

LEVIATHAN BOND LTD.
(the “Issuer”)

Date: November 15th, 2023

To: HSBC Bank USA, National Association (the “Trustee”).

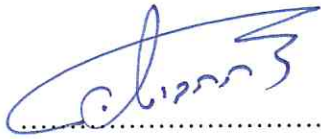
We, Yossi Abu and Haim Tzach Habusha, Directors of the Issuer refer to the indenture, dated 18 August 2020 (the “**Indenture**”) between the Issuer and the Trustee.

Terms defined in the Indenture have, unless otherwise defined in this certificate, the same meaning when used in this certificate.

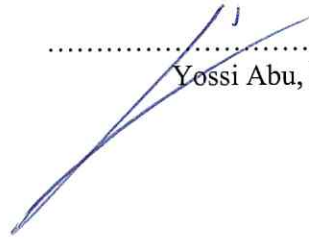
WE CERTIFY THAT:

1. We are authorised by the Issuer to give this certificate on behalf of the Issuer;
2. The audited Financial Statements, attached hereto as **Annex A**, fairly, in all material respects, presents the financial position, results of operations and cash flows of the Issuer on the dates and for the periods indicated in accordance with IFRS; and
3. No Indenture Default or Indenture Event of Default has occurred and is continuing.

[Signatures appear on next page]



.....
Haim Tzach Habusha, Director



.....
Yossi Abu, Director

on behalf of
LEVIATHAN BOND LTD.

Annex A
Unaudited Financial Statements of Issuer



Leviathan Bond

LEVIATHAN BOND LTD

CONDENSED INTERIM FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2023

EXPRESSED IN US\$ THOUSANDS

UNAUDITED

LEVIATHAN BOND LTD

CONDENSED INTERIM FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2023
EXPRESSED IN US\$ THOUSANDS

UNAUDITED

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Auditors' Review Report to the Shareholders of Leviathan Bond Ltd

Introduction

We have reviewed the accompanying financial information of Leviathan Bond Ltd ("**Company**"), which comprises the condensed interim statements of financial position as of September 30, 2023 and the related condensed statements of comprehensive income, changes in equity for the nine-month and three-month periods then ended. The Company's Board of Directors' and management are responsible for the preparation and presentation of Interim financial information this interim periods, in accordance with International Accounting Standard 34, "Interim Financial Reporting" ("**IAS 34**"). Our responsibility is to express a conclusion on this Interim financial information based on our review.

Scope of Review

We conducted our review in accordance with Review Standard (Israel) 2410, issued by the Institute of Certified Public Accountants in Israel, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with generally accepted auditing standards in Israel, and consequently accordingly does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the aforementioned interim financial information is not prepared, in all material respects, in accordance with IAS 34

Tel Aviv, November 15, 2023

Kost Forer Gabbay and Kasierer
Kost, Forer, Gabbay & Kasierer
Certified Public Accountants
(Israel)

Ziv Haft
Certified Public Accountants
(Israel)

Leviathan Bond Ltd

Condensed Interim Statements of Financial Position (Expressed in US\$ Thousands)

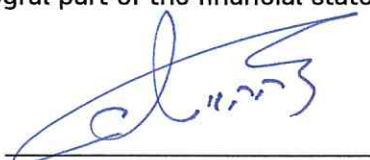
	30.09.2023	30.09.2022	31.12.2022
	Unaudited		Audited
Assets:			
Current Assets:			
Short term Bank deposits	33	251,076	253,279
Loans to shareholders	-	499,661	499,603
Interest Receivable	28,219	35,406	-
Related parties	*	*	*
	<u>28,252</u>	<u>786,143</u>	<u>752,882</u>
Noncurrent Assets:			
Loans to shareholders	1,748,814	1,749,449	1,749,625
Long term bank deposits	100,177	-	-
	<u>1,848,991</u>	<u>1,749,449</u>	<u>1,749,625</u>
	<u>1,877,243</u>	<u>2,535,592</u>	<u>2,502,507</u>
Liabilities and Equity:			
Current Liabilities:			
Bonds	-	500,000	500,000
Interest payable	28,219	35,406	-
Related parties	210	151,076	153,279
	<u>28,429</u>	<u>686,482</u>	<u>653,279</u>
Noncurrent Liabilities:			
Bonds	1,750,000	1,750,000	1,750,000
Loans from shareholders	100,000	100,000	100,000
	<u>1,850,000</u>	<u>1,850,000</u>	<u>1,850,000</u>
Equity (Deficit)	(1,186)	(890)	(772)
	<u>1,877,243</u>	<u>2,535,592</u>	<u>2,502,507</u>

