

A large, detailed offshore oil rig is shown at sea during sunset. The rig is illuminated with yellow lights, and its complex structure of steel beams and platforms is visible against the darkening sky and the calm ocean. A large crane arm extends from the left side of the rig. The entire scene is framed by a large, semi-transparent white triangle that points towards the bottom right corner of the page.

2025 FINANCIAL STATEMENTS AS OF 30.9.2025

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**Update to Chapter A (Description of the Partnership's Business)
of the Periodic Report for 2024
of NewMed Energy – Limited Partnership (the "Partnership")¹**

1. Section 4 of the Periodic Report – Distribution of Profits

On 9 November 2025, the board of directors of the Partnership's general partner, NewMed Energy Management Ltd. (the "GP"), after adopting the recommendation of the GP's Financial Statements Review Committee, approved a profit distribution in the sum total of 60 million U.S. dollars ("\$\$"), the record date for which is 19 November 2025. Such distribution of profit will be carried out on 4 December 2025.

2. Section 6.8 of the Periodic Report – The Swords of Iron War (the "War")

Further to Section 2 of the Q1 Report and Section 2 of the Q2 Report, with respect to military operations against the Hamas terrorist organization in Gaza and the Houthis terrorist organization in Yemen, it is noted that in October 2025, the State of Israel signed an agreement for termination of the War and return of the hostages.

3. Section 7.2.4 of the Periodic Report – Actual and Planned Work Program for the Leviathan project

Current maintenance work in the Leviathan reservoir is scheduled for Q4/2025 and Q1/2026, including prescheduled work for completion of the project in which a third subsea transmission pipeline will be laid from the field to the platform and systems on the platform will be upgraded, during which natural gas production from the Leviathan reservoir will be reduced.

4. Section 7.2.5 of the Periodic Report – Plan for Development of the Leviathan Reservoir

Further to Sections 7.2.5(b)(2) and 7.2.5(c) of the Periodic Report, with respect to the submission of the updated development plan for the Leviathan reservoir for approval by the Petroleum Commissioner at the Ministry of Energy and Infrastructures (the "Commissioner" and the "Ministry of Energy", respectively), and further to Section 6(b) of the Q2 Report, with respect to the Leviathan partners' entry into a transaction with Blue Ocean Energy ("Blue Ocean") for increase of the quantities of natural gas exports to Egypt, it is noted that on 21 August 2025, the Commissioner approved the updated development plan for execution of Stage 1 and Stage 2 of Phase 1B. For further details,

¹ This chapter includes material developments or changes that occurred in the Partnership's business, in accordance with Section 39A of the Securities Regulations (Periodic and Immediate Reports), 5730-1970, as well as other updates pertaining to the Partnership's business, which took place during Q3/2025 and up to shortly before the report approval date on any matter required to be described in the Periodic Report (as defined below), except for updates included in the Q1/2025 report, as released on 12 May 2025 (Ref. 2025-01-032985) (the "Q1 Report"), and in the Q2/2025 report, as released on 7 August 2025 (Ref. 2025-01-058652) (the "Q2 Report"). The update refers to section numbers in Chapter A (Description of the Partnership's Business) of the periodic report for 2024 released on 10 March 2025 (Ref. 2025-01-015633) (the "Periodic Report").

see the Partnership's immediate report of 21 August 2025 (Ref. 2025-01-062484), the information included in which is incorporated herein by reference.

5. **Sections 7.3.6 and 7.3.11 of the Periodic Report – Plan for Development of the Aphrodite Reservoir**

Further to Section 3 of the Q1 Report, with respect to the approval of a budget for examining the construction of transmission infrastructure from the Aphrodite reservoir situated in the area of Block 12 in the exclusive economic zone (EEZ) of the Republic of Cyprus (the "**Aphrodite Reservoir**"), it is noted that on 18 September 2025, the board of directors of the GP approved the budget of Aphrodite Reservoir for 2026, which totals approx. \$111.5 million (100%; the Partnership's share – approx. \$33.5 million). It is clarified that approval of the budget portion for preparation of the Front-End Engineering Design (FEED) (approx. \$105.7 million (100%; the Partnership's share – approx. \$31.7 million)) is subject to the decision of the partners in the Aphrodite Reservoir to prepare the FEED.

6. **Sections 7.4 of the Periodic Report – the Yam Tethys Project**

Further to Section 7.4.1 of the Periodic Report, with respect to actions taken for decommissioning of the Yam Tethys project's facilities, with the exception of the platform, two subsea gas pipelines and the terminal, it is noted that in his letter of 21 September 2025, the Commissioner called on the partners in the Yam Tethys project and in the Tamar project to present, by 30 November 2025, their position on the decommissioning of the platform.

7. **Section 7.8.5 of the Periodic Report – Actual Rate of Participation in Expenses on and Revenues from Block 1-21 Han Asparuh in the EEZ of the Republic of Bulgaria in the Black Sea (the "Bulgaria License")**

Further to Section 7.8.5(b) of the Periodic Report, with respect to the decision of the Bulgarian Parliament to direct the Bulgarian Minister of Energy to negotiate the terms under which a Bulgarian government-owned company would acquire up to 20% of the interests in the Bulgaria License and regarding a letter received by OMV Offshore Bulgaria GmbH ("**OMV Bulgaria**") from the Bulgarian Ministry of Energy, requesting information, *inter alia*, with respect to work programs, technical data and technical-economic analyses in relation to the project, it is noted that as of the report approval date, negotiations on this matter are conducted between the Partnership and OMV Bulgaria and the Bulgarian government-owned company, Bulgarian Energy Holding EAD ("**BEH**"), in relation to a transaction under which each of the Partnership and OMV Bulgaria will sell BEH 5% of the interests in the Bulgaria License prior to the drilling of the first well in the area of the Bulgaria License, which is scheduled for December 2025.

8. **Section 7.9 of the Periodic Report – Discontinued Operations**

Further to Section 7.9.1 of the Periodic Report, with respect to the entry of a judgment on the mediation arrangement upon which the partners in the Eran license and the State had agreed, whereby the Tamar SW reservoir would be divided between the area of the Tamar lease (78%) and the area of the Eran license (22%), and the interest in the area of the Eran license would be divided in the ratio of 76% to the State and 24% to the partners in the Eran license prior to its expiration (proportionately to their holding rate in the license), it is noted that on 18 August 2025, the Partnership learned that the Tamar

partners had reached an arrangement with the State, whereby, *inter alia*, subject to the satisfaction of conditions precedent, the Tamar partners will pay the State overriding royalty at the rate of 5.9% in respect of their revenues arising from the gas produced from the Tamar SW reservoir and according to market value at the wellhead, without also regulating, at the same time, the Partnership's interests in accordance with the mediation arrangement and the judgment entered thereon. Accordingly, the Partnership is acting vis-à-vis the Tamar partners and the State in order to implement the mediation arrangement, taking into consideration its terms and complying therewith.

9. Section 7.10 of the Periodic Report – Renewable Energies

Further to Sections 7.10 and 7.10.1 of the Periodic Report, with respect to approval by the general meeting of holders of the Partnership's participation units of the Partnership's entry into an exclusive collaboration agreement for a 3-year term with Enlight Renewable Energy Ltd. for the identification, initiation, development, financing, construction and operation of renewable energy projects, it is noted that the said term ended on 21 September 2025. It is clarified that the parties' collaboration on projects that commenced prior that date is ongoing, up to an aggregate investment amount of \$100 million (the Partnership's share), in accordance with the general meeting's approval in this respect and the agreement signed between the parties.

10. Section 7.12.3 of the Periodic Report – Engagements for the Supply of Natural Gas from the Leviathan project

- a. As of the report approval date, the Partnership continues to conduct negotiations, at various stages, with additional prospective customers in the domestic market, among which are independent power producers and industrial consumers, subject, *inter alia*, to the Leviathan project's supply capacity.
- b. In Q3/2025 and up to the report approval date, the Partnership signed several additional agreements for the sale of natural gas from the Leviathan project with various customers in the Israeli market, on a spot basis, and in volumes that are not material.
- c. Further to Section 6(b) of the Q2 Report, with respect to the Leviathan partners' entry into a transaction with Blue Ocean for increase of the quantities of natural gas export to Egypt (the "**Amendment to the Export Agreement**"), it is noted that the parties have agreed to extend the date for satisfaction of the conditions precedent for entry into effect of the Amendment to the Export Agreement until 30 November 2025.

It is clarified in this context that in the discussions held between the Ministry of Energy and the Leviathan partners in connection with the export permit, the Ministry of Energy presented the Leviathan partners with several conditions with respect to which agreement has yet to be reached. As of the report approval date, the Leviathan partners are continuing the discussions with the representatives of the Ministry of Energy with the aim of arriving at an agreed form of the export permit. For further details, see the Partnership's immediate report of 2 November 2025 (Ref. 2025-01-082380), the information included in which is incorporated herein by reference. In addition, see Section 14(c) below for details on an initial draft of the Economic Plan for 2026, circulated by the Ministry of Finance, which includes several changes with respect to the Israeli policy on the natural gas market.

11. Section 7.13.2 of the Periodic Report – Export

- a. Further to Sections 7.13.2(b)(5) and 7.24.5(f) of the Periodic Report, Section 8(a) of the Q1 Report and Section 7 of the Q2 Report, with respect to the project for onshore connection between the Israeli transmission system and the Egyptian transmission system in the area of Nitzana, which includes a pipeline and the construction of a compressor station in the area of Ramat Hovav (the "**Nitzana Project**"), and with respect to previous letters from the Natural Gas Authority at the Ministry of Energy (the "**Gas Authority**") in connection with the allocation of capacity in this project, it is noted that on 16 September 2025, the operator of the Leviathan project, Chevron Mediterranean Limited ("**Chevron**") entered into an agreement for the provision of transmission services with Israel Natural Gas Lines Ltd. ("**INGL**"), for the purpose of piping natural gas from the Leviathan reservoir to Egypt through the Nitzana Project (the "**Transmission Agreement**"). For further details, see the Partnership's immediate report of 16 September 2025 (Ref. 2025-01-069899), the information included in which is incorporated herein by reference. It is further noted that on 23 October 2025, the Leviathan partners received notice from the Gas Authority, whereby the rate of the Nitzana Project allocated to the Leviathan project had been revised to 41.8% (the "**Updated Allocated Rate**"), and further to this notice, on 23 October 2025, Chevron, on behalf of the Leviathan partners, signed an amendment to the Transmission Agreement intended to reflect the Updated Allocated Rate. For further details, see the Partnership's immediate report of 26 October 2025 (Ref. 2025-01-079841), the information included in which is incorporated herein by reference.
- b. Further to Section 7.13.2(c)(2) of the Periodic Report and Section 8(b) of the Q1 Report, with respect to the costs of construction of the project carried out by INGL for laying a subsea pipeline in the offshore transmission section between Ashdod and Ashkelon (the "**Combined Section**") and regarding the delay in completion of the work for construction thereof, it is noted that on 18 September 2025, the GP's Board approved a budget addition of approx. \$7.6 million (100% - the Leviathan partners; the Partnership's share – approx. \$3.5 million) for the purpose of completing such work, such that as of the report approval date, the total budget approved is approx. \$138.9 million (100% - the Leviathan partners; the Partnership's share – approx. \$63 million). It is clarified that, in the estimation of the operator of the Leviathan project, as of the report approval date, completion of the Combined Section and commencement of the gas piping are expected in H1/2026.

12. Section 7.21 of the Periodic Report – Financing

a. Bonds of Leviathan Bond

As concerns the affirmation of the rating of the bonds issued by Leviathan Bond Ltd., a wholly owned subsidiary of the Partnership ("**Leviathan Bond**"), to foreign and Israeli accredited investors, which are listed on the TACT-Institutional system of TASE (the "**Bonds**"), their removal from a watchlist with negative implications and reinstatement to a stable outlook, as published by S&P Maalot and S&P Global Ratings, see the Partnership's immediate reports of 20 October 2025 (Refs. 2025-01-078063 and 2025-01-078061, respectively), the information included in which is incorporated herein by reference.

b. Credit facilities

- (1) Further to Section 7.21.3 of the Periodic Report, Section 9(b) of the Q1 Report and Section 8(1) of the Q2 Report, with respect to an agreement signed by the Partnership on 8 October 2024, for the provision of a \$200-million credit facility by an Israeli bank (the “**Credit Facility**”), it is noted that, on 5 October 2025 and 9 November 2025, amendments to the said agreement were signed between the parties, under which, *inter alia*, the availability period, as defined in the Partnership’s immediate report of 9 October 2024 (Ref. 2024-01-608995), was extended until 10 November 2026, and some of the financial covenants with which the Partnership is required to comply were revised. For further details, see the Partnership’s immediate reports of 5 October 2025 and 9 November 2025 (Refs. 2025-01-073918 and 2025-01-085177, respectively), the information included in which is incorporated herein by reference, and Note 6G to the Partnership’s Consolidated Interim Financial Statements as of 30 September 2025 (Chapter C of this report).

The Credit Facility stipulates financial covenants with which the Partnership is required to comply on every review date, breach of which gives rise to the lender’s acceleration right. As noted, some of the financial covenants were revised on 9 November 2025. For details with respect to the financial covenants and the method for their calculation, see Section 7.21.4 of the Periodic Report and the immediate report of 9 November 2025 (Ref. 2025-01-085177). The following table presents details with respect to these financial covenants, in accordance with the figures of the Partnership’s consolidated interim financial statements as of 30 September 2025 (Chapter C of this report):

Covenant	Value Calculated as of 30 September 2025
The ratio between the value of the Partnership’s assets and net financial debt shall be no less than the following ratios: Up to a net financial debt of \$2.5 billion – no less than 1.5; for any additional net financial debt exceeding \$2.5 billion and not exceeding \$2.75 billion – no less than 2.5; and for any net financial debt exceeding \$2.75 billion – no less than 4.1, on two consecutive review dates.	The Partnership’s net financial debt is less than \$2.5 billion and the said ratio is at approx. 4.71
The Partnership’s liquidity (on a standalone basis) shall be no less than \$20 million.	Approx. \$469.6 million
Total financial debt, apart from limited recourse loans other than the bonds of Leviathan Bond Ltd., shall not exceed \$3 billion.	Approx. \$1.4 billion
Surplus sources shall not be negative.	Not negative

- (2) The new credit facilities provided to the Partnership by an Israeli bank on 16 June 2025, in the total amount of approx. \$350 million, as specified in Section 8(c)(2) of the Q2 Report, stipulate financial covenants with which the Partnership is required to comply on every review date, breach of which gives rise to the lender's acceleration right, as specified in the Partnership's immediate report of 17 June 2025 (Ref. 2025-01-042961). The following table presents details with respect to these financial covenants, in accordance with the figures of the Partnership's Consolidated Interim Financial Statements as of 30 September 2025 (Chapter C of this report):

<u>Covenant</u>	<u>Value Calculated as of 30 September 2025</u>
The ratio between the value of the Partnership's assets and net financial debt shall be no less than the following ratios: Up to a net financial debt of \$2.5 billion – no less than 1.5; for any additional net financial debt exceeding \$2.5 billion and not exceeding \$2.75 billion – no less than 2.5; and for any net financial debt exceeding \$2.75 billion – no less than 4.1, on two consecutive review dates	The Partnership's net financial debt is less than \$2.5 billion and the said ratio is at approx. 4.71
The Partnership's liquidity (on a standalone basis) shall be no less than \$20 million	Approx. \$469.6 million
Total financial debt, apart from limited recourse loans other than the bonds of Leviathan Bond Ltd., shall not exceed \$3 billion	Approx. \$1.4 billion
Surplus sources shall not be negative.	Not negative

13. Section 7.22 – Taxation

Further to Sections 7.22.4, 7.22.5 and 7.22.6 of the Periodic Report, Section 10 of the Q1 Report and Section 9 of the Q2 Report, with respect to assessment orders that the Partnership received from the Tax Authority in view of disputes that had arisen between the Partnership and the Tax Authority and disagreements with respect to the amount of the Partnership's taxable income in 2016, 2017 and 2018, it is noted that in accordance with the court's decision, the parties are required to apprise the court by 3 December 2025 on the manner in which the adjudication of the proceedings will continue.

14. Section 7.24 of the Periodic Report – Restrictions and Supervision over the Partnership's Activity

- a. Further to Section 7.24.2(c) of the Periodic Report, with respect to the judgment rendered on the appeal filed with the Competition Court, challenging the decision of the Competition Commissioner (in this section: the "**Commissioner**") to approve the

merger between Eastern Mediterranean Gas Company S.A.E. ("**EMG**") and EMED Pipeline B.V. ("**EMED**" and the "**Merger Transaction**", respectively), which denied the sought remedy of setting aside the approval that had been granted to the Merger Transaction, but ruled that the Commissioner was required to issue a supplemental decision with respect to the conditions for the Merger Transaction (the "**Supplemental Decision**"), and with respect to the discussions held between the representatives of the Partnership, Chevron, EMG and EMED and the representatives of the Competition Authority with respect to the Supplemental Decision, it is noted that on 20 August 2025, the Commissioner issued revised conditions for approval of the Merger Transaction, which included, *inter alia*:

- (1) The duty not to refuse a request to swap gas, i.e., to provide natural gas to customers in Israel that signed an agreement with a supplier in Egypt;
 - (2) The duty to allow third parties to use any available pipeline capacity that is not used by the Leviathan and Tamar partners, with the service provided in accordance with the terms of EMG's transmission license;
 - (3) The duty to obtain the Commissioner's approval prior to exercising the option to extend the operation agreement. In this context, insofar as the extension is not exercised, EMED will not be able to operate the pipeline without the Commissioner's approval, and insofar as the Commissioner does not approve the extension, the decision with respect to entry into any other operation agreement for the pipeline will not be subject to the veto rights of EMED's shareholders.
- b. Further to Section 7.24.5(b) of the Periodic Report, Section 11 of the Q1 Report and Section 10 of the Q2 Report, with respect to the Natural Gas Sector Regulations (Management of the Natural Gas Sector in Times of Emergency), 5777-2017 (the "**State of Emergency Regulations**"), it is noted that to the best of the Partnership's knowledge, the Government renewed its authorization of the Minister of Energy to announce a state of emergency in the natural gas sector, to the extent that there is need to exercise the powers specified in the State of Emergency Regulations, from 14 September 2025 to 28 November 2025.²
- c. According to reports in the media³, an initial draft of the Economic Plan for 2026 circulated by the Ministry of Finance (the "**Draft Plan**") proposes advancing several changes in connection with the Israeli policy on the natural gas market⁴. The Draft Plan includes, *inter alia*, proposals in connection with: (a) revision of the quantity of natural gas to be guaranteed to the domestic market to 515 BCM (in lieu of 440 BCM) until 31 December 2048, unless certain conditions are met; (b) determination of a policy of "free access" to export infrastructures and natural gas processing facilities for new discoveries; (c) a determination that the issuance of a large export permit (above 10 BCM) will require the approval of the Minister of Finance (in addition to the Minister of Energy), and consultation with the head of the National Security

² <https://www.gov.il/he/pages/dec3348-2025> [Hebrew].

³ Stories entitled 'The Ministry of Finance seeks to increase gas retention for the domestic market and increase competition in the reservoirs' (story in TheMarker of 9 November 2025, [link](#) [Hebrew]); and 'The Ministry of Finance proposes dramatic restrictions on gas export' (story in Globes of 9 November 2025, [link](#) [Hebrew]).

⁴ For details on the government resolutions and recommendations of the Dayan Committee under the draft report of the committee, see Sections 7.24.1 and 7.24.8 of the Periodic Report and Section 11 of the Q1 Report.

Council and the Minister of Foreign Affairs; (d) a mechanism to guarantee surplus supply for the domestic market; (e) a price control mechanism, in which the Commissioner shall examine new contracts in the domestic market to ensure that they reflect competitive conditions, which includes several presumptions for the existence of a non-competitive price; and (f) a duty of separate sale for large reservoirs starting from 2030, and a determination in connection with the Leviathan reservoir that the Leviathan partners are required to submit to the Competition Authority, by 31 December 2026, an application to approve a separate sale arrangement.

To the best of the Partnership's knowledge, the Draft Plan is in a preliminary phase, has not yet been presented to the government for approval, and is subject, *inter alia*, to completion of the budget approval by the Knesset, if approved. In addition, according to reports in the media, the Ministry of Energy is opposed to the Draft Plan, claiming that it circumvents the Dayan Committee in which the Ministry of Finance was a minority, and that the discussions of the committee should be concluded and a final report released with the consent of its members. Consequently, it is impossible to assess whether the proposals detailed in the Draft Plan, in whole or in part, will be adopted as a government resolution, and whether the legislative proceedings required in such context will be completed. It is clarified that the resolution of the government of Israel and the legislation to be approved in its wake, if and when completed, may be materially different than such proposals.

15. Section 7.27 of the Periodic Report – Legal Proceedings

- a. Further to Section 7.27.1 of the Periodic Report and Section 12(a) of the Q1 Report, regarding an appeal which was filed by the Partnership and Chevron (the "**Plaintiffs**") from the judgement received in a claim which was filed thereby with the District Court in Jerusalem against the State of Israel (the "**Defendant**"), which mainly includes a demand for the restitution of royalties paid by the Plaintiffs, in excess and under protest, to the Defendant, for revenues generated to the Plaintiffs from gas supply agreements, which were signed between natural gas consumers and the partners in the Yam Tethys project, the hearing of the appeal has been scheduled for 18 May 2026.
- b. Further to Section 7.27.3 of the Periodic Report regarding a motion for class certification filed by a shareholder of Tamar Petroleum Ltd. ("**Tamar Petroleum**") and the Public Representatives Association with the Tel Aviv District Court (the Economic Department) (jointly: the "**Petitioners**"), against the Partnership, Tamar Petroleum, officers thereof and Leader Underwriters (1993) Ltd. (in this section, jointly: the "**Respondents**"), concerning a July 2017 issuance of Tamar Petroleum shares, it is noted that according to the instructions received from the court the Respondents' summations were filed in August 2025 and reply summations on behalf of the Petitioners were filed in October 2025.
- c. Further to Section 7.27.5 of the Periodic Report, Section 12(b) of the Q1 Report and Section 11(d) of the Q2 Report, with respect to a motion for class certification filed by a holder of participation units of the Partnership (in this section: the "**Petitioner**") with the Tel Aviv District Court (Economic Department) against the Partnership, the GP, Delek Group Ltd., Yitzhak Sharon (Tshuva), the directors of the GP, including the former chairman of the board, and the CEO of the GP (in this section, jointly: the

"Respondents"), alleging that the Respondents had refrained from disclosing, in the Partnership's reports, the existence of a stipulation in the agreements for the sale of natural gas from the Leviathan and Tamar reservoirs to Blue Ocean in Egypt (formerly Dolphinus Holdings Limited), it is noted that on 12 August 2025, the Petitioner filed a motion to admit a new document into evidence in the proceeding, and on 30 October 2025, the Respondents filed their response to such motion. On 9 November 2025 the Court accepted the Petitioner's proposal whereby each party would comment on the evidence to be admitted, and accordingly ruled that the Petitioner shall file the additional evidence on his behalf, that the Respondents may comment on the additional evidence, and that the Petitioner may file a response thereto, all by 14 December 2025.

- d. Further to Section 7.27.6 of the Periodic Report and Section 12(c) of the Q1 Report, regarding a lawsuit filed by Haifa Port Ltd. against Chevron, Coral Maritime Services Ltd. and Gold Line Shipping Ltd., in relation to payment of handling fees to the port, it is noted that several mediation sessions have been held in a proceeding before the Hon. Justice (Ret.) Zvi Zylbertal and that some of the trial hearings that had been scheduled in the proceeding have been cancelled accordingly. As of the report approval date, the parties succeeded in reaching understandings, which are subject to the approval of the competent corporate bodies of the parties, and which are expected to render the continued conduct of the claim before the court unnecessary.
- e. Further to Section 7.27.7 of the Periodic Report, with respect to a motion for the issuance of an order for document discovery and inspection prior to the filing of a derivative suit, which was filed by a holder of the Partnership's participation units (in this section: the "**Petitioner**"), against the Partnership, the GP, the CEO of the Partnership and the members of the board of directors of the GP (including the members of the compensation committee) at the relevant time, arguing that the approval of the current terms and conditions of office and employment of the Partnership's CEO by the compensation committee and the board of directors by way of overruling, against the position of the general meeting of the Partnership's participation unit holders, was done in violation of the law, it is noted that the Partnership filed its summations in October 2025 and that, according to the court's decision, the Petitioner is required to file response summations on his behalf by November 2025. Furthermore, on 7 August 2025, the Partnership filed its response to the Petitioner's motion for the award of fees for his counsel, and that on 10 August 2025, the court ruled that such motion be stricken out, with no order for costs.
- f. Further to Section 7.27.8 of the Periodic Report, Section 12(d) of the Q1 Report and Section 11(g) of the Q2 Report, with respect to the complaint in the arbitration initiated by Chevron against INGL in relation to breach of the transmission agreement of 18 January 2021 with INGL, and with respect to the settlement agreement the parties signed in this matter, it is noted that on 19 August 2025, the settlement agreement was given the effect of an arbitration award, with each party bearing its own costs.

16. Regulation 29A(4) in Chapter D of the Periodic Report – Exemption, Insurance or Undertaking to Indemnify an Officer

For details with respect to the decision of the GP's compensation committee and board of directors to approve the renewal of the D&O insurance policy, see the Partnership's

immediate report of 4 September 2025 (Ref. 2025-01- 067133), the information included in which is incorporated herein by reference.

17. The following table includes data on natural gas and condensate production in the Leviathan project in the first three quarters of 2025:^{5,6}

		<u>Q1</u>		<u>Q2</u>		<u>Q3</u>	
		<u>Natural Gas</u>	<u>Condensate</u>	<u>Natural Gas</u>	<u>Condensate</u>	<u>Natural Gas</u>	<u>Condensate</u>
Total output (attributed to the holders of the Partnership's equity interests) during the period (in MMCF for natural gas and in thousands of barrels for condensate, as applicable)		47,182.85	107.31	32,676.78	76.39	49,363.13	108.41
Average price per output unit (attributed to the holders of the Partnership's equity interests) (\$ per MCF and per barrel, as applicable)		5.96	57.11	5.75	51.91	5.54	52.32
Royalties (any payment derived from the output of the producing asset including the gross income from the petroleum asset) paid per output unit (attributed to the holders of the Partnership's equity interests) (\$ per MCF and per barrel, as applicable)	The State	0.64	6.14	0.61	5.51	0.58	5.52
	Third parties	0.15	1.47	0.15	1.32	0.14	1.32
	Interested parties	0.08	0.74	0.07	0.66	0.07	0.66
Average production costs per output unit (attributed to the holders of the Partnership's equity interests) (\$ per		0.79	6.25	0.87	6.69	0.86	6.45

⁵ The figures presented in the table with respect to the share attributed to the holders of the Partnership's equity interests in the average price per output unit, in the royalties paid, in the production costs and in net revenues, was rounded off to two digits after the decimal point.

⁶ The figures presented in the table in relation to condensate production do not include additional quantities of condensate which were not sold. Costs and expenses in connection with such additional quantities of condensate were attributed to the costs of natural gas production.

	<u>Q1</u>		<u>Q2</u>		<u>Q3</u>	
	<u>Natural Gas</u>	<u>Condensate</u>	<u>Natural Gas</u>	<u>Condensate</u>	<u>Natural Gas</u>	<u>Condensate</u>
MCF and per barrel, as applicable) ^{7,8}						
Average net revenues per output unit (attributed to the holders of the Partnership's equity interests) (\$ per MCF and per barrel, as applicable)	4.30	42.51	4.05	37.73	3.89	38.37

Date: 9 November 2025

NewMed Energy – Limited Partnership
by NewMed Energy Management Ltd., the General Partner
Signed by: Gabi Last, Chairman of the Board
and Yossi Abu, CEO

⁷ The figures include current production costs only and do not include the reservoir's exploration and development costs and tax payments to be paid by the Partnership in the future.

⁸ The average production costs per natural gas output unit include costs in respect of transmission of the natural gas via INGL's transmission system to EMG's terminal in Ashkelon, to the terminal on the Jordanian border, and costs of transmission via the regional transmission system to the point of delivery in Aqaba, Jordan, for the purpose of supplying gas to Egypt, which totaled approx. \$34.3 million in Q1/2025, approx. \$28.7 million in Q2/2025 and approx. \$27.3 million in Q3/2025 (100%). In addition, the average production costs per condensate output unit include costs in respect of transmission of the condensate via the pipeline of Europe Asia Pipeline (EAPC), which totaled approx. \$0.2 million in Q1/2025, approx. \$0.7 million in Q2/2025 and approx. \$0.7 million in Q3/2025 (100%).



Board of Directors report

This report is a translation of NewMed Energy – Limited Partnership's Hebrew-language Board of Directors' Report of the General Partner. It is prepared solely for convenience purposes. Please note that the Hebrew version constitutes the binding version, and in any event of discrepancy, the Hebrew version shall prevail.

9 November 2025

NewMed Energy – Limited Partnership

Report of the Board of Directors of the General Partner **for the nine- and three-month periods ended 30 September 2025**

The board of directors of NewMed Energy Management Ltd. (the "GP") hereby respectfully submits the board of directors' report for the nine- and three-month periods ended 30 September 2025 (the "Report Period" and "Q3", respectively).

Part One – Explanations of the Board of Directors on the State of the Partnership's Business

1. Main changes that occurred in the Report Period

For a comprehensive description of the main changes in the Partnership's business in the Report Period, see an update to Chapter A (Description of the Partnership's Business) of the 2024 periodic report (the "Periodic Report") and the consolidated interim financial statements as of 31 March 2025 and 30 June 2025, and the Consolidated Interim Financial Statements as of 30 September 2025, attached below.

2. Results of operations

A. General

As of the date of approval of the consolidated interim financial statements, the Partnership operates in the energy sector and mainly engages in the exploration, development, production and marketing of natural gas, condensate and oil in Israel, Cyprus, Bulgaria and Morocco, as well as in the promotion of various natural gas-based projects, with the aim of increasing the volume of sales of the natural gas produced by the Partnership. At the same time, the Partnership is examining business opportunities for exploration, development, production and marketing of natural gas, condensate and oil in other countries, and is also considering and promoting possible investments in renewable energy projects, in the context of the collaboration with Enlight Renewable Energy Ltd.¹, and is further examining possible projects for the production of hydrogen, including blue hydrogen which is produced from natural gas and may constitute a low-carbon substitute for energy consumers².

In Q2/2025, the military operation Rising Lion ("Am KeLav") for the elimination of the Iranian nuclear threat (the "Operation"), had commenced. The Operation commenced on 13 June 2025 and came to an end on 24 June 2025, with the taking effect of a bilateral ceasefire. Upon the commencement of the Operation, the operator in the

¹ For details regarding the Enlight transaction, see Section 7.10 of Chapter A of the Periodic Report and Section 9 of the update to Chapter A above.

² For details regarding the Airovation Technologies transaction, see Section 7.28.3(b) of Chapter A of the Periodic Report.

Leviathan project, Chevron Mediterranean Limited ("**Chevron**"), received a notice from the Minister of Energy (the "**Minister**"), whereby following the security situation, it was required to cease the activity of the Leviathan platform until further notice. Accordingly, natural gas production from the Leviathan reservoir was halted. To the best of the Partnership's knowledge, a similar order was given regarding cessation of activity in the Karish reservoir. Subsequently, the Minister of Energy exercised the authority granted to him under the Government resolution, as detailed in Section 10(a) to the update of Chapter A above, and ordered the implementation of the Natural Gas Sector Regulations (Management of the Natural Gas Sector in a State of Emergency), 5777-2017 (the "**Emergency Regulations**"). With the Operation coming to an end, on 24 June 2025, Chevron received a notice from the Petroleum Commissioner at the Ministry of Energy and Infrastructure (the "**Petroleum Commissioner**" and the "**Ministry of Energy**", respectively), whereby all preparations may be carried out for the recommissioning of the Leviathan platform. Accordingly, Chevron proceeded with the recommissioning of the platform and resumed regular production from the reservoir on 25 June 2025. For further details regarding the impact of operation "Rising Lion" on the Partnership's operations, see Section 3G below.

It is further noted that for around 11 days in Q2/2025, scheduled work was performed on the third pipeline project (for details regarding the third pipeline project, see Section 7.2.5(b)(1) of Chapter A of the Periodic Report), which is expected to be completed in early 2026, combined with routine maintenance work, during which natural gas production from the Leviathan reservoir was suspended. In addition, current maintenance work in the Leviathan reservoir is scheduled for Q4/2025 and Q1/2026, including prescheduled work for completion of the project in which a third subsea transmission pipeline will be laid from the field to the platform and systems on the platform will be upgraded, during which natural gas production from the Leviathan reservoir will be reduced.

As a result of the decrease in the gas quantities due to the foregoing gas production halts, and the decline in the average price per thermal unit (MMBTU) resulting from the decline in the Brent barrel price (see below), the Partnership's comprehensive income in the Report Period totaled approx. \$325.9 million, compared with approx. \$405.1 million in the same period last year, down approx. 19.5%. The decrease in the comprehensive income mainly derived from a decrease in net revenues from natural gas and condensate sales, for the above reasons, and from a decrease in financial income, which was partially offset by the decrease in the expenses of the natural gas and condensate production cost, in financial expenses and in income tax expenses.

The Partnership's comprehensive income in Q3/2025 totaled approx. \$128.5 million, compared with approx. \$147.0 million in the same quarter last year, down approx. 12.6%. The decrease in income mainly derived from a decrease in net revenues from natural gas and condensate sales deriving mainly from the decline in the average price per thermal unit (MMBTU) resulting from the decline in the Brent barrel price (see below), which was partially offset mainly by a decrease in the financial expenses and in income tax expenses.

B. Analysis of statements of comprehensive income

Below are main figures with regards to the Partnership's statements of comprehensive income, in dollars in millions:

	1-3/25	4-6/25	7-9/25	1-9/25	1-9/24	7-9/24	2024
Revenues							
From natural gas and condensate sales	287.6	191.7	279.0	758.3	872.1	313.6	1,136.3
Net of royalties	42.0	27.7	40.1	109.8	125.7	46.0	163.2
Net revenues	245.6	164.0	238.9	648.5	746.4	267.6	973.1
Expenses and costs:							
Cost of natural gas and condensate production	37.8	29.0	43.2	110.0	127.9	40.5	168.4
Depreciation, depletion and amortization expenses	22.6	16.6	28.8	68.0	63.9	25.6	80.7
Other direct expenses	3.1	2.8	2.9	8.8	3.5	1.4	5.9
G&A	3.2	5.5	5.2	13.9	13.2	5.1	16.9
Total expenses and costs	66.7	53.9	80.1	200.7	208.5	72.6	271.9
The Partnership's share in the profits (losses) of entities accounted for at equity	(0.7)	(0.8)	(0.6)	(2.1)	2.4	(*)	2.9
Operating income	178.2	109.3	158.2	445.7	540.3	195.0	704.1
Financial expenses	(31.9)	(22.6)	(17.5)	(72.0)	(86.4)	(27.4)	(113.8)
Financial income	6.2	11.8	23.8	41.8	75.4	24.2	90.9
Financial income (expenses), net	(25.7)	(10.8)	6.3	(30.2)	(11.0)	(3.2)	(22.9)
Profit before taxes on income	152.5	98.5	164.5	415.5	529.3	191.8	681.2
Taxes on income	(36.1)	(17.3)	(36.0)	(89.4)	(124.5)	(44.5)	(156.6)
Income from continuing operations	116.4	81.2	128.5	326.1	404.8	147.3	524.6
Income (loss) from discontinued operations	-	-	-	-	0.3	(0.3)	(*)
Net profit	116.4	81.2	128.5	326.1	405.1	147.0	524.6
Other comprehensive loss (after tax effect): <u>Amounts that shall be or are reclassified to profit or loss upon fulfillment of specific conditions:</u>							
Adjustments from translation of foreign business financial statements	(*)	(0.2)	(*)	(0.2)	-	-	-
Other comprehensive loss	(*)	(0.2)	(*)	(0.2)	-	-	-
Total comprehensive income	116.4	81.0	128.5	325.9	405.1	147.0	524.6

(* Less than \$0.1 million.

