

“Redefining SE Europe’s Energy Map”

Session III – Oil Market Opportunities in SE Europe

6th South East Europe Energy Dialogue

Thessaloniki, May 30, 2012

Energean Oil & Gas at a glance

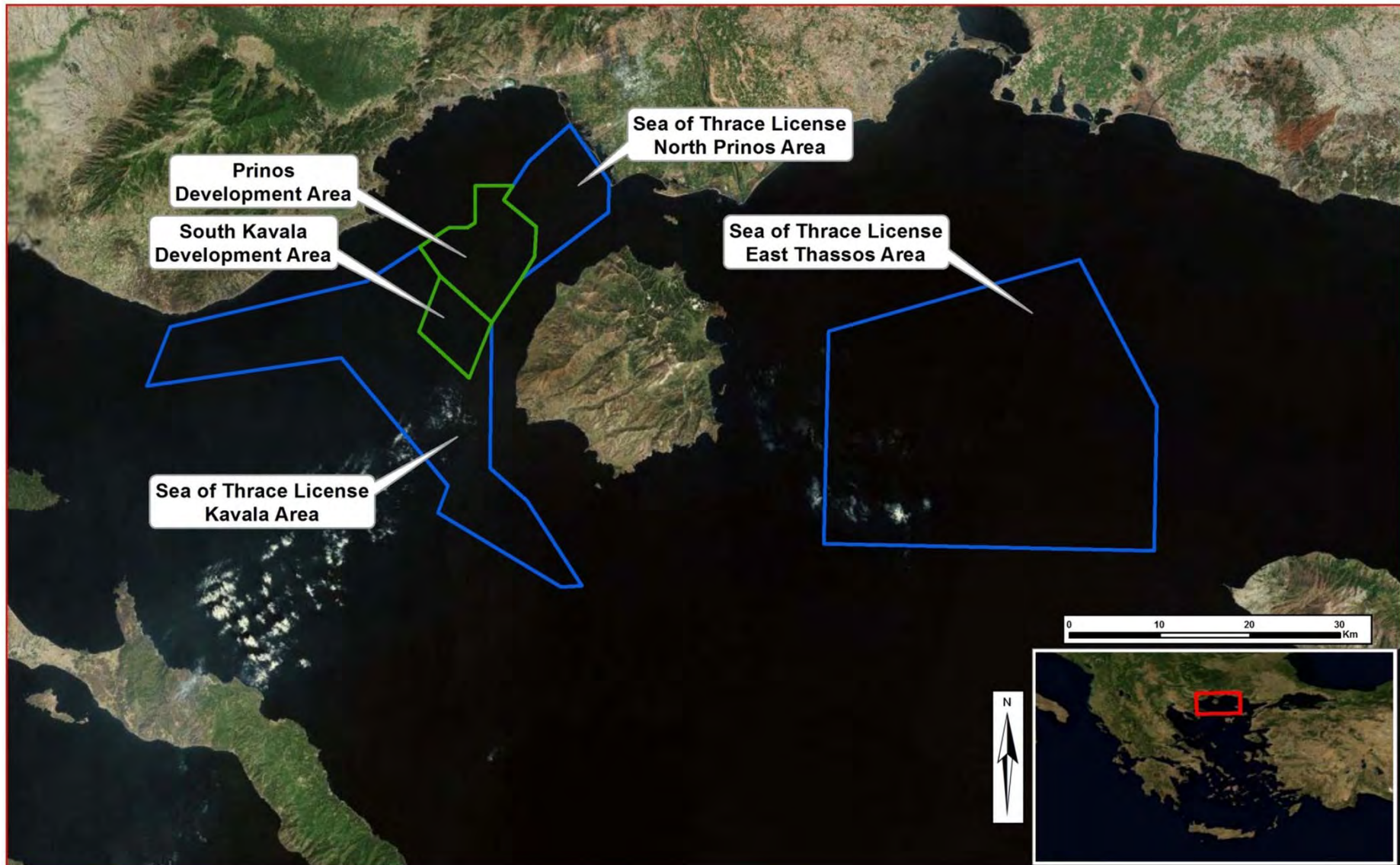


- Energean Oil & Gas is an independent E&P company focused on the Mediterranean and MENA region
 - 300 staff with 30 years offshore production experience in a high H2S environment
 - Fully integrated E&P company with assets in Greece and Egypt
 - Prinos field has produced more than 110 million barrels of oil
 - Current production of 2,000 bbls/day, target to increase to 3,000 by year end 2012
 - Unparalleled Environmental Track Record
 - Relationship with all major service companies keeps Greece on the E&P map
