

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

April 13, 2020

To
The Israel Securities Authority
22 Kanfei Nesharim Street
Jerusalem

To
Tel Aviv Stock Exchange Ltd.
2 Ahuzat Bayit Street
Tel Aviv

Dear Sir/Madam,

Re: **Immediate Report**

Further to Section 7.12.4(a)4 of the Partnership’s periodic report as of December 31, 2019, as released on March 30, 2020 (Reference No.: 2020-01-032010), with respect to a disagreement between the Partnership and Noble Energy Mediterranean Ltd. (“**Noble**”) and the other Tamar partners (i.e., Isramco Negev 2, Limited Partnership (“**Isramco**”), Tamar Petroleum Ltd., Dor Gas Exploration, Limited Partnership and Everest Infrastructures, Limited Partnership) with respect to the ability of the other Tamar partners to compel the Partnership and Noble to agree to the terms and conditions of an amendment to the agreement with the Israel Electric Corporation Ltd. (“**IEC**”), on the terms and conditions concluded by the other Tamar partners, with no involvement by the Partnership and Noble, and with respect to the other Tamar partners’ application to the Competition Commissioner with a request, *inter alia*, that she clarify that the Partnership and Noble are obligated to agree to the marketing of their share in the gas from the Tamar lease to a new customer, or to the amendment of an agreement on gas from the Tamar lease to a preexisting customer to which the Partnership and Noble are parties, including the amendment to the IEC agreement as noted, which position had been rejected by the Partnership, the Partnership hereby respectfully notifies that today, April 13, 2020, an announcement was released by representatives of the Ministry of Energy, the Economic Department of Legislation Advice at the Ministry of Justice, the Ministry of Finance and the Competition Authority, which is attached as an annex hereto, whereby, *inter alia*, the Tamar partners have been given a short period of time to modify the arrangements between them so as to ensure that the Partnership, Noble and Isramco do not hold a veto right over decisions on the marketing of natural gas from the Tamar reservoir.

The Partnership, with the assistance of its legal counsel, shall study the details of such announcement and shall also examine the options available thereto for the purpose of reaching such arrangements, including arrangements with respect to the separate marketing of natural gas from the Tamar reservoir.

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

Isramco 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 Yossi Gvura, Deputy CEO

[Emblem of the State of Israel]

The Ministry of Finance

The Ministry of Energy

The Ministry of Justice

The Competition Authority

Nissan 19, 5780

April 13, 2020

– Joint Announcement –

The Partners in Tamar have been requested to Modify the Arrangements between them such that Veto Rights in the Marketing of Natural Gas are Removed

Representative of the Ministries of Energy, the Economic Department of Legislation Advice at the Ministry of Justice, Finance and the Competition Authority have given the Tamar partners a short period of time to modify the arrangements between them so as to ensure that the Delek, Noble and Isramco do not hold a veto right over decisions on the marketing of natural gas from the Tamar reservoir. Such understandings will obviate intervention and formal measures by the State.

The background to the above is the application by the Tamar partners that do not also have holdings in the Leviathan reservoir¹ to the Competition Commissioner, claiming that Delek and Noble – which also have holdings in the Leviathan reservoir – are exercising a veto right in the context of negotiations for the marketing of gas from the Tamar reservoir in order to prevent Tamar from supplying gas at prices that are competitive in relation to the Leviathan reservoir. The Tamar partners that lodged the complaint specifically claimed that Delek and Noble had prevented them from offering a discount on the gas price to the IEC and are preventing them from making price offers that are competitive in relation to Leviathan in future contracts. As argued in the complaint, such conduct violates two provisions: (1) As concerns Noble – the provisions of the Gas Framework², which prohibited Noble from holding a veto right in Tamar once its holdings decreased to 25% in accordance with the requirements of the Gas Framework; (2) As concerns Delek – the conditions of the restrictive arrangement exemption decision issued by the Commissioner in August 2006³, which

