



# Energizing the Eastern Med

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# **| Contents**

- ❑ Leviathan Development and Expansion Alternatives Update**
- ❑ EMG Status Update**
- ❑ Delek's Regional Strategy**
- ❑ Structural Change Considerations**
- ❑ Delek Drilling Near Term Milestones**

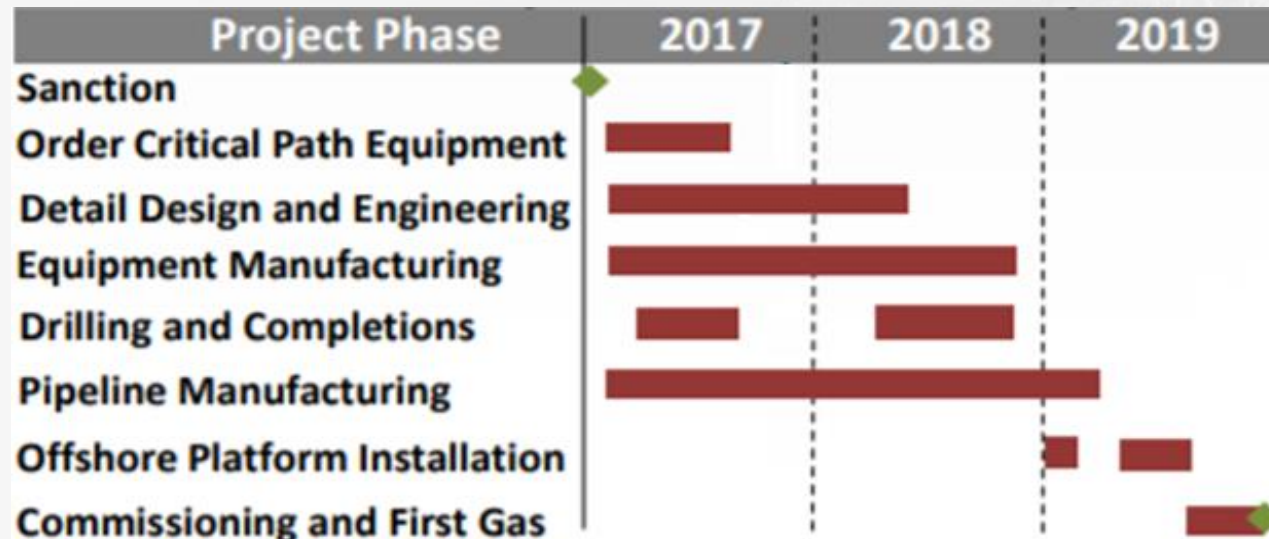




## Leviathan Development Status Update

# Leviathan Development on Time on Budget

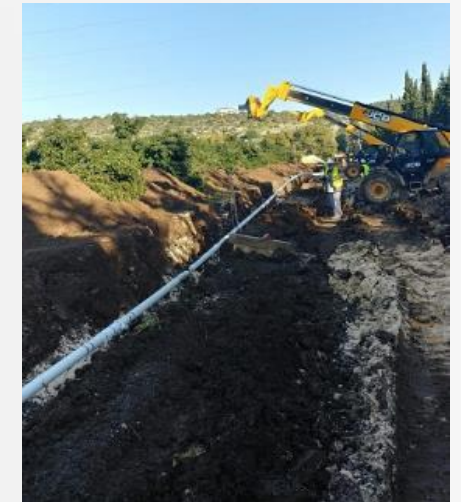
- ❑ Phase 1a development progressing ~80% completed
- ❑ Jacket installation completed, Top Side mobilization mid-year
- ❑ Completed load out of all remaining subsea hardware and commenced transport to Israel
- ❑ Completed PLET installation for the infield and gathering pipelines
- ❑ Export pipeline to Jordan progressing and will be ready ahead of first gas to local domestic market



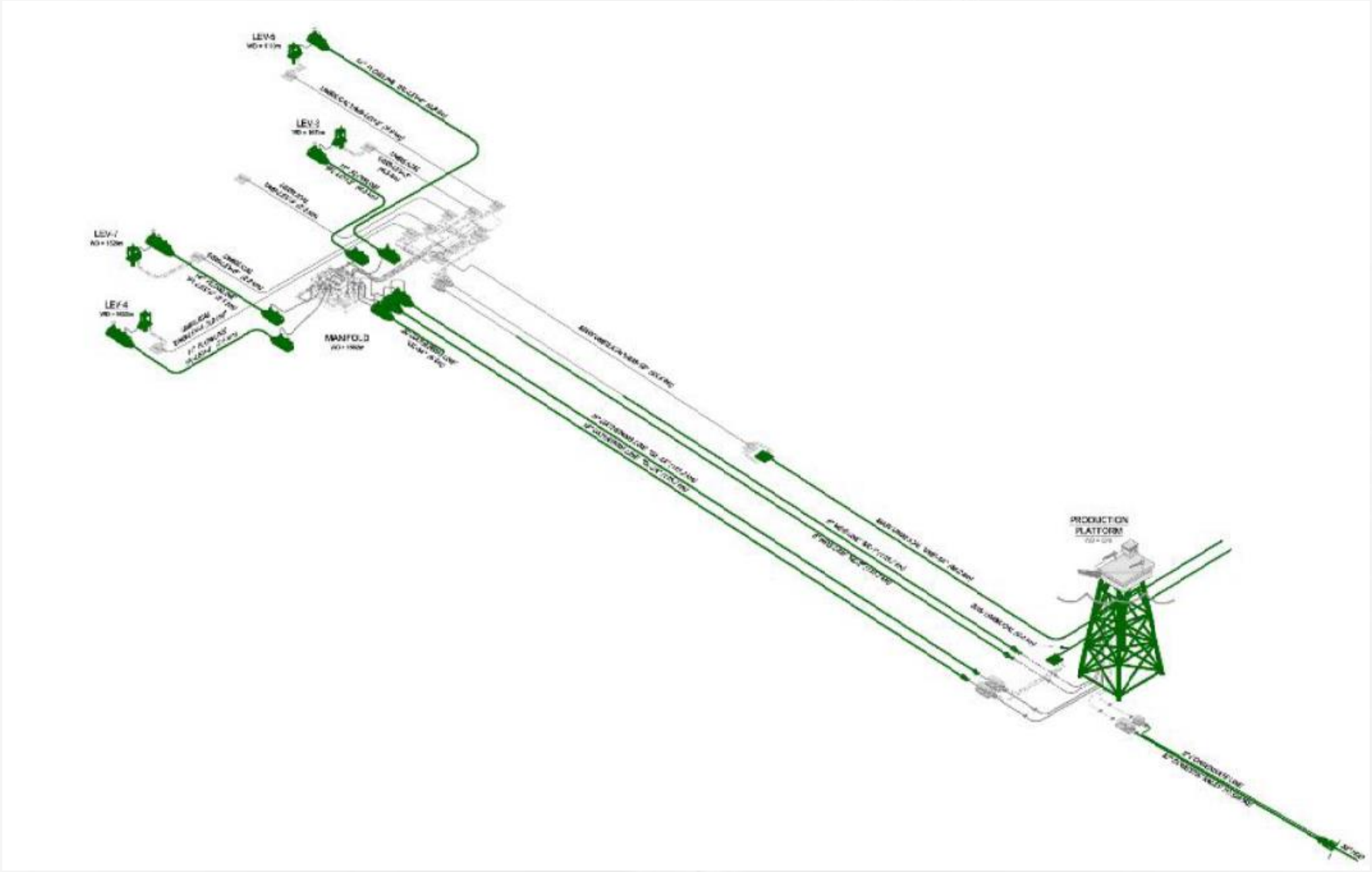
Source: Leviathan operator (NBL)



# Project Development Visuals



# Leviathan – Subsea Installation



Source : Leviathan operator (NBL), as of February 2019



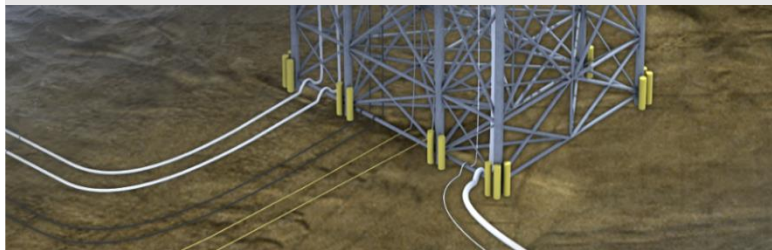
# Leviathan – Modular Development

Phase 1 of Leviathan development enable future cost efficient expansion

Capacity of 1.2 bcf/d (approx. 12 bcm/y)



DSM – Domestic Module



Capacity of 2.1 bcf/d (approx. 21 bcm/y)



REM – Regional Module





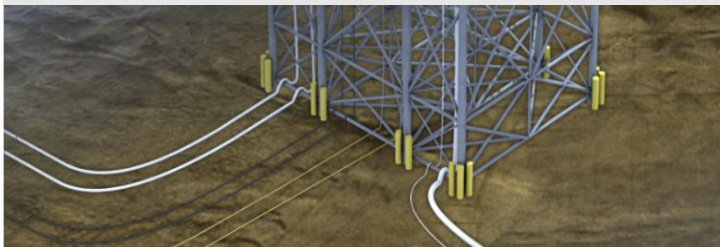
# Leviathan – Modular Development

Leviathan partners approved \$25mm for FEED In order to examine various expansion alternatives

