

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

December 9, 2021

Israel Securities Authority  
Via Magna

Tel Aviv Stock Exchange Ltd.  
Via Magna

Dear Sir/Madam,

**Re: Closing of a Transaction for the Sale of the Partnership’s Interests in the Tamar Project**

Further to the Partnership’s immediate report of December 6, 2021 regarding the transaction for the sale of the Partnership’s 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”) (Ref. No.: 2021-01-176682), the Partnership respectfully reports that today, December 9, 2021, the Transaction was closed, and in this context the interests in the Leases were transferred in the Petroleum Register against receipt of consideration in the sum of approx. \$955 million<sup>1</sup>, which will be used by the Partnership, *inter alia*, as follows:

1. The Partnership will perform full and final prepayment of the Delek & Avner (Tamar Bond) Ltd. bonds (the “Tamar Bond Bonds” and the “Financing Company”, respectively) on December 23, 2021, and on December 31, 2021 will perform final payment of the full outstanding principal of the Series A bonds of the Partnership (100%), according to the terms of linkage to the dollar rate set forth in the indenture.
2. In the Partnership’s estimation and based on its estimates, the Partnership is expected to pay capital gains tax in the sum of approx. \$153 million.

The Partnership is examining the accounting impact of the Transaction on its financial statements as of December 31, 2021.

It is noted that as part of the closing of the Transaction, the pledges to secure the Tamar Bond Bonds, including the pledges on the bank accounts of the Partnership and of the Financing Company, have been removed, and money that has accrued in these accounts in the sum of approx. \$170 million is available to the Partnership<sup>2</sup>.

**Caution regarding forward-looking information:** The Partnership’s estimate regarding the expected capital gains tax amount is based on an assessment only, and constitutes forward-looking information, within the meaning thereof in Section 32A of the Securities Law, 5728-1968, since the Partnership’s financial statements for 2021 have not yet been prepared, the Partnership’s books have not yet been audited by the Partnership’s accountants, and the

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<sup>1</sup> Calculation of the consideration was made subject to certain adjustments in respect of income and expenses that the Partnership had in connection with the Leases in respect of the period between the effective date (i.e., August 1, 2021) and the Transaction’s closing date (i.e., December 9, 2021).

<sup>2</sup> It is noted that the said amount does not include revenues (net) of the Partnership in respect of sales from the Tamar project which were made in November 2021, the payment for which will be transferred to the Partnership after the closing of the Transaction.

Partnership's calculations regarding the capital gains tax have not yet been audited either by the Partnership's accountants or by the Tax Authority. It is therefore clarified that this is an estimate only, and that the final determination of the capital gains tax amount may be materially different to the above estimate, and may be affected, *inter alia*, by accounting and tax aspects which are not presently known, and by changes in the exchange rate of the dollar to the shekel.

**The partners in the Leases and their holding rates after the closing of the Transaction are 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