

LEVIATHAN BOND LTD.
(the “Issuer”)

Date: November 17th, 2021

To: HSBC Bank USA, National Association (the “**Trustee**”).

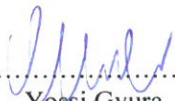
We, Yossi Abu and Yossi Gvura, Directors of the Issuer refer to the indenture, dated 18 August 2020 (the “**Indenture**”) between the Issuer and the Trustee.

Terms defined in the Indenture have, unless otherwise defined in this certificate, the same meaning when used in this certificate.

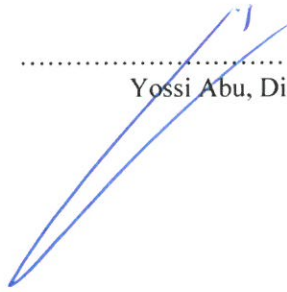
WE CERTIFY THAT:

1. We are authorised by the Issuer to give this certificate on behalf of the Issuer;
2. The Unaudited Financial Statements, attached hereto as **Annex A**, fairly, in all material respects, presents the financial position, results of operations and cash flows of the Issuer on the dates and for the periods indicated in accordance with IFRS; and
3. No Indenture Default or Indenture Event of Default has occurred and is continuing.

[Signatures appear on next page]


.....
Yossi Gvura, Director

on behalf of
LEVIATHAN BOND LTD.


.....
Yossi Abu, Director

Annex A
Unaudited Financial Statements of Issuer



Leviathan Bond

LEVIATHAN BOND LTD

CONDENSED INTERIM FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2021

EXPRESSED IN US\$ THOUSANDS

UNAUDITED

LEVIATHAN BOND LTD
CONDENSED INTERIM FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2021
EXPRESSED IN US\$ THOUSANDS

UNAUDITED

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Auditors' Review Report to the Shareholders of Leviathan Bond Ltd

Introduction

We have reviewed the accompanying financial information of Leviathan Bond Ltd ("**Company**"), which comprises the condensed interim statements of financial position as of September 30, 2021 and the related condensed statements of comprehensive income, changes in equity (deficit) for the nine-month and three-month periods then ended. The Company's Board of Directors' and management are responsible for the preparation and presentation of Interim financial information this interim periods, in accordance with International Accounting Standard 34, "Interim Financial Reporting" ("IAS 34"). Our responsibility is to express a conclusion on this Interim financial information based on our review.

Scope of Review

We conducted our review in accordance with Review Standard (Israel) 2410, issued by the Institute of Certified Public Accountants in Israel, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with generally accepted auditing standards in Israel, and consequently accordingly does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the aforementioned interim financial information is not prepared, in all material respects, in accordance with IAS 34

Tel Aviv, November 17, 2021

Kost Forer Gabbay & Kasierer
Kost, Forer, Gabbay & Kasierer
Certified Public Accountants
(Israel)

ZIV HAFT
Ziv Haft
Certified Public Accountants
(Israel)

Leviathan Bond Ltd**Condensed Interim Statements of Financial Position (Expressed in US\$ Thousands)**

	<u>30.09.2021</u>	<u>30.09.2020</u>	<u>31.12.2020</u>
	<u>Unaudited</u>	<u>Unaudited</u>	<u>Audited</u>
Assets:			
Current Assets:			
Short term Bank deposits	8	4	15
Related parties	-	-	**
Interest receivable	35,406	16,685	-
	<u>35,414</u>	<u>16,689</u>	<u>15</u>
Noncurrent Assets:			
Loans to shareholders	2,248,020	2,247,814	2,247,611
Long term bank deposits	100,141	100,000	100,000
	<u>2,348,161</u>	<u>2,347,814</u>	<u>2,347,611</u>
	<u>2,383,575</u>	<u>2,364,503</u>	<u>2,347,626</u>
Liabilities and Equity:			
Current Liabilities:			
Related parties	149	4	15
Interest payable	35,406	16,685	-
	<u>35,555</u>	<u>16,689</u>	<u>15</u>
Noncurrent Liabilities:			
Bonds	2,250,000	2,250,000	2,250,000
Loans from shareholders	100,000	100,000	100,000
	<u>2,350,000</u>	<u>2,350,000</u>	<u>2,350,000</u>
Equity (Deficit)	<u>(1,980)</u>	<u>(2,186)</u>	<u>(2,389)</u>
	<u>2,383,575</u>	<u>2,364,503</u>	<u>2,347,626</u>

