

NewMed Energy – Limited Partnership

(the "Partnership")

March 1, 2022

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: **Export of natural gas to Egypt through Jordan**

The Partnership hereby respectfully reports the commencement of the piping of natural gas to Egypt through Jordan under the agreement for the export of natural gas to Egypt with Blue Ocean Energy¹ ("**Blue Ocean**" and the "**Egypt Export Agreement**", respectively), further to the Partnership's immediate report of February 17, 2022 (Ref. no. 2022-01-019438), and according to a set of agreements designed to enable such natural gas transmission (the "**Set of Agreements**"), which includes the following agreements:

- a. An agreement between Chevron Mediterranean Limited, the operator of the Leviathan project ("**Chevron**") (through an affiliate) and FAJR, the Jordanian transmission company, for the supply of interruptible transmission services in connection with the piping of natural gas from the Leviathan and Tamar reservoirs through the Jordanian transmission system, from the point of entry on the border between Israel and Jordan, to the point of delivery on the border between Jordan and Egypt close to Aqaba (the "**FAJR Agreement**"). Payment under the FAJR Agreement will be made based on the quantity of gas actually transmitted in the FAJR transmission system.
- b. Concurrently with the signing of the FAJR Agreement, Chevron and the other interest holders in Leviathan and Tamar² made a back-to-back engagement in a services agreement, under which the interest holders in the Leviathan and Tamar reservoirs will be entitled to transmit gas (through Chevron) in the FAJR Agreement, whereby, *inter alia*, usage of the FAJR transmission system for the export of natural gas to Egypt from the Leviathan and Tamar reservoirs will be made in accordance with the mechanism, terms and conditions, and priorities specified in the agreement as aforesaid.
- c. An agreement between Chevron and INGL for the supply of interruptible transmission services in connection with the piping of natural gas from the Leviathan reservoir to the point of connection to the FAJR transmission system on the Israeli-Jordanian border (the "**INGL Agreement**"). Payment under the INGL Agreement will be made based on the quantity of gas to be actually piped through the INGL transmission system, subject to Chevron's commitment for payment for a minimum quantity, as set forth in the INGL

¹ For details see Section 7.11.5(b)(2) of Chapter A (Description of the Partnership's Business) of the Partnership's Periodic Report as of December 31, 2020, as released on March 17, 2021 (Ref. no. 2021-01-036588).

² It is noted that to the best of the Partnership's knowledge, as of today signatures have not yet been received from all of the interest holders in the Tamar reservoir.

Agreement. It was further determined that the term of the INGL Agreement is until January 1, 2023, unless terminated earlier in accordance with the terms and conditions thereof, or extended by agreement between the parties subject to the decisions of the Gas Authority at such time. Concurrently with the signing of the INGL Agreement, Chevron and the other interest holders in Leviathan made a back-to-back engagement in a services agreement in connection with the INGL Agreement.

- d. The interest holders in Leviathan and Blue Ocean signed an amendment to the Egypt Export Agreement, in which agreements were reached, *inter alia*, on defining the delivery point in Aqaba, Jordan, as an additional point of delivery under the Egypt Export Agreement, an arrangement whereby calculation of the quantities nominated by Blue Ocean but not supplied thereto shall be made in 2022 on an annual basis, such that at the end of the year the parties will review the quantities of gas not supplied, which will be offset against the quantities of gas to be supplied to Blue Ocean on a Spot basis during the year, as well as adjustments to the price of the natural gas to be supplied at the additional point of delivery as aforesaid, in accordance with the additional costs entailed by the transmission of the gas from the additional point of delivery, to be borne by Blue Ocean.

It is noted that since the said transmission agreements are for provision of interruptible transmission services, there is no certainty as of the date of this report that it will be possible to pipe through Jordan the full additional quantities which the interest holders in Leviathan committed to supply to Blue Ocean from July 1, 2022.

The interest holders in the Leviathan project and their holding rates are as follows:

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

Sincerely,

Delek Drilling Management (1993) Ltd.
General Partner of NewMed Energy – Limited Partnership
 By Yossi Abu, CEO
 And Saar Prag, Natural Gas Trade Manager