

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

March 31, 2019

Israel Securities Authority  
22 Kanfei Nesharim St.  
Jerusalem

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

Dear Sir/Madam,

Re: **Notice of Annual and Special General Meeting of the Participation Unit Holders**

Pursuant to the Securities Regulations (Transaction between a Company and its Controlling Shareholder), 5760-2001 (the “**Controlling Shareholders Regulations**”), the Securities Regulations (Periodic and Immediate Reports), 5730-1970, the provisions of the Partnerships Ordinance [New Version], 5735-1975 (the “**Ordinance**”) that applies specific provisions of the Companies Law, 5759-1999 (the “**Companies Law**”) and the regulations promulgated thereunder, and pursuant to the trust agreement dated July 1, 1993 executed between Delek Drilling Trusts Ltd. (the “**Trustee**”) and Fahn Kanne & Co. Accountants and CPA Micha Blumenthal together with Gissin & Keidar firm (the “**Supervisor**”) (as being amended from time to time) the Partnership respectfully announces the summoning of a general annual and special meeting of the holders of the participation units issued by the trustee (the “**Units**” and the “**Meeting**”, respectively), as follows:

**1. Location and date of the Meeting**

The Meeting will be held on Thursday, May 16, 2019 at 14:00 at NYX Hotel, 3377 Naomi Shemer Street, Herzliya.

**2. The Meeting’s agenda and a summary of the proposed resolutions**

**2.1. Item no. 1 – reappointment of auditors**

It is proposed to reappoint the Kost, Forer, Gabbay & Kasierer accounting firm and the Ziv Haft accounting firm, as the Partnership’s auditors, together, for a period ending at the close of the Partnership’s next annual general meeting, and to authorize the board of directors of the general partner to determine their fees.

Language of the proposed resolution:

“To reappoint the Kost, Forer, Gabbay & Kasierer accounting firm and the Ziv Haft accounting firm, as the Partnership’s auditors, together, for a period ending at the close of the Partnership’s next annual general meeting, and to authorize the board of directors of the general partner to determine their fees”.

**2.2. Item no. 2 – Discussion on the Periodic Report (with no resolution)**

Discussion on the Partnership's periodic report (including the financial statements) for the year ended December 31, 2018, as released by the Partnership on March 24, 2019 (Ref.: 2019-01-023982) (the "**Periodic Report for 2018**").

2.3. **Item no. 3 – Approval of transaction to join Ithaca Energy Inc. as a partner in the 367/“Alon-D” license and appointment thereof as operator of the petroleum asset**

Further to the report of March 18, 2019, regarding the announcement of Noble Energy Mediterranean Ltd. ("**Noble**") on its intention to withdraw from the exploration activity in the 367/“Alon-D” license ("**Alon-D License**") and waive its rights in the said petroleum asset (Ref.: 2019-01-022125), it is proposed to approve the Partnership's engagement with Ithaca Energy Inc., a foreign company wholly-owned by Delek Group Ltd., the control holder of the Partnership ("**Ithaca**" and "**Delek Group**", respectively), in a transaction in the context of which: (a) The Partnership and Ithaca shall receive from Noble, by transfer for no consideration, any and all of Noble's rights in the Alon-D License, such that Ithaca receives rights at the rate of 25% (out of 100%) and the Partnership receives the remaining rights of Noble at the rate of 22.059% (out of 100%); and (b) Ithaca shall be appointed as the operator of the petroleum asset and shall step into Noble's shoes, in accordance with the terms and conditions of the Joint Operation Agreement which applies to the Alon-D License between the Partnership and Noble, and all subject to the approval of the Petroleum Commissioner at the Ministry of Energy (the "**Petroleum Commissioner**") and as specified in Section 3 herein.

Language of the proposed resolution:

"To approve the Partnership's engagement in a transaction whereby Ithaca Energy Inc. be joined as a partner at a rate of 25% in the Alon-D License and be appointed as the operator of the petroleum asset, as specified in the notice of meeting report".

For further details regarding the proposed resolution, see Section 3 below.

2.4. **Item no. 4 – approval of transaction for the purchase of rights in the 399/“Roy” license and for participation in oil and/or gas exploration and production in this license**

Further to the provisions of Section 7.5 of Chapter A to the Periodic Report for 2018 regarding the 399/“Roy” license ("**Roy License**") and to the Partnership's report of March 20, 2019 regarding a transaction whereby the Partnership shall exercise an option, with certain agreed changes, and purchase from Ratio Oil Exploration (1992), Limited Partnership ("**Ratio**") 24.99% of the rights in Roy License (Ref.: 2019-01-023013), it is proposed to approve the transaction and the participation in oil and/or gas exploration and production in the area of the Roy License, as well as in adjacent areas to be included therein following border changes, or in any other petroleum asset in which the

Partnership will receive rights, the area of which is adjacent to the area of the Roy License (the “**Roy License Area**”) and for such purpose, to amend the Limited Partnership agreement executed on July 1, 1993, as being amended from time to time (the “**Partnership Agreement**”) and, in Section 5.1 of the Partnership Agreement (the Partnership’s objectives, powers and authorities), add the Roy License to the petroleum assets listed in such section, such as to allow the Partnership to participate in oil and/or gas exploration and production in the Roy License Area, and to authorize the general partner of the Partnership, Delek Drilling Management (1993) Ltd. (the “**General Partner**”), according to the provisions of Section 9.4 of the Partnership Agreement, to refrain from distribution of profits (as defined in Section 9.4 of the Partnership Agreement), for the purpose of participation in the said activities. It is clarified that approval of the proposed resolution by the Meeting, constitutes the grant of approval by the Supervisor according to Section 9.3 of the trust agreement.

Language of the proposed resolution:

“To approve the transaction for the purchase of rights in the Roy License and the participation in oil and/or gas exploration and production in the Roy License, as specified in the notice of meeting report, and for such purpose, to amend Section 5.1 of the Limited Partnership Agreement, to add the petroleum asset 399/“Roy” License to the petroleum assets listed in the said section, so as to allow the Partnership to participate in oil and/or gas exploration and production in the Roy License Area, and to authorize the General Partner of the Partnership, according to the provisions of Section 9.4 of the Partnership Agreement, to refrain from distribution of profits (as defined in Section 9.4 of the Partnership Agreement) for the purpose of participation in the said actions”.

For further details regarding the proposed resolution, see Section 4 below.

2.5. **Item no. 5 – approval of transaction for the purchase of rights in the 405/“New Ofek” and 406/“New Yahel” licenses and for participation in oil and/or gas exploration and production in these licenses**

Further to the Partnership’s report of March 20, 2019 regarding an engagement with SOA Energy Israel Ltd. (“**SOA**”) in connection with the purchase of 25% (out of 100%) of the rights in each one of the 405/“New Ofek” and 406/“New Yahel” licenses (the “**New Ofek and New Yahel Licenses**”) (Ref.: 2019-01-022992), it is proposed to approve the transaction and the participation in oil and/or gas exploration and production in the area of the New Ofek and New Yahel Licenses, as well as in adjacent areas to be included therein following border changes, or in any other petroleum asset in which the Partnership will receive rights, the area of which is adjacent to the area of the New Ofek and New Yahel Licenses (the “**Area of New Ofek and New Yahel Licenses**”) and for such purpose, to amend Section 5.1 of the Limited Partnership Agreement to add the New Ofek and New Yahel Licenses to the petroleum assets listed in the said section, so as to allow the

Partnership to participate in oil and/or gas exploration and production in the Area of the New Ofek and New Yahel Licenses, and to authorize the General Partner of the Partnership, according to the provisions of Section 9.4 of the Partnership Agreement, to refrain from distribution of profits (as defined in Section 9.4 of the Partnership Agreement), for the purpose of participation in the said activities. It is clarified that approval of the proposed resolution by the Meeting, constitutes the grant of approval by the Supervisor according to Section 9.3 of the trust agreement.

