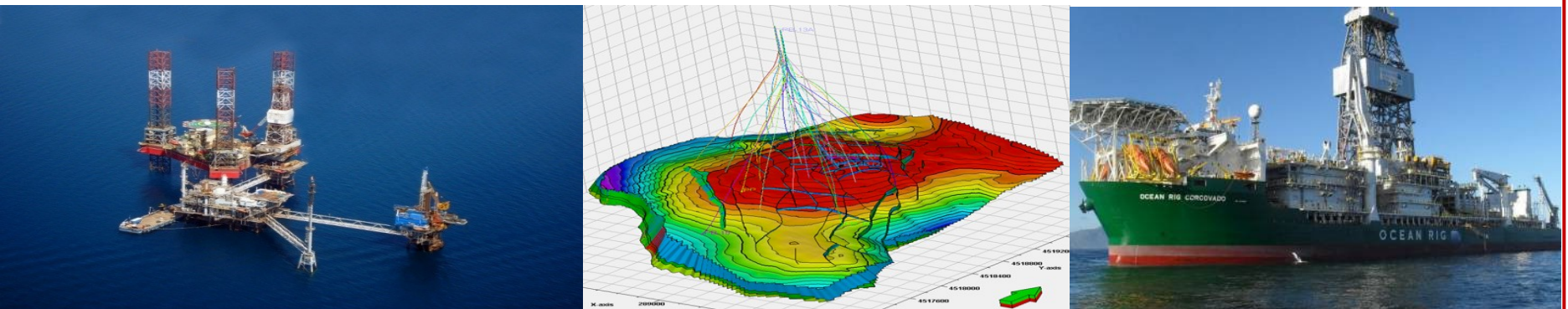




The revival of the E&P sector in Greece Opportunities and Challenges of investing in the Greek E&P sector

Mathios Rigas, Chairman & CEO



IENE, 2nd SE Europe regional Upstream Workshop
Athens, October 31st- November 1st, 2013

1. The Success Story of Prinos and the opening of the E&P Sector in Greece
2. Investment Opportunities in Greece and the region
3. Challenges of Investing in the Greek E&P sector

