

ND Production data following IO annual report

Please find attached announcement.

Attachment:

1. **ND Production data following IO annual 2019 report**

Non Regulated

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30th March 2020

Cyprus Stock Exchange
Nicosia

ANNOUNCEMENT

Re: Holder of the Majority Working Interest (the "Major Partner") in North Dakota, USA Project Made Production Data Public

C.O. CYPRUS OPPORTUNITY ENERGY PUBLIC COMPANY LIMITED (the "Company") would like to inform the investing public, further to the announcement dated 27 June 2017 regarding entering into a Farmout Agreement for the participation and acquisition of rights in oil and gas assets in North Dakota, USA (the "Project"), that the Major Partner¹ in the Project has yesterday (29 March 2020) published its annual report for the year 2019, which contains information that may be relevant to the investing public regarding the Project.

Following is a table summarizing data pertaining to hydrocarbons production in 2019 in the Project, as published and relevant to the Major Partner:

		2019
Production of petroleum, type oil WTI	Total production in the period [MBBL*] for the 100% ²	39
	Average price per one production unit (USD per oil barrel)	51
	Average royalties ³ (all payments related to production of the producing asset including of gross income of the oil asset) paid per production unit (related to Major Partner's shareholders) (USD per oil barrel)	15
	Average costs of production per production unit (USD per oil barrel)	26

	Average net revenue per production unit (related to Major Partner's shareholders) (USD per oil barrel)	10
	Depletion rate in the relevant period with regards to all petroleum quantities of WTI in the field [%]**	-
Production of petroleum, type gas, including: Nitrogen, Sulfur, Methane	Total production in the period [MCF**] for the 100% ⁴	86,425
	Average price per one production unit (USD per MCF)	2

¹ Israel Opportunity – Energy Resources, LP. A public Israeli partnership, which its General Partner is a substantial shareholder in the Company.

² In order to receive the value that relates to the total production in the period [MBBL] that relates to the shareholders of the Company (and not the Major Partner, as reflected in the table) the total production in the period [MBBL] for the 100% should be multiplied with the NRI of the Company, which is approximately 2.191%.

³ Note, that royalties, as published in the original announcement of the Major Partner (which is incorporated as a limited partnership), also include royalties paid by the partnership to its general partner, under their partnership agreement, in the amount of 10% of its share of any petroleum produced.

⁴ See footnote 2 above, with the necessary changes to the production unit (MCF instead of MBBL).

	Average royalties ⁵ (all payments related to production of the producing asset including of gross income of the oil asset) paid per production unit (related to Major Partner's shareholders) (USD per MCF)	1
	Average costs of production per production unit (USD per MCF)	1

	Average net revenue per production unit (related to Major Partner's shareholders) (USD per MCF)	*)
	Depletion rate in the relevant period with regards to all petroleum quantities of gas in the field [%]**	-
Production of petroleum, type gas, including: Propane, Butane, Natural Gasoline, Condensate	Total production in the period [Gallon] for the 100% ⁶	452,420
	Average price per one production unit (USD per Gallon)	*)
	Average royalties* ⁷ (all payments related to production of the producing asset including of gross income of the oil asset) paid per production unit (related to Major Partner's shareholders) (USD per Gallon)	*)
	Average costs of production per production unit (USD per Gallon)	*)

	Average net revenue per production unit (related to Major Partner's shareholders) (USD per Gallon)	*)
	Depletion rate in the relevant period with regards to all petroleum quantities of liquid gas in the field [%]**	-

* MBBL – Thousand barrels.

** MCF – Thousand Cubic Feet.

*) Represents a value lower than 1 USD.

*** since the Company had performed impairment of all costs related to works carried out in the existing wells in the Project, the depletion rate is in fact no longer calculated; nevertheless, it was presented in the announcement of the Major Partner.

It should be noted that to the best knowledge of the Company, the operator in the Project has temporarily ceased production of petroleum in the wells due to the low oil prices which have resulted from the outbreak of the Corona virus (COVID-19). The Company will continue to examine the issue in the following period.

The figures in the above table relate to the Major Partner's shareholders and are specific to this partner, as they are taken from its announcement. The investing public and the shareholders of the Company should not base any calculation on the figures of the Major Partner to extrapolate the relative figures of the Company and other partners in the Project as these figures would not be true and representative.

⁵ See footnote 3 above.

⁶ See footnote 2 above, with the necessary changes to the production unit (Gallons instead of MBBL).

⁷ See footnote 3 above.

The partners to the Project and their work interest (on average⁸), as of the day of this Announcement⁹, are as follows:

The Company – about 2.82%

Israel Opportunity – Energy Resources, LP – about 58.28%

Radian Partnership, LP – about 9.4%

Thurston Energy Investment 2, LLC – about 23.5%

A number of different holders, combined – about 6%

Kind regards,

Rony Halman

Chairman of C.O. CYPRUS OPPORTUNITY ENERGY PUBLIC COMPANY LIMITED

⁸ The Work Interest in the 10 sections that comprise the Project differs between one section to another. Therefore, the overall work interest dispersion is displayed as average.

⁹ As announced on 28 February 2020, the Company was informed that parties to the Project have reached an agreement with a third party for the sale of 33% working interest in the Project. To the best of the knowledge of the Company, the terms for this transaction have yet to be fulfilled, and the transfer of working interest has yet to be concluded.