

ENERGEAN ISRAEL LIMITED

UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

31 MARCH 2026

ENERGEAN ISRAEL LIMITED
UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 MARCH 2026

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ENERGEAN ISRAEL LIMITED

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

THREE MONTHS ENDED 31 MARCH 2026

	Notes	31 March 2026 (Unaudited) \$'000	31 March 2025 (Unaudited) \$'000
Revenue	3	181,127	253,283
Cost of sales	4	(104,302)	(132,342)
Gross profit for the period		76,825	120,941
Administrative expenses	4	(6,362)	(5,335)
Exploration and evaluation expenses	4	-	(1,994)
Other (expenses)/ income	4	(524)	9,500
Operating profit for the period		69,939	123,112
Finance income	5	1,402	1,692
Finance costs	5	(39,350)	(41,148)
Net foreign exchange losses	5	(955)	(3,283)
Profit for the period before tax		31,036	80,373
Taxation expense	6	(7,282)	(18,409)
Net profit for the period		23,754	61,964
<u>Other comprehensive income (loss):</u>			
Items that may be reclassified subsequently to profit or loss:			
(Loss)/ Income on cash flow hedge for the period	15	(4,728)	17,211
Income tax on items that may be reclassified to profit and loss	15	1,087	(3,959)
Other comprehensive income (loss) for the period		(3,641)	13,252
Total comprehensive income for the period		20,113	75,216

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

ENERGEAN ISRAEL LIMITED
INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF 31 MARCH 2026

	Notes	31 March 2026 (Unaudited) \$'000	31 December 2025 (Audited) \$'000
ASSETS:			
NON-CURRENT ASSETS:			
Property, plant and equipment	7	3,104,945	3,077,029
Intangible assets	8	148,530	147,477
Derivative financial instruments	15	208	3,931
Other receivables		10,900	12,282
		3,264,583	3,240,719
CURRENT ASSETS:			
Trade and other receivables	10	50,672	145,902
Derivative financial instruments	15	17,111	21,705
Inventories	11	25,802	20,991
Restricted cash	12	2,194	97,647
Cash and cash equivalents		158,522	118,819
		254,301	405,064
TOTAL ASSETS		3,518,884	3,645,783
EQUITY AND LIABILITIES:			
EQUITY:			
Share capital		1,708	1,708
Share premium		212,539	212,539
Hedges reserve	15	13,335	19,740
Retained earnings		162,595	177,841
TOTAL EQUITY		390,177	411,828
NON-CURRENT LIABILITIES:			
Borrowings	12	2,747,359	2,744,085
Decommissioning provision		86,946	89,999
Deferred tax liabilities	9	79,042	75,995
Trade and other payables	13	3,896	4,417
		2,917,243	2,914,496
CURRENT LIABILITIES:			
Trade and other payables	13	211,464	311,134
Income tax liability	6	-	8,325
		211,464	319,459
TOTAL LIABILITIES		3,128,707	3,233,955
TOTAL EQUITY AND LIABILITIES		3,518,884	3,645,783