Capacity of 1.2 bcf/d (approx. 12 bcm/y)



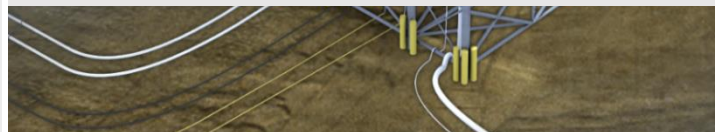
DSM – Domestic Modul



Capacity of 1.6 bcf/d (approx. 16 bcm/y)



DSMX – Domestic Modul  
+  
Subsea wells & pipeline



Capacity of 2.4 bcf/d (approx. 24 bcm/y)

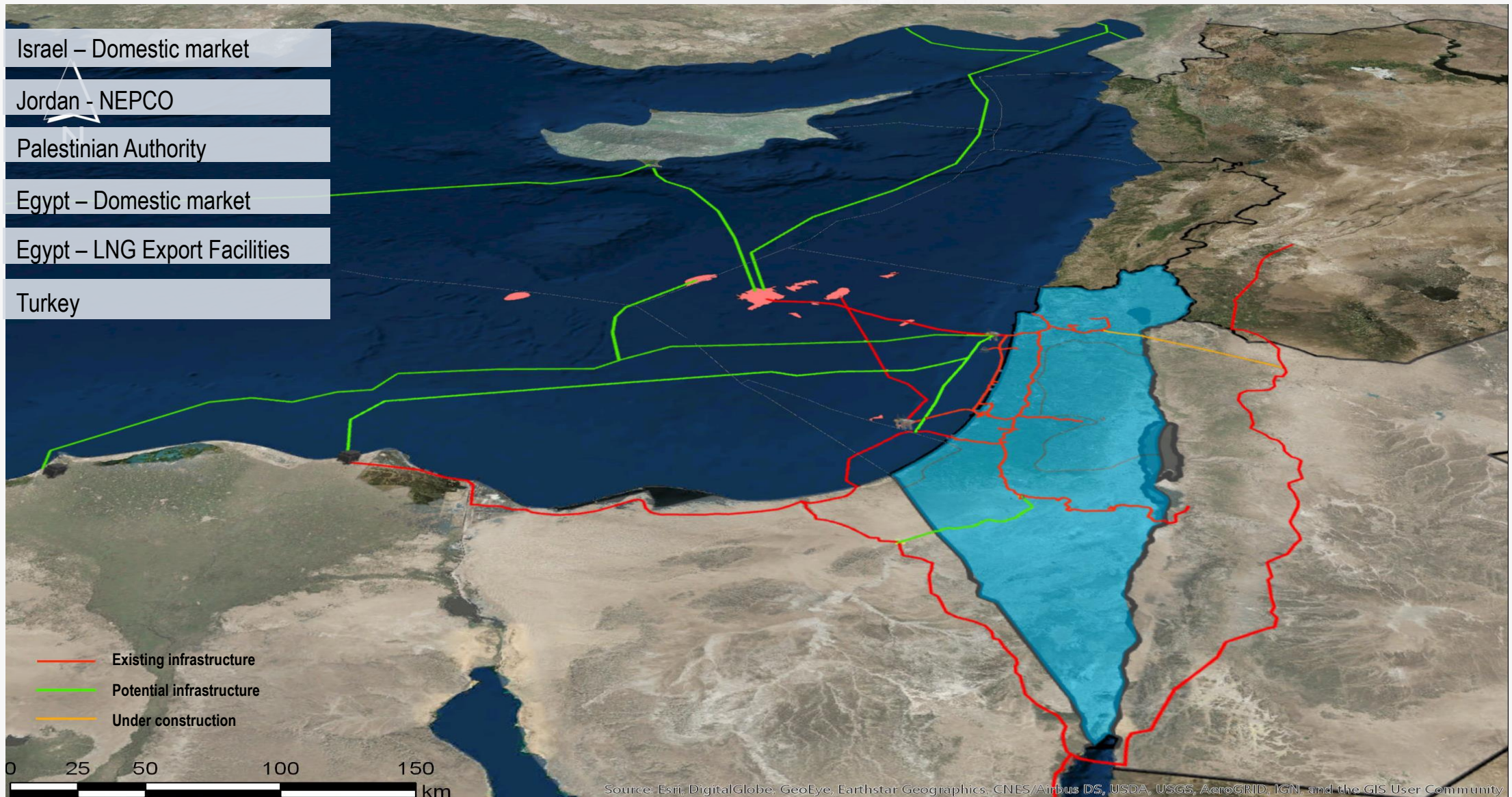


REM – Regional Modul





# Delek Regional Strategy







# Israel Long Term Demand Growth

Tamar Sales 2018*	<b>10.5</b>
LNG imports 2018	<b>0.5</b>
2018 Consumption	<b>11</b>
2018 Unfulfilled Demand	<b>1.5</b>
2018 Demand	<b>12.5</b>
2018-2020 Growth (Coal reduction, Industry, Increased demand)	<b>1.0 - 1.5</b>
<b>Gas Demand forecast 2020*</b>	<b>13.5 – 14.0</b>

- ❑ The sales of Tamar and Yam Thetys in 2018 amounted to 10.5 bcm, an increase of 6.4% compared to 2017 (Average daily production amounted 1,029,069 mmbtu/day)
- ❑ The main factor for the increase in demand is the continued growth in demand for electricity and the reduction in the use of coal for the electricity generation

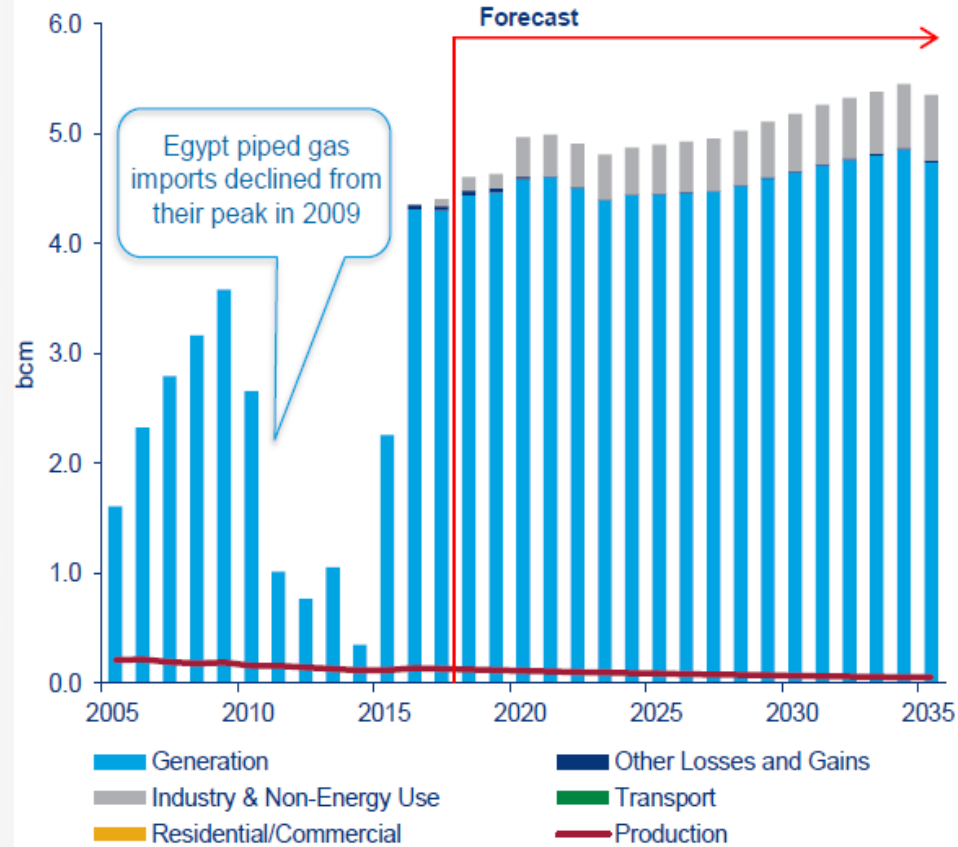
2018-2020 estimated numbers are forward-looking information and may not materialize, in whole or in part, or may materialize differently than expected, or may be affected by factors that cannot be assessed in advance



