

Delek Drilling – Limited Partnership **(the “Partnership”)**

July 1, 2019

To:
Israel Securities Authority
22 Kanfei Nesharim St.
Jerusalem

To:
Tel Aviv Stock Exchange Ltd.
2 Ahuzat Bayit St.
Tel Aviv

Dear Sir/Madam,

Re: The EMG Transaction – Update; Flow of Gas Via the EMG Pipeline

Further to Section 7.27.7 of the Partnership’s Periodic Report as of December 31, 2018, released on March 24, 2019 (Ref. no. 2019-01-023982) with respect to agreements for the purchase of the shares of Eastern Mediterranean Gas Company S.A.E. (“EMG”), and the purchase of rights in the EMG Pipeline to be used for the piping of natural gas from Israel to Egypt, the Partnership respectfully updates that EMED¹ has successfully completed the technical due diligence testing of the EMG Pipeline and the related facilities, in which testing of transportation of gas was performed via the EMG Pipeline from the Tamar reservoir and various other technical tests were carried out, including ILI (Intelligent Line Inspection), which includes a comprehensive check of the various parameters of the Pipeline. The due diligence findings indicated that the Pipeline’s condition is fit for the transport of natural gas in the nameplate capacity of approximately 7 BCM per year.

Accordingly, the parties to the EMG transaction are progressing with the completion of the other conditions precedent towards Closing of the transaction no later than August 31, 2019.

It is noted that due to the projected demand for natural gas in Israel in the coming period, and given the maximum production capacity of the Tamar reservoir, commercial flow to Egypt through the EMG Pipeline is expected upon commencement of commercial gas production from the Leviathan reservoir by year-end 2019.

Caution regarding forward-looking information: The foregoing information, the nameplate capacity of the EMG Pipeline, the fulfillment of the other conditions precedent for the closing of the transaction and the projected date of completion thereof, and the date of commencement of commercial flow to Egypt via the EMG Pipeline, constitute forward-looking information, within the meaning thereof in Section 32A of the Securities Law, 5728-1969. This information may not materialize, in whole or in part, or may materialize in a materially different manner, due to various factors beyond the Partnership’s control.

¹ The buyer and the operator of the EMG Pipeline upon the closing of the EMG transaction. A company co-owned by the Partnership, Noble Energy International Ltd. and the Egyptian partner.

Sincerely,

Delek Drilling Management (1993) Ltd.
General Partner of Delek Drilling – Limited Partnership

By Yossi Abu, CEO
Yaniv Friedman, Deputy CEO