19 May 2026

Date of approval of the interim consolidated
financial statements

Panagiotis Benos
Director

Matthaios Rigas
Director

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

ENERGEAN ISRAEL LIMITED
INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
THREE MONTHS ENDED 31 MARCH 2026

	Share capital \$'000	Share Premium \$'000	Hedges Reserve \$'000	Retained earnings \$'000	Total equity \$'000
Balance as of 1 January 2026 (Audited)	1,708	212,539	19,740	177,841	411,828
Transactions with shareholders:					
Dividend, see note 14	-	-	-	(39,000)	(39,000)
Comprehensive Income:					
Profit for the period	-	-	-	23,754	23,754
Other comprehensive loss	-	-	(3,641)	-	(3,641)
Total comprehensive income	-	-	(3,641)	23,754	20,113
Cashflow hedges - basis adjustment transferred to PPE	-	-	(3,590)	-	(3,590)
Cashflow hedge - deferred tax related to basis adjustment	-	-	826	-	826
Balance as of 31 March 2026 (Unaudited)	1,708	212,539	13,335	162,595	390,177
At 1 January 2025 (Audited)					
	1,708	212,539	(266)	27,499	241,480
Transactions with shareholders:					
Dividend, see note 14	-	-	-	(67,600)	(67,600)
Comprehensive Income:					
Profit for the period	-	-	-	61,964	61,964
Cashflow hedge, net of tax	-	-	13,252	-	13,252
Total comprehensive income	-	-	13,252	61,964	75,216
Balance as of 31 March 2025 (Unaudited)	1,708	212,539	12,986	21,863	249,096

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

ENERGEAN ISRAEL LIMITED
INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
THREE MONTHS ENDED 31 MARCH 2026

	Notes	31 March 2026 (Unaudited) \$'000	31 March 2025 (Unaudited) \$'000
Operating activities			
Profit for the period before tax		31,036	80,373
Adjustments to reconcile profit before taxation to net cash provided			
Depreciation, depletion and amortisation	4	49,165	57,453
Impairment of exploration and evaluation asset	4	-	1,994
Other expenses	4	524	-
Finance income	5	(1,402)	(1,692)
Finance expenses	5	39,350	41,148
Net foreign exchange loss	5	955	3,283
Cash flow from operations before working capital		119,628	182,559
Decrease in trade and other receivables		108,080	20,351
Increase in inventories		(4,811)	(1,410)
Decrease in trade and other payables		(42,298)	(22,134)
Cash flow from operations		180,599	179,366
Income tax paid		(13,620)	(18,109)
Net cash inflows from operating activities		166,979	161,257
Investing activities			
Payment for purchase of property, plant and equipment (PP&E)	7(C)	(80,904)	(66,902)
Payment for exploration and evaluation, and other intangible assets	8(B)	(1,525)	(646)
Loan granted to Related Party ⁽¹⁾		-	(28,000)
Movement in restricted cash, net	12	95,453	80,873
Income on derivatives		117	-
Interest received		2,195	2,622
Net cash inflow (outflow) from investing activities		15,336	(12,053)
Financing activities			
Transaction costs in relation to borrowing issuance	12	-	(5,860)
Drawdown of borrowings	12	-	75,000
Borrowings - interest paid	12	(98,295)	(82,482)
Dividends paid	14	(39,000)	(67,600)
Other finance cost paid		(2,097)	(395)
Repayment of obligations under leases	13	(2,350)	(1,511)
Net cash outflow used in financing activities		(141,742)	(82,848)
Net increase in cash and cash equivalents		40,573	66,356
Cash and cash equivalents at beginning of period		118,819	157,728
Effect of exchange differences on cash and cash equivalents		(870)	(757)
Cash and cash equivalents at end of period		158,522	223,327

⁽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 these unaudited interim consolidated financial statements.

ENERGEAN ISRAEL LIMITED

NOTES TO 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 One Great Cumberland Place, London, W1H 7AL.
- b. The Company and its subsidiaries (the "Group") have been established with the objective of the 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 31 March 2026, the Company had investments in the following subsidiaries:

Name of subsidiary	Country of incorporation / registered office	Principal activities	Shareholding At 31 March 2026 (%)	Shareholding At 31 December 2025 (%)
Energean Israel Transmission LTD	121, Menachem Begin St. Azrieli Sarona Tower,	Gas transportation license holder	100	100
Energean Israel Finance LTD	POB 24, Tel Aviv 6701203 Israel	Financing activities	100	100

- d. The Group's core assets as of 31 March 2026 comprised:

Country	Asset	Working interest	Field phase
Israel	Karish including Karish North (1)	100%	Production
Israel	Tanin (1)	100%	Development
Israel	Katlan (Block 12) (2)	100%	Development
Israel	Blocks 23, 31 (3)	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 2025, refer to note 22 in the 2025 Group's annual consolidated financial statements for more information.

