Tamar Petroleum Ltd.
(The "Company")

October 2, 2019

To
Israel Securities Authority
22 Kanfei Nesharim St.
Jerusalem 9546434

To
Tel Aviv Stock Exchange Ltd.
2 Ahuzat Bayit St.
Tel Aviv 6525216

Via MAGNA

Dear Sir/Madam,

Re: **Engagement in agreements pertaining to the export of natural gas to Egypt**

Further to the provisions of Sections 7.4.5(b) of the Company's Periodic Report as of December 31, 2018, released on March 22, 2019 (Ref. 2019-01-023940) (the "**Periodic Report**") and Section 6 of the Update of the Description of the Company's Business Chapter in the Periodic Report for year 2018 which was included in the Company's quarterly report as of June 30, 2019, which was released on August 15, 2019 (Ref. 2019-01-070878), regarding an agreement for the export of natural gas from the Tamar project, signed between Delek Drilling – Limited Partnership ("**Delek Drilling**") and Noble Energy Mediterranean Ltd. ("**Noble**") and between Dolphinus Holdings Limited ("**Dolphinus**" or the "**Buyer**" and the "**Original Export Agreement**", respectively), and which was endorsed to the partners in the Tamar project including the Company (the "**Tamar Partners**"), the Company hereby respectfully announces that On September 26, 2019, the execution was completed of an agreement for the amendment of the Original Export Agreement between the Tamar Partners and Dolphinus (the "**Amended Export Agreement**") and that an agreement was executed pertaining to the allocation of the capacity available in the system for transmission from Israel to Egypt between Delek Drilling and Noble and the partners in the Leviathan project (the "**Leviathan Partners**") and Tamar Partners (the "**Capacity Allocation Agreement**") as specified below.

Note that concurrently with the execution of the Amended Export Agreement and the execution of the Capacity Allocation Agreement, an agreement was executed for the amendment of the export agreement executed between the Leviathan Partners and Dolphinus concurrently with the execution of the Original Export Agreement (the "**Amended Leviathan Agreement**").

a. The Amended Export Agreement

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

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

3. The supply under the Amended Export Agreement shall begin on June 30, 2020 and it shall continue until December 31, 2034 or until the supply of the full Total Contractual Quantity, whichever is earlier (the "**Agreement Termination Date**"). In the event that the Buyer shall not purchase the Total Contractual Quantity until December 31, 2034, each party will be entitled to extend the supply period by two years.

4. According to the Amended Export Agreement, the Tamar Partners had undertaken to supply the Buyer with annual gas quantities as follows: (i) in the period commencing on June 30, 2020 and ending on June 30, 2022: approx. 1 BCM per year; and (ii) in the period commencing on July 1, 2022 and ending on the Agreement Termination Date: approx. 2 BCM per year.

5. The Buyer undertook to Take or Pay for minimal annual quantities according to a mechanism set in the Amended Export Agreement.

6. The price of the gas to be supplied to the Buyer will be set according to a formula based on the price of a Brent oil barrel which includes a "floor price". The Amended Export Agreement includes a mechanism for the 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 agreement, upon the fulfillment of certain conditions set forth in the Agreement.

7. The Amended Export Agreement includes customary provisions pertaining to the termination of the agreement, and in addition, a provision for the termination of the Amended Export Agreement in the event of termination of the Amended Leviathan Agreement as a result of the breach thereof, and the refusal of the Tamar Partners to supply also the quantities stated in the Amended Leviathan Agreement as specified in the agreement and it also includes compensation mechanisms for such case. To the best of the Company's knowledge, the Amended Leviathan Agreement also includes similar provisions regarding the Amended Export Agreement.

8. All of the conditions precedent as stipulated in the Original Export Agreement have been fulfilled, including all of the approvals required in Egypt, and excluding the following conditions precedent set forth in the Amended Export Agreement: (a) the receipt of the approval from the Petroleum Commissioner at the Ministry of Energy and the receipt of the approval of the Tax Authority for the Amended Export Agreement; (b) the closing of the transaction for the purchase of the shares of East Mediterranean Gas Limited ("**EMG**") and the purchase of rights in EMG pipeline by EMED Pipeline BV ("**EMED**") (the "**EMG Transaction**"). Insofar as the conditions precedent shall not be fulfilled until December 15, 2019, the parties shall have the right to terminate the agreement, which will continue to apply unless terminated as aforesaid.

