



Leviathan Bond

LEVIATHAN BOND LTD

FINANCIAL STATEMENTS AS OF DECEMBER 31, 2025

EXPRESSED IN US\$ THOUSANDS.

AUDITED

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Auditors' Report to the Shareholders of Leviathan Bond Ltd

We have audited the accompanying statements of financial position of Leviathan Bond Limited ("**Company**") as of December 31, 2025 and 2024 the Statements of Comprehensive Income and the statement of changes in equity for the year ended then. These financial statements are the responsibility of the Company's Board of Directors and management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards in Israel, including those prescribed under Auditors' Regulations (Auditor's Mode of Performance), 1973. Those standards require that we plan and perform the audit to obtain reasonable assurance about that the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Company's Board of Directors and management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the aforementioned financial statements presents fairly, in all material respects, the financial position of the Company as of December 31, 2025 and 2024, and the results of its operations, for the year ended then, in accordance with International Financial Reporting Standards (IFRS Accounting Standards).

Tel Aviv, March 15, 2026

**Kost, Forer, Gabbay & Kasierer
Certified Public Accountants
(Israel)**

**Ziv Haft
Certified Public Accountants
(Israel)**

Leviathan Bond Ltd**Statements of Financial Position (Expressed in US\$ Thousands)**

	<u>31.12.2025</u>	<u>31.12.2024</u>
Assets:		
Current Assets:		
Short-term Bank deposits	1	258,039
Loans to shareholders	-	599,611
Related parties	99,555	*
	<u>99,556</u>	<u>857,650</u>
Noncurrent Assets:		
Loans to shareholders	1,148,369	1,148,799
Long term bank deposits	55	-
	<u>1,148,424</u>	<u>1,148,799</u>
	<u>1,247,980</u>	<u>2,006,449</u>
Liabilities and Equity:		
Current Liabilities:		
Bonds	-	600,000
Related parties	-	158,039
	<u>-</u>	<u>758,039</u>
Noncurrent Liabilities:		
Bonds	1,150,000	1,150,000
Loans from shareholders	100,000	100,000
	<u>1,250,000</u>	<u>1,250,000</u>
Equity (Deficit)	<u>(2,020)</u>	<u>(1,590)</u>
	<u>1,247,980</u>	<u>2,006,449</u>

* Less than \$1,000

The accompanying notes are an integral part of the financial statements.

March 15, 2026

Date of Financial Statement
Approval

Yossi Abu
Director

Tzachi Habusha
Director

Leviathan Bond Ltd

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

	For the year ended on	
	31.12.2025	31.12.2024
Financial expenses	100,359	125,079
Financial income	(99,929)	(124,455)
Total comprehensive loss	430	624

Statements of Changes in Equity (Deficit) (Expressed in US\$ Thousands)

	Share Capital	Retained earnings	Total
Balance as of December 31, 2023	*	(966)	(966)
Total comprehensive loss	-	(624)	(624)
Balance as of December 31, 2024	*	(1,590)	(1,590)
Total comprehensive loss	-	(430)	(430)
Balance as of December 31, 2025	*	(2,020)	(2,020)

* Less than \$1,000

The accompanying notes are an integral part of the financial statements.

Note 1 - General:

A. NewMed Energy – Limited Partnership (the “**Partnership**” or “**NewMed**”), incorporated Leviathan Bond Limited (“**the Company**”) on July 15, 2020. NewMed holds 100% of the shares of the Company. The sole purpose of the Company is to issue bonds under Rule 144A to qualified investors and to provide the funds raised as loans, under the same conditions (“**back-to-back**”), to NewMed (see also note 3 below).

B. The “Swords of Iron” War and the security situation and their impact on the Partnership’s business activities:

Since October 7, 2023, Israel has been engaged in a war on several fronts against the Hamas terrorist organization and the Islamic Jihad terrorist organization in the Gaza Strip; the Hezbollah terrorist organization in Lebanon; the Houthi terrorist organization in Yemen; the Shiite militias in Iraq; the regime in Iran; as well as against terrorist activity originating in the Judea and Samaria territories. At the same time, during most of 2025 the Israeli economy operated under a routine in the shadow of the war. In November 2024, the Government of Israel approved an agreement for the cessation of hostilities with the Hezbollah terrorist organization in Lebanon, and in October 2025, the Government of Israel approved an agreement to end the war hostilities in the Gaza Strip and for the return of the hostages.

On 13 June 2025, the State of Israel announced Operation Rising Lion involving a direct confrontation between Israel and Iran. The operation lasted 12 days. With the commencement of Operation Rising Lion on 13 June 2025, the Operator of the Leviathan Project received an instruction from the Minister of Energy that, due to the security situation, it was required to cease the operation of the Leviathan platform until further notice. Accordingly, the production of natural gas and condensate from the Leviathan reservoir was halted. Upon completion of the operation, on 24 June 2025, operation of the Leviathan platform and regular production from the reservoir were resumed on 25 June 2025. To the best of the Partnership’s knowledge, similar instructions were issued with respect to the cessation of operations of the Karish platform.

The war did not have a material effect on the Partnership’s business in 2025. However, delays occurred in the timetable for the completion of the Third Pipeline Project (as defined in Note 4B(2) below), as well as delays in the timetable and an increase in costs in the INGL project for the installation of a subsea pipeline in the offshore transmission segment between Ashdod and Ashkelon (see Note 5C2(a) below).

On 28 February 2026, a combined offensive was launched by Israel and the U.S., named Roaring Lion and Epic Fury, respectively, against government targets in Iran, following which a conflict began on the northern front between Israel and the Hezbollah terrorist organization in Lebanon. With the commencement of operation Roaring Lion on 28 February 2026, the Operator of the Leviathan project received an instruction from the Minister of Energy, whereby in accordance with a security recommendation delivered to him, the Operator is required to suspend the Leviathan platform’s operations until further notice. The Minister’s notice stated that, in accordance with security requirements, the Petroleum Commissioner may issue additional instructions regarding the platform’s activity. Accordingly, the production of natural gas and condensate from the Leviathan reservoir was suspended. On 28 February 2026, the Petroleum Commissioner notified the Leviathan Partners that, in view of developments and the special situation on the home front, Chevron must prepare for a variable operation policy for the platform’s activity, which policy may include, inter alia, directives for temporary suspensions of production, based on periodic situation assessments and ongoing updates from the security forces.

Note 1 - General (Cont.):

B. The "Swords of Iron" War and the security situation and their impact on the Partnership's business activities (Cont.):

In accordance with the gas sale agreements, Leviathan Partners issued notices to customers regarding the occurrence of a force majeure event in connection with the said suspension of production. To the best of the Partnership's knowledge, similar instructions were issued in connection with suspension of the Karish platform's operations.

At the start of Operation Roaring Lion, INGL gave notice that the foreign contractors carrying out the Combined Section project have left the country. As a result, another delay was caused in completion of the project, such as of the date of approval of the financial statements, and in the Partnership's estimation, completion of the Combined Section project is expected in Q3/2026.

At this stage, there is uncertainty as to the development of Operation Roaring Lion, its duration and impact, as well as the date of resumption of production from the Leviathan project. As of the date of approval of the financial statements, and in view of the said developments, it is impossible to predict how the fighting and/or the regional escalation will develop, and in this context whether further (or prolonged) disruptions will occur in energy infrastructures and/or shipping routes in the Middle East (including in the Gulf region and the Strait of Hormuz). Accordingly, it is impossible to assess the scope of their potential impact, if any, on global energy prices, including the Brent oil barrel price and/or on the prices of natural gas and/or LNG. Furthermore, it is impossible to assess the impact of the operation and/or the regional escalation on the Partnership, its assets, and its business.

As of the date of approval of the financial statements, the Operator of the Leviathan Project has not yet received an update from the Minister of Energy on the date of resumption of production from the reservoir. According to the Partnership's initial assessment, suspension of production until the date of approval of the financial statements (16 days of non-production) and the apparent delay in completion of the Combined Section project are not expected to have a material impact on the Partnership's results of operations, inter alia, due to the rise in the Brent oil barrel.

C. The Statements of Cash Flows have not been presented, as those statements do not add any significant information.

D. As of December 31st, 2025, the partnership had Approx. \$49.5 Million U.S Dollars in the Revenue account.

Note 2 - Significant Accounting Principles:

The accounting policy specified below was consistently applied in the financial statements of the Company, throughout the presented periods, unless stated otherwise. The description of the accounting policy in these financial statements has been reduced and adjusted in accordance with the requirements of the amendment to IAS 1 "Presentation of Financial Statements".

A. Declaration regarding compliance with the International Financial Reporting Standards (IFRS Accounting Standards):

The financial statements comply with the provisions of the International Financial Reporting Standards ("IFRS").

B. Functional currency:

The functional currency which best and most faithfully represents the economic effects of transactions, events and circumstances on the Company's business is the U.S. Dollar. Any transaction that is not in the Company's functional currency is a foreign currency transaction.

C. Recognition of Income

Interest income in respect of financial assets, which are measured at amortized cost, are recognized on accrual basis using the effective interest method.

D. Financial instruments:

1. Financial assets:

Financial assets were recognized when the company became a party to the contractual provisions of the instrument using transaction settlement date accounting.

Financial assets are measured upon initial recognition at their fair value, together with transaction costs which may be directly attributed to the purchase of the financial asset, except in respect of financial assets that are measured at fair value through profit or loss, in respect of which transaction costs are carried to profit or loss.

The Company classifies and measures the debt instruments in its financial statements based on the following criteria:

- (a) The company's business model for management of the financial assets, and
- (b) The characteristics of the contractual cash flow of the financial asset.

The Company measures debt instruments at amortized cost where:

The Company's business model is holding financial assets in order to collect contractual cash flows; and, in addition, the contractual terms and conditions of the financial assets provide for entitlement, at defined dates, to cash flows that are strictly principal payments and interest in respect of the outstanding amount of the principal. After initial recognition, instruments in this category are measured pursuant to their terms and conditions at amortized cost using the effective interest method and net of a provision for impairment.

2. Financial liabilities:

On the date of initial recognition, the Company measures the financial liabilities at fair value, less transaction costs that can be directly attributed to the issuance of the financial liability.

Subsequently to the date of initial recognition, the Company measures all of the financial liabilities at amortized cost method.

Note 2 - Significant Accounting Principles (Cont.):

E. Disclosure on new standards in the period preceding their application

Amendment to IFRS 18 – Presentation and Disclosure in Financial Statements

In April 2024, the International Accounting Standards Board (IASB) published International Financial Reporting Standard 18 (IFRS 18) – Presentation and Disclosure in Financial Statements (the “**New Standard**”), which supersedes International Accounting Standard 1 (IAS 1) – Presentation of Financial Statements (“**IAS 1**”). The purpose of the New Standard is to enhance the comparability and transparency of financial statements.

The New Standard will include preexisting IAS 1 requirements and new requirements for presentation in the statement of profit or loss, including the presentation of totals and subtotals as required under the New Standard, the provision of disclosure on management-defined performance measures and new requirements for aggregation and disaggregation of financial information.

The New Standard does not change the provisions for recognition and measurement of financial statement items. However, since items in the statement of profit or loss are required to be classified into one of five categories (operating, investing, financing category, income taxes and discontinued operations), it may change the entity’s operating income. Furthermore, the release of the New Standard has brought on small-scale amendments to other accounting standards, including IAS 7 – Statement of Cash Flows and IAS 34 – Interim Financial Reporting. The New Standard will be applied retrospectively for annual periods beginning on or after January 2027. Earlier application is permitted for annual periods beginning on 1 January 2025, provided that this fact is disclosed. The Partnership is examining the effect of the New Standard, including the effect of the amendments to other accounting standards resulting from the New Standard, on the Company’s financial statements

Note 3 - Bonds:

	Amount (\$ in millions)	Interest	Stated Maturity
Leviathan Bond-2027	600	6.500%	June 2027
Leviathan Bond-2030	550	6.750%	June 2030
Total	1,150		

On 18 August 2020, the issuance of bonds that were offered by Leviathan Bond (the "Issuer"), an SPC that is wholly held by the Partnership, pursuant to which bonds were issued in the total amount of \$2.25 billion, was completed (of which \$0.5 billion and \$0.6 billion were repaid in 2023 and in 2025, respectively).

The bonds were issued in four series. The bond principal and interest are in dollars. The interest on each one of the bond series is paid twice a year, on 30 June and on 30 December.

On 3 August 2020, the Issuer received the approval of the Tel Aviv Stock Exchange Ltd. ("TASE") for the listing of the bonds on the TACT-Institutional system of TASE ("TACT-Institutional").

The full Issue proceeds were provided by the Issuer as a loan to the Partnership on terms and conditions identical to those of the bonds (back-to-back), and according to a loan agreement that was signed between the Issuer and the Partnership (the "Loan").

The Loan funds were used by the Partnership to repay loans from banking corporations in the sum of approx. \$2 billion, deposit a safety cushion in the sum of \$100 million in accordance with the terms and conditions of the bonds, pay the issue costs in the sum of approx. \$33 million, and the balance of the proceeds served other uses according to the terms and conditions of the Commissioner's approval as described below (the "Commissioner's Approval").

To secure the bonds and the Loan, in the context of the indenture for the bonds and the other documents according to which the bonds will be issued (collectively: the "Financing Documents"), the Partnership pledged in favor of the trustee for the bonds (the "Trustee"), in a first-ranking fixed charge, its interests in the Leviathan project (45.34%), including in the Leviathan Leases, the operating approvals of the production system and the export approvals (collectively: the "Pledge of the Leases"), the Partnership's rights and the revenues from agreements for the sale of natural gas and condensate from the Leviathan project (the "Gas Agreements"), the Partnership's rights in the joint operating agreement (JOA) for the Leases, the Partnership's share in the Leviathan project's assets (including the platform, wells, facilities, and systems for production and transmission to shore), the Partnership's rights in dedicated bank accounts, certain insurance policies and various licenses in connection with the Leviathan project. The Partnership also pledged the shares held thereby in the Issuer, in the Marketing Company and in Leviathan Transportation System.

In addition, the Issuer pledged in favor of the Trustee, in a first-ranking floating charge, its rights in all of its existing and future assets and pledged in favor of the Trustee its rights in the Loan agreement and in its bank accounts (collectively: the "Pledges" and the "Pledged Assets", as the case may be).

According to the Financing Documents, the Partnership's undertakings to the Trustee and the bondholders are limited to the Pledged Assets, with no guarantee or additional collateral.

The Pledges that the Partnership created in favor of the Trustee are subject, *inter alia*, to the State's royalties according to the Petroleum Law and to the rights of the parties entitled to royalties in respect of the Partnership's revenues from the Leviathan project, including the control holder of the Partnership. As is standard in financing transactions of this type, in the Financing Documents the Partnership assumed stipulations, restrictions, covenants and there are grounds for acceleration of the bonds and enforcement of the Pledges, including, *inter alia*, the following principal obligations:

The Partnership and the Issuer, as applicable, have undertaken, *inter alia*, to fulfill obligations and conditions specified in government licenses and approvals, including in relation to the operator of the project, and including the conditions of the Commissioner's Approval; to fulfill the terms and conditions of the Leases and the JOA (jointly: the "Leviathan Agreements"); to protect their rights in the Pledged Assets and to ensure the validity of the Pledges and the rights of the Trustee and the holders according thereto; not to change or discontinue the Issuer's activity, and not to change the incorporation documents of the Issuer; not to create additional pledges on the Pledged Assets (aside from certain exceptions); to fulfill the provisions of the law that apply to their activity; to pay the taxes that apply thereto; to give the

Note 3 – Bonds (Cont.):

Trustee and the holders certain reports, notices and information that were specified in the Financing Documents; to act to maintain the listing of the bonds on TACT-Institutional; to act for the continued proper operation of the Leviathan project in accordance with the Leviathan Agreements; to take any action possible under the JOA so as to ensure that the operator fulfills its undertakings according to the JOA; to make all of the payments that apply thereto and to bear all of the Trustee's expenses that apply thereto according to the Financing Documents; to purchase and maintain certain insurance policies; to refrain from modifying or amending the Leviathan Agreements or material Gas Agreements, as defined in the Financing Documents ("**Material Gas Agreements**"), or the royalty agreements or engage in a new royalty agreement; to refrain from approval of certain acts in the context of the JOA; etc.

The Issuer has undertaken not to take on additional financial debt, with the exception of the issue of additional bonds or other secured debt *pari passu*, subject to the conditions specified, including (i) the sum of the secured debt of the Issuer (including the bonds) does not exceed, at any time, \$2.5 billion; (ii) certain financial ratios specified in the Financing Documents in relation to the issuance of such additional debt are maintained.

In addition, the Partnership has undertaken not to assume any additional financial debt which is secured by the Pledged Assets, with the exception of an additional loan that it shall receive from the Issuer on terms and conditions back-to-back to additional debt that the Issuer shall raise subject to the restrictions set forth therefor in the Financing Documents.

The Partnership has undertaken not to perform any merger transaction or change its business in a manner which would likely cause a material adverse effect ("**MAE**"), or enter dissolution proceedings or other defined restructurings, and not to sell, transfer, pledge or make any other disposition of all or substantially all of its assets, other than Permitted Transactions, as defined in the Financing Documents, including sale of interests in the Leviathan project subject to mandatory early redemption or a tender offer to the bondholders in certain cases, or permitted restructurings, as defined, including a transfer of the Partnership's interests in the Leviathan project to a new subsidiary and/or other actions, including the outline under consideration for a split of the Partnership's assets, provided that the holders' rights are not prejudiced by such actions and additional terms and conditions as defined.

