

Delek Drilling - Limited Partnership
(the "Partnership")

December 6, 2021

Israel Securities Authority
Via Magna

Tel Aviv Stock Exchange Ltd.
Via Magna

Dear Sir/Madam,

Re: **Transaction for the Sale of the Partnership's Interests in the Tamar Project - Update**

Further to the Partnership's immediate report of September 2, 2021 regarding the Partnership's engagement in a binding and contingent agreement for the sale of its 22% interest in the I/12 Tamar and I/13 Dalit leases (the "**Leases**") to Tamar Investment 1 RSC Limited and Tamar Investment 2 RSC Limited (the "**Transaction**"), and the Partnership's immediate report of November 25, 2021 regarding fulfillment of the Transaction's closing conditions (Ref. No.: 2021-01-143664 and 2021-01-171168, respectively), the Partnership respectfully reports that the Transaction's closing date is expected to be by December 15, 2021 (the "**Transaction Closing Date**").

The consideration in the Transaction is intended to be used by the Partnership, *inter alia*, for the making of bond payments, as specified below:

1. The Partnership will perform full and final prepayment of the Series 2023 and 2025 bonds (Security no.: 1132174 and 1132182, respectively), which were issued by Delek & Avner (Tamar Bond) Ltd. (the "**Tamar Bond Bonds**"), a wholly owned subsidiary of the Partnership, in the sum total of \$640 million, plus accrued interest in the sum total of approx. \$16.2 million, all in accordance with the provisions of the indenture for the Tamar Bond Bonds (the "**Payment**"). The date of performance of the Payment is expected to be on December 23, 2021, with the persons entitled to the Payment being those who shall hold the Tamar Bond Bonds on this date. In addition, as part of the closing of the Transaction, all of the amounts required for performance of the Payment will be deposited with a trustee for the bonds, and the pledges created on the Leases and on other assets to secure the Tamar Bond Bonds will be removed¹.
2. The Partnership will pay (together with other sources) the Series A bonds of the Partnership (the "**Series A Bonds**") on the final maturity date thereof, which will fall on December 31, 2021, with the representative rate of the dollar for purposes of performance of the Payment being the representative dollar rate that shall be determined by the Bank of Israel at the close of trading on December 27, 2021, all in accordance with the provisions of the indenture for the Series A Bonds².

¹ It is noted that the making of the Payment is contingent on the closing of the Transaction.

² It is noted that in accordance with the provisions of the indenture for the Series A Bonds, the sale of the interests in the Leases requires performance of early redemption of one half of the outstanding principal of the Series A Bonds. However, according to the TASE Regulations and the provisions of the indenture for the Series A Bonds,

Caution regarding forward-looking information: The information specified above, including with respect to the Payment of the Tamar Bond Bonds and the Series A Bonds, and the possibility and date of the closing of the Transaction, constitute forward-looking information, within the meaning thereof in Section 32A of the Securities Law, 5728-1968, which there is no certainty will materialize, in whole or in part, in the manner stated or in any other manner, and in particular there is no certainty that the Transaction will be closed. The said information may not materialize, in whole or in part, or may materialize in a materially different manner due to various factors, including delays in the timetables for the closing of the Transaction and others, which are beyond the Partnership's control.

The holding rates in the Leases prior to the closing of the Transaction are as follows:

Isramco Negev 2, Limited Partnership	28.75%
Chevron 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%
Total	<u>100%</u>

Upon the closing of the Transaction, the holding rates in the Leases will be as follows:

Isramco Negev 2, Limited Partnership	28.75%
Chevron Mediterranean Ltd.	25.00%
Tamar Investment 1 RSC Limited	11.00%
Tamar Investment 2 RSC Limited	11.00%
Tamar Petroleum Ltd.	16.75%
Dor Gas Exploration, Limited Partnership	4.00%
Everest Infrastructures, Limited Partnership	3.50%
Total	<u>100%</u>

Sincerely,

Delek Drilling Management (1993) Ltd.

General Partner of Delek Drilling – Limited Partnership

By: Yossi Abu, CEO

and Yossi Gvura, Deputy CEO

if partial redemption is scheduled in a quarter in which the final maturity date also falls, then the partial redemption will be performed on the final maturity date.

