

NewMed Energy – Limited Partnership **(the “Partnership”)**

August 1, 2022

Israel Securities Authority
22 Kanfei Nesharim St.
Jerusalem
Via Magna

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

Dear Sir/Madam,

Re: Immediate Report

In accordance with the notice of Delek Group Ltd., the controlling interest holder of the Partnership (“**Delek Group**”), on August 5, 2022, Series 13 warrants of Delek Group are due to expire. In view of the said notice, and per Delek Group’s request, the Partnership respectfully includes in this report several updates with respect to the Partnership’s business. The updates include material news or changes that occurred in the Partnership’s business after the release of the Q1 report as of March 31, 2022, i.e. May 23, 2022 (Ref. no. 2022-01-062278) (the “**Q1 Report**”), until shortly before the release of this report, with the exception of updates reported by the Partnership in immediate reports. The updates refer to the section numbers in Chapter A (Description of the Partnership’s Business) of the Partnership’s periodic report for 2021, as released on March 24, 2022 (Ref. no. 2022-01-033988) (the “**Periodic Report**”), unless stated otherwise:

1. **Section 6 of the Periodic Report – General Environment and the Effect of External Factors**

On June 15, 2022, an MOU was signed between Israel, Egypt and the European Union (EU) regarding collaboration in the trade, transportation and export of natural gas to the EU countries¹. According to the MOU, the parties will act for a regular supply of natural gas to the EU countries from Egypt, Israel and other locations, through the liquefaction of natural gas at liquefaction facilities in Egypt, all subject to protection of the energy security of the domestic market of each of the countries that signed the MOU, and without Israel or Egypt being barred from exporting natural gas to other countries. In addition, the MOU determines that the EU will encourage European companies to participate in competitive processes and to invest in natural gas exploration and production projects in Israel and in Egypt.

2. **Section 7.2.5(d) of the Periodic Report – Plan for Development of the Leviathan Reservoir**

Further to Section 3 of the Q1 Report regarding a decision to drill the Leviathan-8 development and production well in the area of the I/14 Leviathan South lease, it is noted that the drilling of the said well was completed in June 2022, on schedule and under budget. According to the work plan, the well will be completed and connected to the existing subsea production system of the Leviathan reservoir during Q1/2023.

¹ https://www.gov.il/he/departments/news/ng_150622.

3. **Section 7.7.3 of the Periodic Report – Dispute with Energean regarding Payment of the Balance of the Consideration under the Agreement**

Further to Section 7 of the Q1 Report and to the Partnership’s immediate report of May 31, 2022 (Ref. no. 2022-01-067939), regarding a dispute with Energean Israel Limited (“Energean”) in connection with payment of the balance of the consideration under an agreement for the sale of the interests in the Karish and Tanin leases, and the filing of a claim on the matter by the Partnership against Energean, it is noted that Energean is required to file an answer by September 15, 2022.

4. **Section 7.19.2 of the Periodic Report – Leviathan Bond Bonds**

Further to Section 11 of the Q1 Report regarding approval of a plan for the purchase of the bonds that were issued by Leviathan Bond Ltd., a wholly-owned subsidiary of the Partnership (the “Leviathan Bond Bonds”), it is noted that up to the report release date the Partnership performed buybacks in the sum of approx. \$33 million par value of Leviathan Bond Bonds in consideration for approx. \$33 million, which includes the accrued interest as of the purchase date.

5. **Section 7.21.2 of the Periodic Report – The Legal Provisions and/or Directives of Competent Authorities on Environmental Matters which Apply to the Partnership**

Further to Section 7.21.2(c) regarding the Climate Bill, 5781-2021, which was published in April 2021 with the aim of creating an organizational framework for the State of Israel’s tackling climate change, it is noted that the said bill was taken off the agenda, and that on June 1, 2022, the Climate Bill, 5782-2022 was presented to the Knesset for a preliminary discussion, which on June 28, 2022 was approved at the plenum at the first reading. As of the report release date, the bill is before the Internal Affairs and Environment Committee for preparation for the second and third readings. In the Partnership’s estimation, the said legislative proceedings are not expected to be completed within the term of the current Knesset.

6. **Section 7.21.7 of the Periodic Report – Material Legal or Administrative Proceedings in Connection with the Environment**

Further to Section 7.21.7(f) of the Periodic Report regarding a class certification motion which was filed by a resident of the Dor Beach region on behalf of “anyone who was exposed to the air, sea and coastal environment pollution, due to prohibited emissions from the gas platform operated by the Respondents in the sea, which is located opposite Dor Beach, and treats the natural gas reservoir, Leviathan, in the period from the commencement of the platform’s activity in December 2019 until a judgment is issued in the claim”, it is noted that on May 16, 2022, a pretrial hearing was held, at the end of which the court ordered Chevron Mediterranean Limited (“Chevron”) to file a response to the motion for a discovery order within 30 days, and that in the decision of July 26, 2022 the court rejected most of the discovery motion and granted a small part thereof, ruling that Chevron is required to disclose decisions of the Ministry of

Environmental Protection regarding the imposition of the sanctions and transcripts of hearings that were held ahead of the imposition of the sanctions.

