

**Delek Drilling - Limited Partnership**  
**(the "Partnership")**

March 27, 2018

Israel Securities Authority  
22 Kanfei Nesharim St.  
Jerusalem

Tel Aviv Stock Exchange Ltd.  
2 Ahuzat Bayit St.  
Tel Aviv

Dear Sir/Madam,

Re: **Agreement for the Sale of the Partnership's Interests**  
**in the Tanin and Karish Leases - Update**

Further to the provisions of Section 7.25.15 of the Partnership's periodic report as of December 31, 2017, which was released on March 21, 2018 (ref. no.: 2018-01-022209) (the "**Periodic Report**") regarding an agreement between the Partnership and Energean Israel Limited (the "**Agreement**" and "**Energean**", respectively) for the sale of all of the interests in the I/16 Tanin and I/17 Karish leases (collectively: the "**Leases**") to Energean, the Partnership respectfully updates that on March 26, 2018, it received Energean's notice whereby on March 22, 2018 Energean adopted a final investment decision (FID) in connection with development of the Leases. In accordance with the terms and conditions of the Agreement, the Partnership is entitled, from the date of adoption of the FID as aforesaid, to payment of the balance of the consideration in respect of the sale of the interests as aforesaid, in the sum total of \$108.5 million, in ten equal annual installments, and plus interest according to the mechanism and at the rate set forth in the Agreement. The Partnership is also entitled to royalties in connection with natural gas and condensate that are produced from the Leases, as specified in Section 7.25.15 of the Periodic Report.

The Partnership is examining the accounting implications of adoption of an FID as aforesaid on the value of the contingent consideration from the sale of the Leases on its financial statements. For details, see Note 8B to the financial statements as of December 31, 2017 (Chapter C of the Periodic Report).

Sincerely,

**Delek Drilling Management (1993) Ltd.**  
**General Partner of Delek Drilling - Limited Partnership**  
By Yossi Abu, CEO  
and Yossi Gvura, Deputy CEO