Net revenues in the Report Period totaled approx. \$648.5 million, compared with approx. \$746.4 million in the same period last year, down approx. 13.1%. The decrease mainly derived from a decrease in the natural gas quantities sold from the Leviathan reservoir, approx. 8.07 BCM (100%) in the Report Period, compared with approx. 8.47 BCM (100%) in the same period last year, and from a decrease in the average price per thermal unit (MMBTU), approx. \$5.63 per MMBTU in the Report Period, compared with approx. \$6.21 per MMBTU in the same period last year. The decrease in the gas quantities sold from the Leviathan reservoir in Q2/2025 derived from the production halt due to operation "Rising Lion" and also for the performance of scheduled work in the third pipeline project, as aforesaid. The drop in the average price per MMBTU resulted from the decrease in the Brent oil barrel price, to which some of the natural gas sales contracts are linked.

The aforesaid decrease in revenues from natural gas sale, was partially offset by an increase in condensate sales, approx. 644 thousand barrels of condensate in the sum of approx. \$34.8 million (100%) (the Partnership's share – approx. \$15.8 million) in the Report Period, compared with approx. 425 thousand barrels of condensate in the sum of approx. \$28.6 million (100%) (the Partnership's share – approx. \$13 million) in the same period last year (the sale of condensate last year began on 7 March 2024). The increase in revenues from condensate as a result of the increase in quantities was partially offset by a decrease in the price of the barrel, which is linked to the price of a Brent oil barrel.

Net revenues in Q3 totaled approx. \$238.9 million, compared with approx. \$267.6 million in the same quarter last year, down approx. 10.7%. The decrease mainly derived from a decrease in the average price per MMBTU, approx. \$5.43 per MMBTU in Q3/2025, compared with approx. \$6.18 per MMBTU in Q3/2024, which was partially offset by an increase in the natural gas quantities sold from the Leviathan reservoir, approx. 3.08 BCM in Q3/2025, compared with approx. 3.06 BCM in Q3/2024, and from an increase in revenues from condensate sales, approx. 239 thousand barrels of condensate in the sum of approx. \$12.5 million (100%) (the Partnership's share – approx. \$5.7 million) in Q3/2025, compared with approx. 162 thousand barrels of condensate in the sum of approx. \$10.3 million (100%) (the Partnership's share – approx. \$4.7 million) in Q3/2024.

The table below specifies the gas quantities (100%) and the average price per MMBTU sold from the Leviathan reservoir in the Report Period and in the same period last year, according to the customers' geographic location:

2025 ***					
	(BCM)*			Dollar**	
	Israel	Jordan	Egypt	Total	Average Price
Q1	0.4	0.8	1.7	2.9	\$5.85
Q2	0.2	0.5	1.3	2.0	\$5.63
Q3	0.5	0.8	1.8	3.1	\$5.43
Total	1.2	2.1	4.8	8.1	\$5.63

2024					
	(BCM)*			Dollar**	
	Israel	Jordan	Egypt	Total	Average Price
Q1	0.2	0.6	1.8	2.6	\$6.16
Q2	0.4	0.6	1.8	2.8	\$6.29
Q3	0.5	0.8	1.8	3.1	\$6.18
Total	1.1	2.0	5.4	8.5	\$6.21

* Figures are rounded off to one tenth of a BCM.

** The price per MMBTU in dollars is rounded off to 2 digits after the decimal point.

*** The amounts in the table may not add up due to rounding-off differences.

Cost of natural gas and condensate production in the Report Period totaled approx. \$110 million,

compared with approx. \$127.9 million in the same period last year, down approx. 14.0%, and includes expenses of management and operation of the Leviathan project, including, *inter alia*, expenses of haulage and transport, salaries, consulting, maintenance, environment, insurance and the cost of transmission of natural gas to Egypt. The decrease in the Report Period mainly derives from a decrease in the costs of natural gas transmission as a result of a decrease in the gas quantity sold to Egypt during the halting of the Leviathan platform's activity as stated above and as a result of the arbitration agreement relating to the transmission agreement as stated in Note 12E9 to the financial statements (Chapter C) in the Periodic Report as of 31 December 2024 and Note 4K to the Consolidated Interim Financial Statements attached below.

Cost of natural gas and condensate production in Q3 totaled approx. \$43.2 million, compared with approx. \$40.5 million in the same quarter last year, up approx. 6.7%. The increase was mainly due to higher maintenance costs on the platform.

Depreciation, depletion and amortization expenses in the Report Period totaled approx. \$68.0 million, compared with approx. \$63.9 million in the same period last year, up approx. 6.4%. The increase mainly derives from an increase in the gas and oil asset retirement obligation in the Yam Tethys project in the sum of approx. \$2.7 million deriving mainly from a decrease in cap rates used to estimate the obligation, and from inventory write-off in the Leviathan project which was offset by a decrease in the depletion depreciation which decreased as a result of the decrease in gas quantity produced in the period.

Depreciation, depletion and amortization expenses in Q3 totaled approx. \$28.8 million, compared with approx. \$25.6 million in the same quarter last year, up approx. 12.5%. The increase mainly derived from well inventory write-off in the Leviathan project as aforesaid.

Other direct expenses in the Report Period totaled approx. \$8.8 million, compared with approx. \$3.5 million in the same period last year. The expenses include, *inter alia*, expenses of geologists, engineers and consulting as well as G&A expenses of various projects which are not at the production stage. The increase in the Report Period mainly derived from such expenses in the projects in Bulgaria and Morocco.

Other direct expenses in Q3 totaled approx. \$2.9 million, compared with approx. \$1.4 million in the same quarter last year. The increase mainly derived from the reasons stated above.

G&A in the Report Period totaled approx. \$13.9 million, compared with approx. \$13.2 million in the same period last year, up approx. 5.3%. G&A include, *inter alia*, expenses for salary, professional services, etc. The increase mainly derived from an increase in expenses for salary and professional services.

G&A in Q3 totaled approx. \$5.2 million, compared with approx. \$5.1 million in the same quarter last year, up approx. 2%. The increase mainly derives from the reasons stated above.

The Partnership's share in the profits (losses) of entities accounted for at equity in the Report Period totaled a loss of approx. \$2.1 million, compared with a profit of approx. \$2.4 million in the same period last year, mainly deriving from the company accounted for at equity, EMED Pipeline BV ("**EMED**"), which holds 39% of the shares of Eastern Mediterranean Gas Company S.A.E ("**EMG**").

The Partnership's share in the losses of entities accounted for at equity in Q3/2025 totaled a loss of approx. \$0.6 million, compared with a loss of less than \$0.1 million in the same quarter last year.

Financial expenses in the Report Period totaled approx. \$72.0 million, compared with approx. \$86.4 million in the same period last year, down approx. 16.7%. Financial expenses in the Report Period mainly derived from interest on bonds issued by Leviathan Bond Ltd., a wholly owned subsidiary of the Partnership (the "**Leviathan Bond Bonds**") and from interest and fees paid for bank loans, net of credit costs that were capitalized to qualifying assets.

The decrease in financial expenses in the Report Period mainly derived from an increase in the credit costs that were capitalized to qualifying assets (approx. \$13.6 million in the Report Period,

compared with approx. \$4.0 million in the same period last year) in view of an increase in the balance of investments in the qualifying assets as well as from a decrease in interest expenses on the Leviathan Bond Bonds (approx. \$72.0 million in the Report Period, compared with approx. \$85.8 million in the same period last year) due to the buybacks and full redemption as stated in Section 3C3 below. The decrease in financial expenses was partially offset by interest and fees expenses for bank loans in the sum of approx. \$8.1 million in the Report Period, compared with approx. \$0.8 million in the same period last year.

Financial expenses in Q3 totaled approx. \$17.5 million, compared with approx. \$27.4 million in the same quarter last year. The decrease mainly derived from the reasons stated above.

Financial income in the Report Period totaled approx. \$41.8 million, compared with approx. \$75.4 million in the same period last year, down approx. 44.6%. The decrease in financial income mainly derived from the revaluation of royalties receivable of approx. \$15.8 million in the Report Period, compared with approx. \$54.9 million in the same period last year (for further details, see Note 6A to the Consolidated Interim Financial Statements attached below) and was partially offset by income from exchange rate differentials following the drop in the dollar/ILS exchange rate in the Report Period.

Financial income in Q3 totaled approx. \$23.8 million, compared with approx. \$24.2 million in the same quarter last year.

Taxes on income in the Report Period totaled approx. \$89.4 million, compared with approx. \$124.5 million in the same period last year. The decrease mainly derived from the decrease in pre-tax profit in the Report Period compared with the same period last year, and from the effect of the change in the exchange rate on the deferred tax liability, as specified below.

Taxes on income in Q3 totaled approx. \$36.0 million, compared with approx. \$44.5 million in the same quarter last year. The decrease mainly derived from the reasons stated above.

3. Financial position, liquidity and financing sources

A. Financial position

The main changes in the items of the statement of financial position as of 30 September 2025, compared with the statement of financial position as of 31 December 2024, are specified below:

Total assets as of 30 September 2025 totaled approx. \$3,953.4 million, compared with approx. \$3,992.3 million as of 31 December 2024.

Current assets as of 30 September 2025 totaled approx. \$575.7 million, compared with approx. \$734.1 million as of 31 December 2024, as specified below:

- (1) Cash and cash equivalents** as of 30 September 2025 totaled approx. \$194.4 million, compared with approx. \$51.2 million as of 31 December 2024. The cash income mainly derived from receipt of loans from banking corporations (as stated in Section 3C5 below), payment of amounts for buyback of Leviathan Bond Bonds (as stated in Section 3E below), net income from the sale of natural gas and condensate from the Leviathan project, a refund of income tax advances for previous years, and from income from Energean in respect of production-based royalties from the Karish lease. Conversely, the Partnership made payments in the Report Period, mainly in connection with profit distributions to the participation unitholders, buyback and redemption of Leviathan Bond Bonds and income tax advances.
- (2) Short-term deposits** as of 30 September 2025 totaled approx. \$45.9 million, compared with approx. \$333.3 million as of 31 December 2024, and primarily include deposits in connection with the Leviathan Bond Bonds in the sum of approx. \$45.7 million, compared with approx.

\$333.1 million as of 31 December 2024. The decrease in the balance of the short-term deposits mainly derived from use of deposits for redemption of the Series 2025 Leviathan Bond Bonds in May and June 2025.

(3) Trade receivables as of 30 September 2025 totaled approx. \$218.5 million, compared with approx. \$209.6 million as of 31 December 2024. The increase mainly derived from an increase in the balances of customers in the domestic market.

(4) Other receivables as of 30 September 2025 totaled approx. \$116.9 million, compared with approx. \$140.0 million as of 31 December 2024. The decrease mainly derives from a decrease in the balance of the operator of the Leviathan joint venture, from future production-based royalties from the Karish and Tanin leases and from the refund of advance royalties paid to the State from the Tamar project for 2013-2018.

Non-current assets as of 30 September 2025 totaled approx. \$3,377.7 million, compared with approx. \$3,258.2 million on 31 December 2024, as specified below:

(1) Investments in oil and gas assets as of 30 September 2025 totaled approx. \$2,785.5 million, compared with approx. \$2,682.3 million as of 31 December 2024. The movement in the Report Period derived from investments of approx. \$116.3 million made by the Partnership in the Leviathan project, from an update to a retirement asset in the Leviathan project in the sum total of approx. \$5.7 million, as well as from investments in the projects in Cyprus and Bulgaria in the sum of approx. \$34.7 million. Conversely, the Partnership recorded depreciation, depletion and amortization expenses in the Leviathan project in the sum of approx. \$53.4 million.

(2) Investment in entities accounted for at equity as of 30 September 2025 totaled approx. \$60.4 million compared with approx. \$61.7 million as of 31 December 2024, and is mainly due to the investment in EMED. The decrease mostly derived from a loss recorded in respect of the investment in the Report Period.

(3) Long-term deposits as of 30 September 2025 totaled approx. \$0.8 million, compared with approx. \$0.5 million as of 31 December 2024, and mainly derive from deposit-backed guarantees.

(4) Other long-term assets as of 30 September 2025 totaled approx. \$531.0 million, compared with approx. \$513.7 million as of 31 December 2024. The increase mainly derived from investments in infrastructures and pipelines for the transmission of natural gas for export to Jordan and Egypt, which were offset by a decrease in future-production base royalties on from the Karish and Tanin leases.

Current liabilities as of 30 September 2025 totaled approx. \$128.5 million, compared with approx. \$603.0 million as of 31 December 2024, as specified below:

(1) Current maturities of bonds as of 31 December 2024 totaled approx. \$485.6 million and included the Series 2025 Leviathan Bond Bonds, net of issue expenses and net of bonds that were purchased in the context of a buyback plan (for details, see Sections C3 and E below). The aforesaid Series 2025 Leviathan Bond Bonds were fully redeemed during May and June of 2025.

(2) Income taxes payable as of 30 September 2025 totaled approx. \$1 million, compared with approx. \$10.8 million as of 31 December 2024, which mainly include the estimated tax payment for the Partnership's taxable income, net of the advances paid by the Partnership to Income Tax.

(3) Trade and other payables as of 30 September 2025 totaled approx. \$127.5 million, compared with approx. \$106.6 million as of 31 December 2024. The increase derived mainly from interest payable due to Leviathan Bond Bonds and bank loans which was offset by a decrease in the

balance of the operator of the joint ventures in the Leviathan project.

Non-current liabilities as of 30 September 2025 totaled approx. \$1,891.6 million, compared with approx. \$1,602.0 million as of 31 December 2024, as specified below:

- (1) **Bonds** as of 30 September 2025 totaled approx. \$1,141.9 million, compared with approx. \$1,140.0 million as of 31 December 2024, and include the Leviathan Bond Bonds, net of issue expenses.
- (2) **Long-term liability to a banking corporation** as of 30 September 2025 totaled approx. \$275 million (for further details, see Section C5 below).
- (3) **Deferred taxes** as of 30 September 2025 totaled approx. \$391.9 million, compared with approx. \$391.5 million as of 31 December 2024. The decrease in the \$/ILS exchange rate during the Report Period caused a decrease in the temporary differences between the measurement basis of oil and gas assets and other assets measured at historical cost, which is reported for tax purposes (ILS) and their measurement basis which is reported in the financial statements (\$), which was almost fully offset by an increase in tax depreciation differences relative to accounting depreciation.
- (4) **Other long-term liabilities** as of 30 September 2025 totaled approx. \$82.8 million, compared with approx. \$70.5 million as of 31 December 2024. The increase mainly derived from an update to the oil and gas asset retirement obligation in the Leviathan and Yam Tethys projects, as a result of a decrease in the cap rate used to estimate the obligations.

The equity of the limited partnership as of 30 September 2025 totaled approx. \$1,933.3 million, compared with approx. \$1,787.3 million as of 31 December 2024. The change in equity mainly derived from the comprehensive income recorded in the Report Period in the sum of approx. \$325.9 million, which was offset by distributed profits in the sum of approx. \$180.3 million.

Further to Note 7C7 and Note 20C6 to the financial statements (Chapter C) of the Periodic Report as of 31 December 2024, regarding the grant of equity-based compensation to the Partnership's CEO, Mr. Yossi Abu ("**Mr. Abu**"), during the period of these Consolidated Interim Financial Statements, the Partnership recorded for the first time an expense in the statement of comprehensive income against non-controlling interests, in the sum of approx. \$0.2 million, in accordance with the mechanism of the equity grant given to Mr. Abu. For further details, see Note 6H to the Consolidated Interim Financial Statements attached below.

B. Cash flow

- (1) Net cash flows generated by the Partnership from operating activities in the Report Period totaled approx. \$384.8 million, compared with approx. \$448.2 million in the same period last year.

Net cash flows generated by the Partnership from operating activities in Q3/2025 totaled approx. \$81.6 million, compared with approx. \$248.9 million in the same quarter last year.

- (2) Net cash flows generated from investment activities in the Report Period totaled approx. \$149.9 million, compared with approx. \$11.6 million used for investment activities in the same period last year. The net cash flows from investment activities mainly derived from withdrawals from short-term deposits in the Report Period and were mainly offset by an increase in the cash flow used for investment in oil and gas assets.

Cash flows used for investment activities in Q3/2025 totaled approx. \$107.8 million, compared with approx. \$99.9 million in the same quarter last year. Cash flows used for investment activities in Q3/2025 were mainly used for investment in oil and gas assets and deposit in short-term deposits, net.

- (3) Cash flows used for financing activities, net, in the Report Period totaled approx. \$391.5 million, compared with approx. \$308.3 million in the same period last year. The cash flows used for financing activities were used mainly for full redemption of the Series 2025 Leviathan Bond Bonds and distribution of profits to the holders of participation units and was partly offset mainly by loans received from banking corporations.

Cash flows used for financing activities in Q3/2025 totaled approx. \$160.1 million, compared with approx. \$103.1 million in the same quarter last year. Cash flows used for investment activities in Q3/2025 were used for repayment of a short-term loan to banking corporations and for distribution of profits to the holders of participation units.

C. Financing

- (1) Further to Section 3C(2) of the Board of Directors' Report as of 31 December 2024 regarding the effect of the war on the rating of the Leviathan Bond Bonds, on 10 April 2025, the rating agency Fitch released a rating for the Leviathan Bond Bonds of BB with a stable outlook. On 24 June 2025, S&P GLOBAL RATING ("**S&P**") and Standard & Poor's Maalot ("**Maalot**") announced that they had placed the ratings BB- and ilA+, respectively, of the secured senior debt of Leviathan Bond Ltd. on CreditWatch with negative implications. On 20 October 2025, S&P and Maalot announced the reaffirmation of the bond rating with a stable outlook and their removal from the CreditWatch with negative implications.

- (2) On 30 June 2025, the rating agency Midroog announced an initial issuer rating for the Partnership of A1.il with a stable outlook. For further details, see an immediate report of 30 June 2025 (Ref. 2025-01-047055).

- (3) On 11 May 2025, the subsidiary, Leviathan Bond Ltd., notified the holders of bonds it had issued to foreign and Israeli accredited investors, which bonds are listed on the TACT-Institutional system of TASE, of the partial early redemption of the second series of the bonds, whose original redemption date was 30 June 2025, according to the provisions of the trust deed for the bonds (the "**Early Redemption Notice**"). In accordance with the Early Redemption Notice, the second series was partially redeemed on 29 May 2025 in the amount of \$400 million (the "**Principal Amount**") out of a total series amount of \$600 million, in lieu of the original redemption date as aforesaid. The partial early redemption amount included the Principal Amount, plus accrued interest in the sum of approx. \$10.1 million. In accordance with the terms and conditions of the bonds, early redemption in the quarter preceding the original redemption date is not subject to the payment of early redemption fees to the bondholders. The remaining bonds were redeemed on the original redemption date as aforesaid.

- (4) As of the date of approval of the Consolidated Interim Financial Statements, the Partnership

continues to explore various financing alternatives, including financing by way of loans from financial corporations (in addition to the loans described in Section (5) below), bonds, various equity instruments and other alternatives, if any, with the aim, *inter alia*, of advancing the adoption of a final investment decision (FID) for development of stage one of Phase 1B of the development plan for the Leviathan project in the coming months, as specified in Section 7.2.5 of Chapter A of the Periodic Report, and for the continued performance of the investments and the actions required therefor, *inter alia* as specified in Section 7.13.2(b) of Chapter A of the Periodic Report.

- (5) On 16 June 2025, the Partnership signed an agreement with an Israeli bank for the provision of two new credit facilities totaling \$350 million (the “**Agreement**”, the “**Lender**” or the “**Bank**” and the “**Credit Facilities**”, respectively). The Credit Facilities replace a credit facility that the Partnership received from the bank in the sum of \$200 million, which was provided to the Partnership on 8 October 2024 (for details, see Note 10E to the financial statements (Chapter C) in the periodic report as of 31 December 2024). The Credit Facilities are intended to be used by the Partnership for its operating activities, including in connection with Phase 1B of the development plan for the Leviathan reservoir.

According to the terms and conditions of the Agreement, the Partnership undertook to withdraw all of Credit Facility A, in the sum of \$275 million (“**Credit Facility A**”), by 30 June 2025, and may withdraw from Credit Facility B, from time to time, until 15 July 2027 (the “**Availability Period**”), up to an additional \$75 million (“**Credit Facility B**”). As of the date of approval of the Consolidated Interim Financial Statements, the Partnership has withdrawn Credit Facility A in the sum of \$275 million and has not yet withdrawn any amounts from Credit Facility B.

Any loan that will be taken from Credit Facility B and repaid may be drawn down and repaid anew until the end of the Availability Period.

Loans that are taken from both of the Credit Facilities (the “**Loans**”) shall be repaid in 5 non-equal instalments: 5% on 31 December 2027; 10% on 31 December of each of the years 2028 through 2030 (inclusive); and 65% on the final maturity date on 30 June 2031 (the “**Final Maturity Date**”).

The Loans will bear interest payable semi-annually, with the first interest payment due on 31 December 2025, and the last payment on the Final Maturity Date. The loan from Credit Facility A will bear a fixed annual interest rate of 5.99%. The loan from Credit Facility B will bear a variable annual interest rate based on Three-Month Term SOFR, plus a margin of 2.35% per annum.

The Partnership paid the Lender a one-time commitment fee totaling \$1.3 million on the date of provision of the loan from Credit Facility A. The Partnership will also pay the Lender a non-utilization fee on each interest payment date, on the undrawn portion of Credit Facility B, until the end of the Availability Period, at an annual rate of 0.75%. Under the terms and conditions of the Agreement, the Partnership may reduce Credit Facility B at any time, without charge. For further details, see Note 6F to the Consolidated Interim Financial Statements attached below.

- (6) Further to Section 3C1 of Part One of the Board of Directors’ Report (Chapter B) in the Periodic Report as of 31 December 2024, with respect to an agreement of 8 October 2024, for the provision of a \$200-million credit facility to the Partnership by a banking corporation on 16 June 2025, the Partnership withdrew approx. \$100 million from such credit facility, which was fully repaid on 21 July 2025. It is further noted that on 5 October 2025 the Partnership and the Israeli bank signed an amendment to the facility agreement, extending the Availability Period until 10 November 2025. On 9 November 2025 the Partnership signed an agreement extending the credit facility’s Availability Period by approx. 12 months more, i.e. until 10 November 2026. The facility extension agreement revised, *inter alia*, the Availability Period as aforesaid, the interest rate on the loans, the repayment dates and the commitment fee. For further details see Note 6G to the Consolidated Interim Financial Statements attached below.

D. Profit distributions:

- (1) On 9 March 2025, after receiving the recommendation of the GP's financial statements review committee, the GP's board of directors approved a profit distribution in the sum total of \$60 million (\$0.05112 per participation unit), with the record date for the distribution being 20 March 2025. The said profit distribution was transferred to the trustee on 28 March 2025 for performance of the distribution, and was actually performed on 3 April 2025.
- (2) On 11 May 2025, after receiving the recommendation of the GP's financial statements review committee, the GP's board of directors approved a profit distribution in the sum total of \$60 million (\$0.05112 per participation unit), with the record date for the distribution being 21 May 2025, which profit distribution was performed on 5 June 2025.
- (3) On 7 August 2025, the GP's Board, after adopting the recommendation of the GP's Financial Statements Review Committee, approved a profit distribution in the sum total of \$60 million (\$0.05112 per participation unit), the record date for which is 19 August 2025. Such distribution of profit was carried out on 28 August 2025.
- (4) On 9 November 2025, the GP's Board, after adopting the recommendation of the GP's Financial Statements Review Committee, approved a profit distribution in the sum total of \$60 million (\$0.05112 per participation unit), the record date for which is 19 November 2025. Such distribution of profit will be carried out on 4 December 2025.

E. Plan for buyback of Leviathan Bond Bonds:

On 15 November 2023, the GP's Board approved the continued performance of buybacks in an aggregate sum of up to \$100 million in accordance with the buyback plan of 22 January 2023, for the bond series maturing on 30 June 2025 and/or the bond series maturing on 30 June 2027. Accordingly, the Partnership performed buybacks of the bonds in the amount of this plan in full.

On 15 October 2024, the board of the Partnership's GP approved the adoption of an additional bond buyback plan, according to which the Partnership and/or Leviathan Bond may, from time to time, at the discretion of the Partnership's management and according to the details of the additional buyback plan, perform buybacks of the bonds in an aggregate sum of up to \$100 million, by way of an off-exchange acquisition, an acquisition on the TACT-Institutional system on TASE or by other methods, which took effect on 15 October 2024 and will expire two years later, namely on 15 October 2026.

By the date of the Consolidated Interim Financial Statements, the Partnership performed buybacks in the sum of approx. \$153.8 million par value of Series 2025 Leviathan Bond Bonds in consideration for approx. \$153.6 million, which includes the interest accrued as of the buyback date, according to plans for the buyback of Leviathan Bond Bonds, as approved by the GP's board. The buybacks were returned to the Partnership plus the accrued interest in respect thereof in view of the repayments stated below.

The said bonds were fully redeemed during May and June of 2025.

For further details regarding the bonds, see Part Four below and Notes 10B and 10C to the financial statements (Chapter C) in the Periodic Report as of 31 December 2024.

F. The Swords of Iron war and its potential impact on the Partnership's business

In October 2025, the State of Israel signed an agreement to end the war and for the return of the hostages.

In Q2/2025, fighting continued against the Hamas terrorist organization in Gaza and against the Houthi terrorist organization in Yemen, and operation "Rising Lion" began, during which production from the Leviathan and Karish natural gas reservoirs was suspended for a 12-day period, as aforesaid. The said suspension of production led, according to the Partnership's estimate, to a loss of revenues from the sale of natural gas and condensate (gross, pre-royalties), and overriding royalty revenues from the Karish lease, in the sum total of approx. \$33 million, and to a decrease in net profit of approx. \$20 million.

The said suspension of production led to a decrease in the gas transmission expenses included in the operating and production costs, as well as to a decrease in depletion, depreciation and amortization expenses from the Leviathan reservoir.

As a result of the Swords of Iron War, there was a delay in the timetable for completion of the work on the construction of the project being carried out by Israel Natural Gas Lines Ltd. ("INGL") for the laying of a subsea pipeline in the Ashdod-Ashkelon offshore transmission section (the

"Combined Section"), as well as an increase in the costs of such project. For details, see Note 4M to the Consolidated Interim Financial Statements below.

For further details regarding the Swords of Iron war and its potential impact on the Partnership's business, see Section 3F of the Board of Directors' Report (Chapter B) in the Periodic Report as of 31 December 2024.

See Section 7.30.1 of the Periodic Report for details regarding the risk factors arising from the Swords of Iron war, the materialization of which may have a material adverse effect on the Partnership, its assets and its business.

- G. For details regarding inflation and the rise in the interest rate and their possible impact on the Partnership's business, the disclosure and the financial reporting, see Section 3G of Part One of the Board of Directors' Report (Chapter B) in the Periodic Report as of 31 December 2024.

Part Two – Exposure to and Management of Market Risks

Report on exposure to and management of market risks

1. Sensitivity tests -

In accordance with Amendment 5767 to the provisions of the Second Schedule to the Securities Regulations (Immediate and Periodic Reports), 5730-1970, the Partnership carried out tests of sensitivity to changes in the risk factors affecting the fair value of "sensitive instruments".

Description of parameters, assumptions and models

Parameters:

Parameter	Source/Manner of Treatment
ILS/Dollar exchange rate	Representative rate as of 30 September 2025
Dollar interest	Capitalization interest/SOFR interest

- a. Analysis of sensitivity for the value of future production-based royalties from the sale of the Karish and Tanin leases to changes in the cap rate when the other variables remain fixed (\$ in millions):

Sensitive instrument	Profit/(loss) from changes		Fair value as of 30.9.2025	Profit/(loss) from changes	
	2%	1%		-1%	-2%
Future production-based royalties from the Karish and Tanin leases	(22.1)	(11.5)	255.5	12.6	26.3

- b. Analysis of sensitivity for the value of future production-based royalties from the sale of the Karish and Tanin leases to changes in the price of natural gas and condensate when the other variables remain fixed (\$ in millions):

Sensitive instrument	Profit from changes in the natural gas prices				Fair value as of 30.9.2025	Loss from changes in the natural gas prices			
	30%	20%	10%	5%		-5%	-10%	-20%	-30%
Future production-based royalties from the Karish and Tanin leases	42.0	26.8	15.9	7.6	255.5	(4.1)	(12.5)	(24.7)	(42.8)

Sensitive Instrument	Profit from changes in the condensate prices				Fair value as of 30.9.2025	Loss from changes in the condensate prices			
	30%	20%	10%	5%		-5%	-10%	-20%	-30%
Future production-based royalties from the Karish and Tanin leases	16.8	11.1	5.4	2.7	255.5	(2.7)	(5.5)	(7.0)	(12.7)

c. Analysis of sensitivity to changes in the Dollar/ILS exchange rate (\$ in millions):

Sensitive instrument	Profit/(Loss) from the Changes		Fair Value as of 30.9.2025	Profit/(Loss) from the Changes	
	10%	5%		-5%	-10%
	3.818	3.471		3.141	2.975
Cash and cash equivalents	*_	*_	0.3	*_	*_
Bank deposits	*_	*_	0.2	*_	*_
Trade and other payables	0.3	0.2	(3.4)	(0.2)	(0.3)
Total	0.3	0.2	(2.9)	(0.2)	(0.3)

* Balance lower than \$0.1 million

During the reported period, there was no change in the Partnership's exposures and market risks, as were reported in the Board of Directors' Report for 2024, except as stated below:

2. Report on linkage bases in Dollars in millions, as of 30 September 2025:

	Financial Balances			
	In foreign currency or foreign currency- linked	In non- linked ILS	Non- financial balances	Total
Assets				
Cash and cash equivalents	194.1	0.3	-	194.4
Short-term deposits	45.7	0.2	-	45.9
Trade receivables	218.5	-	-	218.5
Other receivables	106.8	-	10.1	116.9
Investments in oil and gas assets	-	-	2,785.5	2,785.5
Investment in entities accounted for at equity	-	-	60.4	60.4
Long-term deposits	0.8	-	-	0.8
Other long-term assets	215.0	-	316.0	531.0
Total assets	780.9	0.5	3,172.0	3,953.4
Liabilities				
Income taxes payable	-	-	1.0	1.0
Trade and other payables	31.1	3.4	93.0	127.5
Bonds	1,141.9	-	-	1,141.9
Liabilities to banking corporations	275.0	-	-	275.0
Deferred taxes	-	-	391.9	391.9
Other long-term liabilities	-	-	82.8	82.8
Total liabilities	1,448.0	3.4	568.7	2,020.1
Total net balance	(667.1)	(2.9)	2,603.3	1,933.3

3. Linkage bases in Dollars in millions, as of 31 December 2024:

	Financial Balances			Total
	In foreign currency or foreign currency-linked	In non-linked ILS	Non-financial balances	
Assets				
Cash and cash equivalents	50.4	0.8	-	51.2
Short-term deposits	333.1	0.2	-	333.3
Trade receivables	209.6	-	-	209.6
Other receivables	127.5	-	12.5	140.0
Investments in oil and gas assets	-	-	2,682.3	2,682.3
Investment in entities accounted for at equity	-	-	61.7	61.7
Long-term deposits	0.5	-	-	0.5
Other long-term assets	227.2	-	286.5	513.7
Total assets	948.3	1.0	3,043.0	3,992.3
Liabilities				
Trade and other payables	1.4	0.6	104.6	106.6
Income tax payable	-	-	10.8	10.8
Bonds	1,625.6	-	-	1,625.6
Deferred taxes	-	-	391.5	391.5
Other long-term liabilities	-	-	70.5	70.5
Total liabilities	1,627.0	0.6	577.4	2,205.0
Total net balance	(678.7)	0.4	2,465.6	1,787.3

Part Three - Disclosure on the Corporation's Financial Reporting

1. Subsequent events after the Statement of Financial Position

For material events after the date of the statement of financial position, see Note 8 to the Consolidated Interim Financial Statements as of 30 September 2025, which are attached below.

2. Separate financial statement

The Partnership has not included a separate financial statement in the interim financial statement, because such additional information is negligible; see Note 2B to the Consolidated Interim Financial Statements, which are attached below.

3. Critical accounting estimates

No material change occurred in the Report Period compared with the report for 2024.

Part Four – Details of bonds issued by Leviathan Bond Ltd.

Leviathan Bond bond series	2027	2030
Par value on the issue date	600	550
Issue date	18 August 2020	18 August 2020
Par value as of 30.9.2025	600	550
Linked par value as of 30.9.2025	600	550
Value on the Partnership's books as of 30.9.2025 ³	607.3	553.7
TASE value as of 30.9.2025 ⁴	611.9	562.0
Fixed annual interest rate	6.500%	6.750%
Principal payment date	30 June 2027	30 June 2030
Interest payment dates	Semiannual interest payable on every June 30th and every December 30th from the issue date in 2020-2027	Semiannual interest payable on every June 30th and every December 30th from the issue date in 2020-2030
Linkage base: base index ⁵	None	
Conversion right	None	
Right to early redemption or mandatory conversion ⁶	Right to early redemption	
Guarantee for payment of the liability	See Note 10B to the financial statements (Chapter C) of the 2024 Periodic Report	
Name of the trustee	HSBC Bank USA, National Association	
Name of person in charge at the trust company	Asma Alghofailey	
Trustee's address and e-mail	HSBC Bank USA, National Association, as TRUSTEE 452 5th Avenue, 8E6 New York, NY 10018 asma.x.alghofailey@us.hsbc.com	
Rating as of the issue date ⁷	Fitch Rating: BB stable Moody's: Ba3 Stable S&P: BB- Stable Standard & Poor's Maalot: iLA+ stable	
Rating as of the date of approval of the Consolidated Interim Financial Statements ⁸	Fitch Rating: BB stable Moody's: Ba3 Negative S&P: BB- stable Standard & Poor's Maalot: iLA+ stable	
Has the Partnership fulfilled, by 30.9.2025 and during the Report Period, all of the conditions and obligations under the trust deed	Yes	

³ Includes interest payable as of the report date, net of principal and interest in respect of a buyback, see Section 3E of Part One above regarding the bond buyback plan that was adopted by the board.

⁴ The market value, net of the value of the bonds that were purchased under a buyback plan. The bonds are traded in Israel on the "TACT-institutional" system on TASE.

⁵ The bonds' principal and interest are stated in dollars.

⁶ The financing documents prescribe provisions regarding early redemption of the bonds, including (1) early redemption initiated by the issuer, subject to payment of an early redemption fee (make whole premium); and (2) mandatory early redemption in certain cases that were defined, including by way of a buyback of bonds and/or a tender offer to all of the bondholders, including upon a sale of all or some of the interests in the Leviathan project.

⁷ See the Partnership's immediate reports of 19 August 2020 (Ref. no. 2020-01-090852 and 2020-01-091134) and 23 August 2020 (Ref. no. 2020-01-092247), the information in which is incorporated herein by reference.

⁸ See immediate reports of 20 October 2025, 20 October 2025, 24 June 2025, 24 June 2025, 10 April 2025 and 29 October 2024 (Ref. no.: 2025-01-078063, 2025-01-078061, 2025-01-044980, 2025-01-044973, 2025-01-027121 and 2024-01-612302, respectively), the information in which is incorporated herein by reference.

