

**NewMed Energy – Limited Partnership**  
**(the “Partnership”)**

15 February 2025

To  
Israel Securities Authority  
22 Kanfei Nesharim Street  
Jerusalem  
Via Magna

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

Dear Sir/Madam,

**Re: Update on the Aphrodite reservoir in Cyprus – approval of an updated development plan and amendment of the PSC**

Further to Section 7.3 of Chapter A of the Partnership’s 2023 periodic report (Ref. no.: 2024-01-027798) (the “**Periodic Report**”) in connection with the Aphrodite natural gas reservoir which was discovered in Block 12 in the EEZ of Cyprus (the “**Reservoir**”), the Partnership respectfully reports that on 14 February 2025, the Cypriot government approved the Reservoir’s Updated Development Plan, and concurrently an amendment was signed to the Production Sharing Contract that was signed with the Cypriot government (the “**PSC**”), which regulates updated milestones for development of the Reservoir and revokes the notice of breach that was issued to the partners in the Reservoir (the “**Partners**”).

Set forth below are further details in connection with the said issues:

1. On 25 August 2024, a notice of breach was received from the Minister of Energy of the Cypriot government in connection with the Partners’ non-compliance with the milestone for the performance of Front-End Engineering Design (FEED) which was determined in the PSC (the “**Notice of Breach**”) <sup>1</sup>. With the aim of enabling the parties to hold discussions in connection with approval of an updated development plan for the Reservoir and an update to the milestones for development thereof, on 17 September 2024, a standstill agreement was signed between the parties for an agreed period (the “**Standstill Period**”) <sup>2</sup>.
2. During the Standstill Period, discussions were held between the Partners and the Cypriot government, in the context of which the Partners presented the Cypriot government with the main principles of the Reservoir’s updated development plan, which was prepared based on the development plan that was approved by the Cypriot government in 2019 (the “**Updated Development Plan**”). The Updated Development Plan includes the construction of a floating independent production facility above the Reservoir, with an estimated maximum production

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<sup>1</sup> For further details, see the Partnership’s immediate report of 26 August 2024 (Ref. no.: 2024-01-088059).

<sup>2</sup> For further details, see the Partnership’s immediate report of 18 September 2024 (Ref. no.: 2024-01-604087).

capacity of approx. 800 MMCF per day, through 4 producing wells at the initial stage, from which the natural gas will be piped to Egypt via a subsea pipeline that will be connected to the Egyptian transmission system.

3. On 14 February 2025, the Cypriot government approved the Updated Development Plan and the revocation of the Notice of Breach. Concurrently, an amendment was signed between the Partners and the Cypriot government to the PSC (the “**Amendment to the PSC**”), in the context of which the Partners undertook, *inter alia*, to adopt a final investment decision (FID) in 2027.
4. According to a current estimate of the operator in the Reservoir, Chevron Cyprus Limited (the “**Operator**”), before completion of technical-economic feasibility studies, including performance of the front-end engineering design (FEED) and pre-FEED, the estimated cost of the Updated Development Plan is estimated at \$4 billion (100%). It is emphasized that execution of the Updated Development Plan and reaching the adoption of an FID are contingent, *inter alia*, on performance of the pre-FEED and the FEED and the results thereof, on the formulation of commercial arrangements for the development and construction of the pipeline for export, on the signing of agreements for the supply of natural gas and on fulfillment of the closing conditions of such agreements, on receipt of regulatory approvals and on the finalization of financing arrangements. Insofar as the foregoing conditions precedent are fulfilled, the supply of natural gas from the Reservoir is expected to commence in 2031.

**Caution regarding forward-looking information - The information specified above, including regarding the possible date for adoption of an FID for development of the Reservoir, the estimated cost of the Updated Development Plan, the possible date for commencement of the supply of natural gas from the Reservoir, and the expected production volume, constitutes “forward-looking information”, within the meaning thereof in the Securities Law, 5728-1968. This information is based on estimates and working assumptions of the Partnership and of the Operator, which there is no certainty will materialize, in whole or in part, and which may materialize in a materially different manner than stated above, due to various factors, including: delays or difficulties in completing the detailed planning of the Updated Development Plan, including at the pre-FEED and FEED stages; changes in the construction costs or in the timetables or in the availability of the required equipment, raw materials and services; difficulties in obtaining financing in the amount and under the conditions required; regulatory and other difficulties in obtaining the approvals required for construction of the cross-border transmission infrastructure, including the approvals of the authorities in Cyprus and Egypt; changes in the local and global market conditions, including changes in energy prices and in demand; geopolitical changes or changes in the security situation in the region; operating or technical difficulties in the development of the Reservoir and in the construction of the infrastructures; changes in the volume or pace of consumption of natural gas in the target markets; and materialization of any of the risk factors entailed by the natural gas exploration, development and production activity. Therefore, there is no certainty that the information specified above shall materialize, and it may materialize in a materially different manner than stated above. It is clarified that the said estimates and assumptions may undergo material updates and changes in time as a result of a gamut**

of factors relating to natural gas and oil exploration, development and production projects, including as a result of operating conditions or market conditions or regulatory conditions or the materialization of any of the risk factors specified in the Periodic Report.

**The partners in the Reservoir and their holding rates in the license are as follows:**

Chevron Cyprus Limited	35%
BG Cyprus Limited	35%
The Partnership	30%

Sincerely,

**NewMed Energy Management Ltd.**

**General Partner of NewMed Energy – Limited Partnership**

By: Yossi Abu, CEO

Sari Singer Kaufman, General Counsel, EVP