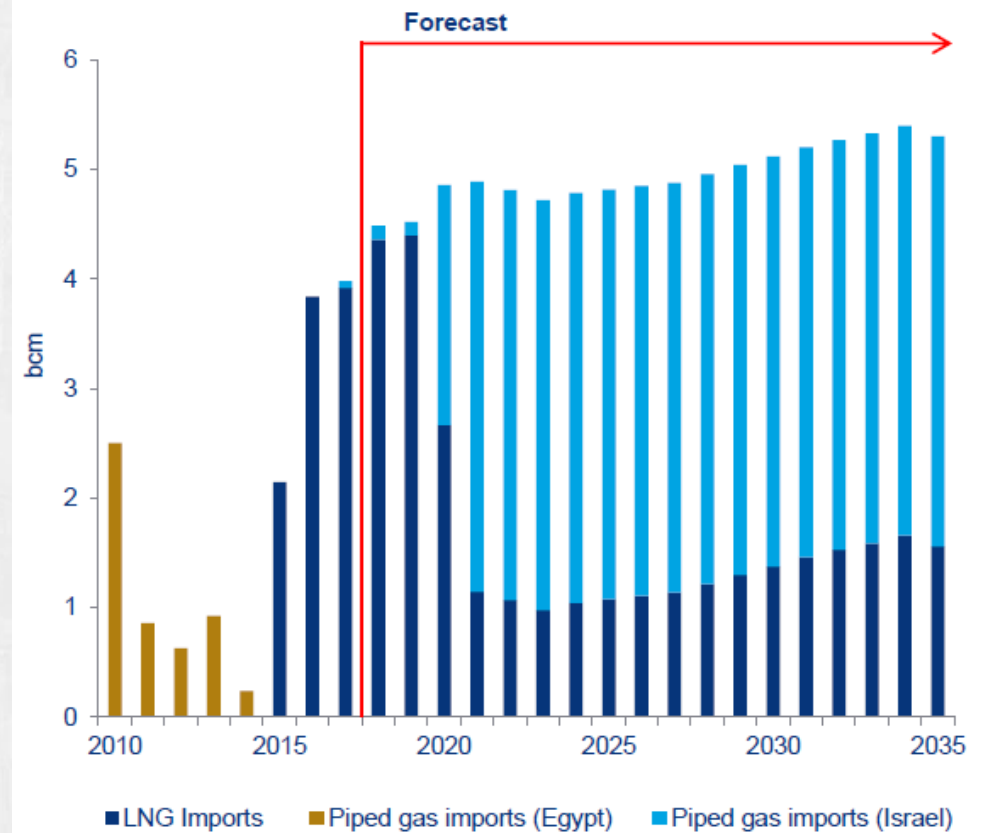
# Jordan NEPCO – Ideal Export Offtaker

Imports from Leviathan will boost penetration of gas within Jordan's power and industrial sectors

### Gas demand by sector v. domestic supply



### Annual Gas Imports (2010-2035)



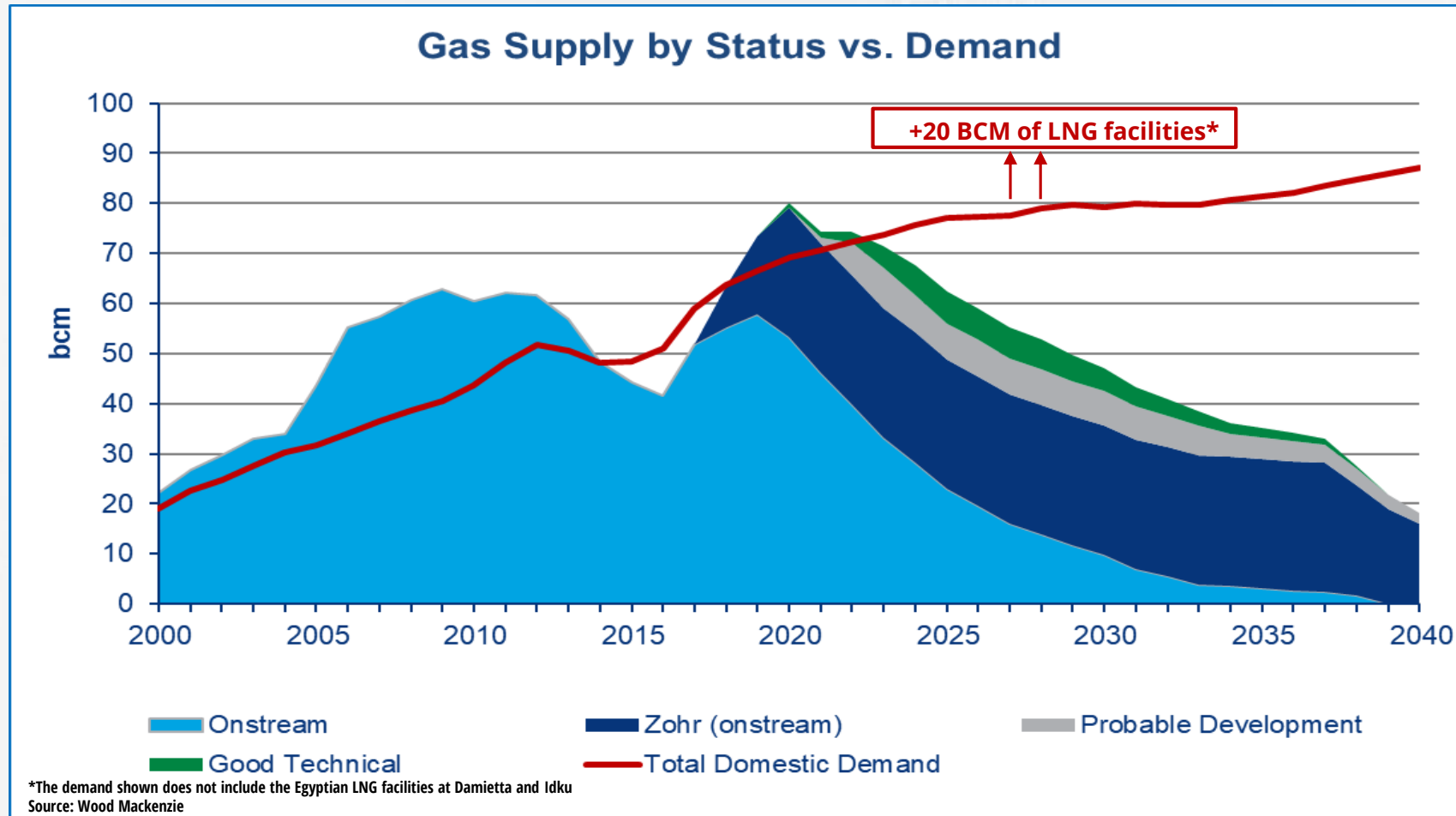
Source: Historical Data: IEA; Forecast: Wood Mackenzie Energy Markets Service, Country Update-Jordan, September 2018







# Egypt – Long Term Supply Demand Imbalance



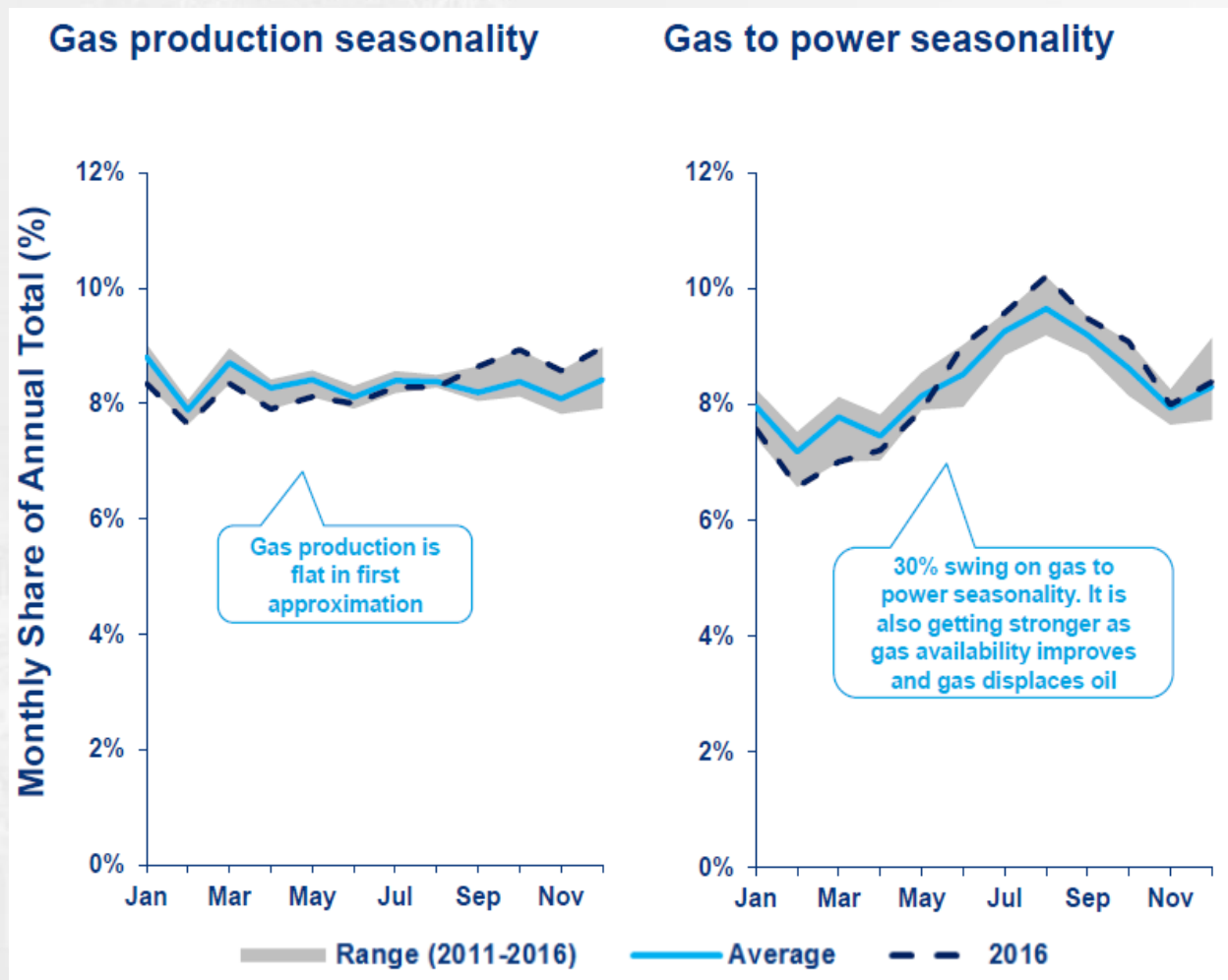
## Various International Research Institutes Reconfirm Egypt Long-Term Gas Deficit



