

Delek Drilling - Limited Partnership
(the “**Partnership**”)

May 31, 2020

Israel Securities Authority
22 Kanfei Nesharim St.
Jerusalem

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

Dear Sir/Madam,

Re: **Update regarding Arrangement for Joint Marketing from the Tamar Reservoir**

Further to the Partnership’s immediate report of April 13, 2020 (Ref. No.: 2020-01-038328) with respect to the notice of representatives of the Ministry of Energy, the Economic Unit at the Department of Counseling and Legislation at the Ministry of Justice, the Ministry of Finance and the Competition Authority (the “**Regulators**”), whereby the partners in the Tamar reservoir were asked to amend the arrangements that apply between them with respect to the marketing of the natural gas produced from the Tamar reservoir, in a manner which shall ensure that the Partnership, Noble Energy Mediterranean Ltd. and Isramco Negev 2 - Limited Partnership do not hold a right to veto decisions on the marketing of natural gas from the reservoir, the Partnership respectfully announces that on May 27, 2020, the partners in the Tamar project submitted for the Regulators’ approval agreed principles for joint marketing from the Tamar reservoir (the “**Marketing Arrangement**”), which determines that the partners in the Tamar reservoir will continue the joint marketing of natural gas from the Tamar reservoir. The Marketing Arrangement includes various arrangements and mechanisms in connection with securing the parties’ interests and improvement of the competitive position of the Tamar reservoir in the marketing of natural gas to customers in the domestic market. Such arrangements and mechanisms determine, *inter alia*, the manner of and parameters for the conduct of negotiations with customers in the domestic market on certain commercial matters pertaining to price, price linkage and Take or Pay levels standard in the domestic market, with no participation on the part of the partners in the reservoir that hold other producing petroleum assets, as well as the parameters and conditions for engagements with customers in the domestic market in agreements for the sale of natural gas.

The partners in the Tamar reservoir also informed the Regulators that they have reached in-principle understandings between them and with the Leviathan partners in connection with the issues that were in dispute between them in connection with the agreements for the sale of natural gas to the Israel Electric Corporation Ltd. (the “**IEC**”), and that advanced discussions are being held with the IEC in connection with the implementation of the said understandings.

The partners in the Tamar project and their holding rates are as follows:

Istranco Negev 2, Limited Partnership	28.75%
Noble Energy Mediterranean Ltd.	25.00%
Delek Drilling, Limited Partnership	22.00%
Tamar Petroleum Ltd.	16.75%
Dor Gas Exploration, Limited Partnership	4.00%
Everest Infrastructures, Limited Partnership	3.50%

Sincerely,

Delek Drilling Management (1993) Ltd.
General Partner of Delek Drilling – Limited Partnership
By Yossi Abu, CEO
and Yaniv Friedman, Deputy CEO