9. The estimation regarding the scope of revenues expected from the Original Export Agreement has been reduced mainly in view of the update of the Total Contractual Quantity under the Amended Export Agreement, as specified above. Note that the

actual revenues from the Amended Export Agreement shall be derived from a gamut of factors, including the quantities of gas to be actually purchased by the Buyer and the Brent prices upon the sale.

b. The Capacity Allocation Agreement

Concurrently with the signing of the Updated Export Agreements, the Capacity Allocation Agreement was signed, the principles of which are as follows:

1. The division of the capacity in the transmission system from Israel to Egypt (the EMG pipeline and the transmission pipeline from Israel) will be on a daily basis, according to the following prioritization:

   (a) First layer – up to 350,000MMbtu per day will be allocated to the Leviathan Partners.

   (b) Second layer – the capacity beyond the first layer, up to 150,000MMbtu per day until June 30, 2022 (the "**Capacity Increase Date**"), and 200,000MMbtu per day after the Capacity Increase Date - will be allocated to the Tamar Partners.

   (c) Third layer – any additional capacity beyond the second layer will be allocated to the Leviathan Partners.

2. On the EMG Transaction closing date Tamar Partners shall pay the sum of $50 million (the "**Tamar Participation**") and Leviathan Partners shall pay the sum of $200 million ("**Leviathan Participation**") (which will be used by Delek Drilling and Noble as part of the consideration paid by them in the EMG Transaction), against an undertaking to allow the transport of natural gas from Tamar and Leviathan reservoirs and guaranteeing capacity in the EMG pipeline, all for the purpose of materializing the Amended Export Agreements which were signed as aforesaid. Note that the final Tamar Participation and Leviathan Participation will be set until June 30, 2022, according to the ratio of the gas quantities that shall have actually been supplied by the Tamar Partners and Leviathan Partners through the EMG pipeline and the transmission pipeline in Israel up to such date (including gas quantities which have not been supplied yet and have been paid for by virtue of a Take or Pay undertaking).

3. Furthermore, the Capacity Allocation Agreement prescribes arrangements for participation in the EMG Transaction costs, other costs related to the gas transportation as well as investments which will be required for the maximum usage of the EMG pipeline capacity, the payment of which shall be split between the Leviathan Partners and Tamar Partners.

4. The Capacity Allocation Agreement further stipulates principles for a "backstop" arrangement between the Tamar Partners and the Leviathan Partners, according to which commencing from the date of commercial gas transportation from Leviathan reservoir until the Capacity Increase Date, insofar as the Tamar Partners cannot supply the quantities that they had undertaken to supply to the Buyer, Leviathan Partners shall supply the Tamar Partners with the required quantities.

5. The term of the Capacity Allocation Agreement is until the termination of the Amended Export Agreement, unless it had been terminated earlier in the following cases: breach of a payment undertaking which was not remedied by the breaching party; the EMG share purchase agreement had been canceled before the closing thereof; in the event that the Competition Authority did not approve the extension of the Capacity Lease and Operatorship Agreement executed between EMED and EMG within which EMG granted EMED the exclusive right to lease and operate the EMG pipeline for the transportation of natural gas from Israel to Egypt, beyond a period of 10 years from the date of execution thereof according to the decision of the Competition Commissioner. Furthermore, each party shall have the right to terminate its part in the Capacity Allocation Agreement insofar as its export agreement shall have been cancelled.

Caution regarding forward-looking information:

The above estimations regarding the scope of revenues expected from the Amended Export Agreement and the quantities of natural gas which could be sold to the Buyer under the Amended Export Agreement, 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 the Amended Export Agreement, 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 Agreement or other factors which cannot be foreseen on this date and which are beyond the Company's control.

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

Isramco Negev 2, Limited Partnership	28.75%
Noble	25.00%
Delek Drilling	22.00%
The Company	16.75%
Dor Gas Exploration, Limited Partnership	4.00%
Everest Infrastructures, Limited Partnership	3.50%

Sincerely,

Tamar Petroleum Ltd.
By Liami Vaisman, CEO
And Yuval Raikin, CFO