

Project Description

The EBRD is considering an up to USD 20 million subordinated loan to Energean Oil and Gas S.A, a Greek oil company, to finance exploration and appraisal at the fields for which the Company holds licenses in Greece. This includes two onshore blocks - Ioannina and Aitoloakarnania plus two offshore blocks - Katakolo and Prinos.

Project Objectives

Support the development of the only private upstream oil and gas company producing in Greece and cooperate with the Greek government in providing assistance for improving the environmental and safety regulations and guidelines for the industry.

Transition Impact

The Company is introducing new technologies for minimising overall costs and promoting operational efficiency by aiming to successfully install and operate a relatively new platform design in Energean's offshore field development in the Gulf of Kavala. The Bank will also assist the company in raising its Environmental Health and Safety standards and procedures by adopting an Environmental Social and Action Plan. Finally, the Bank will provide technical support to the Greek government to achieve international best practice in the oil and gas sector.

Client Information

ENERGEAN OIL AND GAS SA

Energean Oil and Gas SA is a private company active in the exploration and production of oil and gas in the Mediterranean basin. Energean has a portfolio of producing assets in Greece and assets in exploration in Egypt and Israel.

EBRD Finance Summary

USD 20,000,000.00

Total Project Cost

USD 50,000,000.00

Environmental and Social Summary

Categorised B (ESP 2014). The environmental and social (E&S) impacts associated with oil and gas exploration activities, including seismic surveys and exploration drilling (both on and offshore), are generally site specific, temporary and reversible and readily addressed through the implementation of standard mitigation and management measures.

Key impacts associated with seismic surveys include temporary disturbance of vegetation and existing land uses such as agriculture and noise related impacts from vehicle movements and placement of small explosive charges in the ground (creates seismic waves which are picked up by geophones). These impacts are minimised through delineating

seismic lines to avoid sensitive areas and land uses and avoid built up areas. Key impacts associated with exploration drilling include land disturbance, noise related impacts, waste management, contamination risks and the potential for visual impacts through the presence of drilling equipment.

These impacts will be managed through application of the Company's existing robust environmental, social and health and safety (ESHS) management system and procedures which was reviewed as part of previous E&S due diligence of Energean (DTM 47822). Contractors appointed by the Company are required to meet Company ESHS requirements and this will be actively monitored by the Company. Exploration campaigns will each require specific E&S management plans. Previous due diligence has shown that Company human resources provisions are aligned with PR 2 requirements and national legislation and also apply to contractors.

All exploration activities are subject to a local permitting process including the provision of environmental impact assessments in the case of exploration drilling. The Company will be required to implement all mitigation measures required by permitting in addition to Company ESHS requirements. This will include the rehabilitation of impacted areas. Land access is required to follow a specific process including compensation for any damages caused. The Company will be required to ensure that adequate stakeholder engagement and information disclosure takes place prior to, during and post exploration works and a grievance mechanism is available.

An E&S action plan (ESAP) has been developed for the exploration activities and includes the need to undertake the necessary impact assessments and studies for permitting purposes, develop and implement specific E&S management plans, implement appropriate contractor management procedures, develop and implement stakeholder engagement plans and grievance mechanisms, disclose non-technical summary documents for each campaign and implement procedures for land access and rehabilitation. The Company will be required to report to EBRD on the E&S performance on each exploration campaign and progress against this ESAP.

source: ebrd.com