NOTE 2: - Accounting policies and basis of preparation

The interim consolidated 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 31 March 2026. 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 2025.

These 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 2026 which are the same as those used in preparing the annual consolidated financial statements for the year ended 31 December 2025.

The directors consider it appropriate to adopt the going concern basis of accounting in preparing these interim consolidated financial statements. The Going Concern assessment covers the period up to 30 June 2027, "the forecast period".

Since 7 October 2023, regional geopolitical risk has remained elevated. The intensification of tensions in the Middle East has increased the security risks to essential infrastructure, including the Energean Power FPSO offshore Israel, which may be exposed to missile fire or sabotage. Any event affecting production from the Karish and Karish North fields could have a material adverse impact on the Group's business, results of operations, cash flows, financial condition and prospects.

On 28 February 2026, the Ministry of Energy and Infrastructure ordered the temporary suspension of production and activities of the Energean Power FPSO following further escalation of geopolitical tensions in the region. On 9 April 2026, 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 those instructions. Production of the Energean Power FPSO was resumed and the FPSO became fully operational on 10 April 2026.

Throughout 2026 and subsequent to the reporting period, Energean has maintained all necessary measures to support the continuity of business operations (subject to any governmental instructions), including the mobility of its people and the security of its information.

NOTE 3: - Revenues

	31 March 2026	31 March 2025
	(Unaudited)	(Unaudited)
	\$'000	\$'000
Revenue from gas sales ⁽¹⁾	144,413	178,458
Revenue from hydrocarbon liquids sales ⁽²⁾	36,714	74,825
Total revenue	181,127	253,283

⁽¹⁾ Sales gas for three months ended 31 March 2026 totaled approximately 0.96 bcm (billion cubic metres) and for three months ended 31 March 2025 totaled approximately 1.19 bcm.

⁽²⁾ Sales from hydrocarbon liquids for three months ended 31 March 2026 totaled approximately 532 kbbbl (kilo barrel) and for three months ended 31 March 2025 totaled approximately 1,042 kbbbl.

See also Note 2 regarding the temporary suspension of production of the Energean Power FPSO.

ENERGEAN ISRAEL LIMITED

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

NOTE 4: - Operating profit before taxation

	31 March 2026 (Unaudited) \$'000	31 March 2025 (Unaudited) \$'000
(a) Cost of sales		
Staff costs	6,264	5,105
Energy cost	906	658
Royalty payable	32,052	44,821
Depreciation (Note 7)	48,548	56,884
Other operating costs ⁽¹⁾	20,742	26,085
Oil stock movement	(4,210)	(1,211)
Total cost of sales	104,302	132,342
(b) Administration expenses		
Staff costs	2,638	1,710
Share-based payment charge	321	279
Depreciation and amortisation (Note 7, 8)	617	569
Auditor fees	81	69
Other general & administration expenses ⁽²⁾	2,705	2,708
Total administrative expenses	6,362	5,335
(c) Exploration and evaluation expenses		
Impairment of exploration and evaluation asset ⁽³⁾	-	1,994
Total exploration and evaluation expenses	-	1,994
(d) Other expenses		
Loss from disposal of property, plant and equipment	524	-
Total other expenses	524	-
(e) Other income		
Other income ⁽⁴⁾	-	9,500
Total other income	-	9,500

⁽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.

