

NewMed Energy – Limited Partnership
(the “Partnership”)

28 November 2024

To
The Israel Securities Authority
Via Magna

To
Tel Aviv Stock Exchange Ltd.
Via Magna

Dear Sir/Madam,

Re: **Contingent Agreement for Acquisition of Interests in a Petroleum Asset within the**
Exclusive Economic Zone of Bulgaria

The Partnership respectfully reports engagement in a contingent agreement for the acquisition of interests comprising 50% of the petroleum asset known as Block 1-21 Han Asparuh situated within the exclusive economic zone (EEZ) of the Republic of Bulgaria in the Black Sea (the “**Agreement**”, the “**Transaction**”, and the “**License**” or “**Block**” or “**Project**”, respectively).

A description of the principal provisions of the Transaction follows.

1. The Agreement was signed between NewMed Energy Balkan Limited, a UK incorporated subsidiary wholly owned by the Partnership (“**NewMed Balkan**” or the “**Buyer**”), and OMV Offshore Bulgaria GmbH (“**OMV Bulgaria**” or the “**Seller**”), a subsidiary of OMV Petrom, which, to the best of the Partnership’s knowledge, is a public company listed on the Bucharest Stock Exchange in Romania and considered the largest energy corporation in Southeast Europe. As of the date of this report, OMV Bulgaria holds all the interests (100%) in the Block.
2. Subject to satisfaction of the conditions precedent for closing of the Transaction, the Seller has undertaken to transfer to the Buyer working interests at the rate of 50% of the interests in the License granted by the Government of Bulgaria in relation to the area of the Block, rights under an agreement for natural gas and oil exploration in the area of the Block signed with the Government of Bulgaria, and rights under the joint operating agreement (JOA) that shall apply between the partners in the Block (the “**Interests**”). It is noted that, after the closing of the Transaction, the remaining interests in the Block (50%) will be held by OMV Bulgaria.
3. The Agreement stipulates several conditions precedent for the closing of the Transaction (the “**Closing Conditions**”):
 - a. Obtaining approval from the supervisor of the Partnership and the holders of participation units of the Partnership for the entry of NewMed Balkan into the Agreement and for execution of the Transaction, prior to submission of the application for approval of the Government of Bulgaria.

- b. Completing the registration of the local branch of NewMed Balkan for V.A.T. purposes with the Bulgarian Tax Authority.
 - c. Obtaining approval from the Bulgarian Commission for Protection of Competition and clearance from the Bulgarian Interdepartmental Council for Screening of Foreign Direct Investments in Bulgaria, insofar as such approvals are required by law for transfer of the Interests to the Buyer.
 - d. Entry by the parties into an agreement with the Government of Bulgaria that authorizes the transfer of the Interests to the Buyer.
4. In consideration for transfer of the Interests in the Block, the Buyer has undertaken to fund the Seller's share of the costs of the next exploration well to be drilled in the Vinekh prospect in the area of the Block (out of a number of prospects and leads) (the "**First Well**"), up to a total amount that shall not exceed €50 million (approx. 52 million U.S. dollars ("**\$**")), and also fund the Seller's share of the costs of an additional well in the Block, which will be either an exploration well in another prospect in the area of the Block or an appraisal well in the Vinekh prospect (in the case of discovery therein), according to the recommendation of OMV Bulgaria as operator and approval by NewMed Balkan, after completion of the First Well, up to a total (additional) amount that shall not exceed €50 million (the "**Second Well**", and together with the First Well: the "**Two Wells**").

It is clarified that, under the terms of the Agreement, the Buyer does not have the right to be reimbursed by the Seller for the amounts provided for its benefit by the Buyer, as specified in this section above, and beyond such amounts, the Seller and the Buyer shall bear their *pro rata* share (50%-50%) in the expenses of the Project.

Of note, the aforesaid amounts include €5 million (approx. \$5.2 million) in operating expenses in connection with the License during the interim period between the Agreement signing date and the Transaction closing date, as well as approx. €5 million in expenses incurred by the Seller in relation to preparations for the Wells. Furthermore, it has been agreed that the Buyer will bear the fees to be paid to the Bulgarian Government in respect of transfer of the Interests.

5. Subject to satisfaction of the Closing Conditions, the Transaction will be closed on the date on which the parties and the Government of Bulgaria enter into an agreement that authorizes the transfer of the Interests to the Buyer, or at such other date as shall be agreed by the parties.
6. As of the Transaction closing date, the Buyer shall bear, according to its share of the License, all the expenses, payments, liabilities and obligations imposed in respect of the Block and pursuant to the provisions of any law, except as set forth in Section 4 above and except for certain liabilities and obligations for which, as stipulated in the Agreement, the Seller shall remain responsible also after the Transaction closing date, as relating to

the period preceding the closing of the Transaction, including payment demands issued in respect of the Block prior to the closing of the Transaction as well as liabilities and obligations pertaining to environmental protection or to compliance with provisions of law pertaining to environmental protection, insofar as existing prior to the Transaction closing date or known to the Seller before the Transaction closing date.