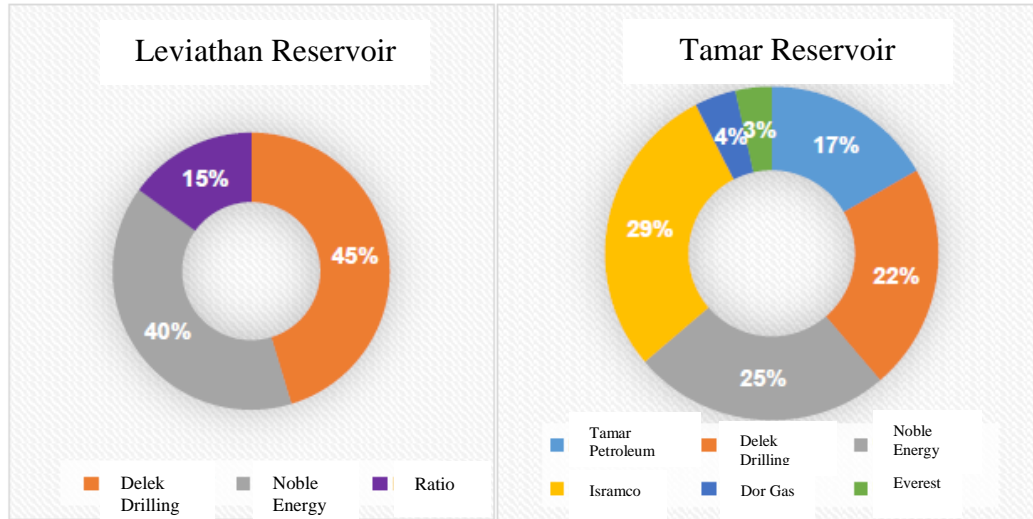
¹ Dor Gas Exploration, L.P. (“**Dor**”), Isramco Negev 2, L.P. (“**Isramco**”), Tamar Petroleum Ltd. (“**Tamar Petroleum**”) and Everest Infrastructures, L.P. (“**Everest**”), which jointly hold 53% of Tamar. Delek also holds approx. 22.6% of the issued share capital and approx. 13.4% of the voting rights in Tamar Petroleum.

² Resolution 476 of the 34th Government “Framework for Increase of the Natural Gas Quantity produced from the “Tamar” Natural Gas Field and Quick Development of the “Leviathan”, “Karish” and “Tanin” Natural Gas Fields and Additional Natural Gas Fields” (August 16, 2015). Section 12(b): “Commencing on the Effective Date for Tamar or the date of sale of Noble’s holdings in Tamar as set forth above, whichever is earlier, Noble shall hold no veto right that pertains to Tamar, including with respect to engagement in transactions for the sale of gas from Tamar or any component of such engagement, as well as the development, expansion or upgrade of Tamar, subject to Noble’s duties as a prudent operator”.

³ The Competition Commissioner’s decision with respect to the grant of an exemption from approval of a restrictive arrangement to the agreement between Delek Group and Isramco Negev, Noble Energy and others (August 22, 2006), the Competition Authority 328533. Section 3.1.4 of the exemption decision imposes on Delek and Isramco a condition whereby “in any arrangement, agreement or understanding,

approved the partnership in Tamar and determined, as part of the exemption conditions, that Delek and Isramco alone would not be able to prevent the making of decisions in Tamar.

At this time, holdings in Leviathan and in Tamar are as follows (approximately):



Following joint discussions, which also included the receipt of responses from the partners in Tamar, the Ministries’ representatives notified the partners in Tamar that before they expressed their final opinion and considered further measures, they were allowing the parties to reach understandings that would obviate the need for the State to adopt a formal position.

The Ministries’ representatives gave the parties a short period of time for the formulation of understandings. The understandings the parties were required to formulate need to be of a type that revokes the veto right held by Noble, Delek and Isramco, by virtue of the conduct prevailing between the parties to date.

written or oral, with respect to the establishment of a mechanism or manner of decision making between the holders of the “Matan” and “Michal” licenses with respect to the marketing of natural gas to be produced in the “Matan” and “Michal” licenses, none of the local corporations shall alone hold, directly or indirectly, any right or power to prevent the other holders from making a decision or taking action with respect to the marketing of natural gas to be produced in the “Matan” and “Michal” licenses.