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NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

NOTE 5: - Net finance costs

	31 March 2026 (Unaudited) \$'000	31 March 2025 (Unaudited) \$'000
Interest expense on borrowing (Note 12)	50,289	42,957
Less amounts included in the cost of qualifying assets (Note 7(A))	(14,966)	(6,628)
	35,323	36,329
Costs related to parent company guarantees	387	556
Other finance costs and bank charges	1,160	534
Unwinding of discount on trade payable (Note 13(1))	1,335	2,731
Unwinding of discount on provision for decommissioning	1,056	1,019
Unwinding of discount on lease liability	131	167
Less amounts included in the cost of qualifying assets (Note 7(A))	(42)	(188)
	4,027	4,819
Total finance costs	39,350	41,148
Interest income from related parties	-	(34)
Interest income from time deposits	(1,282)	(1,675)
Loss (income) from derivatives operation	(117)	17
Other interest income	(3)	-
Total finance income	(1,402)	(1,692)
Net foreign exchange losses	(955)	(3,283)
Net finance costs	38,903	42,739

NOTE 6: - Taxation

1. Corporate Tax rates applicable to the Company:

Israel:

The Israeli corporate tax rate is 23% in 2026 and 2025.

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%.

The Group's taxable profits arise in Israel through the Israeli branch and are taxed at the Israeli statutory tax rate of 23%. No material taxable income was generated at the UK parent entity level.

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.

NOTE 6: - Taxation (Cont.)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"), introducing an oil and gas profits levy at a rate calculated as described. 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 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 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); Payment by the owner of an oil right calculated as

a percentage 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:

	31 March 2026	31 March 2025
	(Unaudited)	(Unaudited)
	\$'000	\$'000
Current income tax charge	(2,322)	(15,414)
Deferred tax relating to origination and reversal of temporary differences (Note 9)	(4,960)	(2,995)
Total taxation expense	(7,282)	(18,409)

ENERGEAN ISRAEL LIMITED

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

NOTE 7: - Property, Plant and Equipment

a. Composition:

First half	Oil and gas Assets \$'000	Leased assets \$'000	Furniture, fixtures and equipment \$'000	Total \$'000
<u>Cost:</u>				
At 1 January 2025	3,360,476	18,349	2,741	3,381,566
Additions	390,756	8,988	937	400,681
Lease disposal	-	(11,250)	-	(11,250)
Capitalised borrowing cost	40,144	-	-	40,144
Change in decommissioning provision	547	-	-	547
Total cost at 31 December 2025 (Audited)	3,791,923	16,087	3,678	3,811,688
Additions ⁽¹⁾	67,468	(36)	429	67,861
Asset disposal	(868)	-	-	(868)
Capitalised borrowing cost	13,931	-	-	13,931
Change in decommissioning provision	(4,109)	-	-	(4,109)
Total cost at 31 March 2026 (Unaudited)	3,868,345	16,051	4,107	3,888,503
<u>Depreciation:</u>				
At 1 January 2025	453,452	9,387	1,452	464,291
Charge for the year	271,276	5,755	527	277,558
Lease disposal	-	(7,190)	-	(7,190)
Total depreciation at 31 December 2025 (Audited)	724,728	7,952	1,979	734,659
Charge for the period	46,679	2,189	143	49,011
Asset disposal	(112)	-	-	(112)
Total Depreciation at 31 March 2026 (Unaudited)	771,295	10,141	2,122	783,558
At 31 December 2025 (Audited)	3,067,195	8,135	1,699	3,077,029
At 31 March 2026 (Unaudited)	3,097,050	5,910	1,985	3,104,945

⁽¹⁾ The additions to oil & gas assets in Q1 2026 mainly relate to the Katlan development.

Second oil train lift safely and successfully performed in Q4 2024; commissioning activities are ongoing and are expected to complete by around the end of May, which will result in an increase in liquids' production capacity.

Borrowing costs capitalised for qualifying assets during the year are calculated by applying a weighted average interest rate of 7.89% for the period ended 31 March 2026 (for the year ended 31 December 2025: 7.02%).