7. On the Transaction closing date, the parties shall enter into a joint operating agreement (JOA) in such form as agreed, which, among other things, shall stipulate that the Seller shall continue to serve as the operator of the License. For details regarding the JOA, see Section G of **Annex A** hereto ('Details about the Block').
8. The Agreement sets down provisions with respect to the parties' rights to terminate the Agreement prior to the Transaction closing date in each of the following cases:
 - a. Non-fulfillment of the Closing Conditions within 180 days of the date of signing of the Agreement (or such later date as agreed by the parties).
 - b. Event of insolvency of counterparty.
 - c. Failure by counterparty to comply with its obligations in relation to the period preceding the Transaction closing date and failure to cure such breach within 14 days of receipt of written notice.
 - d. The Buyer shall have the right to terminate the Agreement in the event of a "material adverse change" in relation to the transferred Interests, and, under certain stipulated conditions, in the event of breach of the Seller's representations.
9. The Agreement is governed by UK law and any dispute that pertains to the Agreement will be resolved by arbitration in Paris, to be conducted under the rules of the International Court of Arbitration in Paris under the auspices of the International Chamber of Commerce.
10. The agreement provides additional provisions as per the standard in agreements of this type, including mutual indemnification obligations in the case of breach of representations and obligations.

Annex A hereto presents salient details about the Block and includes a prospective resources report for the Vinekh prospect only (the "**Resource Report**" and the "**Prospect**" or "**Vinekh**", respectively), which was prepared by Netherland, Sewell and Associates, Inc. ("**NSAI**"), an expert, certified and independent resource evaluator, in accordance with the Petroleum Resources Management System (SPE-PRMS).

Shortly after the release of this report, the Partnership will release a report on the calling of a special general meeting of holders of participation units of the Partnership, the agenda of which

includes the proposal of a resolution to approve the engagement in the Transaction and refrain from profit distributions in the Partnership for the purpose of investing in the Block (the “**Notice of Meeting Report**”).

On 27 November 2024, the audit committee, compensation committee and board of directors of the General Partner of the Partnership approved the grant of equity-based compensation to Mr. Yossi Abu, CEO of the Partnership (“**Mr. Abu**”), in deviation from the Partnership’s compensation policy, at the rate of 5% of the issued share capital of NewMed Balkan (the “**Proposed Compensation**”). The Partnership will bear the funding of Mr. Abu’s relative share (2.5%, indirectly) in the Partnership’s initial investment of up to \$173 million (or a relative portion of this amount, in the event that NewMed Balkan transfers some of its interests in the License to a third party), which investment is intended to be used by NewMed Balkan for drilling the Two Wells and for covering additional costs of NewMed Balkan, if incurred, in connection with additional possible collaborations with OMV Bulgaria in other ventures (the “**Initial Investment**”). Beyond such funding, Mr. Abu will bear his *pro rata* share of any additional investment to be required of the shareholders of NewMed Balkan, pursuant to the decision of NewMed Balkan.

Of note, the shares to be allotted to Mr. Abu shall be subject to a reverse vesting mechanism, whereby if Mr. Abu terminates his office of his own initiative before the lapse of a 36-month period beginning on the date of approval of the Proposed Compensation, his shares will be available for purchase without consideration, and Mr. Abu will be entitled to participate in profit distributions by NewMed Balkan for his *pro rata* share of the share capital only after NewMed Balkan shall have paid the Partnership (by way of profit distribution and/or loan repayment) amounts that are equal in the aggregate to the amount of the Initial Investment actually made in NewMed Balkan, and all with the addition of interest at the rate of 7.5% *per annum*.

A proposed resolution for approval of the Proposed Compensation shall be specified in the Notice of Meeting Report, which shall include further details on this subject. It is clarified that the proposed resolution for approval of the Transaction is not contingent on approval of the proposed resolution to be included in the agenda of the meeting with respect to the Proposed Compensation. Notwithstanding the aforesaid, it is noted that the Transaction has been approved by the audit committee and board of directors of the General Partner in the Partnership as an engagement in which Mr. Abu has a personal interest.

The board of directors of the General Partner of the Partnership has also resolved to act for the formulation of a plan for the grant of additional equity-based compensation, at a total rate of up to 5% of the issued share capital of NewMed Balkan, to other officers of the Partnership and of the General Partner of the Partnership, on terms similar to the terms of the equity-based compensation proposed for Mr. Abu, such that the Partnership bear the funding of the relative share of the other Partnership officers in the Initial Investment, and the General Partner of the Partnership (or Delek Group Ltd., the control holder of the Partnership (“**Delek Group**”)) bear

the funding of the relative share of the officers of the General Partner of the Partnership in the Initial Investment.

Sincerely,

NewMed Energy Management Ltd.
General Partner of NewMed Energy – Limited Partnership
By Yossi Abu, CEO
and Zvi Karcz, VP Exploration

Annex A

Details about the Block

Block 1-21 Han Asparuh in Bulgaria's Exclusive Economic Zone in the Black Sea

The details presented in this report in relation to the Block are primarily based on information provided to the Partnership by OMV Bulgaria, which, on the date hereof, holds all interests (100%) in the Block, and are to the best of the Partnership's knowledge.

As more extensively specified in the Notice of Meeting Report, pursuant to the resolutions of the audit committee, the compensation committee and the board of directors of the General Partner of the Partnership, it is proposed to approve the grant of the Proposed Compensation to Mr. Abu, CEO of the Partnership, at the rate of 5% of the issued share capital of NewMed Balkan. Accordingly, the following description of the Block refers to the rate of the Partnership's indirect interests in the Block (47.5% out of 100%), by means of holding 95% of the share capital of NewMed Balkan, assuming that the Proposed Compensation is approved.

