FitchRatings

RATING ACTION COMMENTARY

Fitch Affirms Leviathan Bond Ltd's Notes at 'BB'; Outlook Stable

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Fitch Ratings - London - 17 Mar 2026: Fitch Ratings has affirmed Leviathan Bond Ltd's USD1.15 billion outstanding notes at 'BB' with a Stable Outlook.

The rating reflects abundant high-quality reserves, proven technology and a strong operating set-up, with Chevron Mediterranean Ltd managing day-to-day operations. The rating is constrained by the offtake base, as Fitch views the two largest offtakers as having weak credit profiles.

Fitch's rating case (FRC) incorporates the financial impact of a possible three-month shutdown of the Leviathan field in 2026, due to the ongoing conflict in the Middle East and the associated force majeure under the offtake agreements. The FRC forecasts the project life coverage ratio (PLCR) at 3.9x and leverage at 1.98x in 2026 and 4.06x and 1.08x, respectively, in 2027.

The Stable Outlook reflects our assessment that the USD600 million bullet maturity due in June 2027 could be repaid from available liquidity and assumed cash generation even if the gas field remains non-operational hypothetically, until debt maturity in 2027.

KEY RATING DRIVERS

Revenue Risk - Midrange

Diversified Offtake Base: Leviathan benefits from a diversified offtake structure; it has long-term contracts with National Electric Power Company (backed by the Jordanian government) in Hashemite Kingdom of Jordan (BB-/Stable), Blue Ocean Energy in Egypt (B/Stable) and a portfolio of Israeli companies. Fitch views Israeli gas sales as strategic given expected growth in local demand. Leviathan is strategic for Jordan due to limited domestic energy sources and higher-cost liquefied natural gas (LNG). In Egypt, the ultimate offtaker is Egyptian Natural Gas Holding Company, which is incentivised to maximise purchases as gas can also support LNG exports.

Weak Counterparty Exposure: The rating is constrained by the offtake base, as Fitch views National Electric Power Company and Blue Ocean Energy as having weak credit profiles. Israeli offtake is diversified and renewal risk is low. In 2024, Leviathan began generating revenue from condensate sales in Israel. Pricing exposure to Israeli electricity tariffs and Brent-linked export volumes is mitigated by floor prices, while volume risk is contained by long-term take-or-pay contracts.

Supply Risk - Stronger

Sufficient Resources, High-Quality Reservoir: The technical advisor views Leviathan as a high-quality gas reservoir with a strong drive mechanism, supporting higher reservoir pressure as volumes decline and reducing the need for additional well drilling. As of December 2025, Netherland Sewell & Associates Inc reported 1P reserves of 438 billion cubic metres (bcm) and 2P reserves of 553bcm. Additional gas volumes currently classified as contingent (1C and 2C) are expected to be added to 1P and 2P reserves once further wells or developments are approved and volumes become commercial. Fitch has not considered these volumes under the FRC.

The project benefits from Israel's Property Tax and Compensation Fund warranty, which covers property damage arising from war or other political violence. In addition, a comprehensive commercial insurance programme provides all-risks physical damage and business interruption cover, helping to mitigate risks from production disruptions related to the Middle East conflict.

Operation Risk - Midrange

Experienced Operator Mitigates Complexity: Fitch views the operation of oil and gas facilities at the higher end of complexity within the infrastructure space, although Leviathan has had a few years of successful operating history. The project benefits from the presence of Chevron as an experienced operator of gas fields in the Eastern Mediterranean region with proven performance on Tamar and the Yam Thetys/Mari-B fields. Chevron acquired Noble Energy Mediterranean Ltd in October 2020, which became Chevron Mediterranean Ltd, and retained its experienced operating team.

Infrastructure Development & Renewal - Midrange

Expansion Outside Project Perimeter: Leviathan requires minimal investments to sustain production and address the operational issues typical of complex projects. The operator's experience means the field's operational and development requirements are likely to be appropriately managed and anticipated. All growth capex for capacity expansion within Phase 1A is being funded by internally generated cash and is highly flexible, while Phase 1B expansion may require external funding, but timing is uncertain.

Debt Structure - Midrange

Some Refinancing Risk: The senior secured nature of the debt and the absence of exposure to variable interest rates, swaps or other derivatives is offset by material exposure to refinancing risk due to the staggered bullet maturities of the debt profile. The cash flow used to service and secure the debt is from the 45.34% share of ownership interest that NewMed Energy has in the Leviathan gas field. This structure results in lower control over operations and cash flow compared with the standard project structure, which Fitch considers to be a weakness. However, this is mitigated by the strong alignment of interest between the partners and operator.

