



Negotiations by Subsidiary to Sell Power Stations

May 10, 2020

Tel Aviv, May 10, 2020. Delek Group (TASE: DLEKG, US ADR: DGRLY) ("the Company") announces that further to reports in the media, Delek The Israel Fuel Corporation Ltd, a subsidiary held indirectly 100% by the Company ("Delek Israel"), is negotiating with a third party to enter into an agreement for the sale of two special purpose companies that own power stations located on the premises of the Sorek 1 desalination plant and of the Ashkelon desalination plant. At this stage the purchase price being discussed between the parties in the negotiation is NIS 400 million, subject to adjustments and checks.

At this stage final accords have not yet been formulated between the parties concerning the structure of the transaction and its terms, and there is no certainty that Delek Israel will enter into this transaction.

If the parties do enter into a transaction that will be approved by their competent bodies, completion of the transaction will be subject inter alia to fulfillment of regulatory contingent conditions and various other terms. The information about the possibility of entering into this transaction is forward looking information in its meaning in the Securities Law, 1968.

It should be noted that the Company is continuing to work to dispose of all its holdings in Delek Israel as stated in the Company's Periodic Report as of December 31, 2019, published on May 3, 2020 (ref. no. 2020-01-043356).

This is a convenience translation of the original HEBREW immediate report issued to the Tel Aviv Stock Exchange by the Company on May 10, 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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