Leviathan Bond bond series	<u>2027</u>	<u>2030</u>
Is the bond series material⁹	Yes	
Have any conditions establishing cause for acceleration of the bonds been fulfilled	No	
Pledges to secure the bonds	See Note 10B to the financial statements (Chapter C) of the 2024 Periodic Report	

⁹ A series of bond certificates will be deemed material if the total liabilities of the corporation thereunder as of the end of the report period, as presented in the Consolidated Interim Financial Statements, constitute five percent or more of the total liabilities of the corporation.

Additional information

The GP's board of directors expresses its appreciation for the GP's management, the officers and the entire team of employees for their dedicated work and their significant contribution to promotion of the Partnership's business.

Sincerely,

Yossi Abu
CEO

Gabi Last
Chairman of the Board

NewMed Energy Management Ltd.
On behalf of: NewMed Energy – Limited Partnership

Annex A to the Board of Directors' Report
Figures regarding Leviathan Bond Ltd.

Further to Note 10B to the financial statements (Chapter C) of the 2024 Periodic Report and to Part Four of the Board of Directors' Report, and following a tax ruling received by the Partnership immediately prior to the bond offering, below are financial figures which will be disclosed to the holders of the Leviathan Bond Bonds.

Statements of Financial Position (Expressed in US\$ Thousands)

	30.9.2025	30.9.2024	31.12.2024
	Unaudited		Audited
Assets:			
Current Assets:			
Short term Bank deposits	1	180,349	258,039
Loans to shareholders	-	599,163	599,611
Interest Receivable	19,031	28,219	-
Related parties	99,555	*	*
	118,587	807,731	857,650
Noncurrent Assets:			
Loans to shareholders	1,148,466	1,148,857	1,148,799
	1,148,466	1,148,857	1,148,799
	1,267,053	1,956,588	2,006,449
Liabilities and Equity:			
Current Liabilities:			
Bonds	-	600,000	600,000
Interest payable	19,031	28,219	-
Related parties	-	80,348	158,039
	19,031	708,567	758,039
Noncurrent Liabilities:			
Bonds	1,150,000	1,150,000	1,150,000
Loans from shareholders	100,000	100,000	100,000
	1,250,000	1,250,000	1,250,000
Equity (Deficit)	(1,978)	(1,979)	(1,590)
	1,267,053	1,956,588	2,006,449

* Less than \$1,000

Statements of Comprehensive Income (Expressed in US\$ Thousands)

	For the Nine Month Ended		For the Three Month Ended		For the Period Ended
	30.09.2025	30.09.2024	30.09.2025	30.09.2024	31.12.2024
	Unaudited				Audited
Financial expenses	80,523	92,964	20,028	30,866	125,079
Financial income	(80,135)	(91,951)	(19,635)	(31,048)	(124,455)
Total comprehensive expenses (income)	388	1,013	393	(182)	624

SPONSOR FINANCIAL DATA REPORT¹⁰

FOR THE THREE MONTHS ENDED 30.9.2025		
	ITEM	QUANTITY/ACTUAL AMOUNT (IN USD\$,000)
A.	Total Offtake (BCM)	¹¹ 3.1
B.	Leviathan Revenues (100%)	¹² 615,455
C.	Loss Proceeds, if any, paid to Revenue Account	-
D.	Sponsor Deposits, if any, into Revenue Account	-
E.	Gross Revenues (before Royalties)	209,530
F.	Overriding Royalties	
	(a) Statutory Royalties	(26,351)
	(b) Third Party Royalties	(10,541)
G.	Net Revenues	172,638
H.	Costs and Expenses:	
	(a) Fees Under the Financing Documents (Interest Income)	426
	(b) Taxes	(22,039)
	(c) Operation and Maintenance Expenses	(40,003)
	(d) Capital Expenditures	(60,118)
	(e) Insurance (income)	(12,678)
I.	Total Costs and Expenses (sum of Items H(a), (b), (c), (d) and (e))	(134,412)
J.	Total Cash Flows Available for Debt Service (Item G <i>minus</i> Item H)	38,226
K.	Total Cash Flow from operation (Item G minus Items H(c) and H(e))	119,957
L.	Total Debt Service	-
M.	TOTAL DISTRIBUTION TO THE SPONSOR	-

¹⁰ The aforesaid report is delivered to the trustee for the bonds on a quarterly and annual basis and represents the cash flow deriving for the Partnership from the Leviathan project relative to the amounts required for the debt service in such period.

¹¹ Gas quantities from 1.7.2025 until 30.9.2025 for 100% of the Leviathan partners on an accrual basis.

¹² Gas sales from 1.7.2025 until 30.9.2025 for 100% of the Leviathan partners on an accrual basis.

Annex B to the Board of Directors' Report
Summary of Data of a Valuation of Royalties from the
Karish and Tanin Leases

Following are details of a highly material valuation with respect to the profit from the revaluation of royalties from the sale of the Partnership's interests in the Karish and Tanin leases (for further details, see Note 6A to the Consolidated Interim Financial Statements attached below and the valuation attached below):

Identification of the object of the valuation:	Royalties in respect of the sale of all of the interests in the Karish and Tanin leases
Timing of the valuation:	30 September 2025.
Value of the object of the valuation shortly before the date of the valuation, if GAAP, including depreciation and amortization, did not warrant a change in its value according to the valuation:	Not applicable.
Value of the object of the valuation determined according to the valuation:	A sum of approx. \$255.5 million, which is included under other long-term assets of the Partnership and in the Partnership's trade and other receivables.
Identification of the valuator and his/its characteristics, including education, experience in the preparation of valuations for accounting purposes in reporting corporations and in scopes similar to or exceeding those of the reported valuation, and dependence on the party commissioning the valuation, including reference to indemnification agreements with the valuator:	Giza Singer Even Financial Advisory Ltd. is a subsidiary of Giza Singer Even Ltd. (jointly: the "Valuator"), which is a leading financial consulting and investment banking firm in Israel. The firm has vast experience in supporting the largest companies in the most prominent privatizations and the most important transactions in the Israeli market, which experience was gained thereby over the course of its 30 years of activity. Giza Singer Even is active in three segments, through autonomous and independent business divisions: economic consulting; investment banking; analytical research and corporate governance. The work was performed by a team headed by CPA Gadi Beer, Head of Economic Division and Corporate Finance and a senior executive at Giza Singer Even. Mr. Beer has expertise and vast experience in corporate finance and financial consultancy. He holds a B.A. in Economics and an MBA from Tel Aviv University. The Valuator has no personal interest in and/or dependence on the Partnership and/or NewMed Energy Management Ltd., the GP of the Partnership (the "GP"), other than the fact that it received a fee for the valuation. Furthermore, the Valuator has confirmed that its fee is not contingent on the results of the valuation. In addition, insofar as the Valuator shall be bound by a peremptory judgment to pay any sum to a third party in connection with the work, the Partnership shall pay the Valuator the sum charged to the Valuator in excess of the fee paid for the work multiplied by 3. It is noted that this indemnification undertaking shall not apply should it be ruled that the Valuator acted with

Identification of the object of the valuation:	Royalties in respect of the sale of all of the interests in the Karish and Tanin leases
	negligence or intentional misconduct in connection with the performance of the work.
The valuation model applied by the Valuator:	Discounting expected cash flows while adjusting the discount rates to the risks entailed by the cash flow forecasts.
The assumptions based on which the Valuator prepared the valuation according to the valuation model:	The key assumptions underlying the valuation: 1. Period of production from the Karish lease: 1 October 2022 to 31 December 2044; 2. Average annual rate of natural gas production from the Karish lease: approx. 3.05 BCM; average annual rate of condensate production from the Karish lease: approx. 4.02 million barrels; 3. Period of gas production from the Tanin reservoir: 1 January 2032 to 31 December 2042; 4. Average annual rate of natural gas production from the Tanin lease: approx. 2.36 BCM; average annual rate of condensate production from the Tanin lease: approx. 0.40 million barrels; 5. Royalty component cap rate: 9.9%; 6. Effective royalty rate to be paid to the State for the gas and the condensate: 11.06%; 7. Gas price formula: The basic price in the contracts according to which the valuation was prepared was estimated based on the formula specified in the price mechanism between Energean and ICL and ORL and between Energean and OPC and weighting the price of the gas in the Ramat Hovav contract; 8. Condensate price: The condensate price forecast was estimated based on an oil price forecast average of the World Bank¹³ and the EIA¹⁴ and the forward prices of Brent according to Bloomberg data as of 30 September 2025 and based on the assumption that the condensate price will be derived from the Brent price with adjustments to oil quality differences; 9. On 20 March 2025, Energean released an updated resources report by D&M as of 31 December 2024 (the "Updated Report"), a certified reserves and resources valuator, for the Karish and Tanin leases. According to the Updated Report, the gas quantity in the

¹³ A World Bank quarterly report: Commodity Markets Outlook, April 2025.

¹⁴ U.S Energy Information Administration: Short-Term Energy Outlook, September 2025.

Identification of the object of the valuation:	Royalties in respect of the sale of all of the interests in the Karish and Tanin leases
	Karish reservoir is approx. 28.3 BCM and the quantity of hydrocarbon liquids is approx. 40.9 MMBBL; the gas quantity in the Karish North reservoir is approx. 34.5 BCM and the quantity of hydrocarbon liquids is approx. 41.2 MMBBL; and the gas quantity in the Tanin lease is approx. 26.0 BCM and the quantity of hydrocarbon liquids is approx. 4.4 MMBBL; 10. Petroleum profit levy: According to the Petroleum Profit Taxation Law, 5771-2011; 11. Corporate tax rate: 0%.



Financial statements



9 November 2025

To

The Board of Directors of the General Partner of NewMed Energy Limited Partnership
(the "Partnership")

19 Abba Eban, Herzliya

Dear Sir/Madam,

**Re: Consent given simultaneously with the release of a periodic report in connection
with a shelf prospectus of the Partnership (the "Offering Document")**

We hereby notify you that we agree to the inclusion (including by way of reference) in the above-referenced Offering Document of our report as specified below:

Review report of 9 November 2025 on consolidated condensed financial information of the Partnership as of 30 September 2025 and for the nine- and three-month periods then ended.

Kost Forer Gabbay & Kasierer
Certified Public Accountants

Ziv Haft
Certified Public Accountants

NewMed Energy – Limited Partnership
Consolidated Interim Financial Statements as of 30 September 2025
in U.S. Dollars in Millions
Unaudited

This report is a translation of NewMed Energy - Limited Partnership's Hebrew-language Consolidated Interim Financial Statements as of 30 September 2025. It is prepared solely for convenience purposes. Please note that the Hebrew version is the binding version, and in any event of discrepancy, the Hebrew version shall prevail.

NewMed Energy – Limited Partnership
Consolidated Interim Financial Statements as of 30 September 2025
in U.S. Dollars in Millions
Unaudited

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Auditors' review report to the partners of NewMed Energy – Limited Partnership

Introduction

We have reviewed the accompanying financial information of NewMed Energy – Limited Partnership and consolidated companies (the "**Partnership**") which includes the Consolidated Interim Statement of Financial Position as of 30 September 2025 and the Consolidated Interim Statements of Comprehensive Income, Changes in the Partnership's Equity and Cash Flows for the nine- and three-month periods then ended. The board of directors and management of the Partnership's General Partner are responsible for the preparation and presentation of financial information for such interim periods in accordance with IAS 34 "Interim Financial Reporting", and they are responsible for the preparation of financial information for such interim periods under Chapter D of the Securities Regulations (Periodic and Immediate Reports), 5730-1970. Our responsibility is to express a conclusion on financial information for these interim periods based on our review.

Scope of Review

We conducted our review in accordance with Review Standard (Israel) 2410 of the Institute of Certified Public Accountants in Israel – "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Generally Accepted Auditing Standards in Israel, and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the aforementioned financial information has not been prepared, in all material respects, in accordance with IAS 34.

In addition to the statements in the previous paragraph, based on our review, nothing has come to our attention which causes us to believe that the aforementioned financial information does not meet, in all material respects, the disclosure provisions under Chapter D of the Securities Regulations (Periodic and Immediate Reports), 5730-1970.

Tel Aviv, 9 November 2025

Kost Forer Gabbay & Kasierer
Certified Public Accountants

Ziv Haft
Certified Public Accountants

NewMed Energy – Limited Partnership

Consolidated Interim Statements of Financial Position (Dollars in millions)

	30.9.2025	30.9.2024	31.12.2024
	Unaudited		Audited
Assets:			
Current assets:			
Cash and cash equivalents	194.4	157.4	51.2
Short-term deposits	45.9	275.7	333.3
Trade receivables	218.5	240.8	209.6
Trade and other receivables	116.9	108.9	140.0
	575.7	782.8	734.1
Non-current assets:			
Investments in oil and gas assets	2,785.5	2,689.5	2,682.3
Investments in entities accounted for at equity	60.4	60.7	61.7
Long-term deposits	0.8	0.5	0.5
Other long-term assets	531.0	516.2	513.7
	3,377.7	3,266.9	3,258.2
	3,953.4	4,049.7	3,992.3
Liabilities and equity:			
Current liabilities:			
Current maturities of bonds	-	552.9	485.6
Income tax payable	1.0	35.0	10.8
Trade and other payables	127.5	155.8	106.6
Other short-term liabilities	-	2.9	-
	128.5	746.6	603.0
Non-current liabilities:			
Bonds	1,141.9	1,139.3	1,140.0
Long-term liability to a banking corporation	275.0	-	-
Deferred taxes	391.9	353.3	391.5
Other long-term liabilities	82.8	77.6	70.5
	1,891.6	1,570.2	1,602.0
Equity:			
Partnership's equity	154.8	154.8	154.8
Capital reserves	(28.1)	(28.1)	(28.1)
Retained earnings	1,806.4	1,606.2	1,660.6
Total equity attributed to the holders of the Partnership's participation units	1,933.1	1,732.9	1,787.3
Non-controlling interests	0.2	-	-
Total equity of the Partnership	1,933.3	1,732.9	1,787.3
	3,953.4	4,049.7	3,992.3

The attached notes constitute an integral part of the Consolidated Interim Financial Statements.

9 November 2025

Date of approval of the
Financial Statements

Gabi Last
Chairman of the Board

Yossi Abu
CEO

Tzachi Habusha
VP Finance

NewMed Energy – Limited Partnership

Consolidated Interim Statements of Comprehensive Income (Dollars in millions)

	For the nine-month period ended		For the three-month period ended		For the year ended
	30.9.2025	30.9.2024	30.9.2025	30.9.2024	31.12.2024
	Unaudited				Audited
Revenues:					
from sale of natural gas and condensate	758.3	872.1	279.0	313.6	1,136.3
net of royalties	109.8	125.7	40.1	46.0	163.2
Revenues, net	648.5	746.4	238.9	267.6	973.1
Expenses and costs:					
Cost of production of natural gas and condensate	110.0	127.9	43.2	40.5	168.4
Depreciation, depletion and amortization expenses	68.0	63.9	28.8	25.6	80.7
Other direct expenses	8.8	3.5	2.9	1.4	5.9
G&A	13.9	13.2	5.2	5.1	16.9
Total expenses and costs	200.7	208.5	80.1	72.6	271.9
The Partnership's share in the income (losses) of entities accounted for at equity	(2.1)	2.4	(0.6)	(*)	2.9
Operating profit	445.7	540.3	158.2	195.0	704.1
Financial expenses	(72.0)	(86.4)	(17.5)	(27.4)	(113.8)
Financial income	41.8	75.4	23.8	24.2	90.9
Financial income (expenses), net	(30.2)	(11.0)	6.3	(3.2)	(22.9)
Profit before income taxes	415.5	529.3	164.5	191.8	681.2
Taxes on income	(89.4)	(124.5)	(36.0)	(44.5)	(156.6)
Profit from continuing operations	326.1	404.8	128.5	147.3	524.6
Profit (loss) from discontinued operations	-	0.3	-	(0.3)	(*)
Net income	326.1	405.1	128.5	147.0	524.6
Other comprehensive loss (after tax effects):					
Amounts that shall be or are reclassified to profit or loss upon fulfillment of specific conditions:					
Adjustments deriving from translation of financial statements of foreign business	(0.2)	-	(*)	-	-
Other comprehensive loss	(0.2)	-	(*)	-	-
Total comprehensive income	325.9	405.1	128.5	147.0	524.6
Basic and diluted profit (loss) per participation unit attributed to the Partnership's participation unit holders (in Dollars):					
from continuing operations	0.278	0.345	0.109	0.126	0.447
from discontinued operations	-	(**)	-	(**)	(**)
Profit per participation unit	0.278	0.345	0.109	0.126	0.447
Number of participation units which is weighted for the purpose of the said calculation (in thousands)	1,173,815	1,173,815	1,173,815	1,173,815	1,173,815

*) Less than \$0.1 million.

**) Less than \$0.001 per participation unit

The attached notes constitute an integral part of the Consolidated Interim Financial Statements.

NewMed Energy – Limited Partnership

Consolidated Interim Statements of Changes in the Partnership's Equity (Dollars in millions)

	Attributed to the holders of the Partnership's participation units						The Partnership's total equity
	The Partnership's equity	Capital reserve for equity-based financial instruments at fair value against other comprehensive income	Other capital reserves	Retained earnings	Total	Non-controlling interests	
Balance as of 31 December 2024 (audited)	154.8	(57.0)	28.9	1,660.6	1,787.3	-	1,787.3
Changes for the nine-month period ended 30 September 2025 (unaudited):							
Net income	-	-	-	326.1	326.1	-	326.1
Other comprehensive loss	-	-	(0.2)	-	(0.2)	-	(0.2)
Total comprehensive income (loss)	-	-	(0.2)	326.1	325.9	-	325.9
Distributed profits	-	-	-	(180.3)	(180.3)	-	(180.3)
Participation unit-based payment	-	-	0.2	-	0.2	0.2	0.4
Balance as of 30 September 2025 (unaudited)	154.8	(57.0)	28.9	1,806.4	1,933.1	0.2	1,933.3
Balance as of 31 December 2023 (audited)	154.8	(57.0)	28.4	1,386.3	1,512.5	-	1,512.5
Changes for the nine-month period ended 30 September 2024 (unaudited):							
Comprehensive income	-	-	-	405.1	405.1	-	405.1
Distributed profits	-	-	-	(185.2)	(185.2)	-	(185.2)
Participation unit-based payment	-	-	0.5	-	0.5	-	0.5
Balance as of 30 September 2024 (unaudited)	154.8	(57.0)	28.9	1,606.2	1,732.9	-	1,732.9
Balance as of 30 June 2025 (unaudited)	154.8	(57.0)	28.8	1,738.0	1,864.6	0.1	1,864.7
Changes for the three-month period ended 30 September 2025 (unaudited):							
Net income	-	-	-	128.5	128.5	-	128.5
Other comprehensive loss	-	-	(*)	-	(*)	-	(*)
Total comprehensive income (loss)	-	-	(*)	128.5	128.5	-	128.5
Distributed profits	-	-	-	(60.1)	(60.1)	-	(60.1)
Participation unit-based payment	-	-	0.1	-	0.1	0.1	0.2
Balance as of 30 September 2025 (unaudited)	154.8	(57.0)	28.9	1,806.4	1,933.1	0.2	1,933.3

*) Less than \$0.1 million.

NewMed Energy – Limited Partnership

Consolidated Interim Statements of Changes in the Partnership's Equity (Dollars in millions)

	Attributed to the holders of the Partnership's participation units					
	The Partnership's equity	Capital reserve for equity-based financial instruments at fair value against other comprehensive income	Other capital reserves	Retained earnings	Total	Non-controlling interests
Balance as of 30 June 2024 (unaudited)	154.8	(57.0)	28.8	1,524.3	1,650.9	-
Changes for the three-month period ended 30 September 2024 (unaudited):						
Comprehensive income	-	-	-	147.0	147.0	-
Distributed profits	-	-	-	(65.1)	(65.1)	-
Participation unit-based payment	-	-	0.1	-	0.1	-
Balance as of 30 September 2024 (unaudited)	154.8	(57.0)	28.9	1,606.2	1,732.9	-
Balance as of 31 December 2023 (audited)	154.8	(57.0)	28.4	1,386.3	1,512.5	-
Changes for the one-year period ended 31 December 2024 (audited):						
Comprehensive income	-	-	-	524.6	524.6	-
Distributed profits	-	-	-	(250.3)	(250.3)	-
Participation unit-based payment	-	-	0.5	-	0.5	-
Balance as of 31 December 2024 (audited)	154.8	(57.0)	28.9	1,660.6	1,787.3	-

The attached notes constitute an integral part of the Consolidated Interim Financial Statements.

NewMed Energy – Limited Partnership

Consolidated Interim Statements of Cash Flows (Dollars in millions)

	For the nine-month period ended		For the three-month period ended		For the year ended
	30.9.2025	30.9.2024	30.9.2025	30.9.2024	31.12.2024
	Unaudited				Audited
Cash flows – operating activities:					
Net profit	326.1	405.1	128.5	147.0	524.6
Adjustments for:					
Depreciation, depletion and amortization	67.9	67.3	27.8	26.7	85.2
Taxes on income	(9.5)	43.8	1.6	22.3	57.8
Update of asset retirement obligations	5.3	-	2.3	0.4	(*)
Revaluation of short-term and long-term deposits	(0.2)	(2.6)	0.3	(0.2)	(2.6)
Participation unit-based payment	0.4	0.5	0.2	0.1	0.5
Revaluation of other long-term assets	(19.8)	(61.2)	(20.1)	(18.4)	(67.6)
Partnership's share in losses (profits) of entities accounted for at equity	2.1	(2.4)	0.6	-	(2.9)
Changes in assets and liabilities items:					
Decrease (increase) in trade receivables	(8.9)	(46.3)	(72.1)	15.3	(15.1)
Decrease (increase) in trade and other receivables (including the operator in the joint ventures)	11.8	16.3	(9.2)	28.7	(1.7)
Increase in other long-term assets	(5.4)	(5.2)	(2.7)	(1.5)	(7.5)
Increase in trade and other payables (including the operator in the joint ventures)	15.0	32.9	24.4	28.5	6.8
	58.7	43.1	(46.9)	101.9	52.9
Net cash generated by operating activities	384.8	448.2	81.6	248.9	577.5
Cash flows - investment activity:					
Investment in oil and gas assets	(142.7)	(73.3)	(65.1)	(27.3)	(114.2)
Investment in a partnership accounted for at equity	(0.8)	-	(0.1)	-	(0.4)
Investment in other long-term assets	(24.8)	(13.5)	(12.3)	(2.8)	(31.8)
Royalties based on production from the Karish lease	36.6	41.2	11.8	16.0	55.0
Repayment of a loan granted to Energean in the context of the sale of Karish and Tanin leases	-	47.4	-	-	47.4
Deposits to long-term deposits	(0.3)	-	-	-	-
Withdrawal from (deposit to) short-term deposits, net	287.6	(14.0)	(38.5)	(85.5)	(71.7)
Decrease (increase) in other receivables – due to operator in the joint ventures	(5.7)	0.6	(3.6)	(0.3)	1.5
Net cash generated by (used for) investment activity	149.9	(11.6)	(107.8)	(99.9)	(114.2)
Cash flows - financing activity:					
Profit distributed	(180.3)	(185.2)	(60.1)	(65.1)	(250.3)
Returns received from income tax for previous years	-	2.9	-	-	2.9
Receipt of a loan from a banking corporation	100.0	-	-	-	-
Repayment of short-term loans from banking corporations	(100.0)	(80.0)	(100.0)	-	(80.0)
Receipt of a long-term loan from a banking corporation	275.0	-	-	-	-
Redemption of bonds and buybacks of bonds	(486.2)	(46.0)	-	(38.0)	(113.8)
Net cash used for financing activity	(391.5)	(308.3)	(160.1)	(103.1)	(441.2)
Increase (decrease) in cash and cash equivalents	143.2	128.3	(186.3)	45.9	22.1
Balance of cash and cash equivalents at beginning of period	51.2	29.1	380.7	111.5	29.1
Balance of cash and cash equivalents at end of period	194.4	157.4	194.4	157.4	51.2
Annex A – Non-cash flow investment and/or financing activities:					
Investments in oil and gas assets against liabilities	59.9	86.1	59.9	86.1	59.1
Investments in other long-term assets against liabilities	11.5	11.0	11.5	11.0	12.7
Annex B – Further details on cash flows:					
Interest paid (including capitalized interest)	52.5	57.2	0.2	0.4	108.1
Interest received	12.1	17.1	3.8	4.8	24.8
Taxes paid	125.5	81.0	32.7	21.9	94.3

*) Less than \$0.1 million.

The attached notes constitute an integral part of the Consolidated Interim Financial Statements.

Note 1 – General:

- A. NewMed Energy – Limited Partnership (the “**Partnership**”) was founded according to a partnership agreement signed on 1 July 1993 between NewMed Energy Management Ltd. as general partner of the first part (the “**GP**”), and NewMed Energy Trusts Ltd. as a limited partner of the second part (the “**LP**”), as amended from time to time. The ongoing management of the Partnership is carried out by the GP under the supervision of the supervisors, Fahn Kanne & Co., Accountants, together with Keidar Supervision & Management (the “**Supervisor**”). On 1 July 1993, the LP and the Supervisor signed a trust agreement, as amended from time to time (the “**Trust Agreement**”), which confers on the Supervisor powers of supervision over the Partnership’s management by the GP, as well as powers of supervision over the fulfillment of the LP’s obligations to the unit holders. The parent company of the GP is Delek Energy Systems Ltd, a private company wholly owned by Delek Group Ltd. (the “**Delek Group**”). The participation units of the Partnership are listed on the Tel Aviv Stock Exchange (“**TASE**”) and trading therein commenced in 1993. The address of the Partnership’s registered office is 19 Abba Eban Boulevard, Herzliya.
- B. As of the date of approval of the Consolidated Interim Financial Statements, the Partnership operates in the energy field and its primary business is exploration, development, production and marketing of natural gas, condensate and oil in Israel, Cyprus, Morocco and Bulgaria, and promotion of various natural gas-based projects, with the aim of increasing the volume of the sales of natural gas produced by the Partnership. At the same time, the Partnership is exploring business opportunities in the field of exploration, development, production and marketing of natural gas, condensate and oil in additional countries, examining and promoting possible investments in projects in the field of renewable energy, as part of the collaboration with Enlight Renewable Energy Ltd. (“**Enlight**”), see Note 4N below, and examining possible projects for the production of hydrogen, including blue hydrogen, which is produced from natural gas and can be a low-carbon substitute for energy consumers, see Note 12G2 to the annual consolidated financial statements as of 31 December 2024 (the “**Annual Financial Statements**”).
- C. The Partnership’s main petroleum asset, as of the date of approval of the Consolidated Interim Financial Statements, is holdings of 45.34% (out of 100%) of the Leviathan natural gas reservoir, the piping of gas from which commenced in December 2019 and the partners and their rate of holdings in which, as of the date of approval of the Consolidated Interim Financial Statements, are the Partnership, Chevron Mediterranean Ltd (39.66%) and Ratio Energies – Limited Partnership (15%) (“**Chevron**” or the “**Operator**” and “**Ratio Energies**” respectively and jointly, the “**Leviathan Partners**”). The Leviathan reservoir currently supplies natural gas to several customers in the Israeli and regional market, and among its prominent customers are Blue Ocean Energy in Egypt (“**Blue Ocean**”) and the Jordanian national electricity company. In addition to the rights in the Leviathan reservoir, the Partnership holds rights in the Aphrodite reservoir that was discovered in the area of Block 12 in Cyprus (“**Aphrodite**” or “**Block 12**”), and in other petroleum assets, as specified in Note 7 to the Annual Financial Statements and Note 3 below.

Note 1 – General (Cont.):

D. The Swords of Iron war and Operation Rising Lion (*Am KeLav*) and their impact on the Partnership's business:

Further to Note 1E to the Annual Financial Statements regarding the Swords of Iron war (the "**War**"), and its possible ramifications on the Partnership, in Q2/2025, the military operation Rising Lion was carried out to eliminate the Iranian nuclear threat (the "**Operation**"). The Operation began on 13 June 2025, and ended on 24 June 2025 with the taking effect of a bilateral ceasefire. In addition, in the period of the Consolidated Interim Financial Statements, fighting continued in Gaza against the Hamas terrorist organization and against the Houthi terrorist organization in Yemen. At the start of the Operation, Chevron received an instruction from the Minister of Energy and Infrastructures (the "**Minister of Energy**"), whereby as a result of the security situation, it was required to halt activity on the Leviathan platform until further notice. Accordingly, the production of natural gas and condensate from the Leviathan reservoir was suspended. To the best of the Partnership's knowledge, a similar instruction was given regarding the cessation of activity on the Karish platform. Subsequently, the Minister of Energy exercised the authority granted to him by the government resolution, and invoked the Natural Gas Sector Regulations (Management of the Natural Gas Sector in Times of Emergency), 5777-2017. When the Operation came to an end, on 24 June 2025, Chevron received a notice from the Petroleum Commissioner at the Ministry of Energy and Infrastructures (the "**Commissioner**" and the "**Ministry of Energy**", respectively), allowing any and all preparations for resumption of operations on the Leviathan platform. Accordingly, Chevron took action to resume operations on the platform, and regular production was resumed from the reservoir on 25 June 2025. In October 2025, the State of Israel signed an agreement to end the War and for the return of the hostages.

- E.** These financial statements have been prepared in a condensed format as of 30 September 2025 and for the nine- and three-month periods then ended (the "**Consolidated Interim Financial Statements**"). These reports should be read together with the Annual Financial Statements. Accordingly, notes regarding insignificant updates with respect to information already reported in the notes to the Annual Financial Statements were not included in these Consolidated Interim Financial Statements.
- F.** The Consolidated Interim Financial Statements comply with the provisions of IAS 34, and fulfill the disclosure provisions pursuant to Chapter D of the Securities Regulations (Periodic and Immediate Reports), 5730-1970.
- G.** The financial figures of the joint ventures that are used by the Partnership in the preparation of its financial statements are based, *inter alia*, on accounting data and documents provided by the operators of the joint ventures in Israel, Chevron and S.O.A. Energy Israel Ltd. ("**SOA**"), the operator of the joint venture in Cyprus, Chevron Cyprus Ltd. ("**Chevron Cyprus**") and the operator of the joint venture in Bulgaria, OMV GmbH Bulgaria Offshore, ("**OMV Bulgaria**").

Notes to the Consolidated Interim Financial Statements as of 30 September 2025 (dollars in millions)

Note 1 – General (Cont.):

- H. The Partnership's revenues are mainly affected by the level of consumption of natural gas by the domestic market, Egypt and Jordan (in this section below, the "**Regional Market**"), by the production and transmission capacity and by the gas price which is partially linked to the Brent oil barrel price. Below is the Partnership's share in the income from sale of natural gas and condensate and quantities of natural gas sold to the domestic market and Regional Market in the period of the Consolidated Interim Financial Statements from the Leviathan project.

	For the nine-month period ended		For the three-month period ended		For the year ended
	30.9.2025	30.9.2024	30.9.2025	30.9.2024	31.12.2024
	Unaudited				Audited
Revenues from sale of natural gas and condensate:					
Natural gas	742.5	859.1	273.3	308.9	1,119.5
Condensate	15.8	13.0	5.7	4.7	16.8
	758.3	872.1	279.0	313.6	1,136.3
Domestic market	112.0	107.6	45.8	43.8	141.9
Regional Market	646.3	764.5	233.2	269.8	994.4
	758.3	872.1	279.0	313.6	1,136.3
Quantities of natural gas (BCM):					
Domestic market	0.54	0.50	0.23	0.21	0.67
Regional Market	3.12	3.34	1.17	1.17	4.41
	3.66	3.84	1.40	1.38	5.08

Note 2 - Significant Accounting Policies:

- A. The Consolidated Interim Financial Statements were prepared according to the same accounting policy and calculation methods used in the Annual Financial Statements, in addition to the following- **Expenses for oil and gas exploration, development of proven reserves and investment in oil and gas assets:**

"Farm-In" is an acquisition of part of the interests in a gas and/or oil license in consideration for the consent of the buyer (the "Farmee") to bear specific costs, which otherwise would have been imposed on the seller (the "Farmor"). In this kind of transactions where the acquired asset is not a business, the accounting treatment is as follows:

At the time of creation of the costs, the Farmee recognizes an expense and/or asset, as applicable, for its part of the oil and gas assets and for the share of the interests retained by the Farmor, consistently with its accounting policy for treatment of exploration and evaluation assets. The Farmee reports the arrangement as follows:

1. The Farmee recognizes its share in the costs according to the Farm-In agreement, including the costs arising from the part that the Farmor had imposed on the Farmee under the Farm-In agreement.
2. The Farmor recognizes costs according to the Farm-In agreement in the same manner that it treats the exploration and evaluation costs that it bears directly.

B. Non-inclusion of a separate financial statement in the Consolidated Interim Financial Statements:

In accordance with the provisions of Regulation 38D and Schedule X to the Securities Regulations (Periodic and Immediate Reports), 5730-1970, the Partnership has not included in the interim financial statements a separate financial statement, following examination by the Partnership's GP's management, jointly with its legal counsel, of the need to attach a separate financial statement, on the grounds that the additional information that a separate financial statement attributed to the Partnership would provide, as compared with the information included in the consolidated financial statements, is negligible, and thus, under securities laws, not required to be attached. The underlying parameters of the Partnership's decision are:

- 1) Total assets under the separate statement out of the Partnership's total assets under the consolidated statement.
- 2) Total liabilities under the separate statement out of the Partnership's total liabilities under the consolidated statement.
- 3) Cash flow from operating activities under the separate statement out of the cash flow from operating activities under the consolidated statement.
- 4) Total net profit due to the consolidated companies out of the Partnership's total net profit.

The Partnership will continue to examine the future effect of inclusion of a separate financial statement in every reporting period.

Note 3 – Investments in Oil and Gas Assets:

A. Composition:

	30.9.2025	30.9.2024	31.12.2024
	Unaudited	Unaudited	Audited
Oil and gas assets:			
Ratio Yam (Leviathan project)	2,589.6	2,529.4	2,521.1
Appraisal and exploration assets:			
Block Han Asparuh (Bulgaria)	23.7	-	-
Block 12 Aphrodite (Cyprus)	172.2	160.1	161.2
	195.9	160.1	161.2
Total	2,785.5	2,689.5	2,682.3

B. Developments in investments in oil and gas assets:

1. Ratio-Yam joint venture (Leviathan project):

- a. Further to Note 7C1C1 to the Annual Financial Statements regarding the laying of a third subsea transmission pipeline from the field to the platform (the **"Third Pipeline Project"**), in Q2/2025 planned work was carried out over approx. 11 days as part of the Third Pipeline Project, which is expected to be completed at the beginning of 2026, and ongoing maintenance work was also carried out, during which natural gas production from the Leviathan reservoir was suspended. During Q4/2025 and Q1/2026, additional ongoing maintenance work is planned to be carried out in the Leviathan reservoir, including planned work to complete the Third Pipeline Project and upgrade systems on the platform, during which natural gas production from the Leviathan reservoir will be reduced.
- b. Further to Note 7C1(c)(1) to the Annual Financial Statements regarding the Commissioner's approval of the updated development plan for the Leviathan reservoir, which was submitted by the Leviathan Partners, on 21 August 2025, the Commissioner approved the updated development plan for the performance of stage one and stage two of Phase 1B (the **"Updated Development Plan"**). The Commissioner's approval as aforesaid was granted in consideration of several technical conditions, implementation of which will be carried out in coordination with the professional team at the Natural Resources Administration at the Ministry of Energy and under its guidance. In his approval, the Commissioner stated that in order to increase the pace of production above 2,100 MMSCFD, upon performance of stage two of Phase 1B, it will be necessary to submit – and obtain the Commissioner's approval of – supporting documents according to the instructions of the professional team at the Natural Resources Administration at the Ministry of Energy, which shall constitute an update to the Updated Development Plan. As of the date of approval of the Consolidated Interim Financial Statements, the Leviathan Partners are in discussions with the Ministry of Energy's representatives, aiming to reach an agreed version of export permit, toward the adoption of a final investment decision (FID) for stage one of Phase 1B in Q4/2025.