Language of the proposed resolution:

“To approve the transaction for the purchase of rights in the New Ofek and New Yahel Licenses and the participation in oil and/or gas exploration and production in the said licenses, as specified in the notice of meeting report, and for such purpose, to amend Section 5.1 of the Limited Partnership Agreement, to add the petroleum assets 405/“New Ofek” license and 406/“New Yahel” license to the petroleum assets listed in the said section, so as to allow the Partnership to participate in the oil and/or gas exploration and production in the Area of New Ofek and New Yahel Licenses, and to authorize the General Partner of the Partnership, according to the provisions of Section 9.4 of the Partnership Agreement, to refrain from distribution of profits (as defined in Section 9.4 of the Partnership Agreement) for the purpose of participation in the said activities”.

For further details regarding the proposed resolution, see Section 5 below.

2.6. **Item no. 6 – reimbursement of the Supervisor’s legal fees**

It is proposed to approve the reimbursement of legal fees of the Supervisor, for the legal proceeding that was conducted before the District Court regarding the arrangement for payment of the tax applicable to the Partnership (O.A. 41282-10-16) (the “**Legal Proceeding**”) in the sum total of approx. ILS 399 thousand plus VAT, and to approve that, insofar as not otherwise decided by the Supreme Court hearing the appeal from the Legal Proceeding (C.A. 10220/17) (the “**Appeal**”), the Supervisor’s legal fees for the Appeal be paid in accordance with the rates set forth in the legal fees breakdown, attached hereto as **Annex A**, and in an amount not to exceed ILS 150 thousand plus VAT.

Language of the proposed resolution:

“To approve the reimbursement of the Supervisor’s legal fees for the Legal Proceeding in the sum total of approx. ILS 399 thousand plus VAT and to approve that, insofar as not otherwise decided by the Supreme Court hearing the Appeal, the Supervisor’s legal fees for the Appeal be paid in accordance with the rates set forth in the legal fees

breakdown, attached as **Annex A** to the notice of meeting report, and in an amount not to exceed ILS 150 thousand plus VAT”.

For further details regarding the proposed resolution, see Section 6 below.

2.7. **Item no. 7 – Supervisor’s update to the participation unit holders in the Partnership (with no resolution)**

Update by the Supervisor to the participation unit holders in the Partnership of special events that took place in 2018 (if any) and any other matter that in his opinion should be brought to the attention of the participation unit holders in the Partnership.

2.8. **Item no. 8 – discussion and reply to questions regarding the restructuring that is under consideration (with no resolution)**

Further to the Partnership’s report of March 18, 2019 (Ref.: 2019-01-022080) regarding the examination of the possibility to promote a plan to split the Partnership’s assets, it was decided to add this item to this Meeting’s agenda, already at this preliminary stage. It is clarified that the purpose of including this item in the Meeting’s agenda is to hold a discussion and to provide answers to questions regarding the aforesaid structural change, and no resolutions on this matter shall be adopted in this Meeting.

3. **Additional details regarding item no. 3 – adding Ithaca as an operator of the Alon-D License**

3.1. **General background**

- a. As of the report date, the right holders in the Alon-D License (hereinafter in this section: the “**Petroleum Asset**”) are the Partnership (approx. 52.94%) and Noble (approx. 47.06%), which serve as the operator of the Petroleum Asset.
- b. No exploration drilling has yet been performed on the area of the Petroleum Asset. The final expiration date of the Petroleum Asset is on April 21, 2020, and according to the work plan applicable with respect to the Petroleum Asset, the Partnership and Noble undertook to perform an exploration drilling in the license area within a reasonable time from the grant of the Petroleum Commissioner’s approval for the performance of the drilling. For additional details, see Section 7.9 of Chapter A to the Periodic Report for 2018.
- c. Noble recently contacted the Partnership, informing that it wishes to withdraw from exploration activities in the Petroleum Asset and waive its rights therein.

Note that according to the Petroleum Regulations (Principles for Offshore Petroleum Exploration and Production), 5777-2016, and the directives published by the Petroleum Commissioner

(the “**Operator Regulations**”), one of the conditions for holding an offshore petroleum asset is that one of the partners in the petroleum asset, holding at least 25% of the rights therein, is the “Operator” as defined in the above regulations, which was approved by the Petroleum Commissioner. Therefore, if and insofar as Noble withdraws and waives its rights in the Alon-D License and no new partner replaces it, holding at least 25% of the license rights and being recognized as an “Operator” by the Petroleum Commissioner, *prima facie* grounds will be established for the termination of the license which may result in the loss of the Partnership’s rights in the Petroleum Asset.

- d. In view of the foregoing, the Partnership requested Noble in a request to delay its withdrawal from the Petroleum Asset, and received Noble’s consent to grant the Partnership a short and limited period of time to locate an alternate operator to step into Noble’s shoes. Subsequently, the Partnership approached several international operators which are recognized by the Ministry of Energy and which participate or previously expressed an interest in participating in oil and natural gas exploration projects in or around Israel’s EEZ (the “**Potential Operators**”). In this framework, the Partnership presented details to the Potential Operators regarding the Alon-D License and asked them to respond on whether they are interested in participating as an operator in the exploration activity in the license area. However, as of the report date, no response was received from any of the Potential Operators whereby they have an interest in this proposal.
- e. Following the aforesaid, the Partnership contacted Ithaca in a proposal to serve as operator in the Petroleum Asset and to step into Noble’s shoes, under the same terms in which Noble serves as operator of the Petroleum Asset pursuant to the provisions of the Joint Operation Agreement (JOA) which presently applies to the partners in the license, and received Ithaca’s consent to such proposal.

Ithaca is a company incorporated in Canada in 2004, which engages in the exploration, production and sale of petroleum and gas in several petroleum assets located in the Northern Sea area, in the territorial waters of the U.K., and serves as operator in some of the said assets. In June 2017 Delek Group closed the acquisition of the entire share capital of Ithaca.

As of this date, the Partnership and Ithaca have not yet applied to the Petroleum Commissioner for his approval that it meets the conditions for recognition as an operator of the Petroleum Asset.

- f. The current Joint Operation Agreement (JOA) which applies to the partners in the Petroleum Asset, regulates the method of the exploration and production activity in the Petroleum Asset and determines the mutual rights and obligations of the parties in connection with activities in the area of the Petroleum Asset,

including regulating the method of accounting with respect to the expenses, determining the operator's rights, powers and obligations, method of decision making between the partners as part of a joint operating committee, method of approval of work plans, budgets, authority for expenditure (AFE), sole risk activities, provisions regarding resignation of the operator and replacement thereof, sanctions applicable to the partners and conditions for imposition thereof, provisions regarding the dilution of the partners' holdings and transfer of rights, and regarding retirement from the agreement. The Joint Operation Agreement, applicable to the partners in the Alon-D License is essentially similar to the joint operation agreement applicable to the partners in the Leviathan leases, specified in Section 7.27.9 of the Periodic Report for 2018.

