



Energizing the Eastern Med

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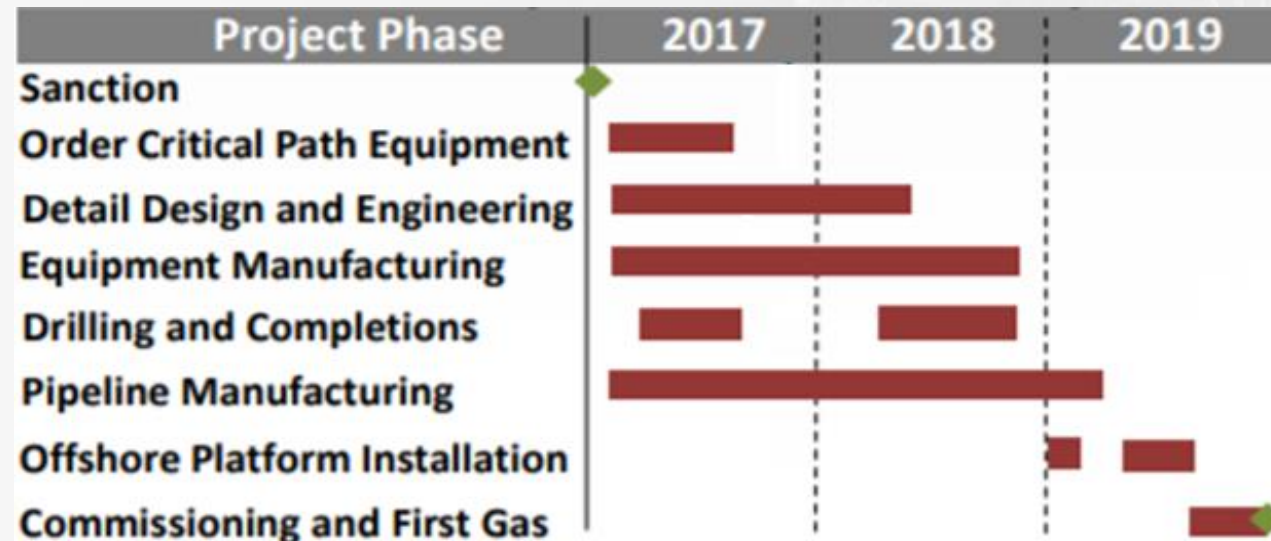
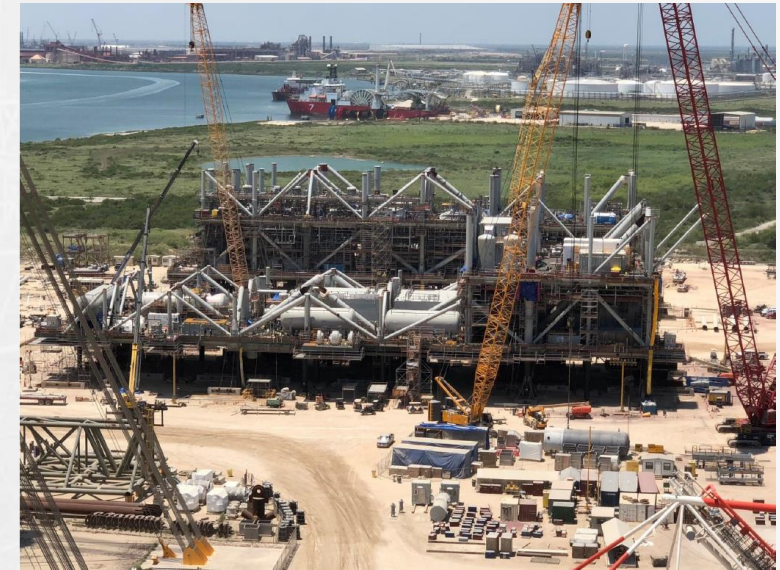
- ❑ Leviathan Development update**
- ❑ Israel Gas Market**
- ❑ Regional Markets**
- ❑ Dolphinus + EMG Overview & Agreements – Midstream Solution**
- ❑ Delek Drilling near term targets**



Leviathan Development Status Update

Leviathan Development on Time on Budget

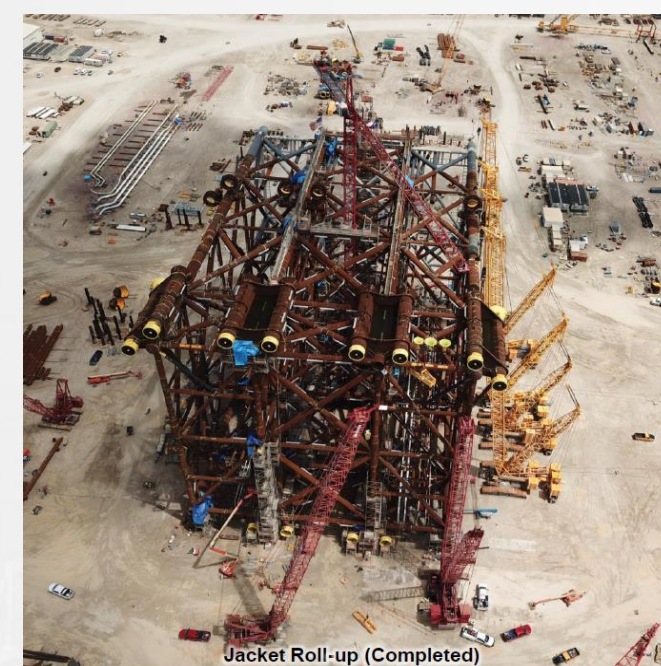
- ❑ Phase 1a development progressing ~67% completed
- ❑ Fabrication progress on the platform topsides, jacket, and the subsea equipment
- ❑ All building permits received or submitted
- ❑ More than 300km of subsea pipe placed (out of 513km)
- ❑ Export pipeline to Jordan progressing and will be ready ahead of first gas to local domestic market



Source: Leviathan operator (NBL)



Project Development Visual



Source : Leviathan operator (NBL)