Note 3 – Investments in Oil and Gas Assets: (Cont.)

B. Developments in investments in oil and gas assets: (Cont.)

2. Aphrodite Block 12 (Cyprus):

Further to Note 7C2 to the Annual Financial Statements regarding the updated development plan for the Aphrodite reservoir, on 18 September 2025, the GP's Board approved the Aphrodite reservoir's budget for Y2026, in the sum of approx. \$111.5 million (100%; the Partnership's share – approx. \$33.5 million). It is clarified that approval of the part of the budget for the performance of FEED (approx. \$105.7 million (100%; the Partnership's share – approx. \$31.7 million)) is subject to the decision of the partners in the Aphrodite reservoir for preparation of the FEED.

3. Yam Tethys project:

Further to Note 7C3 to the Annual Financial Statements regarding the performance of actions for the decommissioning of the Yam Tethys project's facilities, with the exception of the platform, two subsea gas pipelines and the terminal, it is noted that in his letter of 21 September 2025, the Commissioner invited the partners in the Yam Tethys project and in the Tamar project to present, by 30 November 2025, their position on the decommissioning of the platform.

4. Exploration licenses in zone "I", in the area of blocks 4, 5, 6, 7, 8 and 11, in Israel's EEZ (in this section: the "Zone I Licenses" or the "Licenses"):

Further to Note 7C6 to the Annual Financial Statements regarding the winning of the bid submitted by the Partnership and State Oil Company of Azerbaijan Republic and BP (in this section: the "**Partners**") in relation to the Zone I Licenses, as part of the fourth competitive process for natural gas exploration in the northwest area of Israel's EEZ, entitling them to receive 6 exploration licenses in blocks 4, 5, 6, 7, 8, and 11, located in the Mediterranean Sea, in the area of Israel's EEZ, on 17 March 2025, the Ministry of Energy gave the aforesaid Licenses to the Partners.

5. New Ofek/405 license (in this section: the "License"):

Further to Note 7C8 to the Annual Financial Statements regarding letters received by the partners in the License (in this section: the "**Partners**") from the Commissioner, concerning the abandonment of the well in the license area and the possibility of forfeiture of guarantees provided by the Partners in favor of the Ministry of Energy if not timely completed, in June 2025, SOA informed the Partners that the plugging of the well had been completed, and that it had submitted to the Commissioner and the Ministry of Environmental Protection summary reports, that include, *inter alia*, a geotechnical report so as to obtain their final confirmation of the abandonment.

6. Eran license:

Further to Note 7C5 to the Annual Financial Statements with respect to the entry of a judgment on the mediation arrangement on which the partners in the Eran license and the State agreed, whereby the Tamar SW reservoir will be divided between the area of the Tamar lease (78%) and the area of the Eran license (22%), and the interest in the area of the Eran license will be divided at a ratio of 76% to the State and 24% to the partners in the Eran license prior to its expiration (proportionately to their holding rate in the license), on 18 August 2025, the Partnership learned that the Tamar partners have reached an arrangement with the State, whereby, *inter alia*, subject to the satisfaction of conditions precedent, the Tamar partners will pay the State an overriding royalty at the rate of 5.9% in respect of their revenues arising from the gas produced from the Tamar SW reservoir and according to market value at the wellhead, without also regulating, at the same time, the Partnership's interests according to the mediation arrangement and the judgment entered thereon. Consequently, the Partnership is acting vis-à-vis the Tamar partners and the State in order to implement the mediation arrangement, considering and in compliance with the terms thereof.

Note 3 – Investments in Oil and Gas Assets: (Cont.)

B. Developments in investments in oil and gas assets: (Cont.)

7. Block 1-21 Han Asparuh which is located at the EEZ of the Republic of Bulgaria in the Black Sea (the "Bulgaria License" or the "Block")¹:

- a. Further to Note 7C7 to the Annual Financial Statements regarding the engagement of NewMed Energy Balkan Limited (a subsidiary of the Partnership) ("**NewMed Balkan**") in an agreement for the purchase of 50% of the interests in the Bulgaria License, the Partnership is updating that upon the engagement of NewMed Balkan (the "**Buyer**") and OMV Bulgaria (the "**Seller**"), with the Government of Bulgaria on 12 March 2025, in an agreement approving the transfer of the interests in the Bulgaria License to NewMed Balkan, all of the closing conditions in the agreement have been met and consequently, the transaction contemplated in the agreement was closed. Furthermore, upon the closing of the transaction as aforesaid, NewMed Balkan now holds 50% of the interests in the Bulgaria License. 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 several prospects and leads) (the "**First Well**"), up to a total amount that shall not exceed €50 million (approx. \$59 million), and also fund the Seller's share of the costs of an additional well in the Block, which will be an exploration well in another prospect in the area of the Block in the Krum prospect, 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 (approx. \$59 million) (the "**Second Well**", and together with the First Well: the "**Two Wells**").

On 27 March 2025 and 11 June 2025, the Partnership reported that the partners in the Bulgaria License had made decisions to drill exploration wells in the Vinekh and Krum prospects ("**Vinekh Well**" and "**Krum Well**", respectively, and collectively: the "**Wells**"). The drilling of the Wells is conditional on the receipt of any and all necessary approvals from the Government of Bulgaria, and on the signing of agreements for the provision of services related to the drilling of the Wells. Drilling of the Vinekh Well is expected to begin in December 2025 and take about two months. The drilling budget including production tests (if necessary) is approx. €109 million (approx. \$128 million). The Partnership's share is approx. €80 million (approx. \$94 million). The drilling of the Krum Well is expected to commence upon completion of the drilling of the Vinekh Well in Q1/2026, and to take around two months. The drilling budget, including production tests (if needed), is approx. €86 million (approx. \$101 million). The Partnership's share is approx. €68 million (approx. \$80 million).

- b. According to the resource report prepared by an independent reserve valuator as of 30 November 2024, the best estimate of the prospective resources (2U) (100%) in the Vinekh prospect is approx. 3,347.6 BCF of natural gas.

According to the resource report prepared by an independent reserve valuator as of 31 May 2025, the best estimate of the prospective resources (2U) (100%) in the Krum prospect is approx. 7,505.6 BCF of natural gas.

¹ Dollar-denominated amounts are based on the €/€ exchange rate as of 30 September 2025.

Note 3 – Investments in Oil and Gas Assets: (Cont.)

B. Developments in investments in oil and gas assets: (Cont.)

7. Block 1-21 Han Asparuh which is located at the EEZ of the Republic of Bulgaria in the Black Sea (the "Bulgaria License" or the "Block"): (Cont.)

- c. 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 under which a Bulgarian government-owned company would acquire up to 20% of the interests in the Bulgaria License and regarding a letter received by OMV Bulgaria 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, it is noted that as of the date of approval of the Consolidated Interim Financial Statements, negotiations on this matter are being conducted between the Partnership and OMV Bulgaria and the Bulgarian government-owned company, Bulgarian Energy Holding EAD ("BEH"), in relation to a transaction under which each of the Partnership and OMV Bulgaria will sell 5% of the interests in the Bulgaria License to BEH, prior to commencement of the drilling of the first well in the area of the Bulgaria License as specified in Section a above.

Note 4 – Contingent Liabilities and Engagements:

- A. Further to Note 12C3F to the Annual Financial Statements regarding negotiations for the sale of additional natural gas quantities to Blue Ocean (in this section: the "**Buyer**"), the Partnership reported that on 7 August 2025, the Leviathan Partners (in this section: the "**Sellers**") engaged with the Buyer in an amendment to the export to Egypt agreement which was signed between the Sellers and the Buyer on 26 September 2019, and as amended from time to time (the "**Export Agreement**" and the "**Amendment to the Export Agreement**" or the "**Amendment**", respectively).

Below is a description of the highlights of the Amendment to the Export Agreement:

1. Under the Amendment, the total contract quantity under the Export Agreement shall be increased by two increments by a total volume of 130 BCM (jointly: the "**Additional Quantities**"), as specified below: (a) An additional gas quantity of approx. 20 BCM from the taking effect of the Amendment (the "**First Increment**"); and (b) An additional gas quantity of approx. 110 BCM, subject to satisfaction of the conditions specified in Section 3 below (the "**Second Increment**")².
2. The First Increment: The daily gas quantity that the Sellers are obligated to supply to the Buyer in the Export Agreement shall be increased from 450 MMSCF per day (approx. 4.7 BCM per annum) to 650 MMSCF (approx. 6.7 BCM per annum), from the date on which Israel Natural Gas Lines Ltd. ("**INGL**") completes the construction of the Ashdod-Ashkelon offshore section and the Sellers complete construction of the Third Pipeline project³.

² By 31 December 2024, the Leviathan Partners had supplied the Buyer with ~23.5 BCM out of a maximum contract quantity under the Export Agreement of ~60 BCM.

³ For further details regarding the Third Pipeline project and the Ashdod-Ashkelon offshore section, see Note 3B1 above and Note 4M below.

Note 4 – Contingent Liabilities and Engagements: (Cont.)

A. (Cont.)

3. The Second Increment: The Sellers' undertaking to supply the Second Increment is subject to satisfaction of the following conditions: (a) Adoption of a final investment decision (FID) by the Sellers regarding stage one of the expansion project in the context of the updated development plan for the Leviathan reservoir (the "**Expansion Project**")⁴; and (b) Engagement by the Sellers (or another on their behalf) with INGL in a transmission agreement for the Nitzana pipeline (collectively: the "**Conditions to the Second Increment**"), for the supply of the gas to the Buyer at the delivery point on the Israel-Egypt border. Insofar as the Conditions to the Second Increment are not satisfied by 30 September 2025, with an option for an extension for a period of up to an additional 6 months according to the Sellers' decision, the provisions of the Amendment to the Export Agreement that pertain to the Second Increment shall not take effect.

Subject to satisfaction of the Conditions to the Second Increment, the daily gas quantity that the Sellers are obligated to supply to the Buyer shall be increased to 1,150-1,250 MMSCF (approx. 11.9-12.9 BCM per annum). This quantity was determined in consideration, *inter alia*, of the forecasted natural gas demand and supply of the Israeli domestic market, with the aim of guaranteeing the supply for the domestic market's needs.

The Amendment to the Export Agreement determines a mechanism for the timing of commencement of the supply of the said increased daily quantity (the "**Expansion Date**"), which is primarily based on the Sellers' estimate regarding the progress of the projects required for expansion of the daily supply quantity, and chiefly completion of stage one of the Expansion Project⁵ and completion of the project for the construction of the Nitzana pipeline⁶. In the Sellers' estimation, as of the date of approval of the Consolidated Interim Financial Statements, the said projects are expected to be completed in 2029.

4. According to the Amendment to the Export Agreement, on the date of completion of the Ashdod-Ashkelon offshore section and the Third Pipeline project, the supply period shall be extended until 10 years after such date or until the date on which the Buyer shall consume the total contract quantity (i.e., including the First Increment), whichever is earlier. In addition, on the Expansion Date, the supply period shall be extended until 31 December 2040 or until the date on which the Buyer shall consume the total contract quantity (i.e., including the Second Increment), whichever is earlier. If, at the end of the supply period, the Buyer shall not have consumed the total contract quantity, the supply period shall automatically be extended until the date on which the Buyer shall consume the total contract quantity, provided that the said extension period does not exceed an additional two years.
5. The Amendment to the Export Agreement includes, *inter alia*, the following additional changes:
- (a) The Buyer undertook to take or pay (TOP) for the Additional Quantities according to the mechanisms determined in the Amendment to the Export Agreement;
 - (b) The Buyer's right to reduce the TOP rate in a year in which the Average Brent Price (as defined in the Export Agreement) falls below U.S. \$50 per barrel (for details see Note 12C3d to the Annual Financial Statements), was cancelled;
 - (c) Provisions were determined regarding the price of the gas that shall be supplied to the Buyer under the Export Agreement as well as a price mechanism in relation to the gas quantities that shall be supplied in the context of the Second Increment, in accordance with a formula that is based on the Brent oil barrel price, which includes a "floor price";

⁴ For further details, see Note 7C1C to the Annual Financial Statements.

⁵ For details regarding stage one of the Expansion Project, see Note 7C1C(a) to the Annual Financial Statements.

⁶ For further details regarding the Nitzana pipeline, see Note 4J below.

Note 4 – Contingent Liabilities and Engagements: (Cont.)

- B. Further to Note 12C2(b) to the Annual Financial Statements regarding a natural gas supply agreement signed between NBL Jordan Marketing Limited and the Jordanian transmission company, in July 2025, all the conditions precedent for the taking effect of such agreement were fulfilled, and the gas supply thereunder has begun.
- C. In May 2025, an agreement was signed between the Leviathan Partners and ICL Group Ltd. for the supply of natural gas for a period of approx. 5 years in a total volume of approx. 0.75 BCM.
- D. In July 2025, an agreement was signed between the Leviathan Partners and industrial plants in Jordan for the supply of natural gas for a period of approx. 15 years in a total volume of up to approx. 2 BCM. The gas shall be supplied via a system of INGL in the area of the Dead Sea, and the gas price formula determined in this agreement is based on linkage to the Brent prices and includes a "floor price". Moreover, the taking effect of the agreement is contingent on several conditions precedent. As of the date of approval of the Consolidated Interim Financial Statements, the export approval for this agreement has been received.
- E. Further to Note 12E1 to the Annual Financial Statements regarding an appeal which was filed by the Partnership and Chevron (in this section: the "**Plaintiffs**") on the judgement received in a claim which was filed thereby with the District Court in Jerusalem against the State of Israel (in this section: the "**Defendant**"), which mainly includes a demand for the restitution of royalties paid by the Plaintiffs, in excess and under protest, to the Defendant, for revenues generated to the Plaintiffs from gas supply agreements, which were signed between natural gas consumers and the partners in the Yam Tethys project (in this section: the "**Appeal**"), the hearing of the Appeal was scheduled for 18 May 2026.
- F. Further to Note 12E2 to the Annual Financial Statements regarding an appeal filed by holders of participation units in Avner Oil Exploration - Limited Partnership ("**Avner**") from the Supreme Court's judgment dismissing the motion for class certification filed by them in connection with the merger transaction between the Partnership and Avner (in this section: the "**Judgment**") against Avner, Avner's general partner and board members, Delek Group as the (indirect) control holder of Avner, and Price Waterhouse Coopers Consulting Ltd. (in this section: "**PWC**" and the "**Appeal**", respectively), and regarding a counter-appeal filed by PWC from the Judgment, which is being conducted in the framework of the Appeal (the "**Counter-Appeal**"), the hearing of the Appeal and the Counter-Appeal has been scheduled for 3 August 2026.
- G. Further to Note 12E3 to the Annual Financial Statements regarding a motion for class certification filed by a shareholder of Tamar Petroleum Ltd. ("**Tamar Petroleum**") and the Public Representatives Association with the Tel Aviv District Court (the Economic Department), against the Partnership, Tamar Petroleum, officers thereof, and Leader Underwriters (1993) Ltd. (in this section: the "**Respondents**"), concerning a July 2017 issuance of Tamar Petroleum shares, according to the instructions received from the court, the Respondents' summations were filed in August 2025, and responding summations on behalf of the petitioners were filed in October 2025.

Note 4 – Contingent Liabilities and Engagements: (Cont.)

- H. Further to Note 12E6 to the Annual Financial Statements regarding a motion for class certification which was filed by a holder of participation units of the Partnership (in this section: the **"Petitioner"**) with the Tel Aviv District Court (Economic Department) against the Partnership, the GP, Delek Group, Yitzhak Sharon (Tshuva), the directors of the GP, including the former chairman of the Board, and the CEO of the GP (in this section, jointly: the **"Respondents"**), claiming that the Respondents refrained from disclosing, in the Partnership's reports, the existence of a clause in the agreements for the sale of natural gas from the Leviathan and Tamar reservoirs to Blue Ocean, on 13 March 2025 the Respondents filed closing statements on their behalf, and on 3 August 2025 the Petitioner filed responding summations on his behalf. On 12 August 2025, the Petitioner filed a motion to admit a new document into evidence in the proceeding, and on 30 October 2025, the Respondents filed their response to such motion. On 9 November 2025, the court accepted the Petitioner's proposal, whereby each party will address the evidence that will be admitted and accordingly ruled that the Petitioner will submit the additional evidence on his behalf, that the Respondents may address the additional evidence, and that the Petitioner may file a response thereto on his behalf, and all by 14 December 2025.
- I. Further to Note 12E7 to the Annual Financial Statements regarding a lawsuit filed by Haifa Port Ltd. (**"Haifa Port"**) against Chevron, Coral Maritime Services Ltd. and Gold Line Shipping Ltd., in relation to payment of handling fees to Haifa Port, the parties agreed to refer the case to mediation. It is further noted that in September, several mediation sessions were held in a proceeding before the Hon. Justice (Ret.) Zvi Zylbertal, and that accordingly, some of the trial hearings that had been scheduled in the proceeding have been cancelled. As of the date of approval of the Consolidated Interim Financial Statements, the parties have succeeded in reaching understandings, subject to approval by the parties' competent organs, which are expected to obviate the continued litigation of the suit in court.
- J. Further to Note 12E8 to the Annual Financial Statements regarding a motion for an order for discovery and inspection of documents prior to the filing of a derivative suit, which was filed by a holder of participation units of the Partnership (in this section: the **"Petitioner"**), against the Partnership, the GP, the Partnership's CEO, and members of the GP's board of directors (including members of the compensation committee) in the relevant period, alleging that approval of the current terms of office and employment of the Partnership's CEO by the compensation committee and the board of directors by "overruling" the position of the general meeting of the holders of the Partnership's participation units, was done contrary to the law, it is noted that the Partnership filed its summations in October 2025, and that according to the court's decision, the Petitioner is required to file responding summations on his behalf by November 2025. It is further noted that on 25 June 2025, the Petitioner filed a motion for an award of legal fees of ILS 950,000 (plus VAT) for its counsel, and according to the court's decision, on 7 August 2025, the Partnership filed its response to the Petitioner's motion for the award of fees for his counsel, and that on 10 August 2025, the court ruled that such motion be stricken out, with no order for costs.

Note 4 – Contingent Liabilities and Engagements: (Cont.)

K. Further to Note 12E9 to the Annual Financial Statements regarding a statement of claim in arbitration filed by Chevron against INGL in relation to a breach of the transmission agreement of 18 January 2021 with INGL (the "**Transmission Agreement**"), and with respect to the mediation proceeding to which the parties deferred with the purpose of attempting to reach an agreement without a decision in the arbitration, on 2 April 2025, a preliminary hearing was held in the proceeding, during which dates - for mutual discovery between the parties as well as for the submission of affidavits *in lieu* of direct testimony on the parties' behalf - were scheduled. At the same time, two evidence hearing dates were scheduled in the proceeding for November-December 2025. Furthermore, the third mediation meeting in the proceeding was held on 6 May 2025, upon conclusion of which the parties reached an in-principle agreement, which is subject to final approval by INGL and by the partners in the Leviathan and Tamar projects, in connection with a settlement arrangement, whereby, *inter alia*, INGL will credit Chevron (and consequently the partners in the Leviathan and Tamar projects) for some of the transmission fees that INGL had been paid for the transmission to EMG's Ashkelon terminal, and in connection with several changes in the Transmission Agreement, including the transmission fees to be paid by Chevron in 2025-2026 and a two-year extension of the Transmission Agreement. On 5 August 2025, the parties signed a settlement agreement based on the principles on which they had agreed, as aforesaid. On 19 August 2025, an arbitration award was entered on the said settlement agreement, with each party bearing its own costs. The refund received by the Partnership was in a non-material amount.

L. Further to Note 12F2(e) to the Annual Financial Statements regarding the project for the onshore connection between the Israeli transmission system and the Egyptian transmission system in the area of Nitzana (the "**Nitzana Project**"), which includes a pipeline and the construction of a compressor station in the area of Ramat Hovav, and further to previous letters by the Natural Gas Authority (the "**Gas Authority**"), regarding the allocation of capacity in the Ramat Hovav-Nitzana pipeline, on 16 September 2025 Chevron entered into an agreement for the provision of transmission services with INGL for the purpose of piping natural gas from the Leviathan reservoir to Egypt through the Nitzana Project (the "**Transmission Agreement**").

On 23 October 2025, the Leviathan Partners received notice from the Gas Authority, whereby the rate of the Nitzana Project allocated to the Leviathan project has been revised to 41.8% (the "**Updated Allocated Rate**"). Of note, to the best of the Partnership's knowledge, the remaining capacity of the Nitzana Project will be allocated to the partners in the Tamar project (41.8%) and to Energean (16.4%). Further to this notice, on 23 October 2025, Chevron, on behalf of the Leviathan Partners, signed an amendment to the Transmission Agreement intended to reflect the Updated Allocated Rate (the "**Amendment to the Agreement**"). Furthermore, to the best of the Partnership's knowledge, concurrently therewith, the said other two exporters also signed transmission agreements with INGL in respect of the share allocated to them in the project, thereby satisfying the conditions precedent that had been stipulated for the Transmission Agreement's entry into force and effect.

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 Note 12H6 to the Annual Financial Statements, the capacity of the Nitzana Project is estimated by the 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. Further to the Amendment to the Agreement as aforesaid, the allocation to the Leviathan Partners is 41.8%, and the daily firm transmission capacity guaranteed to the Leviathan Partners shall be approx. 175,560 MMBTU (the "**Basic Capacity**").

Note 4 – Contingent Liabilities and Engagements: (Cont.)

L. (Cont.)

Below is a summary description of key points 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.
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 Gas Authority. In addition, Chevron shall bear its proportionate share (according to Leviathan Partners' 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 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 period 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. \$610 million (the Partnership's share – approx. \$116 million). The Transmission Agreement further determines that INGL shall be entitled to update the estimated budget by up to another approx. 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.

Note 4 – Contingent Liabilities and Engagements: (Cont.)

L. (Cont.)

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 Gas Authority; and (2) the signing of gas transmission agreements with the other exporters covering the full 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. As of the date of approval of the Consolidated Interim Financial Statements, the aforesaid conditions precedent for the Transmission Agreement have been satisfied.
In addition, to the best of the Partnership's knowledge, following all the exporters' signing of the Transmission Agreement, the Transmission Agreement took effect on 23 October 2025. Moreover, to the best of the Partnership's knowledge, on 5 November 2025, Chevron and INGL signed an agreement for the performance of design work, procurement and construction of a compression system and valve station for the Nitzana Project (the "**Compressor Station**"), which provides for the terms and conditions of construction of the Compressor Station.
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 proportionate 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.

Note 4 – Contingent Liabilities and Engagements: (Cont.)

- M.** Further to Note 12F2a to the Annual Financial Statements regarding the costs of the construction of the Combined Section, and regarding the delay in completion of the work on construction thereof, on 18 September 2025, the GP's Board approved an additional budget addition of approx. \$7.6 million (100% Leviathan Partners; Partnership's share – approx. \$3.5 million) for the purpose of completing such work, such that as of the date of approval of the Consolidated Interim Financial Statements, the total budget approved is approx. \$138.9 million (100% Leviathan Partners; Partnership's share – approx. \$63 million). It is clarified that, in the estimation of the operator in the Leviathan Project, as of the date of approval of the Consolidated Interim Financial Statements, completion of construction of the Combined Section and commencement of transmission of the gas are expected in H1/2026.
- N.** Further to Note 12G1 to the Annual Financial Statements with respect to approval by the general meeting of holders of the Partnership's participation units of the Partnership's entry into an exclusive collaboration agreement for a 3-year term with Enlight for the identification, initiation, development, financing, construction and operation of renewable energy projects, it is noted that the said term ended on 21 September 2025. It is clarified that the parties' collaboration on projects that commenced prior to such date is ongoing, up to an aggregate investment amount of \$100 million (the Partnership's share), in accordance with the general meeting's approval in this respect and the agreement signed between the parties.

Note 5 – Taxation:

Further to Notes 19B2, 19B3 and 19B4 to the Annual Financial Statements regarding assessment orders that the Partnership received from the Tax Authority against the backdrop of the disputes that erupted between the Partnership and the Tax Authority and disagreements regarding the amount of the Partnership's taxable income for 2016, 2017 and 2018. According to the court's decision, by 3 December 2025 the parties shall update the court regarding the manner in which the proceedings will continue to be heard.

Note 6 – Additional Information

- A.** Further to Note 8B to the Annual Financial Statements regarding an agreement between the Partnership and Ocean Energiean Oil and Gas Ltd. ("**Energiean**") for the sale of interests in the I/17 Karish and I/16 Tanin leases (jointly: the "**Karish and Tanin Leases**"), the Partnership has engaged an external independent appraiser to assess the fair value of royalties based on future production from the Karish and Tanin Leases (see also Note 7 below) (in this section: the "**Royalties**"). Below are main parameters out of the valuations that were used to measure the Royalties: the cap rate is estimated at approx. 9.9%; the total amount of the natural gas and hydrocarbon liquid (condensate) reserves classified as Proved + Probable as of 31 December 2024 that were used for the valuation to measure the Royalties was estimated at approx. 88.8 BCM and approx. 86.5 MMBBL, respectively; average annual production rate from the Karish lease: approx. 3.05 BCM natural gas; average annual rate of condensate production from the Karish lease of approx. 4.02 million barrels of condensate; average annual production rate from the Tanin lease: approx. 2.36 BCM natural gas; average annual rate of condensate production from the Tanin lease of approx. 0.40 million barrels of condensate. Financial expenses recorded in the report period include a positive revaluation of approx. \$15.8 million.
- B.** On 11 May 2025 and 4 September 2025, the GP's Board approved distributions to the LP in the sum of approx. ILS 0.5 million (approx. \$0.1 million) each, designated for the payment of the Supervisor's fees and the trustee's fees and expenses, in accordance with the provisions of the Trust Agreement.

Note 6 – Additional Information (Cont.)

- C. On 9 March 2025, the GP's Board approved, after adopting the recommendation of the Financial Statements Review Committee of the Partnership's GP, the distribution of profits in the sum of approx. \$60 million (\$0.05112 per participation unit of the Partnership), with the record date for the distribution being 20 March 2025. Such distribution of profits was transferred to the trustee for performance of the distribution on 28 March 2025 and performed on 3 April 2025.

On 11 May 2025, the GP's Board approved, after adopting the recommendation of the Financial Statements Review Committee of the Partnership's GP, a profit distribution in the sum of approx. \$60 million (\$0.05112 per participation unit of the Partnership), with the record date for the distribution being 21 May 2025. Such profit distribution was carried out on 5 June 2025.

On 7 August 2025, the GP's Board approved, after adopting the recommendation of the Financial Statements Review Committee of the Partnership's GP, a profit distribution in the sum of approx. \$60 million (\$0.05112 per participation unit of the Partnership), with the record date for the distribution being 19 August 2025. Such profit distribution was carried out on 28 August 2025.

On 9 November 2025, the GP's Board approved, after adopting the recommendation of the Financial Statements Review Committee of the Partnership's GP, a profit distribution in the sum of approx. \$60 million (\$0.05112 per participation unit of the Partnership), with the record date for the distribution being 19 November 2025. Such profit distribution will be carried out on 4 December 2025.

- D. Further to Note 10B to the Annual Financial Statements regarding the Leviathan Bond bonds (the "**Leviathan Bonds**") which were issued by Leviathan Bond Ltd., an SPC wholly-owned by the Partnership, on 30 June 2025, final full redemption of the second series of the bonds was completed, after on 29 May 2025, the amount of \$400 million plus accrued interest in the amount of approx. \$10.1 million were redeemed early and partially, out of a total series amount of \$600 million. According to the terms and conditions of the bonds, redemption of the series in the quarter before the original redemption date (namely, 30 June 2025) is not subject to the payment of early redemption fees to the bondholders.

- E. As of the date of approval of the Consolidated Interim Financial Statements, the Partnership is considering various financing alternatives, including financing by way of loans from banking and financing corporations (other than the ones specified in Notes 6F and 6G below), bonds, various equity instruments and other alternatives, if any, in order to promote, *inter alia*, the adoption of a final investment decision (FID) for the development of the first phase of Stage 1B of the Leviathan project development program in the coming months, as detailed in Note 7C1 to the Annual Financial Statements, and in order to continue performing the required actions and investments, as detailed in Note 12F2 to the Annual Financial Statements.

- F. Further to Note 10E to the Annual Financial Statements regarding agreements for the provision of credit facilities by two Israeli banks, on 16 June 2025, the Partnership signed an agreement with one of the two Israeli banks for the provision of two new credit facilities in the total amount of \$350 million (in this section: the "**Agreement**", the "**Lender**" or the "**Bank**", and the "**Credit Facilities**", respectively). The Credit Facilities are in lieu of a credit facility received by the Partnership from the Bank in the sum of \$200 million that was made available to the Partnership on 8 October 2024. The Credit Facilities are intended to be used by the Partnership in its operating activities including in relation to Phase 1B of the Leviathan reservoir's development plan.

Below is a concise description of the additional key terms determined in the Credit Facilities documents:

Note 6 – Additional Information (Cont.)

F. (Cont.)

1. The Partnership undertook to withdraw, by 30 June 2025, the entire Credit Facility A, in the amount of \$275 million ("**Credit Facility A**") and shall be entitled to withdraw from Credit Facility B, from time to time and until 15 July 2027 (in this section: the "**Availability Period**"), up to \$75 million more ("**Credit Facility B**"). Any loan taken from Credit Facility B and repaid will be available for repeat withdrawal and repayment until the end of the Availability Period. On 18 June 2025, the Partnership withdrew all of Credit Facility A in accordance with the terms and conditions of the Agreement. As of the date of approval of the Consolidated Interim Financial Statements, the Partnership has not yet withdrawn amounts from Credit Facility B.
2. Loans that are taken from both of the Credit Facilities (the "**Loans**") shall be repaid in non-equal instalments: 5% on 31 December 2027; 10% on 31 December of each of the years 2028 through 2030 (inclusive); and 65% on 30 June 2031 (the "**Final Maturity Date**").
3. The Loans will bear interest payable semi-annually, with the first interest payment due on 31 December 2025, and the last payment on the Final Maturity Date. The loan from Credit Facility A will bear a fixed annual interest rate of 5.99%. The loan from Credit Facility B will bear a variable annual interest rate based on Three-Month Term SOFR, plus a margin of 2.35% per annum.
4. The Partnership paid the Lender a one-time commitment fee totaling \$1.3 million on the date of provision of the loan from Credit Facility A. The Partnership will also pay the Lender a non-utilization fee on each interest payment date, on the undrawn portion of Credit Facility B, until the end of the Availability Period, at an annual rate of 0.75%. Under the terms and conditions of the Agreement, the Partnership may reduce Credit Facility B at any time, without charge.
5. The Partnership has the right to prepay each of the Loans (in whole or in part) at all times. Due to prepayment of loans utilized from Credit Facility A (only), the Partnership shall be charged a prepayment fee, the terms and conditions of which were provided in the Agreement. Other than the aforesaid, the Partnership shall not be charged a prepayment fee or another payment due to a prepayment.
6. The Partnership undertook not to pledge and not to mortgage or undertake to pledge or mortgage, in any manner whatsoever and for any purpose whatsoever, for the benefit of any third party, all of its rights in relation to its rights to receive royalties from the Karish and Tanin Leases, without obtaining the Bank's consent in advance and in writing.
7. The Credit Facilities documents provide directives in relation to circumstances of sale of all or part of the Partnership's interests in the Leviathan project, which directives include an undertaking to reduce the Credit Facilities total in the event of such sale and/or prepayment of the Loans under certain conditions.
8. The Partnership has undertaken that after signing the Agreement, it shall not assume an additional financial debt, that is not from the Lender, the principal payment date in respect of which falls in the period of the 12 months before the Final Maturity Date of the Loans. The aforesaid shall not apply to current credit facilities or on-call loans (payable upon demand) or to series 6/2030 bonds. The aforesaid notwithstanding, such limitation shall not apply, if: (a) the balance of the principal unpaid on the Final Maturity Date does not exceed \$150 million; or (b) the cumulative principal amount of the additional financial debt does not exceed \$100 million (or higher amounts with the Lender's consent in advance and in writing).
9. The Partnership's prior principal sums shall not exceed, at all times, the cumulative amount of \$1,550 million. According to the Agreement, the "prior principal sums" of the Partnership shall mean, at all times, the cumulative principal payment amounts of any financial debt which is not to the Bank (that are yet to be paid), whose payment date according to the payment schedule relevant to such financial debt, falls before the Final Maturity Date, net of amounts deposited at such time in funds pledged to guarantee such financial debts, and other than the principal amount payable on 30 June 2025 due to Leviathan Bonds and payment amounts of principal due to bonds constituting a financial debt (including Leviathan Bonds) purchased by the Partnership or a subsidiary thereof (buyback).

Note 6 – Additional Information (Cont.)

F. (Cont.)

10. The aforesaid notwithstanding, the Partnership shall be entitled to assume a financial debt, even if the same does not meet the conditions listed in Section 9 above (the "**Deviating Financial Debt**"), subject to the following conditions: the Partnership shall notify the Bank in writing within 5 business days from the date of provision of the Deviating Financial Debt, and the Bank shall be entitled, in its discretion, in a written notice no later than 30 days from the date of receipt of the notice from the Partnership (the "**Aforesaid Date**") to terminate the credit facility and demand that the Partnership prepay all of the Loans provided thereto by virtue of the Credit Facilities (the "**Bank's Payment Notice**"). If the Bank's Payment Notice is given by the Aforesaid Date, the Partnership shall prepay the balance to be settled of all of the Loans provided thereto by virtue of the Credit Facilities by and no later than 60 days from the date of receipt of the Bank's Payment Notice, together with one half of the amount of the prepayment fee which the Partnership is obligated (if it is so obligated) to pay for prepayment of Loans by virtue of the Credit Facilities. If the Bank does not give the Bank's Payment Notice by the Aforesaid Date to the Partnership, the Bank shall be deemed to agree to the assumption of the Deviating Financial Debt.
11. Below are details on the financial covenants with which the Partnership is required to comply and breach of which gives rise to the Lender's acceleration right, and the calculated value thereof as of the date of the Consolidated Interim Statements of Financial Position.
 - a. The ratio between the Value of the Partnership's Assets and the Net Financial Debt shall, on two consecutive examination dates, be no less than the ratios stated below: up to the Net Financial Debt of \$2.5 billion – no less than 1.5; due to any additional Net Financial Debt exceeding \$2.5 billion and not exceeding \$2.75 billion – no less than 2.5; and due to any additional Net Financial Debt exceeding \$2.75 billion – no less than 4.1⁷. As of 30 September 2025, the Partnership's Net Financial Debt is below \$2.5 billion and the said ratio is approx. 4.71.
 - b. The Partnership (standalone) shall maintain minimal liquidity (as defined in the agreement) of \$20 million. As of 30 September 2025, this amount is approx. \$469.6 million.
 - c. At all times, the total Financial Debt shall not exceed \$3 billion. As of 30 September 2025, the total Financial Debt is approx. \$1.4 billion.
 - d. Surplus Sources shall not be negative. As of 30 September 2025, the Surplus Sources is not negative. See also Section 13 below.

⁷ For this purpose, "**Value of the Partnership's Assets**" – the total discounted cash flow, after deduction of taxes (at the rate of 10%), of the probable and/or contingent (2P and/or 2C) reserves of the Partnership's share in all of the projects, based on the latest discounted cash flow (DCF) publicly released by the Partnership, plus the value of other assets of the Partnership (which are not included in the definition of projects), based on an external independent valuation by a valuator whose identity is acceptable to the Lender. For the avoidance of doubt, the value of assets that secure a financial debt included in the definition of Financial Debt below shall be taken into account in the calculation of the Value of the Partnership's Assets, and the value of assets that secure a financial debt that is not included in the definition of Financial Debt below shall not be taken into account in the calculation of the Value of the Partnership's Assets.

