

NewMed Energy – Limited Partnership
(the “Partnership”)

23 May 2024

To
Israel Securities Authority
22 Kanfei Nesharim Street
Jerusalem

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

Dear Sir/Madam,

Re: **Engagement in an Agreement for the Sale of Natural Gas**

Further to Section 7.11 of Chapter A of the Partnership’s 2023 periodic report, as released on 19 March 2024 (Ref. no.: 2024-01-027798) (the “**Periodic Report**”), regarding engagements for the supply of natural gas from the Leviathan project to customers of the Partnership, the Partnership respectfully reports that on 23 May 2024, the Leviathan partners engaged with Eshkol Power Energies Ltd. (the “**Buyer**”) in an agreement for the supply of natural gas (the “**Agreement**”) for the production units at the Eshkol site in Ashdod, which the Buyer plans to purchase from the Israel Electric Corp. Ltd. (the “**IEC**”), according to a sale agreement signed thereby with the IEC.

Under the Agreement, the Leviathan partners undertook to supply the Buyer, on a firm basis, with daily gas quantities in an aggregate annual volume of approx. 0.5 BCM, which are planned to be used for the two combined cycle production units at the Eshkol site (the “**CCGTs**”) from the date of commencement of the supply, expected in June 2024, upon the transfer of ownership of the power plant from the IEC to the Buyer, until the end of the term of the Agreement on 31 December 2031. The Buyer undertook to take or pay for specific gas quantities calculated as a percentage of the adjusted annual contract quantity (Adjusted ACQ), subject to circumstances of *force majeure* and other standard terms and conditions.

In addition, the parties agreed that the Leviathan partners will supply the Buyer, on an interruptible basis, with additional gas quantities which are planned to be used for the four steam-powered production units at the Eshkol site (the “**Steam-Powered Units**”), which are planned to operate mainly at times when the electricity reserves in the market are low, from the date of commencement of the supply as aforesaid, and throughout the period of their operation (presently expected until 31 December 2026). The Buyer undertook to take or pay for specific gas quantities for the Steam-Powered Units, subject to their actual usage time, the availability of the gas and other standard terms and conditions.

The sale prices determined in the Agreement are linked to the electricity prices in relation to the CCGTs and to the Brent oil barrel prices in relation to the Steam-Powered Units, according to the mechanisms and periods as specified in the Agreement. The said sale prices are stated in dollars and are subject to minimum prices.

In the estimation of the Leviathan partners, the revenues to be generated from the Agreement (100%) may total approx. \$650 million until the end of the term of the Agreement on 31 December 2031.

The Agreement prescribes additional provisions, as is standard in agreements of this type, *inter alia* with respect to *force majeure* events, events of breach and indemnity, tax and fiscal changes, early termination, etc.

Caution regarding forward-looking information: The information presented above with respect to the transfer of ownership of the production units from the IEC to Eshkol and commencement of the supply under the Agreement, the gas quantities to be supplied to the Buyer under the Agreement and the revenues that the Leviathan partners shall generate from the gas sales to the Buyer under the Agreement, constitutes forward-looking information, within the meaning thereof in the Securities Law, 5728-1968. This information is based, *inter alia*, on estimates and assessments of the Partnership and the Leviathan project's operator, which there is no certainty will materialize, in whole or in part, due to factors that are not within the full control of the Partnership and/or the Leviathan partners and/or the Buyer, *inter alia* as a result of non-fulfillment of the terms and conditions of the sale agreement with the IEC for the sale of the Eshkol plant, changes in the economic environment, operating and technical conditions, regulatory changes, geopolitical changes, developments in the Iron Swords war and the security situation in Israel, and a gamut of other different factors that may impact performance of the parties' undertakings under the Agreement and which are unforeseeable at present, including materialization of any of the risk factors specified in Section 7.29 of Chapter A of the Periodic Report.

The partners in the Leviathan reservoir 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
and Saar Prag, VP Trade