

Delek Drilling – Limited Partnership
(the “Partnership”)

Israel Securities Authority
22 Kanfei Nesharim St.
Jerusalem

Tel Aviv Station
2 Ahuzat Bnei
Tel Aviv

Dear Sir/Madam,

Re: **Decision regarding the Drilling**
“Leviathan-3” Development and Production

Further to the provisions of Section 7.5.5 of the Partnership Agreement dated December 31, 2016, as released on March 23, 2017 (the “**Periodic Report**”) regarding the updated development plan for the reservoir which is located in the area of the I/14 Leviathan North leases (the “**Development Plan**” and the “**Leviathan Reservoir**”, respectively), regarding approval by the Petroleum Commissioner at the Ministry of Natural Resources and Water Resources (the “**Commissioner**”), and regarding the investment decision (FID) for the development of the reservoir, further to the Partnership’s immediate report of July 2017 (062023) regarding promotion of the engagement with the State regarding both the lower part of the Leviathan-7 well and the lower part of the Leviathan-3 well to the final depth thereof commencing from Q1/2018, the Partnership announces that on February 18, 2018, the Leviathan Partnership announces regarding the drilling of the “Leviathan-3” development plan in the area of the I/15 Leviathan North lease (the “**Leviathan-3**”).

3. Conditions to the drilling of the Well and to thereof: The Commissioner has approved the D in Section 7.5.5 of the Periodic Report, where Well will be drilled as a development and production well connected to the Leviathan Project's production system. The Well is contingent upon receipt of the necessary approvals from the Commissioner and from the Ministry of Environment and Planning for a drilling plan and for a piping permit. Accordingly, the Drilling Rig meets the various requirements set forth by the Commissioner and the Ministry of Environment and Planning.
4. Name of the Well: "Leviathan-3".
5. Location of the Well: Offshore well, approx. 120 km from the coast.
6. The drilling dates: The drilling of the lower part of the Well will begin in the coming weeks and is expected to be completed (excluding completion and connection to the production system) that the Well will be completed and connected to the production system on another date, in accordance with the Development Plan.
7. The target layers in the Well: Oligo-Miocene layers.
8. The Well's type, purpose and future stages that are planned: A development and production well whose purpose is to be part of the production well system in the Leviathan Reservoir Development Plan.
9. Depths: The depth of the water at the drilling site is approx. 400 m. The final depth planned for the Well is approx. 400 m. It is clarified that the Leviathan-3 Well was drilled as an appraisal well, and the present decision concerns the development and production well.

37.63%, after return of the investment – 36.6% royalties paid to the State, related parties and others.

15. The names of the partners in the petroleum asset drilled and their share in the drilling budget:

<u>Names of the Partners</u>	<u>Share</u>
The Partnership	
Noble	
Ratio Oil Exploration (1992), Limited Partnership	

16. Reference to the description of the petroleum asset
a description of the petroleum asset, see Section

Caution concerning forward-looking information –
for the drilling of the Well, receipt of the approvals for the
possibility of its completion and its connection to the
Leviathan Project in the framework of the Development
and conjectures received, *inter alia*, from the Operator
looking information, as defined in the Securities Law,
and conjectures constitute professional estimates and conclusions
there is no certainty and they may subsequently be updated
progress. The above estimates are based, *inter alia*, on
technical-engineering and other information, accumulated
survey performed in the area of the Leviathan leases, and
from the said estimates and conjectures, *inter alia* as a

Sincerely,

**Delek Drilling Management (1995)
General Partner of Delek Drilling - Limited**

By Yossi Abu, CEO
and Yossi Gvura, Deputy CEO