Furthermore, provisions were set out regarding early redemption of the bonds, including (1) early redemption at the Issuer's initiative, subject to payment of a make whole premium, other than a certain period before the specified repayment date, during which prepayment will not be charged with make whole premium and (2) mandatory early redemption in certain cases that were defined, including by way of a buyback of the bonds and/or performance of a tender offer to all the bondholders, including upon a sale of all or some of the interests in the Leviathan project. The Issuer and the Partnership undertook that if a tax withholding duty shall apply to the payments due under the terms and conditions of the bonds to a foreign resident then, subject to certain exceptions as defined, the Issuer and/or the Partnership, as the case may be, shall pay additional amounts as required for the net amounts to be received by the foreign resident to be equal to the amounts such foreign resident would have received, but for the withholding tax duty. In this context, it is noted that on 27 July 2020 the Partnership received a ruling from the Tax Authority stating, *inter alia*, that the bonds to be traded on the TACT-Institutional system of the TASE are bonds traded on a stock exchange in Israel for purposes of Section 9(15D) of the Income Tax Ordinance (for purposes of exemption from tax on interest paid to a foreign resident on bonds traded on the stock exchange), and Section 97(B2) of the Ordinance (for purposes of exemption from tax for a foreign resident on capital gains in the sale of the bonds traded on the stock exchange), all subject to the terms and conditions specified in the Tax Authority's ruling and the provisions of the Income Tax Ordinance and the regulations promulgated thereunder.

The Financing Documents include a payment waterfall mechanism, whereby the Partnership's entire revenues from the Leviathan project is transferred to an account that is pledged in favor of the Trustee (the "**Revenues Account**"), which is used to make various payments in connection with the project and the bonds, including payment of royalties to the State and to the royalty interests owners; payments to the Trustee; taxes and the levy under the Levy Law; capital expenses and operating expenses in connection with the Leviathan project; principal and interest payments; deposits into safety cushions; and balancing payments in connection with tax payments under Section 19 of the Law.

Note 3 – Bonds (Cont.):

The transfer of the amounts remaining in the Revenues Account after the making of the said payments to a non-pledged account of the Partnership is subject to conditions determined, including fulfillment of an NPV Coverage Ratio of at least 1.5¹.

The Financing Documents define Events of Default, upon occurrence of which, subject to certain determined curing periods, exceptions and conditions, the Trustee for the bonds shall be entitled (or required – upon the demand of one quarter of the bondholders) to accelerate the outstanding balance of the bonds and shall be entitled to act to enforce the Pledges. The main events are as follows: (1) Default on payment of principal, interest or other payments mandated by the Financing Documents; (2) Breach of representations; (3) Breach of the Covenants or Negative Covenants determined in the Financing Documents; (4) An event or entry into proceedings for insolvency of the Issuer, and an insolvency event as aforesaid or of a party to a Material Gas Agreement (as defined in the Financing Documents), the operator in the Leviathan project or the Partnership, if likely to cause an MAE (as defined in the agreement), subject to certain conditions and qualifications; (5) premature termination of any of the Leviathan Agreements or Material Gas Agreements, if likely to cause an MAE, subject to certain conditions and qualifications; (6) If a party to a Material Gas Agreement breaches the agreement with a likely MAE, subject to certain conditions and qualifications; (7) In the event of abandonment or cessation of the Leviathan project operations for more than 15 consecutive days, if likely to cause an MAE; (8) If damage is caused to the Leviathan project (including physical damage, revocation of license or transfer of the Partnership's rights therein by a government authority), with a likely MAE, which was not cured; (9) In the event of denial or revocation of a government approval granted in connection with the Leviathan project, with a likely MAE; (10) If any of the Financing Documents to which the Issuer or the Partnership are a party, or pledges provided under the Financing Documents, with an aggregate value of more than \$35 million, cease to be in effect; (11) If a non-appealable

judgment is issued against the Issuer for payment of an amount in excess of \$35 million which was not paid; (12) If there is a breach of an undertaking in an agreement for the provision of other *pari passu* secured debt of the Issuer worth over \$35 million; (13) If an undertaking to perform mandatory early redemption is breached; (14) If the provisions regarding expenditures from the Revenues Account are breached; etc. The bonds are rated by international rating agencies and an Israeli rating agency.

On 3 August 2020, the Commissioner's Approval was received for the Pledge of the Leases in favor of the Trustee, for the bondholders. The Commissioner's Approval provides that, inter alia, the pledge is given to secure payment of the bonds whose proceeds are intended for the granting of credit to the Partnership in the sum of up to \$2.5 billion in total, for payment of loans in the sum of approx. \$2 billion (which were mainly used for investments in the development of the Leviathan project), the deposit of a safety cushion in the sum of \$100 million, investments in the Leviathan project only and the financing of the construction of a pipeline for the export of gas from the Leviathan and Tamar reservoirs. As of the date of approval of the financial statements, the Partnership is compliant with its aforesaid obligations. On 1 May 2023 a partial prepayment of the 2023 series of the bonds, as described above, whose original maturity date was 30 June 2023, was made according to the terms and conditions of the bonds, for a total of \$280 million (out of a total series of \$500 million), and on 30 June 2023, the outstanding balance of the Series 2023 Bonds was repaid in full and on schedule, according to the terms and conditions of the bonds. On 29 May 2025, a partial prepayment of the Series 2025 Bonds was made as described below, whose original maturity date was 30 June 2025, according to the terms and conditions of the bonds, for a total of \$400 million (out of a total series of \$600 million), and on 30 June 2025 the outstanding balance of the Series 2025 Bonds was repaid in full and on schedule, according to the terms and conditions of the bonds.

¹ The NPV Coverage Ratio was defined as the ratio between the current value of the available cash flow to the debt service (as defined in the Financing Documents) which is expected from proved and probable (2P) reserves, at a cap rate of 10%, from the Partnership's interests in the Leviathan project (the "**Discounted Cash Flow**"), and the debt balance of the issuer which is secured by the Pledged Assets net of cash accrued in certain accounts on the measurement date. According to the Financing Documents, the Discounted Cash Flow shall be calculated according to the same assumptions to be used by the Partnership in the resource reports to be released thereby under the provisions of the Securities Law, other than assumptions on the Brent barrel price, which shall be based on the prices of futures traded on ICE, as defined in the Financing Documents.

Leviathan Bond Ltd**Notes to the Financial Statements as of December 31, 2025 (Expressed in US \$ Thousands)****Note 3 – Bonds (Cont.):**

The Board of Directors of the Partnership's General Partner, approved the adoption of a plan for purchase of bonds of Leviathan Bond, whereby the Partnership and/or Leviathan Bond would be able, from time to time, according to the discretion of the Partnership's management and in accordance with the details of the purchase plan, make purchases of bonds of Leviathan Bond, by way of an off-exchange purchase, purchase via the TACT-Institutional system on TASE or otherwise, as follows:

Date of approval of purchase plan	Period	Plan Amount	Leviathan Bond Series	Amount Used²	Balance as of Reports Approval Date
21.1.2023	23.1.2023-23.1.2025	100	2023-2025	100	-
15.10.2024	15.10.2024-15.10.2026	100	2025-2027-2030	98.5	1.5
6.1.2026	6.1.2026-6.1.2028	100	2027-2030	-	100

² As of the date of approval of the financial statements, the Partnership purchased a total of approx. \$25.4 million and approx. \$10.0 million from the 2027 and 2030 Series, respectively

Note 4 - Other Information regarding Ratio Yam Joint Venture ("Leviathan" Leaseholds):

A. The "Ratio-Yam" joint venture is a venture for exploration, development and production of oil and gas in the area of the I/15 Leviathan North and I/14 Leviathan South leases (the "**Leases**" and/or "**Leviathan Leases**"). in which the participants are, as of the date of approval of the financial statements, the Partnership, Chevron Mediterranean Ltd. ("**Chevron**" or the "**Operator**") and Ratio Energies – Limited Partnership ("**Ratio Energies**" and jointly, the "**Leviathan Partners**").

B. Leviathan reservoir development plan:

1) On 2 June 2016, the development plan was approved by the Petroleum Commissioner at the Ministry of Energy (the "**Commissioner**"). This plan, which is divided into two phases (Phase 1A and Phase 1B), includes the supply of natural gas to the domestic market and for export at a total annual volume of up to approx. 21 BCM, and the supply of condensate to the domestic market (in this section: the "**Development Plan**" or the "**Plan**"). According to the Plan, a production system was built that includes up to 8 first wells that will be connected by a subsea pipeline to a permanent platform, which is located in the territorial waters of Israel in accordance with the provisions of NOP 37/H and on which the gas and condensate processing systems were installed. Gas is piped from the Platform to the shore to the northern entry point of the national transmission system of INGL as defined in NOP 37/H (the "**INGL Connection Point**"). Condensate is piped to the shore via a separate pipeline, running parallel to the gas pipeline, and will be connected to a refinery via a preexisting fuel pipeline. Furthermore, the Development Plan includes the construction of a temporary condensate storage and unloading site close to the Hagit Power Plant (the "**Hagit Site**"), for backup purposes in case condensate piping to a refinery is not possible. See Notes 5B7 and 5C1 below.

2) **The Development Plan is implementable in full or in two main phases, according to the maturity of the relevant markets, as specified below:**

Phase 1A – The current stage, in which 5 subsea production wells were drilled (4 wells at beginning of production and another well in 2023), a subsea production system was built which connects the production wells to the platform, and a transmission system to the shore and related onshore facilities were built. According to the Development Plan, annual gas production capacity at this phase is approx. 12 BCM, and under certain operating conditions, it may even be possible to accomplish greater production. On 23 February 2017, the Leviathan Partners adopted a final investment decision (FID) for the development of Phase 1A, with a budget of approx. \$3.75 billion (100%). The total cost invested in the development of Phase 1A, as of 31 December 2025 (including investments in the Third Pipeline project), is approx. \$4.4 billion (100%). After a preliminary running-in period, on 31 December 2019, piping of natural gas from the Leviathan reservoir commenced. On 1 January 2020, the sale of natural gas from the Leviathan reservoir to Jordan began under the agreement with NEPCO, and on 15 January 2020, piping of natural gas from the Leviathan reservoir to Egypt began under the agreement with Blue Ocean (as specified in Notes 5B(4)(b) and 5B(4)(c) below, respectively). In order to increase the gas production capacity to approx. 14 BCM per year, the Leviathan Partners adopted a final investment decision (FID) on 29 June 2023 to carry out a project in which a third subsea transmission pipeline will be laid from the field to the platform, and improvements on the platform will be upgraded (the "**Third Pipeline**") with a total budget of approx. \$568 million (100%, the Partnership's share – approx. \$258 million).

B. Leviathan reservoir development plan:

2) (Cont.):

During 2025 and throughout Q1/2026, ongoing maintenance work was carried out at the Leviathan reservoir, including planned works for the completion of the Third Pipeline project, during which natural gas production from the Leviathan reservoir was reduced and even suspended. On 1 March 2026, Chevron notified the Leviathan Partners that the Third Pipeline project had been completed. As of the date of approval of the financial statements, the total cost of the Third Pipeline project is approx. \$480 million (100%, the Partnership's share – approx. \$217 million).

Phase 1B – On 23 February 2025, the Leviathan Partners submitted for the Commissioner's approval an updated plan for the development of the Leviathan reservoir, which primarily includes updates in connection with the implementation of Phase 1B (the "**Updated Leviathan Reservoir Development Plan**"), including as pertains to the processing facilities on the platform, the location and timing of well drilling and the possibility of executing the second stage of Phase 1B, as specified below (the "**Expansion Project**").

According to the Updated Leviathan Reservoir Development Plan, the Expansion Project may be implemented in full or in stages, as follows:

- a) First stage – consists of drilling and completion of 3 additional production wells, adding supplementary subsea systems and expanding the processing systems on the platform, in order to increase the system's total gas production capacity up to approx. 21 BCM per annum (the "**First Stage of the Expansion Project**").
- b) Second stage – consists of receipt of regulatory approvals and the making of additional investments, including investments in laying down a fourth pipeline between the field and the platform (the "**Fourth Pipeline**"), and installation of additional subsea systems in order to increase the maximum daily production capacity up to a total quantity of approx. 23 BCM per annum (the "**Second Stage of the Expansion Project**").

On 21 August 2025 the Commissioner approved the Updated Development Plan for performance of the Expansion Project. The Commissioner's said approval was granted in consideration of several conditions, primarily the delivery and presentation of further technical information to the Ministry of Energy, whose fulfillment shall be made in coordination with and under the guidance of the professional staff at the Ministry of Energy's Natural Resources Administration. In his approval, the Commissioner noted that in order to increase the pace of production beyond 2,100 MMSCFD, upon performance of the Second Stage of the Expansion Project, filing of supporting documents will be required, in accordance with the guidance of the professional staff at the Ministry of Energy's Natural Resources Administration, which shall constitute an update to the Updated Development Plan, and approval thereof by the Commissioner.

Note 4 - Other Information regarding Ratio Yam Joint Venture ("Leviathan" Leaseholds) (Cont.):

- C. On 21 June 2023 and 21 December 2023, the Leviathan Partners sent an in-principle application to the Commissioner to approve an increase in the natural gas export volume produced from the Leviathan project. On 25 June 2024, the Commissioner's response to the said application was received, whereby the position of the professional functions at the Ministry of Energy allows, at this time, the export of additional natural gas from the Leviathan reservoir in a quantity up to 118 BCM, which may increase up to 145 BCM, given the satisfaction of certain conditions (the "**Commissioner's Letter**"). The Commissioner's Letter further states that, beginning in 2044, the export of natural gas from the Leviathan reservoir will only be allowed on an interruptible basis, subject to assurance of the supply to the domestic market, and that export on a firm basis from that year onward will only be allowed after reexamination of the needs of the domestic market. After the signing of an amendment to the export agreement between the Leviathan Partners and Blue Ocean on 7 August 2025, as detailed in Note 5B(4)(b) below, the Leviathan Partners applied to the Commissioner for an export approval. On 17 December 2025 the Leviathan Partners received the Commissioner's approval to export the additional quantities under the Amendment to the Export to Egypt Agreement (as defined in Note 5B(4)(c) below, in this section: the "**New Approval**"). In the Partnership's estimation, the New Approval enables compliance with the provisions of the Amendment to the Export to Egypt Agreement, including the supply of the additional quantities to Blue Ocean. The New Approval was granted in addition to the export approval granted to the leaseholders on 16 December 2019, and provides that it supersedes any conflicting provision in any other document, including the Amendment to the Export to Egypt Agreement.
- D. In the context of promotion of the Expansion Project, the Leviathan Partners approved, in 2024, in accordance with the joint operating agreement (JOA), budgets in the sum total of approx. \$504 million (100%, the Partnership's share – approx. \$228.5 million), for performance of the FEED, which include, *inter alia*, advance procurement of long lead items.
- E. On 15 January 2026, the Leviathan Partners made a final investment decision (FID) for the development of the first stage of the Expansion Project, intended to increase the total gas production capacity of the Leviathan project up to approx. 21 BCM per year (and to enable first gas production in H2/2029). The Expansion Project is designed to increase the daily production capacity of the Leviathan project up to approx. 2.1 BCF (approx. 21 BCM per year), and in certain operating conditions, even more. At the same time, all of the conditions precedent for the taking effect thereof were fulfilled in the engagement of the Leviathan Partners in the amendment to the agreement for the export of natural gas produced from the Leviathan reservoir to Egypt, in which it was agreed to increase the total contract quantity by approx. 130 BCM (the "**Additional Quantities**"). For further details, see Note 5B(4)(b) below. The estimate timetables for first gas production from the first stage of the Expansion Project is in H2/2029, with a total budget of approx. \$2.36 billion (100%, the Partnership's share being a total of approx. \$1.07 billion). Such budget includes the FEED budget as specified above. In this context, it is noted that in view of the adoption of a final investment decision (FID) for the development of the first stage of the Expansion Project, the Leviathan Partners no longer examine the possibility of construction of an FLNG facility as a development alternative. During the years of operation of the project, additional production wells will be required for maintaining a production ability of such volume as required and according to the level of redundancy of the production system and the wells in the field as defined from time to time by the Leviathan Partners. Furthermore, the preparatory work for the connection and operation of the Expansion Project will include work underwater and on the platform, which will from time to time cause a temporary reduction of the production capacity and even temporary suspension of production.

Note 4 - Other Information regarding Ratio Yam Joint Venture ("Leviathan" Leaseholds) (Cont.):

F. Evaluation of reserves and contingent resources in the Leviathan Leases:

In January 2026, a report was received from Netherland Sewell & Associates Inc ("NSAI", a qualified, expert an independent reserve and resource appraiser), on evaluation of the reserves and contingent resources in the Leases according to the SPE-PRMS, updated as of 31 December 2025. According to the report, the overall quantity (2P+2C) of natural gas and condensate in the Leviathan Project is estimated at approx. 572.2 BCM and approx. 44.5 million barrels, respectively, and includes reserves in the category of proved and probable reserves and contingent resources under the best estimate. The quantity of proved reserves is approx. 437.8 BCM and the quantity of proved + probable reserves is approx. 552.9 BCM. In addition, proved condensate reserves total approx. 34 million barrels, and the quantity of proved + probable reserves totals approx. 43 million barrels. The contingent resources stated in the report are classified "Development Unclassified", and range between approx. 98.3 BCM (high estimate) and approx. 19.2 BCM (best estimate). The quantity of contingent condensate resources ranges between approx. 7.6 Million Barrels (high estimate) and approx. 1.5 Million Barrels (best estimate). See Section H below on evaluations of natural gas and condensate reserves, contingent resources and prospective resources.

