

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

February 16, 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 Notice of the Ministry of Energy**

Further to the notice of the Ministry of Energy of February 13, 2020 regarding restriction of production from Leviathan reservoir wells<sup>1</sup> (the “Wells”), the Partnership respectfully announces that during inspections carried out at the initial stages of activity of the Leviathan project’s facilities, a minor tremor was discovered in a short section of pipe (around 30 meters in length, called a ‘jumper’), which connects each wellhead directly to the pipeline laid on the seabed. As a result, the operator in the Leviathan project, Noble Energy Mediterranean Ltd., limited, as a precaution and in a temporary and controlled manner, production from the Wells in order to examine, using designated equipment and expert consultants in the field, the nature and scope of the said tremor, and whether it deviates from the original planning. Thus far, one out of four production wells have been examined with no irregular findings, and therefore the production capacity from this well was increased, concurrently with the continued inspections of the other wells.

It is noted that the facilities in the Leviathan project include, *inter alia*, four wells with a production capacity of up to approx. 400 MMCF per day each (for further details, see Section 7.18.2(a) of the Partnership’s periodic report as of December 31, 2018, as released on March 24, 2019 (Ref. No.: 2019-01-023982)), and that in any event it was planned that during the initial period of activity, the total production capacity from the Leviathan reservoir would be limited to approx. 700-850 MMCF per day, in the framework of a gradual ramp-up to full production capacity.

During the upcoming period, after completion of inspection of all of the project’s systems and completion of integration of additional systems in the platform, the partners intend, in coordination with the Ministry of Energy, to gradually increase the production capacity up to around 1,200 MMCF per day towards the summer months.

It is noted that in the Partnership’s estimation, based on advice it received from expert consultants in the field, this event is not expected to have a material effect on the Leviathan project’s production system, and it will be possible to handle the same, insofar as required, by known means of immaterial cost.

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<sup>1</sup> See the notice of the Ministry of Energy: [https://www.gov.il/he/departments/news/leviathan\\_130220](https://www.gov.il/he/departments/news/leviathan_130220)

It is further noted that the event described above did not affect the supply of natural gas to customers of the Leviathan partners in accordance with the undertakings set forth in the gas supply agreements.

In accordance with all of the aforesaid, in the Partnership's estimation, the event described above does not, as of this date, have a material effect on the forecasted annual sales from the reservoir, as is reflected by the discounted cash flow figures for the Leviathan project (for details, see immediate report of January 13, 2020 (Ref. No.: 2020-01-005076)).

It is further clarified that during the initial stages of activity of the Leviathan project's facilities, various other events may occur, *inter alia* as a result of examination of the activity of all of the project's systems, as aforesaid. The Partnership shall release reports only regarding events as aforesaid which, in its estimation, may have a material effect, including on the Partnership's income from the sale of natural gas, all as required by law.

**Caution regarding forward-looking information:** The information and estimates specified above, including regarding the gradual increase of the volume of production of natural gas from the Leviathan reservoir, the possible effect of the above event on the production system, and the costs that may be entailed by handling the event, constitute forward-looking information within the meaning thereof in the Securities Law, 5728-1968. This information is based on estimates and recommendations received by the Partnership from the operator and its professional consultants, and on the inspections and data received by the Partnership as of the date of this report, and these estimates may therefore materially change according to current information and data that shall be received in the future.

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

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

Sincerely,

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

By Yossi Abu, CEO  
and Yossi Gvura, Deputy CEO