A. General Details about the Block

Name of Block:	Block 1-21 Han Asparuh.
Location:	The Exclusive Economic Zone of the Republic of Bulgaria in the Black Sea.
Area:	Approx. 13,712 sqm kilometers.
Type of block and description of the operations allowed:	License to conduct natural gas and oil exploration operations in the area of the License, as part of a Prospecting and Exploration Agreement (PEA) with the Government of Bulgaria, which includes the right to receive a concession for extraction in case a discovery is recognized. Production rights are restricted to certain areas that will be determined according to and after announcement of a discovery or discoveries. The term of the concession for extraction is 35 years with an option for extension by 15 additional years under certain conditions.
Original Block grant date:	The Bulgarian Government granted the License in August 2012 to a consortium that consisted of (i) Total Energies, which also served as the Project operator; (ii) Repsol; and (iii) OMV Bulgaria. In 2019, Repsol relinquished its interests in the License, and in 2022, Total Energies relinquished its interests in the License, such that ownership of all interests in the License were transferred to OMV Bulgaria,
Original Block expiration date:	
Dates on which extension of the term of the Block was decided:	
Present Block expiration date:	

<p>Indicate whether a further extension of the term of the Block is possible; if possible – indicate the possible extension period:</p>	<p>which, as of the date hereof, also serves as Project operator.</p> <p>The original License was granted for a 5-year term, which was extended by 135 days from September 2017, by two additional years from January 2018, by 109 additional days from January 2020, by two more years from May 2020 and by another two-year period from May 2022. In June 2024, the Bulgarian Minister of Energy and OMV Bulgaria signed an appendix authorizing an additional extension of the License term by 23 months until 18 October 2026 following <i>force majeure</i> circumstances, in view of the war in Ukraine and Total Energies' withdrawal from the Project.</p> <p>To the best of the Partnership's knowledge, further extension of the License beyond its said current expiration date in October 2026 is not legally available. It is clarified that the License expiration date is the last date on which exploration drilling may be executed in the area of the Block. However, in the event of discovery in the area of the License, extension by one more year, i.e., until October 2027, will be available for discovery appraisal purposes.</p> <p>Of note, to the best of the Partnership's knowledge, the term of the License, which has been extended on several occasions as noted, exceeds the maximum term prescribed by Bulgarian law, and the Interest Acquisition Agreement includes no indemnification undertakings by OMV Bulgaria in respect of such issue.</p>
<p>Name the operator:</p>	<p>OMV Offshore Bulgaria GmbH ("OMV Bulgaria").</p>
<p>Name the direct partners in the Block and their direct share of the Block, and, to the best of the Partnership's knowledge, the names of the control holders of such partners:</p>	<p>OMV Bulgaria – 50%.</p> <p>To the best of the Partnership's knowledge, OMV Bulgaria is a wholly owned (100%) subsidiary of OMV Petrom S.A., a public company approx. 51% of the share capital of which is held by OMV AG and approx. 21% of the share capital of which is held by the Government of Romania¹. OMV AG is a public company approx. 56% of the share capital of which is co-held by ADNOC (the national oil</p>

¹ <https://www.omvpetrom.com/en/investors/shares-and-dividends/shareholder-structure>

	<p>company of Abu Dhabi) and OBAG, a company owned by the Government of Austria².</p> <p>NewMed Balkan – 50%. For further details, see Section 1 above.</p>
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B. Details about the Partnership's Share of the Block

Holding in an acquired block – Indicate the acquisition date:	As specified in the description of the Agreement above.
Describe the essence and manner of the Partnership's holdings in the Block:	The Partnership shall hold 47.5% of the interests in the Block, by means of holding 95% of the share capital of NewMed Balkan.
Indicate the actual share of revenues from the Block attributable to the holders of the Partnership's equity interests:	See the table below.
Total share of the holders of the Partnership's equity interests in the aggregate investment in the Block over the 5 years preceding the date of the report (whether recognized as an expense or an asset in the financial statements):	Approx. \$5.2 million ³ .

² <https://www.omv.com/en/investor-relations/share/shareholder-structure>

³ Expenses incurred by the Seller prior to the Transaction in relation to preparation work ahead of drillings in the area of the License, *inter alia*, in engineering, operational, environmental, safety-related and regulatory aspects, including the procurement of long lead items in a sum of approx. €5 million, as specified in Section 4 above, which shall be paid to the Seller shortly after the Transaction closing date.

<u>Item</u>	<u>Percentage Pre- Investment Recovery</u>	<u>Percentage Post- Investment Recovery</u>	<u>Percentage Post- Investment Recovery</u>	<u>Percentage Post- Investment Recovery</u>	<u>Percentage Post- Investment Recovery</u>	<u>Percentage Post- Investment Recovery</u>	<u>Percentage Post- Investment Recovery</u>	<u>Concise Explanation on Royalty or Payment Calculation Method</u>
Projected annual revenues from the Block	100%	100%	100%	100%	100%	100%	100%	
R-Factor	0-1.0	1.0-1.5	1.5-1.75	1.75-2.0	2.0-2.5	2.5-3.0	Over 3.0	Assuming that the calculation of the R-Factor and the investment recovery for overriding royalty purposes is identical. For further details, see Section C(2)(b) below.
		List of the Royalties or Payment (deriving from Post-Discovery Revenues) at Block Level:						
State	2.5%	2.5%	5%	10%	12.5%	22.5%	30.0%	For further details, see Section C(2)(b) below.
Discounted revenues at Block level	97.50%	97.50%	95.00%	90.00%	87.50%	77.50%	70.00%	