G. Deep targets:

In 2019, an analysis was performed of reprocessing of seismic surveys, *inter alia* in connection with exploration drilling to the deep targets in the Leviathan Leases (the "**Data Reprocessing**"), as a result of which a new 'isolated carbonate buildup' deep target was defined in the area of the Leviathan Leases. In addition, the analysis of the Data Reprocessing revealed that it is necessary to reclassify and redefine the two deep targets which were previously defined in the area of the lease as a single 'submarine clastic channel' target. Following and based on such 2019 seismic survey reprocessing analysis, a prospective resources report for the Leviathan Leases was prepared for the Partnership by NSAI, according to SPE-PRMS rules (in this section: the "**Resources Report**"), updated as of 31 December 2025. According to the Resources Report, the best estimate in the carbonate buildup for gas and oil is estimated at approx. 4.6 BCM and approx. 155.3 million barrels, respectively, and the best estimate in the clastic channel for gas and oil is estimated at approx. 6.2 BCM and approx. 212.7 million barrels, respectively. See Section H below with regards to uncertainty in the evaluation of reserves. In 2025 the Leviathan Partners held several meetings to evaluate the prospectivity of the deep layers in the Leases, and a decision was made to advance the performance in H2/2026 of a 3D seismic survey for imaging and specification of the producing gas field's layers and of the deep targets.

H. Evaluations of reserves of natural gas, condensate, contingent and prospective resources:

The above evaluations regarding the reserves of natural gas, condensate, and contingent and prospective resources of natural gas and oil in the Partnership's interests in the leases, licenses and oil and gas exploration concession are based, *inter alia*, on geological, geophysical, engineering and other information received from the results of wells that have been drilled and from the operator of such interests. The above evaluations constitute professional conjectures and evaluations by NSAI, which are uncertain. The quantities of natural gas and/or condensate to be actually produced may differ from the said evaluations and conjectures, *inter alia* as a result of operating and technical conditions and/or regulatory changes and/or supply and demand conditions in the natural gas and/or condensate markets and/or commercial terms and/or the actual performance of the reservoirs. The above evaluations and conjectures may be updated insofar as additional information is accrued and/or as a result of a gamut of factors relating to oil and natural gas exploration and production projects.

I. Additional information:

The deeds of the leases in Israel were granted subject to the Petroleum Law and confer on the partners in the leases the exclusive right to produce oil and natural gas in the areas of the leases for a 30-year period, with the right to extend them by 20 additional years, in accordance with and subject to the provisions of the Petroleum Law.

Note 5 – Contingent Liabilities, Engagements and Pledges

A. Engagements for the payment of royalties:

1. Following the closing of the merger between the Partnership and Avner Oil Exploration Limited Partnership ("**Avner**" or "**Avner Partnership**") of May 2017, all of the liabilities related to royalties apply with respect to all of the (current and future) gas and petroleum assets of the Partnership. However, the rate of royalties in respect thereof, was reduced by 50% compared with the rate of royalties prior to the Merger (since the Partnership and Avner Partnership held equal parts in the petroleum assets, excluding the Ashkelon and Noa leases, in which the Partnership held 25.5% and Avner Partnership 23%, and in their respect the rate of royalties was reduced by 47.42% with respect to the royalties paid by the Partnership to Delek Group and Delek Energy, as defined below, and by 52.58% with respect to the royalties paid by Avner Partnership before the Merger, as specified below).
2. In the context of the right transfer agreement signed in 1993, the Partnership undertook to pay Delek Energy and Delek Group (the "**Royalty Interest Owners**") royalties at the rates specified below from the entire share of the Partnership in petroleum and/or gas and/or other valuable substances that shall be produced and utilized from the petroleum assets, in which the Partnership has or shall have any interest (prior to deduction of any kind of royalties, but after deduction of the petroleum used for the production itself).
The royalty rates are as follows: until the date of the Partnership's investment recovery, royalties shall be paid at a rate of 2.5% of onshore petroleum assets and 1.5% of offshore petroleum assets, and after the investment recovery date – 7.5% of onshore petroleum assets and 6.5% of offshore petroleum assets. In this context, in the Partnership's estimation, the investment recovery date for the Leviathan Project is expected to be in H1/2026.
3. In addition, the Partnership will pay pursuant to the Avner Partnership Agreement royalties at a rate of 3% of all of the share of the limited partnership in petroleum and/or gas and/or other valuable substances which will be produced and utilized out of the petroleum assets in which the limited partnership has a present or will have a future interest (before deduction of royalties of any type, but after the reduction of the oil to be used for the purpose of the production itself). In an agreement signed on 2 September 1991, it was determined that the said right of the royalties is held by the General Partner in trust, and it is paid to those entitled to royalties under the Limited Partnership Agreement.

Note 5 – Contingent Liabilities, Engagements and Pledges (Cont.)

B. Engagements for the supply of natural gas and condensate:

1) Agreements for the sale of natural gas from the Leviathan project:

Below are concise details regarding the agreements for the supply of natural gas from the Leviathan project which were signed by the Partnership, together with the other Leviathan Partners, that are valid as of the date of approval of the financial statements³

Customer	Supply Commencement Date	Term of Agreement ⁴	Total Maximum Contractual Supply Quantity (100%) (BCM) ⁵	Total Quantity Supplied by 31 December 2025 (100%) (BCM)	Primary Gas Price Linkage Base
Independent power producers	2020, or a later date as set forth in the agreement	Medium- and Long-term agreements for 9-25 years. Some of the agreements grant each of the parties the option to extend the agreement in cases of non-purchase of the total contractual quantity.	approx. 17.1	approx. 4.4	In most of the agreements the natural gas price linkage formula is based on the electricity prices (the Electricity Production Tariff and the TAOZ Tariff) and includes a "price floor".
Industrial customers	2020, or a later date as set forth in the agreement	The agreements are for up to a period of 15 years.	approx. 4.1	approx. 0.75	The linkage formulas in these agreements are based partly on linkage to the TAOZ Tariff, the Electricity Production Tariff, the US Consumer Price Index (CPI), the Brent price, and the oil refining margin. All such price formulas include a "price floor".
NEPCO export agreement (described in Section 2A below)	2020	15 years. The agreement stipulates that if the buyer does not purchase the total contract quantity, the supply period will be extended by a period of up to another two years.	approx. 45	approx. 15.5	The linkage formula is based on linkage to the Brent prices and includes a "price floor".
Blue Ocean export agreement (described in Section 3A below)	2020	Approx. 15 years. The agreement stipulates that if the buyer does not buy the total contract quantity, the supply period will be extended by a period of up to another two years.	approx. 60	approx. 29.7	The linkage formula is based on linkage to the Brent prices and includes a "price floor". The agreement includes a mechanism for price updates by up to 10% (up or down) after the 5th ⁶ and 10th years of the agreement, in certain conditions specified in the agreement.
Amendment to the Blue Ocean export agreement (described in Section 3B below)	First tranche during 2026; second tranche during 2029	Approx. 15 years. The agreement stipulates that in the event the buyer does not buy the total contract quantity, the supply period will be extended for a period of up to two additional years.	approx. 20 for the first tranche; approx. 110 for the second tranche	-	The amendment to the agreement includes a mechanism for price updates by up to 10% (up or down) every 5 years, starting from the commencement of the second tranche.
Export agreements – additional customers in Jordan	One agreement during 2025 and in the second agreement it is expected to commence during 2026	9-15 years. The agreements stipulate that in the event the buyer does not buy the total contract quantity, the supply period will be extended for a period of up to one additional year.	approx. 4.5-5	approx. 0.03	The linkage formula is based on linkage to the Brent prices and includes a "price floor".
Total			approx. 261	approx. 50.4⁷	

³ The figures in the table do not include agreements for the supply of natural gas from the Leviathan project on an interruptible basis.

⁴ Under most of the agreements, the gas supply term is expected to end when the maximum contract quantity specified in the agreement shall have been supplied to the customers.

⁵ This quantity represents the total quantity that the Leviathan Partners undertook to supply to customers throughout the term of the agreements. In several agreements, a total contractual supply quantity is not specified.

⁶ The parties agreed not to update the price after the fifth year of the agreement.

⁷ The total quantity supplied from the Leviathan project by 31 December 2025 (100%) (under the agreements listed in the table, under SPOT agreements and agreements that have come to an end) is approx. 62.4 BCM.

Note 5 – Contingent Liabilities, Engagements and Pledges (Cont.):

B. Engagements for the supply of natural gas and condensate (Cont.):

- 2) Further details with respect to the agreements for sale of natural gas from the Leviathan reservoir to independent power producers and industrial customers in the domestic market:
 - a) As of the date of approval of the financial statements, the Partnership is continuing to conduct negotiations, at various stages, with other potential customers in the domestic market, including independent power producers (IPPs) and industrial consumers, subject, *inter alia* to the Leviathan project supply capacity.
 - b) In 2025 and up to the date of approval of the financial statements, the Partnership signed several agreements for sale of natural gas from the Leviathan project with various customers in the Israeli market, both on a firm basis and on an interruptible (spot) basis. In this context, *inter alia*, in May 2025, an agreement for the supply of natural gas was signed between the Leviathan Partners and ICL Group Ltd. for a period of approx. 5 years, with a total volume of approx. 0.75 BCM.
 - c) Under all the natural gas sale agreements, excluding agreements on an interruptible (spot) basis (in this section: the "**Agreements**"), the customers have undertaken to purchase or pay ('Take or Pay') for a minimum annual quantity of natural gas at a scope and according to the mechanism specified in the supply agreement (the "**Minimum Quantity**"). Of note, the Agreements set out provisions and mechanisms that allow each of the said buyers, having paid under the agreement for natural gas not consumed thereby due to the application of the aforesaid billable Minimum Quantity mechanism, to receive gas with no additional payment up to the amount paid for gas not consumed in the years following the year in which the payment was made and subject to consumption of the Minimum Quantity in each of such following years. In addition, the Agreements determine a mechanism for accrual of a balance of surplus quantities (over the 'Take or Pay') consumed by the buyers in any given year and the use thereof to reduce the buyers' obligation to purchase the aforesaid Minimum Quantity in several subsequent years.
 - d) The Agreements specify additional provisions, *inter alia*, on the following subjects: The right to terminate the agreement in the event of breach of a material obligation, the Leviathan Partners' right to supply gas to the buyers from other natural gas sources, compensation mechanisms in the event of failure to supply the contractual quantities, limitations of the liability of the parties to the agreement, as well as with respect to the relationship among the sellers themselves as relating to the supply of gas to the said buyers.
 - e) In accordance with the terms of the Gas Framework, each of the buyers under Agreements signed by 13 June 2017 and for a term exceeding 8 years, was given the option to reduce the Minimum Quantity down to a quantity equal to 50% of the average annual quantity actually consumed by the buyer in the 3 years preceding the date of the notice of exercise of the option, subject to such adjustments as specified in the supply agreement. Upon reduction of the Minimum Quantity, the other quantities specified in the supply agreement will be reduced accordingly. During 2024 and 2025, two customers announced the exercise of their option, and in accordance with the option terms, the reduction took effect during 2025 and 2026, respectively.
 - f) The export to Egypt approval of 17 December 2025 sets forth instructions regarding the gas quantities the Leviathan partners are required to make available to domestic consumers, as well as the terms and conditions (including the price) to be offered to domestic consumers for the purchase of such gas quantities, as described in Section C3C below.

Note 5 – Contingent Liabilities, Engagements and Pledges (Cont.)

B. Engagements for the supply of natural gas and condensate (Cont.):

3) Agreements for the export of natural gas from the Leviathan reservoir to Jordan

a) Agreement for the export of natural gas from the Leviathan project to NEPCO:

In September 2016, an agreement was signed for the supply of natural gas between the Marketing Company and NEPCO (the "NEPCO Agreement"). The Marketing Company is a subsidiary wholly owned by the Leviathan Partners, whose holdings therein are *pro rata* to their holding rates in the Leviathan project. According to the NEPCO Agreement, the Marketing Company undertook to supply natural gas to NEPCO for a period of approx. 15 years from the date of commencement of the commercial supply or until the total supply volume will be approx. 45 BCM. The supply of gas to NEPCO began on 1 January 2020. The gas delivery point according to the NEPCO Agreement is at the connection between the Israeli transmission system and the Jordanian transmission system on the border between Israel and Jordan. In December 2019, INGL completed the construction of the Israeli transmission system up to the border between Israel and Jordan at a cost of approx. \$109 million (100%, the Partnership's share being approx. \$49.4 million). NEPCO has undertaken to take or pay for a minimum annual quantity of gas, in such amount and in accordance with the mechanism as determined in the NEPCO Agreement.

In addition, in connection with NEPCO's 'take or pay' undertaking, the agreement sets forth, *inter alia*, provisions and a mechanism that allow NEPCO, after it has consumed the minimum billable quantity for a certain year, to receive in such year, a supply of gas for no additional payment up to the remaining gas quantity not consumed in previous years and for which it paid consideration to the Marketing Company in the context of the 'take or pay' undertaking (makeup mechanism), as well as provisions and a mechanism that allow NEPCO to accumulate quantities purchased in any year over and above the minimum quantity, and to utilize the same to reduce its undertaking (carry forward mechanism). The price of the gas that was set in the agreement is based on a price that is linked to the Brent oil barrel prices and includes a "price floor" plus a marketing commission and piping fees. In addition, NEPCO will bear the piping payments to INGL. In November 2016, the Leviathan Partners and the Marketing Company signed a back-to-back GSPA ("Back-to-Back"), whereby the amounts that shall be received, the liabilities, the risks and the costs relating to the export agreement will be endorsed to the Leviathan Partners under the same terms (back-to-back), as if the Leviathan Partners were a party to the export agreement instead of the Marketing Company. On 15 January 2026, the parties agreed to increase the natural gas quantities that would be supplied to NEPCO on a firm basis, temporarily and in relation to several months in 2026-2027, and that the minimum annual quantity that NEPCO had undertaken to take or pay for during 2026-2027 would increase accordingly. The aforesaid does not change the total supply volume under the Export to Jordan Agreement (approx. 45 BCM), and the quantity specified in the export approval as specified above and below.

b) In October 2024, an agreement was signed between the Marketing Company and FAJR for the supply of a total volume of approx. 2.5-3 BCM of natural gas for a period of 10 years. The gas price formula determined in this agreement is based on linkage to the Brent prices and includes a "floor price". Furthermore, the agreement was conditioned upon the obtainment of the required regulatory approvals in Israel, including an export approval from the Petroleum Commissioner, and in Jordan, the signing of a transmission agreement with INGL, which will enable the flow of the quantities under the agreement, and the receipt of a tax ruling. In July 2025, all of the conditions precedent have been fulfilled for the taking effect of this agreement, and the supply of gas thereunder commenced in October 2025.

c) In July 2025 the Leviathan partners and industrial plants in Jordan signed an agreement for the supply of natural gas for a period of approx. 15 years, with a total volume of up to approx. 2 BCM. The gas will be supplied via the INGL system in the Dead Sea area (Jordan South). The gas price formula set forth in this agreement is based on linkage to the Brent prices and includes a "floor price". The agreement taking effect is contingent upon several conditions precedent. As of the date of approval of the financial statements, the conditions precedent for its taking effect have been fulfilled, and gas supply thereunder is expected to commence in the coming weeks.

Note 5 – Contingent Liabilities, Engagements and Pledges (Cont.)

B. Engagements for the supply of natural gas and condensate (Cont.):

4) Agreement for export of natural gas from the Leviathan project to Blue Ocean in Egypt:

- a) In February 2018, an agreement was signed between the Partnership and Chevron and Blue Ocean (in this section: the “Buyer”) for the export of natural gas from the Leviathan project to Egypt and on 26 September 2019, the signing of an agreement for amendment of the original Leviathan-Blue Ocean agreement between the Leviathan Partners and Blue Ocean was closed (in this section: the “Leviathan Agreement”), and an agreement was signed in connection with the allocation of the available capacity in the transmission system from Israel to Egypt between the Leviathan Partners and the Tamar partners. On 15 January 2020, the flow of natural gas began in accordance with the Leviathan Agreement. For details about the amendment of the export to Egypt agreement of 7 August 2025, see Section 12C3(b) below.

Below is a summary of the details and terms and conditions of the Leviathan project export agreement:

1. The total contract gas quantity which the Leviathan Partners have undertaken to supply to the Buyer on a firm basis is approx. 60 BCM (the “TCQ”).
2. The supply of gas began on 15 January 2020, and will be until 31 December 2034 or until the supply of the full TCQ, whichever is earlier (the “Term of the Leviathan Agreement”). In the event that the Buyer does not purchase the TCQ, each party will be entitled to extend the supply period by two additional years.
3. The Leviathan Partners have undertaken to supply the Buyer with annual gas quantities as follows: (i) in the period that commenced on 15 January 2020 and ended on 30 June 2020, approx. 2.1 BCM per year; (ii) in the period that commenced on 1 July 2020 and ended 30 June 2022, approx. 3.6 BCM per year; and (iii) in the period commencing 1 July 2022 and ending on the end of the Term of the Leviathan Agreement, approx. 4.7 BCM per year. Furthermore, the Leviathan Agreement includes provisions with respect to the possibility of piping additional gas quantities, over and above the aforesaid daily quantities, on an interruptible (spot) basis. For details with respect to export of the gas to Egypt via the EMG Pipeline and through Jordan via the Jordan North export line and the Jordanian transmission system, see Note 5C2(c) below. The export agreement provides provisions whereby in a case where the daily gas quantities are undersupplied in a certain month (shortfall), the Buyer is entitled, under certain conditions, to compensation in the form of a discount on the gas supplied thereto the following month, at a rate determined, *inter alia*, as a function of the rate of undersupply in the current month.
4. The Buyer has undertaken to take or pay for quarterly and annual quantities according to mechanisms set forth in the Leviathan Agreement which, *inter alia*, enable the Buyer to reduce the TOP quantity in a year in which the average daily Brent price (as defined in the agreement) is lower than \$50 per barrel, such that it shall be 50% of the annual contract quantity. If the contract quantity is reduced in the case of a disagreement about the gas price update, as stated in Paragraph E below, Blue Ocean's right to reduce the take-or-pay quantity as aforesaid will be revoked. Also, in connection with the Buyer's undertaking to take or pay, the agreement stipulates, among other things, instructions and a mechanism that allow the Buyer, after having consumed the minimum billable quantity for a certain year, to receive gas supply in that year without additional payment up to the balance of the amount of gas that was not consumed in previous years and for which it paid the sellers as part of the take-or-pay obligation (make up mechanism), as well as instructions and a mechanism that allow the Buyer to accumulate quantities purchased in any year above the minimum quantity, and use them to reduce the Buyer's obligation (carry forward mechanism).

