

NewMed Energy – Limited Partnership

(the "Partnership")

March 28, 2023

To	To
The Israel Securities Authority	The Tel Aviv Stock Exchange Ltd.
22 Kanfei Nesharim St.,	2 Ahuzat Bayit St.,
<u>Jerusalem</u>	<u>Tel Aviv</u>
Via Magna	Via Magna

Dear Sir/Madam,

Re: **Offer for the Purchase of the Participation Units of the Partnership**

The Partnership respectfully updates as follows:

1. On 27 March 2023 the General Partner received a non-binding indicative offer (the "**Offer**") from Abu Dhabi National Oil Company (ADNOC) P.J.S.C. and BP Exploration Operating Company, a consortium of two international energy companies (jointly, the "**Consortium**"), regarding a possible transaction pursuant to which the Consortium will purchase, in cash, all of the Partnership's participation units (the "**Units**") that are held by the public and some of the units held by Delek Group Ltd., the controlling holder of the Partnership ("**Delek Group**"), subject to certain terms and conditions (the "**Transaction**").

Below is a concise description of the main parts of the Offer:

- 1.1 Pursuant to the Transaction, the Consortium will purchase all of the issued unit capital held by the public (approx. 45%) and approx. 5% of the issued unit capital from Delek Group, such that after the closing each of the Consortium and Delek Group will hold 50% of the equity and controlling interests in the Partnership, by way of a court approved scheme of arrangement pursuant to Section 350 of the Companies Law, 5759-1999 (the "**Companies Law**").
- 1.2 The Consortium's Offer which, as aforesaid, is non-binding and subject to terms and conditions, is to pay ILS 12.05 for each purchased unit. This price reflects a premium of approx. 72% to the closing price of the units on TASE on 26 March, 2023 (ILS 6.996), or a premium of approx. 76% and 60% to the average closing price of the units in the recent 30 and 90 trading days prior to the date of the Offer, respectively.
- 1.3 The Offer includes terms and conditions which the Consortium wishes to negotiate with Delek Group in relation to the joint control of the Partnership after the closing of the Transaction, and additional terms

and conditions for the Transaction, including completion of due diligence, reaching of detailed agreements with Delek Group on all of the relevant issues, and obtaining any and all other required consents and approvals.

- 1.4 The Consortium is entitled to withdraw the Offer at any time and for any reason.
2. On 27 March 2023 the board of the General Partner held a discussion regarding the Consortium's Offer and decided, in view of Delek Group's personal interest in the Transaction and the materiality of the Transaction, to appoint the audit committee, comprised of only three external directors (the "**Committee**") to explore and resolve any issue pertaining to the proposed Transaction, and to take any and all steps necessary in order to exercise the Committee's powers, in the Committee's discretion, including engaging external and independent professional consultants to provide legal advice and economic advice on the price offered for the Units; to determine the terms of compensation of such consultants at the Partnership's expense; to conduct independent negotiations with the Consortium and with Delek Group which negotiations will be conducted on an arms' length basis as far as possible, all in accordance with the best interests of the Partnership and the unit holders; to draft the Transaction documents as the Committee will deem fit and to determine the terms and conditions thereof, if and insofar as the Committee sees fit to do so; and to formulate the Committee's recommendation to the board with respect to the Transaction. In addition, the Committee was also authorized to decide not to perform the Transaction or to impose conditions on the approval thereof, or to request, receive and examine alternative offers, all as it will deem fit. The Committee will receive any and all necessary information and assistance from the Partnership and the General Partner and their officers, and the Committee members are authorized to request any and all relevant information or documents held by the Partnership or the General Partner.
3. There is no guarantee that the Transaction or the terms and conditions on which the Consortium wishes to agree with Delek Group with respect to the joint management of the Partnership after the closing of the Transaction will be deemed acceptable and agreed by Delek Group, or whether the parties will be able to reach any agreement.
4. If the necessary agreements with Delek Group are reached and the Committee's recommendation to approve the Transaction is obtained, the approval of the Transaction by way of an arrangement under Section 350 of the Companies Law, and the closing and the consummation of the Transaction will be subject to obtaining approval from the court that will supervise the arrangement, approval of the arrangement by the meeting of unit holders with a majority of 75% of all of the holders (including Delek Group and affiliates thereof) and a simple majority approval of the unit holders from the public (excluding Delek Group and affiliates thereof), and obtaining the additional regulatory approvals and consents from third parties required for closing a

transaction of this kind. It is emphasized that as of the date of this report, there is no certainty that it will be possible to receive all the aforesaid consents and approvals and, in any event, there is no certainty regarding the chances of successfully closing the Transaction.

Caution regarding forward looking information – The information included in this report regarding the potential Transaction constitute forward-looking information, as such term is defined in the Securities Law, 5728-1968. It should be emphasized that at this stage, there is no guarantee regarding the successful completion and execution of the Transaction, as it depends on conditions beyond the Partnership's control.

Sincerely,

New Med Energy Management Ltd.

The General Partner in New Med Energy – Limited Partnership

By: Yossi Abu, CEO

Sari Singer Kaufman, Legal Counsel, EVP