<u>Item</u>	<u>Precentage Pre- Investment Recovery</u>	<u>Precentage Post- Investment Recovery</u>	<u>Precentage Post- Investment Recovery</u>	<u>Precentage Post- Investment Recovery</u>	<u>Precentage Post- Investment Recovery</u>	<u>Precentage Post- Investment Recovery</u>	<u>Precentage Post- Investment Recovery</u>	<u>Concise Explanation on Royalty or Payment Calculation Method</u>
Share attributable to the holders of the Partnership's equity interests in the discounted revenues generated from the Block (indirectly)	47.50%	47.50%	47.50%	47.50%	47.50%	47.50%	47.50%	
Partnership's equity interest holders' total rate of the actual amount of revenues, at Block level (and before other payments at Partnership level)	46.31%	46.31%	45.13%	42.75%	41.56%	36.81%	33.25%	

<u>Item</u>	<u>Percentage Pre- Investment Recovery</u>	<u>Percentage Post- Investment Recovery</u>	<u>Percentage Post- Investment Recovery</u>	<u>Percentage Post- Investment Recovery</u>	<u>Percentage Post- Investment Recovery</u>	<u>Percentage Post- Investment Recovery</u>	<u>Percentage Post- Investment Recovery</u>	<u>Concise Explanation on Royalty or Payment Calculation Method</u>
		<u>List of the Royalties or Payments (deriving from Post-Discovery Revenues) in connection with the Block at Partnership Level (the following percentages will be calculated according to the share of the holders of the Partnership's equity interests in the Block):</u>						
Partnership's equity interest holders' rate of payment to related parties and third parties	2.14%	4.51%	4.51%	4.51%	4.51%	4.51%	4.51%	Overriding royalty in respect of the Partnership's share at a rate of 4.5% pre-investment recovery and 9.5% post-investment recovery is calculated according to market value at the wellhead. Because the calculation method of such rate follows the market value at the wellhead as

<u>Item</u>	<u>Precentage</u> <u>Pre-</u> <u>Investment</u> <u>Recovery</u>	<u>Precentage</u> <u>Post-</u> <u>Investment</u> <u>Recovery</u>	<u>Precentage</u> <u>Post-</u> <u>Investment</u> <u>Recovery</u>	<u>Precentage</u> <u>Post-</u> <u>Investment</u> <u>Recovery</u>	<u>Precentage</u> <u>Post-</u> <u>Investment</u> <u>Recovery</u>	<u>Precentage</u> <u>Post-</u> <u>Investment</u> <u>Recovery</u>	<u>Precentage</u> <u>Post-</u> <u>Investment</u> <u>Recovery</u>	<u>Concise</u> <u>Explanation</u> <u>on Royalty or</u> <u>Payment</u> <u>Calculation</u> <u>Method</u>
								noted, such rate may vary.
Rate of revenues from the Block actually attributed to the Partnership's equity interest holders	44.18%	41.8%	40.61%	38.24%	37.05%	32.3%	28.74%	

*Of note, the Partnership is examining, via its outside legal counsel, whether the obligation to pay overriding royalties to Delek Group and a subsidiary thereof and to third parties also applies in relation to the License. Notwithstanding the aforesaid, the above table also presents overriding royalties calculated for 47.5% of the interests in the License, i.e., after deduction of the share attributed to Mr. Abu's Proposed Compensation.

C. Rate of Actual Participation in Expenses on and Revenues from the Block

1. As relating to the expenses entailed by exploration, development and production activities in the Block (“**Project Expenses**”), it is noted as follows:
 - (a) As noted, under the Agreement, the Partnership has undertaken to bear the funding of OMV Bulgaria’s share (50%) in the Two Wells up to a cap (in each one of the Two Wells) of €50 million (approx. \$52 million), and beyond the said amounts, the Partnership and OMV Bulgaria shall bear their *pro rata* shares (50%-50%) of the Project Expenses.
 - (b) As noted, assuming approval of the Proposed Compensation for Mr. Abu, the Partnership shall bear the funding of Mr. Abu’s relative share (2.5%, indirectly) in the costs of the Initial Investment. Beyond such funding, Mr. Abu shall bear his relative share of any further investment to be required of the shareholders of NewMed Balkan according to the decision of NewMed Balkan.
 - (c) It is clarified that the calculation of the participation rate actually attributed to the holders of the Partnership’s equity interests in the Project Expenses, as specified in the table below, refers to expenses incurred after the first two Well (i.e., after exhaustion of the funding obligations imposed on the Partnership in relation to the costs of the Two Wells).
 - (d) According to the JOA, the Partnership shall bear the expenses of the operator at certain rates of the Project Expenses, as specified in Section 2(g) below.
2. As relating to the revenues from the Block, it is noted as follows:
 - (a) As noted, the Partnership is examining, via its outside legal counsel, whether the obligation to pay overriding royalties to Delek Group and a subsidiary thereof and to third parties also applies in relation to the License. Notwithstanding the aforesaid, the following tables present calculations that also account for the payment of overriding royalties calculated for 47.5% of the interests in the License.
 - (b) The revenues from the Block are subject to the payment of royalties to the Government of Bulgaria, which are calculated as a certain rate of gross production or of the total revenues from the concession for extraction, per the Government’s choice. Of note, under the applicable regulation in Bulgaria on the date hereof, annual royalties are determined according to the product of multiplying the economic value of the annual production by

the royalty rate payable to the Government, which is determined according to the R-Factor formula, pursuant to the following brackets:

<u>R-Factor</u>	<u>Royalty Rate</u>
< 1.5	2.5%
1.5 – 1.75	5%
1.75 – 2	10%
2 – 2.5	12.5%
2.5 – 3	22.5%
> 3	30%

To the best of the Partnership's knowledge, under the applicable regulation in Bulgaria on the date hereof, besides the right to receive royalties on the output as specified above, the Government of Bulgaria does not have the right to receive working interests in the Block or other substantial economic interests in the petroleum output.