* Less than \$1,000

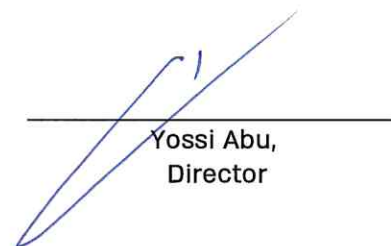
The accompanying notes are an integral part of the financial statements.

November 15, 2023

Date of Financial
Statement Approval



Tzachi Habusha,
Director



Yossi Abu,
Director

Leviathan Bond Ltd**Condensed Interim Statements of Comprehensive Income (Expressed in US\$ Thousands)**

	For the Nine Month Ended 30.9.2023	For the Nine Month Ended 30.9.2022	For the Three Month Ended 30.9.2023	For the Three Month Ended 30.9.2022	For Year Ended 31.12.2022
	Unaudited				Audited
Financial expenses	103,507	106,807	28,883	35,683	146,252
Financial income	(103,093)	(107,853)	(29,211)	(36,317)	(147,398)
Total comprehensive loss (income)	414	(1,046)	(328)	(634)	(1,146)

The accompanying notes are an integral part of the financial statements.

Leviathan Bond Limited.

Condensed Interim Statements of Changes in Equity (Deficit) (Expressed in US\$ thousands)

	The Company equity	Retained earnings (Deficit)	Total
	Unaudited		
<u>Changes for the nine months period ended</u>			
<u>September 30, 2023:</u>			
Balance as of December 31, 2023 (audited)	*	(772)	(772)
Total comprehensive loss	-	414	414
Balance as of September 30, 2023	*	(1,186)	(1,186)
<u>Changes for the nine months period ended</u>			
<u>September 30, 2022:</u>			
Balance as of December 31, 2021 (audited)	*	(1,918)	(1,918)
Total comprehensive income	-	1,028	1,028
Balance as of September 30, 2022	*	(890)	(890)
<u>Changes for the three months period ended</u>			
<u>September 30, 2023:</u>			
Balance as of June 30, 2023	*	(1,514)	(1,514)
Total comprehensive income	-	328	328
Balance as of September 30, 2023	*	(1,186)	(1,186)
<u>Changes for the three months period ended</u>			
<u>September 30, 2022:</u>			
Balance as of June 30, 2022	*	(1,524)	(1,524)
Total comprehensive income	-	634	634
Balance as of September 30, 2022	*	(890)	(890)
	The Company equity	Retained earnings (Deficit)	Total
	Audited		
<u>Changes for the year ended December 31,</u>			
<u>2022:</u>			
Balance as of December 31, 2021	*	(1,918)	(1,918)
Total comprehensive Income	-	1,146	1,146
Balance as of December 31, 2022	*	(772)	(772)

* Less than \$1,000

The accompanying notes are an integral part of the financial statements.

