Delek Group

Update to the Egyptian Gas Export Agreement

October 2, 2019

Tel Aviv, October 2, 2019. Delek Group (TASE: DLEKG, US ADR: DGRLY) ("the Company") refers to the regulatory filing of its subsidiary Delek Drilling (60% owned) regarding the completion of two agreements amending the original gas export agreements.

Further to the provisions of Sections 7.13.5(a)(2) and 7.13.5(b)(2) of the Partnership's Periodic Report as of December 31, 2018, released on March 24, 2019 (Ref. 2019-01-023982) (the "**Periodic Report**") and Section 14 of Chapter A (the Update of the Description of the Partnership's Business) included in the Partnership's quarterly report as of June 30, 2019 (Ref. 2019-01-075699), regarding agreements for the export of natural gas from the Tamar project and the Leviathan project, signed between the Partnership and Noble Energy Mediterranean Ltd. ("**Noble**") and between Dolphinus Holdings Limited ("**Dolphinus**" or the " **Buyer**" and the " **Original Export Agreements**", respectively), which were endorsed, respectively, to the partners in the Tamar project (the "**Tamar Partners**") and the partners in the Leviathan project (the " **Leviathan Partners**"), the Partnership hereby respectfully announces that On September 26, 2019, signatures were completed on two agreements for amendment of the Original Export Agreements. One agreement was signed between the Tamar Partners and Dolphinus (the "**Tamar Agreement Amendment**") and another agreement was signed between the Leviathan Partners and Dolphinus (the "**Leviathan Agreement Amendment**", and together with the Tamar Agreement Amendment, the "**Updated Export Agreements**" or the " **Agreements**").

a. Leviathan Agreement Amendment:

The total contractual gas quantity that the Leviathan Partners undertook to supply to the Buyer according to the Leviathan Agreement Amendment is on a firm basis and it significantly increased to approx. 60 BCM (compared with 32 BCM under the Original Export Agreement) (the "**Leviathan Agreement Total Contractual Quantity**").

The supply under the Leviathan Agreement Amendment will start on January 1, 2020 and will continue until December 31, 2034 or until the supply of the full Leviathan Agreement Total Contractual Quantity, whichever is earlier (the "**Leviathan Agreement Termination Date**").

According to the Leviathan Agreement Amendment, the Leviathan Partners undertook to supply to the Buyer annual gas quantities as follows: (i) In the period beginning on January 1, 2020 and ending on June 30, 2020 – approx. 2.1 BCM per year; in the period beginning on July 1, 2020 and ending on June 30, 2022 – approx. 3.6 BCM per year; and (iii) in the period beginning on July 1, 2022 and ending on the Leviathan Agreement Termination Date – approx. 4.7 BCM per year.

b. Tamar Agreement Amendment:

The gas supply to the Buyer according to the Tamar Agreement Amendment is on a firm basis (as opposed to the supply under the Original Export Agreement which was on an interruptible basis with an option for the Tamar Partner to become a firm basis).

The total contractual gas quantity which the Tamar Partners undertook to supply to the Buyer under the Tamar Agreement Amendment is approx. 25.3BCM (the "**Tamar Agreement Total (Firm) Contractual Quantity**") (compared with 32 BCM under the Original Export Agreement, which was, as aforesaid on an interruptible basis).

The supply under the Tamar Agreement Amendment will start on June 30, 2020 and will continue until December 31, 2034 or until the supply of the full Tamar Agreement Total (Firm) Contractual Quantity, whichever is earlier (the "**Tamar Agreement Termination Date**").

According to the Tamar Agreement Amendment, the Tamar Partners undertook to supply to the Buyer annual gas quantities as follows: (i) In the period beginning on June 30, 2020 and ending on June 30, 2022 – approx. 1 BCM per year; and (ii) in the period beginning on July 1, 2022 and ending on the Tamar Agreement Termination Date – approx. 2 BCM per year.

c. Further details about the Updated Export Agreements:

1. The Buyer has undertaken to Take or Pay for annual quantities according to the mechanism set forth in the Agreements[1].
2. The price of the gas to be supplied to the Buyer under the agreements will be set according to a formula based on the price of a Brent oil barrel which includes a "floor price". The Agreements include a mechanism for an update of the price at a rate of up to 10% (addition or reduction) after the fifth year and after the tenth year of the Agreements upon the fulfillment of certain conditions set forth in the Agreements.
3. The Partnership's estimate regarding the scope of the revenues expected from the Updated Export Agreements was increased according to the update of the Total Contractual Quantities under the Agreements, as specified above. Note that the actual revenues will be derived from a gamut of factors, including the gas quantities to be actually purchased by the Buyer and the Brent prices at the time of Sale.
4. The Updated Export Agreements include customary provisions pertaining to the termination of the Agreements as well as provisions for the event of termination of one of the Agreements (Tamar or Leviathan) as a result of its breach, and the refusal of the partners to the other agreement to supply the quantities set forth in the Agreements, and they also include compensation mechanisms for such case.
5. All of the conditions precedent as set in the Original Export Agreements have been fulfilled, including all of the approvals required in Egypt, and except for the following conditions precedent set in the Updated Export Agreements: (a) Receipt of an export approval from the Petroleum

Commissioner at the Ministry of Energy, and receipt of the Tax Authority's approval for the Updated Export Agreements, which, according to the Partnership's estimate, are expected to be received until the date of commencement of the commercial gas flow from the Leviathan Project; and (b) The closing of the EMG transaction as specified in Section 7.27.7 of the Periodic Report, in the Partnership's immediate reports of August 28, 2019 and July 1, 2019 (Ref. numbers 2019-01-074862 and 2019-01-056067, respectively) and in the immediate report to be released around the release of this Report. Insofar as the conditions precedent shall not be fulfilled until December 15, 2019, the parties shall have a right to terminate the Agreements, which will continue to be in effect insofar as they are not terminated as aforesaid.

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[1]The Agreements provide that if the Buyer does not purchase the total contracual quantity set forth under each one of the Agreements as specified above, each party shall be entitled to extend the supply period by up to two additional years.

Caution regarding forward-looking information:

The above estimations regarding the scope of revenues expected under the Agreements, the quantities of natural gas that may be sold to the Buyer under the Updated Export Agreements and the possibility for fulfillment of the conditions precedent of the Agreements and the date of the fulfillment thereof, constitute forward-looking information within the meaning thereof in the Securities Law, 5728-1968, the materialization of which, in whole or in part, is uncertain, and which may materialize in a materially different manner, due to various factors, including non-fulfillment of the conditions precedent in each one of the Updated Export Agreements, non-receipt of regulatory approvals, changes in the volume, pace and timing of consumption of the natural gas by the Buyer, changes in the gas price according to the Updated Export Agreements or other factors which cannot be foreseen on this date and which are beyond the Partnership's control.

The partners in the Leviathan project and their holding proportions are as follows:

The Partnership	45.34%
Noble	25.00%
Ratio Oil Exploration (1992), Limited Partnership	15.00%

The partners in the Tamar project and their holding proportions are as follows:

Isramco Negev 2, Limited Partnership	28.75%
Noble	39.66%
The Partnership	22.00%
Tamar Petroleum Ltd.	4.00%
Dor Gas Exploration, Limited Partnership	15.00%
Everest Infrastructures, Limited Partnership	3.50%

Sincerely,

Delek Drilling Management (1993) Ltd.
General Partner of Delek Drilling - Limited Partnership
By Yossi Abu, CEO
Yossi Gvura, Deputy CEO

This is a convenience translation of the original HEBREW immediate report issued to the Tel Aviv Stock Exchange by the Company on October 2, 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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