- Sole oil & gas Operator in Greece, owner of the two oil & gas development licenses in the country
- Application to convert the almost depleted South Kavala gas field into a 1 Bcm underground gas storage
- Long term commitment through real investment of \$210 million
- Target to invest up to \$150 million in the next 18 months
- Will evaluate new acreage opportunities in the upcoming license rounds

- *Is there Oil & Gas in Greece?*
- New Developments in the Prinos Basin
- Challenges of Investing in the Greek Oil & Gas Upstream Industry
- *Is It Worth Investing in the Greek Oil & Gas industry?*

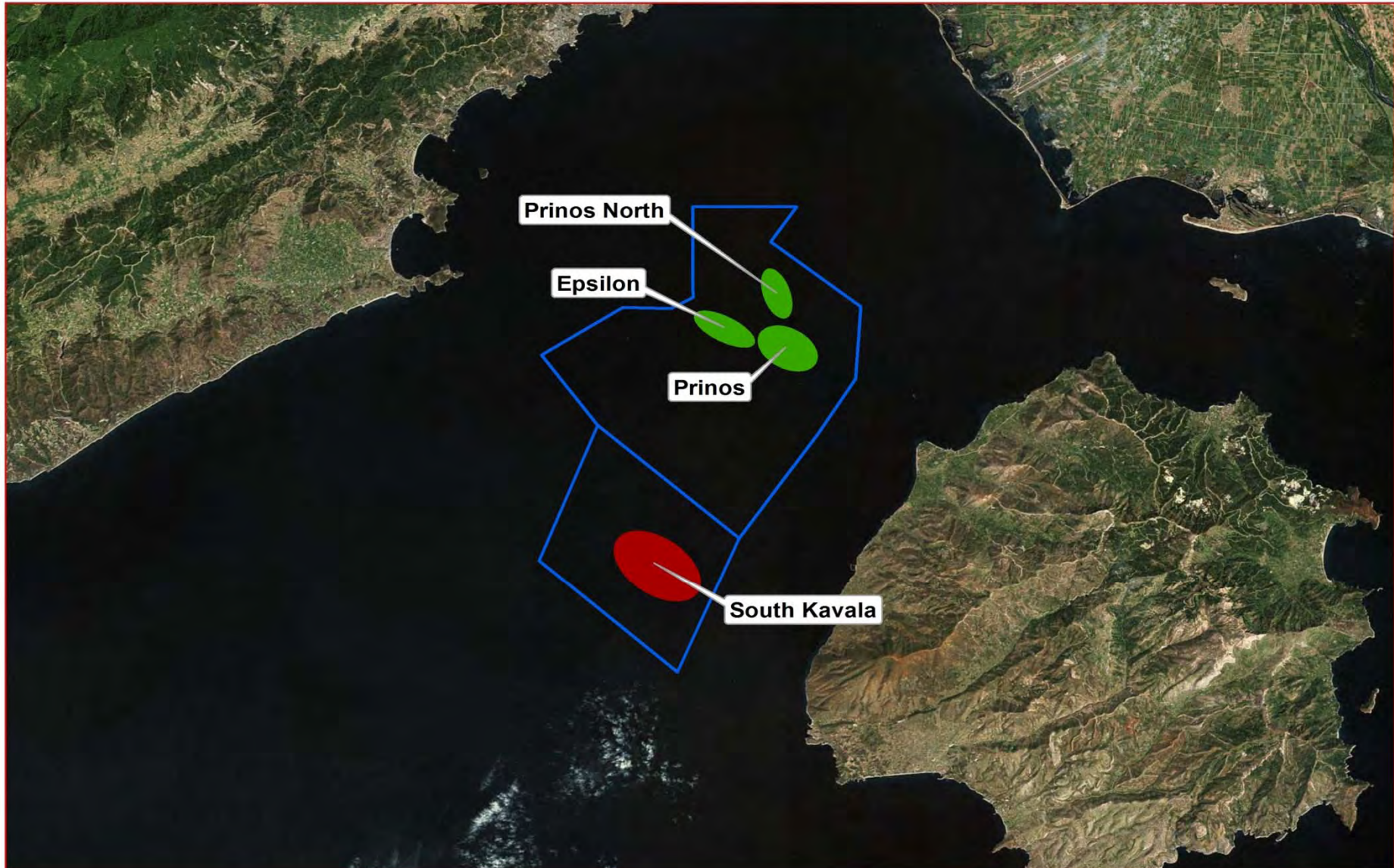
Is there Oil & Gas in Greece?