To the best of the Partnership's knowledge, in July 2023, the Bulgarian Parliament decided to direct the Bulgarian Minister of Energy to negotiate the terms by which a Bulgarian government-owned company would acquire up to 20% of the interests in the Block. Further thereto, in October 2024, OMV Bulgaria received a letter from the Bulgarian Ministry of Energy, requesting information, *inter alia*, with respect to the work programs, technical data and technical-economic analyses in relation to the Project. To the best of the Partnership's knowledge, as of the date hereof, no negotiations are conducted with OMV Bulgaria on this matter and it is impossible to estimate the results of such negotiations (if and when they commence) or whether the Bulgarian Parliament or Ministry of Energy will make additional decisions in the future in relation to this subject and/or on other matters that may affect the Project or the Partnership's interests in the Project.

(c) Under the presently applicable fiscal regime in Bulgaria, the corporate tax rate imposed on taxable income is 10%.

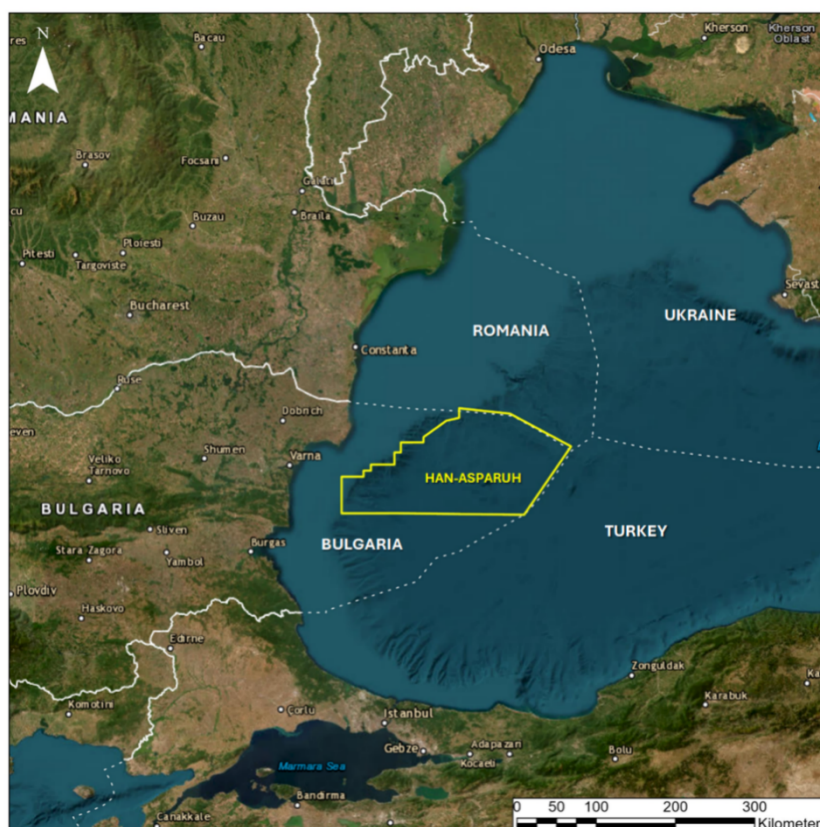
3. The following tables present calculations of the shares actually attributed to the holders of the equity interests in the Project Expenses and the revenues from the Block.

<u>Participation Rate</u>	<u>Pre-Investment Recovery Percentage</u>	<u>Post-Investment Recovery Percentage</u>	<u>Pre-Investment Recovery Rate in 100% terms</u>	<u>Post-Investment Recovery Rate in 100% terms</u>	<u>Explanations</u>
Rate of the Block actually attributed to the Partnership's equity interest holders	47.5%	47.5%	100%	100%	See the description in Section B above.
Rate of revenues from the Block with overriding royalties actually attributed to the Partnership's equity interest holders	44.18%	28.74%-41.8%	93%	60.5%-88%	See the calculation in Section B above.
Rate of revenues from the Block, excluding overriding royalties, actually attributed to the Partnership's equity interest holders	33.25%-46.31%		70%-97.5%		See the calculation in Section B above.
Actual rate of participation by the Partnership's equity interest holders in expenses entailed by the exploration, development	47.975%-48.45%	47.975%-48.45%	101%-102%	101%-102%	See the calculation in Section B above.

<u>Participation Rate</u>	<u>Pre-Investment Recovery Percentage</u>	<u>Post-Investment Recovery Percentage</u>	<u>Pre-Investment Recovery Rate in 100% terms</u>	<u>Post-Investment Recovery Rate in 100% terms</u>	<u>Explanations</u>
and production activities in the Block					

<u>Item</u>	<u>Percentage</u>	<u>Concise Explanation on Royalty or Payment Calculation Method</u>
Theoretical expenses on the Block	100%	
List of the payments (deriving from the expenses) at Block level:		
Operator	1%-2%	See Section G(2) below.
Total actual expense rate at Block level	101%-102%	
Partnership's equity interest holders' rate of Block expenses (indirectly)	47.5%	After funding the operator's share, as specified in Section C(1)(a) above.
Partnership's equity interest holders' total actual rate of the expenses, at Block level (and before other payments at Partnership level)	47.975%-48.45%	
List of payments (deriving from the expenses) in connection with the Block and at Partnership level (the following percentages will be calculated according to the Block rate of the holders of the Partnership's equity interests):		
Rate actually attributed to the Partnership's equity interest holders in the expenses entailed by the exploration, development and production activities in the Block	47.975%-48.45%	

D. Map of the Block



* The resources specified in the Resources Report are situated within the area of the Block. Of note, the reservoir, if discovered, may overflow into the exclusive economic zones of nearby countries. For details regarding the “reservoir overflow” risk factor, see Section 7.29.31 of Chapter A of the Partnership’s periodic report for 2023, which was released on 19 March 2024 (Ref. 2024-01-027798) (the “**Periodic Report**”).

