

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

February 17, 2019

Israel Securities Authority  
22 Kanfei Nesharim St.  
Jerusalem 9546434

Tel Aviv Stock Exchange Ltd.  
2 Ahuzat Bayit St.  
Tel Aviv 6525216

Via Magna

Dear Sir/Madam,

Re: **Amendment to the Gas Supply Agreement between the**  
**Tamar Partners and the IEC**

Further to the provisions of Section 7.11.4(a)4 of the Partnership’s periodic report of December 31, 2017, as released on March 21, 2018 (Ref. no. 2018-01-022209) (the “**Periodic Report**”) regarding the agreement between the partners in the Tamar project, including the Partnership (the “**Tamar Partners**”), and the Israel Electric Corp. Ltd. (the “**IEC**” and the “**Agreement**”, respectively), the Partnership respectfully announces that on February 14, 2019 the Board of Directors of the General Partner of the Partnership approved an amendment to the Agreement in connection with the gas price which shall apply until the first adjustment date, and in connection with the daily gas quantity which the IEC shall be entitled to order under the Agreement (the “**Amendment to the Agreement**”), as specified below. The Amendment to the Agreement is expected to be signed upon receipt of the regulatory approvals required by the IEC (if and to the extent received). To the best of the Partnership’s knowledge, on February 14, 2019 the Board of Directors of the IEC approved the principles of the Amendment to the Agreement, and authorized the IEC management to sign the Amendment to the Agreement after receipt of the relevant regulatory approvals, if and to the extent required.

As specified in the Periodic Report, the Agreement provides for two dates on which each party may request adjustment of the existing contractual price, if such party is of the opinion that the price set forth in the Agreement is no longer suited to a long-term contract with an anchor buyer for the consumption of natural gas for use in the Israeli market. In accordance with the Agreement, the first adjustment date is on July 1, 2021 (the “**First Adjustment Date**”) and the second adjustment date is on July 1, 2024.

The Amendment to the Agreement provides that from January 2019 until the First Adjustment Date (the “**Interim Period**”), the linkage clause set forth in the Agreement (and detailed in Section 7.11.4(a)4.f of the Periodic Report) shall not be implemented, such that the price to be paid by the IEC shall be the contractual price that was valid during 2018. On the First Adjustment Date, an adjustment shall be made to the contractual price as set forth in the Agreement, in reference to the contractual price that would have been paid but for the Amendment to the Agreement, i.e., the contractual price assuming implementation of the linkage set forth in the Agreement.

In the Partnership’s estimation, the savings to the IEC from the Amendment to the Agreement in the Interim Period as aforesaid are approx. U.S. \$85 million (in 100% terms, the Partnership’s share being approx. U.S. \$19 million) (the “**Savings Amount**”).

If and insofar as it shall be determined that a price reduction is required on the First Adjustment Date, the parties shall discuss the manner and scope at which the Savings Amount may be taken into account in such reduction.

The Amendment to the Agreement further provides that from the date of flow of gas from the Leviathan project to the Israeli market, the maximum daily gas quantity which the IEC shall be entitled to order under the Agreement shall be reduced from 655,200 MMBTU to 500,000 MMBTU, without reducing the minimal annual quantity which the IEC undertook to 'take or pay' under the Agreement.

The Amendment to the Agreement shall be subject to the receipt of approval from some of the Tamar Partners' lenders, as well as the approval of the Competition Authority, if and insofar as such approval is required by law.

**Warnings regarding forward-looking information** –

The forecast regarding the signing of the Amendment to the Agreement constitutes forward-looking information, within the meaning thereof in Section 32A of the Securities Law, 5728-1969 (the "**Securities Law**"), with respect to which there is no certainty that it will materialize, in whole or in part, in the said manner or in any other manner, and which may materialize in a materially different manner, due to various factors including non-receipt of the regulatory approvals required by the IEC prior to signing the Amendment to the Agreement, approval of some of the Tamar Partners' lenders, and the approval of the Competition Authority (if and to the extent required).

The Partnership's estimate of the savings to be derived by the IEC constitutes forward-looking information, within the meaning thereof in Section 32A of the Securities Law, with respect to which there is no certainty that it will materialize, in whole or in part, in the said manner or in any other manner, in whole or in part and which may materialize in a materially different manner, due to various factors including changes in the quantities to be used by the IEC and changes in the U.S. CPI in the Interim Period.

**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 Yossi Gvura, Deputy CEO