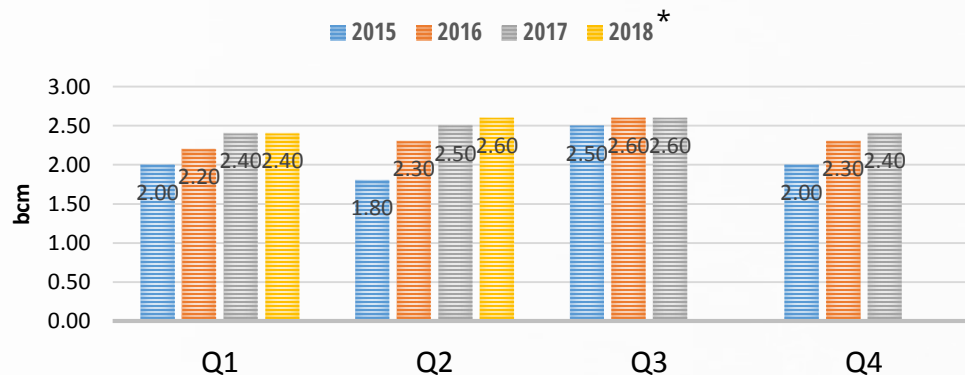
Israel's Gas Demand Trends



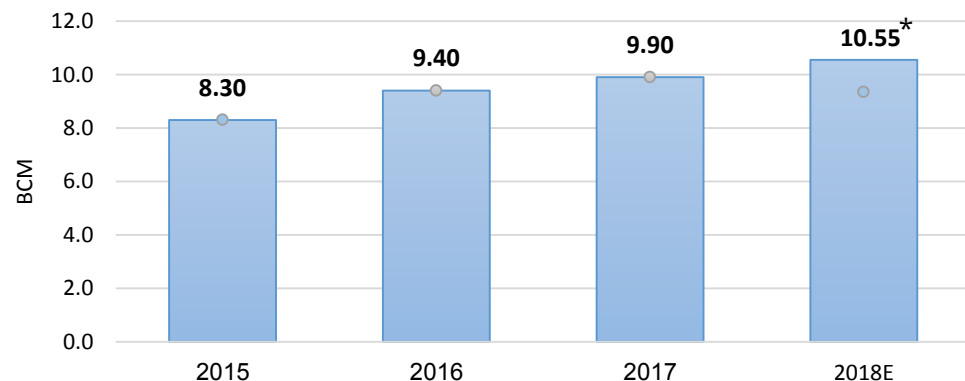
Growing Domestic Demand

Domestic natural gas consumption is in constant growth trend

QUARTERLY GAS SALES



ANNUAL GAS SALES



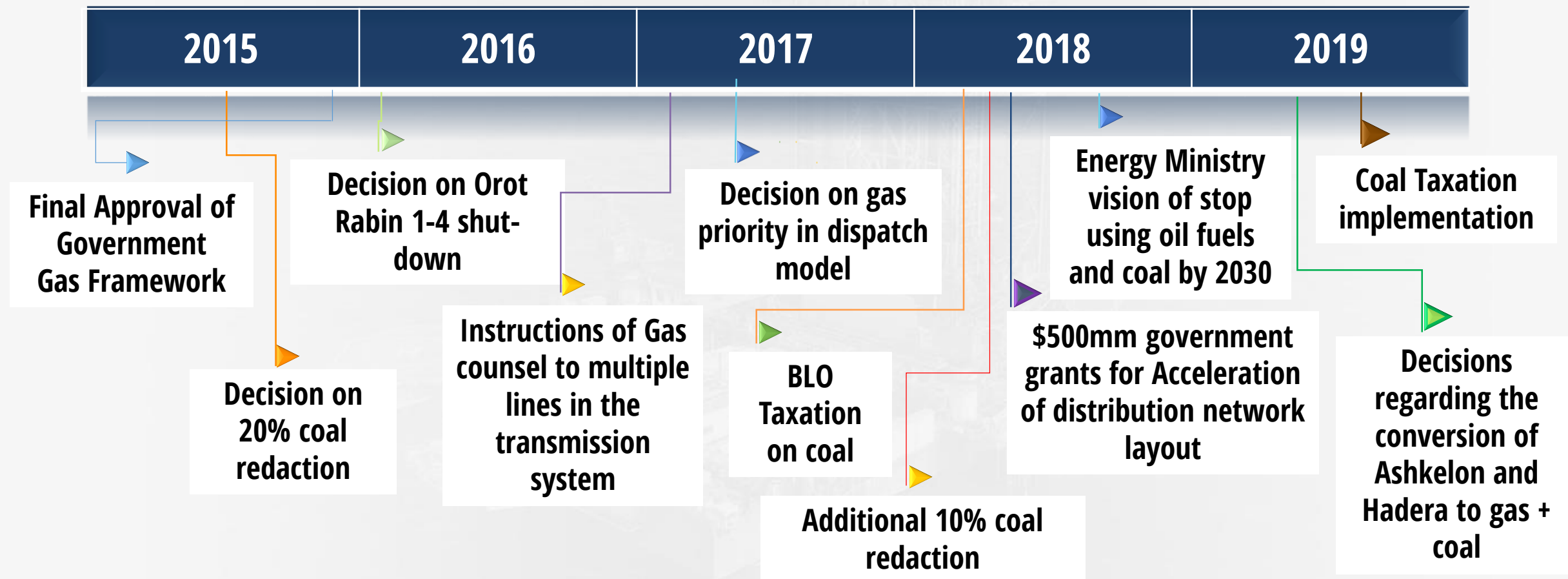
* 2018 numbers based on YTD and Estimated numbers from the DCF published in 2017 financial report

Demand vs Consumption

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

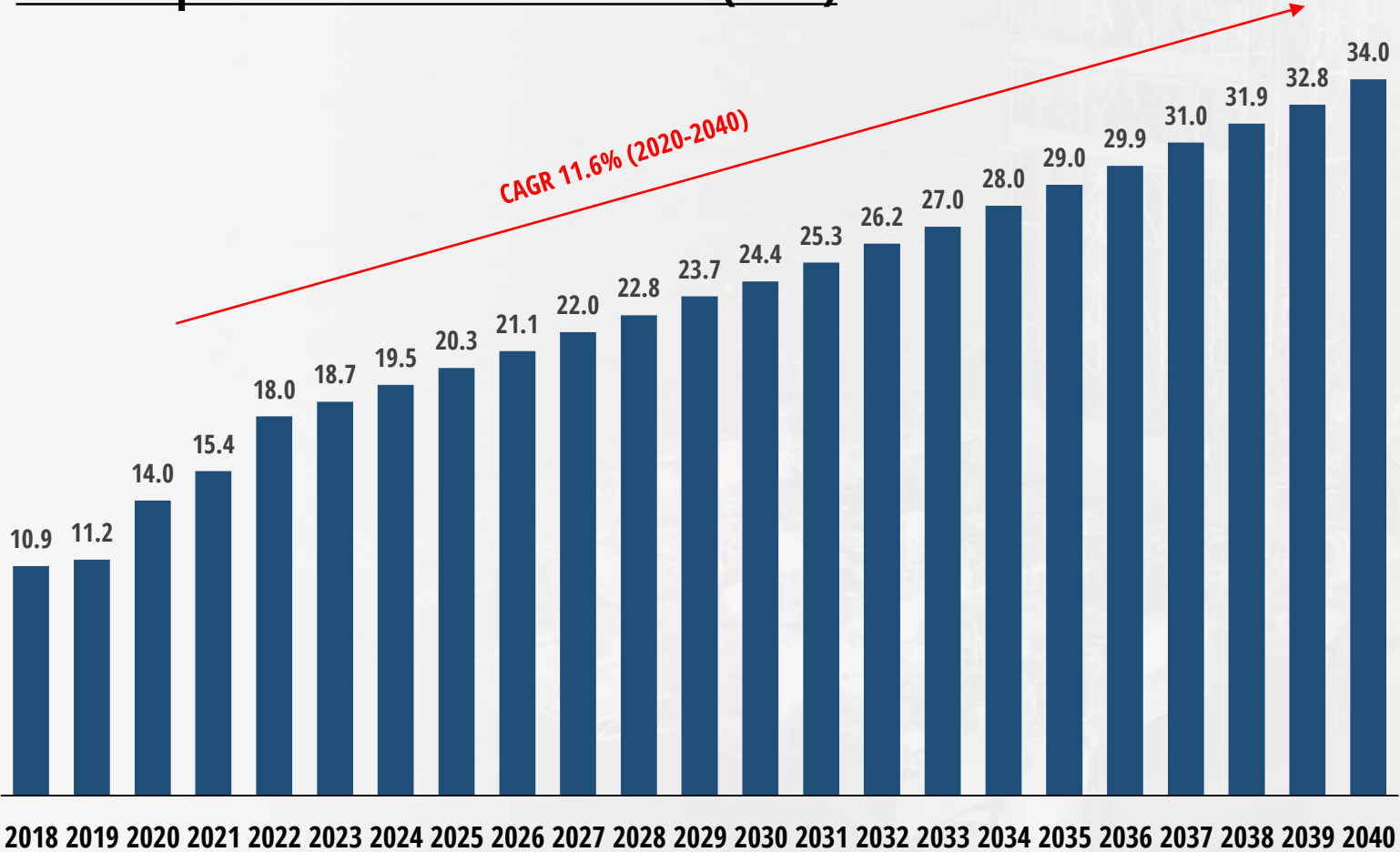
2018-2020 estimated numbers are forward-looking information and may not materialize, in whole or in part, or may materialize differently than expected, or may be affected by factors that cannot be assessed in advance

Governmental Support- Growth Drivers

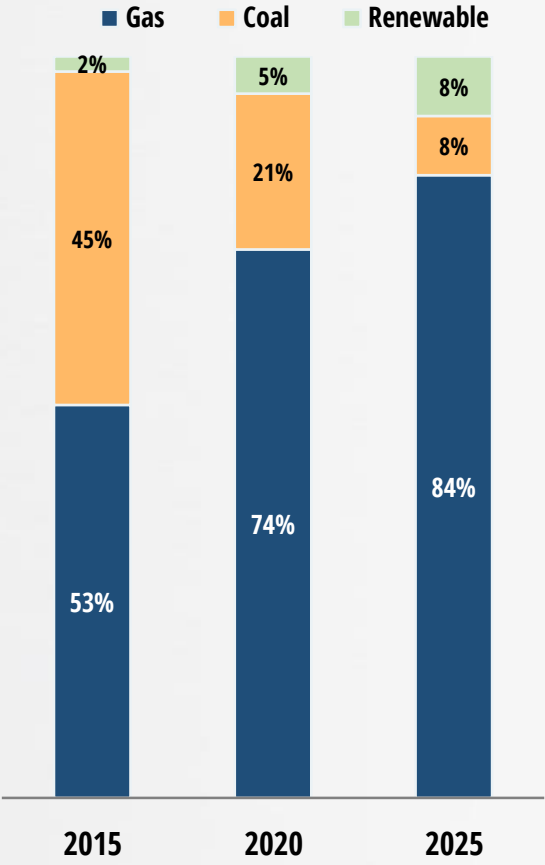


Long Term Demand Growth

Israel Expected Natural Gas Demand (BCM)

