,570</b>	<b>11,405</b>

<b>TOTAL FINANCE INCOME</b>	(2,579)	30 June 2025	30 June 2024
Net foreign exchange losses	30 June 2025	30 June 2024	
<b>NET FINANCE COSTS</b>	(Unaudited) '000	(Unaudited) '000	

(1) US 343 thousand included in intangible assets additions (See note 8) and US 198 thousand included in Oil and gas assets additions (See note 7).

#### NOTE 6: Taxation

##### 1. Corporate Tax rates applicable to the Company:

###### Israel:

The Israeli corporate tax rate is 23% in 2025 and 2024.

###### United Kingdom:

Starting from 1 January 2024, the company's control and management was transferred from the Republic of Cyprus to the United Kingdom ("UK") and as such the company's tax residency migrated from Cyprus to UK from the first day of the accounting period. The applicable tax rate in the UK is 25%.

Under s.18A of the UK CTA 2009, the Company made an election for the branch of Energean Israel Limited (and any other branches that may open from time to time) to be exempt from UK corporation tax from its first accounting period commencing on 1 January 2024 and all subsequent accounting period.

##### 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"). The imposition of oil and gas profits levy at a rate to be set as set out below. The rate of the levy will be 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% will be 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 as from 2017 the maximum rate of the levy as stated will be reduced by multiplying 0.64 with the difference between the corporate tax rate prescribed in section 126 of the Income Tax Ordinance for each tax year and the rate of 18%.

#### NOTE 6: Taxation (Cont.)

Additional provisions were prescribed regarding the levy, inter alia: the levy will be 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).

In accordance with the provisions of the Law, the Group is not yet required to pay any amount 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 June 2025 (Unaudited) '000	30 June 2024 (Unaudited) '000
Current income tax charge	(22,850)	(29,925)
Deferred tax relating to origination and reversal of temporary differences (Note 9)	(7,414)	(21,168)
<b>Total taxation expense</b>	<b>(30,264)</b>	<b>(51,093)</b>

#### NOTE 7:

#### Property, Plant and Equipment

##### a. Composition:

	Oil and gas Assets '000	Leased assets '000	Furniture, fixtures and equipment '000	Total '000
<b>Cost:</b>				
<b>At 1 January 2024</b>	<b>2,979,038</b>	<b>16,986</b>	<b>2,390</b>	<b>2,998,414</b>
Additions (1)	172,421	1,363	351	174,135
Transfer from Intangible Assets (2)	205,324	-	-	205,324
Disposals	(448)	-	-	(448)
Capitalised borrowing cost (3)	15,348	-	-	15,348

Change in decommissioning provision	(11,207)			(11,207)
<b>Total cost at 31 December 2024 (Audited)</b>	<b>3,664,456</b>	<b>Leased</b>	<b>Furniture, fixtures and equipment</b>	<b>3,384,466</b>
Additions (1)	239,179	48,349	425	239,945
Lease modifications (4)	-	(11,237)	-	(11,237)
Capitalised borrowing cost (3)	15,498	-	-	15,498
Change in decommissioning provision	(788)	-	-	(788)
<b>Total cost at 30 June 2025</b>	<b>3,614,365</b>	<b>7,453</b>	<b>3,166</b>	<b>3,624,984</b>
<b><u>Depreciation:</u></b>				
<b>At 1 January 2024</b>	<b>195,124</b>	<b>4,425</b>	<b>1,034</b>	<b>200,583</b>
Charge for the year	258,328	4,962	418	263,708
<b>Total depreciation at 31 December 2024 (Audited)</b>	<b>453,452</b>	<b>9,387</b>	<b>1,452</b>	<b>464,291</b>
Charge for the period	107,438	2,201	247	109,886
Lease modifications (4)	-	(7,190)	-	(7,190)
<b>Total Depreciation at 30 June 2025 (Unaudited)</b>	<b>560,890</b>	<b>4,398</b>	<b>1,699</b>	<b>566,987</b>
<b>At 31 December 2024 (Audited)</b>	<b>2,907,024</b>	<b>8,962</b>	<b>1,289</b>	<b>2,917,275</b>
<b>At 30 June 2025 (Unaudited)</b>	<b>3,053,475</b>	<b>3,055</b>	<b>1,467</b>	<b>3,057,997</b>

(1) The additions to oil and gas assets for the period of six months ended 30 June 2025 mainly relates to Katlan development. In February 2024, Karish North first gas was achieved and the second gas export riser was completed. The second oil train lift safely and successfully performed in Q4 2024; commissioning activities are ongoing and are expected to complete in late Q4 2025, which will result in an increase in liquids production capacity.