E. Material Operations Previously Executed in the Block

To the best of the Partnership’s knowledge, over the years, the partners in the Block conducted various exploration activities, the principal among which are listed in the table below.

Activity	Period of Execution of the Activity	Concise Description of the Activity	Concise Description of the Results of the Activity
Polshkov-1 Exploration Well	2016	Prove the existence of hydrocarbons in the Polshkov Structure.	The amount of petroleum discovered did not merit development at the time.
Rubin-1 Exploration Well	2017	Prove the existence of hydrocarbons in	Dry well.

		the Rubin Prospect.	
Melnik-1 Exploration Well	2019	Prove the existence of hydrocarbons in the Melnik Prospect.	Dry well.
Acquire, process and interpret a 3D seismic survey	2020-2024	Conduct a 3D seismic survey by Shearwater, processing by DUG and interpretation by the License holders.	Identification of prospects and leads in the area of the License, and, <i>inter alia</i> , the Vinekh prospect, and other prospects and leads, including the Krum prospect.

To the best of the Partnership's knowledge, according to data provided by OMV Bulgaria, aggregate investments in exploration activities in the Block since the License was granted in 2012 total approx. €387 million

F. Actual and Planned Work Program in the Block

To the best of the Partnership's knowledge, to date, the partners in the Block have satisfied their obligations with respect to the work program specified in the terms of the License, and there is currently no further work plan by which the partners are bound.

Under the Agreement, the parties plan to drill the First Well in the Vinekh prospect in Q4/2025, following which the partners will make a decision regarding the drilling of the Second Well in 2026 (prior to expiration of the License in October 2026), either as the first appraisal well in the Vinekh prospect in the event that the First Well proves successful, or as an exploration well in another prospect within the area of the Block. Of note, the Second Well may be an exploration well in a different prospect, even if the First Well in the Vinekh prospect proves successful and ends with a discovery.

The following table presents a concise description of the activities planned in the Block, noting the estimated budget for the conduct of every activity and the share of the holders of the equity interests of the Partnership in such budget, assuming a successful scenario in the First well.

<u>Period</u>	<u>Concise Description of Activities Actually Conducted in the Period or of the Planned Work Program</u>	<u>Estimated Total Budget for Activities at Block Level (\$ in thousands)</u>	<u>Actual Participation in the Budget by the Partnership's Equity Interest Holders (\$ in thousands)⁴</u>
2025	• Identification and characterization of prospects and leads in the area of the License.	Approx. 1,100	Approx. 550
	• Drilling of the Vinekh-1 exploration well and the performance of production tests (assuming a discovery).	Approx. 113,000	Approx. 80,000
	• Preparations for the Second Well.	Approx. 10,300	Approx. 10,300
	• Planning for future wells.	Approx. 4,100	Approx. 2,050
	• Preliminary engineering work related to possible development design of the discovery or discoveries, if any.	Approx. 3,100	Approx. 1,550
	• Operating expenses, <i>inter alia</i> , in aspects of the environment, regulation and management of the Project.	Approx. 4,900	Approx. 2,450
2026	• Drilling of the Second Well.	Approx. 101,000	Approx. 71,300
	• Depending on the results of the wells, drilling of additional exploration and/or appraisal wells.	Approx. 137,500	Approx. 65,300

⁴ Including participation in the operator's share, as specified in Section 4 above, and participation in Mr. Abu's share, as detailed above.

<u>Period</u>	<u>Concise Description of Activities Actually Conducted in the Period or of the Planned Work Program</u>	<u>Estimated Total Budget for Activities at Block Level (\$ in thousands)</u>	<u>Actual Participation in the Budget by the Partnership's Equity Interest Holders (\$ in thousands)⁴</u>
	<ul style="list-style-type: none"> Continued identification and characterization of prospects and leads in the area of the License. 	Approx. 2,700	Approx. 1,300
	<ul style="list-style-type: none"> In the event of discovery of an economically viable reservoir, initial engineering design work prior to the adoption of a development decision. 	Approx. 10,300	Approx. 4,900
	<ul style="list-style-type: none"> Operating expenses, <i>inter alia</i>, in aspects of the environment, regulation and management of the Project. 	Approx. 4,900	Approx. 2,300
2027 forth	<ul style="list-style-type: none"> Depending on the results of the wells, drilling of additional appraisal wells. 		
	<ul style="list-style-type: none"> Continued identification and characterization of prospects and leads in the area of the License. 		
	<ul style="list-style-type: none"> In the event of discovery of an economically viable reservoir, adoption of a development decision. 		

Caution regarding forward-looking information – The information concerning the activities planned in the Block, including as relating to costs, timetables and the mere execution thereof, constitutes “forward-looking information” within the meaning thereof in the Securities Law, 5728-1968 (the “Securities Law”), which is based on information that has formed with the Partnership at the time hereof and which is primarily based on information and assessments of the Seller that were

provided to the Partnership during the negotiations and the due diligence reviews. Actual execution of the planned activities, including the timetables and costs, may materially differ from the aforesaid information, and it is contingent, *inter alia*, upon market conditions, regulation, numerous external circumstances, technical needs, technical ability, new discoveries to be found and economic viability. Furthermore, closing of the Transaction is subject to the satisfaction of the Closing Conditions.