# Egypt NG Demand – High Seasonality

**Seasonality – high summer demand, yet domestic production could not satisfy demand**

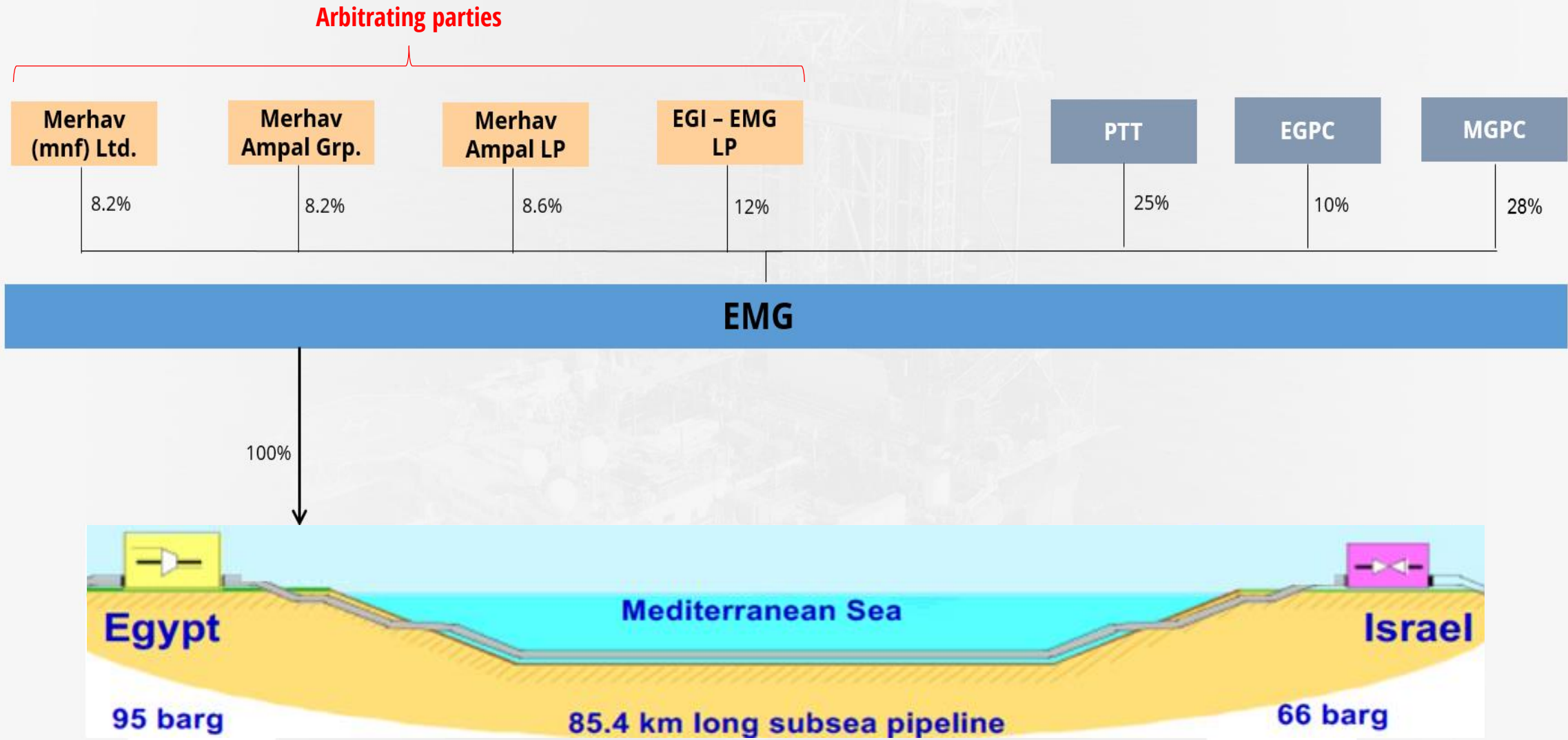
- ❑ **Egypt –hot summer, mild winter and shoulder seasons.** Seasonality play an increasing role as gas consumption recovers and more oil products are displaced in power
- ❑ **Egypt Gas Demand:** Egyptian gas demand exhibits strong seasonality, especially in power generation
- ❑ **Egypt Gas Supply:** Gas production in Egypt does not vary significantly
- ❑ **LNG exports to continue to serve as the market balancer,** but there could be commercial challenges to ramp-up exports back to full capacity if there is gas (ELNG’s commercial structure and Damietta’s arbitration)



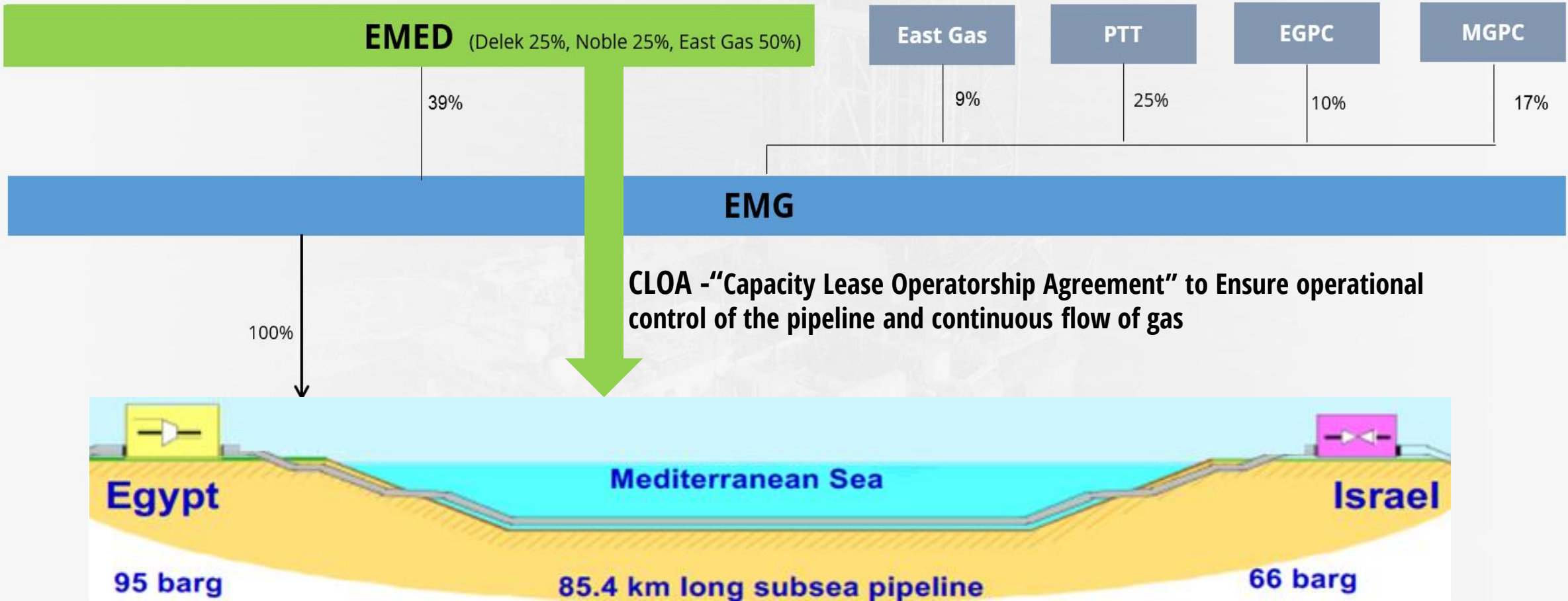
Source : Wood Mackenzie based on JODI seasonality data, Egypt Gas Market Study, Supply and Demand, March 2018