Leviathan Bond Ltd

Notes to the Condensed Interim Financial Statements as at September 30, 2023 (Expressed in US \$ Thousands)

Note 1 - General:

A. NewMed Energy – Limited Partnership (the “**NewMed**” or “**Partnership**”), incorporated Leviathan Bond Limited (“**the Company**”) on July 15, 2020. NewMed holds 100% of the shares of the Company. The sole purpose of the Company is to issue bonds under Rule 144A to qualified investors and to provide the funds raised as loans, under the same conditions (“back-to-back”), to NewMed (see also note 3 to the annual financial statements).

B. The Statements of Cash Flow have not been presented, as such those statements do not add any significant information.

C. As of September 30th, 2023 the partnership had Approx. \$27.0 Million U.S Dollars in the “Revenue accounts”, Short-term bank deposits, which are used for debt service and for current payments as part of the bonds issue.

D. The Iron Swords war and its impact on the Partnership’s business:

Following the deadly attack perpetrated by the terrorist organization “**Hamas**” on 7 October 2023, targeting communities and military bases in the South of Israel, the Israeli Government declared the “**Iron Swords**” war against this terrorist organization (the “**War**”). As of the date of approval of the financial statements, the War is ongoing and it is impossible to predict how long it will last or its impact on the Partnership, its business and its assets.

1. Since the start of the War on 7 October 2023, thousands of rockets have been fired from the Gaza Strip mainly into the south and center of the State of Israel. At the same time, as the fighting has progressed, the terrorist organization ‘**Hezbollah**’ has escalated the tension on the Israel-Lebanon border and initiated combat operations against Israel. Consequently, and in view of the possibility of expansion of the War on the northern border and other fronts, the IDF mobilized hundreds of thousands of reservists, communities located close to the frontlines on the southern and northern borders were evacuated, and the Home Front Command is periodically issuing current instructions limiting the activity of workplaces and educational institutions.
2. As a result of the War, in October 2023, the credit rating agencies Moody’s and Fitch announced that they were considering a possible downgrade of the credit rating of the State of Israel. The credit rating agency S&P Global Rating also announced a downgrade of the State of Israel’s credit rating outlook from stable to negative, while leaving the existing credit rating unchanged. In addition, the Leviathan Bond Bonds were placed on negative watch by the rating agencies Moody’s and Fitch. In addition, the rating agency S&P downgraded the bonds’ outlook to negative.
3. Shortly after the outbreak of the War, gas production from the Tamar reservoir was discontinued according to the Government’s order. No such order was given for the Leviathan and Karish reservoirs, and as of the date of approval of the financial statements, production from the Leviathan reservoir is continuing as usual. On 9 November 2023, the Ministry of Energy notified the operator in the Tamar reservoir that it may restart the Tamar reservoir. As a result of such discontinuation of production from the Tamar reservoir, the Leviathan partners supplied natural gas also to a number of customers of the Tamar reservoir in the domestic market, mainly to the Israel Electric Corporation Ltd., and as a result, the amount of natural gas allocated for export to Egypt was reduced. At the same time, due to the War and according to the government’s order, the activity of the EMG pipeline, which is a main transmission infrastructure for the piping of gas from Israel to Egypt, was halted. Consequently, Eastern Mediterranean Gas Co. S.A.E (“**EMG**”) informed Blue Ocean Energy (the gas consumer in Egypt) of the existence of ‘force majeure’ circumstances preventing the piping of gas to Egypt through the EMG pipeline. As a result, since the outbreak of the War, all gas supplies to Egypt

D. The Iron Swords war and its impact on the Partnership's business (Cont.):

3. (Cont.)

was piped through the Jordanian transmission system, which entails additional transmission costs. On 14 November 2023, transmission of gas via the EMG pipeline was resumed. Further to the aforesaid, the gas quantity supplied to Egypt in October was ~82% of the monthly contract quantity of gas that the Leviathan partners are obligated to supply.

