

Energean Oil & Gas announced that it has signed an exploration and exploitation concession contract with the Montenegrin state for two offshore blocks, 4219-26 and 4218-30, after the contract was approved by the Montenegrin Parliament.

The two blocks in question are located close to the coast at the vicinity of the town of Bar, at the water depth of 50-100 meters. Total investment during the exploration period, which would last for 7 years, would amount to 19 million dollars, including the funding of a new 3D seismic survey geophysical and geological studies, and the drilling of one exploration well. Energean expects that 3D survey should begin in the first quarter of 2018.

Energean's CEO Mathios Rigas said on the occasion that the company is delighted to sign the concession contract, as it enters the highly promising Adriatic region. Whilst a number of major oil and gas companies left the area during the period of low oil prices, Energean remained committed to pursuing the development of the region, and now is extremely well placed to take advantage of this commitment and focus. Rigas added that the company believes that the geology is similar to that in western Greece, where the company has been active since 2014 (onshore Ioannina block), has a field development plan in progress for offshore west Katakolo block and is ready to sign a new contract for onshore Etoloakarnania block.

In September 2016, Montenegrin Minister of Economy Vladimir Kavaric and the representatives of the Italian-Russian consortium Eni-Novatek have signed a concession agreement for offshore exploitation of hydrocarbons in the Adriatic Sea.

In mid-May 2014, three consortia submitted bids in the tender for awarding the hydrocarbon exploration and production concessions in the Adriatic Sea. Tender referred to 13 concession blocks with overall area of 3,000 km². The bids were submitted by the consortium of Marathon Oil Corporation (USA) and OMV (Austria), consortium of Eni (Italy) and Novatek (Russia) and consortium of Energean Oil and Gas (Greece) and Mediterranean Oil and Gas (England). In early February 2016, the concession contract for oil and gas exploration in the Adriatic Sea has been signed with Italian-Russian consortium consisting of companies Eni and Novatek, which includes two exploration periods that last four plus three years.