Active Licenses in Prinos Basin



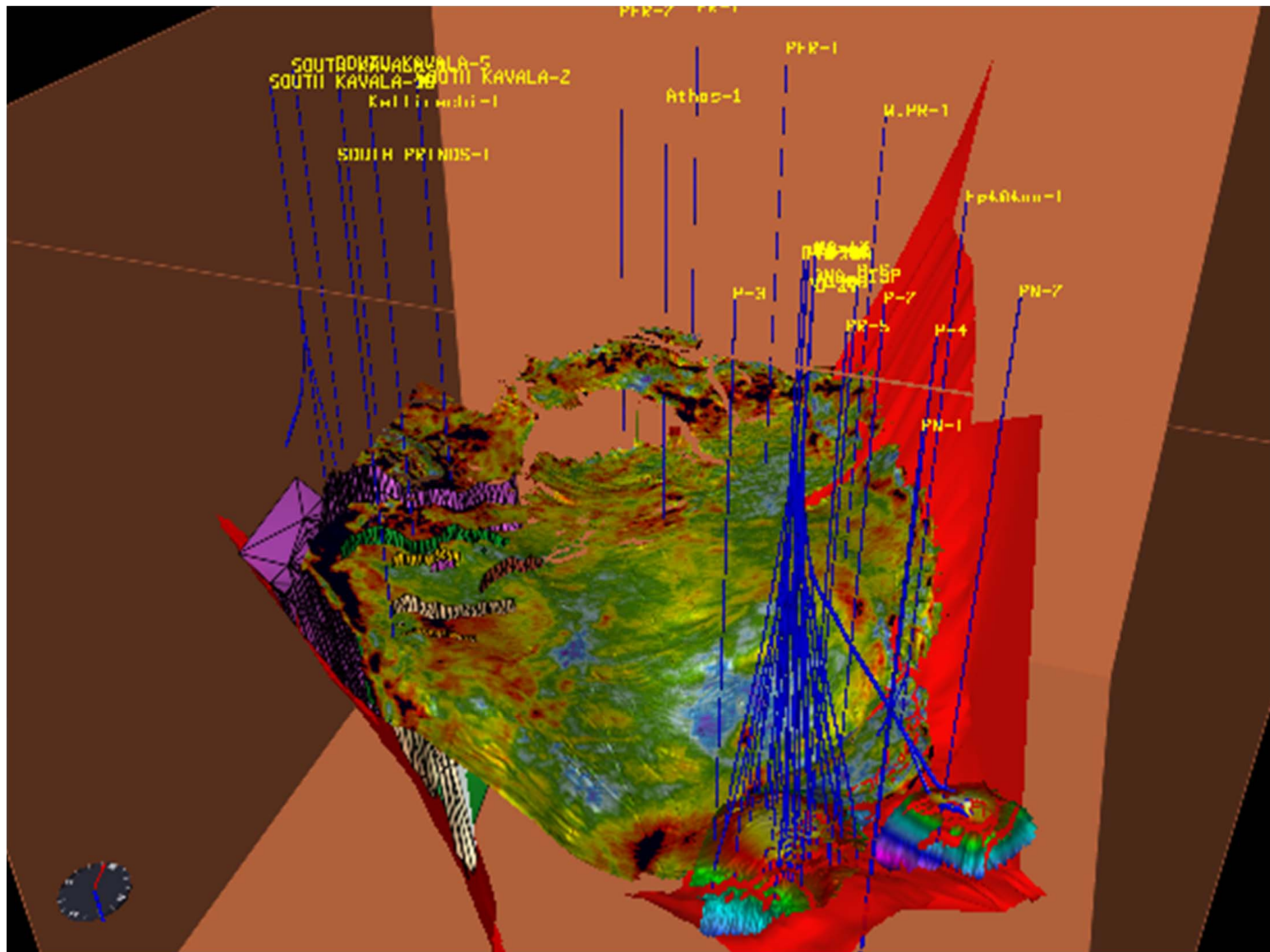