"**Financial Debt**" – debts and liabilities of the Partnership to banks and other financial institutions and/or which derive from all types of bonds, including straight bonds and convertible bonds and/or which derive from loans received by the Partnership from affiliates or any third parties (except loans in respect of which letters of subordination were signed vis-à-vis the Lender by the Partnership and by the entity that provided such loan, and except limited recourse debts or liabilities (other than Leviathan Bonds)). For the avoidance of doubt, the term "financial debt" does not include facilities for guarantees and bank guarantees issued thereunder per the Partnership's request, and does not include financial debt of corporations held by the Partnership (except Leviathan Bonds or financial debt of companies guaranteed by the Partnership (and with respect to such a guarantee, in any event no more than the guarantee amount and except a guarantee that is limited to assets and liabilities that are specified in the definition of limited recourse)).

"**Net Financial Debt**" – Financial Debt, net of: (1) cash and cash equivalents; and (2) deposits at banks and financial institutions; (3) funds and safety cushions provided to secure Financial Debt (if not included in Subsection (1) or (2)), and provided that none of the assets specified above are subject to a fixed charge and/or an undertaking of non-withdrawal in favor of any entity other than the Lender has been given, not for the debt or liability included in the definition of the Financial Debt.

Note 6 – Additional Information (Cont.)

F. (Cont.)

12. Review of the covenants as specified in Section 11 above will be conducted every quarter according to the Partnership's annual consolidated financial statements or according to the Partnership's quarterly consolidated financial statements, or every half-year if the Partnership only prepares semiannual statements.
13. In the Agreement, the Partnership undertook that the Surplus Sources (as defined in the Agreement)⁸ shall not be negative. For the Partnership's raising of capital or debt, for the purpose of calculation of the sources, the Partnership shall be entitled to include, in the sources, the following amounts (in the aggregate) according to the capital or debt raising plan of the CEO or CFO of the Partnership at such time: (a) the balance amounts of binding credit facilities from any and all financial bodies yet to be withdrawn (in respect of which the assumption was that they will be renewed in the period); (b) amounts the Partnership is entitled to raise according to the conditions of the Leviathan Bonds, provided that the international bond rating does not fall below B by at least one rating agency; (c) an additional debt or capital amount up to \$300 million (in the aggregate); and (d) additional debt or capital amounts in respect of which the Lender was shown an agreed-upon term sheet or MOU or a similar document or that are to the satisfaction of the Lender, which is entitled to object on reasonable grounds only in the determined period. The examination of the Surplus Sources shall be performed every half-year according to the sources and uses report, whose details were defined in the Agreement.

⁸ For this purpose, "**Surplus Sources**" – the aggregate amount of the sources until the earlier of: (a) the end of the year from the date to which the calculation relates, or (b) 30 June 2031, as specified in the sources and uses report net of the uses amount as defined in the said report for such period.

Note 6 – Additional Information (Cont.)

F. (Cont.)

14. The Credit Facilities documents describe certain representations of the Partnership and warranties and additional terms and conditions as is customary in financing agreements of this kind, and in such context, the Credit Facilities documents define specific default events upon the occurrence of which, the right to accelerate the Loans or any part thereof shall be conferred on the Lender. These include *inter alia* the following events: termination or ongoing suspension of production from the Leviathan project due to war or terrorism including by way of a regulatory directive for a period of 180 days or longer, insofar as this amounts to, or will reasonably have a material adverse effect; Change of Control⁹; cancellation of the lease deeds in the Leviathan reservoir; adoption of a resolution on Restructuring¹⁰; non-payment, acceleration or notice of acceleration of any debt or demand to prepay any debt (in whole or in part) in the amount exceeding \$15 million¹¹, a material change to the incorporation documents that may harm the Lender; if the Partnership breaches or does not fulfill the provisions of the Agreement with the Lender and such breach is not remedied within 21 days (and regarding the financial covenants, within one quarter) and; other standard clauses such as breach of a representation or undertaking, discontinuation of business, material adverse effect, lawsuits and attachments on the Partnership's assets or property, a going concern note in the financial statements, insolvency, resolution on dissolution, appointment of a (temporary or permanent) receiver/liquidator, etc. and all, subject to specific exceptions and terms and conditions and the qualifications and/or remediation periods determined in the Credit Facilities documents.

⁹ For this purpose, "**Change of Control**" means if Delek Group ceases to hold, directly or indirectly, at least 25% of the means of control of the Partnership and to be the largest holder of the means of control in the Partnership and/or there is another control holder in the Partnership (separately or together with Delek Group). "**Control**" and "**Means of Control**" are as defined in the Securities Law, 5728-1968. The aforesaid notwithstanding, if Delek Group shall hold, directly or indirectly, 50% of the Partnership's participation units, with the remaining participation units being held by BP and/or ADNOC, this shall not be deemed as a Change of Control. The Lender shall not unreasonably withhold consent to such a Change of Control.

¹⁰ For this purpose, "**Restructuring**" means a merger or split, including consolidation and reorganization, whether as a surviving company or a target company, as well as any action other than in the ordinary course of business that results in the acquisition of assets and/or liabilities of another entity, including a settlement or arrangement pursuant to Sections 350 and 351 of the Companies Law, 5759-1999, and any transaction or transactions for the transfer of assets in consideration for shares or other securities. The aforesaid notwithstanding, the transfer or sale of the Partnership's interests in the Leviathan reservoir, a transaction with BP and/or ADNOC, another transaction that does not have a material adverse effect on the Partnership's business, and a change in the Partnership's holding structure from direct to indirect ownership, shall not be deemed as a Restructuring.

¹¹ Except in relation to limited-recourse loans other than Leviathan Bonds.

Note 6 – Additional Information (Cont.)

G. Further to Note 10E to the Annual Financial Statements regarding an agreement for the provision of a \$200-million credit facility by an Israeli bank (in addition to the Credit Facilities specified in Section F above), on 16 June 2025, the Partnership drew down approx. \$100 million from the said credit facility, which sum was fully repaid on 21 July 2025. Furthermore, on 5 October 2025 an amendment to the credit facility agreement was signed between the Partnership and the Israeli Bank, under which the availability period (as defined in Note 10E to the Annual Financial Statements) was extended until 10 November 2025. In addition, on 9 November 2025, the parties signed another amendment to the credit facility documents, the key points of which are as follows:

- 1) The period during which the Partnership will be able to draw down loans from time to time from the credit facility is extended until 10 November 2026 (in this section: the **"Loans"**, **"Availability Period"** and **"Effective Date"**, respectively), and the due dates for repayment of the loans drawn during the Availability Period are also extended, such that they be repaid within 21 months of the Effective Date, with the exception of loans the amount of which does not exceed \$150 million, which, per the Partnership's choice, will be repaid within 27 months of the Effective Date.
- 2) The annual interest rate on the loans was revised to SOFR + a margin ranging between 2.33% and 2.3%.
- 3) The fee in respect of the unused credit facility was revised such that, during the Availability Period, its annual rate will be 0.33% of the balance of the unused credit facility until the end of the Availability Period.
- 4) The negative pledge clause was revised, deleting the Partnership's undertaking not to sell and/or transfer its royalty interests in the Karish and Tanin Leases without the bank's prior written consent, and leaving the Partnership's undertaking not to encumber and/or pledge its royalty interests in the Karish and Tanin Leases without the bank's prior written consent.
- 5) Two of the financial covenants with which the Partnership is required to comply and breach of which gives rise to the lender's acceleration right were revised as follows:
 - a. The ratio between the Value of the Partnership's Assets¹² and Net Financial Debt¹³ was revised such that it be no less than the following ratios: Up to a Net Financial Debt of \$2.5 billion – no less than 1.5; for any additional Net Financial Debt exceeding \$2.5 billion and not exceeding \$2.75 billion – no less than 2.5; and for any Net Financial Debt exceeding \$2.75 billion – no less than 4.1, on two consecutive review dates in the case of quarterly financial statements, or on one half-year review date in the case of semiannual financial statements, with the review of the covenant conducted on a quarterly basis pursuant to the company's annual consolidated financial statements or pursuant to the Partnership's quarterly consolidated financial statements, or on a semiannual basis in the event that the Partnership only prepares semiannual statements.

¹² The definition of **"Value of the Partnership's Assets"** was revised such that the value of assets that secure a financial debt which is included in the following definition of Financial Debt will be taken into account when calculating the value of the Partnership's assets and the value of assets that secure a financial debt which is not included in the following definition of Financial Debt will not be taken into account when calculating the value of the Partnership's assets.

¹³ **"Net Financial Debt"** as defined in the annual financial statements. The definition of **"Financial Debt"** was revised as follows: The Partnership's debts and liabilities to banks and other financial institutions and/or deriving from bonds of any type, including straight bonds and convertible bonds and/or deriving from loans received by the Partnership from affiliated companies or from any third parties (excluding loans for which the Partnership and the lender of the loan signed letters of subordination vis-à-vis the bank and excluding Limited Recourse debts or liabilities (other than Leviathan Bonds)). For the avoidance of doubt, the term **"Financial Debt"** does not include guarantee facilities and bank guarantees issued thereunder per the Partnership's request, nor includes the financial debt of corporations that are held by the Partnership (with the exception of Leviathan Bonds or companies' financial debt which is guaranteed by the Partnership (and as concerns such a guarantee, in any case no more than the amount of the guarantee, and excluding any guarantee which is limited to assets and liabilities that are listed in the definition of Limited Recourse)). It is agreed that any calculation required to be made according to the Partnership's consolidated statements will be made after adjustment thereof to the aforesaid definition of Financial Debt, and this revision affects the definition of Net Financial Debt accordingly.

Note 6 – Additional Information (Cont.)

G. (Cont.)

5) (Cont.)

- b. The covenant related to Surplus Sources¹⁴ was revised such that Surplus Sources are not negative. For the purpose of calculating sources, in respect of capital or debt raising, the Partnership may include the following amounts (in the aggregate) in the sources, in accordance with the CEO's or CFO's planned raising for that period: (1) An amount equal to the balance of binding credit facilities from any financial entity not yet drawn at that time (or renewal of which during the period is assumed); (2) An amount the Partnership may raise pursuant to the terms and conditions of the Leviathan Bonds, provided that Leviathan Bonds' international rating is no lower than a (B) rating by at least one rating agency; (3) An additional amount of debt or capital up to \$300 million (in the aggregate); and (4) An additional amount of debt or capital which is not included in Sections (1)-(3) above and satisfies one of the following: (a) The Partnership presents the bank with an agreed term sheet or memorandum of understandings or any suchlike document in relation thereto that attests to the earnestness of the process; or (b) the additional amount of debt or capital is found satisfactory by the bank, which may only object on reasonable grounds during the period specified. The Surplus Sources review will be conducted on a semiannual basis according to the sources and uses report, the details of which are defined in the credit facility documents.

Below are details regarding the financial covenants with which the Partnership is required to comply and which establish for the lender a right to acceleration, and the calculated value thereof as of the date of the Consolidated Interim Statements of Financial Position—

- 1) The ratio between the Value of the Partnership's Assets and Net Financial Debt shall be no less than the following ratios on two consecutive review dates: Up to a Net Financial Debt of \$2.5 billion – no less than 1.5; for any additional Net Financial Debt exceeding \$2.5 billion and not exceeding \$2.75 billion – no less than 2.5; and for any Net Financial Debt exceeding \$2.75 billion – no less than 4.1. As of 30 September 2025, the Partnership's Net Financial Debt is less than \$2.5 billion and the said ratio is approx. 4.71.
- 2) The Partnership (on a standalone basis) shall maintain liquidity (as defined in the agreement) of \$20 million at a minimum. As of 30 September 2025, this amount totals approx. \$469.6 million.
- 3) Total Financial Debt shall at no time exceed \$3 billion. As of 30 September 2025, total Financial Debt amounts to approx. \$1.4 billion.
- 4) Surplus Sources shall not be negative. As of 30 September 2025, Surplus Sources are not negative.

¹⁴ The definition of "Surplus Sources" was revised as follows: The aggregate amount of sources until the earlier of: (a) the expiration of one year from the date to which the calculation refers; or (b) the date of termination of the loans drawn down (as specified in the sources and uses report) after deduction of the amount of uses (as defined in the sources and uses report) for that period. For the avoidance of doubt, surplus sources shall also include sources and uses for the said period which are related to all the Partnership's credit other than the credit facility under the credit facility documents of 8 October 2024.

Note 6 – Additional Information (Cont.)

- H. Further to Note 7C7 and Note 20C6 to the Annual Financial Statements regarding the grant of equity-based compensation to the Partnership's CEO, Mr. Yossi Abu ("**Mr. Abu**"), during the period of these Consolidated Interim Financial Statements, the Partnership recorded an expense in the statement of comprehensive income against non-controlling interests, in accordance with the mechanism of the equity grant given to Mr. Abu.

The equity-based compensation includes an allotment of 5% of the share capital of NewMed Balkan (in this section: the "**CEO Shares**" and the "**Company**," respectively), by way of allotment of ordinary shares with rights identical to the existing ordinary shares of the same class in the Company's share capital. These shares will entitle Mr. Abu to participate and vote in shareholder meetings and to participate in distributions of profits and in the distribution of the Company's assets upon liquidation, in accordance with the relative portion of the shares in the issued share capital of the Company. The shares to be allotted to Mr. Abu will be subject to a mechanism of reverse vesting with a qualification period of 36 months (the "**Qualification Period**"), commencing on the date of approval of the equity grant (9 March 2025) and ending on 8 March 2028. The share vesting mechanism does not include partial vesting tranches, and in the event of termination of Mr. Abu's employment prior to completion of the full three-year Qualification Period – other than in certain exceptional cases detailed below – he will not be entitled to receive a relative portion of the shares according to his actual employment period.

In the event of termination of Mr. Abu's employment, the Partnership has the right to purchase all or part of his shares. If Mr. Abu resigns voluntarily, prior to the end of the Qualification Period, or in the event of dismissal for cause prior to the end of the Qualification Period, the Partnership will have the right to purchase the shares for no consideration or for their par value. If Mr. Abu's employment is terminated non-voluntarily (due to disability or death) or if he resigns due to worsening of employment conditions, or in the event of dismissal without cause, the Partnership will be entitled to purchase the shares for consideration to be determined based on a discounted cash flow (DCF) report to be prepared by the Company or by the Partnership's reserves evaluator (net of any outstanding financing provided to Mr. Abu). After the Qualification Period, in any case of termination of Mr. Abu's employment, whether due to resignation or dismissal, the Partnership will be entitled to purchase the shares for consideration to be determined based on a DCF (net of any outstanding financing provided to Mr. Abu). The Partnership will finance Mr. Abu's pro-rata share (5%) of the initial investments required by the Company up to a maximum of \$5 million, i.e., 5% of a total required initial investment in an aggregate amount (100%) of up to \$100 million. The actual financing amounts to be provided by the Partnership in favor of Mr. Abu for the initial investment and any applicable tax liability (if any) will bear annual interest of 7.5% from the date of provision of the financing until repayment thereof. Until repayment of the financing, the Partnership will be entitled to receive all dividends to be distributed by the Company for the allotted shares, and Mr. Abu undertakes to instruct the trustee to transfer to the Partnership any dividend to be distributed, net of any tax withheld from the dividend by law. The dividend amounts to be transferred to the Partnership as aforesaid (net of tax) will be deemed as applied towards repayment of the financing.

According to a valuation received by the Partnership from an independent third party valuator, the fair value of the equity-based compensation updated as of the grant date is approx. \$0.8 million. This amount, linearly distributed over the Qualification Period, equals approx. \$0.3 million per year. The valuation was performed using the method of the Net Asset Value (NAV) of NewMed Balkan, considering that its sole asset is the agreement to acquire 50% of the rights in the Bulgaria License. The allocation of value to the CEO Shares was performed using an Option Pricing Model (OPM), based on the Black-Scholes model. The key assumptions in the valuation were: (a) the underlying asset was estimated at approx. \$100 million, reflecting part of the expected investment in the drilling of the first Two Wells, for which Mr. Abu will receive financing; (b) an expected duration of 1.67 years until a "Liquidity Event" as defined in the valuation; (c) a volatility rate of 36.39% based on several comparable companies over two years; and (d) a risk-free interest rate of 4.02% (based on the yield of U.S. government bonds for a 1.67-year term (as of the valuation date)).

Note 6 – Additional Information (Cont.)

- I. On 12 May 2025, the Partnership published a shelf prospectus for the offering of various securities that include, *inter alia*, participation units, bonds and warrants. The shelf prospectus is in effect for 24 months with an option to extend by an additional 12 months.
- J. On 4 September 2025, the Compensation Committee and the Board of the Partnership's GP approved, in accordance with the Compensation Policy, as effective at that time, the Partnership's engagement in a D&O insurance policy, which covers the officers of the GP, the Partnership and its subsidiaries, including the Partnership's CEO, for a 15-month period, starting from 1 September 2025 through 30 November 2026 with limits of liability of \$300 million per event and in total for the insurance period, all under conditions that meet the Compensation Policy.

Note 7 – Financial Instruments:

Fair value of financial instruments:

- A. The fair value of the financial instruments presented in the Consolidated Interim Financial Statements matches or is close to their book value, with the exception of the Leviathan Bond bonds (Level 1) issued as stated in Note 10B to the Annual Financial Statements:

	Fair value	Book value
As of 30 September 2025 (Unaudited)	1,173.9	1,141.9
As of 30 September 2024 (Unaudited)	1,649.4	1,692.2
As of 31 December 2024 (Audited)	1,589.6	1,625.6

- B. Figures on the fair value hierarchy of the financial instruments that are measured in fair value that were recognized in the Consolidated Interim Statements of Financial Position:

	30.9.2025			
	Level 1	Level 2	Level 3	Total
	Unaudited			

Financial assets at fair value through profit or loss:

Investment in a joint project with Airovation

Technologies (see Note 12G2 to the Annual Financial Statements)

-	-	2.0	2.0
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Royalties based on future production from the Karish and Tanin Leases (see Note 8B to the Annual Financial Statements)

-	-	255.5	255.5
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Total financial assets at fair value through profit and loss

-	-	257.5	257.5
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Note 7 – Financial Instruments: (Cont.)

Fair value of financial instruments: (Cont.)

B. (Cont.)

	30.9.2024			
	Level 1	Level 2	Level 3	Total
	Unaudited			
Financial assets at fair value through profit or loss:				
Royalties based on future production from the Karish and Tanin Leases (see Note 8B to the Annual Financial Statements)	-	-	284.0	284.0

	31.12.2024			
	Level 1	Level 2	Level 3	Total
	Audited			
Financial assets at fair value through profit or loss:				
Investment in a joint project with Airovation Technologies (see Note 12G2 to the Annual Financial Statements)	-	-	1.0	1.0
Royalties based on future production from the Karish and Tanin Leases (see Note 8B to the Annual Financial Statements)	-	-	278.0	278.0
Total financial assets at fair value through profit and loss	-	-	279.0	279.0

C. An adjustment due to fair value measurements classified at level 3 in the fair value scale of royalties based on future production from the Karish and Tanin Leases:

	For the nine-month period ended 30 September	
	2025	2024
	Unaudited	
Balance as of 1 January	278.0	273.2
Revenues	(36.6)	(41.2)
Changes in revenues receivable	(1.7)	(2.9)
Remeasurement recognized in profit or loss	15.8	54.9
Balance as of 30 September	255.5	284.0

Notes to the Consolidated Interim Financial Statements as of 30 September 2025 (dollars in millions)**Note 7 – Financial Instruments: (Cont.)****Fair value of financial instruments: (Cont.)****C. (Cont.)**

	For the three-month period ended 30 September	
	2025	2024
	Unaudited	
Balance as of 30 June	253.0	284.8
Revenues	(11.8)	(16.0)
Changes in revenues receivable	(4.6)	(0.8)
Remeasurement recognized in profit or loss	18.9	16.0
Balance as of 30 September	255.5	284.0

	For the year ended 31 December 2024
	Audited
Balance as of 31 December 2023	273.2
Revenues	(55.0)
Changes in revenues receivable	(1.1)
Remeasurement recognized in profit or loss	60.9
Balance as of 31 December 2024	278.0

Note 8 – Material Events Subsequent to the Date of the Consolidated Interim Statements of Financial Position:

- A. See Note 4A for details regarding the extension of the date for satisfaction of the conditions in the transaction for increase of the quantities of natural gas exports to Egypt.
- B. See Note 4A for details regarding the discussions being held between the Ministry of Energy and the Leviathan Partners with respect to the export permit.
- C. See Note 4L for details regarding engagement in an agreement with INGL for the transmission of natural gas to Egypt.
- D. See Note 6C for details regarding approval of a profit distribution of \$60 million by the GP of the Partnership.
- E. See Note 6G for details regarding an amendment to an agreement for the provision of a credit facility.



Report on the effectiveness of internal control over financial reporting and disclosure

This report is a convenience translation of NewMed Energy – Limited Partnership's Hebrew-language Quarterly Report on the Effectiveness of Internal Control over Financial Reporting and Disclosure pursuant to Regulation 38C(a) of the Securities Regulations (Immediate and Periodic Reports), 5730-1970. The original Hebrew-language version is the only binding version and shall prevail in any event of discrepancy.

Quarterly Report on the Effectiveness of Internal Control over Financial Reporting and Disclosure pursuant to Regulation 38C(a) of the Securities Regulations (Immediate and Periodic Reports), 5730-1970

The management, under the supervision of the board of directors of NewMed Energy Management Ltd., the general partner at NewMed Energy – Limited Partnership (the “GP” and the “Partnership”, respectively), is responsible for setting and maintaining proper internal control over financial reporting and disclosure at the Partnership.

For this purpose, the members of management are:

1. Gabi Last, Chairman of the Board of the GP;
2. Yossi Abu, CEO of the Partnership;
3. Tzachi Habusha, VP Finance and Market Risk Manager of the Partnership.

Internal control over financial reporting and disclosure consists of controls and procedures existing at the Partnership, designed by, or under the supervision of, the CEO and the most senior financial officer, or by anyone actually performing such functions, under the supervision of the board of directors of the GP, and which are designed to provide reasonable assurance regarding the reliability of the financial reporting and the preparation of the reports according to the provisions of the law, and to ensure that information which the Partnership is required to disclose in reports released thereby according to the law is gathered, processed, summarized and reported within the time frames and in the format set forth by the law.

Internal control includes, *inter alia*, controls and procedures designed to ensure that information which the Partnership is thus required to disclose, is gathered and transferred to the management of the Partnership, including the CEO and the most senior financial officer or anyone actually performing such functions, in order to enable the timely decision making in reference to the disclosure requirements.

Due to its inherent limitations, internal control over financial reporting and disclosure is not designed to provide absolute assurance that misrepresentation or omission of information in the reports will be avoided or discovered.

In the quarterly report on the effectiveness of the internal control over financial reporting and disclosure, which was attached to the quarterly report for the period ended 30 June 2025 (the “**Latest Quarterly Report on Internal Control**”), the internal control was found effective.

Until the date of the report, no occurrence or issue were brought to the attention of the board of directors of the GP and the management of the Partnership, which may change the evaluation of the effectiveness of the internal control, as was found in the Latest Quarterly Report on Internal Control.

As of the date of the report, based on the Latest Quarterly Report on Internal Control, and based on information which was brought to the attention of the management of the Partnership and the board of directors of the GP as aforesaid, the internal control is effective.

Statement of CEO pursuant to Regulation 38C(d)(1):

Statement of Managers

Statement of CEO

I, Yossi Abu, state that:

- (1) I have reviewed the quarterly report of NewMed Energy - Limited Partnership (the "**Partnership**") for Q3/2025 (the "**Reports**");
- (2) To my knowledge, the Reports do not contain any misrepresentation nor an omission of a material fact required for the representations included therein, given the circumstances under which such representations were included, not to be misleading with regard to the period of the Reports;
- (3) To my knowledge, the financial statements and other financial information included in the Reports adequately reflect, in all material respects, the financial position, operating results and cash flows of the Partnership for the periods and as of the dates covered by the Reports;
- (4) I have disclosed to the Partnership's auditors, the board of directors and the audit and financial statements review committees of the GP in the Partnership, based on my most current evaluation of internal control over financial reporting and disclosure:
 - (a) Any and all significant flaws and material weaknesses in the setting or maintaining internal control over financial reporting and disclosure which may reasonably adversely affect the Partnership's ability to gather, process, summarize or report financial information in a manner which casts a doubt on the reliability of the financial reporting and preparation of the financial statements in conformity with the provisions of the law; and –
 - (b) Any fraud, either material or immaterial, which involves the CEO or anyone reporting to him directly or which involves other employees who play a significant role in internal control over financial reporting and disclosure.
- (5) I, myself or jointly with others in the Partnership:
 - (a) Have set controls and procedures, or confirmed, under my supervision, the setting and maintaining of controls and procedures, which are designed to ensure that material information in reference to the Partnership, including consolidated companies thereof, as defined in the Securities Regulations (Annual Financial Statements), 5770-2010, is brought to my attention by others at the Partnership and the consolidated companies, particularly during the preparation of the Reports; and
 - (b) Have set controls and procedures, or confirmed, under my supervision, the setting and maintaining of controls and procedures, which are designed to reasonably ensure reliability of financial reporting and preparation of the financial statements in conformity with the provisions of the law, including in conformity with GAAP;
 - (c) No occurrence or issue have been brought to my attention that occurred during the period between the date of the latest report (the quarterly report as of 30 June 2025) and the date hereof, which can change the conclusion of the board of directors of the GP in the Partnership and management of the Partnership with regard to the effectiveness of internal control over the Partnership's financial reporting and disclosure.

The aforesaid does not derogate from my responsibility or from the responsibility of any other person, pursuant to any law.

9 November 2025

Yossi Abu, CEO

Statement of the most senior financial officer pursuant to Regulation 38C(d)(2):

Statement of Managers

Statement of the Most Senior Financial Officer

I, Tzachi Habusha, state that:

- (1) I have reviewed the interim financial statements and the other financial information included in the interim reports of NewMed Energy - Limited Partnership (the "**Partnership**") for Q3/2025 (the "**Reports**" or the "**Interim Reports**");
- (2) To my knowledge, the interim financial statements and the other financial information included in the Interim Reports do not contain any misrepresentation nor omission of a material fact required for the representations included therein, given the circumstances under which such representations were included, not to be misleading with regard to the period of the Reports;
- (3) To my knowledge, the interim financial statements and the other financial information included in the Interim Reports adequately reflect, in all material respects, the financial position, operating results of operations and cash flows of the Partnership for the periods and as of the dates covered by the Reports;
- (4) I have disclosed to the Partnership's auditors and to the board of directors and the audit and financial statement review committees of the GP in the Partnership, based on my most current evaluation of internal control over financial reporting and disclosure:
 - (a) Any and all significant flaws and material weaknesses in the setting or maintaining internal control over financial reporting and disclosure, insofar as it relates to the interim financial statements and the other financial information included in the Interim Reports, which may reasonably adversely affect the Partnership's ability to gather, process, summarize or report financial information in a manner which casts doubt on the reliability of the financial reporting and preparation of the financial statements in conformity with the provisions of the law; and
 - (b) Any fraud, either material or immaterial, which involves the CEO or anyone reporting to him directly or which involves other employees who play a significant role in internal control over financial reporting and disclosure.
- (5) I, myself or jointly with others in the Partnership:
 - (a) Have set controls and procedures, or confirmed, under our supervision, the setting and maintaining of controls and procedures, which are designed to ensure that material information in reference to the Partnership, including consolidated companies thereof, as defined in the Securities Regulations (Annual Financial Statements), 5770-2010, is brought to my attention by others at the Partnership and the consolidated companies, particularly during the preparation of the Reports; and
 - (b) Have set controls and procedures, or confirmed, under my supervision, the setting and maintaining of controls and procedures, which are designed to reasonably ensure reliability of financial reporting and preparation of the financial statements in conformity with the provisions of the law, including in conformity with GAAP;

- 
- (c) No occurrence or issue have been brought to my attention, that occurred during the period between the date of the latest report (the quarterly report as of 30 June 2025) and the date hereof, pertaining to the interim financial statements and any other financial information included in the Interim Reports, which could, in my opinion, change the conclusion of the board of directors of the GP in the Partnership and management of the Partnership with regard to the effectiveness of internal control over the Partnership's financial reporting and disclosure.

The aforesaid does not derogate from my responsibility or from the responsibility of any other person, pursuant to any law.

9 November 2025

Tzachi Habusha, CPA
VP Finance



NEWMEDENERGY



Valuation



NewMed Energy - Limited Partnership

Valuation of Royalties From the Sale of the I/16 "Tanin" and I/17 "Karish" Leases

November 2025

This document is a translation of the original Hebrew-language document by Giza Singer Even Ltd. It is prepared solely for convenience purposes. Please note that the Hebrew version is the binding version, and in any event of discrepancy – the Hebrew version shall prevail.



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1. Introduction and Disclaimer

1.1 General

This paper (the "**Paper**" and/or the "**Valuation**") was prepared by Giza Singer Even Financial Advisory Ltd. ("**GSE**") for the purpose of valuation of the royalties to which the limited partnership NewMed Energy¹ ("**NewMed Energy**" and/or the "**Partnership**") is entitled for the sale of its interests in the I/16 "Tanin" and I/17 "Karish" leases (the "**Tanin Royalties**" and the "**Karish Royalties**", respectively, and collectively: the "**Royalties**") as of 30 September 2025 (the "**Valuation Date**"). We are aware that the Paper is intended to be used by NewMed Energy, *inter alia*, for periodic financial statements, and therefore we agree that the Paper will be referred to and/or included in any report released by the Partnership and the interested parties therein, according to the Securities Law, 5728-1968 and the regulations thereunder.

For the preparation of the Paper we relied, *inter alia*, on representations, forecasts and explanations (the "**Information**") which we received from the Partnership and/or anyone on its behalf. GSE assumes that this Information is reliable, and it does not carry out an independent examination of the Information, nor have we become aware of anything which could indicate it being unreasonable. The Information was not examined independently, and therefore the Paper furnished to you does not constitute verification to the correctness, integrity and accuracy of this Information. An economic valuation is supposed to reflect in a reasonable and fair manner a given situation at a certain time, based on known data and while referring to basic assumptions and forecasts which were evaluated.

This Valuation includes a description of the methodology and the main assumptions and analyses which were used for the determination of the fair value of the Royalties to which the Partnership is entitled. However, the description does not purport to be a full and detailed description of all of the procedures which we implemented upon the formulation of the Valuation.

This Paper does not constitute a due diligence inspection and does not replace it. Furthermore, the Paper is also not intended to determine the value of the Royalties for the specific investor, and it does not constitute legal advice or opinion.

The Paper does not include accounting auditing regarding the compliance with the accounting principles. Giza Singer Even Financial Advisory is not responsible for the manner of accounting presentation of the financial statements of the Partnership including the accuracy and integrity of the data and implications of such accounting presentation, if any.

¹ On 17 May 2017, NewMed Energy merged with the partnership Avner Oil Exploration – Limited Partnership ("**Avner**") and as a result, the Avner partnership was struck off without dissolution.



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Should the Information and data on which GSE relied, be incomplete, inaccurate or unreliable, the results of this Paper may change. We reserve the right for ourselves, to re-update the Paper in view of new data which were not presented to us. For the avoidance of doubt, this Paper is valid as of the date of signing hereof only.

It is emphasized that the Information specified in this Paper, including with respect to forecasts and the primary commercial terms in the agreement for the sale of the reservoirs, its total financial scope, the rights transferred thereunder, and the Royalties agreed therein, constitute forward-looking information within the meaning thereof in the Securities Law, 5728-1968, of which there is no certainty that it will materialize, in whole or in part, in the said manner or otherwise. The actual performance of the said Information may differ materially due to various factors such as delays in the timetables for the development of the reservoirs, etc.

We hereby confirm that we have no personal interest and/or dependence on the Partnership and/or on the general partner in the Partnership, apart from the fact that we are receiving a fee for this Paper. Furthermore, we confirm that our fee is not dependent on the results of the Paper.

Neither GSE nor any company controlled thereby directly and/or indirectly as well as any controlling shareholder, officer and employee therein, are responsible for any damage, loss or expense whatsoever, including direct and/or indirect, which will be incurred by anyone relying on the contents of this Paper in whole or in part.

1.2 Sources of Information

The main sources of Information used in the preparation of the Valuation are specified below:

- Information regarding the terms of the transaction for the sale of the Partnership's interests in the I/16 Tanin and I/17 Karish leases (the "**Leases**").
- Reports and publications released by Energean plc² (the parent company of Energean Israel Limited³), including a resources and reserves report as of 31 December 2024 prepared by DeGolyer and MacNaughton and released on 20 March 2025 ("**D&M CPR**").
- Immediate reports of publicly traded companies and public information released on websites (including Energean's website), journalistic articles or other public sources.
- Internal sources and databases of GSE.
- Meetings and/or phone calls with office holders at the Partnership.

² Formerly, Energean Oil & Gas plc.

³ Formerly, Ocean Energean Oil and Gas Ltd.



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1.3 Details of the valuator firm

GSE is a subsidiary of Giza Singer Even Ltd., which is a leading financial advisory and investment banking firm in Israel. The firm has extensive experience in advising the largest companies, most prominent privatizations and most important transactions in the Israeli market, which has been gained over its thirty years of operation. Giza Singer Even operates in three fields, through independent business divisions: financial advisory; investment banking; analytical research and corporate governance.

The Paper was prepared by a team headed by Gadi Beer, Head of the Economic Department and Corporate Finance and a senior partner at Giza Singer Even. Gadi Beer has expertise and vast experience in corporate finance and financial and financing advice. He holds a BA in Economics and an MBA from Tel Aviv University.

Sincerely,

ג'די ביר, ראש מחלקת כלכלה ופיננסים

Giza Singer Even Financial Advisory Ltd.
9 November 2025



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2. Executive Summary

2.1 Background

NewMed Energy is a limited partnership (within the meaning thereof in the Partnerships Ordinance) listed on the Tel Aviv Stock Exchange (TASE). The Partnership engages mainly in exploration, development, production and marketing of natural gas, condensate and petroleum in Israel, Cyprus, Bulgaria and Morocco, and examines and advances options for the performance of investments in projects in the field of renewable energies.

During the years 2012 and 2013 the Partnership reported to TASE that the Karish and Tanin gas reservoirs constitute natural gas discoveries.

Following the decision of the Israeli Government on a framework for increase of the amount of natural gas produced from the Tamar natural gas field and the quick development of the Leviathan, Karish and Tanin natural gas fields and other natural gas fields (the **"Gas Framework"**), NewMed Energy and Avner (jointly, the **"Partnerships"**) and Chevron Mediterranean Ltd.⁴ (**"Chevron"**) were required, *inter alia*, to sell their holdings in the Leases within 14 months of the signing date of the exemption resolutions related to the Gas Framework (17 December 2015) in order to comply with the conditions which would entitle them to an exemption from several provisions of the Economic Competition Law, 5748-1988 (the **"Competition Law"**). Since the expiration of this exemption on 1 January 2025, the agreements for purchase of natural gas from the Leviathan reservoir are subject to the provisions of Chapter B of the Competition Law, which concerns restrictive trade practices, as well as the provisions of Section 43(a)(1), Section 47(a)(1) and Section 50A in relation to the provisions of Chapter B and Section 50D(a)(1) of the Competition Law⁵.

On 16 August 2016, an agreement was executed between the Partnerships and Energean Israel Limited (**"Energean"**) for the sale of all of the Partnerships' interests in the Leases. The Partnership's share in the transaction was in the sum of for approx. \$148.5 million, of which approx. \$40 million were paid on the date of the transaction closing and \$108.5 million will be paid divided into 10 equal annual installments plus interest, according to the mechanism set in the agreement (the **"Debt Component"**). As of the Valuation Date, the Debt Component has been paid in full.