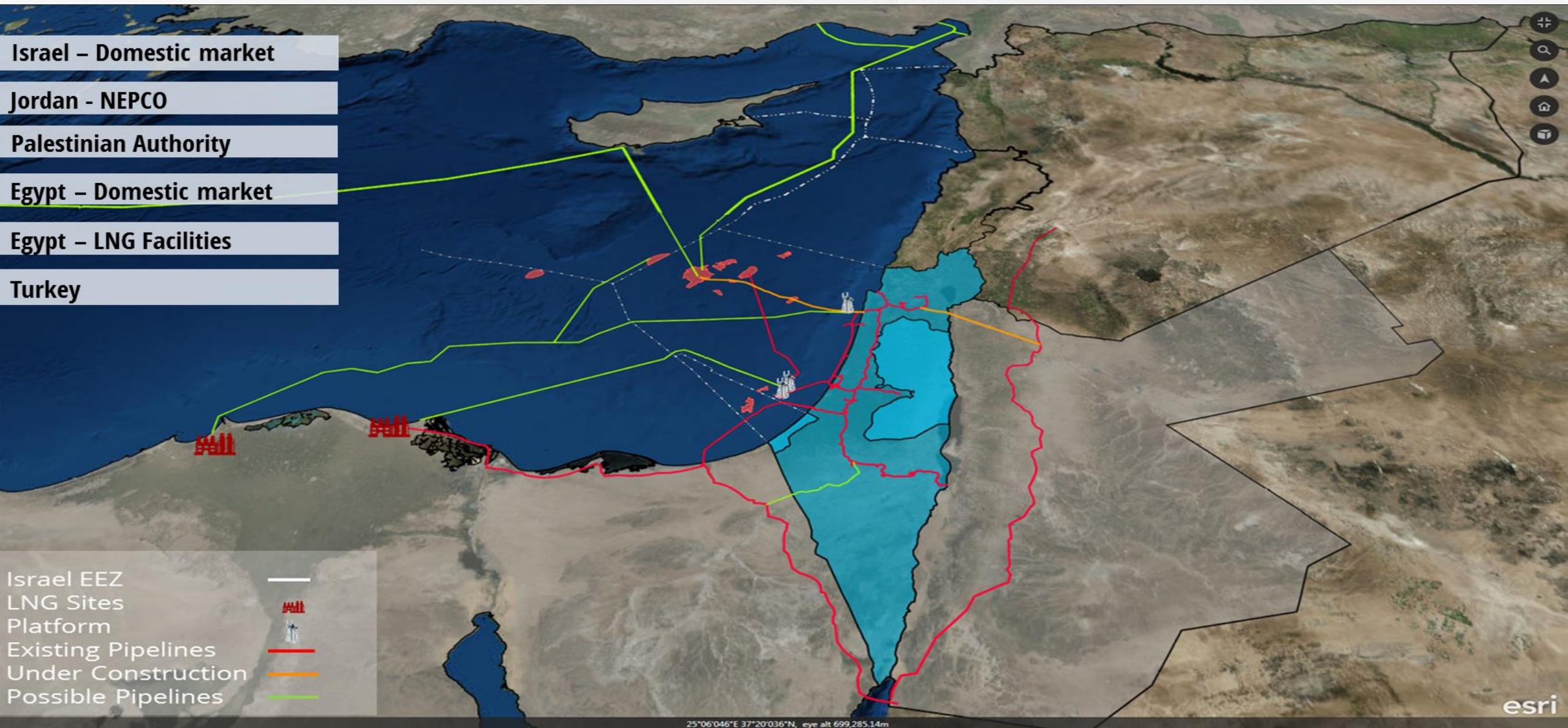


Electricity Generation Mix



Source : BDO Estimates

Delek Regional Strategy





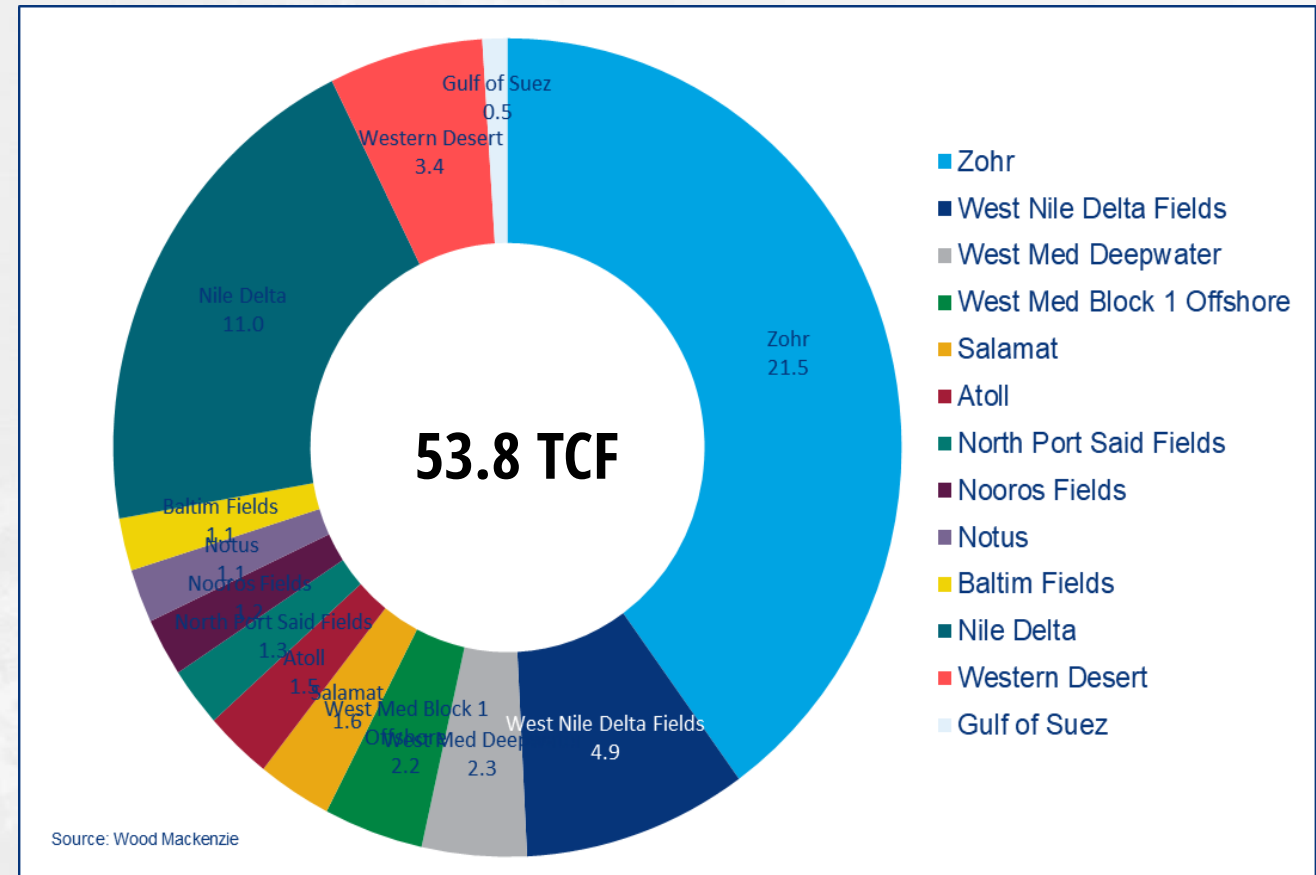
Egyptian Gas Market



Egypt - Natural Gas Resources Breakdown

Gas resources breakdown by field or cluster of fields

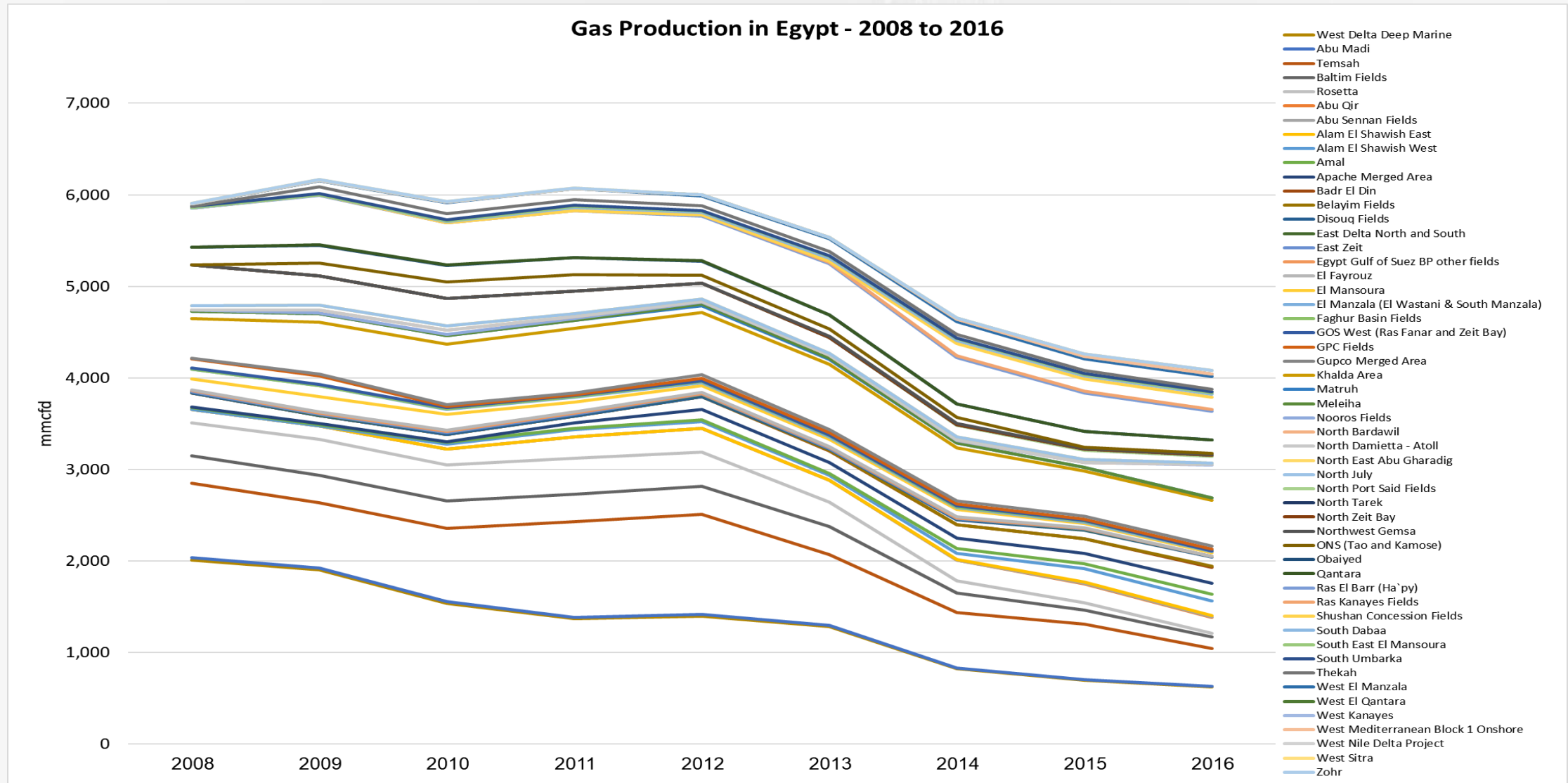
- Several of the fields have stated production or are entering production:
 - Zohr (21.5 TCF)
 - West Nile Delta Fields (4.9 TCF)
 - West Delta Deep Marine (2.3 TCF)
 - Nooros (1.2 TCF)
 - Atoll (1.5 TCF)
- Additional 7 TCF are included in GUPCO operated fields



Source: Wood Mackenzie
Gas resources include commercial reserves and contingent resources