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

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

	31 March 2026 (Unaudited) \$'000	31 March 2025 (Unaudited) \$'000
Cost of sales	48,548	56,884
Administration expenses	463	444
Total	49,011	57,328

c. Cash flow statement reconciliations:

	31 March 2026 (Unaudited) \$'000	31 March 2025 (Unaudited) \$'000
Additions and disposals to property, plant and equipment	66,993	95,618
Associated cash flows		
Payments for additions to property, plant and equipment	(80,904)	(66,902)
Non-cash movements/presented in other cash flow lines		
Right-of-use asset additions	36	(149)
Asset disposal	868	-
Lease payments related to capital activities	2,350	1,511
Movement in working capital	10,657	(30,078)

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

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NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

NOTE 8: - Intangible Assets

a. Composition:

	Exploration and evaluation assets \$'000	Other Intangible assets ⁽¹⁾ \$'000	Total \$'000
Cost:			
At 1 January 2025	94,366	2,866	97,232
Additions	1,860	51,498	53,358
Capitalized borrowing cost	-	580	580
31 December 2025 (Audited)	96,226	54,944	151,170
Additions	164	8	172
Capitalized borrowing cost	-	1,035	1,035
At 31 March 2026 (Unaudited)	96,390	55,987	152,377
Amortisation:			
At 1 January 2025	-	1,129	1,129
Charge for the year	-	570	570
Impairment of exploration and evaluation assets	1,994	-	1,994
Total Amortisation at 31 December 2025 (Audited)	1,994	1,699	3,693
Charge for the period	-	154	154
Total Amortisation at 31 March 2026 (Unaudited)	1,994	1,853	3,847
At 31 December 2025 (Audited)	94,232	53,245	147,477
At 31 March 2026 (Unaudited)	94,396	54,134	148,530

The additions to other intangible assets in Q1 2026 are mainly related to Nitzana pipeline, see note (1) below.

⁽¹⁾ **Nitzana transmission agreement-** In October 2025, the company signed a transmission agreement with Israel Natural Gas Lines Ltd. ("INGL") for capacity in the Nitzana pipeline. The agreed terms in the transmission agreement are for the supply of up to 1 bcm/year up to 6 bcm total contracted supply for a 15-year period, with provisions for extensions and early termination. The terms also include rights, during the construction phase, to access available capacity in the Jordan-North pipeline. Nitzana is expected to be operational no later than Q4 2028.

The Company's 16.4% share of the construction costs for the pipeline and compression station is expected to be approximately US\$100 million (excludes contingency amounts, which may add up to an additional 12%, as per the transmission agreement) and will primarily be funded via the Unsecured Term Loan. Refer to note 16 below. During the fourth quarter of 2025, approximately US\$50 million was paid, representing approximately 50% of the total expected investment. The remaining investment will be made in accordance with the milestones set out in the agreement with INGL. Subsequent to the reporting date, during the second quarter of 2026, an additional approximately US\$10 million was paid, representing approximately 10% of the total expected investment.

As the Group does not obtain ownership of, or control over, the physical pipeline asset, but instead acquires a contractual right to access defined transportation capacity for a period of 15 years, the arrangement has been recognised as an intangible asset in accordance with IAS 38. The asset will be amortised on a straight-line basis over the 15-year access period from the date the pipeline becomes operational.

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NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

NOTE 8: - Intangible Assets (Cont.)

b. Cash flow statement reconciliations:

	31 March 2026 (Unaudited) \$'000	31 March 2025 (Unaudited) \$'000
Additions to intangible assets	172	819
Associated cash flows		
Payment for additions to intangible assets	(1,525)	(646)
Non-cash movements/presented in other cash flow lines		
Movement in working capital	1,353	(173)

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 31 March 2026
Block 23	Licence	13 January 2027	100%
Block 31	Licence	13 January 2027	100%

d. Additional information regarding the Exploration and Evaluation assets:

As of 31 March 2026, 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.

