

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

June 12, 2019

Israel Securities Authority  
22 Kanfei Nesharim St.  
Jerusalem

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

Dear Sir/Madam,

**Re: Engagement in an Agreement for the Supply of Natural Gas from the Leviathan Project to the IEC**

Further to Sections 7.13.4(a)(4) and 7.28 of the Partnership’s Periodic Report as of December 31, 2018, as released on March 24, 2019 (Ref. no. 2019-01-023982), the immediate report of April 7, 2019 (Ref. no. 2019-01-031422) on the selection of the bid of the Leviathan Partners as the winner in the RFP for the supply of natural gas to the Israel Electric Corp. Ltd. (the “**Competitive Proceeding**” and the “**IEC**” or the “**Buyer**”, respectively), and the immediate report of April 18, 2019 (Ref. no. 2019-01-036000) on the legal proceeding being conducted in connection with the Competitive Proceeding<sup>1</sup>, the Partnership respectfully announces as follows:

On June 12, 2019 an agreement was signed for the supply of natural gas, between the Leviathan partners and the Buyer, whereby the Buyer shall purchase natural gas from the Leviathan partners on an available-capacity basis (the “**Supply Agreement**”), at a total quantity during the Term of the Supply Agreement (as defined below) that is estimated by the Partnership at approx. 4 BCM.

The term of the Supply Agreement shall commence on October 1, 2019 or the date of commencement of production of gas from the Leviathan reservoir, whichever is later, and end on June 30, 2021 or on the date of commencement of the production of gas from the Karish reservoir, whichever is earlier, unless the term of the Supply Agreement is terminated earlier in accordance with the terms and conditions of the Supply Agreement (the “**Term of the Supply Agreement**”). Insofar as on June 30, 2021 production of gas from the Karish reservoir shall not yet have commenced, the parties shall be entitled to extend the Term of the Supply Agreement by mutual consent.

The Supply Agreement sets an unlinked gas price.

---

<sup>1</sup> On April 18, 2019 some of the Tamar Partners (Isramco Negev 2, Limited Partnership, Tamar Petroleum Ltd., Dor Gas Exploration, Limited Partnership, and Everest Infrastructures, Limited Partnership) filed an administrative petition, a motion for an urgent hearing of the petition and for an interim order, with the Tel Aviv District Court, against the IEC and the Leviathan partners (the Partnership, Noble Energy Mediterranean Ltd. and Ratio Oil Exploration (1992), Limited Partnership), in connection with the Competitive Proceeding. On June 3, 2019 and June 4, 2019 a preliminary hearing was held in the petition and the motion for an interim order. On June 11, 2019 the Leviathan partners informed the Court that the attempts to end the proceeding with consent were unsuccessful. As of this date, no judgement has yet been issued in the petition.

In the Partnership's estimation, the total income from the sale of natural gas to the Buyer (relative to 100% of the rights in the Leviathan project), based on the Partnership's estimation of the quantity of natural gas to be purchased by the Buyer, may amount to approx. U.S. \$700 million during the Term of the Supply Agreement. It is clarified that the actual income shall be derived from several factors, including the quantities of gas to be purchased in practice by the Buyer, the date of commencement of production of gas from the Leviathan project, and the date of commencement of production of gas from the Karish reservoir.

The Supply Agreement is subject to the receipt of regulatory approvals from the Governmental Companies Authority, the Competition Authority and the Electricity Authority (if and insofar as such approvals are required).

**Caution concerning forward-looking information:**

The above estimations concerning the total financial scope of the Supply Agreement and the quantity of natural gas to be purchased constitute forward-looking information, within the meaning thereof in the Securities Law, 5728-1968, the materialization of which, in whole or in part, is uncertain, and which may materialize in a materially different manner, due to various factors including changes in the scope, pace and timing of consumption of natural gas by the Buyer.

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

Noble Energy Mediterranean Ltd.	39.66%
Delek Drilling, Limited Partnership	45.34%
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  
Yossi Gvura, Deputy CEO