Natural Gas Production – until 2016

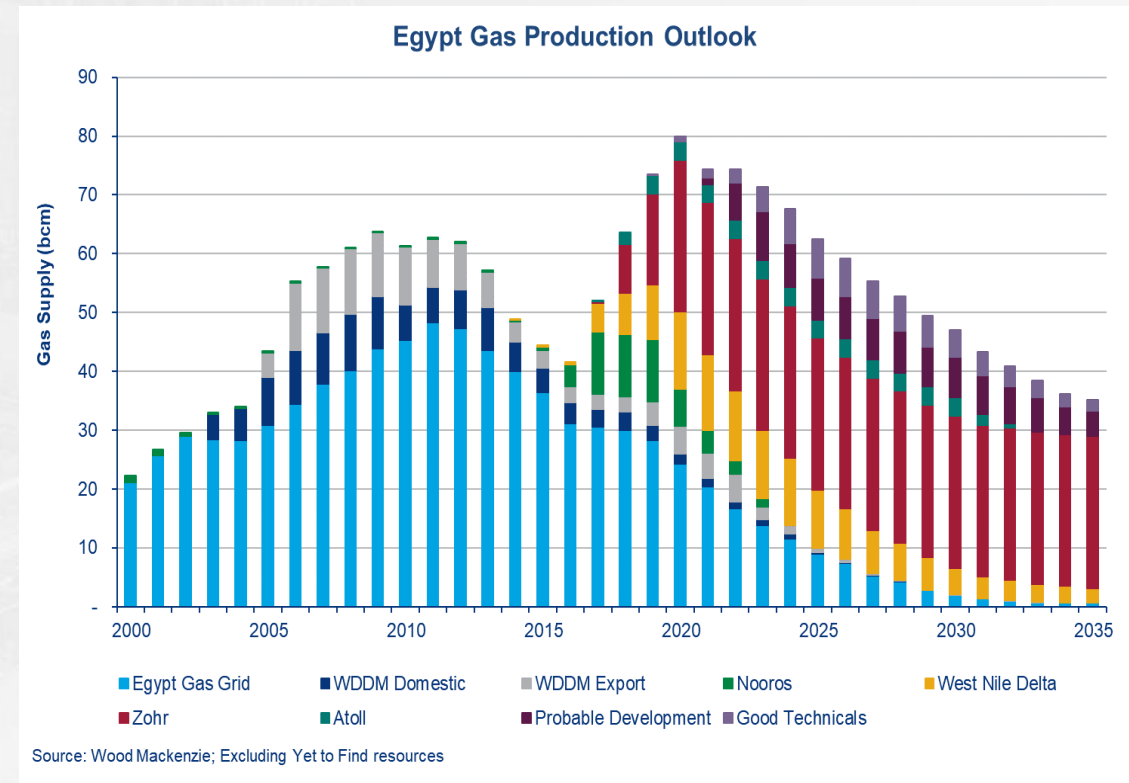




Natural Gas Production Outlook

New gas volumes have entered production in 2017-2018

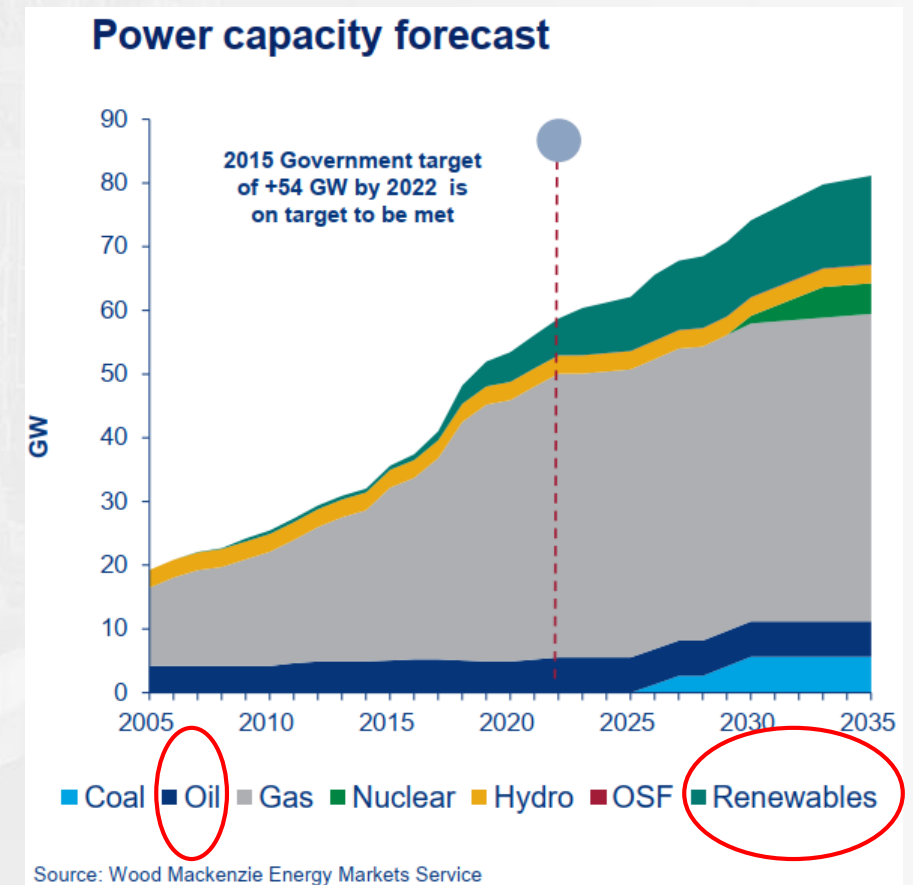
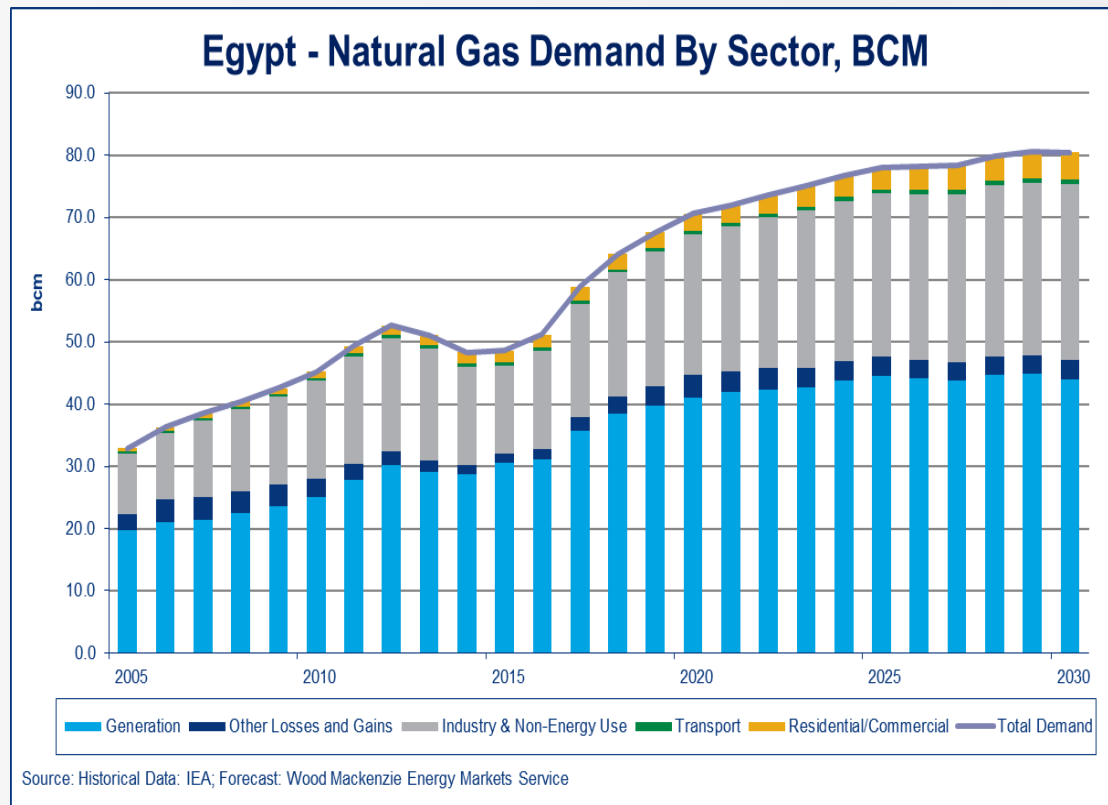
- Increased production is led by Zohr, West Nile Delta, Atoll and supported by other fields such as Nooros and WDDN
- With these new projects, domestic production is expected to reach 80 BCM in 2020
- New gas supply is needed post-2020 to sustain production levels, including exploration success to provide new resources