⁴ As of the decision date, NewMed Energy and Avner jointly held 52.941% of the reservoirs (in equal shares) and Chevron Mediterranean Ltd. held 47.059% of the reservoirs.

⁵ Pursuant to the power of the Minister of Energy to extend the exemption until 1 January 2030 upon satisfaction of certain conditions as specified in the exemption, whereby where the Minister of Energy finds that there are at least three natural gas reservoirs connected to the national transmission system, each of which is subject at this time to the duty to supply at least 30 BCM to the domestic market, and that there is no entity that holds more than 25% of any interest in more than one reservoir, the exemption will be extended until 1 January 2030. As reported by the Ministry of Energy, as of the Valuation Date, the conditions for extension of the exemption have been satisfied.



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Furthermore, as part of the agreement, the Partnership will be entitled to royalties from the revenues generated by the Buyer from the sale of natural gas and condensate produced from the Leases, at the following rates: approx. 5.12% before payment of the petroleum profit levy and before the investment recovery date (as defined in materials released by the Partnership), approx. 2.47% before payment of the levy and after the investment recovery date, and approx. 3.22% upon commencement of payment of the levy and after the investment recovery date; for which the Partnerships are liable in relation to the original share of NewMed Energy and Avner in the Leases.

Following are the quantities of natural gas and hydrocarbon liquids (condensate and natural gas liquids) at the Karish and Tanin reservoirs (100%) as released in the D&M CPR⁶ as of 31 December 2024:

Reservoir	Reserves and Resources	
	Natural Gas (BCM)	Hydrocarbon Liquids (MMBBL)
	2P	2P
Karish	28.3	40.9
Karish North	34.5	41.2
Tanin	26.0	4.4
Total	88.8	86.5

⁶ <https://www.energean.com/media/6006/dm-final-report-energean-israel-2024ye.pdf>

2.2 Result of the Valuation

The value of the Royalties in the transaction for the sale of the Karish and Tanin leases was estimated through the discounted free cash flow method, adjusting the cap rate to Energean's weighted average cost of capital (WACC), as specified below in Section 5.3.8. According to the assumptions specified in the Paper itself, the total value of the Royalties as of 30 September 2025 is estimated at approx. \$255.5 million (the value of the Karish Royalties (including Karish North) and the Tanin Royalties were estimated at approx. \$188.7 million and approx. \$66.8 million, respectively).

Below is the sensitivity analysis for the value of the Royalties in relation to changes in the cap rate and the changes in the natural gas prices (U.S. \$ in millions):

		Change in the Natural Gas Price Vector (U.S. \$ per MMBTU)						
		-1.50	-1.00	-0.50	-	0.50	1.00	1.50
Change in Cap Rate (in Base Points)	+250 bp	183.6	197.5	215.3	228.5	244.2	255.9	271.2
	+150 bp	192.1	206.5	224.9	238.6	255.1	267.1	283.1
	+50 bp	201.4	216.4	235.4	249.6	266.9	279.3	296.1
	-	206.4	221.6	241.0	255.5	273.3	285.8	303.0
	-50 bp	211.6	227.1	246.8	261.7	279.9	292.7	310.2
	-150 bp	222.7	238.9	259.4	274.8	294.0	307.2	325.7
	-250 bp	234.9	251.8	273.1	289.2	309.6	323.2	342.7



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3. Description of Transaction for the Sale of the Interests in the Karish and Tanin Leases

3.1 Description of the Partnership

NewMed Energy is a public limited partnership (within the meaning thereof in the Partnerships Ordinance) listed on TASE. Since its establishment, the Partnership engages mainly in the exploration, development and production of natural gas, condensate and petroleum in Israel, Cyprus, Bulgaria and Morocco. The Partnership also engages in the sale of natural gas, condensate and oil in Israel, Egypt and Jordan, and explores and advances options for the making of investments in renewable energy projects, and is also exploring potential projects for the production of hydrogen, including blue hydrogen, which is produced from natural gas and which may constitute a low-carbon substitute for energy consumers.

3.2 The sold interests

On 7 February 2012 and 22 May 2013, the Partnerships reported to TASE that significant quantities of natural gas were discovered in the Tanin-1 and Karish-1 wells in the area of the exploration licenses Alon A and Alon C, respectively. In December 2015, the Petroleum Commissioner at the Ministry of Energy award the holders of interests in the exploration licenses, NewMed Energy (26.4705%), Avner (26.4705%) and Chevron (47.059%), the lease deeds of "Tanin" and "Karish", respectively. Note that in May 2017, Avner merged with and into NewMed Energy and consequently Avner was struck off, without liquidation.

16 August 2015 saw the adoption of a government resolution regarding a framework for regulation of the natural gas market in Israel including with respect to the interests of the Partnership in the natural gas reservoirs Tamar, Leviathan, Karish and Tanin. Under the Framework the gas and petroleum corporations operating in the gas market in Israel, including the Partnerships, were granted an exemption from several provisions of the Competition Law given the satisfaction of several conditions, including sale of the Karish and Tanin leases within 14 months.

On 14 November 2015, the Partnerships announced that they purchased from Chevron the right to sell the share of Chevron in the Karish and Tanin leases, in equal parts, in consideration for a total amount of approx. \$67 million. According to the agreement between the Partnerships and Chevron, the latter will not be entitled to any further consideration for the sale of the rights to a third party.

On 17 December 2015, the then-Prime Minister (in his capacity as Minister of Economic Affairs) signed several directives of exemption from the Competition Law as decided in the context of the government resolution on the Gas Framework.



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On 16 August 2016, an agreement for the sale of all of the interests in the Leases was signed between the Partnerships and Energean Israel Ltd. (formerly Ocean Energean Oil and Gas Ltd.), a company registered in Cyprus which is a subsidiary of Energean Plc. The Buyer's principal business is exploration, development and production of gas and petroleum reservoirs in Greece and other countries in the Balkan and Middle East area.

On 27 December 2016, the Partnerships announced that the closing conditions for the transaction were fulfilled. On 27 March 2018, Energean notified the Partnerships of the adoption of an investment decision for the development of the Karish reservoir. In addition, on 14 January 2021, Energean reported the adoption of a Final Investment Decision (FID) in the "Karish North" reservoir.

On 25 October 2022, the Ministry of Energy approved for Energean commencement of production of gas from the Karish reservoir, and the following day Energean reported on initial gas production from the reservoir.

In November 2022, Energean transferred to the Partnership the first payment due to overriding royalties from its revenues in the Karish reservoir.

3.3 The consideration

The following is a description of the consideration components in the purchase agreement:

- a. The Buyer will purchase from the Partnerships all of their interests and Chevron's interests in the Leases (the "**Sold Interests**").
- b. In consideration for the Sold Interests, the Buyer will pay the Partnerships the amount of approx. \$148.5 million which will be received in the following manner:
 - i. Cash payment of \$40 million which was paid to the Partnerships on the transaction closing date;
 - ii. The consideration balance, in an amount of \$108.5 million, will be paid to the Partnerships divided into 10 equal annual installments plus interest according to the mechanism set in the agreement. These payments will be made immediately after the date on which a FID will be adopted regarding the development of the Leases, or on the date which the total expenses of the Buyer in relation to the development of the Leases will exceed \$150 million, whichever is earlier⁷. These payments have been made in full.

⁷ On 27 March 2018, Energean notified the Partnerships of the adoption of an investment decision for the development of the Karish reservoir, and from March 2018, Energean began to make the annual payments as aforesaid. For more information, see Section 4.6.2.



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- iii. The Buyer will transfer to the Partnerships royalties for natural gas and condensate which will be produced from the Leases at a rate of 7.5% before payment of a petroleum profits levy by virtue of the Natural Resources Taxation Law (the "**Levy**") and 8.25% after the commencement of payment of the Levy, net of the rate of the existing royalties⁸ borne by the Partnerships in respect of their original share in the Leases and net of royalties to the State (see Section 5.3.6 below). Such rates are in 'wellhead' terms, while the effective payment rate is expected to be adjusted to hydrocarbon sales at the point of entry to the Israeli transmission system.

⁸ As defined in the reports of NewMed Energy and Avner to TASE on 25 December 2016.



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4. Description of the Business Environment

4.1 General

The natural resources exploration, development and production activity in Israel is subject to the provision of approvals under the Petroleum Law, 5712-1952 (the "**Petroleum Law**") which controls the regulation in the field and defines the type of approvals given to defined field blocks and subject to the approval of a work plan for the performance of exploration and production work.

The natural gas sector in Israel began developing upon the discoveries of the natural gas reservoirs Noa and Mari B in the years 1999 and 2000, respectively. These discoveries allowed companies in the market, headed by the Israel Electric Corporation Ltd. ("IEC"), to transition to more extensive use of natural gas instead of the use of more expensive contaminating fuels such as coal, diesel oil and fuel oil. The development of the sector was accelerated upon the discovery of the Tamar and Leviathan reservoirs in the years 2009 and 2010 respectively. These discoveries materially affect the energy independence of Israel, the development and expansion of uses of natural gas in the Israeli market and its status in the region.

Pursuant to the development of the industry, the natural gas sector in Israel is undergoing significant changes that include, *inter alia*, regulatory, economic and environmental changes. Within a few years, the natural gas in the Israeli economy has become the central component in the power production fuel basket, and a significant source of energy for the Israeli industry. The natural gas resources discovered in Israel are able to provide all of the gas needs of the domestic market in the coming decades and the majority of its energy needs and thus, significantly reduce the dependence of the State of Israel on foreign energy sources.

The economic merit of investments in exploration and development of natural gas reservoirs is largely influenced by the oil and gas prices worldwide, the demand for natural gas in the domestic, regional and global market, and the ability to export natural gas which requires, *inter alia*, the discovery of gas resources in significant scopes and the engagement in long-term agreements for the sale of natural gas in significant quantities, that will justify the high cost of construction of such infrastructures.

The use of natural gas holds many benefits for the Israeli market, including:

- **Reduced energy costs in the industry and in electricity production** – The low price of natural gas compared with currently common alternative fuels such as diesel oil and fuel oil, leads to significant saving of production costs, and thereby also to a decrease in the final product prices, whose production costs mainly consist of the costs of electricity. Most of the power plants constructed in recent years in Israel generate electricity through turbines which are operated by natural gas combustion and are characterized by low



construction costs,⁹ shorter construction time, smaller areas of land¹⁰ and many operational advantages. In addition to the relatively low price, power plants operated by natural gas are more efficient than plants which are operated by other fuels and therefore power plants and enterprises operate with a high energetic efficiency level which is also ultimately reflected in cost saving¹¹. According to the estimates of the Natural Gas Authority for 2024¹², most of the domestic demand for natural gas derived from the electricity sector, total consumption by which in 2024 amounted to approx. 10.9 BCM, which represents approx. 78% of the demand for natural gas. The rest of the demand for natural gas is attributed to the industrial sector (including cogeneration consumers), total consumption by which in 2024 amounted to approx. 3.0 BCM.

- **Clean energy** – The main substances emitted from the burning of natural gas are carbon dioxide and water vapor. Coal and petroleum are more complex fuels, *inter alia*, because they have higher carbon ratios, and nitrogen and sulfur components. Therefore, when they burn, more contaminants are released, including ash particles of substances which are not burned and are consequently emitted into the atmosphere and add to the air pollution. Natural gas combustion, on the other hand, releases a relatively small quantity of contaminants, and therefore the use thereof reduces air pollution. In such context it is noted that thanks to the conversion of most of the electricity production in Israel from coal, fuel oil and diesel oil to use of natural gas, air pollution levels caused by electricity production in Israel have been reduced by tens of percentage points.
- **Energy independence** – The geopolitical characteristics of Israel make it an energetic island with limited ability to import fuels from neighboring countries, which forced it to rely for many years on costly fuels import from Europe. Israel's energetic isolation was somewhat reduced between the years 2008 and 2012 upon the commencement of import of natural gas from Egypt, however, the sudden cut of supply illustrated the importance of the development of local energy sources. The development of the natural gas market in Israel provides the Israeli industry with energetic security in the long term and will reduce its dependence on international energy prices.
- **Natural gas as a governmental source of income through taxation** – The Israeli natural gas market is directly benefiting and is expected to continue to directly benefit the domestic economy through governmental revenues from the taxation of the companies

⁹ About one half of the cost of a coal power plant, about one third of the cost of a nuclear power plant and approx. 15% of a wind energy operated plant.

¹⁰ The natural gas is transported by an underground pipe and unlike other fuels, requires no storage areas. Furthermore, power plants which are based on natural gas need a considerably smaller area compared to plants which are based on coal or solar energy.

¹¹ A combined cycle power plant combining gas and steam turbines is characterized by an efficiency rate of 55%, significantly higher than power plants which are operated by other fuels. Cogeneration plants utilizing the thermal energy produced in the production process reach an efficiency rate of approx. 80%.

¹² [Review of Developments in the Natural Gas Sector, Summary of 2024 – the Natural Gas Authority](#) [Hebrew].



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and from the VAT from the sales to the end consumer. Moreover, the Israeli market has a few unique taxation systems which apply to the natural gas sector, in addition to excise tax, which apply to natural gas, similarly to all of the other fuel products¹³. Furthermore, according to the Petroleum Law, the State charges royalties at a rate of up to 12.5% of the quantity of petroleum produced and used from the lease area, except for the quantity of petroleum used by the lease holder during the operation of the lease area. Moreover, following the conclusions of the Sheshinski Committee, the State is entitled to collect a petroleum and gas profit levy at a rate of up to approx. 47% (derived, among other things, from the corporate tax rate) of the revenues of the petroleum rights holders, net of royalties, operating costs and development costs.

- **Upgrade of Israel's geostrategic position** – Thanks to the development of the gas reservoirs in Israel's exclusive economic zone (EEZ), the State has at its disposal gas resources at a scope that exceeds the existing and expected needs of the domestic market. Thus, and further to Government Resolution 442 of 23 June 2013 regarding the policy on the export of natural gas, commercial quantities of natural gas are being exported from Israel to the countries in the region. In such context, export from the Tamar reservoir to industrial enterprises located on the Jordanian side of the Dead Sea commenced in 2017, and from 2020, with the beginning of production from the Leviathan reservoir, very significant quantities of natural gas are being exported to Jordan and Egypt.¹⁴

4.1.1 The Swords of Iron War

On 7 October 2023, the Hamas terrorist organization launched a murderous attack on Israel, targeting communities and military bases in the south of the State of Israel. Following the attack, the Israeli Government declared the Swords of Iron war against the said terrorist organization (the "**War**"). On 9 October 2025, a ceasefire agreement was signed between the State of Israel and Hamas.

Shortly after the outbreak of the War, natural gas production from the Tamar reservoir was halted according to the government's order. No such order was given for the Leviathan and Karish reservoirs. As a result of the halting of production from the Tamar reservoir as aforesaid, the Leviathan partners supplied natural gas also to some of the customers of the Tamar reservoir in the domestic market, primarily Israel Electric Corporation Ltd. (IEC), and consequently, during the shutdown period, the quantity of natural gas directed for export to Egypt was reduced. On 9 November 2023, the Ministry of Energy notified the Tamar reservoir operator that the Tamar reservoir may be reactivated. During October 2024, the operator of the Leviathan project sent the customers a notice regarding the occurrence of a *force majeure* event, which releases the partners in the Leviathan project from their obligations under the

¹³ Other than the electricity and industrial sectors in which consumers do not pay excise tax for the gas.

¹⁴ For more information on the export of gas from Israel, see Section 4.5.3.



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gas agreements due to non-supply of gas as a result of the War. As of the Valuation Date, the production activity from the Leviathan, Tamar and Karish reservoirs continues as usual.

Since the outbreak of the War, the IDF has also been engaged in ongoing conflict with the Hezbollah terrorist organization along Israel's northern border with South Lebanon. As a result of this conflict, since the beginning of the War, northern Israel has been suffering rocket and UAV attacks, and close to the border – also anti-tank missile attacks. On 27 November 2024, a ceasefire agreement between Israel and Lebanon took effect, aiming to terminate the armed conflict at the northern front of the Swords of Iron War. As of the Valuation Date, the ceasefire on this front has been generally sustained.

13 June 2025 saw the beginning of the Israel-Iran war (Operation Rising Lion), in which the IDF acted to frustrate the Iranian nuclear program and launched attacks against various Iranian military targets as well as Iranian regime and Islamic Revolutionary Guard Corps targets. In its counterattack, Iran launched ballistic missiles and UAVs against military and civil targets in Israel. Further thereto, that same day, the Minister of Energy and Infrastructures announced a state of emergency in the natural gas sector¹⁵, under which the Partnership reported the cessation of production from the Leviathan reservoir and Energean reported the cessation of production from the Karish reservoir. On 24 June 2025, a ceasefire was announced, and on 25 June 2025, the Natural Gas Authority and the aforementioned companies announced the reopening of the platforms¹⁶.

In the course of 2023-2024, credit rating agencies have updated Israel's credit rating and their rating outlooks, the latest being S&P's decision to downgrade the credit rating from A+ to A. As of the Valuation Date, the State of Israel's rating has not been changed in 2025. The following table summarizes the changes in the credit rating of the State of Israel in 2024:

Date of Rating Change	Rating Agency	Previous Rating	Current Rating
9 February 2024	Moody's	A1	A2
27 September 2024	Moody's	A2	Baa1
18 April 2024	S&P	AA-	A+
12 August 2024	Fitch	A+	A
1 October 2024	S&P	A+	A

¹⁵ [Announcement of State of Emergency in the Natural Gas Sector under the Natural Gas Sector Law, 5762-2002](#) [Hebrew].

¹⁶ [Announcement by the Natural Gas Authority, 25 June 2025](#)



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4.2 Consumers

The natural gas market in Israel comprises several groups of consumers differentiated from each other in the nature of their activity and the characteristics of the natural gas consumption:

- **Israel Electric Corporation** – IEC is a government-owned company supervised by the Public Utility Authority for Electricity ("PUA-E"), *inter alia*, in the context of the costs of inputs for electricity production, and particularly the costs of natural gas. In 2023 and 2024, IEC consumed each year approx. 4.7 and approx. 4.5 BCM, respectively, from the Tamar, Leviathan and Karish reservoirs. IEC is currently working to replace Units 1 and 4 at the Orot Rabin Power Plant by building two additional natural gas-powered power plants with a total capacity of approx. 1,200 MW/h. As of the Valuation Date, one of the power plants is operating on a commercial basis¹⁷, whereas, according to IEC's report for H1/2025, operation of the second plant (initially on a trial run basis) had been expected in September 2025. At this time, an orderly report with respect to the commencement of commercial operations has not yet been issued. These plants are expected to increase the demand for gas in the Israeli market, in parallel with the discontinuation of coal use scheduled by 2026. As part of the IEC's preparations for the discontinuation of coal usage, the IEC is working on the conversion to gas of the 4 production units at the Rutenberg Station in Ashkelon. However, the conversion of the first of such four units has been completed and that unit has been gas-fired (for pre-commercial-operation running-in purposes) since July 2023.

On 9 August 2023, fire was ignited using gas for the first time in the first unit on the Rutenberg site as part of the quality assurance of the systems, in preparation for completing its conversion to gas. However, the IEC reported that in its estimation this phase is expected to take longer in view of the War. According to IEC's financial report as of 31 December 2024, approx. 64.7% of IEC's total power production was generated by means of natural gas in 2024, compared with approx. 62.8% in 2023¹⁸.

- **Independent power producers** – Independent power producers ("IPPs") are classified into several categories, according to the production technologies they use: Conventional IPP, cogeneration facilities, renewable energy IPPs, pumped energy¹⁹, and large enterprises that have built themselves power plants for which they have received a self-production license. Under Section 93 of the Natural Gas Sector Law, natural gas that is sold to an independent power producer is a controlled product under the Control of Prices of Commodities and Services Law, 5756-1996. In 2024, natural gas consumption by IPPs

¹⁷ <https://maya.tase.co.il/he/reports/1642126> [Hebrew].

¹⁸ <https://mayafiles.tase.co.il/rpdf/1654001-1655000/P1654671-00.pdf> [Hebrew].

¹⁹ This technology does not produce power, but rather energy is stored for use during peak hours or hours when the production of power from renewable energies is not possible.



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amounted to approx. 6.3 BCM, which represents approx. 46% of the total natural gas consumption by the entire market that year.

- **Large industry consumers** – This tier of consumers comprises several significant consumers, which are essential to the development of the Israeli gas sector. Consumers with significant power and reputation in the Israeli market, having extensive experience and knowledge pertaining to the operations of Israeli industry in general and the operations of the natural gas sector in Israel in particular. Most of the large industrial enterprises in the market executed agreements for the purchase of natural gas within the construction of private power plants at the enterprise's premises, for the supply of the enterprise's needs of electricity and heat (by generating steam from the residual heat of the power plants or through gas-heated boilers for the production of steam), constituting only part of the production capacity of the power plant, and the sale of the produced electricity to external consumers or to the IEC. Accordingly, the natural gas purchase agreements signed by most of the large industrial enterprises thus far also have the characteristics of agreements with private power plants. In 2024, natural gas consumption by the industrial sector, including cogeneration, amounted to approx. 3.0 BCM.
- **Medium and small consumers** – The distribution networks' consumers sector which includes mainly medium and small enterprises and businesses, is a relatively new sector in the natural gas sector which began executing agreements for purchase and infrastructure conversion performance only in recent years. These consumers typically consume low gas pressure, at a relatively small amount, non-continuous over a whole day (24 hours), some of which not yet connected to the onshore transmission systems, or the distribution, and therefore consuming Compressed Natural Gas (CNG) – a temporary and not optimal solution, since the cost of consumption can reach twice the cost of the natural gas which is transmitted through the distribution network. According to the regulation in this respect, some of these consumers are building or planning to build small scale, natural gas-fired power plants, which are intended to provide electricity and heat to the enterprise on the premises of which such power plants are built.
- **Additional markets and consumers** – In addition to the electricity and industrial sectors, several other sectors are expected to develop in the coming years and increase the demand for natural gas, including the transportation sector which is expected to significantly increase the scope of use of natural gas, in view of a forecast for entry into the market of electric vehicles and steps promoting use of CNG-fueled heavy vehicles and construction of CNG fueling stations, as well as enterprises using natural gas as a feedstock. In addition, the government is promoting measures designed to enable the integration of natural gas in the housing sector for purposes of various household uses.



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4.3 Regulatory environment

The production and sale of natural gas from reservoirs in the territorial waters of the State of Israel are subject to regulatory restrictions pertaining to the amount of gas produced, restrictions on the export of the gas outside of Israel, and others. In addition, the production and sale of natural resources in Israel, including oil and natural gas, are subject to further regulatory restrictions, as specified below:

- **Royalties to the State of Israel** – Under the Petroleum Law, a lease holder is liable for a royalty of 12.5% of the amount of natural gas or petroleum produced in the lease and the lease holder will pay the State the market value of the royalty at the wellhead. On 14 May 2020, the Natural Resources Administration at the Ministry of Energy published directives regarding the method of calculation of the royalty value at the wellhead pursuant to Section 32(B) of the Petroleum Law. The directives state that the value of the royalty at the wellhead shall be equal to 12.5% of the price of sale to customers at the point of sale, net of essential costs for treatment, processing and transportation of the petroleum, actually incurred by the lease holder between the wellhead and the point of sale. The directives further determine that the Commissioner will prescribe for each lease holder, from time to time, specific instructions for each lease, which will specify the deductible expenses, for purposes of calculating the royalty, according to the specific characteristics of the lease. Further to the aforesaid, on 6 September 2020, the Ministry of Energy published specific instructions for the Tamar reservoir and on 24 July 2022, the Ministry of Energy published specific instructions for the Leviathan reservoir.

The Tamar partners paid advances on account of royalties to the State at the rate of 11.65% in the years 2017-2018, 11.3% in the years 2019-2022 and 11.06% in the years 2023-2024. In the Leviathan reservoir, the partners paid advances on account of royalties to the State of Israel at the rate of approx. 11.26% in the years 2020-2022, and approx. 11.06% in the years 2023-2025.

According to the 2024 (unaudited) Revenues Report of the Natural Resources Administration at the Ministry of Energy²⁰, revenues of about ILS 2.3 billion from the natural gas royalties were recorded, reflecting an increase of approx. 10.9% compared with the revenues in 2023. The increase in total royalties was due to an increase in the amount of natural gas production from the reservoirs in Israel, and an increase in the amount of production for export.

In 2024, approx. 27.4 BCM (14.3 BCM for the domestic market and 13.1 BCM for export) were produced from the Tamar, Leviathan and Karish reservoirs, compared with approx. 25.3 BCM (13.7 BCM for the domestic market and 11.6 BCM for export) produced in 2023, an increase of approx. 8.3%. The rate of increase in total royalties in 2024 exceeded the total rate of increase in production mainly due to an increase in production amounts and sales for export.

²⁰ [Report on the Revenues of the Natural Resources Administration– Royalties, Accounting and Economics Division, the Ministry of Energy and Infrastructures](#) [Hebrew].



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Production from the Karish reservoir began at the end of October 2022. The Karish Royalties as defined in Section 1.1 collected in 2024 totaled approx. ILS 507.1 million from the production of approx. 5.96 BCM and approx. 5.35 million oil barrels²¹. Royalty revenues from the Karish reservoir that originate from the production of natural gas for the domestic market totaled approx. ILS 343 million (approx. 67.7% of total production), with the remaining royalty revenues originating from oil exports.

- **Taxation of Profits from Natural Resources Law** – The Taxation of Resources Law prescribes a levy on petroleum and gas profits according to a mechanism which relates the rate of the levy and the ratio of the net accrued revenues and the total accrued investments, net, as the same are defined in the law (the “**Investment Coverage Ratio**”). The minimal levy at a rate of 20% will be charged when the Investment Coverage Ratio will reach 1.5 and will increase gradually to a rate of approx. 47% (depending, *inter alia*, on the Corporate Tax rate) when the Investment Coverage Ratio will reach 2.3. The levy will be calculated and imposed on each reservoir separately. On 10 November 2021, the Knesset approved in the second and third reading a bill which prescribes, *inter alia*, rules on payment of disputed assessments.²²
- **Antitrust**– In August 2015, a government resolution was made regarding a framework for the regulation of the natural gas market in Israel including with respect to the rights of the Partnership in the natural gas reservoirs Tamar, Leviathan, Karish and Tanin which took effect on 17 December 2015 upon the grant of an exemption from several provisions of the Competition Law.

The Gas Framework granted an exemption to the Partnership, Chevron and Ratio Energies - Limited Partnership (“**Ratio Energies**”, and collectively: the “**Parties**”), from the restrictive arrangements pertaining to the Leviathan reservoir. Furthermore, The Gas Framework granted an exemption with respect to specific powers of the Commissioner (power to regulate acts of a monopoly through directives, power to order a holder of a monopoly to sell an asset, and power to order the separation of a monopoly), in connection with the Partnership and Chevron being holders of a monopoly by virtue of the declaration thereon by the Commissioner in 2012 (the “**Exemption**”)²³.

²¹ The produced gas volume released by the State in the Revenues Report of the Natural Resources Administration is different than the gas volume released by Energean and that appearing in the D&M report.

²² Taxation of Profits from Natural Resources Law (Amendment no. 3), 5782-2021.

<https://main.knesset.gov.il/Activity/Legislation/Laws/Pages/LawBill.aspx?t=lawsuggestionssearch&lawitemid=2155633> [Hebrew].

²³ Declaration on holders of a monopoly under Section 26(a) of the Restrictive Trade Practices Law, 5748-1988: Delek Drilling Limited Partnership together with Avner Oil & Gas Exploration, Limited Partnership, Noble Energy Mediterranean Ltd., Isramco Negev 2, Limited Partnership, and Dor Gas Exploration, Limited Partnership – holders of a monopoly in the supply of natural gas to Israel starting from H2/2013 (13 November 2012) Restrictive Trade Practices 500249.



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On 1 January 2025 the exemption expired. As of such date, any agreement for the purchase of natural gas from the reservoirs shall be subject to the provisions of Chapter B of the Competition Law (regarding restrictive trade practices), as well as the provisions of Section 43(a)(1), Section 47(a)(1) and Section 50A with respect to the provisions of Chapter B and Section 50D(a)(1) of the Competition Law. Pursuant to the power of the Minister of Energy to extend the exemption until 1 January 2030 upon satisfaction of certain conditions as specified in the exemption, whereby where the Minister of Energy finds that there are at least three natural gas reservoirs connected to the national transmission system, each of which is subject at this time to the duty to supply at least 30 BCM to the domestic market, and that there is no entity that holds more than 25% of any interest in more than one reservoir, the exemption will be extended until 1 January 2030. As reported by the Ministry of Energy, as of the Valuation Date, the conditions for extension of the exemption have been satisfied

- **Stable regulatory environment** – In the original framework, the Israeli Government undertook to maintain “regulatory stability” in the context of natural gas exploration and production for a period of 10 years. In March 2016, HCJ ruled that the issue of regulatory stability in the Gas Framework in the existing version was illegal. In May 2016, the government re-adopted its resolution on the Gas Framework while setting an alternative arrangement pertaining to a “regulatory stable environment” in order to ensure a regulatory environment which encourages investments in the natural gas exploration and production sector.
- **Price regulation** – In the period between the taking effect of the Gas Framework, and until the date of fulfilment of all of the conditions of the Exemption, upon completion of the sale of the Partnership’s holdings in the Tamar reservoir in December 2021, the price control in the natural gas sector by virtue of the Competition Law was limited to the imposition of reporting requirements regarding profitability and the gas price. Therefore, starting from Q3/2016, the Natural Gas Authority released, each quarter, the weighted price of natural gas and the price of natural gas for IPPs. Starting from the completion of the sale of the Partnership’s holdings in Tamar, as aforesaid, the Gas Authority ceased to release the natural gas prices as aforesaid, and the partners in the gas reservoirs are no longer required to offer such prices to their customers. However, starting from Q1/2023, the Gas Authority resumed publication of the weighted price of natural gas in the Israeli market, without thereby imposing a duty on the partners in the gas reservoirs to offer such price to their customers.

On 1 June 2020, the decision of the Competition Commissioner was released, pursuant to Section 14 of the Competition Law, regarding amendment of the conditions for granting certain exemptions from approval of restrictive arrangements for several arrangements between the Tamar partners and their customers, cancelling the requirement for pre-approval of any agreement for the supply of gas from the Tamar project, in lieu of which the agreements will be subjected to a self-assessment regime, i.e. the burden of examining the lawfulness thereof will be imposed on the Tamar partners and their customers, while

the Competition Commissioner will be able to examine the agreements retroactively and even not in proximity to the date of the signing thereof, and to take enforcement measures insofar as it is found that arrangements were performed that harm competition.

4.4 Risk factors

The exploration and findings development operations of oil and natural gas involve significant monetary expenses in conditions of uncertainty resulting in a very high financial risk level. Following are risk and uncertainty factors with significant effect on the operations of the Buyer and the proceeds expected therefrom:

- **Changes in the Electricity Production Tariff, price indices, prices of alternative energy sources** – The prices paid by the consumers for the natural gas derive, *inter alia*, from the Electricity Production Tariff as updated by the PUA-E on an annual basis, from the Shekel/US Dollar exchange rate, the US consumer price index and the prices of fuels alternative to gas such as fuel oil, diesel oil and Brent. Furthermore, a significant change in alternative energy sources could lead to a change in the use model of the IEC such that priority shall be granted to power plants operated by gas alternatives. A decline in tariffs can also adversely affect the prices which will be obtained from the Tanin reservoir and the economic merit in the development thereof. At the same time, according to Energean's reports, the sale price in the agreements includes a "floor price".

On 17 February 2025, the PUA-E released²⁴ a decision on a controlled tariff for the additional payments in the regulation of the market for power producers operating under Titles C1 and E1. The decision addresses several issues – A cap has been set for the supplemental tariff and a load tariff for producers eligible therefor; for previously privatized plants, an optional scheme has been established under which the cap will be higher, but it will apply retroactively from the date of acquisition of the plant; until a different decision is made, producers operating on a varying availability basis will not be allowed to switch to operation on a central-load basis; and more.

On 30 September 2025, the PUA-E issued a hearing for revision of the structure of the Electricity Tariff²⁵. Among the proposed changes are update of the Tariff on a quarterly rather than annual basis, changes of linkages and weights of various components, and more. A decision on this matter has yet to be made, and insofar as a decision is made – it will take effect as of 2026.

- **Growth of the renewable energy sector** – Recent years have seen a rise in the share of renewable energies in the mix of fuels used to produce electricity in Israel. Renewable energy is defined as energy produced from heat and solar radiation, wind, biogas and

²⁴ https://www.gov.il/he/pages/70502_cap [Hebrew].

²⁵ [Hearing – Update of the Electricity Tariff Structure for Israel Electric Corp. Consumers, Electricity Grid, 30 September 2025](#) [Hebrew].



biomass, or any other non-depletable source that is not fossil fuel. In 2023 and 2024, approx. 12.5% and approx. 14.7% of actual power production in the State of Israel, respectively, originated from renewable sources²⁶. Renewable energy rates have been gradually reduced by the PUA-E since 2008 due to the decrease in the construction and financing costs and the holding of competitive processes. These trends indicate that renewable energies may account for a larger share of future power production in Israel.

- **Geopolitical risk** - The security and economic situation in Israel as well as the political situation in the Middle East may affect the willingness of states and foreign bodies, including in the Middle East, to engage in business relations with Israeli bodies and/or international bodies acting in Israel. Therefore, any deterioration in the geopolitical situation in the Middle East and/or deterioration in the relations between Israel and its neighbors, for security and/or political and/or economic reasons, may undermine the ability of the companies in the Israeli gas and oil market to promote their business with such states and bodies and export gas to neighboring states.
- **Competition in gas supply** – Over the last two decades, several significant gas reservoirs were discovered both in Israel and in other countries in the Eastern Mediterranean Basin, the development of which reservoirs may lead to the entry of additional natural gas supply competitors into the domestic market and into neighboring countries, thus increasing the competition in the sector. 2017 saw the commencement of substantial production from the Egyptian “Zohr” reservoir, which supplies gas to the domestic Egyptian market and in recent years, significant reservoirs were discovered in the EEZ of Cyprus, for which reservoirs development decisions have yet to be made.
In Israel, exploration licenses in the EEZ were granted following two competitive processes (in 2017 and 2019), and in 2022, the Ministry of Energy published another competitive process for receipt of exploration licenses (in this section below, the “Process”)²⁷. In the context of the Process, four zones of exploration licenses were offered. In some of the zones, exploration licenses have already been given in the past, and seismic surveys and other exploration activities have already been performed in them, attesting to a possible potential for discovery of hydrocarbon reservoirs. According to the Process principles, the exploration license will be given for a 3-year period, after which the license holder may request an extension of two additional years and thereafter, of two more years (7 years in total), when specific conditions are met. In addition, in the context of the Process, exploration licenses will only be given in areas that are far from the coast, at a distance greater than at least 40 km. On 16 July 2023, the bidding phase of the Process ended, during which 6 gas exploration bids were received. The bids were submitted by 4 different groups comprised of 9 companies in total, 5 of which are new companies operating in Israel. According to the terms and conditions of the Process, the new

²⁶ “Status Report – Renewable Energy Targets in the Electricity Sector” – PUA-E, 2024 [Hebrew].

https://www.gov.il/BlobFolder/generalpage/doch_pv_27022024_2023/he/Files_Pirsumei_Hareshurt_old_doch_pv_2023_27022024.pdf

²⁷ https://www.gov.il/en/pages/press_131222.



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companies will be given priority over the existing companies in receiving the exploration licenses. On 29 October 2023, the Ministry of Energy and Infrastructure announced the winners in two of the four zones that were offered. According to the announcement, 12 exploration licenses will be granted to 6 companies, of which 4 are new companies in the Israeli energy sector. In the first zone, licenses were granted to the Partnership, to the British energy company BP, and to Azerbaijan's national petroleum company SOCAR (as an operator). In the second zone, licenses will be granted to the Italian energy company ENI (as an operator), to Dana Petroleum (a Korean-owned Scottish company) and to Ratio Energies.