Energean at a glance

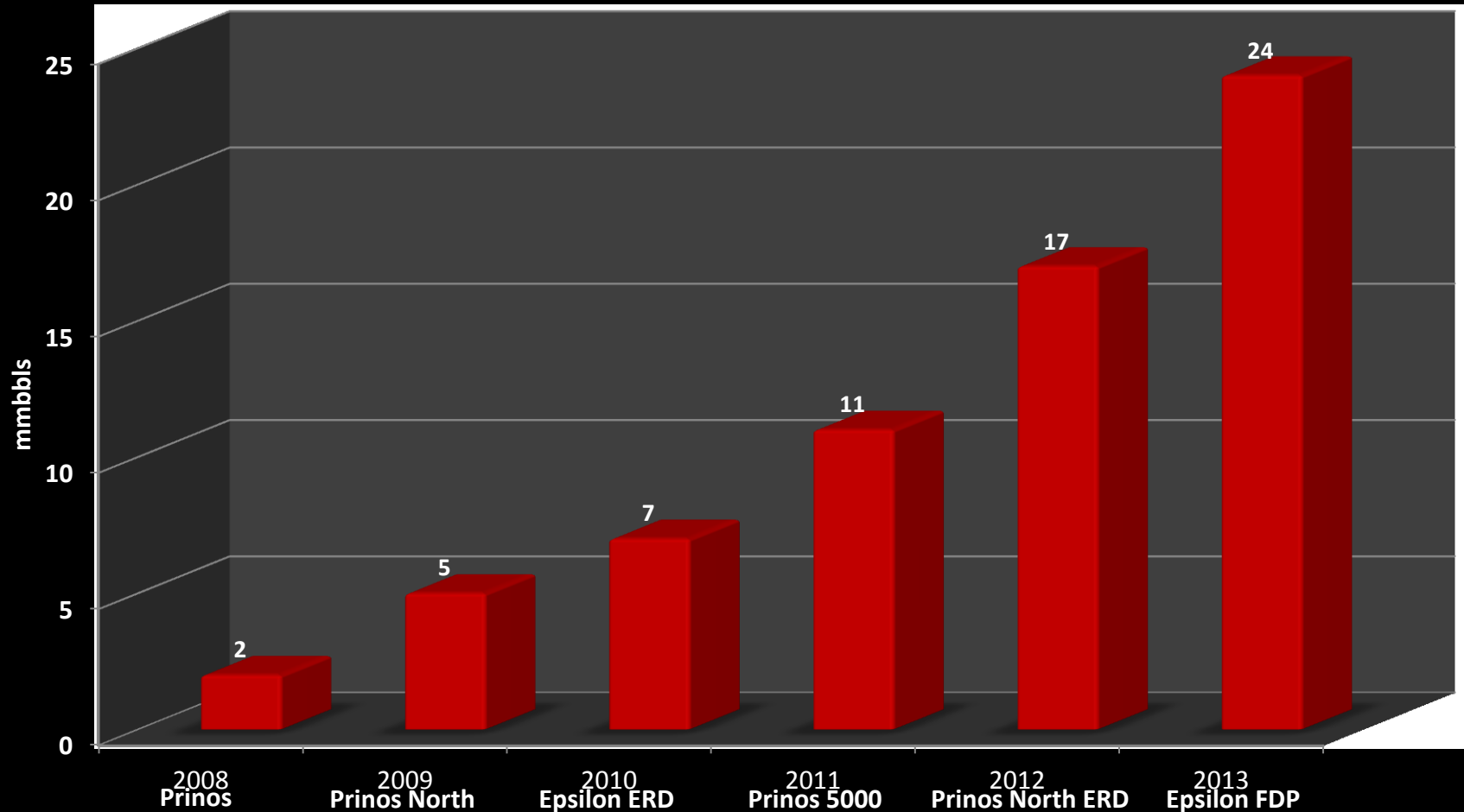
- Independent private E&P company focused in the Med and Africa
- Sole oil & gas operator in Greece – 2 licences in NE Greece
- Over 30 years of experience as an offshore operator in production, development and exploration of oil & gas fields
- Excellent HSE track record in offshore operations in environmentally sensitive areas
- Experience in production of oil with high H2S content
- Operator of two exploration licenses in Egypt
- Strategic Technical Partnership with Schlumberger
- JV with Ocean Rig for Deep Water Exploration
- Open Door bids
 - Preferred Bidder on the Ioannina block
 - Final Negotiations on the Katakolon Block
 - Bid for Orphanos & Thermaikos blocks in NE Greece
- Off take agreement with BP
- Strategic investment of US\$ 100m from Third Point, a US fund with more than US\$12bn under management