(2) Final Investment Decision ("FID") for Katlan was made in July 2024, and the concession agreement was granted in the same month, it expires in 2054. Refer to note 8 for further details.

(3) Borrowing costs capitalised for qualifying assets during the year are calculated by applying a weighted average interest rate of 5.34% for the period ended 30 June 2025 (for the year ended 31 December 2024: 3.93%).

(4) The lease modification pertains to the termination of vessel lease in May 2025.

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

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

	<b>30 June 2025 (Unaudited) '000</b>	<b>30 June 2024 (Unaudited) '000</b>
Cost of sales	109,239	114,356
Administration expenses	647	740
<b>Total</b>	<b>109,886</b>	<b>115,096</b>

c. Cash flow statement reconciliations:

	<b>30 June 2025 (Unaudited) '000</b>	<b>30 June 2024 (Unaudited) '000</b>
Additions and disposals to property, plant and equipment, net	243,418	51,750
<b>Associated cash flows</b>		
Payments and receipts for additions to property, plant and equipment, net	(183,521)	(130,784)
<b>Non-cash movements/presented in other cash flow lines</b>		

	30 June 2025 (Unaudited) '000	30 June 2024 (Unaudited) '000
Capitalised borrowing costs	(15,498)	(5,000)
Right-of-use asset additions	(241)	(245)
Lease modifications	11,007	
		'000
Change in decommissioning provision	788	3,250
Lease payments related to capital activities	2,677	2,786
Movement in working capital	(58,760)	78,243

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
<b>Cost:</b>			
<b>At 1 January 2024</b>	<b>166,466</b>	<b>2,330</b>	<b>168,796</b>
Additions	133,224	536	133,760
Transfer to Property Plant and Equipment (*)	(205,324)	-	(205,324)
<b>31 December 2024 (Audited)</b>	<b>94,366</b>	<b>2,866</b>	<b>97,232</b>
Additions	1,476	152	1,628
<b>At 30 June 2025 (Unaudited)</b>	<b>95,842</b>	<b>3,018</b>	<b>98,860</b>
<b>Amortisation:</b>			
<b>At 1 January 2024</b>	<b>-</b>	<b>631</b>	<b>631</b>
Charge for the year	-	498	498
<b>Total Amortisation at 31 December 2024 (Audited)</b>	<b>-</b>	<b>1,129</b>	<b>1,129</b>
Impairment of exploration and evaluation assets (note 8(d))	1,994	-	1,994
Charge for the period	-	252	252
<b>Total Amortisation at 30 June 2025 (Unaudited)</b>	<b>1,994</b>	<b>1,381</b>	<b>3,375</b>
<b>At 31 December 2024 (Audited)</b>	<b>94,366</b>	<b>1,737</b>	<b>96,103</b>
<b>At 30 June 2025 (Unaudited)</b>	<b>93,848</b>	<b>1,637</b>	<b>95,485</b>

The additions to exploration and evaluation assets in 2024 are mainly related to pre-FID costs for Block 12 "Katlan".

(\*) **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 FID for the Katlan development project in Israel. The Katlan area is being developed in a phased approach through a subsea tieback to the existing Energean Power FPSO. First gas is planned for H1 2027. The EPCI (Engineering, Procurement, Construction and Installation) contract for the subsea scope was awarded to Technip FMC.

b. Cash flow statement reconciliations:

	30 June 2025 (Unaudited) '000	30 June 2024 (Unaudited) '000
Additions to intangible assets	1,628	130,651

Additions to intangible assets	1,020	150,001
<b>Associated cash flows</b>		
Payment for additions to intangible assets	(897)	(67,481)
<b>Non-cash movements/presented in other cash flow lines</b>		
Movement in working capital	(731)	(63,170)

#### NOTE 8: Intangible Assets (Cont.)

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 June 2025
Block 23	Exploration license	13 January 2027	100%
Block 31	Exploration license	13 January 2027	100%

d. Additional information regarding the Exploration and Evaluation assets:

As of 30 June 2025, the Group holds two licences to explore for gas and oil, Block 23 and Block 31, which are located in the economic waters of the State of Israel. In January 2025 the licences for Blocks 23 and 31 were extended until 13 January 2027.