** Less than \$1,000

The accompanying notes are an integral part of the financial statements.

November 17, 2021
Date of Financial Statement
Approval


Yossi Gvura,
Director


Yossi Abu,
Director

Leviathan Bond Ltd**Condensed Interim Statements of Comprehensive Income (Expressed in US\$ Thousands)**

	For the Nine Month Ended 30.09.2021	the period from July 15, 2020 (Date of incorporation) to 30.09.2020 Unaudited	For the Three Month Ended 30.09.2021	the period from July 15, 2020 (Date of incorporation) to 31.12.2020 Audited
Financial expenses	106,461	18,873	35,493	54,427
Financial income	(106,870)	(16,687)	(35,508)	(52,038)
Total comprehensive expenses (income)	(409)	2,186	(15)	2,389

The accompanying notes are an integral part of the financial statements.

Leviathan Bond Limited.**Condensed Interim Statements of Changes in Equity (Deficit) (Expressed in US\$ thousands)**

	The Company equity	Deficit	Total
	Unaudited		
For the Nine-month period ended September 30, 2021:			
Balance as of January 1, 2021 (audited)	*	(2,389)	(2,389)
Total comprehensive income	-	409	409
Balance as of September 30, 2021	*	(1,980)	(1,980)

	The Company equity	Deficit	Total
	Unaudited		
For the period ended September 30, 2020:			
Balance as of July 15, 2020 (audited)**	*	-	-
Total comprehensive expenses	-	(2,186)	(2,186)
Balance as of September 30, 2020	*	(2,186)	(2,186)

	The Company equity	Deficit	Total
	Unaudited		
For the three-month period ended September 30, 2021:			
Balance as of July 1, 2021	*	(1,995)	(1,995)
Total comprehensive Income	-	15	15
Balance as of September 30, 2021	*	(1,980)	(1,980)

	The Company equity	Deficit	Total
	Audited		
Changes for the period ended December 31, 2020:			
Balance as of July 15, 2020 (audited)**	*	-	-
Total comprehensive expenses	-	(2,389)	(2,389)
Balance as of December 31, 2020	*	(2,389)	(2,389)

* Less than \$1,000

**Date of incorporation

The accompanying notes are an integral part of the financial statements.

Leviathan Bond Ltd

Notes to the Condensed Interim Financial Statements as of September 30, 2021 (Expressed in US \$ Thousands)

Note 1 - General:

- A. Delek Drilling-Limited Partnership ("**Delek Drilling**"/"**The Partnership**"), incorporated Leviathan Bond Limited ("**the Company**") on July 15, 2020. Delek Drilling holds 100% of the shares of the Company. The sole purpose of the Company is to issue bonds under Rule 144A to qualified investors and to provide the funds raised as loans, under the same conditions ("back-to-back"), to Delek Drilling (See also Note 3 to the Annual Financial Statements).
- B. These condensed financial statements should be read in conjunction with the aforementioned Annual Financial Statements. Accordingly, these condensed financial statements do not include updates, which are insignificant in nature, relative to the information already provided in the notes to the latest annual financial statements of the company.
- C. The Statements of Cash Flow have not been presented, as such those statements do not add any significant information.
- D. As of the date of approval of the Financial Statements, it is difficult to assess the continued development of the Covid-19 crisis in the coming years, the scope of its impact on the global economy, and its effect on the demand and sales from the Leviathan reservoir in the coming years.
- E. As of September 30th, 2021 the partnership had Approx. \$35.7 Million U.S Dollars in the Revenue account.