Note 5 – Contingent Liabilities, Engagements and Pledges (Cont.)

B. Engagements for the supply of natural gas and condensate (Cont.):

4) Agreement for the export of natural gas from the Leviathan project to Blue Ocean in Egypt (Cont.):

a) (Cont.):

5. The price of the gas to be supplied to the Buyer will be determined according to a formula based on a Brent oil barrel, and a "price floor". Export to Egypt includes a mechanism for a price update of up to 10% (up or down) after the fifth⁸ and tenth years of the agreement, upon certain conditions specified in the agreement. If the parties do not reach an agreement on the price update as aforesaid, the Buyer shall have the right to reduce the contractual quantity by up to 50% on the first adjustment date and 30% on the second adjustment date. The agreement includes an incentives mechanism, subject to quantities and the oil barrel price. The Leviathan Agreement includes accepted provisions relating to conclusion of the agreement, as well as provisions in the case of conclusion of the export agreement, signed between the Tamar partners and Blue Ocean as a result of a breach thereof, and the Leviathan Partners' not agreeing to supply also the quantities according to the said Tamar agreement, and also includes compensation mechanisms in such a case. The parties consensually waived the price update for the fifth year (2025).
6. To facilitate an increase in the export quantities to Egypt, the Leviathan Partners and Blue Ocean signed an amendment to the agreement for export to Egypt, in which it was agreed, *inter alia*, to define an additional gas delivery point in Aqaba, Jordan, under the agreement for export to Egypt, in which a certain price discount was determined as compensation to Blue Ocean for the additional transmission expenses entailed by transmission of the gas from the additional delivery point, which are borne thereby. The piping of gas to Egypt to the delivery point in Aqaba began in March 2022, and is performed through the Jordan-North Export Pipeline, as specified in Note 5C2(c) below.

⁸ See footnote 41 above.

Note 5 – Contingent Liabilities, Engagements and Pledges (Cont.)

B. Engagements for the supply of natural gas and condensate (Cont.):

4) Agreement for the export of natural gas from the Leviathan project to Blue Ocean in Egypt (Cont.):

- b) On 7 August 2025, On 7 August 2025, the Leviathan Partners engaged with Blue Ocean in an amendment to the Export to Egypt Agreement (the "**Amendment**" or the "**Amendment to the Export to Egypt Agreement**"). Below is a concise description of its highlights:
- 1) Under the Amendment, the total contract quantity under the Export to Egypt Agreement shall be increased by a total volume of approx. 130 BCM (the "**Additional Quantities**"), to be added to the existing quantity set forth in the Export to Egypt Agreement as aforesaid, in two tranches as specified below: (1) An additional gas quantity of approx. 20 BCM from the taking effect of the Amendment (the "**First Tranche**"); and (2) An additional gas quantity of approx. 110 BCM, subject to satisfaction of the conditions specified in Section (c) below (the "**Second Tranche**").
 - 2) The First Tranche: The daily gas quantity that the Leviathan Partners are obligated to supply to Blue Ocean in the Export Agreement shall be increased from 450 MMSCF per day (approx. 4.7 BCM per year) to 650 MMSCF (approx. 6.7 BCM per year), from the date on which INGL completes the construction of the Ashdod-Ashkelon offshore section and the Leviathan Partners complete construction of the Third Pipeline Project (for further details about the Ashdod-Ashkelon offshore section and about the Third Pipeline Project, see Sections 7C1B(2) above and 12D2(a) below, respectively).
 - 3) The Second Tranche: The Leviathan Partners' undertaking to supply the Second Tranche is subject to satisfaction of the following conditions: (1) Adoption of a Final Investment Decision (FID) by the Leviathan Partners for the First Phase of the Expansion Project under the Updated Development Plan for the Leviathan Reservoir. This condition was fulfilled on 15 January 2026. For further details about the Expansion Project, see Note 4B above; and (2) Engagement by the Leviathan Partners (or another on their behalf) with INGL in a transmission agreement for the Nitzana Pipeline (collectively: the "**Conditions to the Second Tranche**") for the supply of the gas to the buyer at the delivery point on the Israel-Egypt border. This condition was fulfilled on 16 September 2025. Therefore, as of the date of approval of the financial statements, the Conditions to the Second Tranche have been met. Upon fulfillment of the conditions for the gas supply in the Second Tranche, the daily gas quantity that the Leviathan Partners are committed to supply to Blue Ocean will be increased to 1,150-1,250 MMSCF (approx. 11.9-12.9 BCM per year), according to the mechanism described below. The Amendment to the Export Agreement determines a mechanism for the timing of commencement of the supply of the increased daily quantity (the "**Expansion Date**"), which is primarily based on the Leviathan Partners' estimate regarding the progress of the projects required for expansion of the daily supply quantity, and chiefly completion of the First Phase of the Expansion Project and completion of the project for the construction of the Nitzana Pipeline. The Leviathan Partners' assessment, as of the date of approval of the financial statements, is that 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 Blue Ocean shall consume the total contract quantity (i.e., including the First Tranche), 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 Blue Ocean shall consume the total contract quantity (i.e., including the Second Tranche), whichever is earlier. If, at the end of the supply period, Blue Ocean shall not have consumed the total contract quantity, the supply period shall automatically be extended until the date on which Blue Ocean shall consume the total contract quantity, provided that the extension period does not exceed an additional two years.

Note 5 – Contingent Liabilities, Engagements and Pledges (Cont.)

B. Engagements for the supply of natural gas and condensate (Cont.):

4) Agreement for the export of natural gas from the Leviathan project to Blue Ocean in Egypt (Cont.):

b) (Cont.):

5) The Amendment to the Export to Egypt Agreement includes, *inter alia*, the following additional changes:

- a) Blue Ocean undertook to take or pay (TOP) for the Additional Quantities according to the mechanisms determined in the Amendment to the Export Agreement.
 - b) Blue Ocean's right to reduce the TOP quantity in a year in which the average Brent price (as defined in the Export to Egypt Agreement) falls below \$50 per barrel, was cancelled.
 - c) Provisions were determined regarding the price of the gas to be supplied to Blue Ocean under the Export Agreement as well as a price mechanism in relation to the gas quantities to be supplied under the Second Tranche, in accordance with a formula based on the Brent oil barrel price which includes a "floor price".
 - d) The current price update mechanism, within the meaning thereof in Section (c) above, shall apply to the outstanding quantities to be supplied under the original total contract quantity of the Export to Egypt Agreement, as well as to quantities to be supplied under the First Tranche. With respect to quantities to be supplied under the Second Tranche, a similar mechanism shall apply for updating the price by up to 10% (up or down) after the fifth year (according to the sellers' estimate, in 2035) and after the tenth year from the Expansion Date (according to the sellers' estimate, in 2040). If the parties do not reach agreements on the price update, as detailed above, each one of the parties shall be entitled to reduce the daily gas quantity left to supply under the Amendment to the Agreement, as detailed in Section (c) above, by up to 30% on the first adjustment date and up to 30% on the second adjustment date.
 - e) Blue Ocean's right to terminate the Export Agreement in the event of termination of the export agreement between Blue Ocean and the holders of the interests in the Tamar project, was canceled.
 - f) Upon receipt of Blue Ocean's approval of the provisions of the export permit on 15 January 2026, all of the conditions precedent for the Amendment to the Export to Egypt Agreement have been fulfilled, and it took effect.
- c) Further to the engagement in the Amendment to the Export to Egypt Agreement, as detailed in Paragraph B above, on 17 December 2025 the leaseholders received the Petroleum Commissioner's approval for export of the Additional Quantities under the Amendment to the Export to Egypt Agreement to Blue Ocean (the "**New Approval**"). In the Partnership's estimation, the New Approval enables compliance with the provisions of the Amendment to the Export to Egypt Agreement, including the supply of the Additional Quantities to Blue Ocean. The New Approval was granted in addition to the export approval granted to the leaseholders on 16 December 2019 (the "**Previous Approval**") and it stipulates that it supersedes any contradictory provision in any other document, including the Amendment to the Export to Egypt Agreement.
- Following is a concise description of the principal conditions of the New Approval:
- 1) Natural gas quantities under the New Approval may be exported as of the date on which the daily production capacity of the Leviathan reservoir amounts to a minimum of 1,350 MMSCF. The New Approval shall be effective until the earlier of the following: (1) The date on which Blue Ocean consumes the maximum total quantity specified in the New Approval; (2) The date on which the Amendment to the Export to Egypt Agreement comes to an end; (3) The expiration of the Leviathan lease deeds (the "**Term of Export**").
 - 2) The New Approval and its provisions do not derogate from the power conferred on the Minister of Energy pursuant to Section 33 of the Petroleum Law nor from the provisions of the Emergency Regulations.

Note 5 – Contingent Liabilities, Engagements and Pledges (Cont.)

B. Engagements for the supply of natural gas and condensate (Cont.):

4) Agreement for the export of natural gas from the Leviathan project to Blue Ocean in Egypt (Cont.):

c) (Cont.):

- 3) The supply of any quantity to the Buyer shall be subject to supply by the leaseholders of the full gas quantities nominated by the domestic-market consumers (under firm agreements or under binding spot nominations), including at the daily and annual levels.
- 4) The New Approval was granted for a maximum total quantity to be added to the export quantities pursuant to the Previous Approval, as follows: (a) Until such time as the reservoir's daily production capacity is 1,850 MMSCF (the "**First Expansion**") – the maximum total quantity shall be approx. 20.7 BCM; (b) Until such time as the reservoir's daily production capacity is 2,100 MMSCF (the "**Second Expansion**") – the maximum total quantity shall be approx. 95.6 BCM; and (c) After the Second Expansion – the maximum total quantity shall be approx. 130.9 BCM (in this section: the "**Total Export Quantity**"). The quantities specified in Subsections (b) and (c) above are subject to the recoverability of a volume of natural gas throughout the life of the reservoir (2C+2P categories) of no less than 535 BCM, as shall be determined by the Petroleum Commissioner based on the opinion of professional experts in the field of reserves evaluation, prepared in accordance with generally accepted industry standards. The Petroleum Commissioner may, from time to time, reduce the aforesaid quantities in the event that the quantity recoverable from the reservoir is lower, or if he finds that the development plan is not being implemented with due diligence.
- 5) The New Approval specifies the maximum daily and annual quantities that may be exported, in accordance with the various expansion phases and the seasonal demand volumes in the domestic market (the "**Maximum Quantities**"). It also provides that in the event of a gap between the total maximum daily quantities in a certain year and the maximum annual quantity determined for that year, the leaseholders may compensate for the shortfall by export on a spot basis, subject to certain conditions as set out in the New Approval. Beginning on 1 January 2036, the Petroleum Commissioner may, by a reasoned decision, reduce the Maximum Quantities by up to 60%, for all or part of the calendar year, in view of a change between the years in the gap between demand and supply in the domestic market, but without thereby affecting the Total Export Quantity. Notice shall be given to the leaseholders at least one year in advance of the anticipated issuance of such a decision. The aforesaid notwithstanding, in the event that such a notice is given, insofar as the Commissioner finds, in proximity to the reduction date, that there is no need for a reduction, he shall inform the leaseholders as soon as possible.
- 6) the actual production capacity of the leases increases and exceeds 2,100 MMSCF per day (in this section: the "**Increase in Production**"), the leaseholders may export one half of the Increase in Production through spot transactions; and in relation to the second half, the leaseholders may submit an application to the Petroleum Commissioner to increase the maximum daily quantity or to increase the excess quantity permitted for export through spot transactions as noted above.
- 7) The New Approval specifies provisions that regulate the possibility of reducing the Maximum Quantities in the event that the production from the reservoir on a certain day is lower than the full production capacity, as determined in the New Approval, the principal purpose of which is to prioritize allocation to domestic-market consumers while ensuring a minimal daily export quantity subject to certain conditions.
- 8) In the context of receiving the New Approval, the leaseholders undertook to offer all consumers in the domestic market to enter into binding agreements with them for the purchase of natural gas ("**Firm Contracts**"), for a period of between 1 and 8 years but not beyond expiration of the New Approval (or a longer period insofar as agreed between the parties), for any quantity requested within the difference between the full production capacity at such time, net of the total of (a) the maximum daily quantity specified in the New Approval; and (b) obligations under the leaseholders' existing Firm Contracts, except for the Amendment to the Export to Egypt Agreement

Note 5 – Contingent Liabilities, Engagements and Pledges (Cont.)

B. Engagements for the supply of natural gas and condensate (Cont.):

4) Agreement for the export of natural gas from the Leviathan project to Blue Ocean in Egypt (Cont.):

c) (Cont.):

8) (Cont.):

The New Approval includes provisions to ensure the fixed daily quantity that shall be offered in the Firm Contracts, depending on the term of the agreement. In addition, the leaseholders shall offer all consumers in the domestic market to enter into a contract with them for the purchase of natural gas on a spot basis for a period of at least one year (in this section: "**Spot Contracts**"), for any quantity requested within the difference between the Leviathan reservoir's full production capacity on the gas nomination date and the aggregate daily obligations at such time under Firm Contracts they have signed, except for the obligations under the Amendment to the Export to Egypt Agreement. The leaseholders shall offer consumers in the domestic market with which they shall negotiate such Firm Contracts and Spot Contracts, price and linkage formula alternatives, as specified in such obligation. Such alternatives include the price and linkage formula alternatives determined in Government Resolution 476 on the Gas Framework, as well as an additional linkage formula that shall be offered to independent power producers, which is based on the household electricity tariff. Notwithstanding the aforesaid, the obligation to offer the price alternatives in relation to Spot Contracts shall only apply until the date of the Second Expansion or until the end of 2030 (whichever is later). If the date of the Second Expansion falls before the end of 2032, such obligation shall continue to apply solely in relation to the peak months (as defined in the New Approval), until the end of 2032. In addition, on 15 February 2026, the Partnership received a request for information from the Competition Authority, pursuant to Section 46(b) of the Economic Competition Law, under which the Partnership was required, *inter alia*, to provide the Competition Authority with a complete copy of the obligations of the leaseholders in the Leviathan reservoir that were given in the context of the New Approval, as well as a final document that was delivered to the Petroleum Commissioner that includes the said obligations in connection with the New Approval.

- 9) The New Approval sets down provisions whereby, in addition to the foregoing, the leaseholders may export natural gas quantities, in accordance with the New Approval together with the Previous Approval, on a spot basis, subject to all gas quantities that have been nominated by the leaseholders' customers in the domestic market having been supplied and subject to the following limits: Until the date of the Second Expansion or until the end of 2030 (whichever is later) – without any quantitative limit; from the date of the Second Expansion or from the end of 2030 (whichever is later) – up to 2 BCM per year over and above the annual quantity specified in the New Approval, subject to certain daily limits as specified, and also subject to the Commissioner's power to determine additional quantitative limits in certain cases, all up to the Total Export Quantity.

The New Approval sets down additional provisions that address, *inter alia*, the ability to receive approval for the export of gas to the buyer in excess of the Maximum Quantities upon the occurrence of a material change in market conditions; provisions that concern cases in which the export quantity on a certain day is lower than the maximum daily quantity due to nominations received from domestic market consumers; provisions pertaining to reports to the Petroleum Commissioner, disclosure on related agreements, the requirement of the Petroleum Commissioner's approval for any change in the Export Agreement and in related agreements, and provisions on additional matters, including provisions regarding the Commissioner's powers in the case of a breach of the leaseholders' obligations in the context of receipt of the New Approval. Furthermore, concurrently with receipt of the New Approval and at the request of the Ministry of Energy, the leaseholders have confirmed that they shall work together with the Natural Gas Authority on promotion of a platform for the secondary trading of natural gas for natural gas consumers in the Israeli market, and shall also jointly examine various options in connection with the natural gas quantities that may be directed to the trading platform once established, under spot agreements, which quantities shall be purchased in accordance with the standard contractual terms and conditions in sale agreements and shall be carried out according to standard international practice. In this context it is noted that on 25 February 2026, it was posted on the website of the Ministry of Energy that the Natural Gas Authority is promoting the establishment of a natural gas trading platform.

Note 5 – Contingent Liabilities, Engagements and Pledges (Cont.)

B. Engagements for the supply of natural gas and condensate (Cont.):

4) Agreement for the export of natural gas from the Leviathan project to Blue Ocean in Egypt (Cont.):

- d) Concurrently with the signing of the Leviathan Agreement, on 26 September 2019 (as amended on 21 August 2023) an agreement was signed between the Partnership and Chevron and the rest of the Leviathan Partners and the Tamar partners in connection with allocation of the capacity (in this section: the **"Capacity Allocation Agreement"**) in the transmission from Israel to Egypt system. Allocation of the capacity in the transmission system from Israel to Egypt (the EMG Pipeline and the transmission pipeline in Israel) will be on a daily basis, according to the following order of priority:
1. First layer – up to 350 MMCF per day will be allocated to the Leviathan Partners.
 2. Second layer – the capacity above the first layer, up to 150 MMCF per day until 30 June 2022 (the **"Capacity Increase Date"**), and 200 MMCF per day after the Capacity Increase Date, will be allocated to the Tamar partners.
 3. Third layer – any additional capacity above the second layer will be allocated to the Leviathan Partners.