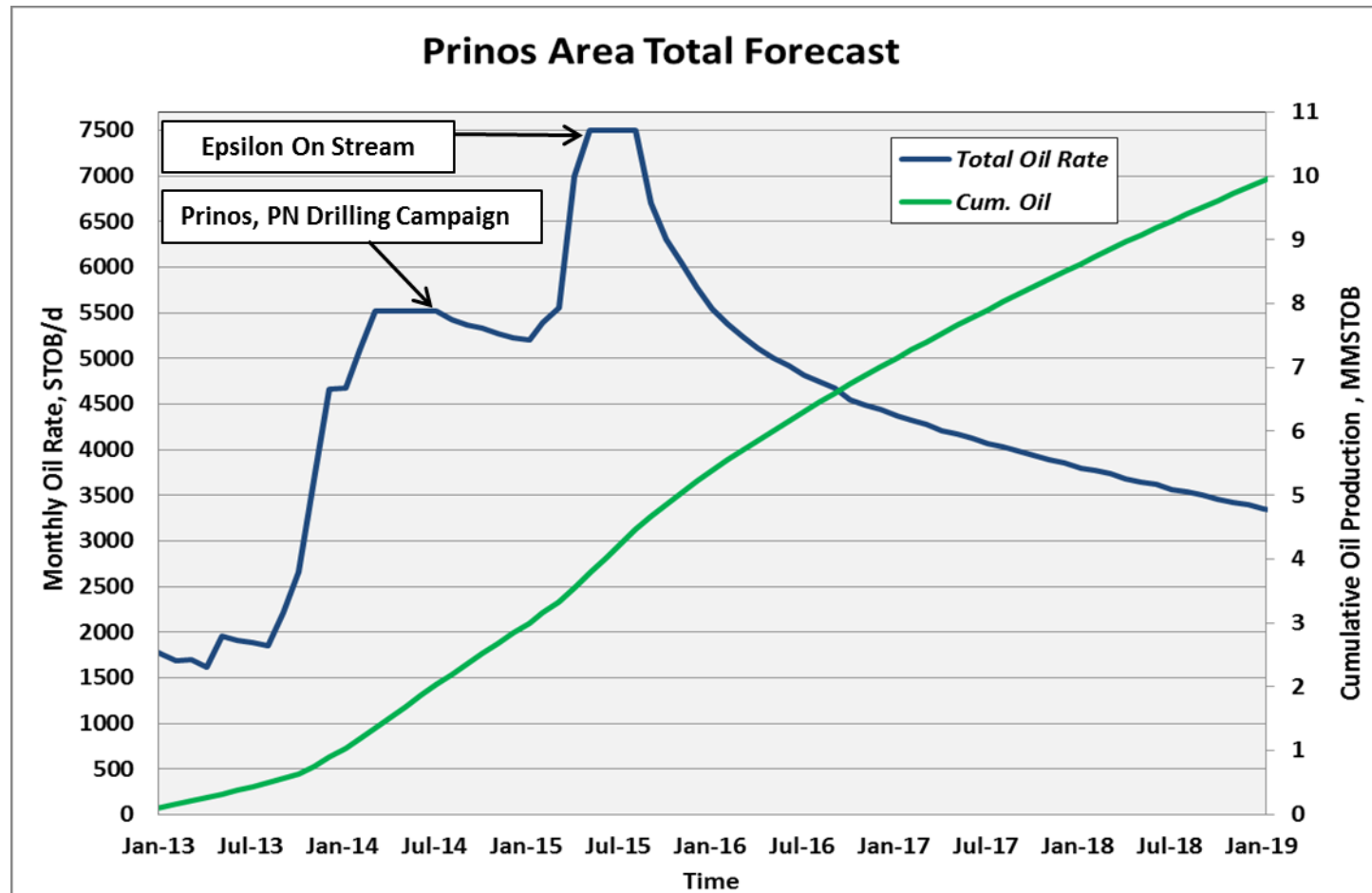
The Success Story of Prinos

Original estimate of recovery 60 mmbbls- actual to date 120 mmbbls

Estimated Recoverable Reserves (2P)



Solid Future Production increase plan



Production projections based only on:

- Proved & Probable Producing and
- Proved & Probable Undeveloped

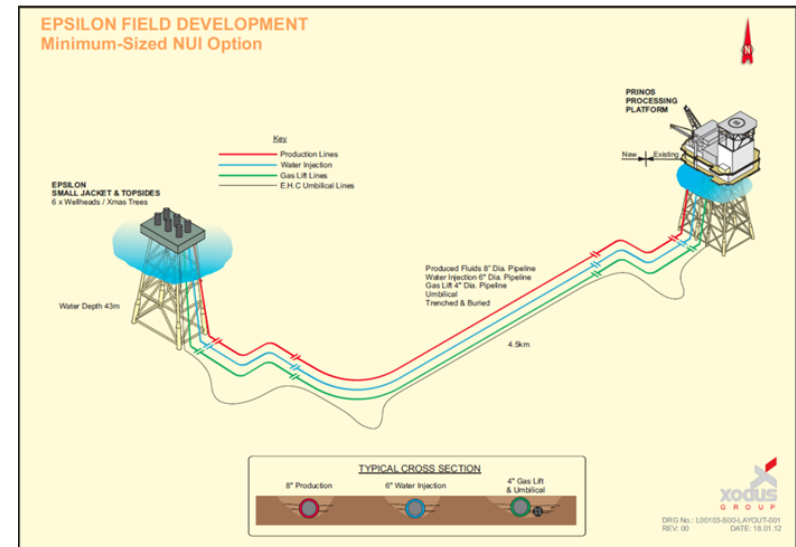
No contingent resources, existing discoveries and/or exploration upside assumed