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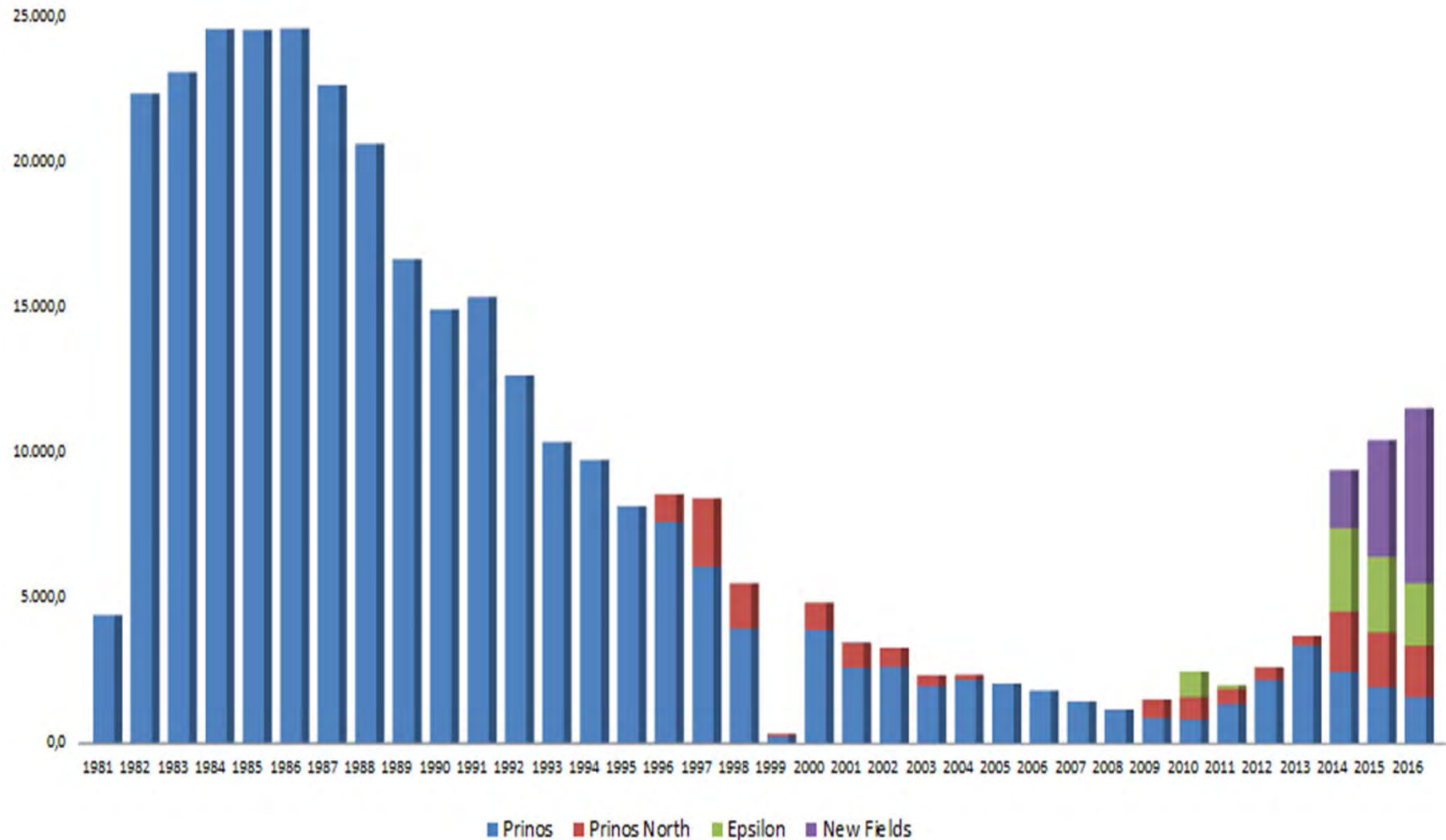