# Transaction Overview – Pre Closing



# Transaction Overview – Post Closing



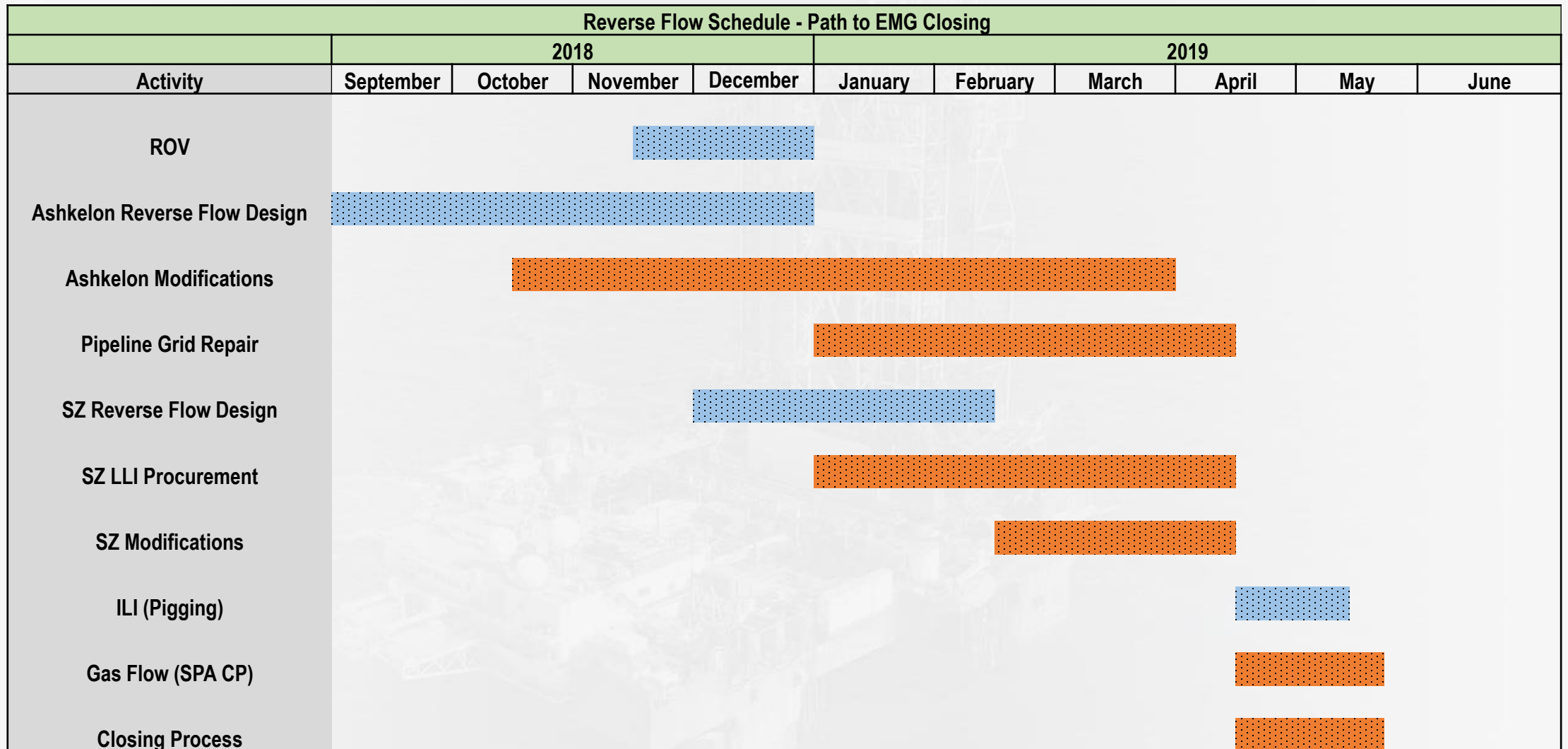


# EMG – Status Update

- ❑ East Gas / Noble Delek team integrated and working as single unit. Good momentum
- ❑ Significant engineering progress at Ashkelon and Sheikh Zuweid
- ❑ ROV inspection complete – no significant findings
- ❑ Given pipeline history, high confidence level of integrity
- ❑ DNV actively engaged and also have high confidence level of pipeline integrity.
- ❑ NGA supportive and engaged in all works
- ❑ Main timing concern is availability of gas from Tamar for test flow
- ❑ **Deal closing expected – 2Q 2019**



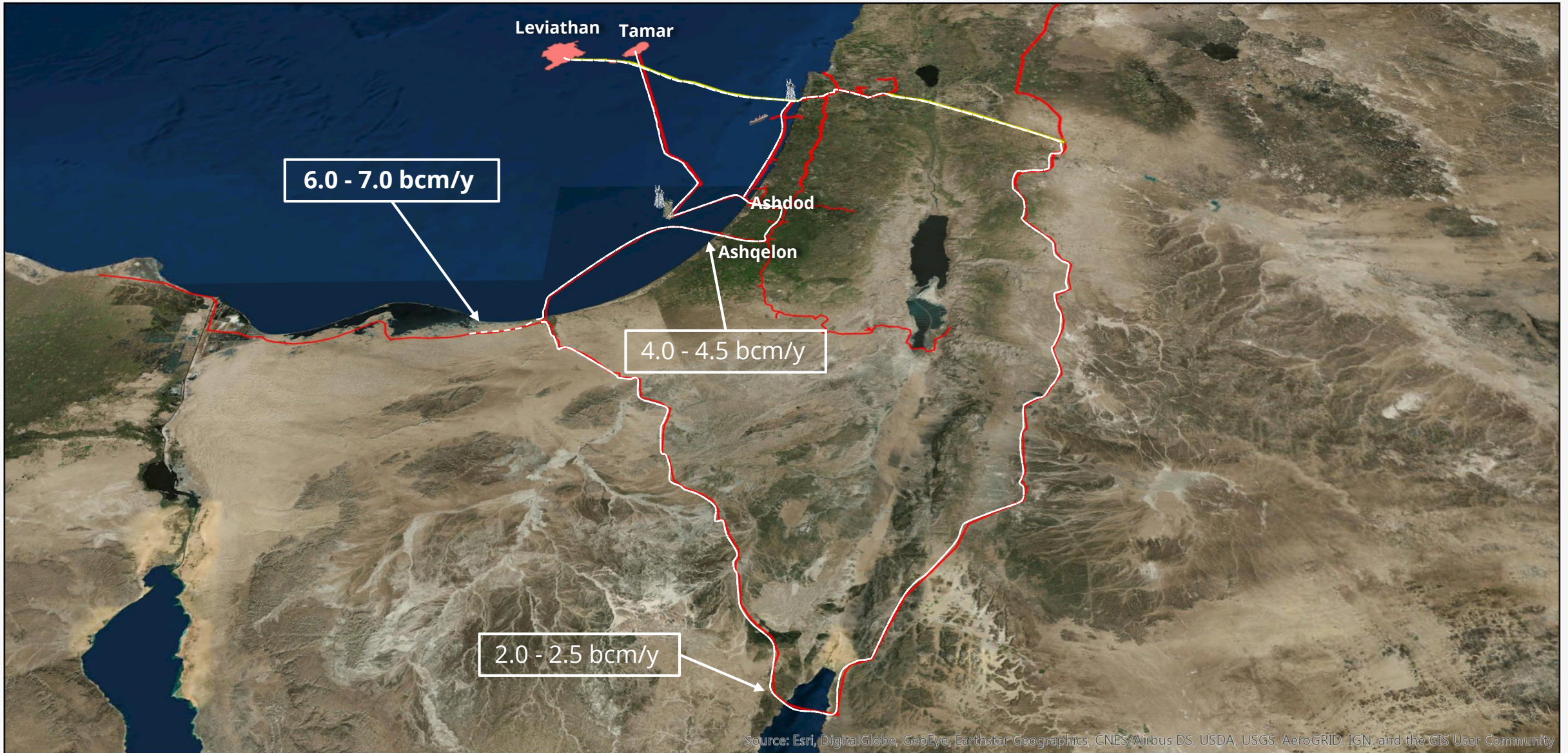
# EMG – Status Update



\* Estimated timeline



# Gas Flow to Egypt - Current Infrastructure



Source: Esri, DigitalGlobe, GeoEye, Earthstar Geographics, CNES/Airbus DS, USDA, USGS, AeroGRID, IGN, and the GIS User Community



# Gas Flow to Egypt - Debottlenecking INGL



Source: Esri, DigitalGlobe, GeoEye, Earthstar Geographics, CNES/Airbus DS, USDA, USGS, AeroGRID, IGN, and the GIS User Community



