



EMG Transaction Update

August 28, 2019

Tel Aviv, August 28, 2019. Delek Group (TASE: DLEKG, US ADR: DGRLY) (“the Company”) refers to the regulatory filing of its subsidiary Delek Drilling (60% owned) for an update on the progress of the EMG transaction.

Further to Section 7.27.7 of the Partnership’s periodic report as of December 31, 2018, which was released on March 24, 2019 (Ref. no. 2019-01-023982), regarding agreements for the purchase of the shares of Eastern Mediterranean Gas Company S.A.E. (“EMG”) and the purchase of rights in the pipeline owned by EMG (the “EMG Pipeline”) for the piping of natural gas from Israel to Egypt via the EMG Pipeline, the Partnership’s immediate report of July 1, 2019 (Ref. no.: 2019-01-056067) regarding the successful completion of the technical due diligence testing of the EMG Pipeline and the related facilities, and regarding the continued activity of the parties to the EMG transaction for fulfillment of the other conditions precedent for the purpose of the closing of the transaction by August 31, 2019, and Section 18 of Chapter A (Update to the Description of the Partnership’s Business), which was included in the Partnership’s quarterly report as of June 30, 2019, as was released on August 14, 2019 (Ref. no.: 2019-01-069819), regarding receipt of qualification certification for the EMG Pipeline from the industry-accepted engineering company DNV GL, which specializes in pipeline certification, and regarding the decision of the Competition Commissioner, which permits the purchase of the rights in the EMG Pipeline, the Partnership hereby respectfully updates that as of the date of this report, the EMG Pipeline has been filled with natural gas from the transmission system of Israel Natural Gas Lines Ltd. (INGL), such that subject to the provisions below, the EMG Pipeline will be able to pipe gas in commercial quantities to the Egyptian transmission system, in accordance with the expected timetable, as stated in the immediate report of July 1, 2019, upon commencement of commercial gas production from the Leviathan reservoir.

The parties to the EMG transaction are continuing to act for fulfillment of the other conditions precedent for the transaction, which include completion of continuous gas flow tests for the Egyptian transmission system and receipt of the formal approvals required for the transfer of the shares of EMG to EMED^[1], with the aim of closing the same no later than September 30, 2019.

Caution regarding forward-looking information: The foregoing information regarding the fulfillment of the other conditions precedent for the closing of the transaction and the expected date for the closing thereof, and the date of commencement of commercial piping 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.

Sincerely,

Delek Drilling Management (1993) Ltd.

General Partner of Delek Drilling – Limited Partnership

By Yossi Abu, CEO

Yaniv Friedman, Deputy CEO

This is a convenience translation of the original HEBREW immediate report issued to the Tel Aviv Stock Exchange by the Company on August 28, 2019.

About The Delek Group

Delek Group is an independent E&P and the pioneering visionary behind the development of the East Med. With major finds in the Levant Basin, including the Leviathan (21.4 TCF) and Tamar (11.2 TCF) reservoirs and others, Delek is leading the region’s development into a major natural gas export hub. In addition, Delek has embarked on an international expansion with a focus on high-potential opportunities in the North Sea and North America. Delek Group is one of Israel’s largest and most prominent companies with a consistent track record of growth. Its shares are traded on the Tel Aviv Stock Exchange (TASE:DLEKG) and are part of the TA 35 Index.

For more information on Delek Group please visit www.delek-group.com

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[\[1\]](#) The buyer and the operator of the EMG Pipeline upon the closing of the EMG transaction. A company that is jointly owned by the Partnership, Noble Energy International Ltd. and the Egyptian partner.