Pursuant to the Capacity Allocation Agreement, on the date of the closing the EMG transaction, the Leviathan Partners and the Tamar partners paid the Partnership and Chevron the sum of \$250 million (80% by the Leviathan Partners and 20% by the Tamar partners), as participation fees, in consideration for the undertaking to allow the piping of natural gas from the Leviathan and Tamar reservoirs and guaranteeing capacity in the EMG Pipeline. Pursuant to the agreement, the amount of the aforesaid payments will be updated according to the formula and dates determined in the agreement, based on the actual use of the EMG Pipeline. In view of the aforesaid, for the period between 1 January 2022 and 30 June 2022, the distribution of payments between the Leviathan Partners and the Tamar partners was approx. 83% and approx. 17%, respectively. The Capacity Allocation Agreement determines further arrangements for bearing the additional costs and investments that will be required for refurbishment of the EMG Pipeline and maximum utilization of the pipeline capacity, which shall be paid by both the Leviathan Partners and the Tamar partners. In this context it is noted that on 30 June 2022 and 30 June 2024, the parties updated the distribution of payments between the Leviathan Partners and the Tamar partners, and held a reconciliation accordingly in non-material amounts, for purposes of adjusting the parties' respective rates of participation in the actual costs of usage of the EMG Pipeline capacity in such period. The Capacity Allocation Agreement further determines that from 30 June 2020 until the Capacity Increase Date, insofar as the Tamar partners shall be unable to supply the quantities which they undertook to supply to Blue Ocean, the Leviathan Partners shall supply the Tamar partners with the required quantities. The term of the Capacity Allocation Agreement is until the conclusion of the agreement for export to Egypt, unless it shall have ended prior thereto in the following cases: Breach of a payment undertaking which is not remedied by the party in breach; or in a case where the Competition Authority does approve the extension of the capacity and operatorship agreement according to the decision of the Competition Commissioner. In addition, each party shall be entitled to end its part in the Capacity Allocation Agreement insofar as its export agreement shall have been terminated.

On 15 January 2026, an amendment was signed to the Capacity Allocation Agreement for expansion of the capacity reserved for Blue Ocean by an additional 200 MMSCF, to enable the transmission of additional quantities in accordance with the amendment to the export agreement with Blue Ocean. Expansion of the reserved capacity shall take effect on the date on which BOE gives notice to EMED as aforesaid, and shall remain in effect until the end of 2040. The parties undertook to work on extending the term of the Capacity Lease and Operatorship Agreement or finding an alternative to enable the transmission of gas in the EMG pipeline under similar conditions.

Note 5 – Contingent Liabilities, Engagements and Pledges (Cont.)

B. Engagements for the supply of natural gas and condensate (Cont.):

5) Agreement for natural gas supply to Eshkol Power Energies Ltd.

on 23 May 2024, the Leviathan Partners entered with Eshkol Power Energies Ltd. (in this section: the "Buyer") in an agreement for the supply of natural gas (in this section: the "Agreement") to the production units at the Eshkol site in Ashdod, which the Buyer purchased from IEC, pursuant to a sale agreement it has signed with the IEC. Under the Agreement, the Leviathan Partners have undertaken to supply the Buyer, on a firm basis, daily gas quantities in an aggregate annual quantity of approx. 0.5 BCM, which are intended to serve the two combined cycle production units at the Eshkol site (the "CCGTs"), as of the supply commencement date in June 2024, upon transfer of ownership of the power plant from IEC to the Buyer and until the end of the term of the Agreement on 31 December 2031. The Buyer has undertaken to purchase or pay for (Take or Pay) certain gas quantities calculated as a percentage of the adjusted annual contract quantity (Adjusted ACQ), subject to *force majeure* circumstances and other standard terms and conditions. The parties further agreed that the Leviathan Partners will supply the Buyer, on an interruptible basis, additional gas quantities that will be used for the four steam production units at the Eshkol site (the "Steam Units"), which will operate mainly when the electricity reserves in the market are low, starting from the aforesaid supply commencement date and throughout their period of operation (currently expected to continue until 31 December 2026). The Buyer has undertaken to take or pay for certain gas quantities for the Steam Units, subject to the extent of their actual operation, the availability of gas and other standard terms and conditions. The sale prices stipulated in the Agreement are linked to the electricity prices for CCGTs, and to the Brent oil barrel price in relation to the Steam Units, in accordance with such mechanisms and periods as specified in the Agreement. The said sale prices are denominated in dollars and are subject to minimum prices. The Agreement sets forth additional provisions, as is standard in agreements of this type, *inter alia*, with respect to *force majeure* events, default events and indemnification, taxation and fiscal changes, early termination, etc.

6) Agreement for supply of condensate to ORL:

In December 2019, an agreement was signed (the "ORL Agreement") whereby condensate produced from the Leviathan reservoir will be piped to the existing fuel pipeline of EAPC which leads to a container site of Energy Infrastructures Ltd. ("PEI") and from there it will be piped to ORL's facilities, *inter alia*, in accordance with regulatory instructions.

The agreement signed with ORL is on an interruptible basis, up to a maximum quantity that was agreed between the parties, as shall be updated from time to time, in accordance with the terms and conditions determined by the authorities in this regard, for a term of 15 years from the date of the first condensate piped (in commercial quantities), with each party having the right to terminate the ORL Agreement by giving prior notice of at least 360 days, to the other party. In addition, each party may terminate the ORL Agreement on shorter notice upon the occurrence of various events, including in the case of a breach by the other party, and upon the occurrence of regulatory and other changes which will not allow the piping of the condensate according to the provisions of the ORL Agreement. According to the agreement, the Leviathan Partners are not entitled to consideration for supplying the condensate to ORL, with the Leviathan Partners being obligated to bear any and all expenses, including tax exposures, relating to the supply of the condensate.

As specified in Section 6 below, on 7 March 2024, the Leviathan Partners began piping condensate through the PEI pipeline to ARF, following which, as of the said date, the condensate quantities supplied to ORL under the said agreement have been significantly reduced.

Note 5 – Contingent Liabilities, Engagements and Pledges (Cont.)

B. Engagements for the supply of natural gas and condensate (Cont.):

7) Agreement with ARF for sale of condensate from the Leviathan reservoir:

On 18 January 2023, the Leviathan Partners, including the Partnership (in this section: the "Sellers") engaged with ARF in an agreement for the sale of condensate to ARF (in this section: the "Agreement"). Following is a concise description of the main terms of the Agreement:

- a) According to the Agreement, the Sellers undertook to supply to ARF, condensate that is produced from the Leviathan reservoir, which will be transported through PEI's pipe.
- b) The Agreement stipulates, *inter alia*, provisions regarding limitations on the maximum quantities (on a daily and monthly level) of the condensate to be supplied to ARF, fines in the event of a breach of the provisions of the Agreement, and other standard provisions in agreements of this type.
- c) The price to be paid to the Sellers was determined according to the price of a Brent oil barrel less a margin, in a graduated manner, as specified in the Agreement.
- d) Condensate piping to ARF will begin on the date of first piping through PEI's pipeline (in this section: the "First Piping Date") and continue for a period of 4 years. Condensate piping to ARF under the aforesaid agreement commenced on 7 March 2024.

8) Agreement for the supply of natural gas between the Leviathan partners and the Yam Tethys partners:

On 3 May 2020, the Partnership, Chevron, the Delek Group and Ratio Energies signed an agreement (in this section: the "Agreement") regulating the method of supply of natural gas to customers of the Yam Tethys reservoir, to be performed by Leviathan Partners which are partners in the Yam Tethys project (i.e., the Partnership and Chevron), which carry an obligation under a gas sale agreement in the Yam Tethys project (the "Yam Tethys Agreement"), and by another Leviathan partner (i.e., Ratio Energies) which is not a partner in the Yam Tethys project (and which is not so bound by the Yam Tethys Agreement). The consideration determined in the Agreement is the average monthly price of the Leviathan project from sales of natural gas. The consideration was divided such that the consideration to Ratio Energies reflects a natural gas price that is equal to the (current) average monthly price of natural gas that was supplied to the Leviathan customers in that month under agreements signed between the Leviathan Partners and their customers, and the financial balance that remained was divided between the Partnership and Chevron, according to their relative share in the Leviathan project excluding the share of Ratio Energies. Such division allowed for maintaining the balance in the gas quantities in the Leviathan project between the partners therein according to their share. On 30 June 2023 the last agreement for the sale of gas in the Yam Tethys project came to an end and, accordingly, the aforementioned Agreement came to end as well.

- 9) As of the date of approval of the financial statements, the Leviathan partners are considering the possibility of exporting condensate from the Leviathan project using existing third-party systems. In this context, consideration is being given to the possibility of adapting the existing transmission and storage infrastructure for transportation of condensate from the Leviathan project, storage and loading thereof onto vessels for export. In addition, the Leviathan partners are considering the possibility of engaging in agreements for the sale of condensate to potential international customers. The export of condensate from the Leviathan project may depend on commercial, technical, operational, regulatory and other factors.

Note 5 – Contingent Liabilities, Engagements and Pledges (Cont.)

B. Engagements for the supply of natural gas and condensate (Cont.):

10) Estimates regarding natural gas and condensate quantities, prices and supply dates:

The estimates regarding the natural gas and condensate quantities to be purchased by the aforesaid buyers in the Leviathan project, and the supply commencement dates under the supply agreements, constitute information the materialization of which, in whole or in part, is uncertain, and which may materialize in a materially different manner, due to various factors, including non-fulfillment of the conditions precedent under each one of the supply agreements (insofar as not yet fulfilled), non-receipt of regulatory approvals, changes in the volume, pace and timing of natural gas consumption by each of the aforesaid buyers, gas and condensate prices to be determined according to the formulas specified in the supply agreements, the Electricity Production Tariff, the dollar-shekel exchange rate (insofar as relevant to the supply agreement), Brent prices (insofar as relevant to the supply agreement), the TAOZ Tariff published by the Electricity Authority and the Crack Spread Index (insofar as relevant to the supply agreement), construction and operation of the power plants and/or other plants of the buyers (insofar as relevant to the supply agreement), the exercise and exercise date of options granted in each of the supply agreements, etc.

11) Dependence on a customer:

As of 31 December 2025, NEPCO and Blue Ocean are the Partnership's largest customers and therefore, termination or non-performance of the agreements signed between them and the Leviathan Partners would materially affect the Partnership's business and future revenues.

For details regarding sales volumes and trade receivables balance.

C. Engagement in agreements for natural gas and condensate transmission from the Leviathan reservoir:

1. Condensate transmission agreement

On 1 September 2022, Chevron (on behalf of the Leviathan Partners) and PEI signed an agreement designed to regulate an alternative mechanism for condensate piping from the Leviathan project through an existing PEI 6" pipeline and the systems related thereto (in this section: the "**Agreement**" and the "**Pipeline**", respectively), the principles of which are as follows:

The Agreement will be in effect for 20 years from the date of commencement of piping, subject to provisions that allow the parties to terminate it before the end of the term. Upon certain conditions, under the Agreement, PEI will be responsible for planning and carrying out the work for connection and adjustment of the Pipeline for the purpose of such condensate piping (the "**Connection Work**"), obtaining all the approvals for the transmission of condensate through the Pipeline, and the ongoing operation and maintenance of the Pipeline. Chevron (via the Leviathan Partners, per their share in the Leviathan Leases) has undertaken to bear the costs entailed by the Connection Work per the scope and mechanism set in the Agreement, in amounts the parties shall agree upon in advance. Each of the parties may terminate the Agreement if the closing conditions are not met within 12 months of the signing date or if the piping commencement date does not occur within 12 months of the date on which the Agreement takes effect.

During the piping period, PEI will make the Pipeline available for use by Chevron (except in such emergencies as defined in the Agreement, in which condensate piping through the Pipeline will be temporarily discontinued) and reserve an agreed Pipeline capacity in exchange for such fixed capacity fees as specified in the Agreement. PEI will also transmit the condensate through the Pipeline, in consideration for such transmission fees as agreed in the Agreement. The Connection Work and the Agreement account for the increase in the condensate quantity transmitted through the Pipeline as a result of operation of the Third Pipeline and the commencement of production under Phase 1B. Transmission of the condensate in the PEI Pipeline under the aforesaid agreement began on 7 March 2024.

Note 5 – Contingent Liabilities, Engagements and Pledges (Cont.):

C. Engagement in agreements for natural gas and condensate transmission from the Leviathan reservoir (Cont.):

2. Agreements for transmission of natural gas for export to Jordan and Egypt

As of the date of approval of the financial statements, the pipeline infrastructure for export to the Partnership's customers in Egypt and Jordan includes the main systems specified below. Of note, the capacity of gas supply to Egypt through these systems is divided between the Tamar partners and the Leviathan Partners.

a) Entry into transmission agreements with INGL in relation to export to Egypt:

The EMG Pipeline connects the Israeli transmission system in the Ashkelon area with the Egyptian transmission system in the el-Arish area and serves as the main line of export to Egypt since the start of production from the Leviathan reservoir.

January 2025 saw completion of another electricity connection to the compression terminal, allowing for simultaneous operation of the two compressors installed at the entry to the EMG system in Ashkelon. Such simultaneous operation of both compressors, as of the date of approval of the financial statements, allows for increasing the piping capacity of the EMG Pipeline from approx. 600 MMCF per day (approx. 6 BCM per year) to approx. 650 MMCF per day (approx. 6.5 BCM). Maximum utilization of this capacity is contingent on the conditions of INGL's national transmission system, which may change from time to time.

For further increase of the EMG Pipeline's transmission capacity to approx. 850 MMCF per day (approx. 8.5 BCM per year), INGL is carrying out a project for construction of a new offshore section between Ashdod and Ashkelon stretching across approx. 46 km (the "**Combined Section**"). The estimated date of completion of the project for construction of the Combined Section has been postponed several times, including another postponement due to Operation Roaring Lion, and as of the date of approval of the financial statements, the commencement of flow is expected in Q3/2026.

On 28 May 2019, Chevron and INGL engaged in an agreement for supply of interruptible transmission services in relation to the piping of natural gas from the Leviathan reservoir and Tamar reservoir to EMG's terminal in Ashkelon, for the purpose of export to Egypt (in this section: the "**2019 Agreement**"). The payment pursuant to the 2019 Agreement will be made based on the gas quantity actually piped through the transmission system, subject to Chevron's undertaking to pay for certain minimum quantities.

On 25 December 2024, Chevron and INGL signed an addendum to the 2019 Agreement, whereby the agreement was extended at such date until the earlier of: (1) The expiration date of the agreement according to its terms and conditions; (b) The Piping Commencement Date as defined in the agreement for transmission on a firm basis, which is described below, and as part of the settlement agreement signed between Chevron and INGL regarding the 2019 Agreement and the 2021 agreement, was set for 5 August 2025. On 18 January 2021, Chevron entered with INGL into an agreement for the provision of transmission services on a firm basis, intended to supersede the 2019 Agreement, for the purpose of piping natural gas from the Leviathan and Tamar reservoirs to the EMG terminal in Ashkelon in order to transmit it to Egypt, which agreement took effect on 14 February 2021 (hereinbefore and hereinafter in this section: the "**Transmission Agreement**" or, in this section: the "**Agreement**").

Note 5 – Contingent Liabilities, Engagements and Pledges (Cont.):

C. Engagement in agreements for natural gas and condensate transmission from the Leviathan reservoir (Cont.):

2. Agreements for transmission of natural gas for export to Jordan and Egypt (Cont.):

a) (Cont.):

Below is a concise description of the principles of the Agreement, as amended from time to time:

- 1) Under the Transmission Agreement, INGL has undertaken to provide transmission services for the natural gas that shall be supplied from the Leviathan and reservoirs, including maintaining an annual base capacity in the transmission system of approx. 5.5 BCM (the "**Base Capacity**"). For the transmission services in relation to the Base Capacity, Chevron will pay capacity fees and a payment for the gas quantity that shall actually be piped (throughput), in accordance with the generally accepted transmission rates in Israel, as updated from time to time. INGL has further undertaken to provide non-continuous transmission services on an interruptible basis of additional gas quantities over and above the Base Capacity, subject to the available capacity of the transmission system. For transmission of such additional quantities, Chevron will pay a transmission rate for non-continuous transmission services in relation to the throughput.
- 2) Under the Transmission Agreement, Chevron has undertaken to pay for the piping of a gas quantity no lesser than 44 BCM throughout the term of the Agreement. If the parties agree on an increase in the Base Capacity, then such minimum piping quantity will be increased accordingly.
- 3) The Transmission Agreement specifies undertakings by INGL regarding the date of completion of the construction of the Combined Section and commencement of piping of the gas (in this section: the "**Piping Commencement Date**"). However, from time to time, INGL has notified of delays and postponements in the performance of the construction work due to various constraints, by reason of which the Piping Commencement Date has been postponed, *inter alia*, due to technical malfunctions during the work and due to the foreign construction contractor's departure from the region in view of the security situation.
- 4) Against this background, on 4 August 2024, Chevron and INGL signed an amendment to the Transmission Agreement, whereby, *inter alia*, for the share of the partners in the Leviathan and Tamar projects, Chevron will bear a sum equal to 56.5% of the additional costs entailed by the return of the foreign contractor to Israel and resumption of the project's construction work, insofar as resumed by October 2024. On 11 May 2025 and 18 September 2025, the General Partner's Board approved an additional budget of approx. \$29 million (100%, for the Leviathan Partners, the Partnership's share – approx. \$13 million) and approx. \$7.6 million (100% for the Leviathan Partners, the Partnership's share – approx. \$3.5 million), respectively, for completion of the said work, as a result of the war and the delay in the timetable for completion of the work consequently thereto, such that, as of the date of approval of the financial statements, the approved budget totals approx. \$139 million (100% for the Leviathan Partners, the Partnership's share – approx. \$63 million).

In Chevron's estimation, the dates of completion of construction of the Combined Section and the commencement of gas transmission are expected in Q3/2026.

