



Update

Tel Aviv, March 15, 2020 - Delek Group (TASE: DLEKG, US ADR: DGRLY) ("the Company") announced that in recent weeks the Corona epidemic (COVID-19) has started to impact the capital markets around the world and has led to extreme changes in prices on the capital and commodity markets. During this period, the values of securities in Israel and globally have dropped sharply, and in addition, there has also been a sharp drop in the price of oil in the last week due to a dispute between Russia and Saudi Arabia.

The Company, Delek Energy Systems Ltd (**Delek Energy**), and wholly-owned foreign companies of the Company held indirectly by Ithaca Energy Ltd (Delek Energy and the foreign companies will be here forth referred to as "**Headquarter Companies**") have loans from foreign and local banks that are secured (except for one of them) by various collateral and include covenants linked to the prices of the Company's securities and/or of its investee companies including participation units of Delek Drilling Limited Partnership ("Delek Drilling") and/or companies in the energy field, and covenants linked to on various indices.

The sharp declines in the prices of the securities of the Company and of its investee companies have become even stronger in recent days. As of this report date and based on the various financing agreements of the Company and of the Headquarter Companies various events have occurred that give the various banks the right to demand an increase of the collateral provided in their favor and/or cash payment as collateral and/or repayment. The Company and Headquarter Companies are holding discussions with these banks to affect changes in the demands for the said indemnification of these agreements.

In respect of one loan provided to Delek Energy from a foreign bank, whose balance as of the report date is USD 57 million and secured by a lien in its favor on participation units representing 15% of the capital of Delek Drilling, the bank has argued that in the light of the said decline that has taken place in the price of the pledged units of Delek Drilling to secure this debt, it has reason to demand immediate repayment and on Saturday night, March 14, 2020, demanded full repayment of the debt. Delek Energy has informed this bank that it disagrees with this claim for repayment of the debt, and on account of the exceptional circumstances in the world markets, in the light inter alia of the Corona epidemic, it does not have cause for immediate repayment of the debt and it will take all the measures available to assert its rights.

In the early hours of the morning Delek Energy petitioned the District Court to obtain a temporary injunction against the foreign bank to prevent it from realizing the units, inter alia on the grounds that due to the deep crisis in the markets caused by the Corona outbreak, which represents "force majeure". According to Delek Energy, the demand to realize the units at this time is unreasonable and does not meet the requirements of good faith to which the foreign bank is subject. The Tel-Aviv District Court accepted the Company's petition and issued a temporary injunction against the foreign bank that is valid until there will be another ruling. The foreign bank was given until March 17, 2020 to file its response.

This is a convenience translation of the original HEBREW immediate report issued to the Tel Aviv Stock Exchange by the Company on March 15, 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

Contact

Investors

Limor Gruber

Head of Investor Relations

Delek Group Ltd.

Tel: +972 9 863 8443

investor@delek-group.com