



Additional 1.3% of Delek Drilling's Participation Units Have Been Mortgaged in Favor of an Israeli Bank

April 1, 2020

Tel Aviv, April 1, 2020. Delek Group (TASE: DLEKG, US ADR: DGRLY) ("the Company") announces that further to the Company's Immediate Reports dated March 15, 2020 and March 23, 2020 (ref. nos. 2020-01-024360 and 2020-01-028113, respectively), an Israeli bank ("the Bank") that provided Delek Energy Systems Ltd ("Delek Energy") with a loan of NIS 100 million secured by participation units of Delek Drilling Limited Partnership ("Participation Units") and the Company's guarantee, yesterday informed Delek Energy and the Company that on account of the drop in the value of the Participation Units that had been pledged in its favor, below the value stipulated in the agreement, and since additional Participation Units had not been mortgaged to it in accordance with the terms of the loan, it wished to put the loan up for immediate repayment and to immediately realize the collateral provided to it.

In discussions between the Company's management and the Bank, late in the night, the Bank sent an update letter in which it stated the terms and requirements for postponement of realization of the collateral. In order to avoid a situation in which the Bank realizes the Participation Units mortgaged to it, whose value in the Company's opinion, as of today, is materially lower than their economic value (inter alia on account of the sharp volatility in the markets due to the COVID-19 crisis and the steep drop in oil prices) and in order to preserve the value of the Company's assets, the Company has today pledged additional Participation Units in favor of the bank in accordance with the accords reached today with the Bank for the postponement of realization of the collateral (the ratio agreed between the parties is lower than the ratio stipulated in the agreement in the event of such an increment).

The position of the Company and of Delek Energy in the special circumstances, in the light inter alia of the COVID-19 crisis, is that the Bank does not have the right to demand an increment of collateral and/or immediate repayment of the loan. Following the said increment, Participation Units have been mortgaged in favor of the Bank representing 5.7% of the capital of Delek Drilling Limited Partnership (as compared with 4.4% of the Partnership's capital prior to the increment).

This is a convenience translation of the original HEBREW immediate report issued to the Tel Aviv Stock Exchange by the Company on April 1, 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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