

**Tamar Petroleum Ltd.**  
(the “Company”)

April 16, 2020

To  
The Israel Securities Authority  
22 Kanfei Nesharim Street  
Jerusalem 9546434

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

Via Magna

Dear Sir/Madam,

Re: **Announcement by the Ministry of Energy, the Ministry of Justice, the Ministry of Finance and the Competition Authority**

Further to Section 7.16.4(f) to the Company’s annual report as of December 31, 2019, as released on March 30, 2020 (Reference No.: 2020-01-028765), with respect to application by the partners in the Tamar project that have no holdings in the Leviathan project (the Company, Isramco Negev 2 – Limited Partnership, Dor Gas Exploration – Limited Partnership and Everest Infrastructures – Limited Partnership) to the Competition Commissioner with an urgent request pertaining to frustration of the Tamar reservoir’s ability to compete against the Leviathan reservoir by Noble Energy Mediterranean Ltd. and Delek Drilling – Limited Partnership, the Company hereby respectfully informs that on April 13, 2020, an announcement was released by representatives of the Ministry of Energy, the Economic Department of Legislation Advice at the Ministry of Justice, the Ministry of Finance and the Competition Authority, which is attached hereto.

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

Noble Energy Mediterranean Ltd.	25.00%
Isramco Negev 2, Limited Partnership	28.75%
Delek Drilling, Limited Partnership	22.00%
Tamar Petroleum Ltd.	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

[Emblem of the State of Israel]

**The Ministry of Finance**

**The Ministry of Energy**

**The Ministry of Justice**

**The Competition Authority**

Nissan 19, 5780

April 13, 2020

**– Joint Announcement –**

## **The Partners in Tamar have been requested to Modify the Arrangements between them such that Veto Rights in the Marketing of Natural Gas are Removed**

Representative of the Ministries of Energy, the Economic Department of Legislation Advice at the Ministry of Justice, Finance and the Competition Authority have given the Tamar partners a short period of time to modify the arrangements between them so as to ensure that the Delek, Noble and Isramco do not hold a veto right over decisions on the marketing of natural gas from the Tamar reservoir. Such understandings will obviate intervention and formal measures by the State.

The background to the above is the application by the Tamar partners that do not also have holdings in the Leviathan reservoir<sup>1</sup> to the Competition Commissioner, claiming that Delek and Noble – which also have holdings in the Leviathan reservoir – are exercising a veto right in the context of negotiations for the marketing of gas from the Tamar reservoir in order to prevent Tamar from supplying gas at prices that are competitive in relation to the Leviathan reservoir. The Tamar partners that lodged the complaint specifically claimed that Delek and Noble had prevented them from offering a discount on the gas price to the IEC and are preventing them from making price offers that are competitive in relation to Leviathan in future contracts. As argued in the complaint, such conduct violates two provisions: (1) As concerns Noble – the provisions of the Gas Framework<sup>2</sup>, which prohibited Noble from holding a veto right in Tamar once its holdings decreased to 25% in accordance with the requirements of the Gas Framework; (2) As concerns Delek – the conditions of the restrictive arrangement exemption decision issued by the Commissioner in August 2006<sup>3</sup>, which

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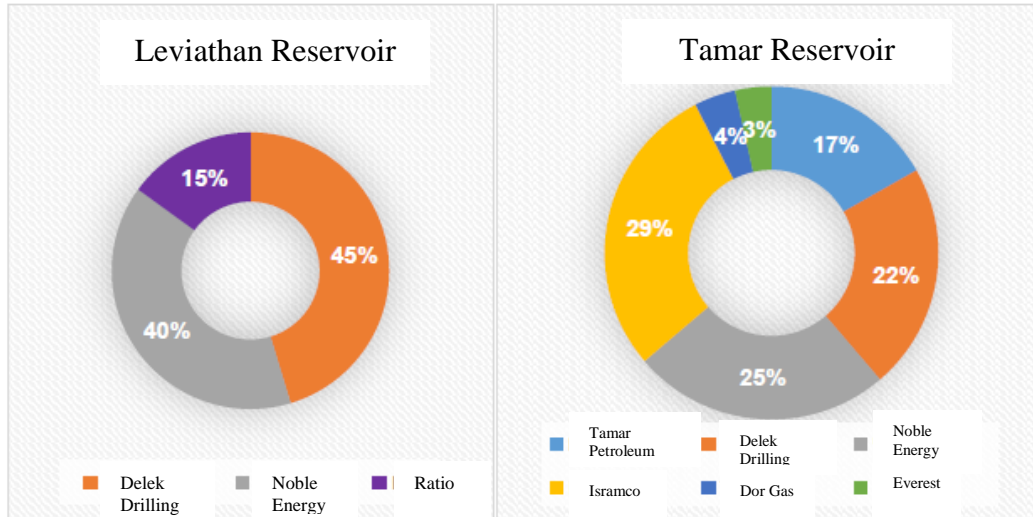
<sup>1</sup> Dor Gas Exploration, L.P. (“**Dor**”), Isramco Negev 2, L.P. (“**Isramco**”), Tamar Petroleum Ltd. (“**Tamar Petroleum**”) and Everest Infrastructures, L.P. (“**Everest**”), which jointly hold 53% of Tamar. Delek also holds approx. 22.6% of the issued share capital and approx. 13.4% of the voting rights in Tamar Petroleum.

<sup>2</sup> Resolution 476 of the 34<sup>th</sup> Government “Framework for Increase of the Natural Gas Quantity produced from the “Tamar” Natural Gas Field and Quick Development of the “Leviathan”, “Karish” and “Tanin” Natural Gas Fields and Additional Natural Gas Fields” (August 16, 2015). Section 12(b): “Commencing on the Effective Date for Tamar or the date of sale of Noble’s holdings in Tamar as set forth above, whichever is earlier, Noble shall hold no veto right that pertains to Tamar, including with respect to engagement in transactions for the sale of gas from Tamar or any component of such engagement, as well as the development, expansion or upgrade of Tamar, subject to Noble’s duties as a prudent operator”.

<sup>3</sup> The Competition Commissioner’s decision with respect to the grant of an exemption from approval of a restrictive arrangement to the agreement between Delek Group and Isramco Negev, Noble Energy and others (August 22, 2006), the Competition Authority 328533. Section 3.1.4 of the exemption

approved the partnership in Tamar and determined, as part of the exemption conditions, that Delek and Isramco alone would not be able to prevent the making of decisions in Tamar.

At this time, holdings in Leviathan and in Tamar are as follows (approximately):



Following joint discussions, which also included the receipt of responses from the partners in Tamar, the Ministries’ representatives notified the partners in Tamar that before they expressed their final opinion and considered further measures, they were allowing the parties to reach understandings that would obviate the need for the State to adopt a formal position.

The Ministries’ representatives gave the parties a short period of time for the formulation of understandings. The understandings the parties were required to formulate need to be of a type that revokes the veto right held by Noble, Delek and Isramco, by virtue of the conduct prevailing between the parties to date.

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decision imposes on Delek and Isramco a condition whereby “in any arrangement, agreement or understanding, written or oral, with respect to the establishment of a mechanism or manner of decision making between the holders of the “Matan” and “Michal” licenses with respect to the marketing of natural gas to be produced in the “Matan” and “Michal” licenses, none of the local corporations shall alone hold, directly or indirectly, any right or power to prevent the other holders from making a decision or taking action with respect to the marketing of natural gas to be produced in the “Matan” and “Michal” licenses.