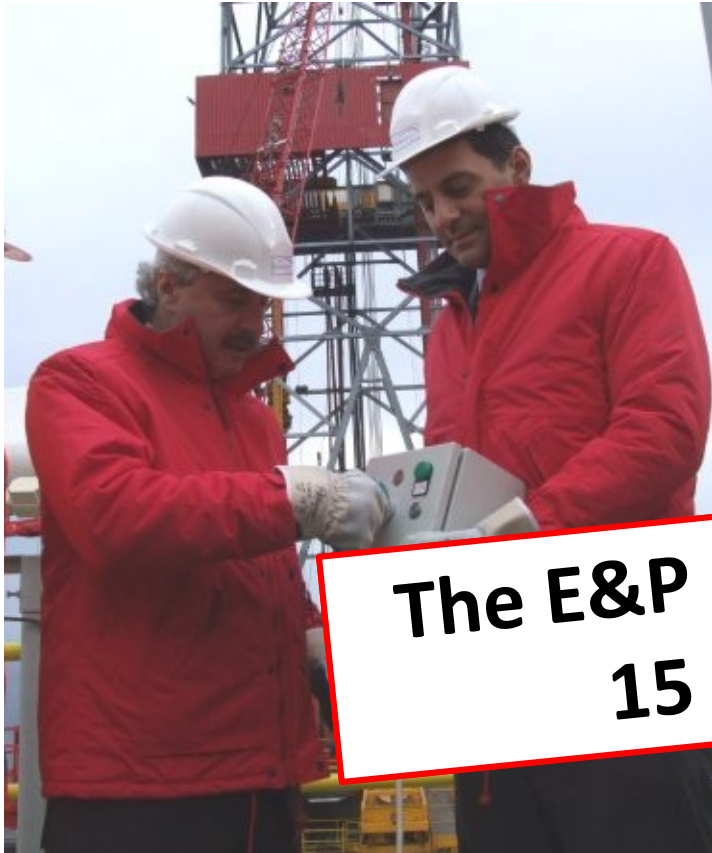
- Inauguration of new drilling campaign in July 2013 in Prinos and Prinos North, aiming to double production from the current level of 1,800 bbls/d.
- Ongoing 2013 four -well programme includes:
 - 1 injection well (PB-23) to increase the pressure in Prinos field – **Completed in Sept.2013**
 - 2 infill production wells (PB-34 & PB-37) in the Prinos oil field
- New ERD well, **PNB-H4** at Prinos North, is planned for Q1 2014, applying the know-how acquired from the previous ERD wells drilled:
- Total Investment \$60 million



2014/15 Development of Epsilon Field

- Discovered in 2002
- Energean drilled ERD (5.5 Km) in 2010 produced 300,000 bbls through extended well test
- STOIIP of at least 32mmboe supported by production history match
- Full field development plan - 4 wells: 2 producers and 2 water injectors
- Minimum facilities platform, tied back to the main Prinos processing platform
- Initial production rates & plateau 3,000 bbls/d
- Recoverable reserves of 10.0 mmboe
- US\$ 100m investment 12 months to first oil





The Ministry

- New Legal Framework L 4001/2011
- Establishment of Hellenic Hydrocarbon Management Co by the Government
- Non-exclusive Seismic survey in Western Greece and South of Crete – completed by PGS
- Open Door Round – 8 Bids for all blocks, 11 companies participated
- Alignment of Prinos Licenses with L 4001/2011