- g. If and insofar as the general meeting approves the proposed resolution, and subject to the approval of the Petroelum Commissioner, Noble shall transfer rights at the rate of 25% (out of 100%) in the Petroelum Asset to Ithaca, for no consideration, and the latter shall be appointed as "Operator" of the Petroleum Asset, such that it steps into the shoes of Noble according to the terms and conditions of the existing Joint Operation Agreement (JOA) applicable to the partners in the Petroleum Asset; Concurrently, the remaining rights of Noble in the Petroleum Asset, at the rate of 22.059% (out of 100%), shall be transferred to the Partnership, for no consideration, such that the right holders in the Alon-D License, following performance of the aforesaid acts, shall be as follows: the Partnership (75%) and Ithaca (25%) (hereinafter in this Section 3: the "**Transaction**").
- h. In view of the fact that Ithaca is, as stated, a subsidiary wholly-owned and controlled by Delek Group, the proposed resolution to approve the Transaction, as specified above, is brought before the general meeting for approval in accordance with the provisions of Section 65-51 of the Ordinance, as an irregular transaction of the Partnership with its control holder.

3.2. Name of the control holder having a personal interest in approving the proposed resolution and nature of personal interest

Delek Group, the control holder of the Partnership, has a personal interest in the proposed resolution, due to the fact that Ithaca is a subsidiary wholly-owned thereby. As of the report date, Delek Group (directly and indirectly) holds approx. 705,064,506 Units, which constitute approx. 60.07% of the issued Units, and (indirectly) holds the full rights (100%) in the Partnership's General Partner. To the best of the Partnership's knowledge, as of the report date, Delek Group is controlled by Mr. Yitzhak Sharon (Tshuva) who (indirectly) holds approx. 60.77% of the shares of Delek Group and approx. 62.03% of the voting rights therein.

### 3.3. The approvals required for approving the Transaction

- a. According to Section 65-51 of the Ordinance, the Transaction requires the approval of the Audit Committee, the board of directors of the General Partner and of the general meeting of the participation unit holders invited pursuant to this report, by a super majority as specified in Section 7.2 below.

The Audit Committee, in its meeting of March 5, 2019 and the board of directors of the General Partner in its meeting of March 17, 2019, decided to approve the Transaction, based on the reasons specified in Section 3.4 below. The directors who participated in the Audit Committee's meeting are: Mr. Jacob Zack (external director), Mr. Amos Yaron (external director) and Mr. Ronnie Bar-On (independent). The directors who participated in the Board meeting are: Mr. Jacob Zack (external director), Mr. Amos Yaron (external director) and Mr. Ronnie Bar-On (independent). In accordance with the provisions of Section 278 of the Companies Law, the directors specified below, holding a personal interest in approving the Transaction, did not participate in the above Board meeting: (1) Asaf Bartfeld, Chairman of the Board, who serves as CEO of Delek Group, director at Ithaca and in subsidiaries of Delek Group; (2) Gabriel Last, who serves as Chairman of the board directors of Delek Group, as chairman of the board of directors of Delek Energy as well as in subsidiaries of Delek Group; (3) Leora Pratt Levin, who serves as senior VP, General Counsel and Corporate Secretary at Delek Group, and as a director at Delek Energy and additional subsidiaries of Delek Group; and (4) Barak Masharki, who serves as Deputy CEO and CFO at Delek Group, as well as a director in subsidiaries of Delek Group.

- b. The transfer of rights in the Petroelum Asset as part of the Transaction, and the appointment of Ithaca as an "Operator" of the Petroleum Asset, require the approval of the Petroleum Commissioner. The Partnership intends to apply jointly with Noble and Ithaca to the Petroleum Commissioner in an appropriate application for the receipt of the said approvals.

### 3.4. Reasons for the Audit Committee and the Board of Directors' approval of the proposed resolution

In their decision to approve the proposed resolution, subject to the approval of the unit holders' meeting, the Audit Committee and the board of directors determined that in their opinion the proposed Transaction is in the best interests of the Partnership, *inter alia*, due to the following main reasons:

- a. In view of Noble's announcement of its intention to abandon the exploration activity in the Petroleum Asset, there is great urgency to locate an operator that will be added as a new partner, holding 25% or more of the rights in the Petroleum Asset and stepping into Noble's shoes. If Noble withdraws from the



Petroelum Asset and is not replaced by a new partner as aforesaid, which will be recognized as an “Operator” by the Petroleum Commissioner, the Partnership will be in breach of the terms of the license vis-à-vis the Ministry of Energy and there is a substantial risk of its termination.

- b. Following the Partnership’s approaching Potential Operators operating in or around Israel’s EEZ, or who have previously expressed willingness to do so, in order to examine whether they have an interest in joining the exploration activity in the Petroelum Asset, but as of this date, has not yet received a positive response from any of them. In these circumstances, the Audit Committee and the board of directors believe that the chances of locating a new operator are low. In addition, locating a new operator, that has not been active in these areas to date, and receiving the required approvals from the Petroleum Commissioner for approval thereof as operator of the Petroelum Asset is expected to be a long process whose positive results are not guaranteed.
- c. The Audit Committee and the board of directors believe, based on the information presented to them, that Ithaca has the experience, skills and professional manpower required to replace Noble and step into its shoes as operator of the Petroelum Asset and that there is a good chance that Ithaca will receive the approval of the Petroleum Commissioner to serve as the said operator, in accordance with the offshore Operator Regulations.
- d. Taking into account that the conditions under which Ithaca will serve as operator of the Petroleum Asset, if and insofar as the Transaction is closed, shall be in accordance with the terms and conditions of the existing Joint Operation Agreement, which are essentially similar to the terms and conditions of the Joint Operation Agreement between the partners in the Leviathan leases, the Audit Committee and the board of directors believe that it may be determined that the terms of engagement with Ithaca are appropriate, acceptable and fair, and do not include any benefit whatsoever to the control holder.
- e. The Audit Committee and the board of directors believe that Noble’s waiver of its rights, without any expectation of any consideration therefor, and the non-response of the Potential Operators to which the Partnership has applied, indicate, *prima facie*, that the chances of locating a qualified operator who would be interested in joining the exploration activity in the license, under conditions that would be preferable to the conditions offered to Ithaca, are not high. Conversely, adding Ithaca as a new partner in the license, in the proposed manner, and the appointment thereof as an operator of the license, subject to the approval of the Petroleum Commissioner, in accordance with the terms and conditions of the existing Joint Operation Agreement, is a good and available alternative.

- f. In these circumstances, and taking into account the urgency of the matter, it may be determined that the applications made to the Potential Operators as specified above were appropriate and satisfactory under the circumstances, and that there is no need to conduct any further biddings or other proceedings.
- g. The engagement with Ithaca and the approval of the proposed resolution do not include distribution.
- h. It is further noted that the Audit Committee determined in its resolution that the engagement with Ithaca in the Joint Operation Agreement and its appointment as Operator shall remain in force as long as the Alon License (or any other lease or petroleum right to replace the license) remains in effect or until the date on which Ithaca no longer holds the rights in the Alon License, whichever is earlier. The Audit Committee determined that the engagement in the said transaction with Ithaca for a period exceeding 3 years is reasonable under the circumstances.