- Current domestic project production is expected to decrease to ~60 BCM in 2025 and less than 50BCM in 2030





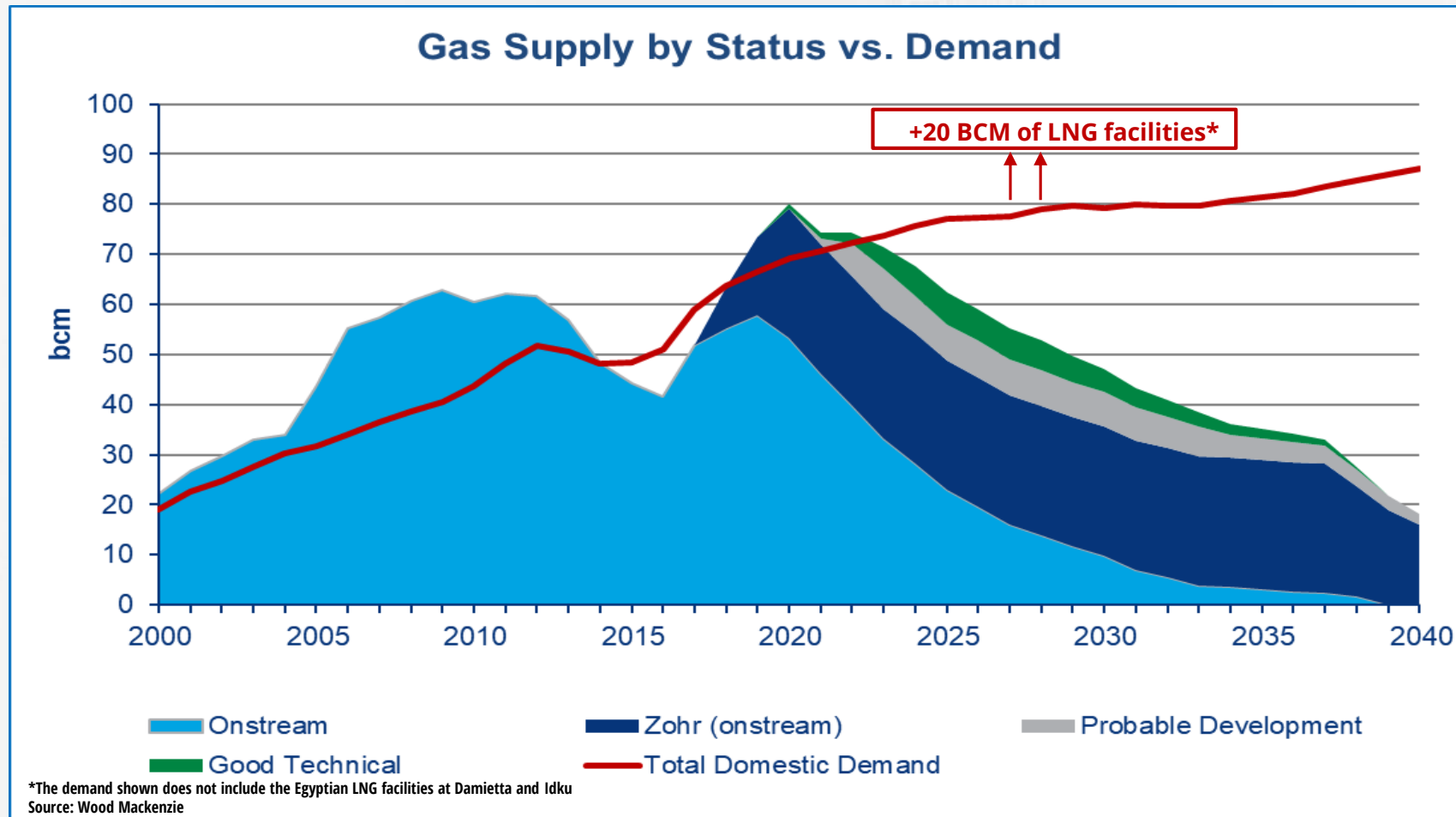
Natural Gas Demand – Continues to Grow

Demand recovers strongly with the increase in supply, 10% average annual growth from 2016-2020





Egypt – Long Term Supply Demand Imbalance



Various International Research Department Reconfirm Long-Term Gas Deficit

I Dolphinus GSPA's Details

Leviathan :