Note 2 - Significant Accounting Principles:

A. Declaration of Compliance with International Accounting Standards:

These condensed interim financial statements comply with provisions of IAS 34.

B. Principles of Preparation of the Financial Statements:

The financial statements are in accordance with the Company's presentation currency, that is, in US Dollars. All values are rounded to the nearest thousand, unless otherwise stated. The financial statements were prepared while applying the cost principle.

C. Initial application of amendments to existing accounting standards:

Amendments to IFRS 9, IFRS 7, IFRS 16, IFRS 4 and IAS 39 regarding the IBOR reform

In August 2020, the IASB published amendments to IFRS 9 Financial Instruments, IFRS 7 Financial Instruments: Disclosures, IAS 39 Financial Instruments: Recognition and Measurement, IFRS 4 Insurance Contracts, and IFRS 16 Leases (the "**Amendments**").

The Amendments provide practical reliefs to handle the effect of the accounting treatment in the financial statements where IBORs (Interbank Offered Rates) shall be replaced with RFRs (Risk Free Interest Rates). In accordance with one of the practical reliefs, the Partnership shall treat contractual amendments or amendments to the cash flows that are required as a direct consequence of implementation of the reform similarly to the accounting treatment of changes in variable interest. In other words, an entity is required to recognize the changes in the interest rates through adjustment of the effective interest rate without changing the book value of the financial instrument. Use of this practical relief is dependent on the transition from IBOR to RFR occurring on the basis of economically equivalent conditions. In addition, the Amendments allow the changes required by the IBOR reform to be made to the designation of the hedging and the documentation without causing the hedging ratios to stop when certain conditions are fulfilled. In the context of the Amendments, temporary practical relief was also given in connection with the application of hedge accounting pertaining to identification of the hedged risk as separately identifiable.

Leviathan Bond Ltd

Notes to the Condensed Interim Financial Statements as of September 30, 2021 (Expressed in US \$ Thousands)

Note 2 - Significant Accounting Policies (Cont.):

C. Initial application of amendments to existing accounting standards (Cont.):

The Amendments added disclosure requirements in connection with the effect of the expected reform on the entity's financial statements, including reference to the manner in which the entity manages implementation of the interest rate reform, the risks to which it is exposed as a result of the expected reform, and quantitative disclosures with respect to financial instruments at IBORs that are expected to change. The Amendments are applied from the annual periods commencing on or after January 1, 2021. The Amendments are applied retroactively, but restatement of comparison figures is not required. The above Amendments are not expected to have a material effect on the Partnership's Financial Statements

D. Disclosure for new IFRSs in the period ahead of application thereof:

Amendment to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors

In February 2021, the IASB published an amendment to IAS 8: Accounting Policies, Changes in Accounting Estimates and Errors (the "**Amendment**"). The purpose of the Amendment is to provide a new definition of the term "accounting estimates".

Accounting estimates are defined as "monetary amounts in the financial statements that are subject to measurement uncertainty". The Amendment clarifies what changes to accounting estimates are and how they differ from changes to the accounting policy and error corrections.

The Amendment will be applied prospectively to annual periods commencing on January 1, 2023, and applies to changes in the accounting policy and accounting estimates occurring at the beginning of such period or thereafter. Early application is possible.

Note 3 - Other Information regarding Ratio Yam Joint Venture ("Leviathan" Leaseholds):

- A.** Further to Note 4C to the Annual Financial Statements regarding examination of various alternatives for increasing the production volume from the Leviathan project, considering the volume of production from the Leviathan reservoir and the demand during the first half of 2021, and in order to improve the redundancy in the production system, the operator recommended bringing forward the drilling of another development and production well, which was planned to be drilled in later years, to 2022.

