

NewMed Energy – Limited Partnership
(the “Partnership”)

16 September 2025

Israel Securities Authority
Via Magna

Tel Aviv Stock Exchange Ltd.
Via Magna

Dear Sir/Madam,

Re: **Engagement with Israel Natural Gas Lines Ltd. in an Agreement for the
Transmission of Natural Gas to Egypt**

Further to Sections 7.13.2(b)(5) and 7.24.5(f) of Chapter A of the Partnership’s periodic report for 2024, as released on 10 March 2025 (Ref.: 2025-01-015633) (the “**Periodic Report**”), Section 8(a) of the update to Chapter A that was included in the Partnership's Q1/2025 report, as released on 12 May 2025 (Ref.: 2025-01-032985), and Section 7 of the update to Chapter A that was included in the Partnership's Q2/2025 report, as released on 7 August 2025 (Ref.: 2025-01-058652), regarding the project for onshore connection between the Israeli transmission system and the Egyptian transmission system in the Nitzana area, which includes the construction of a pipeline and a compressor station in the Ramat Hovav area (the “**Nitzana Project**” or the “**Project**”), the Partnership respectfully informs that on 16 September 2025, Chevron Mediterranean Limited, the operator of the Leviathan Project (“**Chevron**”), engaged in an agreement with Israel Natural Gas Lines Ltd. (“**INGL**”) for the provision of transmission services, for the flow of natural gas from the Leviathan reservoir to Egypt through the Nitzana Project (the “**Transmission Agreement**”).

Pursuant to the notice of the Natural Gas Authority of 24 August 2025, the allocation rate for the Leviathan partners in the Nitzana Project shall be 33.33%, or higher insofar as other exporters (i.e., the holders of the interests in the Tamar and Karish-Tanin reservoirs) do not exercise their right to receive an allocation in the Nitzana Project (the “**Leviathan's Allocation Rate**”), until 24 October 2025 (the “**Allocation Determination Date**”).

Pursuant to Resolution No. 3/2023 of the Natural Gas Commission regarding the financing and allocation of capacity in the export lines, as specified in Section 7.24.5(f) of Chapter A of the Periodic Report (“**Resolution 3/2023**”), the capacity of the Nitzana Project is estimated by the Natural Gas Authority at approx. 6 BCM per year. According to such resolution, 70% of the capacity allocated to each exporter shall be on a firm transmission basis and the remainder shall be on an interruptible transmission basis. Assuming an allocation of 33.33% to the Leviathan partners, the daily firm transmission capacity guaranteed to the Leviathan partners under the Transmission Agreement shall be approx. 140,000 MMBTU (the “**Basic Capacity**”).

Below is a summary description of the highlights of the Transmission Agreement and the related agreements signed in connection therewith, between the Leviathan partners:

1. The Transmission Agreement regulates INGL's undertaking to construct the Nitzana Project and supply natural gas transmission services from the Leviathan reservoir, pursuant to Resolution No. 3/2023 and Resolution No. 2/2014 of the Natural Gas Commission regarding the financing of export projects through the Israeli transmission system (as specified in Sections 7.24.5(e) and 7.24.5(f) of Chapter A of the Periodic Report).
2. The flow of gas under the Transmission Agreement shall commence no later than 36 months from the date of fulfillment of the conditions precedent, as set forth in Section 8 below (the "**Flow Commencement Date**").
3. In consideration for the transmission services regarding the Basic Capacity, Chevron shall pay a transmission tariff comprising a capacity fee and a throughput fee for the gas quantity actually transmitted, in accordance with the standard transmission tariffs in Israel, as may be updated from time to time. In addition, INGL undertook to provide interruptible transmission services of additional quantities of gas over and above the Basic Capacity, subject to the capacity available in the transmission system, in a minimum scope no less than 1.8 BCM per year (for all of the exporters that shall engage in the Transmission Agreement). For the transmission of such additional quantities, Chevron shall pay a transmission tariff for interruptible transmission services in respect of the actual quantities transmitted, as shall be determined by the Natural Gas Authority. In addition, Chevron shall bear its proportionate share (according to Leviathan's Allocation Rate) of the operating costs of the Nitzana Project facilities, including the fixed costs of the Project facilities, including the compressor station and variable costs for electricity consumption for operating the compressor station, based on the actual rate of use.
4. The Transmission Agreement shall terminate upon the earlier of: (a) the date on which the agreement is terminated pursuant to its terms and conditions; (b) 15 years following the Flow Commencement Date; or (c) the expiry of INGL's transmission license. In addition, Chevron may extend the term of the agreement by up to 5 additional years by advance notice, or to terminate the agreement by advance notice, following the earlier of: (a) 8 years after the Flow Commencement Date; or (b) the date on which the overall transmitted quantity reaches approx. 11.4 BCM.
5. The Transmission Agreement further provides that in the event of a halt in the majority of natural gas exports from Israel to Egypt (at least 90%, and excluding secondary trade exports and exports through the EMG pipeline), not resulting from a breach of the relevant export agreement by Chevron, Chevron shall be entitled, one time during the term of the Transmission Agreement, to terminate the same by advance notice. If, after such termination and until the

end of 15 years from the Flow Commencement Date, exports to Egypt resume, the Transmission Agreement shall be reinstated in accordance with the capacity to be available in the transmission system at that time.