**4. Further details regarding item no. 4 – participation in oil and/or gas explorations and production in the Roy License**

- 4.1. Based on the due diligence carried out by the Partnership in connection with the Transaction, and the information provided thereto and/or released by the partners in the Roy License, there is reasonable chance of finding a natural gas reservoir in the Roy License Area in the lower Tamar sands and therefore the participation in oil and/or gas exploration activities in this Petroleum Asset is consistent with the objectives of the Partnership and its best interests.
- 4.2. In accordance with directives of the Tel Aviv Stock Exchange ("TASE"), and the Partnership Agreement, the Partnership has undertaken to only participate in oil and gas exploration in projects which were defined in the Partnership Agreement or will be defined therein in the future. It is therefore proposed to amend Section 5.1 of the Partnership Agreement and add the Roy license to the list of projects specified in the said section, such that the Partnership may participate in oil and/or gas explorations and production in the said petroleum asset.
- 4.3. It is clarified that the participation of the Partnership in oil and gas explorations in the Roy License is subject to the fulfilment of all the conditions precedent that were stipulated in the engagement with Ratio, as specified in the Partnership's report dated March 20, 2019 (Ref.: 2019-01-023013), including the approval of the Petroleum Commissioner and the approval of the Competition Authority.
- 4.4. The general exploration activity in the Roy License includes, *inter alia*, an exploration drilling and it may also include, following the drilling and its results, production tests and other related exploration activities as is customary. It is estimated, as of this date, that the said activities budget may amount to approx. U.S. \$80 million (the Partnership's share – approx. U.S. \$20 million). It is clarified that the actual cost of the aforementioned activities may differ from the above estimation,

depending on various factors which cannot be foreseen, and approval of the proposed resolution shall also apply in the event of deviation from the above estimation.

**5. Further details regarding item no. 5 – participation in oil and/or gas explorations and production in the New Ofek and New Yahel Licenses**

- 5.1. Based on the due diligence carried out by the Partnership in connection with the Transaction, and the information provided thereto and/or released by the partners in the New Ofek and New Yahel Licenses, including information on past drillings performed in the areas of the licenses, the participation in oil and/or gas exploration activities in these licenses is consistent with the objectives of the Partnership and its best interests.
- 5.2. In accordance with the TASE directives and the Partnership Agreement [’], the Partnership has undertaken to only participate in oil and gas exploration in projects which were defined in the Partnership Agreement or will be defined therein in the future. It is therefore proposed to amend Section 5.1 of the Partnership Agreement and add the New Ofek and New Yahel Licenses to the list of projects specified in the said section, such that the Partnership may participate in oil and/or gas explorations and production in the said petroleum assets.
- 5.3. It is clarified that the participation of the Partnership in oil and gas exploration in the New Ofek and New Yahel Licenses is subject to the fulfilment of all the conditions precedent that were stipulated in the engagement with SOA, as specified in the Partnership's report dated March 20, 2019 (Ref.: 2019-01-022992), including the approval of the Petroleum Commissioner and the approval of the Competition Authority (if required).
- 5.4. The general exploration activity in the New Ofek and New Yahel Licenses includes, *inter alia*, production tests in the New Ofek License and exploration drilling in the New Yahel License and it may also include, following the above activities and according to their results, production tests and other related exploration activities as is customary. It is estimated, as of this date, that the said activities budget may amount to approx. U.S. \$20 million (the Partnership’s share – approx. U.S. \$10 million)<sup>1</sup>. It is clarified that the actual cost of the aforementioned activities may differ from the above estimation, depending on various factors which cannot be foreseen, and approval of the proposed resolution shall also apply in the event of deviation from the above estimation.

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<sup>1</sup> As specified in the above report of March 20, 2019, the Partnership undertook, *inter alia*, to bear the costs of production tests in the New Ofek License up to a sum total that shall not exceed U.S. \$6.5 million. Insofar as the cost of the production tests exceeds the said amount, each one of the partners in the New Ofek License, including the Partnership, shall pay its relative share of the additional cost as aforesaid (the Partnership’s share is 25%), in accordance with the provisions of the Joint Operating Agreement (JOA), to be executed by the partners.

6. **Further details regarding item no. 5 – participation in oil and/or gas explorations and production in the Ofek and Yahel Licenses**

- 6.1. In view of the position of the supervisor of the partnership Avner Oil Exploration – Limited Partnership (“**Avner Partnership**”), Gissin & Keidar (“**Avner’s Supervisor**”) whereby the manner of implementation of Section 19(a)(6) of the Taxation of Profits from Natural Resources Law, 5771-2011 by the General Partner in the Avner Partnership may deprive the interests of the Partnership's participation unit holders, Avner's Supervisor filed a motion with the Tel Aviv District Court on October 30, 2016, pursuant to the Supervisor's authority under Section 65(w) of the Ordinance, asking the Court to clarify the appropriate tax arrangement in the Avner Partnership in view of the provisions of the said law and the Partnership Agreement. The Supervisor was represented in the legal proceeding by the firms Kabiri-Nevo-Keidar-Blum & Co. and Gissin & Co. (the “**Attorneys**”), in which the supervisors are also partners. Upon the merger of the Avner Partnership with the Partnership, the parties to the legal proceeding were changed such that its outcome will also apply to the Partnership.
- 6.2. On March 20, 2018, a general meeting of the Partnership was convened, in which payment of legal fees for the Supervisor's Attorneys was approved, in a total sum of approx. ILS 399 thousand plus VAT, and it was resolved that the amount will be paid by the General Partner. Legal fees for the Supervisor's Attorneys in respect of the appeal were further approved, according to the rates set forth in the specification of the legal fees which is attached hereto as **Annex A**, and in a sum that will not exceed ILS 150 thousand plus VAT for a term of one year, and it was resolved that the payment will be made out of the account of the General Partner.
- 6.3. The position of the General Partner, as expressed in the meeting, was that according to the Partnership Agreement and the provisions of the Ordinance, the general meeting of the unit holders is not authorized to charge the General Partner with payment of the legal fees as proposed by the Supervisor.
- 6.4. On May 7, 2018, the Supervisor filed a motion with the District Court (Fiscal and Financial), requesting it to order the General Partner to implement the decision of the Partnership's general meeting and pay the legal fees of the Supervisor's Attorneys in respect of the legal proceeding and the appeal (the “**Motion**”). On September 6, 2018, a hearing of the Motion was held at the District Court before the honorable Justice Ruth Ronen, and following the recommendation of the Court, the Supervisor and the General Partner agreed that the issue of the payment of legal fees to the Supervisor's Attorneys, in respect of the legal proceeding and the appeal, will be submitted for approval by the general meeting of the Partnership, such that the payment will be made out of the account of the Partnership and according to the provisions of Section 11.1 of the Trust Agreement.

7. **Details regarding the convening of the meeting**

7.1. **Legal quorum and adjourned meeting**

No discussion shall be opened at the general meeting unless legal quorum is present at the time that the meeting proceeds thereto, and no resolution shall be adopted unless legal quorum is present at the time that they vote on the resolution. Legal quorum shall be formed upon the presence, in person or by proxy, of two unit holders jointly holding Units constituting no less than 50% of the units issued by the Trustee until the business day preceding the meeting.

If, one half hour after the time scheduled for the meeting, legal quorum is not present, the meeting shall stand adjourned to the same day on the following week, at the same time and place, i.e May 23, 2019, at 14:00 at the same location, with no duty to give notice thereof to the unit holders, or to any other day or other time or other location as shall be determined by the Trustee, upon the consent of the Supervisor, in a notice to the unit holders.

If, at such adjourned meeting, no legal quorum is present within one half hour from the time scheduled, two unit holders who are present, in person or by proxy, shall constitute legal quorum, and the meeting will be entitled to transact the business for which it was called. If legal quorum is not formed, as aforesaid, at the adjourned meeting, the meeting will be cancelled.