Accordingly, on July 12, 2021, the Leviathan partners announced that they had adopted a decision regarding the drilling of the Leviathan-8 development and production well in the area of the I/15 Leviathan North lease, with a budget of approx. \$248 million (100%, the Partnership's share is approx. \$112 million) (including completion and connection to the production system of the Leviathan reservoir).

The operator stated that this budget is a preliminary estimate, and there may be an addition to or reduction in the said budget of up to around 20%, depending, inter alia, on the scope of the actions in the well and the actual costs of equipment, materials and the various service companies. The well will be integrated as part of the system of production wells in the Leviathan reservoir in the context of the development plan. In addition, the necessary infrastructures will be built in the Leviathan leases for the purpose of connection of the well to the existing subsea production system of the Leviathan project.

Leviathan Bond Ltd

Notes to the Condensed Interim Financial Statements as of September 30, 2021 (Expressed in US \$ Thousands)

Note 3 - Other Information regarding Ratio Yam Joint Venture ("Leviathan" Leaseholds) (Cont.):

A. (Cont.)

The said drilling is subject to receipt of all of the required regulatory approvals, including the required approvals from the Petroleum Commissioner at the Ministry of Energy (the "**Commissioner**") and from the Ministry of Environmental Protection (the "**Ministry**") for the drilling of the well. In addition, the operator updated that the completion activities and connection of the well to the production system shall be performed, probably, at the beginning of 2023.

It is noted that during November 2021, periodic and preplanned maintenance work was carried out on the Leviathan platform for about seven days, during which the flow of the gas from the Leviathan platform was halted. In this framework, various maintenance actions and upgrades were performed in the production system, including replacement of filters on the platform, which are expected to facilitate optimal production, *inter alia*, during the upcoming winter months.

- B.** Further to Note 4C2 to the Annual Financial Statements regarding engagement in two separate interim agreements with FLNG service and technology providers, on June 4, 2021, the Leviathan partners notified Golar LNG Limited that they had decided not to extend the agreement signed with them. In addition, on July 6, 2021, the Leviathan partners and Exmar NV signed an amendment and an addendum to the agreement signed between them in order to extend the agreement and continue to develop the collaboration between them.

As of the date of approval of the Financial Statements, the Leviathan partners are continuing to examine the construction of the FLNG facility for the Leviathan project, which will be positioned in Israel's EEZ, including receipt of the necessary regulatory approvals.

- C.** On June 14, 2021, Chevron Mediterranean Limited ("**Chevron**")¹ signed a non-binding MOU with Petroleum & Energy Infrastructures Ltd. ("**PEI**"), which defines the division of the responsibility between Chevron and PEI in a project for the construction and operation of a designated infrastructure for the piping of condensate from the Leviathan platform to storage containers on the site of the Orot Rabin power plant, which will be rented for this purpose, and the loading thereof onto tankers. It is clarified that performance of the project described above is subject to the signing of a binding agreement between the parties, the signing of an agreement between PEI and the IEC regarding the use of areas on the power plant's site, and receipt of regulatory approvals insofar as required.

- D.** In June 2021, a report evaluating reserves and contingent resources in the Leviathan leases was received from NSAI, updated as of March 31, 2021. According to the report, the total quantity of resources is estimated at approx. 639.2 BCM and approx. 49.6 million barrels, and is divided into categories of reserves and contingent resources.

The quantity of the Proved Developed Producing reserves is approx. 342.9 BCM and the quantity of the Proved + Probable Reserves is approx. 384 BCM.

¹ On June 27, 2021, Noble Energy Mediterranean Ltd., the operator in the Leviathan and Tamar projects, notified the Partnership that from June 28, 2021, its name would officially be changed to Chevron Mediterranean Limited.

Leviathan Bond Ltd

Notes to the Condensed Interim Financial Statements as of September 30, 2021 (Expressed in US \$ Thousands)

Note 3 - Other Information regarding Ratio Yam Joint Venture ("Leviathan" Leaseholds)

(Cont.):

D. (Cont.)

Additionally, the Proved Developed Producing condensate reserves are approx. 26.6 million barrels, and the quantity of Proved + Probable Reserves is approx. 29.8 million barrels.

