



Delek Group

Update on Discovery of Signs of Petroleum at the Isabella Oil Asset (“Isabella”)

March 18, 2020

Tel Aviv, March 18, 2020. Delek Group (TASE: DLEKG, US ADR: DGRLY) (“the Company”) announces as follows: Further to the Immediate Report dated October 2, 2019 (ref. no. 2019-01-084900) concerning carrying out a first test drilling in the area of the Isabella oil asset, in which Ithaca Energy Ltd, a wholly-owned subsidiary of the Company, is a partner (“Ithaca”), located on the UK Continental Shelf in the North Sea (“the Drilling” and “Oil Asset” respectively), and in accordance with section 6(A) of the Eleventh Addendum to the Securities Regulations (Periodic and Immediate Reports), 1970, the Company provides an update as follows:

On March 16, 2020 Total E&P North Sea UK Ltd, which acts as operator of the Oil Asset (“the Operator”), announced that during a test drilling signs of petroleum were discovered in the well’s target layers. The Operator has announced that on account of the high pressure and high temperature, at this stage it is not possible to carry out production tests using the existing equipment. As Ithaca was informed, the Operator intends to examine various alternatives for carrying out the production tests at the Oil Asset at a later date.

It is noted that based upon the terms of the transactions that Ithaca has drawn up for the Oil Asset, Ithaca does not pay for its share in the Oil Asset (10%).

Additional details follow concerning the well:

1. **Name of well:** Isabella-1
2. **Date of discovery of signs of petroleum:** January 5, 2020.
3. **Initial depth:** 4,990 meters below sea level.
4. **Net depth of stratum :** 68 meters.
5. **The type of tests carried out as the basis for the information concerning the existence of significant signs of petroleum:** Wireline logs, and between them radioactive, electrical, sonar and pressure logs. In addition core samples and liquid sampling.
6. **Type of petroleum:** Natural gas, condensate and Brent oil.
7. **The findings that led the Company to be satisfied and to accept the reliability of the indicators:** Analysis of the logs and of the laboratory findings of the core samples and liquids collected at the well.
8. **Partners in the oil asset where the drilling will take place and their share of drilling budget, to the best of the Company’s knowledge:**

10% Ithaca

50% Neptune E&P UKCS Ltd.

30% Total

10% Edison Euro Oil Exploration Ltd.

It is clarified that prior to the production tests being carried out at the well, signs of gas or oil are not evidence of a discovery in its meaning in the PRMS rules or in the Oil Law, 1952.

Warning concerning forward looking information - The above estimates concerning the Operator’s intentions and actions, including inter alia carrying out plugging and temporary abandonment, continuation of the test drilling and carrying out production tests, represent forward looking information in its meaning in the Securities Law, 1968. These details are based on assumptions and estimates only and on information received from the Operator, and there can be no assurance or certainty that these details will not be updated later, prior to continuation of the drilling work or as a result of a range of factors typical of exploration work for oil and natural gas, including as a result of operational conditions, market conditions or regulatory conditions.

This is a convenience translation of the original HEBREW immediate report issued to the Tel Aviv Stock Exchange by the Company on March 18, 2020.

About The Delek Group

Delek Group is an independent E&P and the pioneering visionary behind the development of the natural gas reservoirs in 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 been expanding internationally with a focus on high-potential opportunities in the North Sea. 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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