

Delek Drilling – Limited Partnership
(the “Partnership”)

September 23, 2021

Israel Securities Authority
22 Kanfei Nesharim St.
Jerusalem

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

Dear Sir/Madam,

Re: Profit Distribution

The Partnership respectfully announces that on September 22, 2021, the board of directors of the Partnership’s general partner decided, after receiving the recommendation of the Financial Statements Review Committee of the Partnership’s general partner (the “FSRC”), on the distribution of profits in the sum total of U.S. \$100 million, with the record date for the distribution being October 6, 2021.

Set forth below are details regarding the examination carried out by the FSRC and the board of directors of the Partnership’s general partner in connection with the adoption of the decision regarding the profit distribution as aforesaid:

1. The FSRC and the general partner’s board of directors examined the Partnership’s compliance with the profit test and the solvency test set forth in Section 302(a) of the Companies Law, 5759-1999, and following this examination confirmed the Partnership’s compliance with these tests in relation to the said profit distribution.
2. With respect to the compliance with the profit test, the general partner’s board of directors approved the said profit distribution based on the Partnership’s retained earnings as of June 30, 2021, which exceeds the sum of the distribution. It is noted that in view of the planned work plans, including the investment in the drilling of the Leviathan-8 development and production well, as specified in the Partnership’s immediate report of July 13, 2021 (Ref. No.: 2021-01-116085), and considering the liabilities that the Partnership has assumed in connection with the Yam Tethys and Aphrodite projects, bonds issued by the Partnership and its subsidiaries, and in accordance with the resolutions of the general meeting of the participation unit holders regarding refrainment from distributing profits, as specified in Sections 4.4.5-4.4.7 of the Partnership’s periodic report as of December 31, 2020, which was released on March 17, 2021 (Ref. No.: 2021-01-036588), the general partner’s board of directors resolved to approve a distribution in an amount lower than the balance of the Partnership’s profits available for distribution.
3. With respect to the compliance with the solvency test, the general partner’s board of directors and the FSRC weighed the following matters: engagement in an agreement for the sale of the Partnership’s interests at the rate of 22% in the I/12 Tamar and I/13 Dalit leases, as specified in the Partnership’s immediate report of September 2, 2021 (Ref. No.: 2021-01-143664), data regarding the Partnership’s financial position, including data regarding the Partnership’s liquid balances, the

Partnership's existing and future liabilities, including their due dates, the Partnership's expected future cash flows, assumptions in relation to the Partnership's expected future uses and sources, including costs of development of the Leviathan project, investment in the Aphrodite project, and abandonment of the Yam Tethys project, the additional financing sources available to the Partnership, including the possibility of additional debt raisings, disposition of investments and assets, and performance of future investments which have been and/or shall in the foreseeable future be approved. After examination of the above matters, the FSRC and the board of directors confirmed that the Partnership meets the solvency test in relation to the said profit distribution.

4. In the estimation of the FSRC and the board of directors, the profit distribution will not have a material adverse effect on the Partnership's financial position, including on its capital structure, leverage level, liquidity or ability to continue operating in its existing operating format.

The trustee gave his consent to the profit distribution as aforesaid.

No deduction of withholding tax shall be made for the said profit distribution.

The report form is intended for the distribution of a dividend of a company and not the distribution of profits of a partnership. Therefore, please note the following comments:

1. In Section 1 of the report form – the security of the corporation to which the profit distribution is made is a participation unit (and not shares).
2. Any mention of a “dividend” in the report form should be read as “profit distribution”.
3. Any mention of a “company” in the report form should be read as “partnership”.
4. The tax rates stated in Section 7 of the report are not relevant to a partnership.

Caution regarding forward-looking information – the estimates stated in Paragraphs 3 and 4 above constitute forward-looking information, as defined in the Securities Law, 5728-1968, which are based on an analysis of the data specified in Paragraph 3 above, carried out by the general partner's board of directors and the FSRC. These estimates may not materialize, in whole or in part, or materialize in a manner materially different than expected, *inter alia* following changes in the capital market conditions, the rate of inflation, estimated timetables of performance of exploration and development actions, exchange rates, the market conditions in which the Partnership operates, the Partnership's pace of sales, political and security changes and regulatory and geopolitical changes which may affect the Partnership's activities.

Sincerely,

Delek Drilling Management (1993) Ltd.
General Partner of Delek Drilling - Limited Partnership
By Yossi Abu, CEO
and Yossi Gvura, Deputy CEO