**The E&P market is opening after
15 years of inactivity**

€150 million investment by Energean in the rejuvenation of Prinos between 2007-2013

- Successfully managed job retention – 300 employees
- Strategic Investment from Third Point is a vote of confidence for the Greek Hydrocarbons sector and Energean Oil & Gas
- New \$60 million investment in Prinos in 2013
- Offers for other areas in Western Greece and the Aegean

Strategic Cooperations



Thermaikos/
Orphanos



RATIO OIL EXPLORATION LTD. רציון חיפוש נפט בע"מ
Ratio Petroleum

Ioannina



Katakolon



Off take agreement



Strategic technical partner



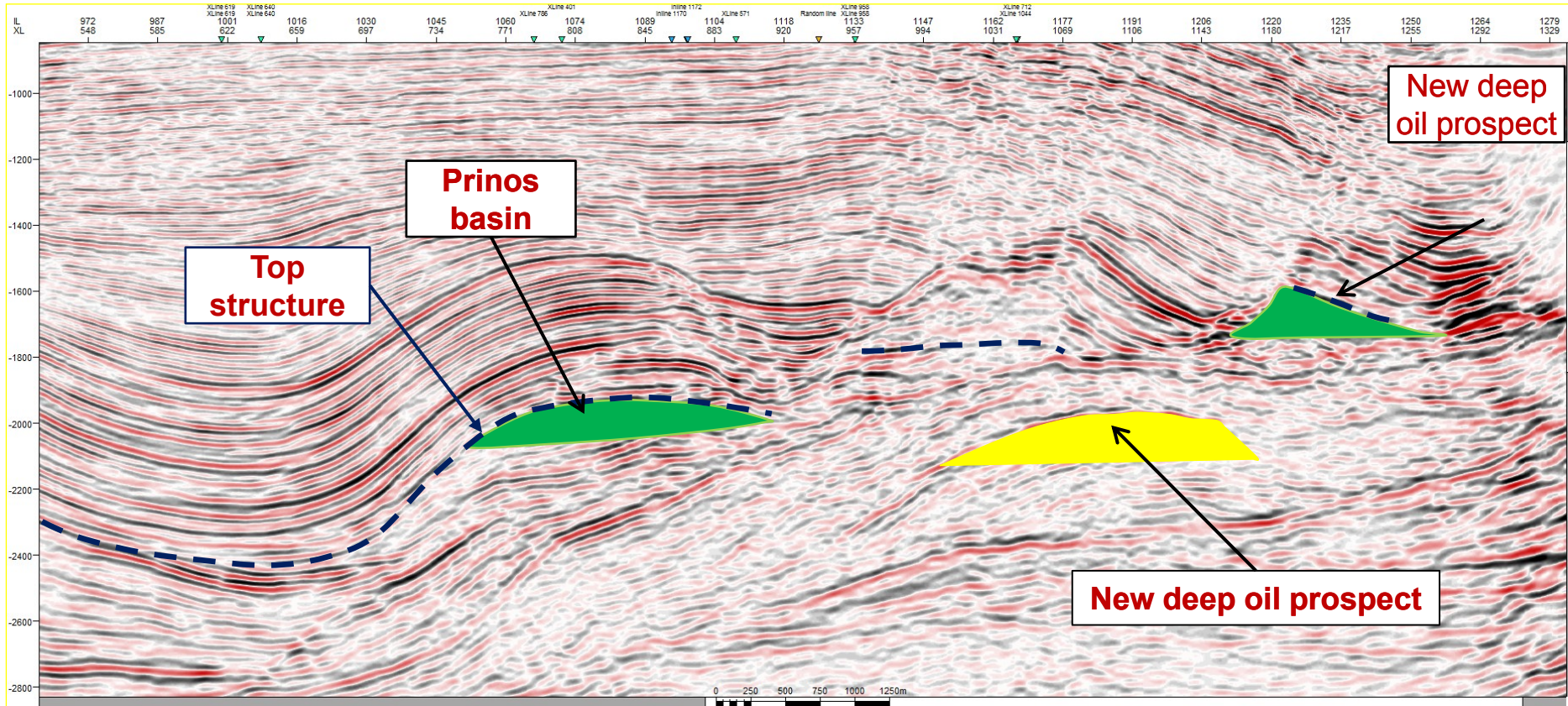
Deep Water Exploration

OceanEnergean



New Investment Opportunities

Exploration Upside from Prinos Basin



- Deep stratigraphic mapping
- Major folds mapping
- Detailed mapping of existing fields
- Identification of new drilling targets