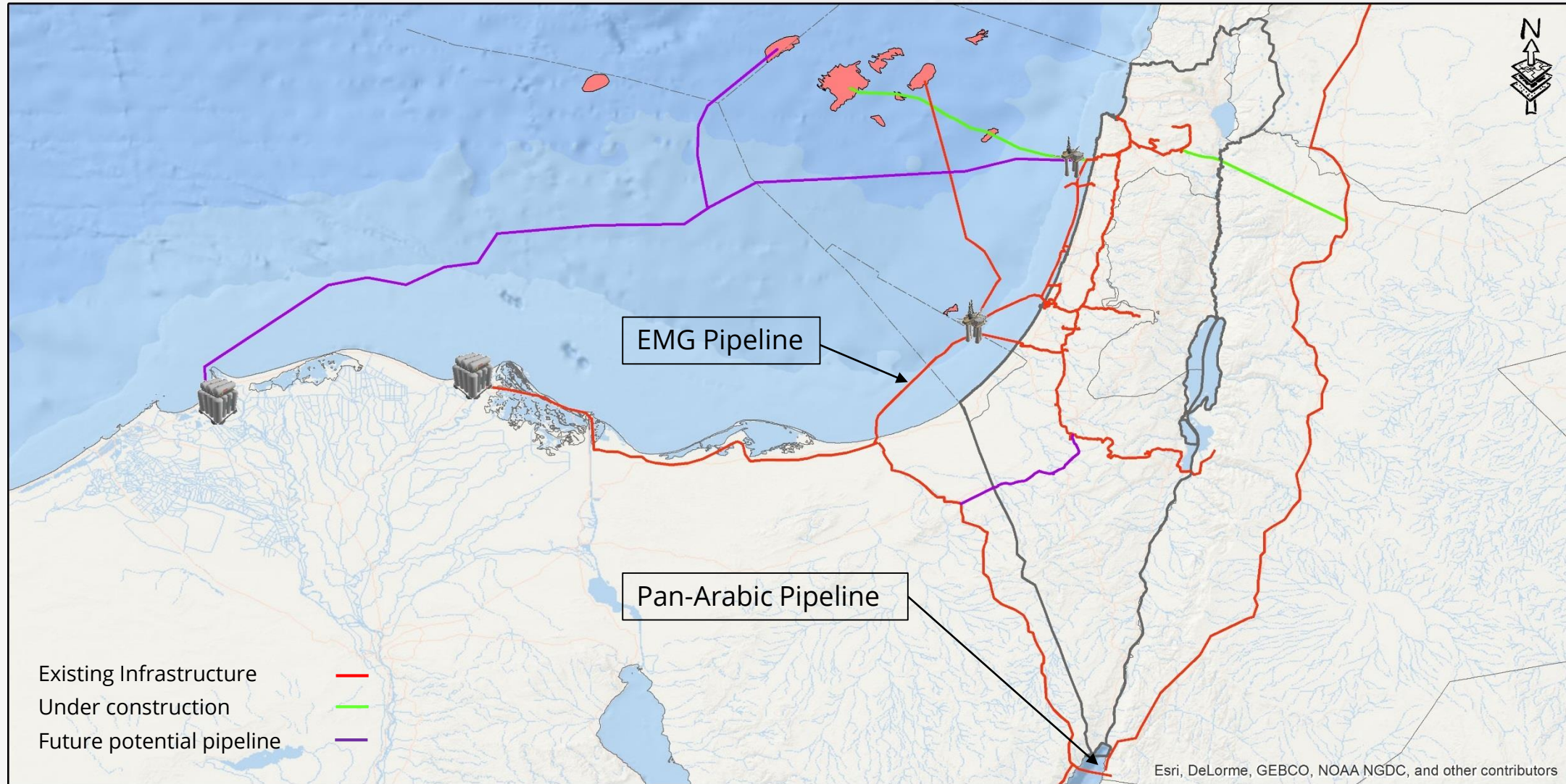
- ❑ Annual supply of 3.5 BCM/y (with TOP level agreed)
- ❑ Total Contract Quantities : 32 BCM
- ❑ Estimated revenue income: \$7.5 Billion

Tamar :

- ❑ Annual supply begin on an Interruptible base with seller option to convert part or all of the quantity to a firm basis of up to 3.5 BCM/y (with TOP level agreed upon option realization)
- ❑ Total Contract Quantities : 32 BCM
- ❑ Estimated revenue income: \$7.5 Billion

Contract price
based on a
Brent linked
formula

Infrastructure Solutions



| EMG - Transaction Goals

- ❑ We aim to enable transportation of gas from Tamar and Leviathan to Egypt in order to realize the Dolphinus GSPAs**
- ❑ Our main value from the transaction is elevating the upstream sales of both Tamar and Leviathan**
- ❑ Securing stable and continuous operation of the EMG pipeline by nominating NBL as technical operator**
- ❑ Timing – the discussed solution will enable flow gas as soon as practical, at latest for Leviathan startup**
- ❑ Strategic alignment with a major regional infrastructure player**

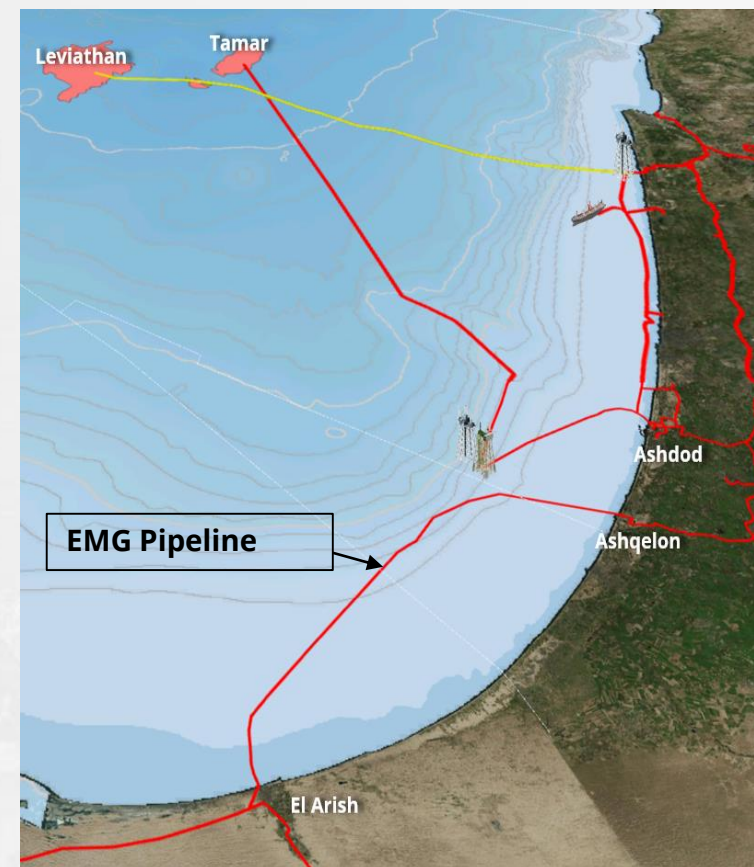
EMG Pipeline Overview

□ Asset Overview:

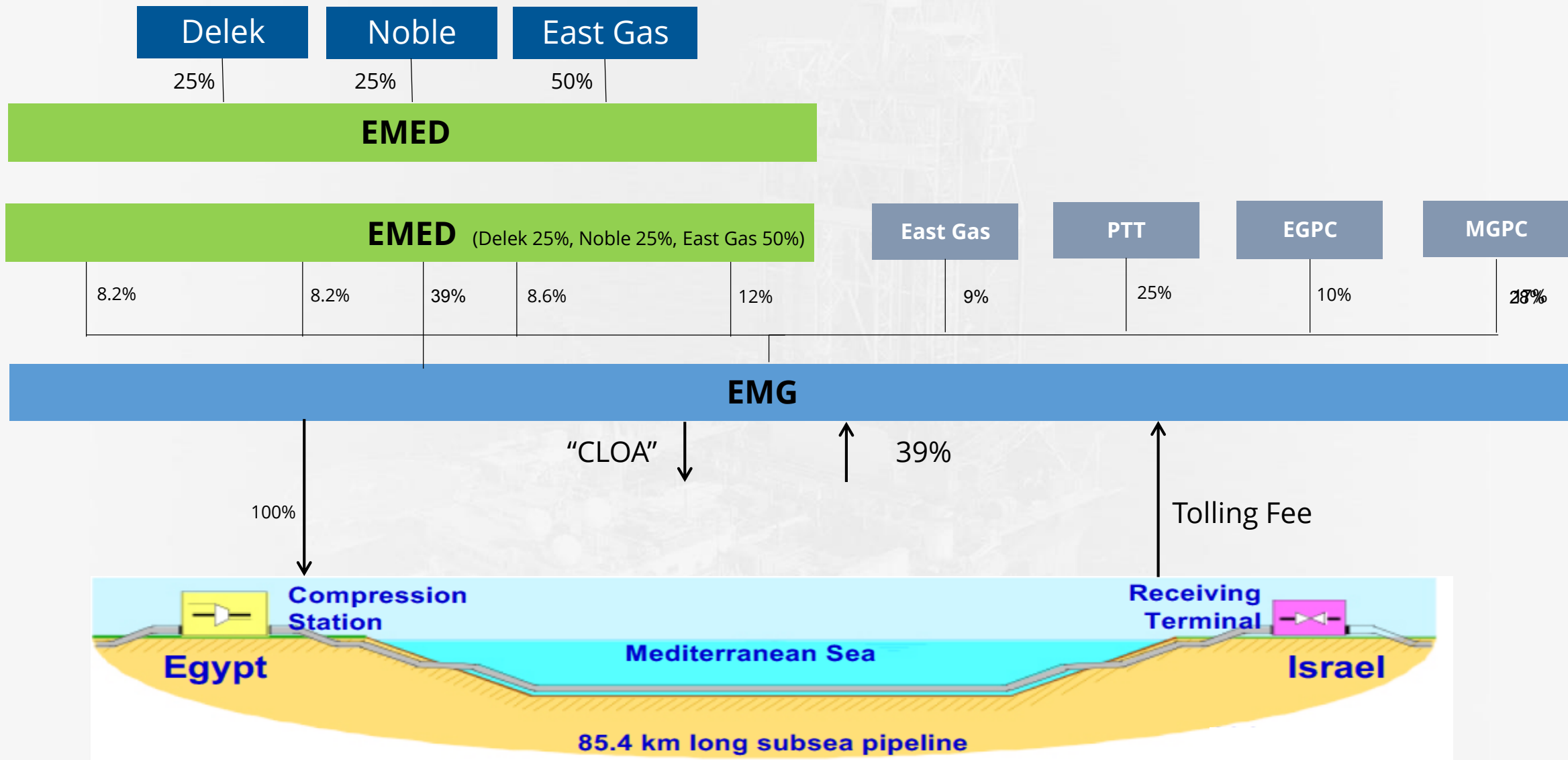
- Pipeline: 26" diameter, 89 km (85.4 km subsea), from Ashkelon to (Israel) El-Arish (Egypt)
- El-Arish Station: pipeline inlet, Siemens compressors, connection to the 36" Trans-Sinai gas pipeline
- Ashkelon Terminal: connection to the Israeli Natural Gas Transmission System