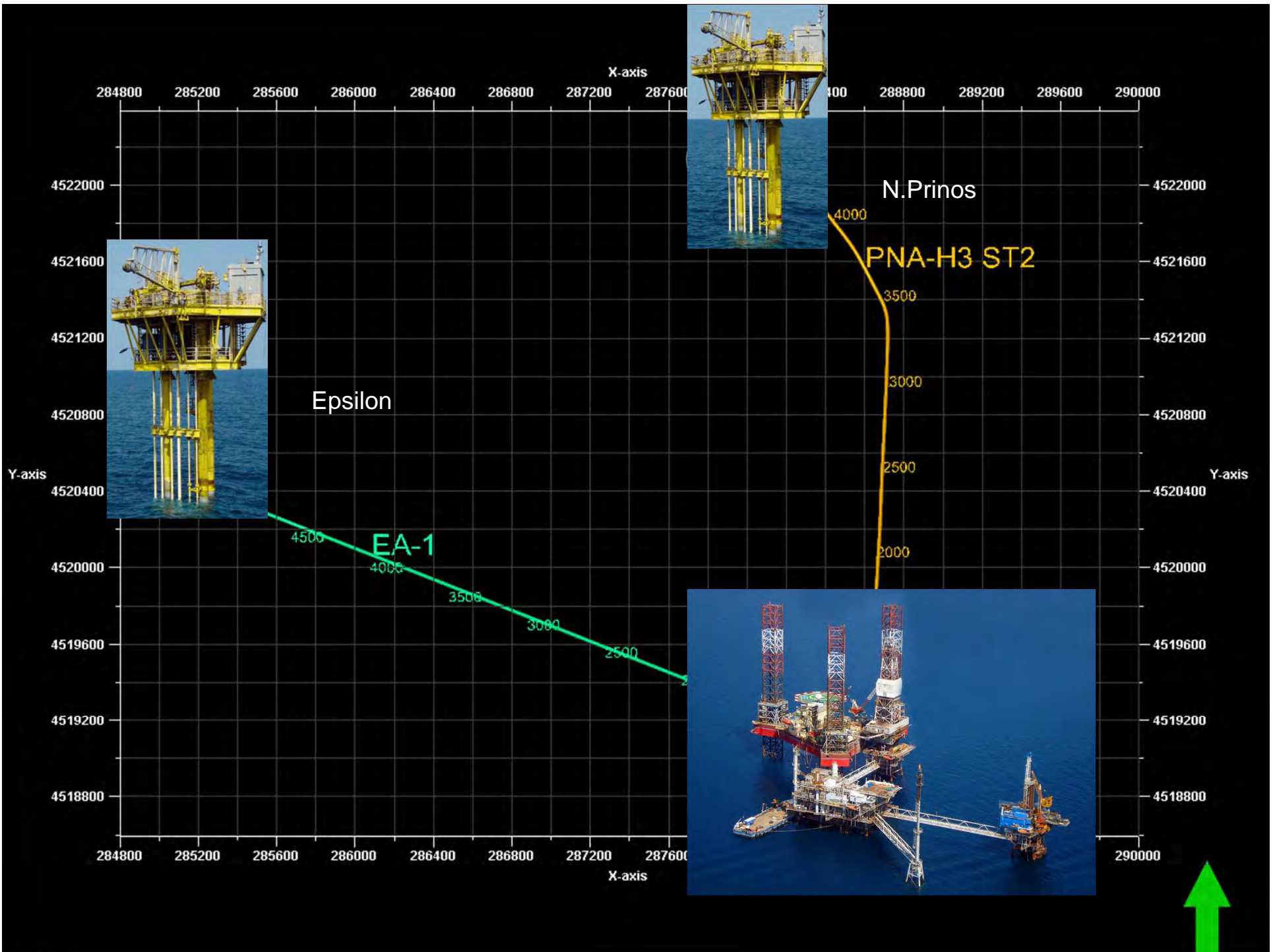






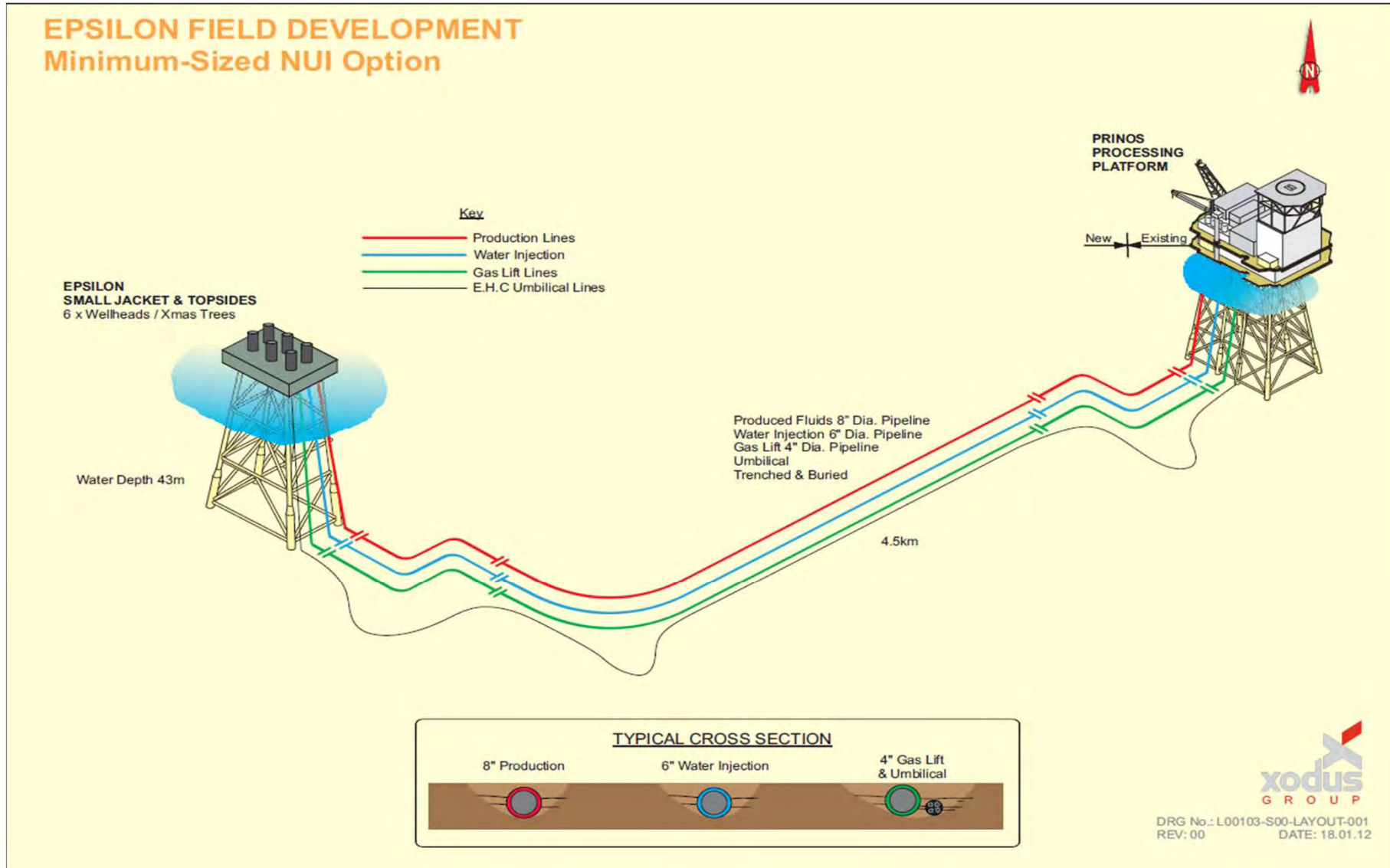
Offshore oil exploration history & production forecasts