Exploration - Ioannina Block, Greece

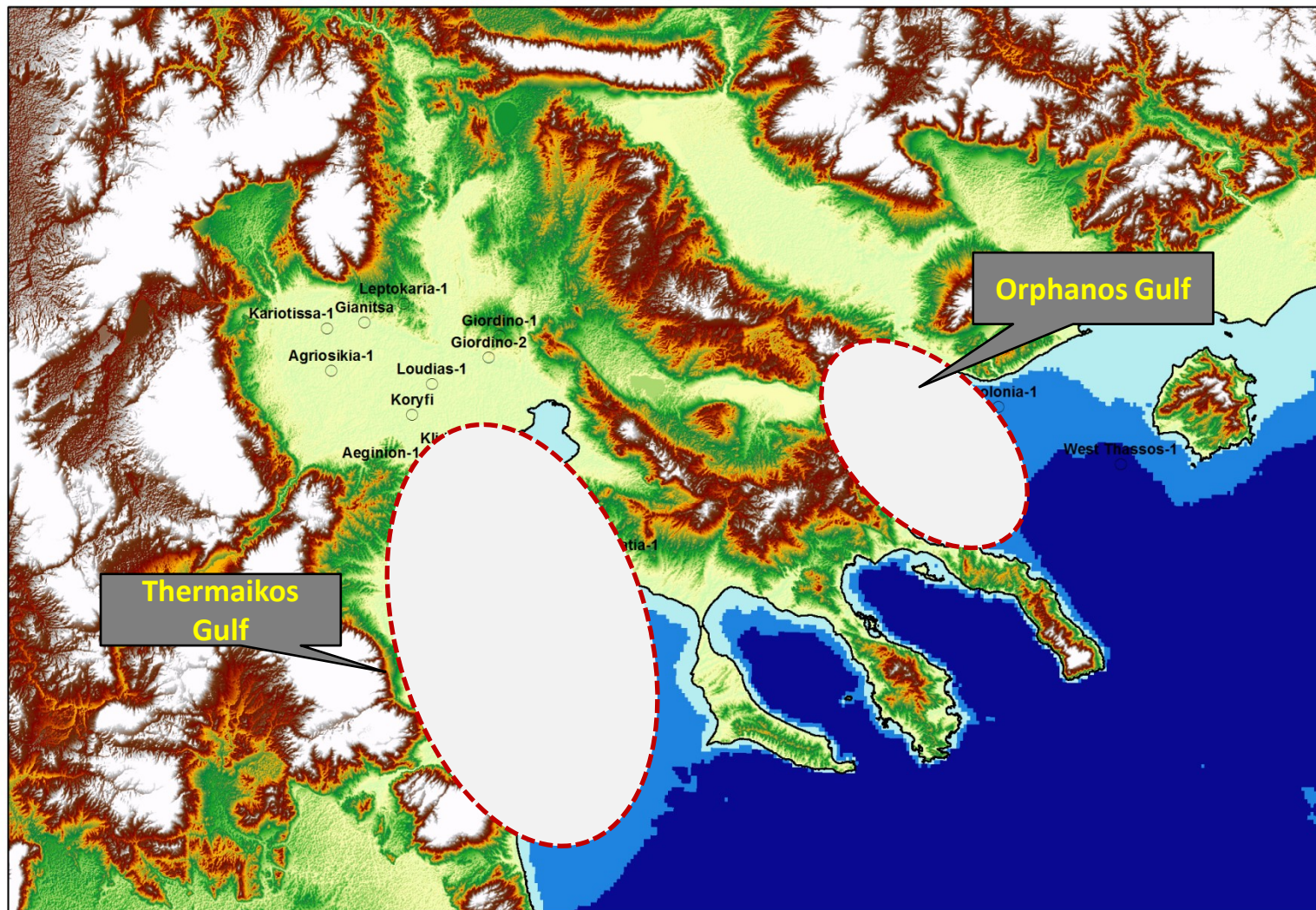
Thrust Fold Belt with good evidence of HC's and multiple play concepts