G. Joint Operating Agreement (JOA)

An agreed version of the JOA that will apply between the parties in relation to the management of the Block was attached to the Interest Acquisition Agreement, which JOA includes, *inter alia*, the following key provisions:

1. OMV Bulgaria will continue to serve as the operator.
2. The operator will be entitled to reimbursement of all direct expenses to be incurred thereby in relation to the performance of its role as operator and to reimbursement of indirect expenses that derive from the amount of expenditure of the joint venture according to the type of activity in the Block, as specified below (with the annual payment for indirect expenses being no less than €200,000 under any circumstances):
 - a. At the exploration stage, the rate of the indirect expenses shall be 2% of the direct expenses.
 - b. At the development stage, the rate of the indirect expenses shall be 1.5% of the direct expenses.
 - c. At the production stage, the rate of the indirect expenses shall be 1% of the direct expenses.
3. Under the Agreement, an operating committee composed of the partners' representatives will be appointed, which will be tasked with and have the power of approval and oversight of the joint activities. Unless otherwise stipulated, all decisions, approvals and other acts of the operating committee with respect to all the proposals presented thereto shall be decided by a positive vote of two or more (non-related) parties holding together, at the time of the vote, at least 65% of all working interests.
4. The JOA specifies matters that require a unanimous vote by all the partners, including extension of the term of the concession; decisions related to drilling activities, and *inter alia*, deepening, review or completion of exploration wells (over and above the minimum commitments), appraisal wells or development wells; termination of the concession or waiver of any part of the area of the concession; and consolidation with the area of an adjacent petroleum asset.

5. The JOA sets out a process for the submission and approval of work programs, budgets and authorizations for expenditure (AFE) for the conduct of activities in areas to which the agreement applies. Under the JOA, the parties have agreed on an initial work program and budget for the period until the end of 2026, as specified in Section F above.
6. The JOA specifies additional provisions on additional matters as per the standard in agreements of this type, including provisions with respect to exclusive operations, sanctions on the parties and conditions for imposition thereof, certain restrictions on the transfer of rights, withdrawal from the Agreement, production-related rights and duties, provisions in case of a change of control, etc. The JOA is governed by UK Law and any dispute pertaining thereto shall be resolved by arbitration under the rules of the ICC in Paris.

H. Further Details about the Planned Exploration Well in the Vinekh Prospect

1. **Reasons for the decision:** Proving the existence of hydrocarbons in the drill-ready Vinekh prospect and establishing the size, quality and content of the reservoir.
2. **Conditions for drilling and for participation in the drilling of the well:** Drilling the well is contingent on fulfillment of the Closing Conditions for the closing of the Transaction and acquisition of the Interests in the Block, as well as obtainment of all the required approvals from the Government of Bulgaria.
3. **Name of the well:** Vinekh-1.
4. **Location of the well:** The EEZ of Bulgaria in the Black Sea, approx. 160 km east of the coast.
5. **Estimated time of drilling:** Drilling is expected to commence in Q4/2025 and take approx. two months.
6. **Target layers in the well:** Layers of Pliocene-Miocene age.
7. **Well type, purpose and general discussion of future stages depending on findings:** An exploration well aimed to establish the existence of natural gas in 3 target intervals of Pliocene-Miocene age.
8. **Final depth of the well and water depth:** Approx. 3,250 meters and approx. 1,900 meters, respectively.
9. **Total budget of the well:** Approx. €89 million (approx. \$92 million), excluding production tests.
10. **For a well that includes production tests – the corporation’s estimation and the approved budget, if any, for the execution of production tests, if necessary:** Approx. €20 million (approx. \$21 million), which will be added to the cost indicated in Section H(9) above.

11. **Name of operator:** OMV Bulgaria.
12. **Name of the corporation drilling the well:** OMV Bulgaria.

I. Prospective Resource Data

The Partnership has requested NSAI to prepare a prospective resources report in respect of the Vinekh prospect. The Resource Report, as well as NSAI's consent to its inclusion herein, are attached below.

J. Quantity Data

According to the Resource Report, as of 30 November 2024, the prospective resources attributed to the Prospect are as follows:

<u>Reservoir Layer</u>	<u>Scenario</u>	<u>Gas (BCF)</u>	<u>Total Share of the Partnership⁵</u>
A1	Low	680.2	323.1
	Best	1,989.9	945.2
	High	4,734.0	2,248.6
A3	Low	190.8	90.6
	Best	573.6	272.4
	High	1,467.7	697.2
B1	Low	220.2	104.6
	Best	784.1	372.4
	High	2,692.1	1,278.7

1. In the Resource Report, NSAI has indicated, *inter alia*, several assumptions and reservations, including the following: (1) NSAI has not visited the oil field; (2) NSAI has not examined exposure that arises from matters of environmental protection. However, as of the date of the Resource Report, NSAI is unaware of any possible liability related to matters of environmental protection which may materially affect the estimated quantity of the resources under the prospective resources report or their commerciality. NSAI has further noted that the Resource Report does not include an economic analysis of the reservoir, and that based on the development of similar reservoirs, and

⁵ Given the fact that the share of the Bulgarian Government in the gas to be produced depends on the production rate, which is unknown and cannot be estimated as of the date of this report, it is impossible to determine, as of the date of this report, the net share of the holders of the Partnership's equity interests in the resources. Therefore, this table includes the gross share of the holders of the Partnership's equity interests, 47.5%, before royalty payments to the Bulgarian Government.

assuming that the Block will see a discovery, the prospective resources under the 'Best Estimate' category have a reasonable chance of economic production.