For purposes of legal quorum, also two proxies of a single registered unit holder which is a transfer agent (i.e. a company whose sole occupation is the holding of securities for others) who participate in the meeting by virtue of a power of attorney granted to them in respect of different units by the same registered unit holder, shall be deemed as “two-unit holders”.

7.2. **The required majority**

- a. The majority required for adoption of the resolution proposed in item no. 1 is a simple majority.
- b. The majority required for adoption of the resolution proposed in items no. 4 and 5 is a majority of no less than 75% of the Units, the holders of which participated and voted in person or by proxy.
- c. The majority required for adoption of the resolution proposed in item no. 3 is a simple majority, provided that one of the following is fulfilled:
  - (1) The count of the majority votes at the general meeting shall include a majority of the total of votes of the participation unit holders participating in the vote who have no personal interest in the approval of the transaction; the count of all of the votes of such participation unit holders shall exclude the abstaining votes;
  - (2) The total of dissenting votes in the vote from among the participation unit holders mentioned in paragraph (1) above shall

not exceed a rate of 2% of all of the participation unit holders' voting rights.

- d. The majority required for adoption of the resolution proposed in item no. 6 is a simple majority, provided that all of the following are fulfilled:
  - (1) The count of the majority votes at the unit holders meeting shall exclude the votes of the General Partner or a control holder thereof or holders of a personal interest in the approval of the resolution; with the exception of a personal interest that does not result from a relation with the General Partner or the control holder thereof, and also the abstaining votes;
  - (2) The total of supporting votes from among the Unit holders other than the General Partner or the control holder thereof or holders of a personal interest in the approval of the resolution, with the exception of a personal interest that does not result from relations with the General Partner or the control holder thereof, exceeds 2% of all of the participation unit holders' voting rights.

### 7.3. **Record date and proof of ownership**

- a. The record date for determination of the right to vote pursuant to Section 182 of the Companies Law and Regulation 3 of the Companies Regulations (Voting in Writing and Position Statements), 5766-2005, is April 18, 2019, at the end of the trading day on TASE (the "**Record Date**").
- b. In accordance with the Companies Regulations (Proof of Ownership of a Share for Purposes of Voting at a General Meeting), 5760-2000, a unit holder to whose credit a participation unit is registered with a TASE member, and which unit is included among the units registered in the participation units register in the name of the transfer agent ("**Unregistered Unit Holder**"), shall provide the Partnership with confirmation from the TASE member with which the unit is registered to his credit regarding ownership of the unit on the Record Date, in accordance with the provisions of the above regulations and the form in the Schedule to the said regulations.
- c. In addition, an Unregistered Unit Holder may instruct that the confirmation of his ownership be delivered to the Partnership through the electronic voting system which operates according to Title B of Chapter G2 of the Securities Law (the "**Electronic Voting System**").

### 7.4. **Manner of voting**

- a. For purposes of the resolution on the meeting's agenda, a unit holder may vote in person, by a proxy who holds a document appointing him as a proxy, through a voting card and via an electronic voting card which shall be delivered to the Partnership on the Electronic Voting System.

b. Vote by Proxy

It is required that a document of appointment of a proxy for the vote, or a copy thereof, certified by a notary, be deposited with the Trustee's offices on 19 Abba Eban Street, Herzliya Pituach (09-9712424), at least 48 hours before the time of the meeting, i.e., no later than May 14, 2019, at 14:00, failing which such appointment document shall have no force and effect at the meeting and at an adjourned meeting

If the meeting is adjourned, as stated in Section 6.1 above, and a unit holder deposited a document for the appointment of a proxy in the manner and under the conditions stated above, at least 48 hours before the time of the adjourned meeting, the unit holder who deposited the power of attorney for voting via a proxy at an adjourned meeting will be entitled, regardless of whether or not he was present at the original meeting, in person or by proxy.

For the avoidance of doubt, only if an adjourned meeting is convened within ten (10) days from the time of the original meeting will a unit holder who was present at the original meeting by proxy not be required to redeposit a power of attorney for the purpose of voting at such adjourned meeting.

c. Voting by voting card and position statements

In addition, a Unit holder may vote at the meeting also by means of the voting card attached hereto as an annex. For this purpose, the vote of a Unit holder voting via the voting card will be deemed as his presence and participation in the meeting.

Voting via the voting card in respect of a Unit holder interested in voting via voting card *in lieu* of his participation in the meeting in person and/or by proxy and/or an electronic voting card, will be carried out on the second part of the voting card as published on the distribution website.

The deadline for the provision of voting cards is up to six (6) hours before the time of convening of the meeting, i.e., May 16, 2019, by 08:00 for Unit holders listed in the unit holders register, and up to four (4) hours before the time of convening of the meeting, i.e., May 16, 2019, by 10:00 for Unregistered Unit Holders.

The deadline for the provision of position statements by Unit holders is up to 10 days before the time of convening of the meeting, i.e., May 6, 2019. The Partnership will publish such position statements no later than one business day after receipt thereof. A position

statement that includes the response of the board of directors of the General Partner may be submitted no later than 5 days before the time of convening of the meeting, i.e., May 11, 2019.

A Unit holder may directly contact the Partnership to receive therefrom the language of the voting card and position statements (insofar as given).

A TASE member shall send by email, free of charge, a link to the language of the voting card and the position statements on the distribution website, to any Unit holder not registered in the unit holders register whose units are registered with such TASE member, unless the Unit holder shall have notified that he is not interested therein, provided that the notice was given for a specific securities account and on a date that precedes the Record Date.

A Unit holder whose Units are registered with a TASE member is entitled to receive the ownership confirmation from the TASE member by which he holds his Units, at a branch of the TASE member or by post to his address for a charge of postage only, if so requested by him, and a request on this matter shall be given in advance for a specific securities account.

The Partnership shall send the Unit holders registered in the unit holders register, free of charge, a voting card on the date of release of this notice.

d. Voting on the electronic system

After the Record Date, upon receipt of an identifying number and an access code from the TASE member and after a process of identification, an Unregistered Unit Holder may vote on the electronic system. The last date for voting on the electronic system is up to 6 hours before the time of convening of the meeting, i.e. May 16, 2019 by 08:00.

If a unit holder votes in more than one manner as aforesaid, his later vote will be counted, with the vote of a unit holder in person at the meeting or by proxy being deemed later to a vote via voting card.

**8. Changes in the agenda**

After the release of this notice report, there may be changes in the agenda, including the addition of an item to the agenda, and it will be possible to inspect the current agenda in the Partnership's reports that shall be published on the distribution site of the ISA at: [www.magna.isa.gov.il](http://www.magna.isa.gov.il) and on the website of the Tel Aviv Stock Exchange Ltd. at: [www.maya.tase.co.il](http://www.maya.tase.co.il).

According to the provisions of Section 65DD(b) of the Partnerships Ordinance and Section 14.1(e) of the Trust Agreement which was signed between the Limited Partner (the Trustee) and the Supervisor, one or more participation unit holders, holding at least one half of a percent (0.5%) of all of the participation units in the Partnership, may request the board of directors to include an issue



on the agenda of the general meeting by submitting a request that shall be delivered to the Partnership up to seven (7) days after the calling of the meeting, provided that the issue is suitable for discussion by the general meeting.