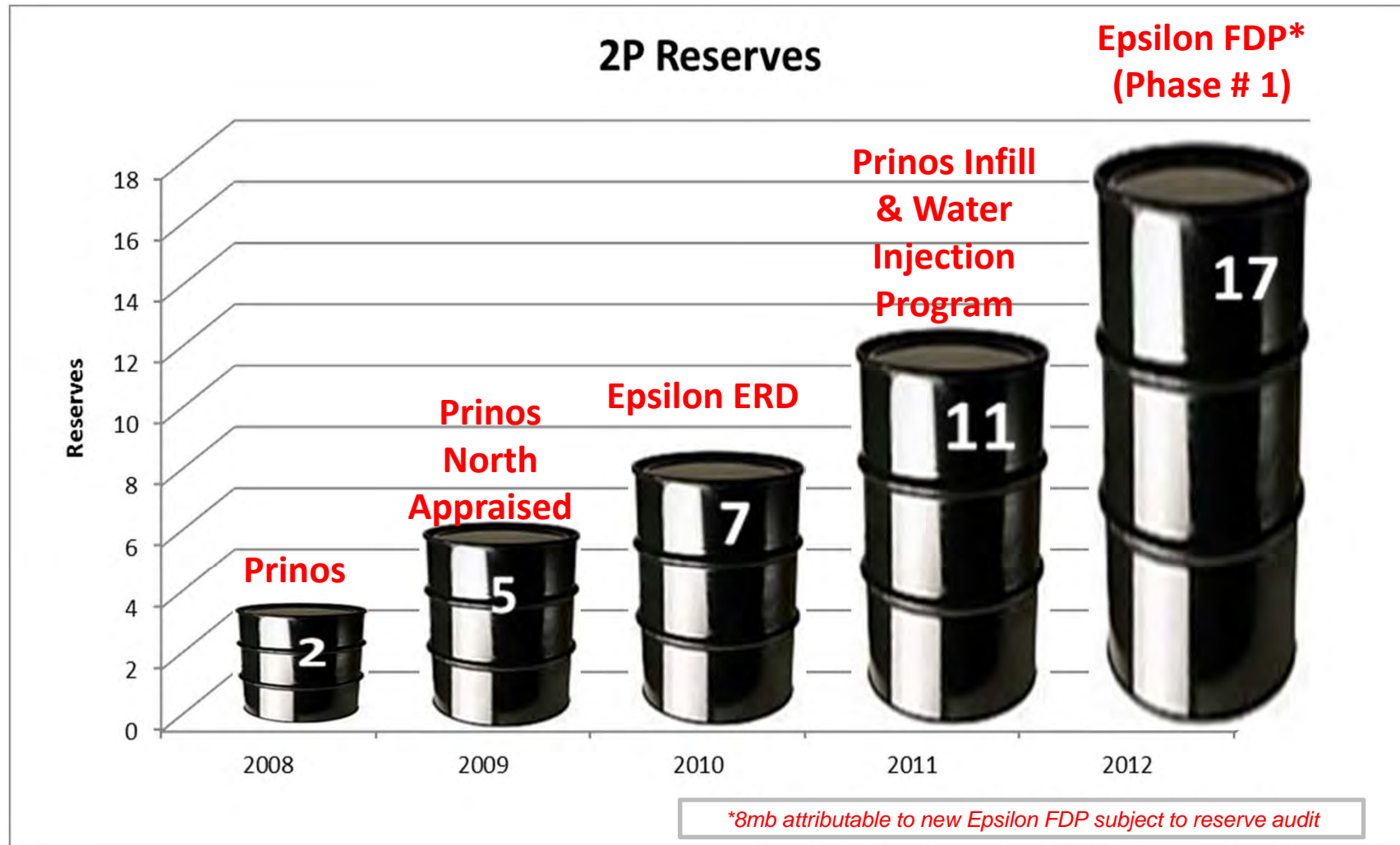
New Prinos Basin Field Development Concept