In the contingent resource report, the contingent resources were divided into two categories, which relate to each of the reservoir's development stages, as follows:

1. Contingent resources which are classified at the Development Pending stage: these resources are contingent on decisions to drill additional wells, on the construction of related infrastructures and on the signing of additional agreements for the sale of natural gas as part of Phase 1A.
2. Future Development: resources that are contingent on the adoption of another investment decision, in accordance with Phase 1B of the development plan and with an additional stage (insofar as the development plan is updated), and on the signing of additional agreements for the sale of natural gas, range between approx. 362 BCM (the high estimate) and approx. 128 BCM (the low estimate) and the contingent condensate resources range between approx. 28.1 million barrels (the high estimate) and approx. 10 million barrels (the low estimate).

The above estimates regarding the reserves of natural gas, condensate, and the contingent and prospective resources of natural gas and oil in the Partnership's interests in the Leviathan leases are based, *inter alia*, on geological, geophysical, engineering and other information received from the wells and from the operator in the said interests. The above estimates constitute professional appraisals and conjecture of NSAI, in respect of which there is no certainty. The quantities of natural gas and/or condensate that will actually be produced may be different to the said appraisals and conjecture, *inter alia* as a result of operating and technical conditions and/or regulatory changes and/or supply and demand conditions in the natural gas and/or condensate market and/or commercial conditions and/or the actual performance of the reservoirs. The above appraisals and conjecture may be updated insofar as additional information is accrued and/or as a result of a gamut of factors relating to the oil and natural gas exploration and production projects.

- E.** Further to Note 4N to the Annual Financial Statements, in September 2021, Chevron, which operates the Leviathan and Tamar reservoirs, informed the Partnership that in accordance with an update received from Israel Natural Gas Lines Ltd. ("INGL"), the date of commencement of piping of the full quantities under the agreement for the supply of transmission services, for the purpose of transmission of natural gas from the Leviathan and Tamar reservoirs to the EMG terminal in Ashkelon and transmission to Egypt, is projected for March 2023. Therefore, as of the date of approval of the Financial Statements, the Partnership is examining, together with Chevron, the possibility of piping natural gas from Israel to Egypt through Jordan.

Leviathan Bond Ltd

Notes to the Condensed Interim Financial Statements as of September 30, 2021 (Expressed in US \$ Thousands)