2. The Resource Report was prepared primarily in reliance on a 3D seismic survey that was conducted in 2020 and the processing of which was completed in 2021.
3. The basic parameters used for calculating the various scenarios are as follows:

<u>Target</u>	<u>Gross Rock Volume (acre*feet)</u>		<u>Gross Thickness (Feet)</u>		<u>Area (acres)</u>	
	Low	High	Low	High	Low	High
A1	1,624,550	4,959,310	126	99	12,919	50,052
A3	436,357	1,601,590	85	49	5,122	32,942
B1	451,250	3,243,732	112	108	4,013	29,987

<u>Target</u>	<u>Net-to-Gross (decimal)</u>		<u>Porosity (decimal)</u>		<u>Gas Saturation (decimal)</u>	
	Low	High	Low	High	Low	High
A1	0.20	0.90	0.20	0.35	0.45	0.85
A3	0.20	0.90	0.20	0.35	0.45	0.85
B1	0.20	0.90	0.20	0.35	0.45	0.85

<u>Target</u>	<u>Initial Gas Formation Volume Factor (scf/rcf)</u>		<u>Gas Recovery Factor (decimal)</u>	
	Low	High	Low	High
A1	275	310	0.55	0.75
A3	275	310	0.55	0.75
B1	275	310	0.55	0.75

4. Significant risks entailed by the process: The significant risks entailed by drilling are mainly of technical-operational nature, including the risks of malfunctions in drilling activities and when logging, as well as during production tests, if any. In the event that the well reaches the planned depth and to the extent that hydrocarbons are found in the target layers, the risks in continuing the process required in order to arrive at a commercial discovery are, *inter alia*, that the

size of the reservoir and/or its qualities will not be sufficient to justify development thereof, and that the costs of development, its expected duration and other risks entailed by development will not merit the development thereof. For details about the risk factors entailed by exploration operations, see Section 7.29 of the Periodic Report.

5. The estimated probability of success of each one of the geological risk factors entailed by the process of exploration in the said well, and the estimated probability of finding natural gas are as follows:

	<u>Trap Integrity (%)</u>	<u>Reservoir Quality (%)</u>	<u>Source Evaluation (%)</u>	<u>Migration/ Timing (%)</u>	<u>Total (%)</u>
A1	60	80	100	90	43
A3	50	70	100	80	28
B1	50	60	100	80	24

6. It is emphasized that the Resource Reports appraises every target separately and the targets are not interdependent.
7. Estimated probability of development for commercial production: As of the date hereof, and before drilling a well in the prospect, the Partnership is unable to provide a statistical estimate of the probability of development of the prospect for commercial production. However, the Resource Report indicates that, assuming a discovery in the well and based on the development of similar gas fields, the prospective resources under the 'Best Estimate' category have a reasonable chance of becoming commercial. The potential market for such resources is the Bulgarian domestic market and the international market, hence the Partnership will examine various options for commercialization of the natural gas in the future, if a well is drilled in the prospect and natural gas of commercial quantities is discovered therein. The possibility of integrating the development of the discovery, if one is found by the well, if and when it is drilled, with the development plans of other gas discoveries in the region may also be examined as part of examination of the potential for commercial production, if and when it is conducted.
8. The Partnership's explanation regarding the basis for the basic parameters used in the calculation of the scenarios: The parameters used by NSAI in the calculation of the various scenarios are primarily based on the 3D seismic survey, on data collected in wells in the region, and on similar reservoirs around the world.

Caution – There is no certainty that any part of the possible resources that have been noted will indeed be discovered; if discovered, there is no certainty that production of any part of the resources will be commercially possible; the prospective information does not constitute an evaluation of with respect to reserves and contingent resources, evaluation of which will be possible only after the exploration well, if any.

Caution concerning forward-looking information – NSAI’s prospective resources’ assessments constitute forward-looking information within the meaning thereof in the Securities Law, Such assessments are based, *inter alia*, on geological, geophysical and other information, which has been received from the wells and from the operator, and they are merely professional assessments and estimations by NSAI, with respect to which there is no certainty. The natural gas quantities discovered (if any) and actually produced (if produced) may materially differ from such assessments and estimations, *inter alia*, as a result of operational and technical conditions and/or regulatory changes and/or conditions of supply and demand on the market and/or the quality of the reservoir. Such assessments and estimations may be revised insofar as additional information is collected and/or as a result of an array of factors related to oil and nag exploration and production projects.

9. Statement by Management

- (1) Date of Statement: 28 November 2024.
- (2) Name of Corporation: NewMed Energy – Limited Partnership.
- (3) Name and title of the person authorized to assess the resources in the Partnership: Gabi Last, Chairman of the Board of the General Partner of the Partnership.
- (4) We hereby confirm that the resource appraiser was given all the data required for the purpose of performing its work.
- (5) We hereby confirm that we have not been made aware of any information that indicates the existence of dependence between the resource appraiser and the Partnership.
- (6) We hereby confirm that, to the best of our knowledge, the resources reported are the best and most up-to-date estimates in our possession.

- (7) We hereby confirm that the data included in this report were prepared according to the professional terms listed in Chapter G of Schedule III to the Securities Regulations (Prospectus Details and Draft Prospectus – Structure and Form), 5729-1969, and within the meaning assigned to them in the Petroleum Resources Management System (2018) as released by the Society of Petroleum Engineers (SPE), the American Association of Petroleum Geologists (AAPG), the World Petroleum Council (WPC) and the Society of Petroleum Evaluation Engineers (SPEE), as effective on the date of release of the report.
- (8) We hereby agreed to the inclusion of the foregoing statement in this report.

Gabi Last, Chairman of the Board