The licence for Block 21 was not extended and expired on 13 January 2025.

#### 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.

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 and other short term liabilities and other long term liabilities '000	Derivative asset/liability '000	Total '000
<b>At 1 January 2024</b>	(61,050)	(2,888)	8,983	4,082	337	3,551	-	(46,985)
<u>Increase/(decrease) for the year through:</u>								
Profit or loss	(12,040)	860	(8,983)	(1,373)	(45)	(559)	-	(22,140)
Other comprehensive income	-	-	-	-	-	-	79	79
<b>At 31 December 2024 (Audited)</b>	<b>(73,090)</b>	<b>(2,028)</b>		<b>2,709</b>	<b>292</b>	<b>2,992</b>	<b>79</b>	<b>(69,046)</b>
<b>At 1 January 2025</b>	<b>(73,090)</b>	<b>(2,028)</b>		<b>2,709</b>	<b>292</b>	<b>2,992</b>	<b>79</b>	<b>(69,046)</b>
<u>Increase/(decrease) for the period through:</u>								
Profit or loss	(7,051)	1,359	-	(437)	64	(1,349)	-	(7,414)
Other comprehensive loss	-	-	-	-	-	-	(8,625)	(8,625)
<b>At 30 June 2025 (Unaudited)</b>	<b>(80,141)</b>	<b>(669)</b>		<b>2,272</b>	<b>356</b>	<b>1,643</b>	<b>(8,546)</b>	<b>(85,085)</b>

#### NOTE 9: Deferred taxes (Cont.)

	30 June 2025 (Unaudited) '000	31 December 2024 (Audited) '000
Deferred tax liabilities	(89,356)	(75,118)
Deferred tax assets	4,271	6,072

	(85,085)	(69,046)
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**NOTE 10: Trade and other receivables**

	30 June 2025 (Unaudited) '000	31 December 2024 (Audited) '000
<b>Current</b>		
<b>Financial items</b>		
Trade receivables		
Trade receivables	83,016	108,085
Receivables from related parties	6	330
Other receivables <sup>(1)</sup>	5,428	5,038
Accrued interest income	231	1,048
	<b>88,681</b>	<b>114,501</b>
<b>Non-financial items</b>		
Prepayments	6,700	6,779
Income tax receivable	5,666	-
Refundable excise	7,776	-
	<b>20,142</b>	<b>6,779</b>
<b>Total current trade and other receivables</b>	<b>108,823</b>	<b>121,280</b>

**Non-current**

**Non-financial items**

Deposit and prepayments	9,349	8,812
Deferred expenses in relation to Loans, note 12(b)	9,728	1,036
<b>Total non-current other receivables</b>	<b>19,077</b>	<b>9,848</b>

(1) The balance relates mainly to the final amount related 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 of approximately US 5 million in total and is expected to be received in H2 2025.

**NOTE 11: Inventories**

	30 June 2025 (Unaudited) '000	31 December 2024 (Audited) '000
<b>Hydrocarbon liquids</b>		
Natural gas		
Raw materials and supplies		
<b>Total</b>	<b>21,255</b>	<b>16,714</b>

**NOTE 12: Borrowings**

a. **Senior secured notes (the "Notes"):**

On 24 March 2021 (the "Issue Date"), Energean Israel Finance Ltd (a 100% subsidiary of the Company) issued US 2,500 million 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. Ltd completed the offering of US 750 million aggregate principal amount of the Notes with a fixed annual interest rate of 8.500%. The proceeds were used mainly to repay Energean Israel's US 625 million Notes series due in March 2024. Redemption date for full principal amount of the 625 million 2026 Senior secured notes scheduled for September 21, 2025.