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NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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	Deferred expenses for tax \$'000	Staff leaving indemnities \$'000	Accrued expenses and other short-term liabilities and other long-term liabilities \$'000	Derivative asset \$'000	Total \$'000
At 1 January 2025	(73,090)	(2,028)	2,709	292	2,992	79	(69,046)
<u>Increase/(decrease) for the year through:</u>							
Profit or loss	(679)	190	(546)	5	59	-	(972)
Other comprehensive income	-	-	-	-	-	(8,469)	(8,469)
Cashflow hedge related to basis adjustment						2,492	2,492
At 31 December 2025 (Audited)	(73,769)	(1,838)	2,163	297	3,050	(5,898)	(75,995)
At 1 January 2026	(73,769)	(1,838)	2,163	297	3,050	(5,898)	(75,995)
<u>Increase/(decrease) for the period through:</u>							
Profit or loss	(4,997)	512	(46)	-	(429)	-	(4,960)
Other comprehensive loss	-	-	-	-	-	1,087	1,087
Cashflow hedge related to basis adjustment	-	-	-	-	-	826	826
At 31 March 2026 (Unaudited)	(78,766)	(1,326)	2,117	297	2,621	(3,985)	(79,042)

	31 March 2026 (Unaudited) \$'000	31 December 2025 (Audited) \$'000
Deferred tax liabilities	(84,077)	(81,424)
Deferred tax assets	5,035	5,429
	(79,042)	(75,995)

ENERGEAN ISRAEL LIMITED

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

NOTE 10: - Trade and other receivables

	31 March 2026 (Unaudited) \$'000	31 December 2025 (Audited) \$'000
Financial items		
Trade receivables	18,404	121,006
Receivables from related parties	-	6
Other receivables ⁽²⁾	5,814	5,737
Accrued interest income	9	968
	24,227	127,717
Non-financial items		
Prepayments	10,737	10,231
Refundable excise	8,323	7,954
VAT receivable	4,803	-
Prepaid income tax	2,582	-
	26,445	18,185
Total trade and other receivables	50,672	145,902

⁽²⁾ The balance relates 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 is approximately US\$5 million and is expected to be received in 2026.

NOTE 11: - Inventories

	31 March 2026 (Unaudited) \$'000	31 December 2025 (Audited) \$'000
Hydrocarbon liquids	4,751	1,031
Natural gas	434	506
Raw materials and supplies	20,617	19,454
Total	25,802	20,991

ENERGEAN ISRAEL LIMITED

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

NOTE 12: - Borrowings

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. completed the offering of US\$750 million aggregate principal amount of the Notes with a fixed annual interest rate of 8.5%. The proceeds were used mainly to repay Energean Israel's US\$625 million Notes series due in March 2024. On 21 September 2025, Energean Israel Finance Ltd redeemed in full the US\$625 million Notes series due in March 2026, see below disclosure regarding the US\$750 Million Secured Term Loan. As of 31 March 2026, the group has three Senior secured notes series of the total amount of US\$2,000 Million.

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 purpose of Term Loan was to refinance its 2026 senior secured notes and provide additional liquidity for the Katlan development. Up to US\$475 million is in US dollars and up to US\$275 million is in New Israeli Shekel. The Term Loan bears a floating interest rate of SOFR plus a margin on the USD component and the Bank of Israel (BOI) rate plus a 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.

As of 31 March 2026, Energean Israel Finance Ltd drew down the full US\$750 million amount of the Term Loan.

US\$70 Million Unsecured Term Loan:

In October 2025, the Company signed an unsecured term loan facility agreement with a banking corporation in Israel for US\$70 million (“Unsecured Term Loan”), to fund the development of the Nitzana pipeline (see note 8(1)). The Unsecured Term Loan bears a floating interest rate of SOFR plus a margin and non-utilization fee.

During October 2025, the Company drew US\$33.2 million from the above facility loan and US\$36.2 million was drawn as a letter of credit in favor of INGL.