If the board of directors of the General Partner deems an issue that has been requested to be included in the agenda to be suitable for discussion by the general meeting, an updated agenda shall be prepared and published on the distribution website (as specified below) no later than seven (7) days after the deadline for the delivery of a request by a participation unit holder for the inclusion of an issue in the agenda, as aforesaid. It is clarified that the publication of an updated agenda does not change the Record Date as determined in the notice of the meeting.

**9. Notice of the existence of a personal interest and additional required information**

- 9.1. A participation unit holder who participates in the vote shall notify the Partnership before voting at the meeting, or, if the vote is via voting card – on the voting card, or if the vote is by power of attorney and/or by electronic voting card – in the space designated therefor in the second part of the electronic voting card, whether he has or does not have a personal interest in the approval of the engagement;
- 9.2. A participation unit holder who fails to notify the Partnership of the existence or of the absence of a personal interest in the approval of the resolution shall not vote and his vote shall not be counted.

**10. Issuance of an order by the ISA**

- 10.1. Under Section 10 of the Controlling Shareholders Regulations, the ISA or an employee authorized thereby for this purpose (hereinafter in this section: the “ISA”) may, within twenty one (21) days of the date of submission of the transaction report, order the Partnership to provide, within a time set thereby, explanations, details, information and documents related to the resolution proposed in item no. 1 pursuant to the Controlling Shareholders Regulations, and order the Partnership to amend the report in such manner and at such time as determined thereby.
- 10.2. If an order to amend the report is issued as aforesaid, the ISA may order the postponement of the date of the general meeting to a date occurring no earlier than the lapse of three (3) business days and no later than thirty-five (35) days from the date of release of the amendment to the transaction report.
- 10.3. If an order regarding the postponement of the convening of the general meeting is issued, the Partnership shall give notice of such order by an immediate report.

**11. The Partnership’s representatives for the purpose of the transaction report**

The Partnership’s representative for the purposes of this report is Adv. Sari Singer Kaufman, General Counsel of the Partnership, whose office address is:

19 Abba Eban Street, Herzliya Pituach; Telephone: 09-9712424; Facsimile: 09-9712425.

**12. Inspection of documents**

The immediate report, position statements and voting card may be inspected on the website of TASE <http://www.maya.tase.co.il> and on the distribution site of the ISA [www.magna.isa.gov.il](http://www.magna.isa.gov.il). In addition, the notice to the unit holders and a copy of any document pertaining to the proposed resolutions are available for inspection at the offices of the Trustee, 19 Abba Eban Street, Herzliya Pituach, subject to any law, Sundays through Thursdays, during normal business hours, after prior coordination with Adv. Sari Singer Kaufman (09-9712424), until the convening of the Unit holders meeting.

Sincerely,

**Delek Drilling Management (1993) Ltd., the General Partner  
of Delek Drilling – Limited Partnership**

By:

Yossi Abu, CEO

And Yossi Gvura, Deputy CEO

**Delek Drilling - Limited Partnership**  
**(the “Partnership” or the “Limited Partnership”)**

**Voting Card – Part One**

In accordance with the Companies Regulations (Voting in Writing and Position Statements), 5766-2005, mutatis mutandis (the “Regulations”)

1. **Name of the Partnership:** Delek Drilling – Limited Partnership.
2. **Type of meeting:** Annual and special meeting of holders of participation units issued by Delek Drilling Trusts Ltd. (the “Trustee”) and granting a participation right in the Trustee’s rights as a limited partner in the Partnership.
3. **Time of the meeting:** Thursday, May 16, 2019 at 14:00.
4. **Location of the meeting:** NYX Hotel, 3377 Naomi Shemer Street, Herzliya.
5. **Specification of the issues on the agenda with respect to which voting via this voting card is available**

5.1. **Reappointment of auditors**

It is proposed to reappoint the Kost Forer Gabbay & Kasierer accounting firm and the Ziv Haft accounting firm as the Partnership’s auditors, together, for a period ending at the close of the Partnership’s next annual general meeting, and to authorize the board of directors of the general partner to determine their fees.

Language of the proposed resolution:

“To reappoint the Kost Forer Gabbay & Kasierer accounting firm and the Ziv Haft accounting firm as the Partnership’s auditors, together, for a period ending at the close of the Partnership’s next annual general meeting, and to authorize the board of directors of the general partner to determine their fees”.

5.2. **Approval of transaction to join Ithaca Energy Inc. as a partner in the 367/“Alon-D” license and appointment thereof as operator of the petroleum asset**

Further to the report of March 18, 2019, regarding the announcement of Noble Energy Mediterranean Ltd. (“Noble”) on its intention to withdraw from the exploration activity in the 367/“Alon-D” license (“Alon-D License”) and waive its rights in the said petroleum asset (Ref.: 2019-01-022125), it is proposed to approve the Partnership’s engagement with Ithaca Energy Inc., a foreign company wholly-owned by Delek Group Ltd., the control holder of the Partnership (“Ithaca” and “Delek Group”, respectively), in a transaction in the context of which: (a) The Partnership and Ithaca shall receive from Noble, by transfer for no consideration, any and all of Noble’s rights in the Alon-D License, such that Ithaca receives rights at the rate of 25% (out of 100%) and the

Partnership receives the remaining rights of Noble at the rate of 22.059% (out of 100%); and (b) Ithaca shall be appointed as the operator of the petroleum asset and shall step into Noble's shoes, in accordance with the terms and conditions of the Joint Operation Agreement which applies to the Alon-D License between the Partnership and Noble, and all subject to the approval of the Petroleum Commissioner at the Ministry of Energy (the "**Petroleum Commissioner**") and as specified in Section 3 of the notice report attached to the immediate report on the notice of the meeting (the "**Notice Report**").

Language of the proposed resolution:

"To approve the Partnership's engagement in a transaction whereby Ithaca Energy Inc. be joined as a partner at a rate of 25% in the Alon-D License and be appointed as the operator of the petroleum asset, as specified in the notice of meeting report."

For further details regarding the proposed resolution, see Section 3 of the Notice Report.

5.3. **Approval of transaction for the purchase of rights in the 399/"Roy" license and for participation in oil and/or gas exploration and production in this license**

Further to the provisions of Section 7.5 of Chapter A to the Periodic Report for 2018 regarding the 399/"Roy" license ("**Roy License**") and to the Partnership's report of March 20, 2019 regarding a transaction whereby the Partnership shall exercise an option, with certain agreed changes, and purchase from Ratio Oil Exploration (1992), Limited Partnership ("**Ratio**") 24.99% of the rights in Roy License (Ref.: 2019-01-023013), it is proposed to approve the transaction and the participation in oil and/or gas exploration and production in the area of the Roy License, as well as in adjacent areas to be included therein following border changes, or in any other petroleum asset in which the Partnership will receive rights, the area of which is adjacent to the area of the Roy License (the "**Roy License Area**") and for such purpose, to amend the Limited Partnership agreement executed on July 1, 1993, as being amended from time to time (the "**Partnership Agreement**") and, in Section 5.1 of the Partnership Agreement (the Partnership's objectives, powers and authorities), add the Roy License to the petroleum assets listed in such section, such as to allow the Partnership to participate in oil and/or gas exploration and production in the Roy License Area, and to authorize the general partner of the Partnership, Delek Drilling Management (1993) Ltd. (the "**General Partner**"), according to the provisions of Section 9.4 of the Partnership Agreement, to refrain from distribution of profits (as defined in Section 9.4 of the Partnership Agreement), for the purpose of participation in the said activities. It is clarified that approval of the proposed resolution by the Meeting, constitutes the grant of approval by the Supervisor according to Section 9.3 of the trust agreement.

