

Delek Drilling - Limited Partnership
(the “Partnership”)

October 5, 2020

Israel Securities Authority
22 Kanfei Nesharim St.
Jerusalem
Via Magna

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

Dear Sir/Madam,

Re: Response to reports regarding an addendum to the natural gas supply agreement between the Tamar partners and the IEC

In response to the immediate reports that were released on October 4, 2020 by the Israel Electric Corp. Ltd. (the “IEC”) and some of the Tamar partners (Isramco Negev 2, Limited Partnership, Tamar Petroleum Ltd. and Dor Gas Exploration, Limited Partnership), regarding their signing (together with Everest Infrastructures, Limited Partnership) of an addendum to the agreement for the supply of natural gas from the Tamar reservoir to the Israel Electric Corp. Ltd. (the “**Addendum to the Tamar Agreement**” and the “**Tamar Agreement**”, respectively)¹ for the sale of quantities over and above the take or pay quantity according to the Tamar Agreement, and at a lower price than that determined in the Tamar Agreement and in the agreement for the supply of natural gas from the Leviathan reservoir to the IEC², the Partnership respectfully reports that the said Tamar partners gave notice to the Partnership and to Noble Energy Mediterranean Ltd. (“**Noble**”), on October 4, 2020, that they had engaged in the Addendum to the Tamar Agreement and that the Partnership and Noble were being given the option of joining the addendum within 60 days from the date of the signing thereof.

The Partnership’s position, based on its legal counsel, is that the signing of the Addendum to the Tamar Agreement by the IEC is contrary to and in breach of the agreement for the supply of natural gas from the Leviathan reservoir to the IEC. Therefore, the Partnership is exploring all of the options available thereto and their possible effect on the volume of natural gas sales from the Leviathan and Tamar reservoirs and on the expected revenues from these reservoirs.

As of the date of this report, and *inter alia* further to the Competition Authority’s notice of September 6, 2020 regarding the right to veto decisions on the marketing of natural gas from the Tamar reservoir³, the Partnership is examining the options available thereto with respect to the marketing of natural gas from the Tamar reservoir, and shall deliver its position on the matter to the Competition Authority.

¹ For details, see Section 7.12.4(a)(4) of the Partnership’s periodic report as of December 31, 2019, as released on March 30, 2020 (Ref. No.: 2020-01-032010) (the “**Periodic Report**”).

² For details, see Section 7.12.4(b) of the Periodic Report.

³ For details, see the Partnership’s immediate report of September 7, 2020 (Ref. No.: 2020-01-189191).

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

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

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

Delek Drilling, Limited Partnership	45.34%
Ratio Oil Exploration (1992) - Limited Partnership	15.00%
Noble Energy Mediterranean Ltd.	39.66%

Sincerely,
Delek Drilling Management (1993) Ltd.
General Partner of Delek Drilling - Limited Partnership

By Yossi Abu, CEO
and Yaniv Friedman, Deputy CEO