Note 5 – Contingent Liabilities, Engagements and Pledges (Cont.):

C. Engagement in agreements for natural gas and condensate transmission from the Leviathan reservoir (Cont.):

2. Agreements for transmission of natural gas for export to Jordan and Egypt (Cont.):

a) (Cont.):

- 5) The Transmission Agreement determines that it will expire upon the earlier of: (1) The date on which the total quantity piped is 44 BCM; (2) the lapse of 8 years from the piping commencement date; or (3) upon expiration of INGL's transmission license.
- 6) In accordance with the principles determined in the Commission's decision, the share of the partners in Leviathan and Tamar is 56.5% of the total cost of construction of the Ashdod-Ashkelon Combined Section, with the Leviathan Partners and the Tamar partners bearing these costs and the provision of guarantees as specified below at the rate of 69% and 31%, respectively. Furthermore, it was agreed that allocation of the construction costs among the partners in the Leviathan and Tamar projects will be carried out based on the actual transmission rates. In July 2024 the ratio of allocation between the Leviathan partners and the Tamar partners was updated to 72.04% and 27.96%, respectively.
- 7) In accordance with the Commission's decision, the Leviathan Partners and the Tamar partners provided a bank guarantee to secure INGL's share in the cost of construction of the aforesaid infrastructure, and to cover Chevron's obligation to pay the capacity and transmission fees. As of the date of approval of the financial statements, the guarantees in favor of INGL for the Partnership's share in the Leviathan project total approx. ILS 186.4 million.
- 8) The Transmission Agreement stipulates that in case of cessation of the export of natural gas from the Tamar and Leviathan projects to Egypt, Chevron will be entitled to terminate the Transmission Agreement subject to payment of compensation to INGL due to the early termination, in an amount equal to 120% of the costs of construction of the Combined Section, plus the costs of accelerating the doubling of the Sorek-Nesher and Dor-Hagit sections, net of the amounts Chevron paid until the date of the termination in respect of such construction and acceleration costs and in respect of the piping of the gas under the Transmission Agreement. If, after the termination of the Transmission Agreement, export to Egypt resumes, the Transmission Agreement will be renewed subject to and in accordance with the capacity that shall be available in the transmission system at such time.
- 9) Due to the delays in completion of the construction work and postponement of the piping commencement date as noted above, Chevron has raised claims of breach of the Transmission Agreement against INGL, following which the parties have agreed to conduct a mediation proceeding and, at the same time, operate according to the arbitration mechanism under the Transmission Agreement. See Note 5D5 below.

Note 5 – Contingent Liabilities, Engagements and Pledges (Cont.):

C. Engagement in agreements for natural gas and condensate transmission from the Leviathan reservoir (Cont.):

2. Agreements for transmission of natural gas for export to Jordan and Egypt (Cont.):

a) (Cont.):

10) On 25 December 2025, and further to Chevron's engagement with INGL in a settlement agreement as provided in Note 5F2 below (the "**Settlement Agreement**"), the parties entered into an amendment to the 2019 Agreement, whereby the agreement was extended until the earlier of: (a) The agreement expiration date in accordance with its terms; or (b) 1 January 2027 (in lieu of 1 January 2026); or (c) the Transmission Commencement Date, as defined in the transmission agreement on a firm basis described in Section (1) above (scheduled for 5 August 2025), at which time the Transmission Agreement would enter into force on the terms specified in the Settlement Agreement, which include, *inter alia*, Chevron's obligation to pay for the transmission of gas in a quantity no lower than 4 BCM per year.

Concurrently with the signing of the Transmission Agreement, Chevron, the Partnership and the other the Leviathan Partners and Tamar partners have signed a back-to-back services agreement (in this section: the "**Services Agreement**"), which provides that the Leviathan and Tamar partners will be entitled to transmit natural gas transmission capacity (through Chevron) under the Transmission Agreement, and will be responsible for the performance of Chevron's obligations and its bearing of the costs under the Transmission Agreement (back-to-back) as if the Leviathan Partners and the Tamar partners were a party to the Transmission Agreement in Chevron's place, each according to its respective share as determined in the Capacity Allocation Agreement between the Leviathan Partners and the Tamar partners, as specified in Note 5B(4)(d) above. The Leviathan Partners and the Tamar partners will bear capacity fees at a fixed proportion of 69% (Leviathan Partners) and 31% (Tamar partners), except in a case where a party (either the Leviathan Partners or the Tamar partners, as applicable) shall have used the other party's unused capacity in which case the allocation will be carried out based on actual use. See paragraph 6 in connection with an update to the allocation ratio between the Leviathan partners and the Tamar partners.

b) **Project for the onshore connection between the Israeli transmission system and the Egyptian transmission system in the area of Nitzana:**

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**"). The project for the onshore connection between the Israeli transmission system and the Egyptian transmission system in the area of Nitzana (the "**Nitzana Project**"), includes a pipeline and the construction of a compressor station in the area of Ramat Hovav. 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%).

Note 5 – Contingent Liabilities, Engagements and Pledges (Cont.):

C. Engagement in agreements for natural gas and condensate transmission from the Leviathan reservoir (Cont.):

2. Agreements for transmission of natural gas for export to Jordan and Egypt (Cont.):

b) (Cont.):

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, 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**").

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.

Note 5 – Contingent Liabilities, Engagements and Pledges (Cont.):

C. Engagement in agreements for natural gas and condensate transmission from the Leviathan reservoir (Cont.):

2. Agreements for transmission of natural gas for export to Jordan and Egypt (Cont.):

b) (Cont.):

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. \$608 million (the Partnership's share – approx. \$115 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, see Section E(10) below.

Note 5 – Contingent Liabilities, Engagements and Pledges (Cont.):

C. Engagement in agreements for natural gas and condensate transmission from the Leviathan reservoir (Cont.):

2. Agreements for transmission of natural gas for export to Jordan and Egypt (Cont.):

b) (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 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.

Note 5 – Contingent Liabilities, Engagements and Pledges (Cont.):

C. Engagement in agreements for natural gas and condensate transmission from the Leviathan reservoir (Cont.):

2. Agreements for transmission of natural gas for export to Jordan and Egypt (Cont.):

b) (Cont.):

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.
11. According to the Operator's estimate, the completion of the Nitzana pipeline construction and the gas flow commencement date are expected during Q4/2028.

c) **Export of natural gas to Egypt through the Jordan-North Export Pipeline**

1. The Jordan-North Export Pipeline, connects between the Israeli transmission system and the Jordanian transmission system near the Sheikh Hussein Bridge. The construction of this export pipeline was completed in December 2019, *inter alia* through the construction of a natural gas pipeline by INGL from the Tel Kashish station to the border with Jordan, including the construction of a station near the border whose purpose is to measure the gas exported to Jordan. The follow-on pipeline on the Jordanian side was built by FAJR, the (Egyptian-owned) Jordanian transmission company ("**FAJR**"), which connects the Israeli transmission system to the existing transmission pipeline in Jordan and the Arab Gas Pipeline, and connects to the Egyptian transmission system in the area of Aqaba (above and below: the "**Jordan-North Export Pipeline**"). As of the date of approval of the financial statements, the gas supply capacity in the Jordan-North Export Pipeline is approx. 7 BCM per annum, around 3.5 BCM of which are set aside for the NEPCO Agreement. The supply of gas to Egypt under the export agreement via the Jordan-North Export Pipeline began in March 2022, concurrently with the flow through the EMG pipeline.

Note 5 – Contingent Liabilities, Engagements and Pledges (Cont.):

C. Engagement in agreements for natural gas and condensate transmission from the Leviathan reservoir (Cont.):

2. Agreements for transmission of natural gas for export to Jordan and Egypt (Cont.):

c) (Cont.):

2. In view of the delay in the completion of the project for the construction of the combined section, in February 2022, the Leviathan Partners have signed a set of agreements intended to allow the piping of quantities of natural gas to Egypt under the agreement for export to Egypt through Jordan, using the Jordan-North Export Pipeline. In accordance with the said set of agreements, in March 2022, natural gas piping to Egypt through Jordan began, which allows for maximizing the sale of the natural gas produced from the Leviathan reservoir and transmitting natural gas surpluses that are not consumed in Israel and Jordan and/or piped to Egypt via the EMG Pipeline, to the Egyptian market, via the Jordanian transmission system. As of the date of approval of the financial statements, and as the Partnership was informed by the Operator, using the existing transmission infrastructure and under the current operating conditions, natural gas can be piped to Egypt, via Jordan, in an average daily amount of up to approx. 350 MMCF (approx. 3.5 BCM per year). It is noted in this context that the Ministry of Energy authorized the Leviathan Partners to add a point of delivery of natural gas to Egypt in Aqaba, Jordan. It is further noted that transmission of the gas to Egypt via the Jordan-North Export Pipeline entails additional transmission costs compared with transmission of the gas via the EMG Pipeline.

The set of agreements so signed includes the following agreements:

- a. An agreement between a Chevron affiliate (in this section: the "**Affiliate**") and FAJR, the Jordanian transmission company, for the provision of interruptible transmission services in relation to the piping of natural gas from the Leviathan and Tamar reservoirs via the transmission system in Jordan, from the point of entry at the border between Israel and Jordan to the delivery point at the border between Jordan and Egypt, near Aqaba (the "**FAJR Agreement**"). Payment under the FAJR Agreement will be made based on the gas quantity actually piped through the FAJR transmission system after deduction of own-use gas used for operation of the compressors in Aqaba. It is also stipulated that the term of the FAJR Agreement is 5 years as of the piping date, unless it comes to an end at an earlier time in accordance with the provisions set out therein.
- b. A back-to-back services agreement signed between the Affiliate, Chevron and the other Leviathan and Tamar partners, which stipulates, *inter alia*, that the entry of the Affiliate into the FAJR Agreement is done for and in the interest of the holders of interests in the Tamar from and Leviathan reservoirs for the purpose of export of natural gas to Egypt the Tamar and Leviathan reservoirs on a 'back-to-back' basis, as if they were party to such agreement. It is also stipulated that use of the FAJR transmission system will be made in accordance with such mechanism, terms and conditions, and priorities as specified in the aforesaid agreement, which are based, *inter alia*, on the capacity of the EMG Pipeline, the available capacity and the constraints of the FAJR transmission system and the gas orders placed under the agreements for export to Egypt between BOE and the holders of interests in the Leviathan and Tamar reservoirs.

Note 5 – Contingent Liabilities, Engagements and Pledges (Cont.):

C. Engagement in agreements for natural gas and condensate transmission from the Leviathan reservoir (Cont.):

2. Agreements for transmission of natural gas for export to Jordan and Egypt (Cont.):

c) (Cont.):

- c. Agreement between Chevron and INGL for the provision of interruptible transmission services in relation to the piping of natural gas from the Leviathan reservoir via the Jordan-North Export Pipeline to the point of connection to the FAJR transmission system at the border between Israel and Jordan (the "**Jordan-North INGL Agreement**"). Payment under the Jordan-North INGL Agreement will be made based on the gas quantity actually piped through the INGL transmission system, subject to Chevron's undertaking to pay for a minimum quantity as specified in the agreement. The term of the Jordan-North INGL Agreement has been extended until 1 January 2027, as part of an amendment signed on 25 December 2025 between Chevron and INGL, under which Chevron undertook to pay for the piping of a gas quantity of no less than 0.25 BCM per year.
- d. Concurrently with the signing of the Jordan-North INGL Agreement, Chevron and the other Leviathan Partners entered into a back-to-back services agreement related to the Jordan-North INGL Agreement. In a letter dated 28 December 2025, the Natural Gas Authority informed, *inter alia*, that the annual available transmission capacity for 2026 through the Jordan-North pipeline was 4.2 BCM. Further thereto, the partners in the Leviathan project notified INGL of their request that half of such transmission capacity be designated for the transmission of gas from the Leviathan project.
- e. The Leviathan Partners and Blue Ocean signed an amendment to the agreement for export to Egypt as specified in Section 12C3B above.

Under the agreement for export to Egypt, the Leviathan Partners have been obligated since July 2022 to supply Blue Ocean with 450 MMCF of natural gas per day. Piping this quantity in full via the EMG Pipeline will only be made possible after completion of the Combined Section, construction of which is delayed, as noted. Despite the fact that up to the date of approval of the financial statements, the piping of gas through Jordan has been conducted as planned, because the transmission agreements with INGL as effective on the date of approval of the financial statements are for the provision of interruptible transmission services, it is not certain on the date of approval of the financial statements, that it will be possible at all times to transmit via Jordan the full quantities that the Leviathan Partners are obligated as aforesaid to supply to Blue Ocean and which are not transmitted via the EMG pipeline.

d) **Agreements for contribution to the funding of a project for upgrade of a gas transmission system outside of Israel**

On 19 September 2024, a set of agreements was signed which pertained to participation by the Leviathan Partners and the Tamar partners in the funding of a project for construction of a gas compression terminal outside of Israel in the transmission system mentioned in Section (b) above for the local transmission company (in this section: the "**Project**", "**Transmission System**" and "**Transmission Company**", respectively), as specified below.

Note 5 – Contingent Liabilities, Engagements and Pledges (Cont.):

C. Engagement in agreements for natural gas and condensate transmission from the Leviathan reservoir (Cont.):

2. Agreements for transmission of natural gas for export to Jordan and Egypt (Cont.):

d) (Cont.):

- 1) Under an agreement signed with the Transmission Company, Chevron has undertaken to contribute up to approx. \$341 million to the funding of the Project (the "**Funding Contribution Agreement**"), which stipulates, *inter alia*, that the Transmission Company will be in charge of building and operating the Project and Chevron will pay the Transmission Company an annual sum for operating and maintaining the compression terminal and for licensing fees. It is further provided that Chevron will be entitled to receive annual reimbursement payments from the Transmission Company for the contribution to the funding, and additional reimbursement for some of the operation and maintenance fees of the compression terminal, depending on the gas quantities to be piped via the Transmission System, including by third parties, over and above a certain amount and according to such mechanism and for such period as specified in the Funding Contribution Agreement.

On 31 December 2024, Chevron notified the Leviathan Partners that the conditions precedent to entry of the Funding Contribution Agreement into effect had been satisfied.

The partners in the Leviathan and Tamar projects have entered into an agreement with Chevron, back-to-back with the Funding Contribution Agreement, whereby the Leviathan Partners and the Tamar partners will bear, in equal shares, the funding contribution amount plus the costs of management of the Project by Chevron, in an aggregate amount not to exceed approx. \$343 million (100% of the Project, the Partnership's share is up to approx. \$78 million). Chevron shall exercise the rights, powers and discretion granted thereto under the Funding Contribution Agreement in accordance with the decision-making mechanisms specified in such agreement. The Leviathan Partners and the Tamar partners shall be entitled to the aforementioned reimbursements, in equal shares, regardless of their respective shares in the piping of gas through the Transmission System. In the event that a holder of interest in one of the reservoirs fails to discharge the payment imposed thereon under the Funding Contribution Agreement, the other interest holders in that reservoir will be required to bear the share of the defaulting party, and the defaulting party will be charged with the payment of interest and damages (as agreed under the said agreement) to the other paying interest holders. For details with respect to the manner of allocation of the additional capacity of the Transmission System to be provided by the Project (the "**Additional Capacity**"), see Note 5B(4)(c) below.

Note 5 – Contingent Liabilities, Engagements and Pledges (Cont.):

C. Engagement in agreements for natural gas and condensate transmission from the Leviathan reservoir (Cont.):

2. Agreements for transmission of natural gas for export to Jordan and Egypt (Cont.):

d) (Cont.):

- 2) An affiliate of Chevron (in this section: the "**Affiliate**") has entered into an agreement with the Transmission Company for the provision of transmission services for the Additional Capacity (the "**Additional Transmission Agreement**"). The payment of transmission fees under the Additional Transmission Agreement will be made based on the quantity of gas actually piped through the Transmission System. On 31 December 2024, Chevron notified the Leviathan Partners that the conditions precedent to entry of the Additional Transmission Agreement into effect had been satisfied.

The Additional Transmission Agreement is effective until 25 January 2034, unless it comes to an end at an earlier time in accordance with the provisions thereof.

- 3) Chevron and the other Leviathan Partners and Tamar partners have signed an amendment to the existing services agreement (the "**Amendment to the Services Agreement**"), which stipulates, *inter alia*, that the entry of the Affiliate into the Additional Transmission Agreement is done for and on behalf of the Leviathan Partners and the Tamar partners on a back-to-back basis, as if they were parties to such agreement. It is further provided, *inter alia*, that the Additional Capacity will be allocated between the Leviathan Partners and the Tamar partners in equal shares. Chevron shall exercise the rights, powers and discretion granted thereto under the Additional Transmission Agreement in accordance with the decision-making mechanisms specified in the Amendment to the Services Agreement.

As of the date of approval of the financial statements, estimated completion of the Project, which is expected to increase the transmission capacity to approx. 11 BCM, is expected to occur during H2/2026.

- e) The Jordan-South export pipeline, connects the Israeli transmission system in the Southern Dead Sea are to Jordanian industrial plants.