7. **Section 7.22 of the Periodic Report – Restrictions on and Control of the Partnership’s Activity**

On May 30, 2022, the Ministry of Energy released a notice of its intention to launch a fourth competitive process for natural gas exploration in the EEZ of the State of Israel².

8. **Section 7.25 of the Periodic Report – Legal Proceedings**

- a. Further to Section 7.25.2 of the Periodic Report regarding a claim that was filed by the Partnership and Chevron (collectively in this section: the “**Plaintiffs**”) with the Jerusalem District Court against the State of Israel, which mainly includes a demand for restitution of royalties which were overpaid by the Plaintiffs to the State, under protest, in respect of income which the Plaintiffs derived from gas supply agreements which were signed between natural gas consumers and the Yam Tethys partners, it is noted that on July 19, 2022, the parties agreed, on the advice of the court, to conduct negotiations in an attempt to reach a settlement. The parties are required to update the court regarding the outcome of the negotiations by August 15, 2022, while in the absence of agreements, the court is expected to issue a judgment in the claim by November 2022.
- b. Further to Section 7.25.3 of the Periodic Report and Section 14(b) of the Q1 Report, regarding a class certification motion in connection with the merger transaction between the Partnership and Avner Oil Exploration – Limited Partnership, it is noted that after several extensions that were requested by the respondents, on June 29, 2022 they filed their closing statements.
- c. Further to Section 7.25.5 of the Periodic Report and Section 14(d) of the Q1 Report, regarding a class certification motion (in this section: the “**Certification Motion**”) which was filed with the Tel Aviv District Court by an electricity consumer against the Partnership and Chevron (collectively in this section: the “**Respondents**”) and against the other holders in the Tamar project and the Leviathan project (as parties against which no remedy is sought), in connection with the competitive process for the supply of natural gas conducted by the IEC and with a possible amendment to the agreement for the supply of gas from the Tamar project to the IEC, as agreed by Isramco Negev 2 - Limited Partnership, Tamar Petroleum Ltd., Dor Gas Exploration - Limited Partnership and Everest Infrastructures - Limited Partnership, without involvement on the part of the Respondents, it is noted that on May 25, 2022, the parties filed a list of questions to be put to the regulator, and that on May 31, 2022 the court ordered the transfer of the pleadings in the case to the Office of the Tel Aviv District Attorney (Civil) in order to receive the regulator’s position on the dispute contemplated in the Certification Motion. According to the

² https://www.gov.il/he/departments/news/press_300522. שגיאה! ההפניה להיפר-קישור אינה חוקית.

court's decision, the regulator shall file its position with the court by January 1, 2023, and a pretrial hearing has been scheduled for February 26, 2023.

- d. Further to Section 7.25.7 of the Periodic Report regarding an administrative appeal that was filed by Lobby 99 Ltd. (CIC) and Hatzlacha – For Promotion of a Fair Society (R.A.) (collectively in this section: the “**Administrative Appellants**”) against the Competition Commissioner, EMED Pipeline B.V. and Eastern Mediterranean Gas Company S.A.E (collectively in this section: the “**Respondents**”), with the Competition Court at the Jerusalem District Court, it is noted that in June-July 2022, trial hearings were held, and according to the court's decision, the Administrative Appellants are required to file closing statements on their behalf by September 15, 2022, the Respondents are required to file closing statements on their behalf by November 8, 2022, and the Administrative Appellants are required to file responding summations by November 31, 2022.
- e. Further to Section 7.25.10 of the Periodic Report and Section 14(g) of the Q1 Report regarding a petition that was filed by the Partnership and Chevron, which hold the Alon D license, with the Supreme Court sitting as the High Court of Justice, it is noted that a hearing on the petition has been scheduled for December 15, 2022.

9. **Section 7.26.3(a) of the Periodic Report – Renewable Energies**

As part of the Partnership's strategy for entering and investing in the renewable energies industry, using the experience that the Partnership has accrued in the regional market, it is noted that as of the report release date, the Partnership is communicating with corporations operating in this industry with regards to a possible investment and/or collaboration.

10. **Section 7.26.4 of the Periodic Report – The Restructuring Transaction**

As part of the Partnership's strategy for promotion of a transaction for the exchange of all of the participation units of the Partnership for shares of a new company incorporated in England, which shall be cross-listed on the London Stock Exchange and the Tel Aviv Stock Exchange, by way of approval of an arrangement pursuant to Sections 350 and 351 of the Companies Law, 5759-1999 (the “**Transaction**”), it is noted that as of the report release date, the Partnership is holding preliminary discussions with regards to the possibility of performing the Transaction with a company that is listed on the London Stock Exchange.

Sincerely,

NewMed Energy Management Ltd.

General Partner of NewMed Energy – Limited Partnership

By: Yossi Abu, CEO

Sari Singer Kaufman, VP Legal