Language of the proposed resolution:

“To approve the transaction for the purchase of rights in the Roy License and the participation in oil and/or gas exploration and production in the Roy License, as specified in the notice of meeting report, and for such purpose, to amend Section 5.1 of the Limited Partnership Agreement, to add the petroleum asset 399/“Roy” License to the petroleum assets listed in the said section, so as to allow the Partnership to participate in oil and/or gas exploration and production in the Roy License Area, and to authorize the General Partner of the Partnership, according to the provisions of Section 9.4 of the Partnership Agreement, to refrain from distribution of profits (as defined in Section 9.4 of the Partnership Agreement) for the purpose of participation in the said actions.”

For further details regarding the proposed resolution, see Section 4 of the Notice Report.

5.4. **Approval of transaction for the purchase of rights in the 405/“New Ofek” and 406/“New Yahel” licenses and for participation in oil and/or gas exploration and production in these licenses**

Further to the Partnership’s report of March 20, 2019 regarding an engagement with SOA Energy Israel Ltd. (“SOA”) in connection with the purchase of 25% (out of 100%) of the rights in each one of the 405/“New Ofek” and 406/“New Yahel” licenses (the “**New Ofek and New Yahel Licenses**”) (Ref.: 2019-01-022992), it is proposed to approve the transaction and the participation in oil and/or gas exploration and production in the area of the New Ofek and New Yahel Licenses, as well as in adjacent areas to be included therein following border changes, or in any other petroleum asset in which the Partnership will receive rights, the area of which is adjacent to the area of the New Ofek and New Yahel Licenses (the “**Area of New Ofek and New Yahel Licenses**”) and for such purpose, to amend Section 5.1 of the Limited Partnership Agreement to add the New Ofek and New Yahel Licenses to the petroleum assets listed in the said section, so as to allow the Partnership to participate in oil and/or gas exploration and production in the Area of the New Ofek and New Yahel Licenses, and to authorize the General Partner of the Partnership, according to the provisions of Section 9.4 of the Partnership Agreement, to refrain from distribution of profits (as defined in Section 9.4 of the Partnership Agreement), for the purpose of participation in the said activities. It is clarified that approval of the proposed resolution by the Meeting, constitutes the grant of approval by the Supervisor according to Section 9.3 of the trust agreement.

**Language of the proposed resolution:**

“To approve the transaction for the purchase of rights in the New Ofek and New Yahel Licenses and the participation in oil and/or gas exploration and production in the said licenses, as specified in the notice of meeting report, and for such purpose, to amend Section 5.1 of the Limited Partnership Agreement, to add the petroleum assets 405/“New Ofek” license and 406/“New Yahel” license to the petroleum assets listed in the said section, so as to allow the Partnership to participate in the oil and/or gas exploration and production in the Area of New Ofek

and New Yahel Licenses, and to authorize the General Partner of the Partnership, according to the provisions of Section 9.4 of the Partnership Agreement, to refrain from distribution of profits (as defined in Section 9.4 of the Partnership Agreement) for the purpose of participation in the said activities”.

For further details regarding the proposed resolution, see Section 5 of the Notice Report.

5.5. **Reimbursement of the Supervisor’s legal fees**

It is proposed to approve the reimbursement of legal fees of the Partnership’s supervisor (Fahn Kanne & Co. Accountants and CPA Micha Blumenthal together with Gissin & Keidar firm) (the “**Supervisor**”), for the legal proceeding that was conducted before the District Court regarding the arrangement for payment of the tax applicable to the Partnership (O.A. 41282-10-16) (the “**Legal Proceeding**”) in the sum total of approx. ILS 399 thousand plus VAT, and to approve that, insofar as not otherwise decided by the Supreme Court hearing the appeal from the Legal Proceeding (C.A. 10220/17) (the “**Appeal**”), the Supervisor’s legal fees for the Appeal be paid in accordance with the rates set forth in the legal fees breakdown, attached as **Annex A** to the Notice Report, and in an amount not to exceed ILS 150 thousand plus VAT.

Language of the proposed resolution:

“To approve the reimbursement of the Supervisor’s legal fees for the Legal Proceeding in the sum total of approx. ILS 399 thousand plus VAT and to approve that, insofar as not otherwise decided by the Supreme Court hearing the Appeal, the Supervisor’s legal fees for the Appeal be paid in accordance with the rates set forth in the legal fees breakdown, attached as **Annex A** to the Notice Report, and in an amount not to exceed ILS 150 thousand plus VAT.”

For further details regarding the proposed resolution, see Section 6 of the Notice Report.

6. **The place and times at which the full language of the proposed resolutions may be inspected:**

The language of the immediate report, position statements and voting card are available for inspection on the website of the Israel Securities Authority (ISA) at: [www.magna.isa.gov.il](http://www.magna.isa.gov.il) and on the website of the Tel Aviv Stock Exchange (TASE) at: [www.maya.tase.co.il](http://www.maya.tase.co.il). In addition, the notice to the unit holders and a copy of each document pertaining to the aforesaid resolutions are available for inspection at the offices of the Trustee on 19 Aba Eban Street, Herzliya Pituach, subject to any law, on Sunday to Thursday, during normal business hours and after prior coordination with Adv. Sari Singer Kaufman (09-9712424), until the convening of the unit holders meeting.

7. **The majority required for the adoption of the proposed resolutions**

- 7.1 The majority required for the adoption of the resolution proposed in Section 5.1 above is a simple majority.
- 7.2 The majority required for adoption of the resolution proposed in Sections 5.3 and 5.4 above is a majority of no less than 75% of the units, the holders of which participated and voted in person or by proxy.
- 7.3 The majority required for adoption of the resolution proposed in Section 5.2 above is a simple majority, provided that one of the following is fulfilled:
- 7.3.1 The count of the majority votes at the general meeting shall include a majority of the total of votes of the participation unit holders participating in the vote who have no personal interest in the approval of the transaction; the count of all of the votes of such participation unit holders shall exclude the abstaining votes;
- 7.3.2 The total of dissenting votes in the vote from among the Participation Unit holders mentioned in paragraph 7.2.1 above shall not exceed a rate of 2% of all of the participation unit holders' voting rights.
- 7.4 The majority required for adoption of the resolution proposed in Section 5.5 above is a simple majority, provided that all of the following are fulfilled:
- 7.4.1 The count of the majority votes at the unit holders meeting shall exclude the votes of the General Partner or a control holder thereof or holders of a personal interest in the approval of the resolution; with the exception of a personal interest that does not result from a relation with the General Partner or the control holder thereof, and also the abstaining votes;
- 7.4.2 The total of supporting votes from among the unit holders other than the general partner or the control holder thereof or holders of a personal interest in the approval of the resolution, with the exception of a personal interest that does not result from relations with the General Partner or the control holder thereof, exceeds 2% of all of the participation unit holders' voting rights.

8. **Additional details:**

- 8.1 Voting in writing shall be made on part two of this voting card.
- 8.2 Part two of the voting card designates a space for indicating the existence or absence of a link as well as for a description of the nature of the relevant link. **It is hereby clarified that the vote of a participation unit holder who does not indicate a link as aforesaid or who does not describe the nature of the link, will not be counted.**
- 8.3 In addition, according to the disclosure directive of the Israel Securities Authority dated November 30, 2011 with respect to the vote of interested parties, senior officers and institutional bodies in meetings, a

space is designated on the second part of the voting card, for indicating the classification of the participant in the vote.

