

**Delek & Avner (Tamar Bond) Ltd.**  
**(the “Company”)**

July 19, 2018

Re: **Notice of Prepayment of Series 2018 Bonds (Security No. 1132158)**

1. On July 19, 2018, the Company gave the bondholders, through HSBC Bank USA National Association (the “Trustee”), notice of full prepayment of series 2018 (Security no.: 1132158) out of the four bond series that were issued by the Company, all in accordance with the provisions of the indenture of the bonds (the “Prepayment”).
2. The Prepayment will be made on August 31, 2018.
3. Below are details regarding the prepayment amounts (in U.S. dollars):

Name of Series	Security No.	ISIN	Date of Payment of Series	Outstanding Principal Balance (\$ in Thousands)	Rate of Payment Out of Outstanding Principal Balance	Amount of Payment Out of Principal Balance (\$ in Thousands)	Annual Interest <sup>1</sup>	Accrued Interest Rate <sup>2</sup>
Delek (Tamar) \$18- RM	1132158	IL0011321580	2018	320,000	100%	320,000	3.839%	0.6521%

Total accrued interest payable	Estimated rate of make whole premium <sup>3</sup>	Total make whole premium <sup>4</sup>	Interest rate for purposes of operation of the TASE system <sup>5</sup>
2,086,733	0.4119%	1,318,124	1.0640%

Attached hereto is the prepayment notice that was delivered to the Bondholders through the Trustee.

Sincerely,

**Delek & Avner (Tamar Bond) Ltd.**

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<sup>1</sup> The annual interest stated in the indenture of the bonds.

<sup>2</sup> The interest rate was calculated for the period commencing after the last day in respect of which interest was paid until the date of the actual Prepayment, i.e. from June 30, 2018 until August 31, 2018 (calculation of the interest for part of this year is made based on 365 days a year).

<sup>3</sup> The said rate is estimated based on figures that are known on the date of provision of the prepayment notice, and will be updated, insofar as necessary, in proximity to the prepayment date, in accordance with the provisions of the indenture of the bonds and the figures that are known on the date of the calculation.

<sup>4</sup> The sum of the make whole premium to be paid on the prepayment date includes the principal amount plus accrued interest and make whole premiums.

<sup>5</sup> For purposes of the TASE systems, it is necessary to state the interest rate which is the quotient of a division of the total accrued interest and make whole premium due by the outstanding principal.

**Delek Drilling - Limited Partnership**  
**(the "Partnership")**

July 19, 2018

Israel Securities Authority  
22 Kanfei Nesharim St.  
Jerusalem

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

Dear Sir/Madam,

**Re: Prepayment of Bonds**

Further to the provisions of Section 7.20.1(d) of the Partnership's periodic report as of December 31, 2017, which was released on March 21, 2018 (ref. no.: 2018-01-022209) (the "**Periodic Report**"), regarding the issue of bonds to accredited investors in the U.S., in Israel and in other countries at a total scope of \$2 billion in 5 different bond series<sup>1</sup>, which was performed through Delek & Avner (Tamar Bond) Ltd., a wholly owned subsidiary of the Partnership ("**Tamar Bond**"), all as specified in the Periodic Report (the "**Bonds**"), the Partnership respectfully announces as follows:

On July 19, 2018, Tamar Bond gave the bondholders, through the trustee, HSBC Bank USA National Association, notice of full prepayment of the second series of the Bonds, in accordance with the provisions of the indenture of the Bonds (the "**Prepayment Notice**").

In accordance with the Prepayment Notice, the second series will be paid on August 31, 2018 (the "**Prepayment Date**"), at its total scope of \$320 million (the "**Principal Amount**"), in lieu of its original maturity date of December 30, 2018. The Prepayment Amount includes the Principal Amount plus accrued interest in the sum total of approx. \$2.1 million and plus prepayment makewhole premium s which shall be calculated in proximity to the Prepayment Date and are estimated at approx. \$1.3 million (the "**Prepayment Make whole premium**"). It is noted that the Prepayment Make whole premium amount is lower than the interest balance that would have been paid by Tamar Bond, had the second series of the Bonds been paid at its original maturity.

Sincerely,

**Delek Drilling Management (1993) Ltd.**  
**General Partner of Delek Drilling - Limited Partnership**

By Yossi Abu, CEO  
and Yossi Gvura, Deputy CEO

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<sup>1</sup> It is noted that on October 6, 2016, Tamar Bond prepaid the first series in its total (original) amount of \$400 million, in lieu of its original maturity date of December 30, 2016. On July 27, 2017, Tamar Bond partially paid the four series (2018, 2020, 2023 and 2025) at the rate of 20% of the outstanding balance of each one of the bond series (i.e. U.S. \$80 million in each one of the series).