



## **"Tau" Oil Asset in the Gulf of Mexico**

**Tel Aviv, May 13, 2019. Delek Group (TASE: DLEKG, US ADR: DGRLY)** ("the Company") announces that further to what was stated in section 1.8.6(c)(2) of the Company's 2018 Periodic Report that was published on March 31, 2019 (ref. no. 2019-01-029344), and according to the information provided to the Company by the operator, GulfSlope Energy Inc. ("the Operator") and according to information published by it, in accordance with section 9 and section 12(B) of the Eleventh Addendum to the Securities Regulations (Periodic and Immediate Reports), 1970 as follows:

The exploratory drill at the Tau prospect in Blocks 336 and 351 in the Ship Shoal area in the Gulf of Mexico has reached a depth of 15,254 feet; the original drilling had been planned to examine the presence of hydrocarbons in the layers from the Miocene age up to a depth of 29,857 feet (from which oil had been produced at the nearby Mahogany field). The drilling has not penetrated producible hydrocarbon bearing layers, though signs of hydrocarbons have been found. **The Operator has not made an announcement of a discovery.**

According to the Operator, the information gathered during the drilling confirms its geological, geophysical and engineering models, and reinforces the Operator's position concerning the potential in deeper layers that have not yet been drilled in the prospect.

In order to reach the final depth, the complex geo-mechanical conditions discovered during the drilling have required three sidetracks and eight casing pipes; however, at this stage equipment limitations do not allow for continuation of the drilling.

In the light of the complex geo-mechanical conditions discovered and of the contractual commitment of the Ralph Coffman drilling platform to another operator (a third party), the Operator has recommended at this stage to plug and abandon the well in such a way as to facilitate reentry at a later stage.

It is the Operator's intention to assess various possibilities related to the performance of additional actions in the future in the drilling area and examination of the deeper layers of the prospect that have not yet been drilled.

The cost of the drilling (100%) up to the temporary plugging (inclusive) is USD 95 million (100%), and after deduction of the insurance monies received is USD 85 million (the Company's share is USD 70 million).

Percentage holdings in the rights in the Tau prospect area are as follows:

Delek GOM Investments LLC	75%
GulfSlope Energy, Inc.	20%
Texas South Energy, Inc.	5%
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	100%

**This is a convenience translation of the original HEBREW immediate report issued to the Stock Exchange by the Company on May 13, 2019.**

## **About The Delek Group**

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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](http://www.delek-group.com)

## **Contact**

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