



Agreement for the Sale of Rights to Royalties from Leases I/17 "Karish" and I/16 "Tanin"

May 25, 2020

Tel Aviv, May 25, 2020. Delek Group (TASE: DLEKG, US ADR: DGRLY) ("the Company") announces that today, May 25, 2020, it signed together with Delek Energy Systems Ltd ("Delek Energy") (Delek Energy jointly with the Company: "the Sellers") an agreement with a third party ("the Purchaser") for the sale of the rights of the Company and Delek Energy to royalties regarding 26.4705% (out of 100%) of the rights in Lease I/17 "Karish" and Lease I/16 "Tanin", held today by Energean Israel Ltd, for oil and/or gas and/or other valuable materials produced and processed at the leases (not including the rights to royalties of Delek Drilling Limited Partnership) ("Right to Royalties").

The consideration in the agreement is set at NIS 318,000,000 plus VAT as required in law that will be paid in cash to the Sellers on the date of registration of the Right to Royalties in the Oil Registry in the name of the Purchaser. The consideration will be divided between the Company and Delek Energy according to their percentage holdings in the Right to Royalties (25% to the Company, 75% to Delek Energy).

Close to signing of the agreement the Purchaser will deposit with a joint trustee for the parties a monetary deposit of NIS 50 million. The deposit will serve as part of the consideration that will be paid in cash to the Company and Delek Energy upon completion of the transaction.

According to the law, the transaction is subject to obtaining approval from the Petroleum Commissioner at the Ministry of Energy.

This is a convenience translation of the original HEBREW immediate report issued to the Tel Aviv Stock Exchange by the Company on May 25, 2020.

About The Delek Group

Delek Group is an independent E&P company with activities in the UK North Sea and the East Mediterranean. Delek Group has significant holdings in the Leviathan and Tamar natural gas reservoirs in the East Mediterranean (Israel's territorial water), with reserves and resources of more than 30 TCF and annual production of approximately 20 BCM. These reservoirs are a major natural gas supplier to the growing markets of Israel, Egypt and Jordan and Delek continues to lead the region's development into a major natural gas export hub. Through its wholly owned subsidiary Ithaca, Delek Group holds high-quality oil and natural gas assets in the UK North Sea totaling more than 270 million barrels of oil equivalent (boe) and producing about 27 million boe per year. 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 (DLEKG:IT) And its ADRs are traded on the US OTC market (DGRLY:US).

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

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