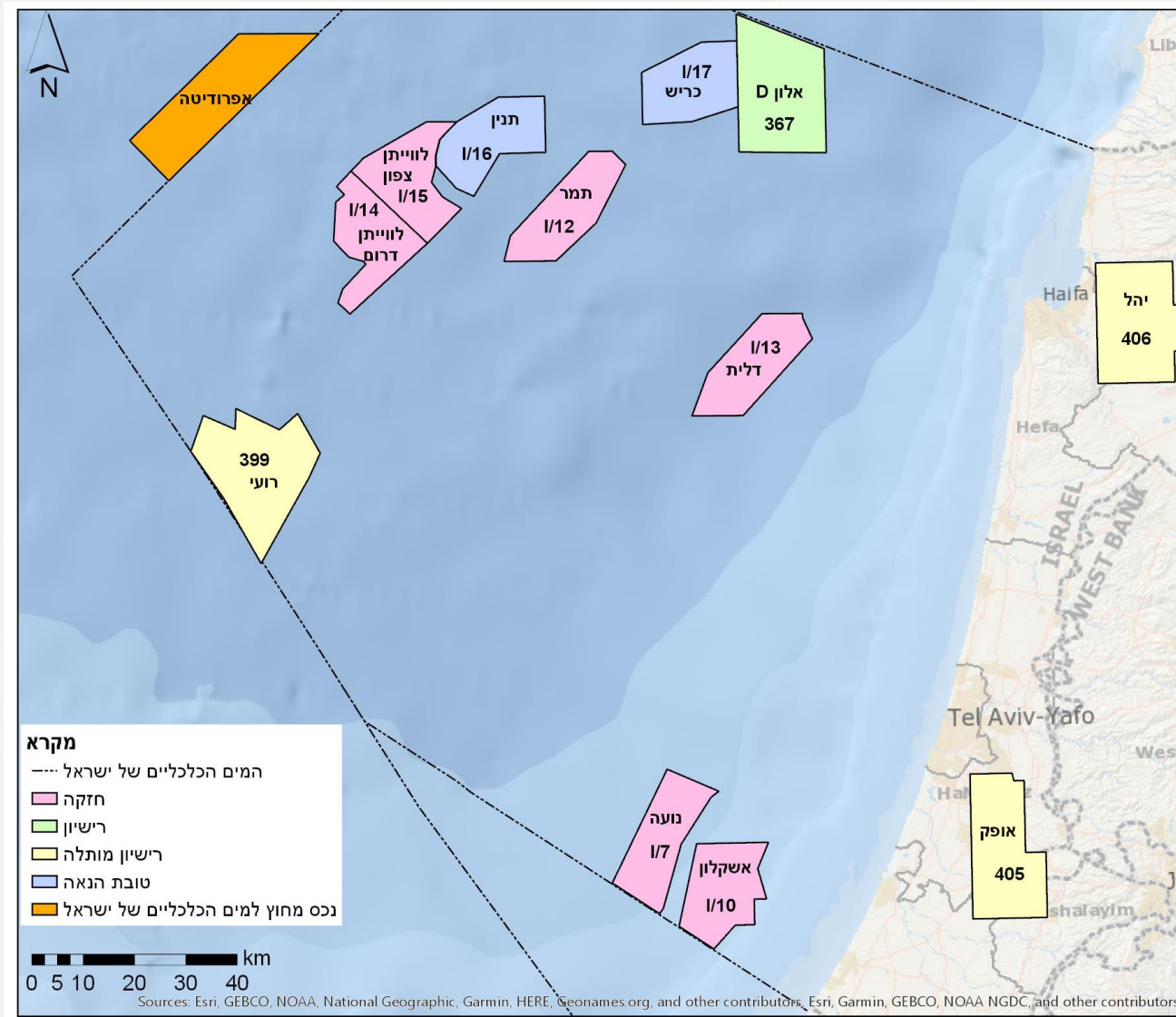
# Gas Flow to Egypt – Debottlenecking Hot-Tap



Source: Esri, DigitalGlobe, GeoEye, Earthstar Geographics, CNES/Airbus DS, USDA, USGS, AeroGRID, IGN, and the GIS User Community



# New Licenses Potential

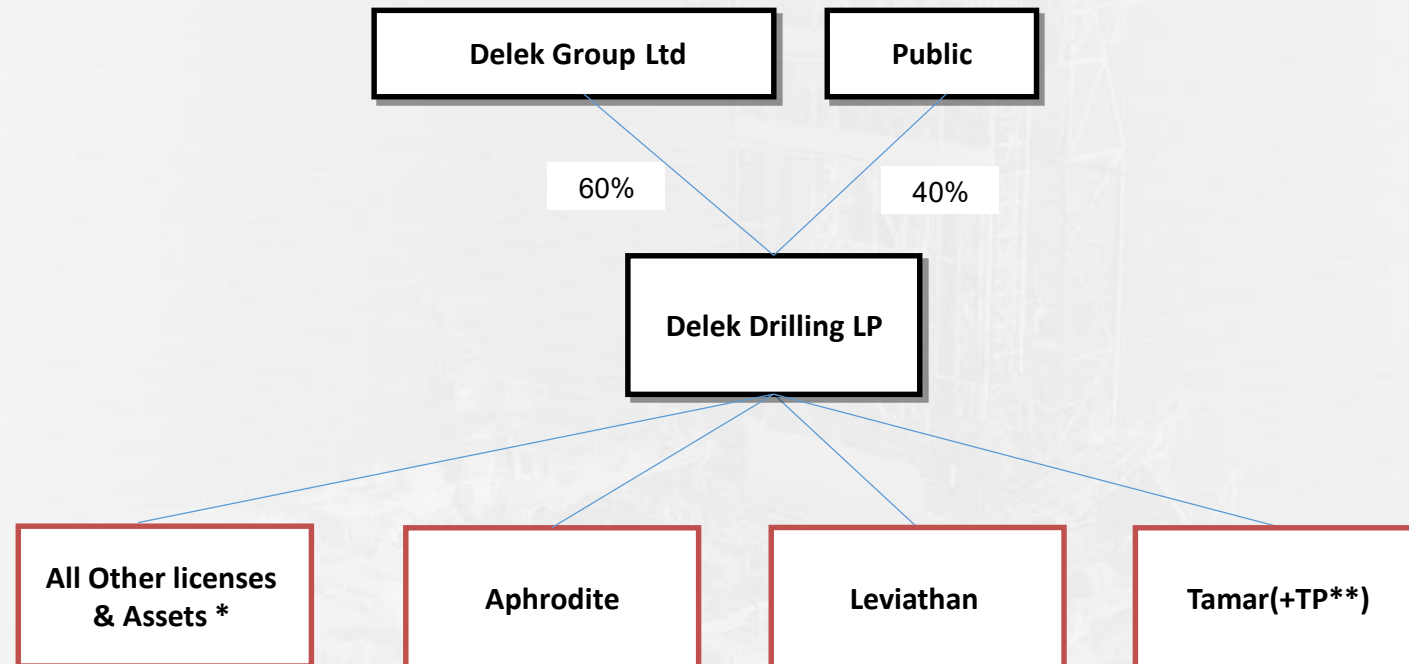


# Potential Spin Off of Business

Examining a plan for the spin-off of the Partnership's non-Tamar assets and liabilities. The main purposes of which is to reside in a more suitable venue and to unlock value

- In terms of the strategic objectives of the partnership, which are related to the corporate structure, management identified two main goals:
  1. **Sale of Tamar** - in accordance with the commitment stipulated in the Gas Framework
  2. **Expanding** the investor base of the partnership, **Improving** tradability, **Floating value** to partnership's investors, **Improve** access to Debt and Equity and more, inter alia by examining listing for trading in London
  3. **Creating a suitable and efficient corporate vehicle** for growth and expansion of activities, with an emphasis on international markets
- Therefore the Partnership's Board of Directors instructed the management to examine a combined move that will enable those targets to be realized concurrently
- The Partnership intends to apply for tax ruling providing among other things that the spin off would be accorded tax deferral treatment for both the partnership and the unit holders. Such ruling are expected to postpone the actual tax liability to the date of actual future disposition or sale of the asset and the units, as the case may be.