Note 5 – Contingent Liabilities, Engagements and Pledges (Cont.):

D. Regulation:

1. The Gas Framework:

On 16 August 2015, Government Resolution No. 476 (readopted by the Government Resolution of 22 May 2016) was adopted with respect to a framework for the increase of the natural gas quantity produced from the "Tamar" natural gas field and the expeditious development of the "Leviathan", "Karish" and "Tanin" natural gas fields and other natural gas fields (in this section: the "**Government Resolution**"), which took effect on 17 December 2015, upon the grant of an exemption from certain provisions of the Restrictive Trade Practices Law to the Partnership, Ratio Energies and Chevron (in this section: the "**Parties**") by the former Prime Minister, in his capacity as Minister of Economy, pursuant to the provisions of Section 52 of the Economic Competition Law, 5748-1988 (in this section: the "**Exemption**" or the "**Exemption pursuant to the Restrictive Trade Practices Law**"), the main principles of which are presented below.

a) The restrictive trade practices in relation to which the Exemption was granted are as follows:

- 1) The restrictive trade practice that was ostensibly created, according to the Competition Commissioner's position, as a result of the acquisition of the rights in the Ratio-Yam permit by the Parties; and the restrictive trade practice that was ostensibly created as a result of the Parties' coming together as joint holders of the Ratio-Yam permit and the Leviathan reservoir.
- 2) The restrictive trade practice that shall ostensibly be created in a case in which the Parties or some of them jointly market the gas that shall be extracted from the Leviathan reservoir to the domestic market until 1 January 2030.
- 3) The restrictive trade practice that shall ostensibly be created in a case in which the Parties or some of them market the gas that shall be extracted from the Leviathan reservoir jointly for export only.
- 4) The restrictive trade practice which may be created as a result of a certain agreement for the purchase of natural gas from the Leviathan reservoir, provided that such agreement is signed by 1 January 2030.
- 5) With respect to their past activity in the Tamar and Leviathan reservoirs only, the Partnership and Chevron being the holders of a monopoly according to the Competition Commissioner's declarations.

b) The Exemption from the aforesaid restrictive arrangements had been contingent upon the satisfaction of certain conditions, including the transfer of all the interests of the Partnership and Chevron in the Tanin and Karish leases, the transfer of all the interests of the Partnership in the Tamar Project and the transfer of some of the interests of Chevron (interests in excess of 25%) in the Tamar Project, all of which were completed in accordance with the framework by December 2021.

c) Satisfaction of specific restrictions that will apply to new natural gas supply agreements

The Gas Framework sets out specific restrictions that will apply to new agreements for the supply of gas from the Leviathan reservoir, that shall be signed with consumers from the date of the Government Resolution. Most of the restrictions are no longer in effect, other than the restrictions below:

Note 5 – Contingent Liabilities, Engagements and Pledges (Cont.):

D. Regulation (Cont.):

1. The Gas Framework (Cont.):

c) (Cont.):

1. The consumer shall be subject to no restriction with respect to the purchase of natural gas from any other natural gas supplier.
2. The consumer will have the possibility of selling natural gas that it purchased in a resale, in accordance with the conditions and provisions set forth in the Exemption.
3. The parties shall not apply any restriction to the sale price at which the consumer shall sell the natural gas in a resale.
4. The gas sales agreements shall not include a condition whereby the consumer's notification of shortening of the term of the agreement or reduction of the purchase amount will lead to any change in the terms of the agreement that is detrimental to the consumer. In this context, no change detrimental to the consumer shall be made to the price and terms of payment, the terms, dates and quantities of supply, the addition of restrictions on resale of the gas, etc.

2. Environmental Regulation:

The Partnership acts to prevent and/or minimize the environmental hazards that may occur in the course of its operations, and prepares for the financial, legal and operating implications deriving from such laws, regulations and directives and allocates budgets for compliance therewith in the framework of its annual work plans for its various assets.

- a) On 20 May 2020, Chevron received a notice from the MoEP of the intention to impose an administrative monetary penalty, in an immaterial amount, due to alleged violations of the emission permit given to the Leviathan platform as well as the Clean Air Law, and the instruction given thereunder by the Supervisor of the emission permit at the MoEP (in this section: the "Supervisor") in connection with the continuous monitoring systems on the Leviathan platform. Chevron informed the Partnership that it had submitted to the MoEP an application to receive information under the Freedom of Information Law, 5758-1998, which directly responds to the claims raised in said notice, and that the MoEP approved the postponement of the date for submission of the arguments with regards to said administrative monetary penalty and scheduling thereof for 30 days after receipt of the information. As of the date of approval of the financial statements, the requested information has not yet been received and therefore the count of days for responding to the aforesaid notice has not yet begun, and on 5 January 2025, the MoEP's issued its decision not to impose such administrative penalty on Chevron.
- b) On 6 August 2023, Chevron received a letter of notice and summons to a hearing before the MoEP for alleged violations of the marine discharge permit and the toxins permit of the Leviathan project, and violation of the Prevention of Sea Pollution and the Hazardous Substances Law. The hearing took place on 7 January 2024, and on 21 January 2024, the hearing summary was received, whereby Chevron is required to take all actions to prevent deviations from the marine discharge permit, and the MoEP is considering exercising its powers according to law. At this stage, it is impossible to predict whether an administrative penalty will be imposed due to the violations, and the amount of the administrative penalty to be imposed, if any.

As of the date of approval of the financial statements, and according to information provided to the Partnership by Chevron, the Partnership is not aware of noncompliance with or deviation from environmental protection requirements in projects in which the Partnership holds interests, which may have a material effect on the Partnership.

Note 5 – Contingent Liabilities, Engagements and Pledges (Cont.):

D. Regulation (Cont.):

3. Directives on the provision of collateral in connection with petroleum rights:

In September 2014, pursuant to Section 57 of the Petroleum Law, the Commissioner published directives for the provision of collateral in connection with petroleum rights. As of the date of approval of the financial statements, the Partnership has deposited autonomous bank guarantees with the Ministry of Energy, in connection with its rights in the oil and gas assets, against a bank credit facility (see Section E13 above).

4. Projects for export through the national transmission system:

On 23 June 2020, the Director General of the Natural Gas Authority announced his determination that the cost of the Combined Section designated for the piping of natural gas from the Leviathan and Tamar reservoirs to EMG's terminal in Ashkelon for purposes of piping gas to Egypt according to the export agreements is estimated (as of the date of signing of the Transmission Agreement) at a sum total of ILS 738 million which will be updated according to an update and accounting mechanism between the parties as set forth in the Transmission Agreement with INGL. According to the announcement of the Director General of the Gas Authority, 43.5% of the section's cost, as shall be determined in accordance with the aforesaid, will be financed by the holder of the transmission license (INGL) and 56.5% of the section's cost shall be financed by the exporter in accordance with the milestones that shall be determined in the Transmission Agreement. In addition thereto, the exporter shall pay the holder of the transmission license ILS 27 million (the Partnership's share approx. ILS 8.5 million) for its share in the cost deriving from the bringing forward of the doubling of the Dor-Hagit and Sorek-Nesher sections (which is estimated at approx. ILS 48 million) and that the exporter will provide the holder of the transmission license with an independent financial guarantee on behalf of an Israeli bank, in the sum of 110% of the aggregate amount of the cost stated above (the share of the holder of the transmission license in the cost of construction of the Combined Section plus 10% percent), and in the sum of ILS 21 million (the share of the holder of the transmission license in the cost of acceleration of the doubling of the Dor-Hagit and Sorek-Nesher sections), which will decrease in accordance with the provisions of the addendum to the decision. Over the years 2022-2025, INGL revised the project's budget several times. As of the date of approval of the financial statements, the budget is approx. \$139.0 million (100% Leviathan partners; the Partnership's share – approx. \$63 million).

5. Projects for export through the national transmission system: (Cont.):

The announcement of the Director General of the Authority further determines that as long as the exporter exports to Egypt, the quantity of natural gas determined in the Transmission Agreement will be transported via the transmission system of the holder of the transmission license and not via a section outside of the Israeli transmission system and that insofar as the exporter shall have ceased to export to Egypt, it will be required to pay the holder of the transmission license the difference, if any, between 110% of the aggregate total cost of the section plus ILS 48 million (the cost derives from the acceleration of the doubling of the Dor-Hagit and Sorek-Nesher sections), and the aggregate capacity and piping fees that the exporter paid the holder of the transmission license from the date of completion of the Combined Section and of the payments that the exporter paid the license holder in accordance with the aforesaid.

With regards to Chevron's engagement with INGL in an agreement for transmission on a firm basis for the purpose of piping of natural gas from the Tamar reservoir and Leviathan reservoir to the EMG terminal in Ashkelon for transmission thereof to Egypt, see Note 5C2(a) above.

Note 5 – Contingent Liabilities, Engagements and Pledges (Cont.):

D. Regulation (Cont.):

6. Natural Gas Commission resolution on the regulation of criteria and rates relating to the operation of the transmission system:

- a. From time to time, the Natural Gas Commission (the "Commission") adopts resolutions that update the rates of the various transmission services.
- b. According to the Commission's resolution no. 1/2020 of 3 January 2021 on criteria and rates for the purpose of operation of the transmission system in a flow control regime, the Commission determined that the costs in respect of unaccounted for gas (UFG) in the transmission system that derives from reasons that cannot be attributed to deficient operation of the transmission system, but rather to factors that can be neither prevented nor controlled, such as measurement timing, pressure differences and temperature differences, will be borne by the gas suppliers. The resolution further stipulates that UFG within the range of 0% and 0.5% (either positive or negative) is deemed to be within the reasonable range. The costs in respect of a reasonable UFG-T will be allocated equally between the gas suppliers and the gas consumers. In this context, on 26 November 2025, the Commission released a draft resolution for public comment on the criteria and tariffs regarding balancing the pressure in the transmission system. The draft resolution proposes amending the flow control balancing regime set forth in Commission resolution no. 8/2019, whereby transmission system users were required to maintain a balance between the gas quantities they nominated at the points of entry to the transmission system, and the quantities actually consumed at the points of exit. In the draft resolution, the Commission proposes transitioning to a daily balancing regime only, which is based on the purchase and sale of gas at market-based prices. Such balancing transactions would be carried out via a gas trading platform.
- c. On 4 June 2024, the Commission rendered Resolution No. 1/2024 on annual update of the uninterruptible transmission tariffs, which reduced the natural gas transmission capacity tariff by 12.9% to ILS 0.5871 per MMBTU, and the natural gas flow tariff by approx. 7.6% to ILS 0.1071 per MMBTU.
- d. On 20 December 2022, the Commission released resolution no. 4/2022, which determines a system-wide tariff that is due from consumers of the natural gas transmission system, to fund projects of infrastructures, development, backup, redundancy of system-wide needs of the natural gas sector, or actions a license holder is required to take under the Natural Gas Sector Law. According to Commission resolution no. 4/2025 of 24 December 2025, the system-wide tariff for 2026 is ILS 0.0038 per MMBTU.
- e. On 24 December 2025, the Commission issued resolution no. 5/2025 regarding tariffs for interruptible transmission services in projects for natural gas export to neighboring countries. According to this resolution, the interruptible transmission tariff for export shall be calculated according to a formula combining the capacity component and the transmission component in the general transmission tariff, using a designated export load factor. The resolution distinguishes between two situations and sets a load factor of 0.95 when the exporter cannot sign a firm transmission agreement due to a regulatory decision or operational constraints (which are not the exporter's), and a load factor of 0.45 when the exporter chooses, for its own reasons, to sign an interruptible transmission agreement. It was also determined that interruptible transmission agreements for export shall be signed for a period of one year or more. It was further determined that this resolution would replace the interim order set forth in resolution 2/2019 and in the resolutions that amended it.

Note 5 – Contingent Liabilities, Engagements and Pledges (Cont.):

D. Regulation (Cont.):

7. Natural Gas Commission resolution No. 3/2023 on funding and allocation of capacity in all export lines (in this section: the "Natural Gas Commission Resolution")

On 9 August 2023, the Natural Gas Commission Resolution was released, the principles of which are as follows:

- a) Capacity will be allocated to every exporter according to a percentage to be calculated in accordance with certain parameters, such as the exporter's annual production capacity and existing and prospective export volumes. According to the initial allocation, 54% of the total capacity for export will be allocated to the Leviathan reservoir, 33% to the Tamar reservoir and 13% to the Karish reservoir. For the avoidance of doubt, it is clarified that preexisting transmission agreements will not be adversely affected.
- b) In the event that export infrastructure is built other than by the transmission license holder, the share of every exporter in such infrastructure will be taken into account as part of its allotted share for export.
- c) The Commission shall reexamine and redetermine the allocation upon the occurrence of a significant event in the natural gas sector, the discovery of additional significant reserves, the entry of a new exporter, the construction of additional natural gas export infrastructure, or another material change in the natural gas sector as determined by the Commission.
- d) The Commission may determine that use will be made of some or all of the export lines for the purpose of natural gas import in the event that it finds that there is need to supply domestic market demand.
- e) As concerns the Ramat Hovav-Nitzana line, it has been determined as follows:
 - 1) Capacity allocation between the existing exporters shall be on an equal basis, such that every existing exporter may request one third of the line's capacity and choose whether to use its allotted share. The remaining capacity of an exporter that opts not to use all or any of its allotted share will be divided equally between the other exporters, subject to the total allocation limit of every exporter.
 - 2) An exporter that funded the line will be entitled to reimbursement relative to its allotted share in respect of uses of the line by other parties during the term of the transmission agreement.
 - 3) An exporter that does not sign a transmission agreement within two months of receipt of the line allocation or fails to complete its share of the funding in accordance with the provisions of the transmission agreement, will be deemed as having waived its allotted share. Accordingly, the allotted share will be transferred to another exporter, and it will receive reimbursement for the costs it paid.
 - 4) The line construction costs (CAPEX) include the costs of the compressor and are estimated at approx. ILS 2 billion, and the time of construction is estimated at approx. 36 months. Of note, operation of the compressor is expected to impose high annual operating costs as compared with the operation of the rest of the national transmission system, which are estimated at approx. ILS 20 million per year, excluding the electricity costs entailed by operation of the compressors, which are borne by the exporters. For details with respect to the Nitzana line, see Note 5C2(b) above.
- f) As concerns the Jordan-North line, it has been determined that after the transfer of payment to the parties that funded its construction (the Marketing Company and INGL), an exporter may sign a transmission agreement for use thereof, according to the available quantity over and above the existing uninterruptible transmission agreements, as of 1 August 2023.
- g) Any exporter's uninterruptible transmission agreements for the Ramat Hovav-Nitzana line and the Jordan-North line shall not exceed 70% of the allotted share of that exporter in that line, with the remaining capacity kept for interruptible piping.
- h) The actual cost of funding the line, and the resulting cost of use per MMBTU, will be determined by the Director General of the Natural Gas Authority after construction of the export line is completed.
- i) In the event of discovery of a new natural gas reservoir from which it is intended to export natural gas, the new exporter will receive its full allotted share in the Ramat Hovav-Nitzana line and the balance of its allotted share in the Jordan-North line, provided that its allotted share does not exceed 20% of the capacity of each line. Such allocation shall be carried out at the expense of the interruptible transmission agreements and subject to a transmission agreement being signed within 24 months before the commencement of piping through the line.

Note 5 – Contingent Liabilities, Engagements and Pledges (Cont.)

D. Regulation (Cont.):

7. **6. Natural Gas Commission resolution No. 3/2023 on funding and allocation of capacity in all export lines (in this section: the "Natural Gas Commission Resolution") (Cont.):**

- j) An export mechanism by way of secondary trade will be available through interruptible transmission agreements, at up to 5% of the capacity of any export line.

8. On 16 September 2025, Chevron, on behalf of the Leviathan Partners, entered into an agreement with INGL for the provision of transmission services, for the transmission of natural gas from the Leviathan reservoir to Egypt via the Nitzana Project (in this section: the "**Transmission Agreement**").

On 23 October 2025, the Leviathan Partners received a notice on behalf of the Gas Authority according to which the allocation rate for the Leviathan project in the Nitzana Project has been updated and will be 41.8% (the "**Updated Allocation Rate**"), and further to this notice, on 23 October 2025, Chevron signed, on behalf of the Leviathan Partners, an amendment to the Transmission Agreement intended to reflect the Updated Allocation Rate.

On 23 October 2025, Energean entered into a transmission agreement with INGL in connection with the Nitzana Pipeline for the transmission of 1 BCM per year for a period of 15 years, and its share in the pipeline's construction costs is 16.4%.

To the best of the Partnership's knowledge, due to the signing of the Transmission Agreement by all of the exporters, the Transmission Agreement took effect on 23 October 2025. Moreover, to the best of the Partnership's knowledge, on 5 November 2025, an agreement was signed between Chevron and INGL for the performance of work on planning, purchase and construction of a compressor system and valve station for the Nitzana Project (the "**Compressor Station**"), which regulates the terms and conditions of construction of the Compressor Station.

9. **Draft policy document with respect to the decommissioning of offshore exploration and production infrastructures:**

On 2 May 2023, the Ministry of Energy published for public comment a draft policy document that specifies general principles with respect to the decommissioning of offshore oil and natural gas exploration and production infrastructures, without derogating from the provisions of law applicable to this issue and from the provisions of the lease deeds and operation authorizations. The draft policy document specifies, *inter alia*, rules, criteria and timeframes for the decommissioning of wells and production facilities as well as the abandonment of no-longer used subsea infrastructures and pipelines, *inter alia*, according to the location of such installations in the deep sea, on the seabed or under the seabed. On 4 June 2023 Chevron submitted its position on this document, as part of the public comments. On 18 February 2026 Chevron received a detailed response to its comments, which it is now studying. According to the Partnership's preliminary assessment, insofar as the stringent requirements of the draft policy document are approved, costs of decommissioning of the Partnership's assets are expected to increase.

10. **Permits and licenses for project facilities:**

In the context of the Leviathan project Phase 1A development plan, the Leviathan Partners received approval for the construction of a permanent platform for the production of natural gas and oil, as well as approval for the operation of a system for production of natural gas and condensate from the Leviathan project pursuant to which the Leviathan Partners were required, *inter alia*, to submit guarantees. In February 2017, the Minister of Energy granted Leviathan Transmission System a license for construction and operation of the transmission system, which will serve for the transfer of natural gas of the Leviathan Partners originating from the Leviathan Leases, or other natural gas suppliers upon the fulfillment of certain conditions, all subject to the terms of the license.

Note 5 – Contingent Liabilities, Engagements and Pledges (Cont.)