\$150 million 1st Phase

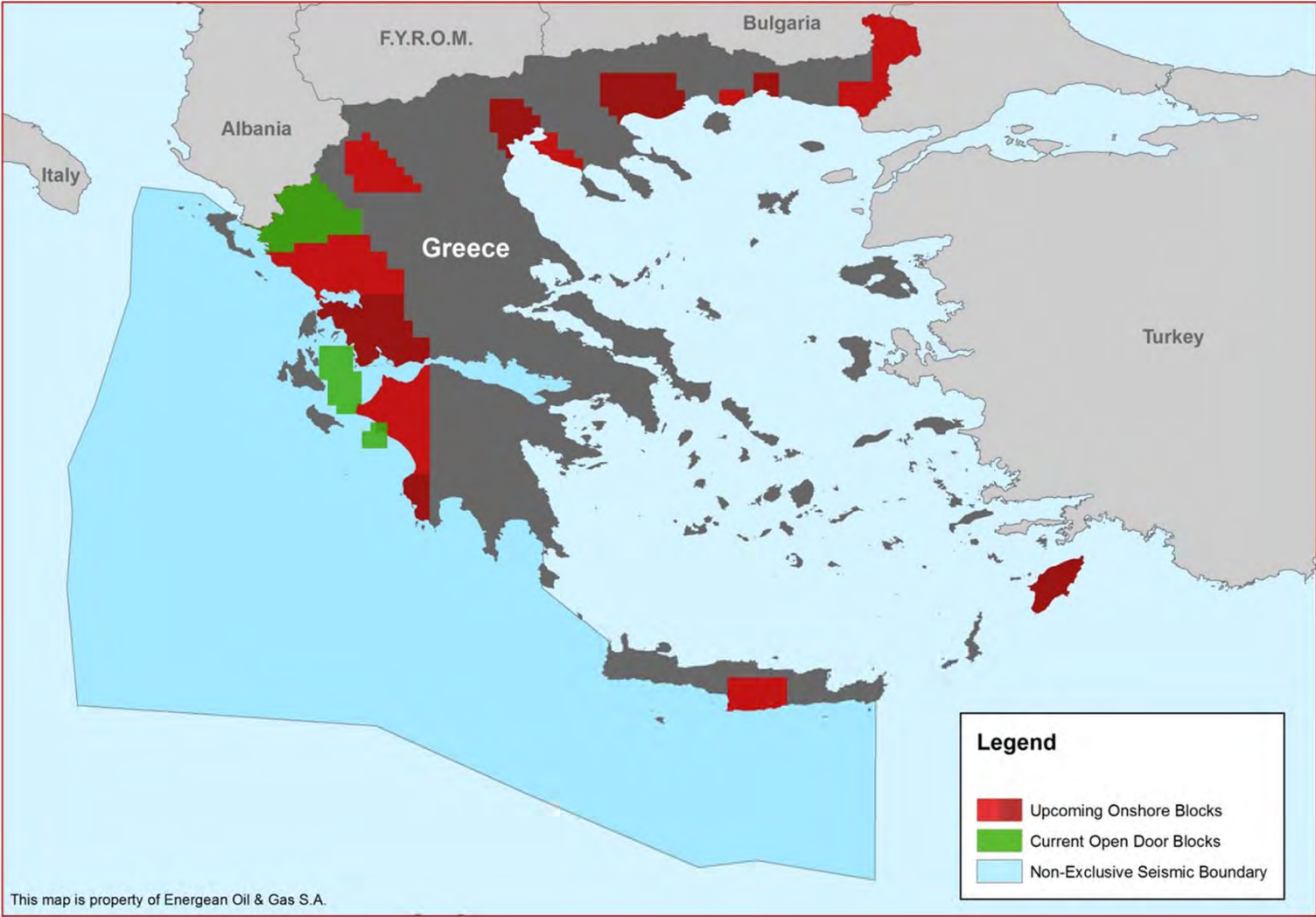


Current Reserves, Resources & EMV

Independent Assessment



New Exploration Areas on offer or discussed



Quantifying the risk



Elements of Petroleum System	Patraikos Block	South of Crete
Source	0.6	0.3
Reservoir	0.5	0.4
Trap	0.8	0.4
Seal	0.7	0.4
Migration (timing)	0.6	0.4
Possibility Of Success	≈ 10 %	< 3 %
Estimated Drilling Costs	\$30MM	\$100MM

Challenges of Investing in Greek Oil & Gas



- Lack of technical knowledge in oil policy and continuity in Ministry/Public Administration
- Validity and clarity of Laws - Need for “interpretations” - Only recently a new Hydrocarbon Law was established (2011)
- Data base of the country not open to all
- Lack of Infrastructure
- Bureaucracy and lack of flexibility in the public sector
- Delays in approvals
- State’s credibility issue limits appetite of financial institutions to fund projects
- Greek banks nearly wiped out their capital base after PSI – *A closed market*
- *The materiality issue*

Is It Worth Investing in the Greek Oil & Gas industry?



- Highly underexplored country
- Proven Petroleum Systems on the East and West of the country
 - Analogue systems in the neighboring countries
 - Oil Explorers believe there is great potentiality but only the drill bit will tell the truth
- An EU country governed by EU laws
- Access to the European Gas Markets
- The Greek Government needs to provide clear incentives to oil and gas investors to attract investment funds competing against other countries in the area



Thank you!