PEER ANALYSIS

The closest peer in Fitch's portfolio is QatarEnergy LNG S(2) & QatarEnergy LNG S(3) (AA/Stable), which are Qatari LNG liquefaction companies engaged in the upstream production of natural gas, gas treatment and liquefaction and the export of natural gas in liquid form. The projects benefit from a strong offtaker base and high resilience to price declines given their low-cost bases. We also factor in their status as integral parts of Qatar's oil and gas industry and their strong indirect ownership by and control links with Qatar. As a result, the projects are rated above Leviathan.

RATING SENSITIVITIES

Factors that Could, Individually or Collectively, Lead to Negative Rating Action/Downgrade

-- PLCR consistently below 1.4x

-- Weaker-than-expected liquidity profile leading to the inability to repay or refinance the 2027 bond in the event of a prolonged facility shutdown

-- Material physical damage to project assets from the conflict impairing the project's ability to service debt when due

Factors that Could, Individually or Collectively, Lead to Positive Rating Action/Upgrade

-- Fitch views an upgrade unlikely at this stage as the project is exposed to weak counterparties

FINANCIAL PROFILE

Fitch views PLCR as the key debt service coverage metric and net debt/EBITDA as the main leverage metric. Under the FRC, PLCR is projected at about 3.9x in 2026, rising to 5.64x in 2030, the final maturity of the existing bullet debt. Net debt/EBITDA is expected to fall to 0.45x by 2030 from 1.98x in 2026. As of 15 March 2026, pledged account balances, NewMed's undrawn unsecured credit facilities and expected cash flow under an assumption of a three-month shutdown support repayment of the June 2027 bullet maturity without refinancing. NewMed has also repurchased about USD25 million of the June 2027 bond and about USD10 million of the June 2030 bond.

REFERENCES FOR SUBSTANTIALLY MATERIAL SOURCE CITED AS KEY DRIVER OF RATING

The principal sources of information used in the analysis are described in the Applicable Criteria.

CLIMATE VULNERABILITY SIGNALS

The Climate.VS for 2035 for Leviathan is 51. This Climate.VS reflects the issuer's exposure to long-term energy transition trends, is illustrative and does not constrain the rating, given the bonds mature by 2030.

ESG CONSIDERATIONS

The highest level of ESG credit relevance is a score of '3', unless otherwise disclosed in this section. A score of '3' means ESG issues are credit neutral or have only a minimal credit impact on the entity, either due to their nature or the way in which they are being managed by the entity. Fitch's ESG Relevance Scores are not inputs in the rating process; they are an observation on the relevance and materiality of ESG factors in the rating decision. For more information on Fitch's ESG Relevance Scores, visit https://www.fitchratings.com/topics/esg/products#esg-relevance-scores.

RATING ACTIONS

ENTITY / DEBT	RATING	PRIOR

Leviathan Bond Ltd

Leviathan Bond Ltd/Project Revenues - Senior Secured Debt/1 LT	LT			
USD 600 mln 6.5% bond/note 30-Jun-2027 credit agreement dated as of 18-Aug-2020 IL0011677825	LT	BB Rating Outlook Stable	Affirmed	BB Rating Outlook Stable
USD 550 mln 6.75% bond/note 30-Jun-2030 credit agreement dated as of 18-Aug-2020 IL0011677908	LT	BB Rating Outlook Stable	Affirmed	BB Rating Outlook Stable

VIEW ADDITIONAL RATING DETAILS

FITCH RATINGS ANALYSTS

Pawel Michalczyk
Director
Primary Rating Analyst
+44 20 3530 1989
pawel.michalczyk@fitchratings.com
Fitch Ratings Ltd
30 North Colonnade, Canary Wharf London E14 5GN

Ehab Nassar
Director
Secondary Rating Analyst
+971 4 424 1273

ehab.nassar@fitchratings.com

Angelina Valavina
Managing Director
Committee Chairperson
+44 20 3530 1314
angelina.valavina@fitchratings.com

MEDIA CONTACTS

Athos Larkou
London
+44 20 3530 1549
athos.larkou@thefitchgroup.com

Additional information is available on www.fitchratings.com

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APPLICABLE CRITERIA

Infrastructure & Project Finance Rating Criteria (pub. 15 Nov 2025) (including rating assumption sensitivity)

APPLICABLE MODELS

Numbers in parentheses accompanying applicable model(s) contain hyperlinks to criteria providing description of model(s).

Third-party Model (1)

ADDITIONAL DISCLOSURES

Dodd-Frank Rating Information Disclosure Form

Solicitation Status

Endorsement Policy

ENDORSEMENT STATUS

Leviathan Bond Ltd	UK Issued, EU Endorsed

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