

Delek Drilling - Limited Partnership
(the “Partnership”)

September 7, 2020

Israel Securities Authority
22 Kanfei Nesharim St.
Jerusalem

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

Dear Sir/Madam,

Re: **Right to Veto Decisions on the Marketing of Natural Gas from the Tamar Reservoir**

Further to Section 7.12.4(a)(4)(u) of the Periodic Report as of December 31, 2019, as released on March 30, 2020 (Ref. No.: 2020-01-032010), Section 9 of the Q1 report as of March 31, 2020, as released on June 28, 2020 (Ref. No.: 2020-01-058762) and Section 5 of the Q2 report as of June 30, 2020, as released on August 20, 2020 (Ref. No.: 2020-01-091527), regarding a dispute between 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) and the Partnership and Noble Energy Mediterranean Ltd. (“**Noble**”) in connection with the marketing of natural gas from the Tamar reservoir, the Partnership hereby respectfully reports that on September 6, 2020, a notice was received from the Competition Authority, annexed hereto, whereby, *inter alia*, the Partnership’s holding of the right and power to prevent the other holders of the Tamar reservoir from making decisions or taking actions for the marketing of gas from the Tamar reservoir contrary to the terms and conditions of the “decision pursuant to Section 14 of the Restrictive Trade Practices Law, 5748-1988 regarding the granting of an exemption from approval of a restrictive arrangement – agreement between Delek Group and Isramco Negev, Noble Energy and others” of August 22, 2006, is a violation of the provisions of Section 4 of the Economic Competition Law, 5748-1988, and therefore the Partnership is required to act within one month to nullify the veto right held thereby. Until the date of nullification of the veto right, the Partnership may hold its rights as being until today and make new contracts, although in the conduct of negotiations for contracts in the said period, the Partnership shall not exercise its veto right alone. To the best of the Partnership’s knowledge, a similar notice was also received by Isramco.

The opinion of the Deputy Attorney General (economic law)¹ was also released regarding Noble’s veto right in the Tamar reservoir, according to which each one of the holders of the Tamar reservoir holds a veto right, including Noble, which is entitled to hold such veto right until the date of the sale of holdings in the Tamar reservoir to a third party that is not affiliated with the Partnership or Noble, or until December 17, 2021, whichever is earlier.

¹ https://www.gov.il/BlobFolder/reports/opinion-vetorightnoble/he/publications_%D7%97%D7%95%D7%95%D7%AA%20%D7%93%D7%A2%D7%AA%20-%D7%96%D7%9B%D7%95%D7%AA%20%D7%94%D7%95%D7%95%D7%98%D7%95%20%D7%91%D7%9E%D7%90%D7%92%D7%A8%20%D7%AA%D7%9E%D7%A8%200920.pdf

The Partnership will study, with the help of its legal counsel, the details of the Competition Authority's notice and the said opinion, and will formulate its position.

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 Yaniv Friedman, Deputy CEO