# Current Structure

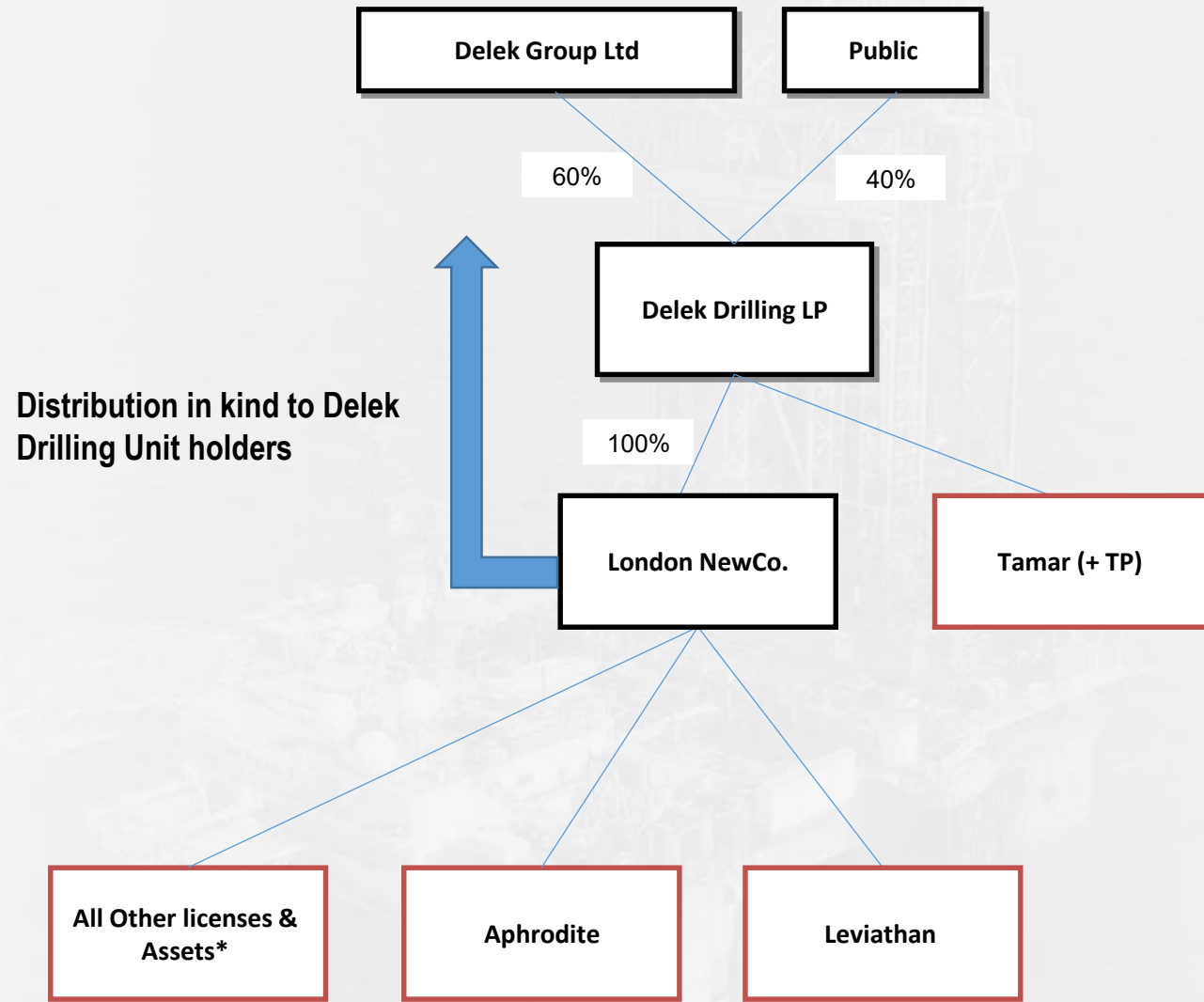


\* Represents all other licenses and assets not related to Tamar, Leviathan and Aphrodite, and include, inter alia: Yam Tethys, Alon license, EMED, Karish-Tannin royalties and more •

\*\* Tamar Petroleum LTD

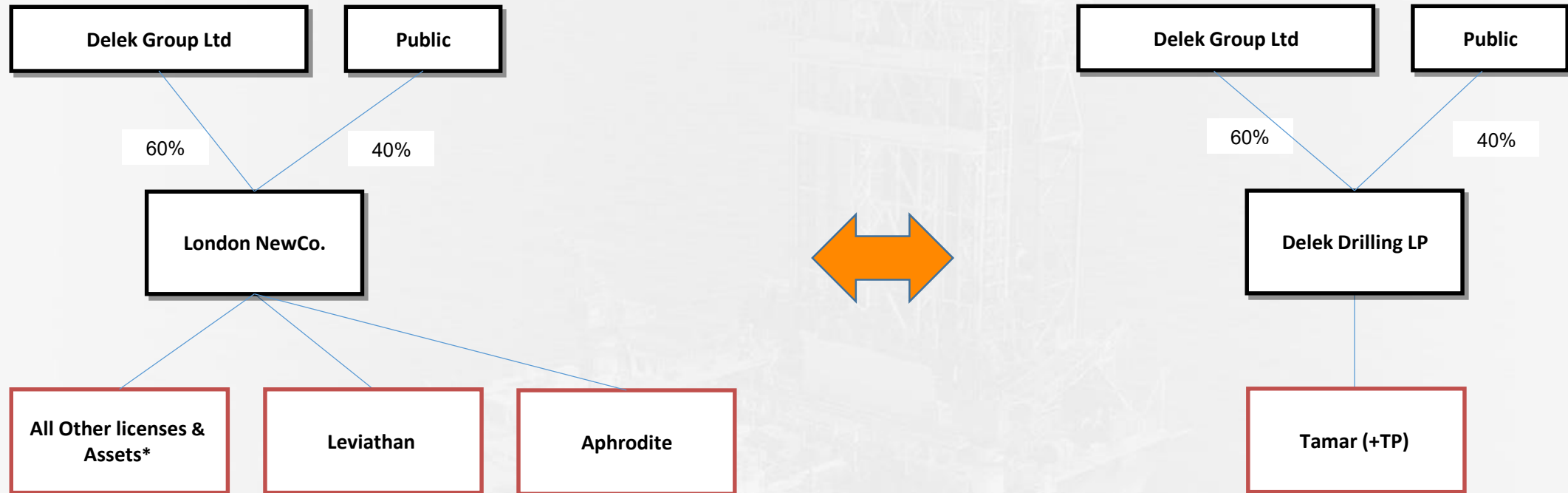


# Spin Off Process



\* Represents all other licenses and assets not related to Tamar, Leviathan and Aphrodite, and include, inter alia: Yam Tethys, Alon license, EMED, Karish-Tannin royalties and more

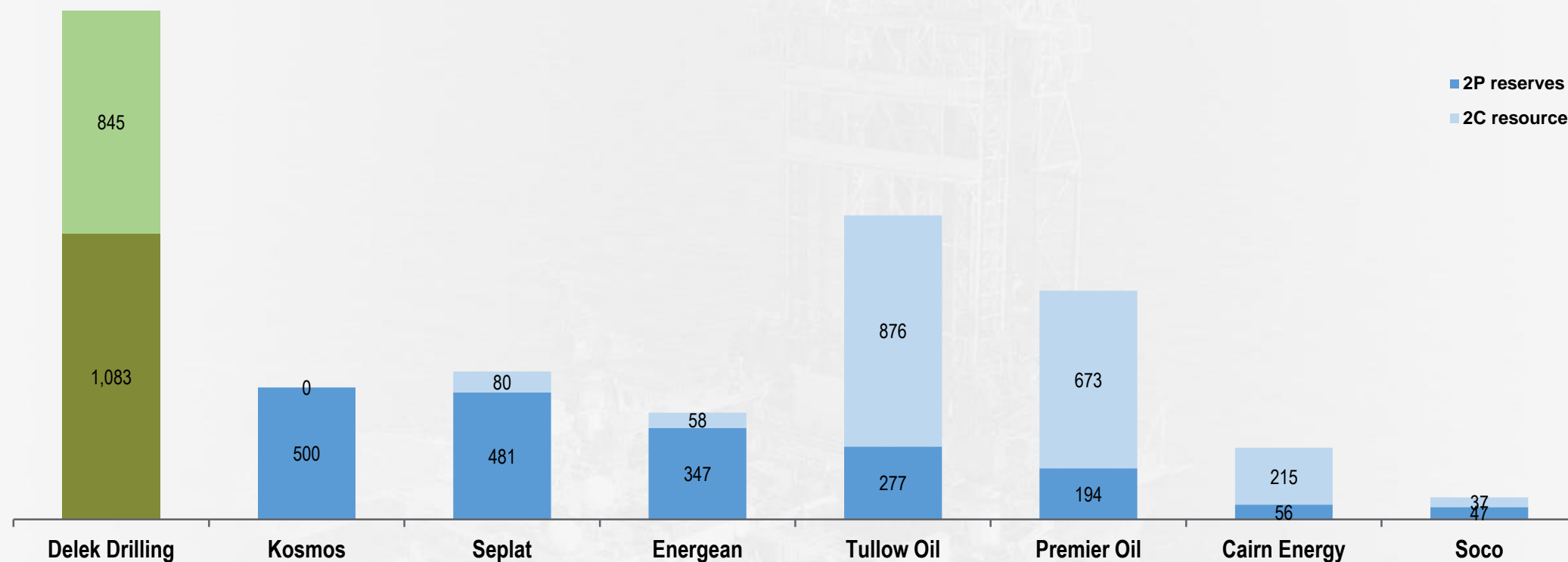
# Final Structure



\* Represents all other licenses and assets not related to Tamar, Leviathan and Aphrodite, and include, inter alia: Yam Tethys, Alon license, EMED, Karish-Tannin royalties and more

# I Delek NewCo. – London Comparable

2P & 2C reserves (mmboe)



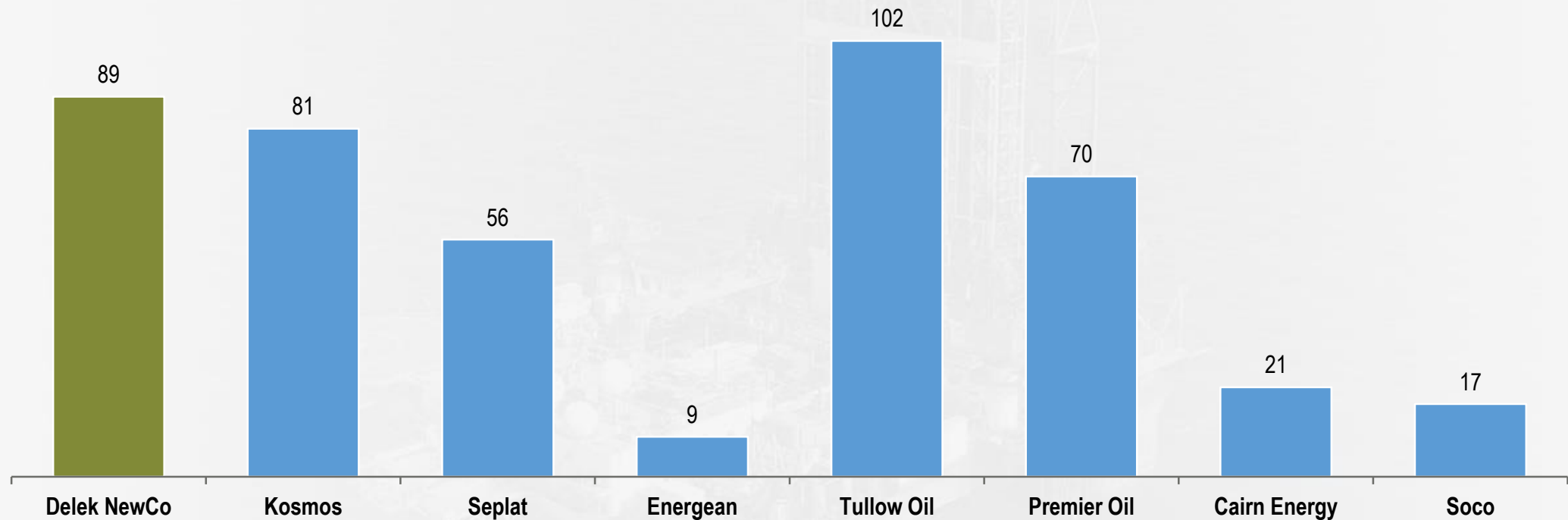
<b>Revenue (\$,m)</b>	888.6	746.1	90.3	1,946.0	1,397.5	418.1	175.1
<b>Mkt. Cap (\$, bn)</b>	2.3	1.0	1.6	4.3	1.0	1.3	0.3
<b>Ent. Value (\$, bn)</b>	4.4	0.9	1.7	7.2	3.3	0.9	0.2
<b>Regional Focus</b>	Africa, US GoM	West Africa	East Med	Africa	North Sea, Asia	Africa, North Sea	Asia