Exploration- Katakolon Block, Greece

Undeveloped near shore discovery by the state company in 1981





Deep-water Opportunities

- New JV subsidiary **OceanEnergiean** with **Ocean Rig**, combines exploration, development and production of hydrocarbons with track-record in deepwater drilling
- Ocean Rig is the Owner and operator of 11 offshore ultra-deep water drilling units, comprising of **2 ultra-deep water semi-submersible drilling rigs** and **9 ultra-deep water drill ships**
- More than **160 deep and ultra-deep-water wells** ranging from **300m to 2650 m**, for 31 clients, in 10 years
- Drilled in harsh environments and in nearly every deepwater area of the world
- Ocean Energiean will bid for deep-water blocks in East Med, Africa and West/South Greece



International Opportunities in the region

Romania

Bid round announced for 2014-36 blocks

Croatia

Bid round to be announced in Q1 2014

Montenegro:

Bid round launch 1st November 2013

Albania

Farm In opportunities

Lebanon

Bid round 2014

Israel

Farm In opportunities

Egypt

New bid round expected in mid 2014-
Farm in opportunities

Kenya

New national Oil Law in progress
1st Bidding round expected in mid 2014

Tanzania

4th Offshore Bidding round open in
Oct. 25th, 2013



1. Lack of infrastructure
2. Lack of awareness by local communities
3. Difficulty in raising finance in Greece
4. Difficulty and delays in obtaining licenses and permits
5. Public sector not able to work on “business” timetables due to lack of resources
6. History of continuous changes in the Ministry administration
7. Unstable tax and fiscal regime
8. Limitations imposed by the conflict with Turkey
9. Expectations built in the public opinion by announcements and success in Israel and Cyprus

Expectations built in the public opinion

ANT-1 TV – News Bulletin March 4th, 2012



Oil is only found by the drill bit!

- Why Greece took so long to discover Oil?
- Colossal investors express interest and impress international Financial analysts
- Immediate exploration to commence
- Lobbies and corrupt employees of the public sector hindered the growth of the industry
- The reason for the delays
- Wikileaks – Intentional cover of Greek wealth to bankrupt Greece
- Professor Foskolos et al. talks about 22 billion barrels South of Crete representing €1 trillion value
- Conspiracy of silence by 5 Greek families
- Ex-Prime Minister Papandreou G. declares Greece has no oil

- 1. Stop talking and announcing and start acting**
- 2. Stable tax and fiscal regime**
- 3. Take decisions and deliver actions on “business” timetables**
- 4. Hellenic Hydrocarbons Management Company to be staffed with competent and experienced personnel**
- 5. Stability in public administration**
- 6. Licenses and permits to be issued on time**
- 7. Transparent Tendering & Evaluation of bids**
- 8. When announcements made – deadlines to be met**

- The success story of Prinos proves that serious long term investors can find attractive investment opportunities and unlock value even in mature fields
- Energean has developed strategic partnerships with
 - Service Companies
 - Deep Water Operators
 - Financial Institutions
- Energean has proven that challenging operations in Greece and abroad can be performed by Greek engineers and geologists competing with International companies
- It is important to develop a **Greek E&P company** that will add value to the Greek economy and develop Greek Human Capital
- Environmental issues and local communities will play a major role and potentially cause delays in the exploration programmes.
- Competition from countries in the region require from the Greek Government to be fast and competitive to attract Investment

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