- 8.4 With respect to an unregistered unit holder, this voting card shall only be valid if it is accompanied with a confirmation of ownership from the nominee company or a confirmation of ownership through the Electronic Voting System which operates according to Title B of Chapter G2 of the Securities Law, 5728-1968 (the “**Electronic Voting System**”) and with respect to a unit holder who is registered in the Trustee’s books only if accompanied with a photocopy of an I.D. card, passport or certificate of incorporation. An unregistered unit holder may instruct that his confirmation of ownership be transferred to the Partnership via the Electronic Voting System, such confirmation of ownership shall be treated as confirmation of ownership of any unregistered unit holder included therein.
- 8.5 The deadline for delivery of the voting card for unit holders registered in the unit holders’ register is up to six (6) hours prior to the time of convening of the meeting, i.e.: May 16, 2019 by 8:00 and for unregistered unit holders is up to four (4) hours prior to the convening of the meeting, i.e.: May 16, 2019 by 10:00.
- 8.6 The Electronic Voting System will be locked 6 hours prior to the time of convening of the meeting, i.e. May 16, 2019 by 8:00. The voting card shall be delivered through the Electronic Voting System by that time.
- 8.7 An unregistered participation unit holder is entitled to vote through the Electronic Voting System in accordance with the aforesaid.
- 8.8 The voting card and position statement (if any) shall be delivered by hand or by registered mail to 19 Abba Eban Blvd., Herzliya 4672537, insofar as they are not sent via the Electronic Voting System. The time of delivery of each document in connection with the meeting shall only be upon its actual arrival at the Partnership’s offices.
- 8.9 The deadline for delivery of position statements to the Partnership is up to 10 days before the convening of the meeting, i.e. May 6, 2019.
- 8.10 The deadline for delivery of the Board of Director’s response to the position statements is no later than 5 days before the convening of the meeting, i.e. May 11, 2019.
- 8.11 The voting card and the position statements are available on the TASE website <http://www.maya.tase.co.il> and on the ISA distribution website at: [www.magna.isa.gov.il](http://www.magna.isa.gov.il).
- 8.12 A unit holder is entitled to receive the confirmation of ownership from the TASE Member’s branch or by postal delivery, if he so requests and a request in this respect shall be made in advance for a specific securities account. An unregistered unit holder may instruct that his confirmation of ownership be transferred to the Partnership via the Electronic Voting System.



- 8.13 An unregistered unit holder is entitled to receive from the TASE member through which he holds his units, by e-mail, free of charge, a link to the language of the voting card and position statements (if any) on the distribution website, unless he shall have notified the TASE member that he does not wish to receive such link or that he wishes to receive voting cards by post for a charge; a notice in respect of a voting card shall also be applicable in respect of receipt of position statements.
- 8.14 One or more unit holders holding units constituting five percent or more of all the voting rights in the unit holders' meetings that were issued by the Trustee, and anyone holding such a percentage out of all the voting rights that are not held by the General Partner and by control holders of the General Partner, is entitled, in person or by a proxy on his behalf, after the convening of the unit holders' meeting, to inspect, at the Partnership's registered office, during normal business hours and with prior coordination, the voting cards that shall have reached the Partnership.

The number of units constituting 5% of all the voting rights that were issued by the Trustee is approx. 58,690,735 units. The number of units constituting 5% of all the voting rights that were issued by the Trustee that are not held by the General Partner and control holders of the General Partner is approx. 23,437,509 units.

- 8.15 After the date of release of this voting card, there may be changes to the agenda (including the addition of an item) and position statements may be released. Insofar as changes shall be made as aforesaid and/or position statements released, it will be possible to inspect these in the Partnership's reports on the ISA distribution website.

In the event that there are changes to the agenda, including the addition of an item to the agenda, the Partnership shall produce an amended voting card form on the date of release of the notice regarding the updated agenda.

**A participation unit holder shall state his vote on the items on the agenda in part two of this voting card.**

## **Voting Card – Part Two**

Pursuant to the Companies Regulations (Voting in Writing and Position Statements),  
5766-2005, *mutatis mutandis*

Limited Partnership's name: Delek Drilling - Limited Partnership

Partnership's address (for delivery and dispatch of voting cards): 19 Abba Eban,  
Herzliya Pituach

Partnership's number: 550013098

Date of the meeting: May 16, 2019

Type of meeting: Annual and Special meeting of the unit holders

Record date: Thursday, April 18, 2019, at the end of the trading day on the Tel Aviv Stock Exchange Ltd.

**Unit holder's details**

1. Unit holder's name: \_\_\_\_\_
2. I.D. no.: \_\_\_\_\_
3. If the unit holder does not have an Israeli I.D. card:  
 Passport no.: \_\_\_\_\_  
 Country of issue: \_\_\_\_\_  
 Valid until: \_\_\_\_\_
4. If the unit holder is a corporation:  
 Corporation no.: \_\_\_\_\_  
 Country of incorporation: \_\_\_\_\_

**Classification of participant in the meeting**

Please state whether you are:

- An “**interested party**”, as defined in Section 1 of the Securities Law, 5728-1968.
- An “**institutional investor**”, as defined in Section 1 of the Control of Financial Services Regulations (Provident Funds) (Participation of Managing Company in a General Meeting), 5769-2009, and manager of a joint investment trust fund, within the meaning thereof in the Joint Investment Trust Law, 5754-1994.
- A “**senior officer**”, as defined in Section 37(d) of the Securities Law, 5728-1968.
- I am not any of the above.

**Vote on the resolutions on the agenda:**

The item on the agenda	Vote <sup>1</sup>			With respect to approval of a transaction according to Sections 255 and 272 through 275 of the Companies Law, the required majority for approval thereof is not a simple majority– Are you a control holder, have a personal interest in the resolution, a senior officer or an institutional investor? <sup>2</sup>	
	For	Against	Abstaining	Yes*	No
<b>Reappointment of auditors</b> (as specified in Section 5.1 above)				X	X
<b>Approval of transaction to join Ithaca Energy Inc. as a partner in the 367/“Alon-D” license and appointment thereof as operator of the petroleum asset</b> (as specified in Section 5.2 above)					
<b>Approval of transaction for the purchase of rights in the 399/“Roy” license and for participation in oil and/or gas exploration and production in this license</b> (as specified in Section 5.3 above)				X	X
<b>Approval of transaction for the purchase of rights in the in the 405/“New Ofek” and 406/“New Yahel” licenses and for participation in oil and/or gas exploration and production in these licenses</b> (as specified in Section 5.4 above)				X	X
<b>Reimbursement of the Supervisor’s legal fees</b> (as specified in Section 5.5 above)					

<sup>1</sup> No indication shall be deemed as abstention from voting on such item.

<sup>2</sup> The vote of a unit holder who fails to fill in this column or who indicates “yes” and fails to specify, shall not be counted.

**\* Details with respect to a link (if relevant):**


**Notes in accordance with the Regulations**

1. For unit holders holding units through a TASE member (according to Section 65A of the Partnerships Ordinance) – this voting card is only valid when accompanied by confirmation of ownership, except in cases where the voting is via the electronic system.
2. For unit holders registered in the unit holders’ register – this voting card is valid when accompanied by a photocopy of the I.D. card or passport or certificate of incorporation.

Date: \_\_\_\_\_

Signature: \_\_\_\_\_