

NewMed Energy – Limited Partnership
(the “Partnership”)

20 November 2024

To
The Israel Securities Authority
22 Kanfei Nesharim Street
Jerusalem

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

Dear Sir/Madam,

Re: **Distribution of Profit**

The Partnership respectfully informs that on 19 November 2024, after receiving the recommendation of the financial statements review committee of the general partner in the Partnership (the “**FSRC**”), the board of directors of the general partner in the Partnership (the “**Board**”) resolved to distribute profit in the total amount of U.S. \$65 million, with the record date for the distribution being 28 November 2024.

Details regarding the examination conducted by the FSRC and the Board in connection with the adoption of the aforesaid profit distribution resolution are presented below.

The FSRC and the Board examined the Partnership’s compliance with the profit test and the solvency test prescribed by Section 302(a) of the Companies Law, 5759-1999, following which examination they confirmed the Partnership’s compliance with these tests in relation to the aforesaid distribution of profit.

1. As pertains to compliance with the profit test, the FSRC and the Board approved the said profit distribution based on the Partnership’s retained earnings as of 30 September 2024, which exceeds the above sum of the distribution. In view of the planned work plans, and considering the liabilities that the Partnership has assumed in connection with the Leviathan, Aphrodite and Yam Tethys projects and the bonds issued by Leviathan Bond Ltd., and in accordance with the resolutions of the general meeting of the Partnership’s participation unit holders regarding refrainment from the distribution of profit¹, the FSRC and the Board resolved to approve a distribution in an amount that is lower than the balance of the Partnership’s distributable profit.
2. As pertains to compliance with the solvency test, the FSRC and the Board weighed the following matters, among others: Data regarding the Partnership’s financial position, including data regarding the Partnership’s liquid balances, the Partnership’s existing and future liabilities, including their due dates, the Partnership’s projected future cash flows, assumptions in relation to the Partnership’s expected future uses and sources, which include a review of the options for additional development stages in the Leviathan project, including

¹ For details, see Sections 4.5.2 - 4.5.5 of the Partnership’s periodic report for 2023, which was released on 19 March 2024 (Ref. no.: 2024-01-027798).

promotion of development of Phase 1B of the Leviathan project's development plan² and investment in the Aphrodite project, the additional financing sources available to the Partnership, including the credit facilities available to the Partnership and the possibility for future debt financing, tax and oil profit levy payments, and performance of future investments which have been and/or shall in the foreseeable future be approved. The FSRC and the Board further examined the possible effect of the risk factors that may materialize as a result of the Swords of Iron war³. After examination of the above matters, the FSRC and the Board of Directors confirmed that the Partnership meets the solvency test in relation to the said profit distribution.

3. In the estimation of the FSRC and the Board, the said profit distribution will not have a material adverse effect on the Partnership's financial position, including its capital structure, leverage level, liquidity or ability to continue operating in its existing operating format.

The trustee has given his consent to the profit distribution as aforesaid.

It is noted that August 2021 saw the passing of an amendment to the Income Tax Regulations (Rules for Calculation of the Tax on the Holding and Sale of Participation Units in Petroleum Exploration Partnerships), 5749-1988, according to which, *inter alia*, the Partnership's tax regime has changed since the 2022 tax year, such that it is taxed as a company, and in this context, tax shall be deducted from any profit distribution by the Partnership as if the distribution were a dividend on shares.

The report form is intended for the distribution of dividend by a company and not the distribution of profit by a partnership. Therefore, attention is drawn to the following notes:

1. In Section 1 of the report form – the security of the corporation to which the profit distribution is made is a participation unit (and not a share).
2. Any reference to a "dividend" in the report form should be read as "profit distribution".
3. Any reference to a "company" in the report form should be read as "partnership".

Caution regarding forward-looking information – The estimations specified in Paragraphs 2 and 3 above constitute forward-looking information, as defined in the Securities Law, 5728-1968, which is based on an analysis of the data specified in Paragraph 2 above as carried out by the Board and the FSRC. These estimations may not materialize, in whole or in part, or may materialize in a manner materially different than expected, *inter alia*, following changes in the capital market conditions, the rate of inflation, estimated timetables for performance of exploration and development

² For details regarding the adoption of a decision by the partners in the Leviathan project regarding the performance of front-end engineering design (FEED) and preliminary procurement of long lead items in the context of promotion of Phase 1B of the Leviathan project's development plan, see the Partnership's immediate report of 1 August 2024 (Ref. no.: 2024-01-081835), the information in which is incorporated herein by way of reference.

³ For details, see Section 2 of the update to Chapter A of the Partnership's Q3/2024 report, as released in proximity to the release of this report.

activities, exchange rates, the market conditions under which the Partnership operates, the Partnership's sales rate, political and national security changes and regulatory and geopolitical changes which may affect the Partnership's operations.

Sincerely,

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

By Yossi Abu, CEO
and Tzachi Habusha, VP Finance