Composition:

Series	Type	Maturity	Annual Interest rate	31 March 2026	31 December
				(Unaudited)	2025 (Audited)
				Carrying value	Carrying value
				\$'000	\$'000
<u>Non-current</u>					
US\$ 625 million	Senior secured notes	30 March 2028	5.375%	621,600	621,144
US\$ 625 million	Senior secured notes	30 March 2031	5.875%	618,997	618,673
US\$ 750 million	Senior secured notes	30 September 2033	8.5%	736,247	735,990
US\$ 275 million	Secured term Loan	26 February 2035	3.1%+ BOI	282,144	279,850
US\$ 475 million	Secured term Loan	26 February 2035	4.25%+ SOFR	456,331	456,580
US\$ 33.2 million	Unsecured term Loan	30 September 2034	3.9%+ SOFR	32,040	31,848
Total				2,747,359	2,744,085

NOTE 12: - Borrowings (Cont.)

The interest on each series of the Notes and loans 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.

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.

Restricted cash:

As of 31 March 2026, the Company had short-term restricted cash of US\$2.2 million (31 December 2025: US\$97.6 million), which will be used for the September 2026 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.

ENERGEAN ISRAEL LIMITED

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

NOTE 13: - Trade and other payables

	31 March 2026 (Unaudited) \$'000	31 December 2025 (Audited) \$'000
Current		
Financial items		
Trade accounts payable ⁽¹⁾	135,733	159,638
Payables to related parties	17,164	14,812
Other creditors ⁽²⁾	16,478	36,803
Short term lease liabilities	3,199	5,002
	172,574	216,255
Non-financial items		
Accrued expenses	30,728	29,457
Other finance costs accrued	172	49,275
Deferred revenues	5,711	5,530
VAT payable	-	9,677
Social insurance and other taxes	2,279	940
	38,890	94,879
Total current trade and other payables	211,464	311,134
Non-current		
Financial items		
Long term lease liabilities	3,569	4,008
	3,569	4,008
Non-financial items		
Accrued expenses to related parties	327	409
	327	409
Total non-current trade and other payables	3,896	4,417

⁽¹⁾ The amount includes 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 will be paid in 12 equal quarterly deferred payments started 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 31 March 2026, nine installments have been paid and the remaining outstanding payable amounted to US\$ 50.5 million (2025: US\$67.1 million).

⁽²⁾ The amount mainly comprises of royalties payables to the Israel government and third parties with regards to the Karish Lease, including US\$5.7 million (2025: US\$13.1 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 SPA (Sale and Purchase Agreement) 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 14: - EquityInterim dividends:

Dividends of US\$39.0 million were declared and paid during Q1 2026 (Q1 2025: US\$67.6 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.

	31 March 2026 (Unaudited)		31 December 2025 (Audited)	
	Book Value \$'000	Fair value \$'000	Book Value \$'000	Fair value \$'000
Senior Secured Notes (Note 12)	1,976,844	1,956,750	1,975,807	2,026,375

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 Bank loans bears floating interest rates reset periodically to current market rates and its carrying amount is therefore considered to approximate its fair value. The fair values of other financial instruments not measured at fair value includes 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 EPCIC contractor. In addition, in January 2025 the Group entered into the forward contracts with a bank in Israel to manage the foreign currency risk related to EUR, NOK and GBP payments to suppliers under the Katlan EPCI contract. The forward contracts are subject to different maturity dates and are designed to match the Katlan Subsea development milestones completion payments 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 31 March 2026, the Group recorded a derivative asset of US\$17.3 million, and other comprehensive loss of US\$3.6 million, during the reporting period (31 December 2025, the Group recorded a derivative asset of US\$25.6 million, and other comprehensive income of US\$13.2 million during Q1 2025).

Financial risk management objectives

In addition to the risks discussed in the consolidated annual financial statements, due to the Term Loan (refer to note 12), the Company has some exposure to interest rate risk. The management carefully considers the future impact of the floating interest fluctuation and will consider mitigation plans as needed and implement accordingly.

NOTE 16: - Subsequent events

Production of the Energean Power FPSO was restored and the FPSO became fully operational on 10 April 2026. For more details see Note 2.