4. The natural gas platforms, the onshore and offshore production and transmission facilities, and other essential infrastructure systems in Israel and in the export countries may constitute targets for missile fire and sabotage operations, and damage thereto, if any, may cause extremely significant damage, and disrupt or disable the production and/or transmission activity for a period of time and to an extent that may be significant. In such cases, it is possible that the insurance policies purchased by Chevron Mediterranean Limited ("**Chevron**") and the Partnership will not suffice to cover the damage and losses caused to the Partnership. In this context it is noted that there is a risk that on the date of the insurance policies, mainly in connection with war and terrorism, it will not be possible to purchase appropriate policies under reasonable commercial terms and conditions or at all. Another risk deriving from the War is damage to the terminals for condensate, which is a by-product of natural gas production from the Leviathan project. The risk of such incidents may significantly increase in the event of escalation on the Northern front of the State of Israel or in the event of expansion of the War to additional fronts. In the event of expansion of the War as aforesaid, there may also be greater risk that the Government will impose restrictions on regular production from the Leviathan reservoir and/or the Karish reservoir. Any limiting or halting of production from both the Tamar and Karish reservoirs, is expected to obligate the Leviathan partners to increase the quantities supplied to the domestic market at the expense of exports to Egypt.
5. In view of the continuance of the War, there is a greater geopolitical risk in connection with the export of natural gas from the Leviathan reservoir, which constituted most of the Partnership's total revenues in the first three quarters of 2023. However, since the outbreak of the War, export of gas from the Leviathan reservoir has continued.
6. As of the date of approval of the financial statements, the Leviathan partners continue to promote the Third Pipeline Project, as specified in Note 3B below, as well as the other activities in accordance with the work plans. In addition, due to the outbreak of the War, the work of Israel Natural Gas Lines Ltd. ("**INGL**") on the laying of the Ashdod-Ashkelon offshore pipeline has been suspended, leading to another expected postponement of the scheduled date of completion of this project. See Note 6D below. Furthermore, as a result of the War, a delay is expected in commencement of the piping of the condensate to Ashdod Refinery Ltd. via the pipeline of Energy Infrastructures Ltd. ("**PEI**"). For further details, see Note 6B below.
7. Should certain events materialize, such as premature termination of the export agreements and unrepaired physical damage to the Leviathan project, if they are reasonably expected to have a material adverse impact, and subject to grace periods, qualifications and conditions, there is a risk of violation of the terms of the bonds of Leviathan Bond Ltd., a wholly-owned subsidiary of the Partnership ("**Leviathan Bond**"), which are secured by the Partnership's interests in the Leviathan project and are traded in the TACT-Institutional system of TASE (the "**Bonds**"), which may give the bondholders grounds for acceleration and enforcement of the collateral. In addition, although as a consequence of the War, there has been an increase in the yields of the Bonds, this increase does not affect the nominal interest of the Bonds, the Partnership's cash flow or the ability to repay the Bonds, although it may have an adverse effect on the Partnership's ability to raise additional debt and increase the financing costs of raising additional debt as aforesaid.
8. As aforesaid, despite the War, and until the date of approval of the financial statements, production from the Leviathan reservoir is continuing as usual. During the period of shutdown of the Tamar reservoir and the EMG pipeline, which led to a reduction of the quantities allocated

E. The Iron Swords war and its impact on the Partnership's business (Cont.):

8. (Cont.)

for export, transmission of gas to Egypt via the Jordanian transmission system (instead of the EMG pipeline), and the supply of gas to customers of the Tamar reservoir in the domestic market, as specified in Section 3 above, and until the date of approval of the financial statements, the Partnership's revenues and profitability were not materially impacted. In the Partnership's estimation, given resumption of transmission via the EMG pipeline on 14 November 2023, and assuming that the risk factors specified above and below do not materialize, the Partnership's revenues and profitability are not expected to be materially impacted in Q4/2023.

9. As of the date of approval of the financial statements, significant uncertainty exists, making it impossible to estimate how the War will develop and whether it will expand to additional fronts, how long the War will last, its results and its repercussions. Under these circumstances, it is impossible to estimate the chances of materialization of the risk factors arising from the War and their possible effect, including the specific risk factors detailed above, whose materialization could have a material adverse effect on the Partnership, its assets and its business.