□ Design and Construction:

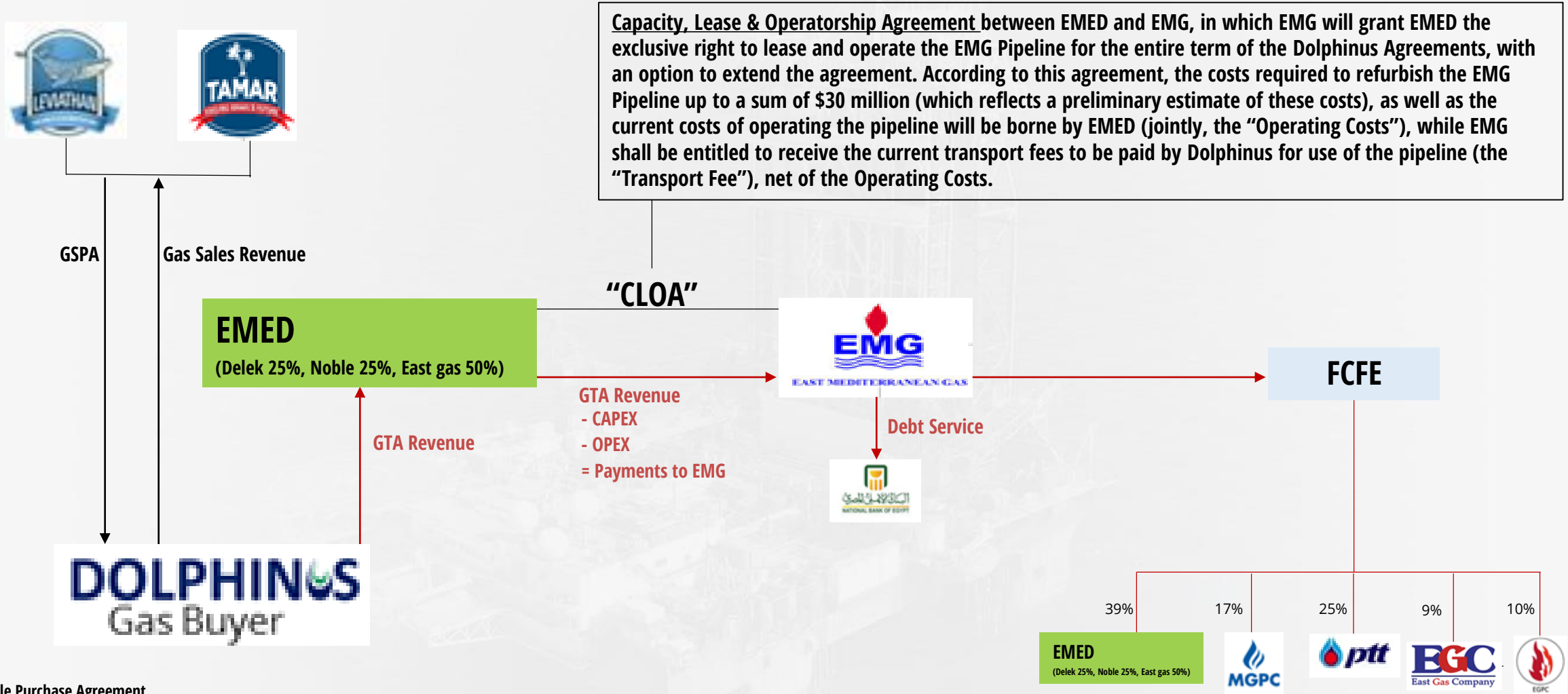
- Nameplate Pipeline Capacity: up to 700 MMcf/d (~7BCM/y)
- Potential Expansion Project: up to 900 MMcf/d (~9 BCM/y) partially complete
- Reputable design and construction: EPC's Allseas Marine & Technip



Transaction



Gas / Funds Flow



GSPA – Gas Sale Purchase Agreement
 GTA – Gas Transportation Agreement
 CAPEX / OPEX – Capital Expenditure / Operating Expenditure
 FCFE – Free Cash Flow to Equity

| Gas Flow to Egypt – Initial Stage



Gas Flow to Egypt – Hot Tap

- Hot Tap is the ability to safely tie into a pressurized system, while it is on stream and under pressure
- Both Tamar & Leviathan are examining Hot Tap connection to the EMG pipeline for infrastructure flow optimization



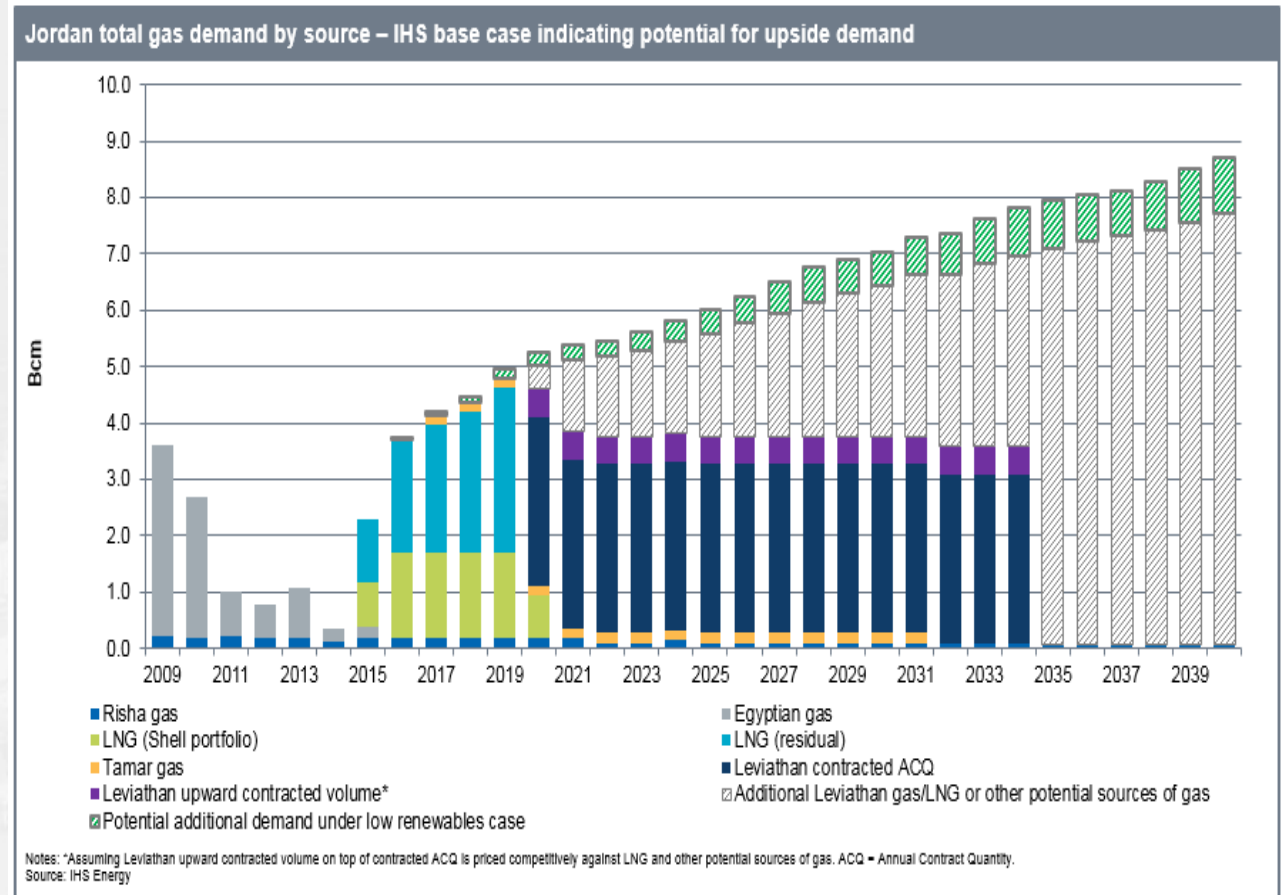
Source: Esri, DigitalGlobe, GeoEye, Earthstar Geographics, CNES/Airbus DS, USDA, USGS, AeroGRID, IGN, and the GIS User Community



