

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

February 21, 2023

To  
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: **Approval of Budgets for the Performance of FEED in the Context of Phase 1B for the Development of the Leviathan Reservoir**

Further to Section 7.2.5 of Chapter A of the Partnership’s 2021 periodic report, as released on March 24, 2022 (Ref. no.: 2022-01-033988), regarding Phase 1B for the development of the Leviathan reservoir, the Partnership respectfully reports that on February 20, 2023, the Leviathan partners approved budgets for 2023 in accordance with the Joint Operating Agreement that applies to the Leviathan reservoir, in the sum total of approx. \$96.4 million (100%), for the performance of Front End Engineering and Design (Pre-FEED) for Phase 1B for the development of the Leviathan reservoir (the “Budgets”), with the aim of increasing the total gas production capacity by an additional approx. 9 BCM per year, i.e. to the sum total of approx. 21 BCM per year.

In the context of such design, and further to previous analyses, the Leviathan partners are promoting a future construction of a floating liquefied natural gas (FLNG) facility owned thereby, with an annual production capacity of approx. 4.6 million tons of liquefied natural gas (LNG) for purposes of sale thereof to global markets, thus also enabling the increase of the quantities supplied to the domestic market.

The Budgets include the sum of \$44.9 million (100%, the Partnership’s share is \$20.4 million), *inter alia* for the performance of Pre-FEED and commencement of FEED, for expansion of the Leviathan reservoir’s production system, including the design of subsea infrastructures and of necessary changes on the production platform, as well as the sum of \$51.5 million (100%, the Partnership’s share is \$23.3 million), *inter alia* for the performance of Pre-FEED for the FLNG facility, as aforesaid, in a competitive process between international groups specializing in the design and construction of FLNG facilities.

**The rights holders in the Leviathan project, and their holding rates are as follows:**

The Partnership	45.34%
Chevron Mediterranean Limited	39.66%
Ratio Energies – Limited Partnership	15.00%

Sincerely,

**NewMed Energy Management Ltd.**

**General Partner of NewMed Energy – Limited Partnership**

By: Yossi Abu, CEO

Sari Singer Kaufman, General Counsel, EVP