



Ithaca - Issue of Debentures

Tel Aviv, July 18, 2019. Delek Group (TASE: DLEKG, US ADR: DGRLY) ("the Company") announces further to the Company's Immediate Report dated May 30, 2019 concerning Ithaca Energy (UK) Limited, an indirectly wholly owned (100%) subsidiary of the Company ("Ithaca") entering into a contract for the acquisition of 100% of the shares of Chevron North Sea Limited ("CNSL"), which is an oil and gas productive assets company in the UK North Sea, and further to the Immediate Report dated July 17, 2019 concerning Ithaca's contracting with a consortium of international banks for the provision of a Reserves Based Lending (RBL) facility of USD 1,650 million (at Libor + 3% on the lion's share of the RBL), that Ithaca has completed the issue of a series of debentures in an overall amount of USD 500 million.

According to the terms of the issue, the principal of the debentures will be repaid within 5 years and the annual interest stipulated in the tender is 9.375%. These debentures will be issued without any collateral, and it is Ithaca's intention to use the consideration from the issue to finance the the CNSL transaction if completed. The monies from the issue will be held in escrow until completion of the CNSL transaction.

It is clarified that further to what was stated in the Immediate Report dated July 17, 2019 concerning the Reserves Based Lending (RBL) facility, the average annual interest rate of the total financing of USD 2,150 million (debentures and RBL) is 6.3%.

In accordance with the Company's and Ithaca's strategy, the Company and Ithaca are examining several proposals to bring investors into Ithaca, as part of the intention to offer Ithaca's shares on the London Stock Exchange after completion of the transaction.

It is stipulated that there is no certainty of bringing in partners and completion of the offering on a stock exchange abroad as stated above, which is part of the strategy of the Company and Ithaca.

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