



**Delek Group**

## **Sale of Power Stations**

August 26, 2018

**Tel Aviv, August 22, 2018. Delek Group (TASE: DLEKG, US ADR: DGRLY)** (“the Company”) announces that Delek Power Stations, which is a limited partnership wholly owned by the Company, (“the Seller”) entered on August 22, 2018 into an agreement for the sale of its activity in the field of power generation to Delek The Israel Fuel Corporation Ltd (“Delek Israel”), which is also a wholly owned subsidiary of the Company.

As part of the transaction, ownership of the companies that put up and operate the Ashkelon Power Station and the Sorek Power Station will be sold to Delek Israel for an overall consideration for shareholders' loans, a capital note and share capital of NIS 475 million, which will be paid in cash to the Seller on the date of completion of the transaction and additional consideration that comes to NIS 65 million that is conditional on the occurrence of events.

The Ashkelon Power Station was put up as part of a BOT agreement of the Ashkelon desalination plant. The power station started to operate in January 2008 and most of its output is intended for the requirements of the Ashkelon desalination plant. The period of the BOT agreement and the supply of electricity to the desalination plant were set at 22.5 years (the period will end in June 2027). The power station has permanent licenses for the production and supply of electricity of 87 megawatts.

The Sorek Power Station was put up as part of a BOT agreement of the Sorek desalination plant. The power station started to operate in September 2017, with half its output intended for the Sorek desalination plant and the balance is sold to private customers and/or to the Israel Electricity Corporation. The period of the BOT agreement and supply of electricity to the desalination plant ends in May 2037. The Sorek power station has permanent licenses for the production and supply of electricity of 140 megawatts.

The transaction is conditioned upon receipt of the approvals required for its completion.

**This is a convenience translation of the original HEBREW im August 22mediate report issued to the Tel Aviv Stock Exchange by the Company on Month DD, 2018.**

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

## **Contact**

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