- **Restrictions on export** – Limiting the amount of exportable gas may have adverse effects in the form of surplus supply in the domestic market and reduced tariffs which may also adversely affect the prices obtained from the Tanin reservoir and the economic merit in the development thereof. In this context, it is noted that, according to the Adiri Committee's draft recommendations of July 2018, the gas export quotas as determined in Government Resolution 442 shall remain unchanged. However, according to the Committee's recommendations, the formula for calculating the export quota shall be changed, such that it will be higher relative to the formula determined by Government Resolution 442, solely for gas reservoirs that have not yet been discovered. On 25 October 2020, the government decided to form a professional team that will periodically examine the recommendations of the committee for the examination of the Government's policy regarding the natural gas sector in Israel. On 6 January 2019, the Government approved the recommendations of the Adiri Committee in Government Resolution 4442²⁸. On 13 October 2021, the Adiri II Committee recommended to keep the natural gas export restrictions for existing reservoirs as determined in Government Resolution 4442, but to cancel the export restriction on new reservoirs that shall be discovered²⁹. On 23 August 2023, the Minister of Energy, Israel Katz, approved expansion of natural gas export from the Tamar reservoir by 3.5 BCM per year, up around 60% from production for the same period³⁰. On 16 February 2024, the Tamar partners signed an agreement for expansion of the export to Egypt by 4 BCM per year for 11 years³¹. On 26 June 2024, NewMed Energy reported that the Petroleum Commissioner at the Ministry of Energy granted the partners in the Leviathan reservoir in-principle approval, as of this time, to export additional natural gas from the Leviathan reservoir in a total quantity of up to 118 BCM, which may increase up to 145 BCM under certain conditions. On 16 September 2025, the Partnership reported that an agreement had been signed with INGL for the transmission of natural gas from the Leviathan reservoir to Egypt.

²⁸ Website of the Ministry of Energy, Spokesperson's Announcement of 10 January 2019:

https://www.gov.il/en/pages/nq_060119

²⁹ For more information about the existing demand and regulation on the export side, see Section 4.5.3.

³⁰ https://www.calcalist.co.il/local_news/article/rktertmph [Hebrew].

³¹ <https://www.calcalist.co.il/market/article/hjltxxaia> [Hebrew].



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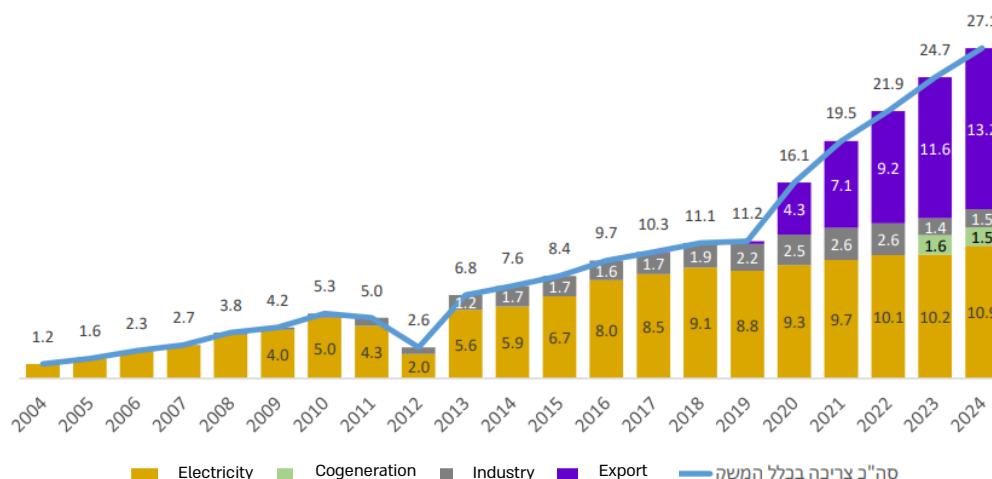
- **Dependence on the proper function of the national transmission system** – The ability to supply the gas produced from the reservoirs to potential consumers is dependent, *inter alia*, on the development of the systems to meet market demands according to the schedules, as well as on maintaining the proper function of the national gas transmission system and the regional distribution networks.
- **Dependence on contractors and on professional service and equipment providers** – As of the Valuation Date, there are no contractors in Israel that perform most of the work required for the construction and operation of natural gas and oil reservoirs. Therefore, the companies operating in the sector depend on foreign contractors for the performance of such work, especially during wartime. Furthermore, the number of facilities that are capable of drilling and performing development activities offshore, in general, and in deep-water, in particular, is relatively small and there is a chance that no suitable facility will be found for performing the aforesaid actions on the dates to be scheduled therefor. Consequently, the aforesaid actions may entail high costs and/or considerable delays may be caused in the schedule determined for the performance of the work.
- **Operational risks and lack of sufficient insurance coverage** – Oil and gas exploration and production activities are exposed to a variety of technical and operational risks, such as loss of control over a drilling or a well and/or a malfunction in subsea facilities or facilities above sea level, which could damage the functioning of the production and transmission system, to the point of short or long-term shutdown. There is also a risk of liability for damage deriving from contamination due to the eruption and/or leakage of liquid and/or a gas leak. Despite the insurance existing in the market, not all of the possible risks are covered or are coverable.
- **Solely estimated costs and timetables and the option of lack of means** – Estimated costs for the performance of exploration and development activities and estimated timetables for the performance thereof are based solely on general estimates and could deviate significantly. The exploration plans could significantly change, *inter alia*, following failures and/or findings which will be obtained during the performance of such actions and lead to significant gaps in the timetables and the estimated costs of such activities. In certain cases, the holder of the lease may waive the performance of certain activities required according to the work plan of the reservoirs and lose the rights therein as a result.
- **Regulatory changes** – The operating segment requires many regulatory approvals, mainly by the entities authorized under the Petroleum Law and the Natural Gas Sector Law, as well as related approvals of the State's authorities (including the Ministry of Energy, the Ministry of Defense, the Ministry of Environmental Protection, the tax authorities, the Competition Authority and the various planning authorities). In recent years several proposals were made for amendments of laws and/or regulations and/or directives relevant to the operating segment and several resolutions, laws and directives were

released, the implementation of which could have a negative effect on the companies operating in the field.

- **Applicable environmental regulation** – The companies that operate in the natural gas sector are subject to a range of laws, regulations and directives on the issue of environmental protection, which relate to various matters such as: leaking of oil, natural gas or of other pollutants into the marine environment, the release into the sea of polluting substances and waste of various types (wastewater, residues of drilling equipment, drilling mud, slurry, etc.), chemical substances used at the various work stages, emission of pollutants into the air, light and noise nuisances, construction of piping infrastructures on the seabed and related facilities. In addition, the companies are required, through the operators of the projects, to obtain approvals from entities authorized under the Petroleum Law, the Natural Gas Sector Law and other laws (such as environmental protection laws) for the purpose of their activity.
- **Additional risk factors** – There are other factors which contribute to the uncertainty prevailing in the operating segment including difficulties in obtaining financing, information security risks, dependence on material customers, dependence on weather and sea conditions, cancellation or expiration of rights and petroleum assets and more.

4.5 Demand

Chart 1 – Natural gas consumption in the domestic market in 2004-2024 in BCM per year³²



In 2024, natural gas production in the Israeli market (including the export of Israeli gas to neighboring countries) amounted to approx. 27.1 BCM, demonstrating an increase of approx.

³² [Review of the Natural Gas Sector, 2024 Summary, the Natural Gas Authority](#) [Hebrew].



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9.7% compared with production in 2023. Of the quantity supplied, approx. 42% originated from the Leviathan reservoir, approx. 37% originated from the Tamar reservoir and approx. 21% originated from the Karish-Tanin reservoir. Consumption in the domestic market (comprising industry and electricity) increased to 13.9 BCM, reflecting an annual increase of approx. 6.1%, and export increased to 13.2 BCM, reflecting an annual increase of 13.8% compared with 2023.

Below are the main factors expected to drive growth in the demand for natural gas:

4.5.1 The electricity sector

In recent years, a trend is apparent of a significant reduction of use of petroleum and coal distillates in power production and transition to use of natural gas and renewable energies. This trend is led by the Ministry of Energy and government decisions determining goals for the reduction of use of polluting fuels, *inter alia*, by shutting down IEC power plants and conversion thereof to production with natural gas, in parallel with the privatization of some of the IEC production plants, the construction of two gas plants and granting licenses for the construction of new plants by private producers. As of 31 December 2024, the IEC has eight units of gas turbines in a combined cycle ("CCGT"), fifteen units of jet gas turbines and nine units of industrial gas turbines³³. Government decisions adopted in such regard are specified below:

- In August 2016, the Minister of Energy announced his decision to shut down four coal production units of IEC upon the connection of three gas reservoirs to the shore and the construction of new natural gas operated power plants within six years. Following that, in September 2016, emission permits were received by the IEC under the Clean Air Law 5768-2008, with respect to its coal power plant sites, which included, *inter alia*, the shutdown of units 1-4 in the coal power plant at the Orot Rabin site, no later than 1 June 2022.
- In November 2017, the Minister of Energy decided of principles of policy on the issue of minimal operation of coal production units, according to which natural gas electricity production shall be granted preference at any time to electricity production with coal, while operating the coal units at a minimal load which allows flexibility and reliability of the supply to the market.
- In March 2018, the Finance Committee of the Knesset, followed by the plenum of the Knesset, approved the orders, which prescribed, *inter alia*, that the excise tax on coal will be increased as of 15 March 2019 by approx. 125% in view of the government's policy to internalize external costs of fuels and encourage a broader use of natural gas. On 12

³³ A turbine operated by industrial jet engines, powered by diesel fuel with the option of converting to work with natural gas.



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December 2024, the Tax Authority announced that effective from 1 January 2025, excise tax will be ILS 152.04 per ton of coal³⁴.

- In June 2018, a government decision was adopted to implement a reform in the electricity market and a restructuring of the IEC (Resolution No. 3859). According to the reform, a plan was formulated under which the IEC would sell various power plants and build and operate two new natural gas-fired power plants, to replace units 1-4 of the Orot Rabin Power Plant. Aside from these, the IEC would not be permitted to build new power plants or upgrade existing plants. The reform also established principles for maintaining the IEC's activities in the transmission and distribution segments, and principles for gradually opening up the supply segment to competition.
- In October 2018, the Minister of Energy presented a plan whose purpose is to lead to a reduction in the use of polluting energy, the principle of which is to decrease the use of polluting fuel products by 2030. According to the plan, targets have been set for the following sectors:
 - a. The electricity sector – Electricity production using 80% natural gas and 20% renewable energies as of 2030, with a final shutdown of the coal-fired power plants in Hadera and in Ashkelon in 2028.
 - b. The industrial sector – Production of 95% of the energy and steam required by the industry by means of natural gas as of 2030.
 - c. The transportation sector – A gradual transition to electric cars and natural gas trucks and the imposition of an absolute ban on the import of cars that operate on polluting fuels as of 2030.
- In November 2019, the Minister of Energy announced that it is possible to shorten the timetables for the conversion of the coal power plants in Hadera and in Ashkelon to natural gas to 2025. Consequently, in that year, the coal age in the State of Israel is expected to end. The aforesaid decision shortens the timetables that were previously determined by 4 years.
- On 24 June 2020, the Minister of Energy³⁵ announced his decision to further reduce approx. 20% of the use of coal in IEC's power plants, as compared with 2019. Therefore, the use of coal in 2020 will not exceed 24.9% (compared with 30% in 2019).
- On 25 October 2020, a government resolution was adopted on the subject of promotion of renewable energy in the electricity market, a resolution which was based *inter alia* on the policy principles set forth by the Minister of Energy in July 2020, according to which, electricity production from renewable energies in 2030 shall be 30% of the total electricity

³⁴ Website of the Tax Authority – <https://www.gov.il/he/departments/general/heshavon31819> [Hebrew].

³⁵ Website of the Ministry of Energy, Spokesperson's Announcement of 24 June 2020: https://www.gov.il/he/departments/news/press_240620 [Hebrew].



consumption, and electricity production from natural gas shall be 70% of the total electricity consumption. In addition, the interim goal was updated such that electricity production from renewable energies shall be 20% by the end of 2025. The implementation of such policy may affect the demand for natural gas in the domestic market.

- On 8 February 2021, it was reported that the Minister of Energy had instructed the IEC to reduce the use of coal such that it shall not exceed 22.5% of the total electricity production in 2021, as part of the policy to end the coal era in Israel by 2025.³⁶
- On 18 April 2021, the Ministry of Energy released a Road Map³⁷ until 2050 for the low carbon energy sector, which continues the program to reduce the use of polluting energy which was presented in 2018. In accordance with the program, the following targets for the sectors were determined:
 - a. Electricity sector – The production of electricity by using 70% natural gas and 30% renewable energies beginning in 2030, while ending the use of coal for electricity production in Israel by 2025.
 - b. The transportation sector – A gradual shift to electric cars and natural gas trucks, so that by 2030 the number of electric cars sold will be 50% of the total cars sold in Israel. Furthermore, Israel will adopt the common regulation worldwide and beginning in 2030 it will impose a total prohibition on the import of cars which run on polluting fuels.
- According to the PUA-E's Electricity Sector Status Report for 2023, the total installed capacity of the IEC's natural gas-fired production facilities in 2023 was approx. 46%. This figure is expected to increase significantly to approx. 84% of the IEC's total capacity in 2025.³⁸
- On 13 August 2023, following the policy to discontinue the use of coal, the Ministry of Energy and Infrastructure announced that the Natural Gas Authority at the Ministry of Energy and Infrastructure approved the conversion to gas of the two new electricity production units at the Orot Rabin Power Plant (CCGT 70 and CCGT 80) which are expected to be the first two units to be powered by gas at the Plant.³⁹
- According to IEC's annual report for 2024, in August 2023, the CCGT 70 unit was synchronized with the grid, and it commenced commercial operations in 2025. According to IEC's report for H1/2025, the operation of CCGT 80 is expected in October 2025. At this

³⁶ <https://www.calcalist.co.il/local/articles/0,7340,L-3892470,00.html> [Hebrew].

³⁷ https://www.gov.il/he/departments/publications/reports/energy_180421 [Hebrew].

³⁸ https://www.gov.il/BlobFolder/generalpage/dochmeshek/he/Files_Netunei_hashmal_doch_s_2022_nnn.pdf [Hebrew]

³⁹ <https://www.gov.il/he/departments/news/news-130823> [Hebrew].



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time, an orderly report with respect to the commencement of commercial operations has not yet been issued.

- According to IEC's annual report for the period ended 31 December 2024, approx. 46.4% of IEC's total installed production capacity is through units that can be operated with natural gas.

4.5.2 Transition to use of natural gas in industry

- Natural gas is a central component of the industry's energy consumption (approx. 32.5% of the total use of fuels in Israeli industry in 2020)⁴⁰. Enterprises are connected to natural gas through transmission and distribution networks, with the transmission and distribution fees supervised by the Natural Gas Authority.
- According to a summary review of the developments in the natural gas market by the Natural Gas Authority at the Ministry of Energy for 2024, to date, approx. 719 km of distribution pipelines and over 900 km of transmission pipelines have been laid out across Israel. Expansion of the natural gas distribution network may facilitate the connection of hundreds of prospective industrial consumers to the network.
- On 10 July 2020, the Ministry of Energy released a legislative memorandum for the amendment of the Natural Gas Sector Law, whereby the Minister of Energy may grant a license for the construction of a particular distribution network to Israel Natural Gas Lines Ltd. ("INGL"), should he find that there is an urgent need therefor, and no private-sector body is able and willing to build the system. The purpose of the said legislative memorandum is to enable the acceleration of the connection of industry enterprises to the natural gas infrastructure.

4.5.3 Export

The business relations between the countries in the region have led to the signing of agreements for export of natural gas from Israel to its neighbors, as specified below:

- On 26 September 2016, an agreement was signed between the Leviathan partners and the Jordanian electric power company (NEPCO) for the supply of up to approx. 45 BCM of natural gas for a period of approx. 15 years. According to a report of NewMed Energy dated 31 December 2019, flow of natural gas has begun from the Leviathan reservoir to the customers with which gas agreements were signed, and from 1 January 2020 also to NEPCO.

⁴⁰ 2020 Israeli Energy Sector Review – the Ministry of Energy: [energy_sector_review_2020.pdf](https://www.gov.il/energy_sector_review_2020.pdf) (www.gov.il) [Hebrew].



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- On 19 February 2018, agreements were signed between NewMed Energy and Chevron, and Dolphinus, an Egyptian company, which were assigned on 26 September 2018 to the Tamar partners and the Leviathan partners. On 26 September 2019, amendments were signed to the said export agreements for the supply of natural gas from the Tamar reservoir and the Leviathan reservoir in quantities of approx. 25.3 BCM and approx. 60 BCM, respectively, for a period of approx. 15 years. The Take-or-Pay mechanism in the amended export agreements includes a reduction of the minimal annual consumption commitment to 50% for a calendar year in which the average Brent price is lower than 50 dollars. On 15 January 2020 the Leviathan partners reported the commencement of the flow of gas to Egypt, and gas flow from the Tamar reservoir to Egypt began in July 2020.
- On 15 February 2021, the partners in the Tamar and Leviathan reservoirs reported the fulfillment of the closing conditions in the transmission agreement that was signed with INGL for the export of gas to Egypt in a manner that will allow flow on a regular basis and increased sale quantities to Egypt according to the supply conditions in the gas sale agreements of the various partnerships.
- On 16 February 2022, the Ministry of Energy approved⁴¹ the transmission of natural gas to Egypt through the Kingdom of Jordan. The actual piping of natural gas began on 1 March 2022⁴², increasing the volume of natural gas exported to neighboring countries, thereby securing the supply of the annual contract quantity required under the export agreements and even exceeding it in 2022-2023.
- On 8 May 2023, the Government of Israel, led by the Ministry of Energy and Infrastructure and INGL, approved a plan to increase the infrastructure for the export of natural gas to Egypt. The approved plan includes the establishment of an integrated infrastructure strip and infrastructure facilities in the route between Ramat Hovav and the border with Egypt in the Nitzana area, in addition to the existing maritime pipeline (EMG), and it is expected to increase the potential quantities of natural gas export to Egypt. The length of the segment (Ramat Hovav-Ashalim-Nitzana) is approx. 65 km, and it will allow the piping of another approx. 6 BCM per annum to Egypt. The value of the State revenues from exports on this scale is estimated at hundreds of millions of shekels per year from taxes and royalties. Further to the aforesaid, the Ministry of Energy published designated regulation for the allocation of the capacity and the costs associated with the construction of this pipeline among the various gas exporters. As of the report release date, the partners in the Leviathan, Tamar and Energean reservoirs are conducting negotiations with INGL with respect to the terms and conditions of the agreement for the construction and transport at the Nitzana line.

⁴¹ "New route for the export of natural gas to Egypt – Jordan North!" – Ministry of Energy, 16 February 2022 https://www.gov.il/en/pages/ng_160222.

⁴² <https://mayafiles.tase.co.il/rpdf/1433001-1434000/P1433795-00.pdf> [Hebrew]



- On 23 August 2023, the Minister of Energy and Infrastructure announced the approval of the increase of the gas export quota from the Tamar reservoir to Egypt. According to the approval outline, the volume of the gas production will increase by 6 BCM per year (an increase of approx. 60% compared to the current production volume) starting in 2026, 3.5 BCM of which will be earmarked for Egypt. Further to the aforesaid report, on 14 December 2023, the Tamar reservoir partners announced that the Ministry of Energy authorized them to increase the export permit of the reservoir, from 38.7 BCM (approved in August) to 43 BCM. This quantity will enable to increase the additional maximum gas quantity permitted to be exported to Egypt from 3.5 BCM per year to 4 BCM per year. On 15 February 2024, an amendment to the Tamar reservoir export agreement to Egypt was signed. As part of the amendment, the Sellers undertook to supply the Buyer with an additional quantity of approx. 4 BCM per year (a quantity that varies between 350 and 450 MMCF per day), which amounts to a total of approx. 43 BCM, over and above the existing amount in the agreement prior to its amendment, starting in July 2025, and subject to conditions precedent, mainly the completion of the expansion work of the Tamar reservoir and the completion of the expansion of the transmission system so as to allow the transfer of such additional gas quantities.⁴³
- On 27 December 2023, the Minister of Energy and Infrastructure announced the formation of an inter-ministerial committee for periodic examination of the natural gas sector policy. The Director General of the Ministry of Energy will chair the committee, and the committee members will consist of representatives on behalf of the PUA-E, the Ministry of Environmental Protection, the National Economic Council, the Ministry of Finance, the Competition Authority, the Ministry of Justice, The Ministry of Foreign Affairs, and the National Security Council. One of the duties of the committee, which convenes once every 5 years, will be to examine the policy on gas exports in new gas reservoirs. The committee completed its work within several months and submitted its conclusions to the government in 2024.
- On 26 June 2024, NewMed Energy reported that the Petroleum Commissioner at the Ministry of Energy granted the partners in the Leviathan reservoir in-principle approval, as of this time, to export additional natural gas from the Leviathan reservoir in a total quantity of up to 118 BCM, which may increase up to 145 BCM under certain conditions.
- On 9 April 2025, the committee released a draft report for public comment⁴⁴. The committee's key conclusion was that an increase of gas export from the existing reservoirs up to the maximum quantity permissible under the government resolution would generate up to \$12 billion (in 2024 terms) in surplus economic benefit within a 25-year period, and that within 35 years, assuming that no new reservoirs are discovered and that all gas

⁴³ <https://maya.tase.co.il/reports/details/1574898> [Hebrew].

⁴⁴ <https://www.gov.il/he/pages/os-090425> [Hebrew].



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needs of the market are required to be imported, there will be no significant difference between the present situation and maximum export.

The committee reached the following conclusions, among others:

- a. The Government is advised to reaffirm the principle of securing the needs of the domestic market while ensuring natural gas supply at high standards of availability and reliability.
- b. Investments in the exploration and development of new gas reservoirs should be encouraged, including by means of issuing competitive processes for exploration, encouraging the conduct of seismic surveys, and more.
- c. It should be ascertained that the officials entrusted with the grant of natural gas export approvals also consider, subject to the provisions of the Petroleum Law and government resolutions, the encouragement of investments in natural gas exploration and development, domestic market competition considerations (including the preservation of competitive supply) and solutions for the seasonal variability in demand and for peak demand situations.
- d. The overall duty of preservation of the reservoirs for the domestic market should continue to stand.
- e. The committee is of the opinion that the specific preservation duty brackets set by the Government should remain, and it recommends that rules be established by way of a government resolution to allow for reducing the specific preservation duty of a lease holder without reducing the overall preservation duty.
- f. The duty of connection of natural gas reservoirs to the national transmission system in accordance with the government resolution should remain, without allowing for the option to postpone the connection under Section 5(b) of Government Resolution 4442.
- g. It is recommended that follow-on work be undertaken to establish criteria for the energetic security level in the natural gas sector, promotion of a natural gas storage solution of such scale as is compatible with the needs of the market in times of emergency as well as natural gas import via existing and new infrastructures, formulation of a prioritized list of infrastructure projects that assist energetic security and amendment of the Natural Gas Sector Regulations in order for them to ensure supply of the needs of the domestic market in times of emergency.
- h. Enhancement of the competition in the natural gas sector by means of establishing a natural gas trading platform, promoting import and storage solutions, examining the setting of criteria for new contracts for natural gas supply to the domestic market and application of a sale duty separately from the Leviathan reservoir starting 1 January 2030.

- i. Follow-on work should be undertaken to examine alternatives to the continued use of natural gas while minimizing greenhouse gas emissions.

4.5.4 Energy prices globally and in Israel

- 2022 saw a drastic increase in gas prices, created because of a combination of several unique factors, and causing great difficulty throughout the world in the allocation of the limited gas supply. This increase occurred against the backdrop of the vast volatility in the global gas market at the end of 2021 and the resulting reduction in trade volumes. In addition, the eruption of the war between Russia and Ukraine in 2022 and the explosion of the Nord Stream pipeline in September 2022, caused gas prices to increase several more times, and to break new records each time. A record gas price was reached at the end of August 2022, when the natural gas price index reached the level of approx. 454 points (100 = 2010 average), compared with an average level of approx. 130.67 points in 2021.
- The decrease in gas prices in late-2022 and early-2023 was caused mainly due to adjustments on the demand side in Europe and Asia, growth of the global gas supply and elimination of infrastructural bottlenecks. However, the shortage in the global supply, which was among the causes for the increase in prices still exists, and the market is still in a state of a fragile and unstable equilibrium.
- On 25 June 2025, the International Gas Union released its annual price survey for 2025⁴⁵. According to the survey, in 2024, gas prices in Israel averaged less than \$5 per MMBTU. The State of Israel is not dependent on natural gas import and supplies most of the demand itself. Furthermore, gas prices in Israel are determined under long-term agreements and are therefore not directly impacted by changes in global energy prices. Nevertheless, natural gas prices in Israel are indirectly affected due to the linkage components under the contracts for the purchase of natural gas in Israel, mainly to the dollar and to the production component in the electricity tariff.
- According to a forecast prepared for the Partnership by an outside consultant, the domestic demand for natural gas is expected to gradually increase to approx. 15 and approx. 20 BCM in 2025 and 2035, respectively. The increase in the domestic demand between 2024-2035 is expected to derive mainly from an addition of approx. 3.7 BCM as a result of the transportation electrification, an addition of approx. 2.6 BCM as a result of discontinuance of the use of coal for electricity production, and of an addition of approx. 4.3 BCM as a result of natural growth in the demand for electricity (population growth, improvement in the standard of living and in disposable income). Conversely, the demand forecast includes a decline in domestic demand for natural gas of approx. 4.3 BCM due to renewable energies penetrating the domestic market, and in reference to the current

⁴⁵ [Wholesale Gas Price Survey 2025 Edition – IGU](#)

target of the Ministry of Energy for electricity production from renewable energies to account for 30% of all power consumption in 2030.

4.6 Market developments

4.6.1 The "Tamar" and "Leviathan" leases

- On 31 December 2019, the Leviathan partners reported the commencement of natural gas flow from the Leviathan reservoir to customers according to the agreements signed with them for the supply of natural gas from the reservoir. Further thereto, it was reported that on 1 January 2020 and on 15 January 2020, the gas flow from the Leviathan reservoir began to Jordan and to Egypt, respectively.
- On 19 January 2021, the Partnership and INGL reported that INGL had entered into an agreement with Chevron for the provision of transmission services on a firm basis for the purpose of piping natural gas from the Leviathan reservoir and from the Tamar reservoir to EMG's terminal in Ashkelon for export to Egypt. According to the agreement, Chevron undertakes to purchase approx. 5.5 BCM of the piping capacity of the transmission system per year, and at least 44 BCM throughout the term of the agreement. Conversely, INGL undertook to transmit no less than the aforesaid gas quantity on a firm basis, while the remaining required quantity will be piped on an interruptible basis. It was further clarified that, in the Partnership's estimation, the transmission system was planned in a manner enabling the piping of the full quantities of gas required under the agreement. In the Partnership's estimation, INGL's expected income under the agreement is expected to total approx. ILS 170 million per year. The transmission agreement will end on the earlier of: (1) the date on which the total quantity piped is 44 BCM; (2) 8 years after the date of commencement of the flow (between July 2022 and April 2023); or (3) upon expiration of the company's transmission license. The report further clarified that the Partnership does not expect any difficulty extending the agreement upon its expiry. On 15 February 2021, INGL reported the fulfillment of the closing conditions determined in the agreement. However, due to the fact that INGL has not yet completed the pipeline section between Ashdod and Ashkelon, the agreement has not yet taken effect. In addition to the aforesaid, on 27 February 2023, INGL informed Chevron that due to a malfunction in a ship carrying out infrastructure work for the laying of a subsea pipeline for INGL in the Ashdod-Ashkelon subsea transmission system segment, a delay of at least 6 months in the completion of the project is expected, such that the window of time during which commencement of the gas flow is possible has been postponed to the period from 1 October 2023 to 1 April 2024. According to the said INGL notice, the said event constitutes *force majeure* as defined in the transmission agreement between the parties. In response to the notice, Chevron approached INGL with a request for additional details and stated that according to the details held thereby, the said event should not be deemed as *force majeure*. With the outbreak of the Iron Swords War, INGL informed Chevron of suspension of the work for the laying of the offshore pipeline and the departure of the vessel that was engaged

in the laying thereof. As of the Valuation Date, this vessel has not resumed operations, and the Partnership estimates that this vessel is expected to resume operations toward mid-2025, and the laying of the said pipeline is expected to be completed toward the end of 2025.

- On 4 July 2021, The IEC entered into a SPOT agreement with the Leviathan partners for the purchase of natural gas from the Leviathan reservoir, which is valid for one year, in which framework it was agreed that the gas price will be determined every month and the parties have no commitment regarding the quantities purchased. On 28 June 2023, the SPOT agreement for the purchase of natural gas from the Leviathan reservoir was extended by another year until 4 July 2024.
- On 24 January 2022, the partners in the Tamar reservoir reported the signing of an amendment to the 2012 IEC-Tamar Agreement⁴⁶, whereby the gas price by which the IEC is bound in 2021 under the IEC-Tamar agreement of 2012 will be reduced by a rate several percent higher than the rate of the maximum reduction determined in the reduction mechanisms in this agreement for that year and for subsequent years. It was also determined that the parties to the agreement will reserve the right to a price adjustment (10% up or down) on 1 January 2025 (instead of 1 July 2024 in the 2012 IEC-Tamar Agreement)⁴⁷. In addition, the term of the 2012 IEC-Tamar Agreement was extended by another 2.5 years, such that this agreement will end on 31 December 2030 (the **"Date of Conclusion of the Amended Agreement"**). The gas price in the 2012 IEC-Tamar Agreement after the reduction determined in 2021 will be linked to the U.S. Consumer Price Index (the **"U.S. CPI"**), as follows:
 - An increase of up to 2.25% will be taken into account in full.
 - An increase of between 2.25% and 3.75% will not be taken into account in the relevant year, and may accrue and be taken into account in subsequent years only insofar as the rate of the rise in the U.S. CPI therein is less than 2.25%, and in any event the linkage in such years shall not exceed 2.25%.
 - An increase of over 3.75% will be taken into account in full (the portion exceeding 3.75%).
 - 1% per annum will be deducted from the above weighted linkage rate.

IEC has also undertaken the purchase of an additional 16 BCM (over and above the quantity to which it committed in the 2012 IEC-Tamar Agreement) until the Date of Conclusion of the Amended Agreement (in accordance with its operational needs). Insofar as the IEC does not consume the total natural gas quantity to which it has committed by such date, the agreement will automatically be extended until consumption of the full natural gas

⁴⁶ <https://maya.tase.co.il/reports/details/1427402/2/0> [Hebrew].

⁴⁷ In the IEC-Tamar agreement of 2012, the Parties determined two dates on which each party may request adjustment of the purchase price, 1 July 2021 and 31 December 2024. According to the mechanism determined, the IEC may request a price adjustment of up to 25% on the first date and up to 10% on the second date.

quantity. The price per unit of heat (MMBTU) for this additional quantity was determined in the agreement at approx. \$4, without linkage and without rights to adjustments in the future. On 24 July 2022, the agreement took effect after the satisfaction of all the conditions precedent.

On 24 July 2025, some of the Tamar partners reported that they had entered into a non-binding memorandum of understandings (MOU) with IEC, under which, as part of the price adjustment stipulated in the IEC agreement, additional gas quantities, over and above the ones specified in the IEC-Tamar agreement, will be sold, and the term of the agreement will be extended until 31 December 2035, and during the additional term, the gas quantity to be provided will be approx. 2-3 BCM *per annum*. IEC may extend the additional term until 31 December 2036, on such terms and conditions as specified in the MOU. On 9 September 2025, Isramco Negev 2, which holds 28.75% of the reservoir, reported that it would not be signing the MOU, and on 26 October 2025, Tamar Petroleum, which holds 16.75% of the reservoir, reported that it would not be joining the MOU. Accordingly, the parties may refer the matter to arbitration.

- On 31 December 2024, according to NewMed Energy's reports, the agreement for contribution to funding the building of a compression terminal outside of Israel in the transmission system to Egypt for the local transmission company and the agreement for the provision of transmission services, took effect. Under the agreement, it was determined that the amount of contribution to the funding of the project shall be limited to approx. \$343 million (100%), and the transmission company shall be responsible for the construction and operation of the project, for which it shall receive payment from Chevron. Chevron shall be entitled to receive annual reimbursements from the transmission company for the contribution to the funding, as well as reimbursements for some of the plant's operating and maintenance fees. The holders of interests in the Tamar and Leviathan reservoirs signed an agreement with Chevron back-to-back with the agreement for participation in financing, as well as for supplemental management fees for Chevron.
- On 23 February 2025, NewMed Energy reported that the partners in the Leviathan reservoir submitted an updated plan for the development of the Leviathan reservoir to the Petroleum Commissioner at the Ministry of Energy. The updated plan includes two phases:
 - a. The drilling of 3 additional production wells, addition of subsea systems, and expansion of the treatment facilities on the platform. Such actions will increase the volume of gas production from the reservoir by approx. 21 BCM per year. The cost of this phase is estimated at approx. \$2.4 billion.
 - b. The drilling of additional production wells and subsea systems and also, as required, the construction of a fourth pipeline between the field and the platform. This phase is expected to increase the volume of the production of gas from the reservoir by approx. 2 BCM per year.



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4.6.2 "Karish" and "Tanin" leases

- **Adoption of an investment decision** – On 27 March 2018, Energean notified the Partnership of the adoption of an investment decision for the development of the Karish reservoir. Further thereto, starting from March 2018 and until 31 December 2023, Energean paid the Partnership approx. \$81.35 million (6 of 10 installments, including interest) and the balance of the Debt Component to the Partnership was paid in 2024.
- **Listing of Energean on the Israeli stock exchange** – On 29 October 2018, trading of Energean Israel's parent company, Energean plc, was launched on the Tel Aviv Stock Exchange as a cross-listed company whose shares are additionally also premium-listed on the London Stock Exchange.
- **Commencement of manufacture of Energean's floating production facility** – On 27 November 2018, Energean announced commencement of manufacture, in China, of the floating production facility (FPSO) that is currently used by the Karish and Karish North reservoirs. The facility treats the natural gas produced at the projects and is located in Israel's EEZ at a distance of approx. 90 km from the shore.
- **Signing of an agreement for the construction and delivery of the eastern section of the infrastructure for gas transmission from the Leases** – On 25 June 2019, Energean announced that it signed an agreement with INGL, whereby it would build and transfer to INGL the eastern section of the gas infrastructure, which includes an offshore section approx. 10 km off the coast and an onshore section. In consideration therefor, INGL will pay Energean approx. ILS 369 million.
- **Signing of agreements for the sale of natural gas to the Alon Tavor power plant**– On 21 November 2019, Rapac Energy Ltd. reported that MRC Group, the winner of IEC's tender for the purchase of the Alon Tavor power plant, engaged in an agreement with Energean for the supply of natural gas in an annual amount of approx. 0.5 BCM for a period of 15 years (and in total up to 8 BCM). On 17 December 2020, Energean reported that it had engaged with Rapac Energy Ltd. in an additional agreement for supply of natural gas at an average annual amount of approx. 0.4 BCM for a period of 6 to 15 years, in addition to the existing signed agreements between Energean and Rapac Energy.
- **The signing of an MOU between Energean and Greece's gas transmission corporation (DEPA) for the sale of natural gas** – Ahead of the expected signing of the East Med Pipeline agreement by the governments and Energy Ministers of Cyprus, Greece and Israel, on 2 January 2020, Energean signed an MOU with DEPA for the possible sale of up to 2 BCM of natural gas per year from the reservoirs held by the company in Israel, the gas from which will be produced through the floating production facility (FPSO).