The Partnership's aforesaid estimates, including in relation to the potential impact of the War on the Partnership, may not materialize, in whole or in part, or may materialize differently, including significantly differently than expected, mainly due to the considerable uncertainty at this time, including with respect to the War's duration, scope, and its repercussions for the Israeli economy, and also due to the occurrence of events beyond the Partnership's control.

Note 2 – Significant Accounting Principles:

A. Declaration of Compliance with International Accounting Standards:

These condensed interim financial statements comply with provisions of IAS 34.

- B. The Company's Condensed Interim Financial Statements should be read together with the financial statements as of December 31, 2022 (the "**Annual Financial Statements**"). Accordingly, notes regarding insignificant updates with respect to information already reported in the notes to the Annual Financial Statements were not included in these Financial Statements.

Note 3 – Bonds

- A. On 22 May 2022, the GP's board approved a plan to purchase the bonds of Leviathan Bond, in an aggregate amount of up to \$100 million for a period of two years. The Partnership made buybacks pursuant to said buyback plan in the sum of approx. \$100 million. Further thereto, on 22 January 2023, the board of the Partnership's GP authorized to adopt an additional plan to purchase the bonds of Leviathan Bond, in an aggregate amount of up to \$100 million, by way of an off-exchange, TACT-Institutional or any other purchase method (the "**Additional Buyback Plan**"). The Additional Buyback Plan took effect on 23 January 2023 and shall end after two years, i.e., on 23 January 2025. As of the date of approval of the financial statements, the Partnership made buybacks pursuant to the Additional Buyback Plan in the sum of approx. \$9 million. The aforesaid buybacks were made from the first Leviathan Bond series, which has been fully repaid as detailed in Section I below. On 15 November 2023, the GP's board authorized the continued performance of buybacks in accordance with the buyback plan, from the bond series maturing on 30 June 2025 and/or from the bond series maturing on 30 June 2027. It is clarified that the said decision does not obligate the Partnership and/or Leviathan Bond to perform a buyback of the bonds, and that the Partnership's management will be entitled to decide not to buy back bonds at all.

Leviathan Bond Ltd

Notes to the Condensed Interim Financial Statements as at September 30, 2023 (Expressed in US \$ Thousands)

Note 3 – Bonds (Cont.):

- B. Further to Note 3 to the Annual Financial Statements in connection with the Leviathan Bond bonds, on 30 June 2023, the first bond series of Leviathan Bond was fully and finally repaid, following a partial prepayment on 1 May 2023 of \$280 million plus accrued interest of approx. \$4.5 million, out of a total series amount of \$500 million. According to the terms of the bonds, the payment of the first series during the quarter preceding the original maturity date was not subject to prepayment fees to the bondholders.

Note 4 - Other Information regarding Ratio Yam Joint Venture ("Leviathan" Leaseholds):