**Note 3 - Other Information regarding Ratio Yam Joint Venture ("Leviathan" Leaseholds)
(Cont.):**

- F.** Further to Notes 4H(5) to the Annual Financial Statements in connection with the settlement agreements that were signed on January 30, 2021 between the Tamar partners and Israel Electric Corp. Ltd. (the “IEC”) and between the Leviathan partners and the IEC, on May 2, 2021, the parties to the Tamar settlement agreement agreed to an extension of the timeframe for fulfillment of the condition precedent pertaining to the taking effect of an agreed order between Chevron and the Competition Authority, according to Section 50B of the Economic Competition Law, 5748-1988, until May 31, 2021, and the parties to the Leviathan settlement agreement agreed to an extension of the timeframe for fulfillment of the conditions precedent until such date. On May 31, 2021, the agreed order was approved by the Competition Court, and thus, all of the conditions precedent for the settlement agreements signed between the Tamar partners and the IEC and the Leviathan partners and the IEC to take effect were met.
- G.** Further to Note 4H1(b) to the Annual Financial Statements in connection with an agreement for the supply of gas between the Leviathan partners and the IEC, on June 7, 2021, the Partnership reported that it had received a letter from the Competition Authority whereby the Partnership and Chevron were required to immediately revoke the ‘exclusivity clause’ in the agreement for the supply of natural gas between the Leviathan partners and the IEC, since Section 22(a) of Annex A to the government’s resolution regarding the Gas Framework, had been breached, as the Competition Authority claims. The Partnership’s position, according to legal advice received thereby, is that its actions in connection with the said agreement did not contradict the provisions of the Gas Framework, and it disputed the Competition Authority’s authority in this regard. The aforesaid notwithstanding, on June 10, 2021, the Leviathan partners notified the Competition Authority of their consent to revocation of the said clause, and on June 14, 2021, notice was given to the IEC regarding revocation of the clause, without the same constituting an admission or consent to the notice of the Competition Authority and/or any of the claims raised against the said agreement and/or the said clause. The said notice had no effect on the Partnership’s revenues.
- H.** On July 4, 2021, the Leviathan partners signed a framework agreement with the IEC for the supply of natural gas on an interruptible basis (SPOT) for a period of one year, according to a price to be agreed between the parties from time to time. The agreement does not obligate the parties to purchase or sell any quantities of natural gas, and each party may terminate the agreement at any time.
- I.** Further to Note 4L3 to the Financial Statements regarding an appeal that was filed with the Supreme Court by the Homeland Guards association against the Ministry and position holders therein and against the operator in the Leviathan project and the Ministry of Energy, in connection with the emission permit for the Leviathan platform (in this section: the “**Appeal**”), it is noted that on November 2, 2021, the Supreme Court’s judgment was received, which dismisses the Appeal, with no order for costs, upholding the costs that were awarded by the District Court.

Leviathan Bond Ltd

Notes to the Condensed Interim Financial Statements as of September 30, 2021 (Expressed in US \$ Thousands)

Note 3 - Other Information regarding Ratio Yam Joint Venture ("Leviathan" Leaseholds)

(Cont.):

- J.** Further to Note 4L4 to the Annual Financial Statements regarding an appeal that was filed with the Supreme Court by several local and regional councils against the Head of the Air Quality Division at the Ministry of Environmental Protection and against Chevron in connection with the emission permit for the Leviathan platform, it is noted that on April 5, 2021, a hearing was held on the appeal, and on October 7, 2021, the judgment of the Supreme Court was issued, which denied the appeal, with no order for costs.
- K.** Further to Note 4L5 to the Annual Financial Statements regarding a petition that was filed by the association Homeland Guards with the Jerusalem District Court against the Ministry and Chevron, in the context of which the Ministry was requested to order the release of a reasoned decision, at Chevron's request, to deem information about the flow of wells in the Leviathan reservoir as containing information that amounts to a trade secret, it is noted that on May 23, 2021, a hearing was held on the petition, in the context of which, in view of the consent of the Ministry to post on the website a reasoned decision regarding the information being a trade secret, the court dismissed it without prejudice.
- L.** Further to Note 4L6 to the Annual Financial Statements regarding a motion for class certification that was filed by a resident of the Dor Beach area against Chevron and its parent company, it is noted that on May 5, 2021, the court referred the parties to negotiate with the aim of reaching a stipulation that would obviate the need for litigation, and ordered that an update on the negotiations be provided by June 20, 2021. On June 21, 2021, the petitioner and Chevron updated the court that they had failed to reach agreements that would move the proceeding forward, and therefore it needs to continue to be conducted before the court. It is noted that on August 31, 2021, Chevron filed a response to the certification motion and the petitioner is required to file its response by November 19, 2021. In addition, on September 19, 2021, the court approved the motion for amendment of the certification motion which was filed by the petitioner, and ordered the removal from the certification motion of Chevron's parent company as a respondent.
- M.** Further to Note 4M1a to the Annual Financial Statements regarding a caution and a summons to a hearing received by Chevron from the Ministry with respect to an ostensible violation of the sea discharge permit that was issued for the Leviathan platform with respect to the standards for open system emissions determined in the permit, it is noted that on March 22, 2021, a hearing was held on the matter, and on March 24, 2021, a summary of the hearing on behalf of the Ministry was received, which stated that the Ministry would not recommend a punitive sanction for the alleged deviations, but in the event of additional deviations, it would consider exercising all of its lawful powers. It was further determined that Chevron is required to prepare procedures and to complete actions for the cleaning and identification of sources of oils.