E. Reimbursement of indirect expenses to project operators:

The Partnership's operation in the Ratio-Yam is carried out by Chevron. Under the joint operation agreement (in this section: the "JOA") in such joint venture, it was agreed that Chevron would serve as operator and be exclusively responsible for the management of the joint operation. According to the rules of accounting specified in the JOA, Chevron is entitled to reimbursement of all direct expenses incurred thereby in connection with the discharge of its duties as operator as well as a rate of 1% to 4% in respect of exploration expenses, with the rate of payment to the operator decreasing as exploration expenses increase, and additionally, to a rate of 1% of all the direct development and operating expenses, as defined in the JOA, subject to certain exceptions.

F. Legal Proceedings

1. On 3 May 2021, Haifa Port Co. Ltd. (in this section: "Haifa Port") filed a claim against Chevron, Coral Maritime Services Ltd. (in this section: "Coral") and Gold Line Shipping Ltd. (in this section: "Gold Line") in the sum of approx. ILS 77 million (the "Primary Claim"). According to Haifa Port, direct unloading of cargos in the area of the Leviathan platform, as was done by Chevron, without first unloading such cargos at one of Israel's ports, is unlawful and was done so as to evade making mandatory payments to the port, and financial loss was thus incurred by the port. The complaint claims that from July 2018 forth, Chevron performed direct unloading as aforesaid, while declaring to the tax authorities that Haifa Port was the 'unloading port', even though the cargos that were unloaded did not pass through Haifa Port in practice. The claim against the companies Coral and Gold Line is that they acted, at the relevant times, as the shipping agents for Chevron, which imposes on them, so Haifa Port claims, a duty to pay the handling fees on Chevron's behalf. Chevron filed an answer on 31 August 2021, and Haifa Port filed a replication on 1 December 2021. Concurrently therewith, Chevron filed a counterclaim against Haifa Port in the sum of approx. ILS 4.4 million, for a claim in the sum of about ILS 0.7 million for handling fees and infrastructure fees actually and unlawfully charged by Haifa Port, and a claim of some ILS 3.7 million for mooring fees charged to Chevron and unlawfully not reduced by 30%, in cases of self-routing of ships which passed through the port area. On 11 September 2022, a pretrial hearing was held, in which it was determined that the parties will negotiate with the aim of reaching agreement on the completion of the preliminary proceeding, failing which they will file motions accordingly. Despite the attempt to reach agreements, the parties filed mutual motions regarding the preliminary proceedings. On 8 July 2023 and 18 July 2023, the court denied the said motions. On 4 June 2024, a pretrial hearing was held, in which various motions that had been filed by the parties were heard, except for Haifa Port's motion to summon the Customs representative as a witness, and on 28 July 2024, the court denied the motions filed by Haifa Port and granted the motion filed by Chevron to summon witnesses who are beyond its control. On 13 October 2024, Haifa Port filed a motion for leave to appeal the court's decision to deny motions it had filed, as well as a motion to postpone the date for filing of the response affidavits. The court granted the said motion for postponement and ruled that the response affidavits would be filed 30 days after the ruling on the motion for leave to appeal. On 20 November 2024, the court denied the said motion for leave to appeal, and the response affidavits on behalf of the parties to the claim and the counterclaim were filed on 21 January 2025. On 10 March 2025, the final pretrial hearing and the hearing of Haifa Port's motion to summon the customs representative for testimony were held, and dates were scheduled for the trial hearings in the months of September through November 2025. In the court's decision of 20 March 2025, Haifa Port's motion to summon the customs representative for testimony was denied. Further thereto, the parties agreed to refer the case to mediation, and in September, several mediation sessions in the proceeding were held before the Hon. Justice (Ret.) Zvi Zylbertal. Accordingly, some of the trial hearings that were scheduled in the proceeding were canceled. On 14 December 2025, the court entered a judgment on the mediation agreement on which the parties had agreed, according to which the claims were mutually dismissed, with no order for costs. It is further noted that on 3 April 2023, Haifa Port filed a motion for summary dismissal of the counterclaim, arguing lack of controversy between itself and Chevron, because the invoices and mooring fees had been paid by an agent. On 21 June 2023, the motion was denied, and the court issued an order for costs against Haifa Port.

Note 5 – Contingent Liabilities, Engagements and Pledges (Cont.)

F. Legal Proceedings (Cont.):

2. Against the backdrop of the ongoing delays in the completion of construction work and the postponement of commencement of gas flow under the transmission agreement with INGL, of 18 January 2021, as detailed in Note 5C2(a) below, on 24 November 2024, Chevron filed a statement of claim in arbitration against INGL regarding the breach of the said transmission agreement. As part of the statement of claim, Chevron sought, *inter alia*, the reimbursement of the difference that accumulated since 30 April 2023, between the actual SPOT rate paid and the regular transmission rate that should have been paid according to the binding transmission agreement of 18 January 2021. As of December 2024, the said difference totaled approx. ILS 102 million (100%, the Leviathan Partners' share being approx. ILS 67 million). Concurrently with the said arbitration proceeding, the parties have referred the case to mediation with the aim of attempting to reach agreements without an arbitration award. On 6 May 2025, a third mediation session in the proceeding was held, at the end of which the parties reached an in-principle agreement, which was subject to final approval by INGL and the partners in the Leviathan and Tamar projects, in connection with a settlement arrangement whereby, *inter alia*, INGL shall credit Chevron (and consequently the partners in the Leviathan and Tamar projects) with part of the transmission fees paid to INGL for the transmission to EMG's terminal in Ashkelon, and in connection with several changes to the transmission agreement, including the transmission fees that Chevron shall pay in 2025-2026, and extension of the transmission agreement by two years. The reimbursement expected to be received by the Partnership is in a non-material amount. On 5 August 2025, the parties signed a settlement agreement that is based on the principles on which they agreed as aforesaid, and on 19 August 2025, an arbitration award was entered on the said settlement agreement, with each party bearing its own costs.

Note 6 - Oil and Gas Profit Levy and Taxes

A. Information regarding income tax rules and the main arrangements existing as of the date of the statement of financial position:

1. The Partnership was approved by the Director General of the Tax Authority for the purpose of the Income Tax Regulations (Rules for the Calculation of Tax due to the Holding and Selling of Participation Units in an Oil Exploration Partnership), 5749-1988 (the "**Participation Unit Regulations**" or the "**Regulations**"). In September 2021 an amendment to the Income Tax Regulations as aforesaid was published in the Official Gazette whereby, effective from tax year 2022 a change has occurred in the tax regime that applies to the Partnership, such that it is taxed as a company with respect to its taxable income (while setoff of losses will be possible, subject to the tax laws, on the level of the Partnership itself without the same being attributed to the holders of the participation units). As a result of this change, commencing from tax year 2022, holders of participation units in the Partnership are subject to a tax regime that applies with respect to profit distributions made by the Partnership, which is similar to the tax applying to shareholders of a company for dividend distributions (i.e. pursuant to the two-stage method).

In view of the aforesaid amendment, up to and including tax year 2021 the accounting with holders of the participation units and the reporting on the Partnership's taxable income will be as being prior to the amendment as explained below.

2. Until 31 December 2021 the Partnership acted as a "transparent" entity for tax purposes according to the provisions of the Income Tax Ordinance (New Version) 5721-1961 (the "**Income Tax Ordinance**") and the Levy Law (in this section: the "**Law**") i.e. the Partnership's taxable income and the losses for tax purposes were attributed to the unit holders who are "eligible holders", as defined in the Participation Unit Regulations, according to the proportion of their holdings in the Partnership. An "eligible holder" was defined in the Participation Unit Regulations as anyone holding participation units at the end of December 31 of the tax year. According to Section 19 of the Law ("**Section 19**"), for the purposes of Section 63(a)(1) of the Ordinance, the share of each partner in the tax year will be calculated from the taxable income of the Partnership or from its losses.

Because the partners bear the tax consequences of the Partnership's revenues and expenses, the financial statements did not include current taxes on income.

3. According to the provisions of Section 19, the General Partner is obligated to submit to the Tax Assessor a report on the Partnership's taxable income and pay the tax deriving therefrom (see below in the section), on account of the tax owed by the partners in the Partnership in the tax year for which the report was submitted (i.e., on account of the tax owed by the holders of the participation units, on 31 December of each tax year), according to the rate of the share of the Partnership of the eligible holders which are bodies corporate (according to the corporate tax rate) and the rate of the share of the Partnership of the eligible holders who are individuals (according to a maximum marginal tax rate). The General Partner is liable for advance tax payments calculated according to the tax rates applicable to companies (in 2019 to 2021 – 23%). See Section 1 above as to the change in the tax regulations as of 2022 applicable to the Partnership, according to which the Partnership is taxed at the corporate tax rate of 23%.

Note 6 - Oil and Gas Profit Levy and Taxes

In April 2011, the Knesset passed the Taxation of Profits from Natural Resources Law, 5771-2011 (in this section: the "Law"). Implementation of the Law has led to a change in the taxation rules applicable to the Partnership's revenues, which include, *inter alia*, the introduction of an oil and gas profits levy according to a mechanism specified in the Law and cancellation of the depletion deduction. The Law includes transitional provisions with respect to producing ventures or ones that commenced production by 2014. The Law's main provisions are as follows:

- 1) The introduction of an oil and gas profits levy at a rate to be determined as stated below: The rate of the levy will be calculated according to a proposed R-factor mechanism, according to the ratio between the net aggregate revenues from the project and the aggregate investments as defined in the Law. A minimum levy of 20% will be collected commencing from the point when the R-factor ratio reaches 1.5, and will progressively increase up to a maximum rate when the ratio reaches 2.3. The maximum rate of the levy is 50% minus the product of 0.64 and the difference between the corporate tax rate set forth in Section 126 of the Income Tax Ordinance, 5721-1961 (in respect of each tax year) and a 18% tax rate. According to the corporate tax rate in 2025, the maximum levy rate is 46.8%. Additional provisions were also determined, *inter alia*, that the levy will be recognized as an expense for the purpose of calculation of income tax; the levy shall be calculated and imposed in relation to each lease separately (ring fencing); the charge of a recipient of payment from a holder of a petroleum interest which is calculated, *inter alia*, as a percentage of the petroleum produced, (the "**Derivative Payment**") in accordance with the amount of the Derivative Payment received thereby, while the amount of the levy attributed to the recipient of the Derivative Payment will concurrently be deducted from the levy amount owed by the holder of the petroleum right. In addition, the Law prescribes rules for consolidation or separation of petroleum ventures for purposes of the Law. According to the Law, the holder of the petroleum right will be given fixed annual accelerated depreciation on a deductible asset, as defined in the Law, which is owned thereby, at a fixed rate of up to 10% (at the choice of the holder of the petroleum right) or, alternatively, variable current annual depreciation up to the amount of the taxable income in that year (and not more than 10%). The provisions regarding the imposition of an oil and gas profits levy apply from 10 April 2011 and include transition provisions with respect to ventures that began commercial production by 1 January 2014.
 - a) A venture, the date of commencement of commercial production from which occurred before the commencement date, will be subject to the provisions of this Law with the following changes:
 - (1) If a levy payment duty applies with respect to such venture in the tax year which the commencement date occurs, the rate of the levy in such tax year will be half of the rate of the levy that would have been imposed on the petroleum profits if not for the provisions of this paragraph and no more than 10%;
 - (2) In the event that the levy coefficient in the tax year in which the commencement date occurs exceeds 1.5, rules were set for the manner of calculation of the levy coefficient in each tax year thereafter;
 - (3) The rate of the levy which will be imposed on the petroleum profits of the venture in each of the tax years 2012 to 2015 will be equal to half the rate of the levy that would have been imposed on the petroleum profits as aforesaid, if not for the provisions of this paragraph.
 - b) A venture with respect to which the commercial production commencement date occurs in the period between the commencement date and 1 January 2014, will be subject, *inter alia*, to the following provisions:
 - (1) The minimal levy coefficient will be at a rate of 2 instead of 1.5 and the maximal rate will be 2.8 instead of 2.3;
 - (2) The accelerated annual depreciation rate regarding a deductible asset purchased in the years 2011-2013 will be 15% instead of 10%.
- 2) The Law includes provisions regarding the taxation of petroleum partnerships as of 2011 - see Paragraph A above.
- 3) Pursuant to the Law, the reporting partner of the petroleum project files reports that include, *inter alia*, accrued data regarding proceeds and investments for the purpose of calculating the R-factor, as specified in Section 1 above.

Note 6 - Oil and Gas Profit Levy and Taxes

- 4) On 10 November 2021, the Knesset approved, in the second and third readings, amendment no. 3 to the Taxation of Profits from Natural Resources Law, 5782-2021 (the "**Amendment to the Law**"), according to which, *inter alia*, in the case of a dispute, it will be necessary to bring forward payment of the oil and gas profit levy in the sum of 75% of the amounts in dispute, subject to the decision of the Tax Assessor in the administrative objection (prior to completion of legal hearings on the dispute at the court, if any). In accordance with the said Amendment to the Law, 75% of the amounts in dispute might be brought forward.
- 5) On 2 December 2020, the Taxation of Profits from Natural Resources Regulations (Advance Payments toward the Petroleum Profit Levy), 5781-2020 (in this section: the "**Advance Payments Regulations**") were published. The Advance Payments Regulations were promulgated pursuant to Sections 10(b) and 51 of the Levy Law and their purpose is to regulate advance payments to be made by the holders of petroleum rights in a petroleum venture. The Regulations mainly pertain to the determination of the calculation, payment dates of and reports on the advance payments.
Disputes have emerged between the TALE and the holders of interests in the Leviathan Leases regarding the levy reports for the Leviathan Leases for the years 2013-2015, which disputes chiefly pertained to the method of classification and quantification of data in the levy reports for the Leviathan Leases for the said years. In October 2018 the parties reached agreements with respect to the said disputes in the framework of a levy assessment agreement for the years 2013-2015, which, in October 2018, was sanctioned as a judgment by the Tel Aviv District Court. A levy assessment agreement was signed in December 2019 between the TALE and the holders of the interests in Leviathan, with respect to the levy reports for the years 2016-2017, and in October 2021 an assessment agreement was signed with respect to the Leviathan levy assessment for 2018. In December 2021, the Leviathan Partners received an assessment to the best of judgment for the Leviathan levy for 2019, which includes interpretive disputes with regards to the implementation of the provisions of the Law in the levy reports of the Leviathan Leases, including pertaining to recognition of payments borne by the holders of the interests in the leases in order to allow for the feasibility of export of natural gas to Egypt. An administrative objection to the assessment to the best of judgment was submitted to the TALE in March 2022. On 23 October 2022, an appeal was filed with the Tel Aviv District Court in respect of a levy assessment order for 2019, which was served on the Leviathan Partners in September 2022, and on 15 March 2022, the TALE's grounds for the assessment in the said appeal were received. On 9 April 2025, the Leviathan Partners received an assessment to the best of judgment for the Leviathan levy for 2020, which includes interpretive disputes with regards to the implementation of the provisions of the Law in the levy reports of the Leviathan Leases, issues that are heard also in the appeal for 2019, and the method of classification of some of the investments made by the holders of the interests in Leviathan for purposes of the Law. On 14 May 2025, an appeal was filed with the Tel Aviv District Court in respect of a levy assessment order for 2020, which was served on the Leviathan Partners as specified above, and on 2 November 2025, the TALE's grounds for the assessment in the said appeal were received.
- 6) According to the court's decision, notice of the grounds for the appeal should be filed by 15 March 2026. On 30 December 2025, the Leviathan Partners received levy assessments to the best of judgment for 2021-2022 that include issues that are also discussed in the 2019-2020 assessments, as well as other interpretive disputes regarding the classification and recognition of various components in the Leviathan Project's levy reports. In the Partnership's estimation, based on the opinion of its professional consultants, the chances that the Partnership's principal arguments will be accepted are higher than 50%. The rate of the levy coefficient in the Leviathan Leases as of the date of the financial statements is lower than 1.5 and the effect of the above-mentioned assessments and disputes may be reflected in the levy amount calculation. However, even if the Tax Assessor's position is fully accepted, to date it is not expected to result in a coefficient rate higher than 1.5 from which actual collection of the levy begins.

In addition, the interest holders in the Leviathan venture have reached agreements with the Tax Authority on the consolidation of the Leviathan Leases (north and south) as a single petroleum venture for purposes of the Law and the reports thereunder, according to the provisions of Section 8(a) of the Law.

Note 7 - Related Parties:

- A. NewMed reimburse the Company for all costs paid and payable by the Company with respect to the bonds, including fees, commissions and any other expenses related to the operation of the Company (preparing financial statements, registration fees, filing fees, etc.).
- B. Loans from shareholder were granted to the Company at August 18, 2020 by NewMed in the form of Subordinated Loan. The fund was deposited in bank for long term bank deposits that serve as debt payment fund required balance as part of the bond issuance described in note 3 above. The bank deposits and the Subordinated Loan will be paid after the settlement of the Notes. The Subordinated Loan will bear interest that earned from the deposits.

Note 8 - Equity:

As of the date of its establishment and as of the statement date, the Company's issued and paid-up capital is 1,000 NIS.

Note 9 - Material Subsequent Events:

- A. For details about Operation Roaring Lion and the cessation of natural gas production from the Leviathan reservoir, see Note 1B.
- B. For details about the approval of an additional buy-back plan for the purchase of Leviathan Bond bonds, see Note 3.
- C. For details about the completion of the Third Pipeline project, see Note 4B(2).
- D. For details about the fulfillment of conditions precedent in the natural gas export to Egypt agreement, see Note 5B4b.
- E. For details about the adoption of a FID in the Expansion Project of the Leviathan Project, see Note 4E.
- F. For details about a report on reserves and contingent resources in the Leviathan Leases, see Note 4F.