6. Pursuant to the principles set out in Resolution 3/2023, Chevron's share (for the share of the Leviathan partners in the Nitzana Project) in the total financing of the construction of the Nitzana Project shall be according to Leviathan's Allocation Rate. The Transmission Agreement determines an estimated budget for construction of the Nitzana Project of approx. \$610¹ million (the Partnership's share – assuming Leviathan's Allocation Rate of 33.33% - approx. \$92 million). The Transmission Agreement further determines that INGL shall be entitled to update the estimated budget by up to another ~12% during the course of the Project, according to the actual costs of the Project. Payment shall be made according to milestones set out in the Agreement, with 40% of the amount to be paid shortly after the fulfillment of the conditions precedent as set forth in Section 8 below, and the balance to be paid according to the progress of construction of the Nitzana Project. In addition, Chevron and/or the Leviathan partners (according to their proportionate share in the Leviathan Project) are required to provide guarantees to INGL to secure Chevron's undertakings for financing the Nitzana Project and for payments for transmission under the Agreement. It is noted that on 1 September 2025, Chevron notified the Natural Gas Authority and INGL, on behalf of the Leviathan partners, that insofar as other exporters do not exercise their right to receive an allocation and sign a transmission agreement by the Allocation Determination Date, Chevron is prepared to bear the full construction costs of the Nitzana Project in exchange for the allocation of the full capacity (100%) of the Nitzana Project to the Leviathan partners, and that pursuant to such undertaking, in the event the other exporters do not exercise their right to receive an allocation in the Nitzana Project by the Allocation Determination Date, the share of the Leviathan partners in the capacity allocation and in the financing of the Nitzana Project may increase up to 100%.
7. During the period until the Flow Commencement Date, Chevron shall be entitled to divert the Basic Capacity or any part thereof to the Jordan North line, subject to the terms and conditions set forth in the Transmission Agreement. In addition, after the Flow Commencement Date, and throughout the term of the Agreement, in the event that transmission of gas through the Nitzana Project is not possible for whatever reason, Chevron shall be entitled to divert the Basic Capacity or any part thereof to the Jordan North line, subject to the terms and conditions set forth in the Transmission Agreement.
8. The validity of the Transmission Agreement is subject to the fulfillment of the following two conditions precedent by the Allocation Determination Date: (1) approval of the Transmission Agreement by the Natural Gas Authority (this condition was fulfilled on 31 August 2025); and (2) the signing of gas transmission agreements with the other exporters covering the full

¹ Calculated according to representative exchange rates as of 16 September 2025.

construction costs of the Nitzana Project. With respect to this second condition, the agreement provides that it shall be deemed fulfilled also if, before the Allocation Determination Date, one or more of the three exporters signs a transmission agreement and undertakes to bear the entire construction budget. In such case, the proportionate share of the undertaking exporters shall be determined by equal division of the total capacity, and they shall be subject to milestone payments and provision of collateral according to their share. To the best of the Partnership's knowledge, as of the report date no transmission agreements have been signed with other exporters in connection with the Nitzana Project.

9. Concurrently with the signing of the Transmission Agreement, Chevron and the other Leviathan partners signed a services agreement (the "**Services Agreement**"), under which it was determined that the Leviathan partners shall be entitled to transmit natural gas (through Chevron) under the Transmission Agreement, and be responsible for the fulfillment of Chevron's undertakings under the Transmission Agreement on a back-to-back basis, as if the Leviathan partners were a party to the Transmission Agreement instead of Chevron, each according to its proportionate share in the Leviathan Project. For the purpose of regulating the partners' activities under the Transmission Agreement, the Services Agreement determines approval procedures and authorizations required from the partners for various actions. The Services Agreement further determines that each partner shall bear its proportionate share of the costs related to the Transmission Agreement, including the connection fees (construction costs of the Nitzana Project), transmission fees, and operating costs of the Nitzana Project. The Services Agreement also provides that each partner shall be required to provide bank guarantees in favor of INGL in the amount of its proportionate share of the guarantees required under the Transmission Agreement.

10. In addition to the Services Agreement, Chevron and the other Leviathan partners signed another services agreement (the "**EPC Services Agreement**"). This agreement was signed since Chevron is expected to engage in an engineering, procurement and construction agreement (EPC) with INGL for the construction of the compressor station in the Nitzana Project, for a lump sum of approx. \$285 million, which is included in the estimated budget for the Nitzana Project as provided in Section 6 above (the "**Fixed Consideration**"), reflecting the cost estimated for the compressor station in December 2024. Under the EPC Services Agreement, the Leviathan partners undertook, each according to its share in the Leviathan Project, to bear the Leviathan partners' share of any excess costs, if any, in the event that Chevron's actual execution costs for the compressor station exceed the Fixed Consideration. In this context, it is noted that the share of the Leviathan partners shall be 100% of the total excess costs, in the event that only the Leviathan partners sign the Transmission Agreement by the Allocation Determination Date. As of the date hereof, Chevron estimates the total excess costs at approx. \$65 million.

Caution concerning forward-looking information: The information set forth above regarding the Nitzana Project, including the information concerning the allocation rate of capacity to the Leviathan partners, the scope of the daily capacity, the Project construction costs, and the Partnership's share of such costs, constitutes forward-looking information within the meaning thereof in the Securities Law, 5728-1968. There is no certainty that such information will materialize, in whole or in part, and it may materialize in a manner materially different from that described above, due to various factors, including changes in the Project plans, regulatory changes or requirements, geopolitical changes or changes in the security situation in the region, operational or technical difficulties, or the occurrence of any of the risk factors involved in the Partnership's operations, as specified in the Periodic Report.

The holders of the interests in the Leviathan Project and their holding rates, are as follows:

The Partnership	45.34%
Chevron	39.66%
Ratio Energies – Limited Partnership	15.00%

Sincerely,

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

By: Yossi Abu, CEO
 Saar Prag, VP Natural Gas Trade