Source: Company information, equity research and FactSet as of March 2019. Delek NewCo reserves include Leviathan and Aphrodite only



# I Delek NewCo. – London Comparable

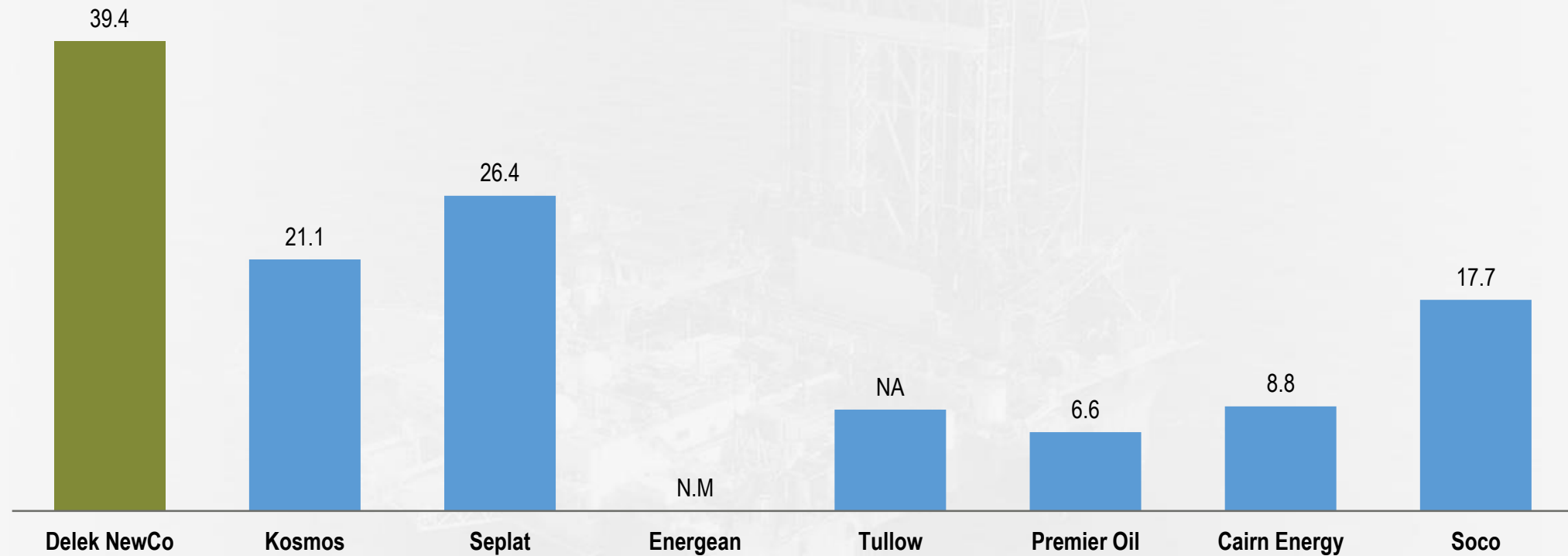
2020E 2P + 2C Production (kboe/d)



Source: Company information, equity research and FactSet as of March 2019. Delek NewCo Include Leviathan 2p+2C production of BCM 11.4 (5.1 BCM net to Delek NewCo)

# I Delek NewCo. – London Comparable

R/P (based on 2P+2C production)<sup>1</sup>



Source: Company information, equity research and FactSet as of March 2019

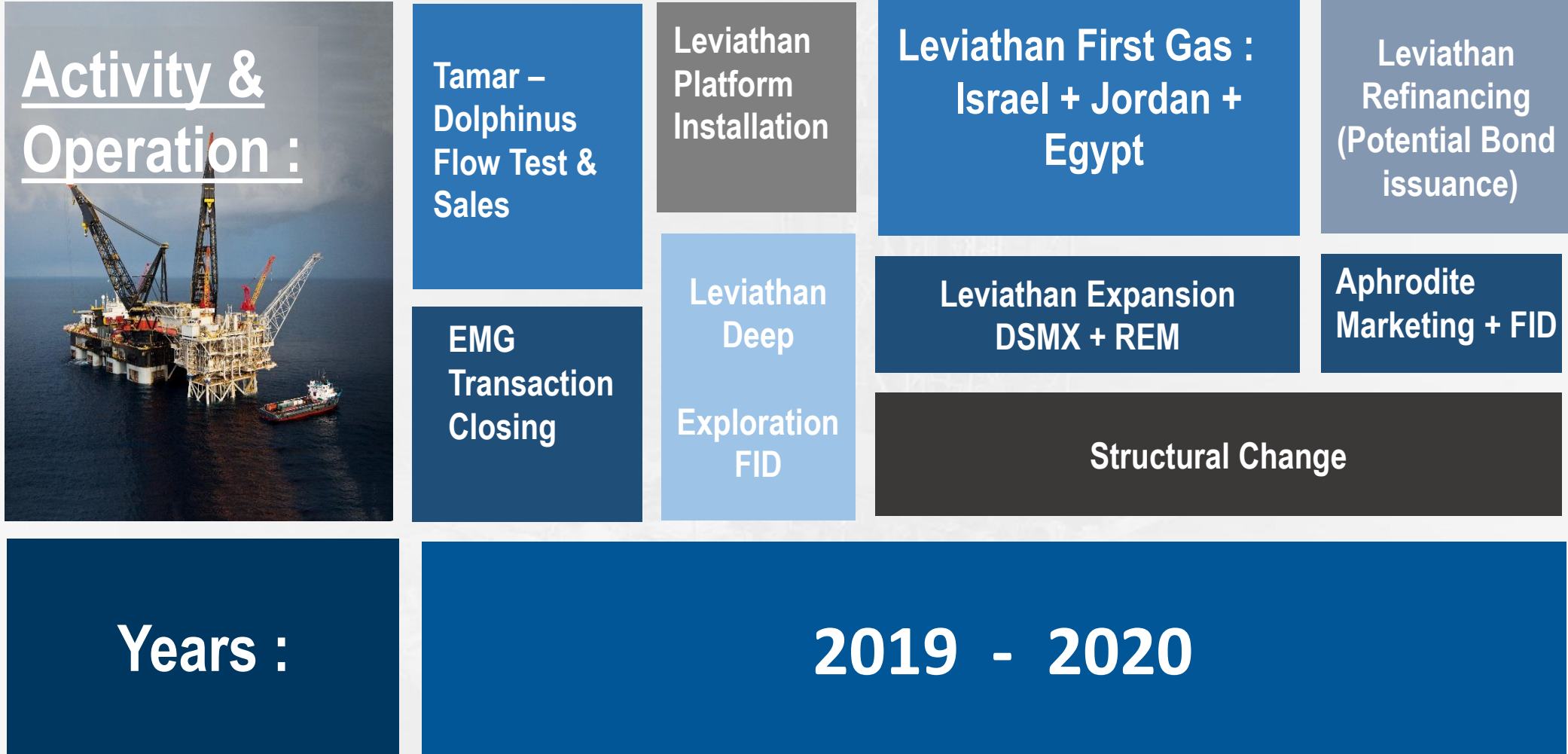
<sup>1</sup> Reflects LTM 2P production over 2P reserves. For Delek NewCo reflects 2020E 2P production from Leviathan of 10 BCM (4.5 BCM net to Delek NewCo)

# I Advantages to Unit Holders in London Listing

1. Potentially unlocking value for the participation unit holders by providing a more suitable platform for listing a large cap oil & gas business
2. Increased liquidity for participation unit holders, through a higher volume trading platform
3. Enhanced investor understanding of the business, given investor familiarity with comparable international upstream Oil & Gas companies
4. Improved access to international financing sources
5. Analyst Coverage by international brokers specializing in Upstream Oil & Gas
6. Enhance strategic flexibility in executing regional growth strategy



# Near Term Milestones





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Thank you

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