b. **US 750 Million Term Loan:**

In February 2025 Energean Israel Finance Ltd signed a 10-year, senior-secured term loan with banking corporation in Israel as the facility agent and arranger for US 750 million (the "Term Loan" and the "Term Loan Agent", respectively). The Term Loan will be available to repay its 2026 senior secured notes series and to provide additional liquidity for the Katlan development. It has a 12-month availability period, during which multiple drawdowns can be made. Up to US 475 million is available in US dollars and up to US 275 million is available in New Israeli Shekel. The Term Loan is bearing floating interest SOFR plus margin on the USD component and Bank of Israel (BOI) plus margin on the ILS component. The Term Loan is secured on the assets of the Group (including the Company's shares), pari passu with the senior secured Notes, non-recourse to Energean plc and has a bullet repayment in 2035 (refer to note 12(d) for related collaterals).

During Q1 2025, Energean Israel Finance Ltd drew US 75 million from the above facility.

c. **Composition:**

Series	Type	Maturity	Annual Interest rate	30 June 2025 (Unaudited) Carrying value '000	31 December 2024 (Audited) Carrying value '000
<b>Non-current</b>					
US 625 million	Senior secured notes	30/03/2026	4.875%	-	622,102
US 625 million	Senior secured notes	30/03/2028	5.375%	620,362	619,602
US 625 million	Senior secured notes	30/03/2031	5.875%	618,174	617,689
US 750 million	Senior secured notes	30/09/2033	8.500%	735,123	734,820
US 75 million	Term Loan	26/02/2035	3.1%+ BOI	71,076	-
				<b>2,044,735</b>	<b>2,594,213</b>
<b>Current</b>					
US 625 million	Senior secured notes	30/03/2026	4.875%	623,219	-
				<b>623,219</b>	-
	<b>Total</b>			<b>2,667,954</b>	<b>2,594,213</b>

The interest on each series of the Notes and loan 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. ("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.

d. **Collateral:**

The Company has provided/undertakes to provide the following collateral in favor of HSBC BANK USA, N.A, which serves as the "Collateral Agent" under both the Notes and the Term Loan:

- 1) 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 licences and the INGL Agreement.
- 2) Floating charge over all of the present and future assets of Energean Israel Limited and Energean Israel Finance Ltd (except specifically excluded assets).
- 3) The Energean Power FPSO.

**NOTE 12: Borrowings (Cont.)**

e. **Restricted cash:**

As of 30 June 2025, the Company had short-term restricted cash of US 83.26 million (31 December 2024: US 82.43 million), which will be used mainly for the September 2025 interest payment.

**NOTE 13: Trade and other payables**

	30 June 2025 (Unaudited) '000	31 December 2024 (Audited) '000
<b>Current</b>		
<b>Financial items</b>		
Trade accounts payable	240,680	140,840
Payables to related parties	15,792	11,021
Other creditors <sup>(1)</sup>	24,559	35,468
Short term lease liabilities	1,506	5,296
	<b>282,537</b>	<b>192,625</b>
<b>Non-financial items</b>		
Accrued expenses	39,214	24,480
Other finance costs accrued	43,196	41,133
VAT payable	3,155	4,182
Deferred revenues	5,530	-
Social insurance and other taxes	487	504
	<b>91,582</b>	<b>70,299</b>

<b>Total current trade and other payables</b>	<b>374,119</b>	<b>262,924</b>
<b>Non-current</b>	<b>30 June 2025</b>	<b>31 December</b>
<b>Financial items</b>	<b>(Unaudited)</b>	<b>2024 (Audited)</b>
Trade and other payables <sup>(2)</sup>	'000	'000
Long term lease liabilities	31,303	61,758
	2,127	4,767
	<b>33,430</b>	<b>66,525</b>
<b>Non-financial items</b>		
Accrued expenses to related parties	751	519
	<b>751</b>	<b>519</b>
<b>Total non-current trade and other payables</b>	<b>34,181</b>	<b>67,044</b>

(1) The amount mainly comprises of royalties payable to the Israel government and third parties with regards to the Karish Lease, including US 9.3 million (2024: US 12.9 million) of royalties payable to third parties. Contractual royalties are payable to 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 third-party holders under the Sale Purchase Agreement (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.