Leviathan Bond Ltd

Notes to the Condensed Interim Financial Statements as of September 30, 2021 (Expressed in US \$ Thousands)

**Note 3 - Other Information regarding Ratio Yam Joint Venture ("Leviathan" Leaseholds)
(Cont.):**

- N.** On April 7, 2021, the Partnership, together with the other Tamar partners and Leviathan partners (in this section: the **"Petitioners"**), filed a petition against the Natural Gas Commission and the Ministry of Energy (in this section: the **"Respondents of the State"**). In the petition, the respondents moved for annulment of decision no. 5/2020 of December 29, 2020 – Amendment to Commission decision 8/2019 – criteria and tariffs for the operation of the transmission system in a flow control regime (Amendment No. 2), of the Natural Gas Commission (in this section, the **"Commission"**), which was published on January 3, 2021 (in this section: the **"Decision"**). According to the Decision, the natural gas suppliers shall bear the cost of one half of the **"Unaccounted For Gas Target (UFG-T)"**, which is defined in the Decision as a difference of up to 0.5% between the quantity of gas measured by the meter at the entrance to the national natural gas transmission system and the quantity measured by the meter at the exit therefrom. The petition argued that this Decision was issued without any lawful authority and is extremely unreasonable. On October 26, 2021, Energean, which was joined as an additional respondent in the petition, filed its response according to which the petition is justified, and on October 27, 2021, INGL, which too was joined as a respondent in the petition, filed its response, in the framework of which it was argued that the petition is tainted with bad faith and unclean hands due to the concealment of material facts and failure to join parties that may be harmed by the petition and that the Decision contemplated in the petition was adopted with authority and reasonably. On November 5, 2021, the Respondents of the State filed their response to the petition, according to which the petition should be summarily dismissed with prejudice due to failure to join the gas consumers as respondents and that the petition should be denied on the merits since the Decision was adopted with authority and is reasonable on the merits. On November 14, 2021, the court granted the motion on behalf of the Petitioners to file a reply on their behalf to the response of the Respondents of the State.
- O.** On May 3, 2021, Haifa Port Co. Ltd. (**"Haifa Port"**) filed a claim against Chevron, Coral Maritime Services Ltd. (**"Coral"**) and Gold Line Shipping Ltd. (**"Gold Line"**) in the sum of approx. ILS 77 million. According to Haifa Port, direct unloading of cargos in the area of the Leviathan platform, as was done by Chevron, without first unloading such cargos at one of Israel's ports, is unlawful and was done so as to evade making mandatory payments to the port, and the port was thus caused financial loss. The complaint claims that from July 2018 forth, Chevron performed direct unloading as aforesaid, while declaring to the tax authorities that Haifa Port was the 'unloading port', even though the cargos that were unloaded did not pass through Haifa Port in practice. The claim against the companies Coral and Gold Line is that they acted, at the relevant times, as the shipping agents for Chevron, which imposes on them, so Haifa Port claims, a duty to pay the handling fees on Chevron's behalf. On August 31, 2021, Chevron filed an Answer and accordingly Haifa Port has the right to file a Replication by December 1, 2021. Concurrently, Chevron filed a counterclaim against Haifa Port, in the amount of ILS 4,405,842, due to a claim in the amount of ILS 715,691 for infrastructure and handling fees actually charged, unlawfully, by Haifa Port, and due to a claim in the amount of ILS 3,690,151 for mooring fees for which Chevron was charged and in which a 30% reduction was not made, contrary to the law, in cases of self-routing of ships that passed through the port area. The Haifa Port is required to file a Reply by December 1, 2021 and Chevron has the right to file a Replication by December 15, 2021. A pretrial in the proceeding has been set for February 6, 2022.