Jordan NEPCO – Ideal Export Offtaker

An anchor contract for Leviathan phase-1 development

- ❑ Electricity demand has been growing at an average rate of 6.0% per year (2005-2017)
- ❑ natural gas is the basis of 80-85% of energy production (2016-2017)
- ❑ Natural gas demand is estimated at 5.0 to 5.2 BCM in 2020 and grows by an average rate of ~4.0% per year
- ❑ Jordan is a 'natural' market for Israeli gas
- ❑ Jordan is investing heavily in long term natural gas import infrastructure from Israel



* Assuming NEPCO will consume the Total Contract Quantity, and based on the Partnership's estimation regarding the price of natural gas during the agreement period

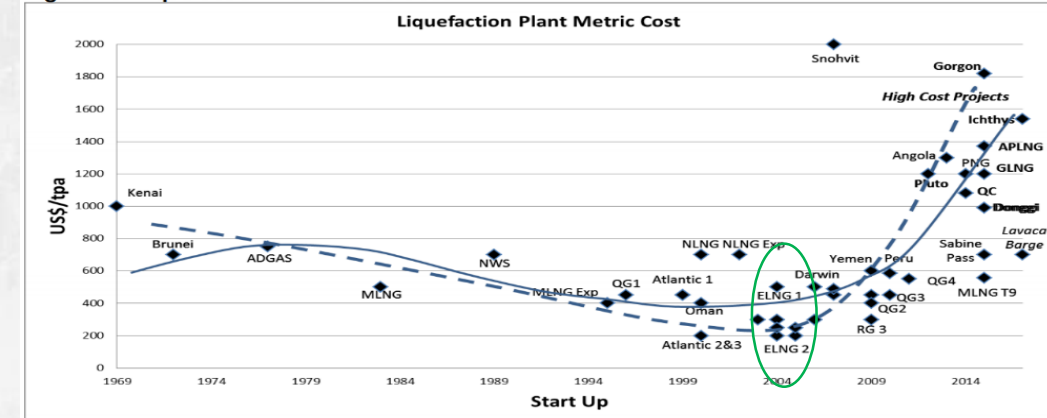
Egypt LNG Terminals

Two existing LNG liquefaction (export) terminals – ELNG and Damietta

- LNG liquefaction terminals for LNG export – Operating in very low-utilization rate due to lack of available feed gas
- Both terminals commenced LNG production in 2005, enjoying relatively low CAPEX costs
- Both terminals operate under a tolling fee arrangement, providing competitive tolling fee
- Total demand for LNG feed gas is ~20BCM

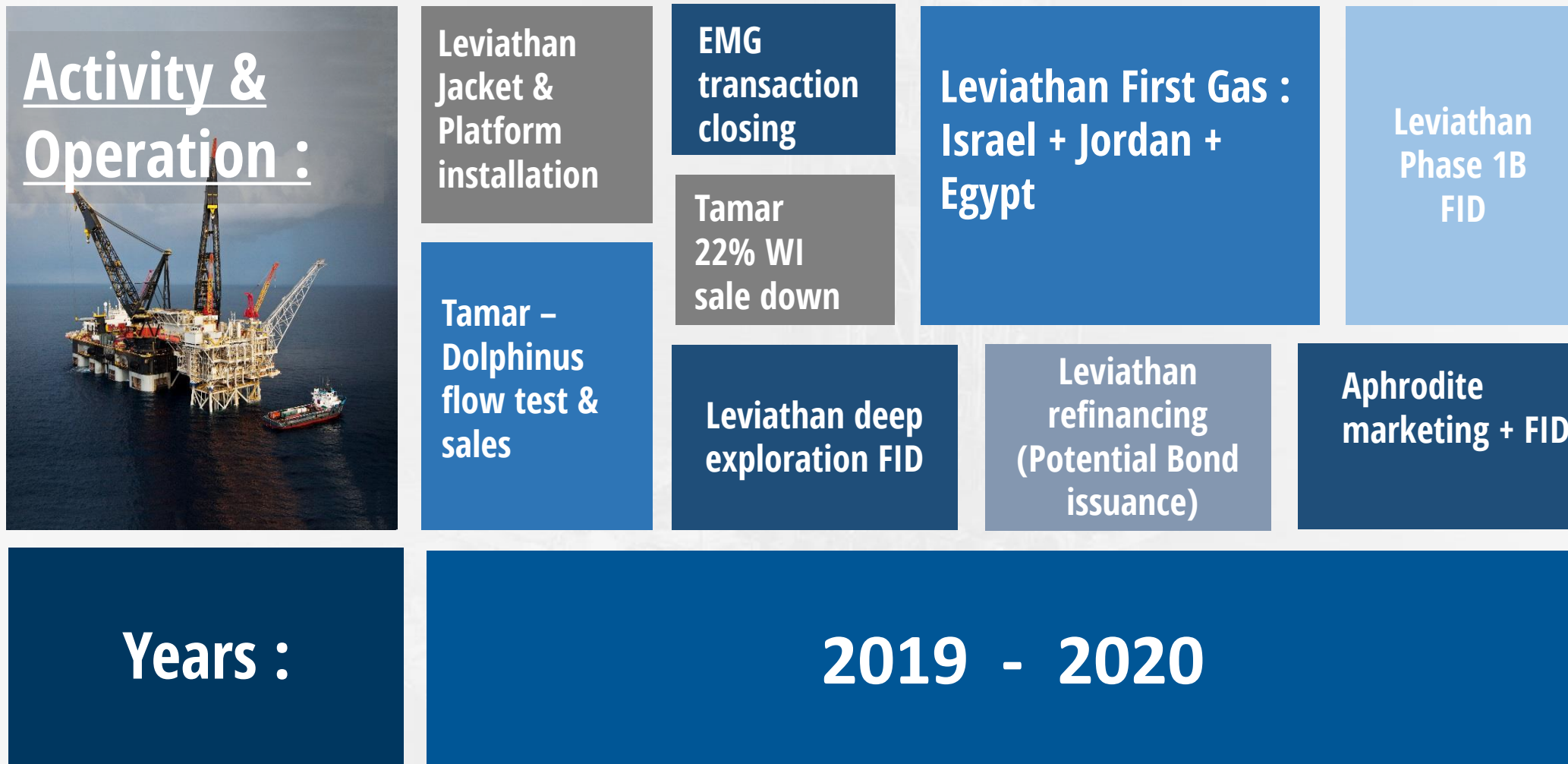
Terminal	Owners	Number of Trains	Nominal Plant Capacity	Feed Gas Volumes – Nominal Capacity
ELNG	Shell, Petronas, EGAS, EGPC, Total ¹	2	7.2 mmtpa	~10.8 BCM
Damietta	Eni, Gas Natural Fenosa, EGAS, EGPC,	1	5.0 mmtpa	~7.5 BCM
ELNG + Damietta			12.2 mmtpa	~18.3 BCM

Figure 16: Liquefaction Plant Metric Cost



Source: Wood Mackenzie, The Oxford Institute for Energy Studies
1: Train 1 only

Near Term Targets



An aerial photograph of an offshore oil rig in the Eastern Mediterranean. The rig's deck is painted with the Israeli flag, featuring two horizontal blue stripes and a blue Star of David in the center. Several large cranes are visible on the rig, including a prominent red one. To the left, a supply vessel with the name 'EEREMA' is partially visible. The rig is situated in the middle of a deep blue sea under a cloudy sky.

Thank you