A. Developments in investments in oil and gas assets:

1. Further to Note 4B to the Annual Financial Statements regarding the drilling of the development and production well "Leviathan-8" in the area of lease I/14 Leviathan South (in this section: the "Well"), and regarding the completion of the completion works at the Well, in June 2023, the Well has been connected to the Leviathan project's existing subsea production system and production from the Well has begun, according to the timetables and on budget. The cost of the drilling as of the date of the financial statements totaled approx. \$191.6 million (100%, the Partnership's share - approx. \$86.8 million).
2. Further to Note 4C to the Annual Financial Statements regarding a project which mainly involves laying a third subsea transmission pipeline from the production wells in the Leviathan field to the platform (the "**Third Pipeline Project**"), which will make it possible to increase the maximum capacity for gas supply from the Leviathan project to the INGL transmission system, on 29 June 2023, the partners in the Leviathan project adopted an FID (Final investment Decision) to perform the Third Pipeline Project with a total budget of approx. \$568 million (100%, the Partnership's share – approx. \$258 million).
3. Further to Note to the Annual Financial Statements regarding Phase I – Second Stage of the Leviathan project development plan, on 21 June 2023, the partners in the Leviathan project submitted to the Petroleum Commissioner (the "**Commissioner**") an application for approval of the export of natural gas from the Leviathan project via an existing and future regional pipeline. As of the date of approval of the financial statements, the Pre-FEED stage for expansion of the Leviathan reservoir's production system has been completed, including the planning of subsea infrastructures and of required facilities on the production platform, and the Leviathan partners intend to proceed to performance of the FEED for purposes of increasing the natural gas quantities for export via existing and future infrastructures (as specified in Note 6C below) to the domestic and regional markets.
During the performance of Pre-FEED for the floating liquefied natural gas (FLNG) facility (the "Facility"), indications emerged of a material change in the cost estimation for building the Facility, and therefore the Leviathan partners intend to review the economic implications of the decision on the FEED stage.

Note 4 - Other Information regarding Ratio Yam Joint Venture ("Leviathan" Leaseholds) (Cont.):

B. Legal proceedings.

- a. Further to Note 4P2 to the Annual Financial Statements, regarding a claim filed by Haifa Port Company Ltd. ("**Haifa Port**") against Chevron, Coral Maritime Services Ltd. and Gold-Line Shipping Ltd., and regarding a counterclaim filed by Chevron against Haifa Port, note that on 8 July 2023 and 18 July 2023, the court denied the motions filed by the parties with respect to the preliminary proceedings, and also scheduled the last pretrial hearing for 21 January 2024. Furthermore, on 21 June 2023, the court dismissed the motion for summary dismissal of the counterclaim filed by Haifa Port and charged it with costs.
- b. Further to Note 4P3 to the Annual Financial Statements, regarding a class certification motion which was filed by a resident of the Dor Beach area on behalf of "anyone who was exposed to the air, marine and coastal pollution due to prohibited emissions from the gas platform which is operated by the respondents in the sea, located offshore Dor Beach, and treats the Leviathan natural gas reservoir, in the period from commencement of the platform's activity in December 2019 until a judgment is issued in the claim", following the notice by the Minister of Justice regarding the application of the Courts and Execution Offices Regulations (Procedure in a Special State of Emergency), 5751-1991 (the "**Notice of the Minister of Justice Regarding the Special State of Emergency**"), the date of filing of Chevron's summaries has been postponed until after the end of the special state of emergency as mentioned.

C. Environmental Regulation.

1. Further to the hearing that was held for Chevron before the MoEP on 6 January 2022, on 2 August 2023 Chevron received a notice from the MoEP of its intention to impose a financial penalty in the sum of approx. ILS 2.9 million (approx. \$0.8 million) (100%, the Partnership's share – approx. ILS 1.3 million (approx. \$0.4 million)), for an alleged violation of the Leviathan project's sea discharge permit, and pursuant to the Prevention of Sea Pollution from Land-Based Sources Law, 5748-1988 (the "**Sea Pollution Prevention Law**"). On 3 September 2023, Chevron submitted its response.
2. On 6 August 2023, Chevron received a letter of notice and summons to a hearing before the MoEP for alleged violations of the Leviathan project's sea discharge permit and toxins permit, and pursuant to the Sea Pollution Prevention Law and the Hazardous Substances Law, 5753-1993. Due to the War, the hearing that was scheduled for 8 October 2023 was postponed and an alternative date has not yet been set.

D. Agreements for the sale of natural gas from the Leviathan project.

Further to Note 4H2 to the Annual Financial Statements, regarding an agreement for the sale of natural gas to the National Electric Power Company of Jordan ("**NEPCO**"), on 3 July 2023, the parties agreed on an increase in the natural gas quantities to be supplied to NEPCO on a firm basis, temporarily, in relation to several months in 2023-2024, and that the minimum annual quantity that NEPCO undertook to take or pay for (Take or Pay) during 2023-2024 will increase accordingly. For the avoidance of doubt, it is clarified that the aforesaid does not change the total supply volume under the said export agreement (approx. 45 BCM).

