



Ithaca - Agreement to Provide Reserve Based Lending Facility

Tel Aviv, July 17, 2019. Delek Group (TASE: DLEKG, US ADR: DGRLY) (“the Company”) announces that 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, that an agreement has been completed with a consortium of international banks for the provision of a Reserve Based Lending (RBL) Facility of USD 1,650 million (out of a total demand that came to more than USD 2.2 billion) (“Reserve Based Lending Facility”), which will be provided to Ithaca to finance the CNSL transaction and subject to its completion. The Reserve Based Lending Facility will be provided at usual terms in the oil and gas sector for a period 5 years. The lion’s share of the Reserve Based Lending Facility will bear annual interest of Libor + 3% in the first 4 years and 3.25% in the fifth year. A facility of USD 200 million (out of the total amount) is expected to serve as unused facility that will serve Ithaca for the provision of collateral for CNSL abandonment obligations at the acquired assets, and this amount if drawn down will bear annual interest of Libor + 4% in the first 4 years and 4.25% in the fifth year.

According to the terms of the Reserve Based Lending Facility Ithaca has undertaken to comply with financial and operational covenants for the lion’s share of the facility as below, in accordance with what is usual in similar transactions:

- a. The ratio between the net present value of the secured cash flows under the credit facility for the life of the projects and the amount drawn down under the credit facility will not drop below 1:1.5;
- b. The ratio between the net present value of the secured cash flows under the credit facility for the life of the credit facility and the amount drawn down under the credit facility will not drop below 1:1.3;

To secure the Reserve Based Lending Facility, Ithaca will pledge the shares of subsidiaries that hold directly the rights in the oil assets in a first degree lien, and will create floating and/or fixed liens on the assets, as is usual in this type of transaction.

This is a convenience translation of the original HEBREW immediate report issued to the Tel Aviv Stock Exchange by the Company on July 17, 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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