#### NOTE 13: Trade and other payables (Cont.)

(2) The amount represents a long-term amount payable in terms of the EPCIC (Engineering, Procurement, Construction, Installation and Commissioning) contract to Technip. According to the agreement with the EPCIC contractor, the last US 210 million of the consideration is payable in 12 equal quarterly deferred payments beginning in March 2024 and as such has been discounted at 8.67% per annum (being the yield rate of the senior secured loan notes, maturing in 2026, as at the date of agreeing the payment terms). As of 30 June 2025, 6 installments have been paid.

#### NOTE 14: Equity

##### Interim dividends:

During the reporting period dividends of US 95.85 million were declared and paid (2024: US 150.5 million).

#### 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.

	<b>30 June 2025 (Unaudited)</b>		<b>31 December 2024</b>	
	<b>Book Value</b>	<b>Fair value</b>	<b>Book Value</b>	<b>Fair value</b>
	<b>'000</b>	<b>'000</b>	<b>'000</b>	<b>'000</b>
Senior Secured Notes (Note 12(a))	2,596,878	2,564,375	2,594,213	2,485,589

The fair value of the Senior Secured Notes is within level 1 of the fair value hierarchy and has been determined with the reference to market prices at the reporting date.

The fair values of other financial instruments not measured at fair value, including cash and short-term deposits, trade receivables, trade and other payables and the Term Loan which equate approximately to their carrying amounts.

##### Cash Flow Hedging

In addition to the hedging agreements described in the 2024 annual consolidated financial statements, in February 2025 the Group entered into a forward transaction to hedge against foreign currency volatility risk associated with its forecasted payment to the EPCI contractor for its Katlan development. The forward contracts are subject to different maturity dates and are designed to match the payments for completion of Katlan Subsea development milestones under the host contract. Multi-currency instruments are effective from April 2025 to August 2027.

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 June 2025, the Group recorded a derivative asset of US 37.16 million, and other comprehensive income of US 28.88 million, during the reporting period (31 December 2024, the Group recorded a derivative liability of US 0.3 million, and other comprehensive income of US 0.3 million during 2024).

##### Financial risk management objectives

In addition to the risks discussed in the consolidated annual financial statements, due to the new term Loan obtained in March 2025 (refer to note 12(b)), the Company became exposed to interest rate risk. The Group carefully considers the future impact of the floating interest fluctuation and will consider mitigation plans as needed and implement accordingly.

#### **NOTE 16: Significant events and transactions during the reporting period**

- a. Approximately US 2 billion binding term sheet signed with Dalia Energy Companies Ltd in January 2025 for gas sales in Israel. The agreed terms are for the supply of up to 0.1 bcm/year from April 2026, rising to up to 0.5 bcm/year from around January 2030 and then approx. 1 bcm/year from June 2035 till 2044 with potential extension, and excludes supply in the summer months (between June to September) between 2026-2034. The binding term sheet contains provisions regarding floor pricing, take or pay and price indexation linked to CPI (not Brent-price linked). The terms agreed are in line with the other material, long-term contracts within the Company portfolio.
- b. The Company has signed a Gas Sale and Purchase Agreement ("GSPA") with Kesem Energy Ltd ("Kesem"). The contract is for the supply of gas to Kesem's new power plant, which is estimated to be operational before the end of the current decade. The contracted supply is approx. 1 bcm/year from around the middle of the 2030s with limited quantities of gas supplied intermittently before then. The contract represents over US 2 billion in revenues and approx. 12.5 bcm in contracted supply over the approx. 17-year period. The contract contains provisions regarding floor pricing, take or pay and price indexation (not Brent-price linked). The terms of GSPA are in line with the other material, long-term contracts within the Company portfolio.
- c. On June 13, 2025, Energean received notice from the Ministry of Energy and Infrastructure ordering the temporary suspension of production and activities of the Energean Power FPSO, following the geopolitical escalation in the region at the time of the notice. On June 25, 2025, Energean received notice from the Ministry of Energy and Infrastructure, instructing the safe restart and resumption of production and operations at its Energean Power FPSO. Energean acted in accordance with the Ministry of Energy and Infrastructure's instructions. For more details see Note 2.

  
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