Note 4 - Other Information regarding Ratio Yam Joint Venture ("Leviathan" Leaseholds) (Cont.):

E. Projects for export through the national transmission system

Further to Notes 4Q2 and 4R13 to the Annual Financial Statements, regarding the Leviathan partners' consideration of further possibilities for increasing the natural gas export quantities, as of the date of approval of the financial statements, the Leviathan partners approved additional preliminary budgets, prior to making final investments decisions (FID), if adopted, as detailed below:

1. An additional sum of approx. \$11 million, such that the total budget is approx. \$14.5 million (100%, the Partnership's share – approx. \$6.6 million) in connection with the construction of a new onshore connection between the Israeli transmission system and the Egyptian transmission system in the area of Nitzana, which is expected to increase the total capacity for export of natural gas to Egypt by approx. 6 BCM more (the "**Nitzana Pipeline**"). The Nitzana Pipeline will be built and operated by INGL and will include, *inter alia*, the construction of a compressor station in the Ramat Hovav area.
2. An additional sum of approx. \$24 million, such that the total budget is approx. \$37.5 million (100%, the Partnership's share – approx. \$17 million) in connection with the construction of a compressor station and further related work in the transmission system for export, that is operated by FAJR and is used for the piping of natural gas to Jordan, and to Egypt via Jordan, which is expected to increase the natural gas transmission capacity from approx. 6.5 BCM to approx. 10.5 BCM.

F. Further to Note 4I to the Annual Financial Statements regarding an agreement signed between Chevron and PEI to arrange for an alternative mechanism to transport condensate from the Leviathan project through an existing pipeline of PEI and its related systems, note that due to the War, the date of commencement of the flow of condensate in such pipeline is expected to be postponed to Q1/2024.

G. Further to Note 4R to the Annual Financial Statements, regarding INGL's construction of the Ashdod-Ashkelon transmission system section (the "**Combined Section**"), on 26 February 2023, Chevron received a letter from INGL, whereby – according to a preliminary assessment given to INGL by the project's construction contractor – a delay of at least 6 months is expected in completion of the project, due to a malfunction on a vessel carrying out infrastructure work for the laying of the subsea pipeline for INGL. In October 2023, Chevron updated the Partnership that it had received a notice from INGL, whereby, due to the War, work on such project had been suspended and that the expected date for flow commencement is about four months from the date of resumption of work.

H. Further to Note 4G5 to the Annual Financial Statements, regarding advances on account of the State's royalties on revenues from the Leviathan project, on 29 October 2023, a notice was received from the Ministry of Energy, according to which the rate of the advances on account of the State's royalties on revenues from the Leviathan project for 2023 will be reduced from 11.26% to 11.06%.

Notes to the Condensed Interim Financial Statements as at September 30, 2023 (Expressed in US \$ Thousands)

Note 4 - Other Information regarding Ratio Yam Joint Venture ("Leviathan" Leaseholds) (Cont.):

1. On May 2, 2023, the Ministry of Energy published for public comment a draft policy document on decommissioning of offshore oil and natural gas exploration and production infrastructures (the "**Draft Policy Document**"). The purpose of the Draft Policy Document is to outline the general principles with regard to decommissioning of offshore oil and natural gas exploration and production infrastructures, without derogating from the provisions of the law applicable in this regard and the provisions of the lease deeds and operation permits. The Draft Policy Document offers, among other things, rules, standards and time frames for the decommissioning of drilling and production facilities as well as the abandonment of subsea infrastructures and pipelines that are no longer in use, according to, *inter alia*, the location of said facilities in the deep sea or on the bottom of or below the seabed.

