



Amendment to Agreement for the Supply of Natural Gas between the Tamar Partners and the Israel Electricity Corporation

Tel Aviv, February 17, 2019. Delek Group (TASE: DLEKG, US ADR: DGRLY) (“the Company”) announces that pursuant to what was stated in section 7.11.4(A)(4) of the Delek Drilling Limited Partnership (“the Partnership”) Periodic Report to December 31, 2017 that was published on March 21, 2018 (ref. no. 2018-01-022209) (“the Periodic Report”) concerning the agreement of the Partners in the Tamar project including the Partnerships (“the Tamar Partners”) and the Israel Electric Corporation Ltd (“IEC” and “the Agreement”, respectively), the Partnership has announced that on February 14, 2019 the Board of the General Partner of the Partnership approved an amendment to the Agreement concerning the price of gas that will apply until the first adjustment date and concerning the daily amount of gas that the IEC will be entitled to order under the Agreement (“Amendment to the Agreement”), as detailed below.

The Amendment to the Agreement is expected to be signed upon receipt of the required regulatory approvals by the IEC (if they will be received). It should be noted that, to the best of the Partnership's knowledge, on February 14, 2019 the Board of the IEC approved the principles of the Amendment to the Agreement and authorized the IEC Management to sign the Amendment to the Agreement after receipt of the applicable regulatory approvals, if they shall be required.

As detailed in the Periodic Report, in the Agreement were stipulated two dates when each party may request adjustment of the existing contractual price, if that party is of the opinion that the price fixed in the Agreement is no longer appropriate for a long-term contract with a key purchaser for the consumption of natural gas for use in the Israeli market. Under the Agreement, the first adjustment date will be July 1, 2021 (“First Adjustment Date”) and the second adjustment date will be July 1, 2024.

As part of the Amendment to the Agreement it is stipulated that from January 2019 and until the First Adjustment Date (“the Interim Period”), the linkage clause set in the Agreement will not be implemented (as detailed in clause 7.11.4(A)4 of the Periodic Report), such that the price that will be paid by the IEC will be the contractual price valid during 2018. At the First Adjustment Date, adjustment will be made of the contractual price as stipulated in the Agreement, taking into account the contractual price that would have been paid were it not for the Amendment to the Agreement, namely the contractual price assuming application of the linkage specified in the Agreement.

In the Partnership's opinion, the amount of saving to the IEC from the Amendment to the Agreement as stated above during the Interim Period will be USD 85 million (in 100% terms) (the Partnership's share will be USD 19 million) (“the Amount of Saving”).

If it shall be determined that a price reduction is required at the First Adjustment Date, the parties will discuss how and how much of the Amount of Saving should be taken into account in the said reduction.

It is also stated in the Amendment to the Agreement that from the date of flow of gas from the Leviathan Project to the Israeli market, the daily maximum of amount gas to which the IEC will be entitled to order under the Agreement will be reduced from 655,200 MMBTU to 500,000 MMBTU, without reduction of the annual minimum amount for which the IEC has committed to take or pay as stipulated in the Agreement.

The Amendment to the Agreement will be subject to receipt of approval of the bodies responsible for the share of the Tamar Partners and receipt of approval from the Anti-Trust Authority, if such an approval will be required in law.

Warning of forward looking information -

The forecast of signing of the Amendment to the Agreement is forward looking information, in its meaning in section 32A of the Securities Law, 1968 ("the Securities Law"), for which there can be no certainty it will come about, in whole or in part, in the manner stated or in any other manner, and it might come about in a materially different fashion, on account of various factors including non-receipt of required regulatory approvals by IEC prior to signature of the Amendment to the Agreement, approval of the bodies responsible for the share of the Tamar Partners, and approval of the Anti-Trust Authority (if required).

The estimate of the Partnership concerning the future saving for the IEC is forward looking information in its meaning in section 32A of the Securities Law, for which there can be no certainty that it will come about, in whole or in part, in the manner stated or in any other manner, and might come about in a materially different manner, on account of various factors including changes in the amounts the IEC will consume and changes to the US CPI during the Interim Period.

Partners in the Tamar Project and their percentage holdings are as follows:

Isramco Negev 2 Limited Partnership	28.75%
Noble Energy Mediterranean Ltd.	25.00%
Delek Drilling - Limited Partnership	22.00%
Tamar Petroleum Ltd	16.75%
Dor Gas Exploration - Limited Partnership	4.00%
Everest Infrastructure Limited Partnership	3.50%

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