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- **The dispute between Energean and NewMed Energy in connection with the right to receive royalties from the reservoirs** – Further to Energean's report of 9 April 2020, regarding an update of the scope of the resources in the "Karish North" well, in April 2020, Energean and the Partnership exchanged letters in connection with claims raised by Energean with respect to the Partnership's rights to receive royalties from the Leases. Energean claims that (a) the Partnership's overriding royalty does not apply to the Karish North reservoir (as opposed to the Karish reservoir), and (b) not all the hydrocarbon liquids to be produced from the Karish lease constitute condensate under the sale agreement which is subject to the obligation to pay royalties. It is the Partnership's position, based on its legal counsel, that Energean's obligation to pay royalties applies with respect to natural gas and condensate to be produced from the Leases, including from the Karish North reservoir, and that all of the hydrocarbon liquids to be produced from the reservoirs in the area of the Leases constitute Condensate, as defined in the agreement which is subject to royalties. Up to the date of approval of the Valuation, Energean paid the Partnership – under protest – royalties for all of the condensate produced from the Karish lease and for the natural gas and all of the condensate from the Karish North reservoir.
- **Signing of an agreement for the sale of natural gas with Ramat Hovav partnership** – On 16 September 2020, Energean reported its engagement in agreements for the supply of natural gas from the Karish reservoir with the Ramat Hovav partnership (Edeltech and Shikun & Binui). According to the agreements, Energean will sell the Ramat Hovav partnership natural gas from the date of commencement of natural gas flow from the Karish field, at an annual quantity of approx. 1.4 BCM. The agreements include provisions on a floor price and a Take-or-Pay mechanism and are expected to generate for Energean approx. \$2.5 billion throughout the life of the contracts. According to the first agreement, which will be valid until expiration of 20 years from the date of the engagement therein, the main quantity sold in the context of the agreements is for the Ramat Hovav power station. Under another agreement, the rest of the gas will be supplied to other power stations held by the owners of the Ramat Hovav partnership – for a period of up to 15 years.
- **Agreement for the acquisition of all of the holdings in Energean Israel** – On 30 December 2020, Energean reported that it had signed an agreement for the acquisition of the remaining 30% of the issued and paid-up share capital of Energean Israel Ltd. ("Energean Israel") from Kerogen Investments No. 38 Ltd. ("Kerogen Fund"). In consideration for the holdings of Kerogen Fund in Energean Israel, Energean paid an amount ranging between \$380 million and \$405 million. On 25 February 2021, Energean reported the closing of the transaction, and commencing from such date, Energean holds 100% of the issued and paid-up share capital of Energean Israel.
- **Final investment decision (FID) in the "Karish North" reservoir** – On 14 January 2021, Energean reported on the adoption of a FID in the 'Karish North' reservoir in the sum of



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approx. \$150 million. Natural gas was produced from this reservoir for the first time in Q1/2024 and Energean estimates that the IRR of the project will be approx. 40%.

- On 13 December 2021, Energean reported that it had signed an agreement with Kanfa as for the construction of a second Oil Train Module (OTM) for the Karish reservoir. The construction of the additional OTM will allow for an increase of the hydrocarbon liquid output of the floating platform (FPSO) from 18 KBO per day to 32 KBO per day. Due to the Iron Swords War, there is a delay in the installation of the OTM. On 29 October 2024, Energean reported that the OTM had been hoisted onto the FPSO and that its installation and the running-in of the systems therein are expected to take around 6 months.
- **A natural gas sale SPOT agreement signed with IEC** – On 14 March 2022, Energean reported that it had entered into a SPOT agreement with IEC for supply of natural gas from the Karish reservoir (in this section below, the “**SPOT Agreement**”). Under the SPOT Agreement, IEC has the right to purchase natural gas at a variable monthly price in quantities to be determined on a daily basis (without a commitment). The SPOT Agreement shall apply for one year from the date of production of the first gas from the Karish reservoir, with extension options subject to both parties’ consent. Further to the aforesaid, IEC reported in the context of its quarterly report for the period ended 30 September 2023, that on 15 October 2023, the SPOT Agreement was extended for one more year, until 17 October 2024.
- **Signing of an agreement for the sale of natural gas with Hagit East Power Plant partnership** – On 3 May 2022, Energean reported its engagement in agreements for the supply of natural gas from the Karish reservoir with the Hagit East Power Plant partnership (Edeltech and Shikun & Binui Energy). According to the agreements, Energean will sell the Hagit East Power Plant partnership natural gas from the date of commencement of first gas production from the Karish field, in an annual quantity of up to approx. 0.8 BCM. The agreements include provisions on a floor price, Take-or-Pay mechanism and linkages (with no linkage to the Brent price), and are expected to generate for Energean up to approx. \$2.0 billion throughout the life of the contracts. The total natural gas sold under the agreement is expected to be up to approx. 12 BCM over a period of about 15 years. The agreement is subject to the closing of the acquisition of the plant by Edeltech and Shikun & Binui Energy. On 1 June 2022, IEC reported that the process for sale of the plant to Edeltech and Shikun & Binui Energy had been closed.
- On 9 October 2022, Energean reported the piping of natural gas from the shore to the floating production facility (FPSO) via the gas transmission systems as part of the tests and the trial run of the systems conducted by the company in preparation for the commencement of natural gas production from the Karish reservoir.
- On 26 October 2022, Energean reported initial natural gas production from the Karish reservoir and on 28 October 2022, it began selling natural gas to its customers.



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- On 17 November 2022, Energean reported that it had signed a sale agreement with Vitol SA for initial marketing of deliveries of hydrocarbon liquids. On 14 February 2023, the company supplied the first delivery of hydrocarbon liquids from the Karish reservoir according to the aforementioned agreement.
- On 18 June 2023, Energean announced that Energean Israel Finance Ltd.⁴⁸ intends to issue a secured senior bond series in the total amount of \$750 million which is due to mature on 30 September 2033. The annual interest rate of this series is 8.50% and it will be paid in semi-annual installments on 30 March and 30 September of each year. According to the report, the bond is expected to be issued in July 2023 and traded on TASE-UP⁴⁹. Energean intends to use the aforesaid amount, to: (1) pay the company's bonds that are due to mature in 2024; (2) pay the final deferred consideration to Kerogen Fund for the acquisition of Energean Israel; (3) finance interest expenses; and (4) pay fees, accrued interest and other expenses in respect of the repayment of the bonds mentioned in Section 1 above and the issuance of the bond. On 11 July 2023 such bond was issued on TACT-Institutional and on 26 July 2023 the S&P Maalot rating agency assigned an iLA rating to the issuance of the secured senior bond, with a stable outlook.⁵⁰ On 18 November 2024, Maalot rating agency affirmed the iLA rating with a negative outlook for Energean's secured senior bonds⁵¹.
- On 29 February 2024, Energean reported that it had started to produce gas from the Karish North reservoir on 22 February 2024. In addition, the flow of gas has commenced, by means of the second gas export pipeline (Export Riser), installation of which was completed in December 2023.
- Further to the previous section, Energean further informed in the said report that it had entered into a natural gas supply agreement with Eshkol Energies Generation Ltd. ("Eshkol"), a company controlled by Dalia. According to the agreement, starting in June 2024, Energean will sell Eshkol an annual amount of approx. 0.6 BCM of natural gas until 2031 and subsequently an annual amount of 1 BCM until expiration of the term of the contract. The agreement includes clauses that address minimum and maximum prices, a 'take or pay' mechanism and a linkage mechanism. According to the report, the aggregate amount of the contract will be approx. 12 BCM for a 15-year term, and it is expected to generate Energean revenues of approx. \$2 billion.

⁴⁸ An Israel-based SPV. The SPV is held by Energean Israel.

⁴⁹ TASE-UP is a platform for raising capital or debt for private entities from institutional investors and/or other (including private) qualified clients from Israel and overseas. In addition, the private entities may use the platform for trade without being obligated to release a prospectus and without being subject to current reporting obligations or disclosure requirements.

⁵⁰ Source: <https://mayafiles.tase.co.il/rpdf/1537001-1538000/P1537511-00.pdf> [Hebrew].

⁵¹ <https://www.maalot.co.il/Publications/4795/FARene20241118161048.pdf> [Hebrew].



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- In addition, on 14 April 2025, Energean reported that Energean Israel engaged with Kesem Energy Ltd. ("**Kesem**"), a company held *inter alia* by Mivtach Shamir, in an agreement for the supply of natural gas. Under the agreement, Energean will sell natural gas to Kesem, effective from the mid-2030s, in the annual quantity of approx. 1 BCM, until the expiration of the term of the contract. Prior thereto, Energean Israel will supply natural gas to Kesem intermittently. The agreement includes clauses that address minimum prices, a 'take or pay' mechanism and a linkage mechanism. According to the report, the aggregate amount of the contract will be 12.5 BCM for a 17-year term, and it is expected to generate Energean revenues of approx. \$2 billion.⁵²
- **Signing of a binding MOU for the purchase of gas between Dalia Energy Companies Ltd. and Energean Israel** – On 23 January 2025, Dalia⁵³ reported its signing of a binding MOU with Energean Israel for the purchase of natural gas for the "Dalia 2" and "Eshkol Avshal" H Class plants. The MOU specifies the various contractual periods and corresponding quantities until 31 December 2043. Dalia estimates that the gas volume may amount to approx. 12 BCM for a sum total of approx. \$2 billion until the end of the term of the agreement.
- **Signing of a supply agreement with INGL** – On 24 October 2025, Energean Israel reported⁵⁴ that it had signed an agreement with INGL for the supply of natural gas for the Nitzana Project. Energean will supply natural gas of 1 BCM per year for a period of 15 years, with options for extension and early termination of the contract.
- **Update of the volume of resources attributable to the Karish, Karish North and Tanin reservoirs** – On 20 March 2025, Energean released a resource and reserve report as of 31 December 2024, prepared by the resource estimation firm DeGolyer and MacNaughton, whereby the Karish, Karish North and Tanin reservoirs (in this section: the "**Reservoirs**") have reserves of natural gas and hydrocarbon liquids (2P) of approx. 88.8 BCM and approx. 86.5 million barrels, respectively⁵⁵. Energean updated the date of first gas from the Tanin reservoir to 2032 (*in lieu* of 2029). Furthermore, Energean released its forecasts with respect to the rate of production of natural gas and hydrocarbon liquids from each one of the Reservoirs, as well as forecasts pertaining to the amounts of the capital investments, royalties, taxes and operating costs of the Reservoirs.

⁵² <https://mayafiles.tase.co.il/rpdf/1658001-1659000/P1658273-00.pdf>.

⁵³ <https://mayafiles.tase.co.il/rpdf/1641001-1642000/P1641823-00.pdf> [Hebrew].

⁵⁴ <https://maya.tase.co.il/he/reports/1698887?attachmentType=pdf1> [Hebrew].

⁵⁵ Source: <https://www.energean.com/media/6006/dm-final-report-energean-israel-2024ye.pdf>



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5. Valuation of Royalties

5.1 Various valuation methodologies

There are three commonly accepted approaches for estimation of the economic value of businesses and companies:

- **Market Approach:** According to this approach, the fair value of the company is estimated by comparing the accounting and operational parameters of the company under valuation, with the same parameters of comparable publicly traded companies, as well as analyzing similar transactions in the industry. The comparison is made using multiples, which represent the ratio between the value of the comparable companies, and a selected accounting or operational parameter, while making adjustments, as necessary, based on the differences between the company being valued and the comparable companies.
- **Cost Approach:** According to this approach, the fair value of the company is estimated based on the cost of replacing the asset with a new one. The key assumption underlying this approach is that a rational investor would not purchase an existing asset for a price higher than the cost involved in creating a comparable asset.
- **Income Approach:** According to this approach, the fair value of the company is estimated by discounting the cash flows (DCF) that the company is expected to generate in the future. In order to apply such method, it is necessary to estimate the forecasted sales and expenses (cost of goods sold, G&A, marketing and sales, other income/expenses, taxes, etc.) expected to derive from the business/asset, including the forecast of investments and additional adjustments to the cash flow (such as depreciation, setoff of income in advance and changes in working capital). The unleveraged income approach is the standard method in finance for valuation of a "going concern" business. Such cash flows are capitalized at a capital price reflecting the risk inherent in the company's activity.

5.2 Selected methodology

According to IFRS 3, contingent consideration is defined as: *"...an obligation of the acquirer to transfer additional assets or equity interests to the former owners of an acquiree as part of the exchange for control of the acquiree if specified future events occur or conditions are met."*

As specified in Chapter 3 above, the consideration to which the Partnership is entitled includes a possibility of receiving future proceeds, in addition to the amounts to be received in cash (approx. \$148.5 million), which are contingent upon the occurrence of future events.

According to the characteristics of the consideration components, the value of the Royalties in the transaction for the sale of Karish and Tanin leases is assessed through the Discounted Cash Flow method, while adjusting the cap rates to the risks involved in the cash flow.

5.3 Working assumptions

5.3.1 General

The main working assumptions as specified below are based primarily on the D&M CPR together with adjustments to publications regarding operational, technical and financial updates that were performed by Energean (as specified below), and on the analysis of market data and releases of public companies in the oil and gas sector in Israel. **It is emphasized that the assumptions and information specified below, including with respect to forecasts and the main commercial conditions in the agreement for the sale of the reservoirs, as well as regarding the types of the hydrocarbon liquids which will be produced from the reservoirs and in respect of which royalties will be paid to the Partnership, constitute forward-looking information within the meaning thereof in the Securities Law, 5728-1968, which there is no certainty of the materialization thereof, in whole or in part, in the said manner or in any other manner.**

5.3.2 Timetable

According to Energean's aforementioned reports, first gas production from Karish reservoir began in Q4/2022. It was further reported that the production well in the Karish North reservoir was drilled and completed during Q3/2022, and that first gas production from the reservoir began in Q1/2024. According to these reports, production from the Tanin lease is expected to begin in 2032.

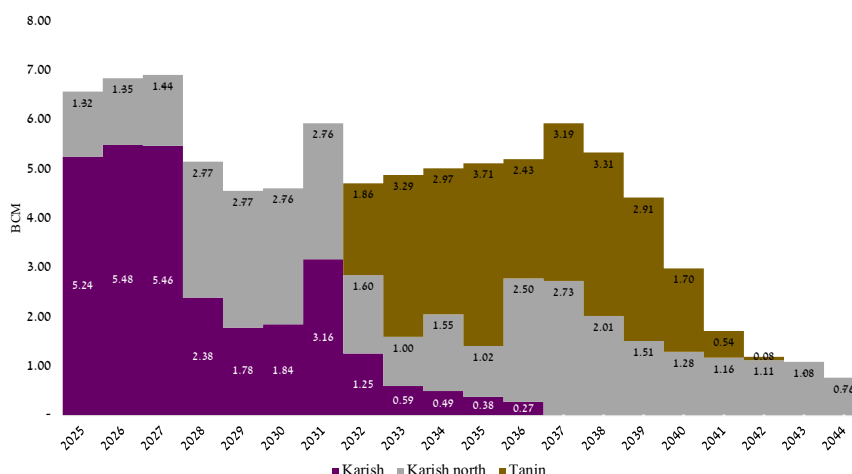
In the context of the Valuation, it was assumed that gas production from the Tanin reservoir will take place in 2032. It was further assumed that production of the natural gas reserves in the Karish, Karish North and Tanin reservoirs will end in 2036, 2044 and 2042, respectively, based on the assumptions presented in the D&M CPR.

5.3.3 Quantity forecast and annual production rate

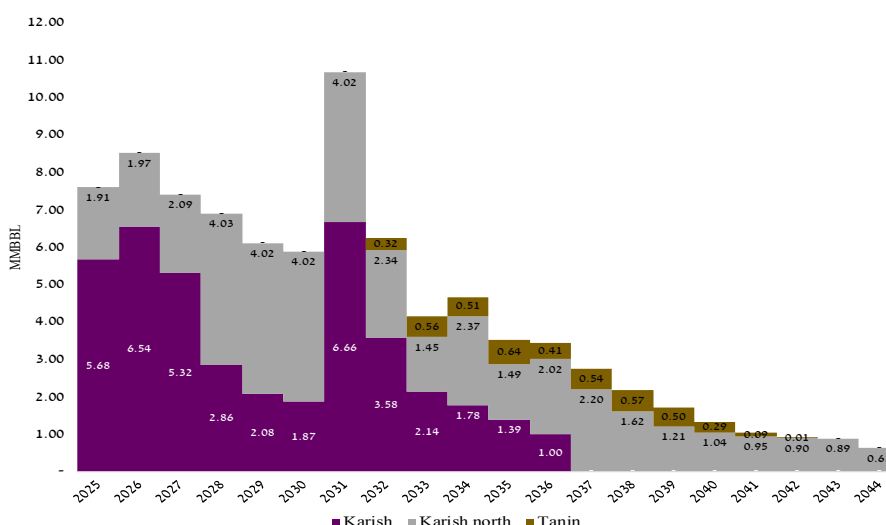
The following table specifies the quantities of natural gas and hydrocarbon liquids (condensate and natural gas liquids) in the Karish and Tanin reservoirs (100%) as published in the D&M CPR, as of 31 December 2024:

Reservoir	Reserves and Resources	
	Natural Gas (BCM)	Hydrocarbon Liquids (MMBBL)
	2P	2P
Karish	28.3	40.9
Karish North	34.5	41.2
Tanin	26.0	4.4
Total	88.8	86.5

The following chart describes the rate of natural gas production from the reservoirs according to the D&M CPR (2P reserves):



The following chart describes the rate of production of the hydrocarbon liquids from the reservoirs according to the D&M CPR (2P reserves):



The forecasted annual rate of production and sales of natural gas and condensate used in the Valuation was based on the rate of production specified in the D&M CPR, which in our estimation reflects the likely scenario considering the public information available in relation to the contracts that have been signed, the extent of the demand and the expected competition in the domestic market (for a detailed forecast of the annual production rate of natural gas and condensate, see Annex A). For the period between January and September 2025, which is not included in the Valuation, a production of 4 BCM was assumed, based on Energean's reports of 27 October 2025. In addition, on 11 September 2025, Energean updated the 2025 production forecast to approx. 88% of the original forecast. Following such update,



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the production forecast in the Valuation, which was based on the resources report, was updated at a ratio similar to the update provided by Energean.

In addition, according to the D&M CPR, a factor of approx. 37.2 million was taken into account for the conversion from an MMBTU unit to a BCM unit.

5.3.4 Natural gas prices forecast

The natural gas prices forecast relied on the following assumptions:

- The base price in the contracts on which the Valuation is based was estimated using the formulas specified in the price mechanism between Energean and ICL and ORL, and between Energean and OPC, as well as the gas price in the Ramat Hovav power station contract, and the parameters specified below:
 - i. **The Production component tariff:** as of the Valuation Date, the production component tariff is 29.39 Agorot (according to PUA-E's publication as of 29 December 2024⁵⁶). Throughout the other forecast years, it was assumed that the production component tariff would change according to the IEC's expected expenses in respect of electricity production, which are affected, *inter alia*, by the prices of natural gas, coal, changes in exchange rate (ILS/\$), conversion of the coal-fired power plants to use of natural gas, construction of additional natural gas-fired power plants by the IEC, the sale of power plants to IPPs and other production costs. According to our forecasts, the production component tariff is expected to range between approx. 30.68-36.07 agorot throughout 2026-2037. As noted in Section 4.4, a hearing has been issued by PUA-E regarding changes in the calculation of the production component. As of the Valuation Date, a final decision on the matter has not yet been made, and therefore the proposals made therein have not been reflected in this Paper.
 - ii. **ICL and ORL** – floor price of U.S. \$3.975 per MMBTU according to an agreement between the company and ICL and ORL.
 - iii. **OPC** – floor price of U.S. \$3.975 per MMBTU when the production component is larger or equal to 26.4 Agorot, and a floor price of U.S. \$3.8 per MMBTU when the production component is lower than 26.4 according to an agreement between the company and OPC.
 - iv. **Ramat Hovav** – fixed price of U.S. \$3.95 per MMBTU.
- It was assumed that a gas amount of 1.0 BCM shall be regularly supplied to the Ramat Hovav power plant and that the remaining gas amount which will be sold will be equally distributed between IPPs (such as the contract with OPC) and industrial producers (such as the contracts with ICL and ORL).

⁵⁶ <https://www.gov.il/he/pages/70004> [Hebrew].



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The base scenario and the low scenario in the D&M CPR assumed that the natural gas price will be approx. U.S. \$4.25 and \$4.30 per MMBTU in 2025-2027 and from 2028 forth, respectively.

5.3.5 Condensate price forecast

The condensate price forecast was estimated based on the average short-term petroleum price forecasts by the World Bank⁵⁷, the EIA⁵⁸, and the Brent long-term forward prices according to Bloomberg as of the Valuation Date. Since the published forward prices are up to 2032, from 2033 it was assumed that the annual rate of change in the forecast will be the same as the rate of change between 2031 and 2032.

5.3.6 Royalty rate

The effective royalty rate paid to the Partnership is derived, among other things, from the effective royalty rate paid to the State. The royalty rate paid to the State is determined according to the Petroleum Law and stands at 12.5% of the quantity of petroleum produced and used by the lease holder. However, the royalty rate paid in practice is lower as a result of deduction of expenses for the transmission systems and the treatment of the gas up to the gas onshore delivery point⁵⁹. As determined by the Ministry of Energy, the rate of advances paid to the State in the years 2023-2025 for the sales of natural gas and condensate from the Karish lease is 11.06%. This rate constitutes an advance payment only, and the market value of the royalties at the wellhead will be calculated in the future according to the expense deduction rate and method to be agreed with the Ministry of Energy. This rate is used for the calculation of the value of the royalties at the wellhead for the purpose of the Valuation and is identical to the royalty rate as reflected from Energean's public financial statements.

5.3.7 Petroleum profit levy

The Petroleum Profits Levy is a progressive levy which is set according to a mechanism which connects the rate of the levy to the ratio of the net accrued revenues from the petroleum and gas production project and the total accrued investments for the exploration and initial development of the reservoir (the "**Investment Coverage Ratio**"). The minimal levy at a rate of 20% will be charged when the Investment Coverage Ratio reaches 1.5 and it will rise gradually to a rate of approx. 47% (according to the corporate tax rate⁶⁰) with the Investment Coverage Ratio reaching 2.3. The levy will be calculated and imposed for every lease separately.

⁵⁷ [A World Bank Group: Commodity Markets Outlook, April 2025](#)

⁵⁸ [U.S Energy Information Administration: Short-Term Energy Outlook, September 2025](#)

⁵⁹ On 14 May 2020, the Ministry of Energy released for public comment directives on the method of calculation of the value of the royalty at the wellhead in connection with offshore petroleum rights. For further details see: https://www.gov.il/BlobFolder/policy/oil_search_publications/he/royalty_sea.pdf [Hebrew].

⁶⁰ A corporate tax rate of 23% was assumed according to the statutory tax rate known as of the Valuation Date.

Within the cash flow forecast for the Royalties, we deducted the levy from the net royalties (after offsetting the existing royalties) which will be received by the Partnership from each lease, based on the rate of the levy calculated in the Valuation for each of the Leases.

5.3.8 Royalties cap rate

The cap rate (before tax) was estimated at approx. 9.9% based on a weighted average of the required return on equity which was estimated using the CAPM model, the normative debt price and net of the operational risk, as specified in the table below:

Parameter	Value	Note
Risk-free interest	3.76%	A
Leveraged beta	1.74	B
Market premium	6.57%	C
Specific risk premium	4.18%	D
The company's equity price	19.4%	
The debt price	6.39%	E
Tax rate	0%	F
Leverage ratio	60.0%	G
Weighted equity price	11.6%	
Net of operational risk	(1.7%)	H
Weighted equity price net of operational risk	9.9%	

The working assumptions used in the calculation of the cap rate were as follows:

- U.S. government bond yield for the average duration of the cash flow (approx. 5.2 years).
- Based on an average of unleveraged betas of benchmark companies, as specified in the table below:

Company	Unleveraged Beta
Isramco Negev 2 Limited Partnership	0.73
Cohen Development Gas & Oil Ltd.	0.75
Ratio Energies Limited Partnership	0.81
Energear Plc	0.37
NewMed Energy Limited Partnership	0.83
Benchmark company average	0.70

The leveraged beta was estimated based on the average beta of the benchmark companies above and the normative leverage ratio, without tax (see Note F).



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- c. The market risk premium in Israel (Damodaran July 2025).
- d. Size risk premium according to Duff & Phelps International Valuation Handbook 2024 in addition to a specific risk premium due to the volatility in the oil prices and the competition in the domestic market.
- e. The debt price was estimated based on the yield rate derived from the bond issuance carried out by Energean in July 2023⁶¹ and based on "fair value" figures as of the Valuation Date.
- f. The valuation model is a pre-tax model and therefore no tax was taken into account in the cap rate.
- g. The average leverage ratio of the benchmark companies (in Section (b) above), as of 30 June 2025, was estimated at approx. 21%. In our estimation, the normative leverage ratio for the long-term is 60.0%.
- h. The cap rate of 11.6%, which was estimated using the CAPM model (the "**Operating Cap Rate**"), includes many operational risks to which the recipient of the overriding royalties is not exposed. In our experience, the Operating Cap Rate is 1.5% to 2.0% higher than the cap rate for the royalties. Consequently, a reduction was made at the rate of approx. 1.7% from the risk rate produced by the model.

5.4 Results of the Valuation

According to the assumptions specified in the body of the Paper, the value of the Royalties as of 30 September 2025 is estimated at approx. \$255.5 million (the value of the Karish Royalties (including Karish North) and the Tanin Royalties were estimated at approx. \$188.7 million and approx. \$66.8 million, respectively). **To clarify, the Valuation does not address disagreements, if any, between Energean and the Partnership, and the implications thereof** (for further details, see Section 4.6.2 above), **and the value reflects the Partnership's position regarding the disagreement.**

⁶¹ For more information, see Section 4.6.2.

5.5 Sensitivity analyses

The following table presents an analysis of the sensitivity of the Royalties' value to changes in the cap rate and to changes in the natural gas prices, in millions of U.S. \$:

		Change in the Natural Gas Price Vector (U.S. \$ per MMBTU)						
		-1.50	-1.00	-0.50	-	0.50	1.00	1.50
Change in Cap Rates (Base Points)	+250 bp	183.6	197.5	215.3	228.5	244.2	255.9	271.2
	+150 bp	192.1	206.5	224.9	238.6	255.1	267.1	283.1
	+50 bp	201.4	216.4	235.4	249.6	266.9	279.3	296.1
	-	206.4	221.6	241.0	255.5	273.3	285.8	303.0
	-50 bp	211.6	227.1	246.8	261.7	279.9	292.7	310.2
	-150 bp	222.7	238.9	259.4	274.8	294.0	307.2	325.7
	-250 bp	234.9	251.8	273.1	289.2	309.6	323.2	342.7

The following table presents an analysis of the sensitivity of the Royalties' value to changes in the cap rate and to changes in the annual production quantity, in millions of U.S. \$:

		Change in the Annual Production Rate of Natural Gas (BCM)						
		-1.00	-0.50	-0.25	-	0.25	0.50	1.00
Change in Cap Rates (Base Points)	+250 bp	215.2	223.4	227.4	228.5	232.0	235.2	241.3
	+150 bp	225.5	233.8	237.8	238.6	242.1	245.4	251.5
	+50 bp	236.7	245.1	249.2	249.6	253.1	256.4	262.5
	-	242.8	251.1	255.3	255.5	259.0	262.3	268.4
	-50 bp	249.1	257.5	261.6	261.7	265.1	268.4	274.6
	-150 bp	262.7	271.1	275.3	274.8	278.3	281.5	287.6
	-250 bp	277.8	286.1	290.2	289.2	292.6	295.8	301.9

The following table presents an analysis of the sensitivity of the Royalties' value to changes in the cap rate and to changes in the condensate prices, in millions of U.S. \$:

		Change in the Condensate Price Vector (U.S. \$ per BBL)						
		-30.00	-20.00	-10.00	-	10.00	20.00	30.00
Change in Cap Rates (Base Points)	+250 bp	208.7	216.0	220.8	228.5	236.2	244.1	252.0
	+150 bp	218.3	226.0	230.6	238.6	246.6	254.8	262.9
	+50 bp	228.8	236.8	241.4	249.6	257.9	266.4	274.8
	-	234.4	242.6	247.1	255.5	263.9	272.6	281.1
	-50 bp	240.3	248.7	253.1	261.7	270.2	279.0	287.8
	-150 bp	252.9	261.7	265.9	274.8	283.7	292.9	301.9
	-250 bp	266.6	275.9	280.0	289.2	298.5	308.0	317.5



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Annex A – Cash Flow Forecast

Year	Unit	Q4-25	2026	2027	2028	2029	2030	2031	2032	2033	2034
<u>Production</u>											
Gas production - Karish*	bcm/y	1.77	6.83	6.90	5.15	4.55	4.60	5.92	2.84	1.59	2.04
Gas production - Tanin	bcm/y	-	-	-	-	-	-	-	1.86	3.29	2.97
Condensate production - Karish*	bbl/y m	2.05	8.51	7.41	6.88	6.10	5.88	10.68	5.92	3.59	4.15
Condensate production - Tanin	bbl/y m	-	-	-	-	-	-	-	0.32	0.56	0.51
<u>Prices</u>											
Natural gas price	US\$	4.09	4.24	4.38	4.23	4.26	4.63	4.86	4.81	4.80	4.77
Condensate Price	US\$	63.31	58.82	65.07	66.09	67.19	67.98	68.49	68.67	68.85	69.03
<u>Revenues</u>											
<u>Karish - Revenues*</u>											
Natural Gas Revenues	US\$ MM	269.0	1,078.6	1,123.4	809.9	720.8	791.6	1,070.7	508.3	282.7	361.3
Condensate Revenues	US\$ MM	129.7	500.5	481.9	454.9	409.5	399.8	731.1	406.7	247.3	286.7
Total Gross Revenues	US\$ MM	398.7	1,579.1	1,605.3	1,264.8	1,130.4	1,191.5	1,801.8	915.0	530.0	648.0
<u>Tanin - Revenues</u>											
Natural Gas Revenues	US\$ MM	-	-	-	-	-	-	-	332.4	586.4	525.4
Condensate Revenues	US\$ MM	-	-	-	-	-	-	-	21.8	38.2	35.1
Total Gross Revenues	US\$ MM	-	-	-	-	-	-	-	354.3	624.6	560.5
K&T - Total Gross Revenues	US\$ MM	398.7	1,579.1	1,605.3	1,264.8	1,130.4	1,191.5	1,801.8	1,269.2	1,154.6	1,208.5
<u>New-Med Energy - Transaction Revenues</u>											
Karish ORRI, Net*	US\$ MM	18.1	43.8	40.1	25.8	20.7	19.7	27.7	13.9	8.0	9.8
Tanin ORRI Net	US\$ MM	-	-	-	-	-	-	-	16.0	28.3	25.4
Transaction ORRI, Net**	US\$ MM	18.1	43.8	40.1	25.8	20.7	19.7	27.7	29.9	36.3	35.2
Karish Discounted Transaction Revenues*	US\$ MM	17.8	41.1	34.1	19.9	14.6	12.6	16.1	7.3	3.9	4.3
Tanin Discounted Transaction Revenues	US\$ MM	-	-	-	-	-	-	-	8.5	13.6	11.1
Total Discounted Transaction Revenues	US\$ MM	17.8	41.1	34.1	19.9	14.6	12.6	16.1	15.8	17.5	15.4

*Including Karish North

**Net of Existing ORRI net of Petroleum Tax

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Year	Unit	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044
<u>Production</u>											
Gas production - Karish*	bcm/y	1.40	2.77	2.73	2.01	1.51	1.28	1.36	1.31	1.28	0.96
Gas production – Tanin	bcm/y	3.71	2.43	3.19	3.31	2.91	1.70	0.54	0.08	-	-
Condensate production - Karish*	bbl/y m	2.88	3.02	2.20	1.62	1.21	1.04	1.17	1.13	1.11	0.86
Condensate production – Tanin	bbl/y m	0.64	0.41	0.54	0.57	0.50	0.29	0.09	0.01	-	-
<u>Prices</u>											
Natural gas price	US\$	4.59	4.32	4.29	4.28	4.36	4.36	4.36	4.36	4.36	4.36
Condensate Price	US\$	69.21	69.39	69.57	69.75	69.93	70.12	70.30	70.48	70.67	70.85
<u>Revenues</u>											
<i>Karish - Revenues*</i>											
Natural Gas Revenues	US\$ MM	239.2	444.9	435.4	319.9	243.9	207.3	220.5	211.8	206.9	155.2
Condensate Revenues	US\$ MM	199.2	209.5	153.2	113.1	84.9	72.6	82.5	79.8	78.8	60.8
Total Gross Revenues	US\$ MM	438.4	654.3	588.6	432.9	328.8	279.9	303.0	291.5	285.7	216.0
<i>Tanin - Revenues</i>											
Natural Gas Revenues	US\$ MM	634.5	389.3	509.1	526.8	472.3	275.8	87.2	12.5	-	-
Condensate Revenues	US\$ MM	43.9	28.7	37.8	39.4	34.8	20.5	6.5	0.9	-	-
Total Gross Revenues	US\$ MM	678.4	418.0	547.0	566.2	507.1	296.3	93.7	13.4	-	-
K&T - Total Gross Revenues	US\$ MM	1,116.8	1,072.4	1,135.6	999.2	835.9	576.2	396.7	304.9	285.7	216.0
<u>New-Med Energy - Transaction Revenues</u>											
Karish ORRI, Net*	US\$ MM	6.6	9.9	8.9	6.6	5.0	4.2	4.6	4.4	4.3	3.3
Tanin ORRI Net	US\$ MM	30.7	18.9	15.2	12.4	12.9	6.4	2.0	0.3	-	-
Transaction ORRI, Net**	US\$ MM	37.4	28.8	24.1	18.9	17.8	10.6	6.5	4.7	4.3	3.3
Karish Discounted Transaction Revenues*	US\$ MM	2.7	3.6	2.9	2.0	1.4	1.1	1.0	0.9	0.8	0.6
Tanin Discounted Transaction Revenues	US\$ MM	12.3	6.9	5.0	3.7	3.5	1.6	0.4	0.1	-	-
Total Discounted Transaction Revenues	US\$ MM	14.9	10.5	8.0	5.7	4.9	2.7	1.5	1.0	0.8	0.6

*Including Karish North

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Annex B – Definitions

NewMed Energy/the Partnership	NewMed Energy Limited Partnership
Avner	Avner Oil Exploration - Limited Partnership
Natural Gas	A gas mixture containing mainly Methane, used mainly for the production of electricity and as a source of energy for industry
The Buyer/Energean	Energean Plc. through Energean Israel Limited (Formerly Ocean Energean Oil and Gas Ltd.)
The Partnerships/Sellers	NewMed Energy and Avner
The Petroleum Law	The Petroleum Law, 5712-1952
The Gas Framework or the Framework	The resolution of the Israeli Government to create a framework for increasing the amount of natural gas produced from the Tamar natural gas field and the quick development of the Leviathan, Karish and Tanin natural gas fields as well as other gas fields
Chevron	Chevron Mediterranean Ltd.
Condensate	Hydrocarbon liquid created during the production of natural gas, used as raw material for the production of fuels and constitutes a petroleum substitute
Petroleum Asset	A preliminary permit, license or lease by virtue of the Petroleum Law in Israel or a right of similar meaning granted by the entity authorized therefor outside Israel
BCM	Billion Cubic Meters
DCF	Discounted Cash Flows
FID	The adoption of a decision to invest in the development of the Karish and Tanin natural gas reservoirs. Final Investment Decision
LNG	Liquid Natural Gas
MMBTU	A Million BTU – an energy unit used as a basis for the determination of natural gas prices