Leviathan Bond Ltd**Notes to the Condensed Interim Financial Statements as of September 30, 2021 (Expressed in US \$ Thousands)****Note 3 - Other Information regarding Ratio Yam Joint Venture ("Leviathan" Leaseholds)
(Cont.):**

P. On June 6, 2021, notice was received from the Ministry of an intention to impose on Chevron an administrative sanction pursuant to the Clean Air Law in a non-material amount, due to an incident of activation of a flare which occurred on October 17, 2020, during which gases were ostensibly diverted to flares and were not burned (cold venting). The Ministry is claiming two alleged violations of the emission permit for the Leviathan platform, including the absence of a pilot flame for the burning of the gases and a malfunction in the pilot flame's indication sensor, but it announced that it intends to impose one sanction in respect thereof only. Chevron delivered its response to the notice on July 6, 2021. It is noted that on September 5, 2021, the decision of the Ministry was received, according to which, Chevron was imposed with a reduced administrative sanction in the amount of ILS 548,520.

In addition, on November 1, 2021, Chevron received a cease-and-desist letter and invitation to a hearing before the Ministry for non-compliance with the conditions of the sea discharge permit which was granted to the Leviathan platform and violation of the Prevention of Sea Pollution from Land-Based Sources Law, 5748-1988, in the framework of which it was argued that Chevron deviated from the standards determined for sea discharge from the open system. The hearing is set for December 12, 2021.

FORM OF SPONSOR FINANCIAL DATA REPORT

		Quarter Month Ended
		30.09.2021
	<u>Item</u>	<u>Quantity/Actual Amount (in USD\$,000)</u>
A.	Total Offtake (BCM)	2.8 ¹
B.	Leviathan Revenues (100%)	536,780 ²
C.	Loss Proceeds, if any, paid to Revenue Account	-
D.	Sponsor Deposits, if any, into Revenue Account	-
E.	Gross Revenues (before Royalties)	234,930
F.	Overriding Royalties	
	(a) Statutory Royalties	(28,198)
	(b) Third Party Royalties	(11,184)
G.	Net Revenues	195,548
H.	<u>Costs and Expenses:</u>	
	(a) Fees Under the Financing Documents (Interest Income)	(19)
	(b) Taxes	-
	(c) Operation and Maintenance Expenses	(27,714)
	(d) Capital Expenditures	(19,558)
	(e) Insurance (income)	(7,343)
I.	Total Costs and Expenses (sum of Items H(a), (b), (c), (d) and (e))	(54,634)
J.	Total Cash Flows Available for Debt Service (Item G <u>minus</u> Item H)	140,914
K.	Total Cash Flow from operation (Item G minus Items H(c) and H(e))	160,491
L.	Total Debt Service	-
M.	Total Distribution to the Sponsor	110,000

¹ Gas sales from April 1st 2021 until June 30st 2021 for 100% of the Leviathan partners on an accrual basis.

² Gas sales from April 1st 2021 until June 30st 2021 for 100% of the Leviathan partners on an accrual basis.

DELEK DRILLING LIMITED PARTNERSHIP
(the "Partnership")

Date: November 17th, 2021

To: HSBC Bank USA, National Association (the "**Trustee**").

We, Yossi Gvura and Yossi Abu, Deputy CEO and CEO (respectively) of the General Partner of the Partnership refer to the indenture, dated 18 August 2020 (the "**Indenture**") between Leviathan Bond Ltd. and the Trustee.

Terms defined in the Indenture have, unless otherwise defined in this certificate, the same meaning when used in this certificate.

WE CERTIFY THAT:

1. We are authorised by the Partnership to give this certificate on behalf of the Partnership; and
2. No Sponsor Loan Default or Sponsor Loan Event of Default has occurred and is continuing.

[Signatures appear on next Page]


.....
Yossi Gvura, Deputy CEO

on behalf of
DELEK DRILLING LIMITED PARTNERSHIP


.....
Yossi Abu, CEO