

NewMed Energy – Limited Partnership
(the “Partnership”)

September 18, 2022

To
The Israel Securities Authority
22 Kanfei Nesharim Street
Jerusalem
Via Magna

To
Tel Aviv Stock Exchange Ltd.
2 Ahuzat Bayit Street
Tel Aviv
Via Magna

Dear Sir/Madam,

Re: Decision to Approve a Budget for Drilling the A-3 Appraisal Well

Further to Sections 7.3.6 and 7.3.11 of Chapter A of the Partnership’s periodic report for 2021, as released on March 24, 2022 (Reference No.: 2022-01-033988) (the “**Periodic Report**”), Section 4 of the update to the Partnership’s Business chapter included in the Partnership’s Q1/2022 report, as released on May 23, 2022 (Reference No.: 2022-01-062278), and Section 4 of the update to the Partnership’s Business chapter included in the Partnership’s Q2/2022 report, as released on August 18, 2022 (Reference No.: 2022-01-104980), regarding the planned work plan for the Aphrodite reservoir which is within the area of Block 12 in the exclusive economic zone of the Republic of Cyprus (the “**Reservoir**” or “**Aphrodite Reservoir**” and “**Block 12**”, respectively), the Partnership hereby respectfully notifies that, on September 15, 2022, the partners in the Reservoir (the “**Partners**”) adopted the decision to approve a budget for drilling the A-3 appraisal well within the area of Block 12 (the “**Well**”).

It is noted that, in the context of approval of the budget for the Well, the Partners authorized another sum of approx. \$62 million (100%) for the performance of Pre-FEED work for the purpose of promoting the development of the Reservoir¹.

Following are further details about the Well:

1. The date on which the decision to drill the Well was made: September 15, 2022.
2. The grounds for the decision: Under the Production Sharing Contract of October 24, 2008, as amended from time to time (the “**PSC**”), the Partners had undertaken to drill a well in the area of Block 12 and complete it by November 2022. It is noted that the Partners are working vis-à-vis the Government of Cyprus toward an amendment to the PSC, *inter alia*, for the purpose of updating the binding timetables for drilling of the Well.
3. Conditions for drilling and for participation in the drilling of the Well: Receipt of all the necessary approvals from the Government of Cyprus, including environmental, technical and budgetary approvals. It is noted that the Partners have engaged the Stena Forth drillship for the purpose of drilling of the Well.
4. Name of the Well: A-3.
5. Location of the Well: Offshore well, approx. 170 km off Limassol, Cyprus.

¹ For details with respect to an annual and special general meeting of the holders of participation units of the Partnership, the agenda of which listed, *inter alia*, authorization to refrain from a distribution of profit for the purpose of investing in the “Block 12” petroleum asset in Cyprus, see the notice of meeting report released by the Partnership on August 15, 2022 (Reference No.: 2022-01-103582).

6. Well drilling dates: Drilling is expected to commence in H1/2023.
7. Target layers of the Well: Oligo-Miocene sand layers which are known as “Tamar sands”.
8. Type, purpose and the future stages contingent on the findings of the Well: An appraisal well, the purpose of which is to confirm the appraisals of the operator and the Partnership with respect to the Reservoir nature and size, and which is planned to serve in the future, according to the findings thereof and after completion thereof, as a production well.
9. Depth: Approx. 5,600 meters.
10. Budget: Total (100%) budget is approx. U.S. \$130 million.
11. Name of operator: Chevron Cyprus Limited.
12. Name of the corporation drilling the Well: Chevron Cyprus Limited.
13. The share of the holders of the Partnership’s equity interests in the Well budget: 30%.
14. The share of the holders of the Partnership’s equity interests in the prospective revenues to derive from the Well: See Section 7.3.8 of the Periodic Report.
15. Names of partners in the petroleum asset where the Well is drilled and their share in the Well budget:

<u>Name of Partner</u>	<u>The Share of Each Partner in the Well Budget</u>
Chevron Cyprus Limited	35%
BG Cyprus Limited	35%
The Partnership	30%

16. Reference to the description of the petroleum asset in the Periodic Report: See Section 7.3 of the Periodic Report.

Caution concerning forward-looking information: The budget and timetables for the drilling of the Well and the receipt of approvals for the drilling thereof are based on assessments and estimations received, *inter alia*, from the operator, which constitute forward-looking information as defined in the Securities Law, 5728-1968. Such assessments and estimations constitute professional assessments and estimations with respect to which there is no certainty, and they may be subsequently updated as activities in the Well advance. The above assessments are based, *inter alia*, on geological, geophysical, technical-engineering and other information, and may materially differ from the actual situation. The aforesaid assessments and estimations may be updated insofar as additional information accumulates and/or as a result of an amplitude of factors related to natural gas and oil exploration and development projects, including as a result of the performance of the activities in the Well and their results, and also as a result of operational conditions and/or market conditions and/or regulatory conditions.

The partners in the Aphrodite Reservoir and their holding rates are as follows:

Chevron Cyprus Limited	35%
BG Cyprus Limited	35%
The Partnership	30%

Sincerely,

NewMed Energy Management Ltd.
the General Partner of NewMed Energy – Limited Partnership

By: Yossi Abu, CEO
and Zvi Karcz, VP Exploration