The Leviathan partners transferred their comments on the Draft Policy Document to the Ministry of Energy. Approval of the strict requirements in the Draft Policy Document is expected to increase the decommissioning costs for the Partnership's assets. As of the date of approval of the financial statements, the Partnership is still examining the provisions of the Draft Policy Document and its implications on the increase of the decommissioning costs as aforesaid, if applied, and will consider its actions on the matter accordingly.

Note 5 – Subsequent Events

1. See Note 1D for details regarding the Iron Swords War and its impact on the Partnership's business.
2. See Note 4H for details regarding an update to the rate of the advances on account of the State's royalties in respect of the revenues from the Leviathan project.

FORM OF SPONSOR FINANCIAL DATA REPORT

		Quarter Ended
		30.09.2023
	<u>Item</u>	<u>Quantity/Actual Amount (in USD\$,000)</u>
A.	Total Offtake (BCM)	¹ 2.9
B.	Leviathan Revenues (100%)	² 641,879
C.	Loss Proceeds, if any, paid to Revenue Account	-
D.	Sponsor Deposits, if any, into Revenue Account	13,100
E.	Gross Revenues (before Royalties)	³ 263,968
F.	Overriding Royalties	
	(a) Statutory Royalties	(31,672)
	(b) Third Party Royalties	(12,562)
G.	Net Revenues	219,734
H.	<u>Costs and Expenses:</u>	
	(a) Fees Under the Financing Documents (Interest Income)	848
	(b) Taxes	(26,828)
	(c) Operation and Maintenance Expenses	(44,852)
	(d) Capital Expenditures	(33,393)
	(e) Insurance (income)	(7,830)
I.	Total Costs and Expenses (sum of Items H(a), (b), (c), (d) and (e))	(112,055)
J.	Total Cash Flows Available for Debt Service (Item G <i>minus</i> Item H)	120,779
K.	Total Cash Flow from operation (Item G minus Items H(c) and H(e))	167,052
L.	Total Debt Service	-
M.	Total Distribution to the Sponsor	-

¹ Gas sales from 1.7.2023 until 30.9.2023 for 100% of the Leviathan partners on an accrual basis.

² Gas sales from 1.7.2023 until 30.9.2023 for 100% of the Leviathan partners on an accrual basis.

³ Section C-M are based on NewMed Energy Share in Leviathan (45.34%) and on actual cash flow of the Sponsor Accounts as part of the Leviathan Bond indenture from July 1st 2023 until September 30th 2023.

NEWMED ENERGY LIMITED PARTNERSHIP
(the "Partnership")

Date: November 15th, 2023

To: HSBC Bank USA, National Association (the "**Trustee**").

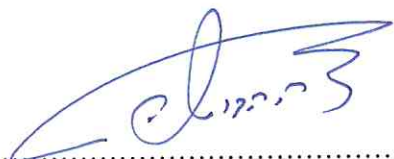
We, Haim Tzach Habusha and Yossi Abu, CFO and CEO (respectively) of the General Partner of the Partnership refer to the indenture, dated 18 August 2020 (the "**Indenture**") between Leviathan Bond Ltd. and the Trustee.

Terms defined in the Indenture have, unless otherwise defined in this certificate, the same meaning when used in this certificate.

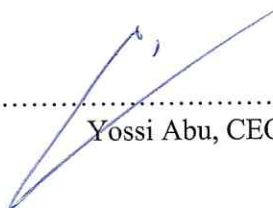
WE CERTIFY THAT:

1. We are authorised by the Partnership to give this certificate on behalf of the Partnership; and
2. No Sponsor Loan Default or Sponsor Loan Event of Default has occurred and is continuing.

[Signatures appear on next Page]



.....
Haim Tzach Habusha, CFO



.....
Yossi Abu, CEO

on behalf of
NEWMED ENERGY LIMITED PARTNERSHIP