Tamar Petroleum

Investors Presentation

February 2018

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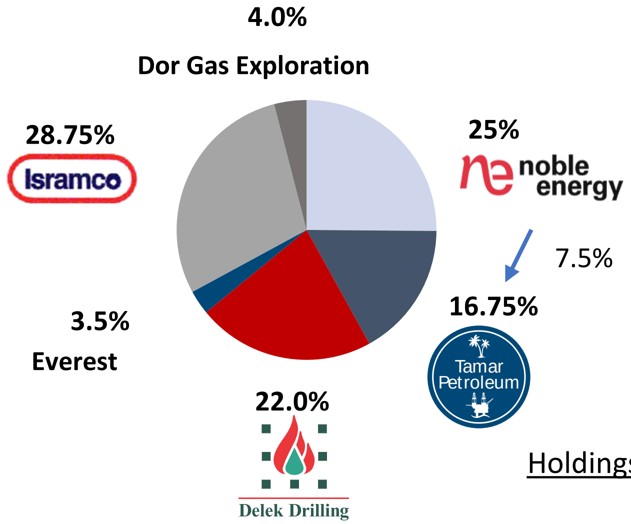
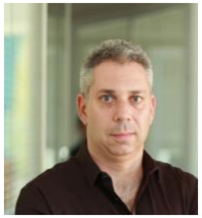
Tamar Petroleum Identity Card

- Tamar Petroleum is a yield company with no control core, traded on the Tel Aviv Stock Exchange
- Tamar Petroleum holds 9.25% of the rights in the Tamar and Dalit Leases, and after the consummation of the transaction with Noble Energy Mediterranean Ltd. ("**Noble**"), Tamar Petroleum will hold 16.75% of the rights in the leases
- Tamar Petroleum allows direct, transparent, marketable and efficient exposure to the cash flow from the Tamar Reservoir and enjoys clear advantages compared to the comparison group in the market:
  - Efficient and clear tax structure
  - Efficient capital and debt structure
  - No management fees to third parties
  - No exposure to operations which are not within Tamar and Dalit
- Credit rating – A1.il (stable)



Holdings in the Tamar Project Proforma

Tamar Petroleum Management



Liami Vaisman |CEO

Started his path as an energy specialist and thereafter as an energy coordinator at the Ministry of Finance and continued as the CFO for the Governmental gas transmission company Israel Natural Gas Lines Ltd. (INGL). Vaisman served as a partner and head of project finance at the Giza Singer Even Ltd. Consulting company, and oversaw financing processes of many projects in the energy and infrastructure sectors.

CPA Yuval Raikin | CFO

Over 20 years of experience in the financial field, in the past worked at the accounting firm of Kesselman & Kesselman (PWC) in Israel and in London and served as the CFO of Alon Gas Exploration (parent company of Dor Gas Exploration – Limited Partnership) holding 4% of the Tamar Reservoir.

Adv. Efrat Hozeh-Azrad |General counsel

Over 18 years of experience as an attorney. Until recently she was a partner at Agmon & Co. Rosenberg Hacohen & Co. law firm with the Corporate, Capital Markets and Securities Department. She has many years of extensive experience in counseling in the corporate filed and in the securities field to corporations of in varied businesses, particularly corporations in the gas and oil sector.

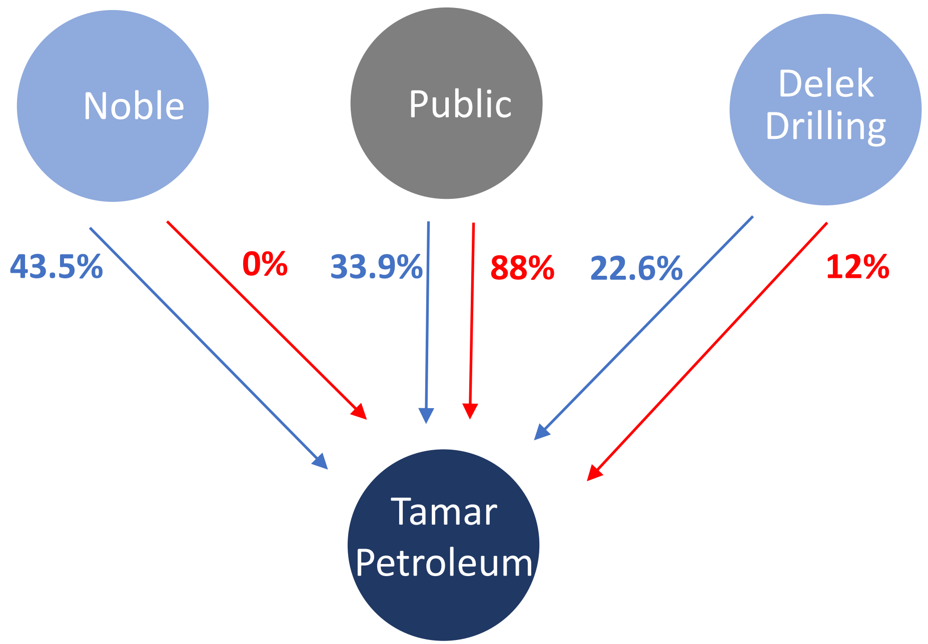
Tamar Petroleum Noble Transaction Highlights

- According to the provisions of the Gas Framework, Noble is obligated to reduce its holdings in the Tamar and Dalit Leases from 32.5% to 25% until December 2021.
- Under an agreement executed between Tamar Petroleum and Noble, Tamar Petroleum will purchase from Noble holdings at a rate of 7.5% in the Tamar and Dalit Leases in a transaction combining cash and allotment of shares:
  - **Share Allotment –** Noble will be allotted through a private placement shares which will constitute 43.5% of the Company's shares after the allotment (Noble will waive the voting rights attached to the Shares, as long as it holds them).
  - **Cash** – an amount which will be raised through a new series of bonds (B Bonds) similar in most of its terms to the series being currently traded, net of cash flow adjustments as set forth in the agreement.
- The transaction includes several conditions precedent including the approval of the general meeting of the Company, approvals of relevant regulators and completion of the issuance of B Bonds under the terms set forth in the agreement.
- Noble bears all of the costs of the transaction (excluding 50% of the distribution fee).
- The record date for transfer of rights – January 1, 2018.
- Noble shares will be locked-up for transactions on TASE pursuant to the Securities Law.*

* Under the Securities Law, the shares will be locked-up for transactions on TASE not through a prospectus as specified below: during the first year – full lock-up; during six subsequent quarters from the end of the first half year – Noble may sell its holdings subject to the restriction of a rate of out of the issued and outstanding capital of the Company and the restriction of an average daily volume of shares during the period set forth in the law preceding the transaction performance date.

Tamar Petroleum Structure of Holdings

Immediately after the transaction



Rate of holding in Tamar Petroleum Capital

Rate of holding in shares conferring voting rights in Tamar Petroleum

The transaction improves the status of the Company and its shareholders

- Improvement of the return for shareholders in every scenario – without exposure to a specified price or market prices
- Purchase of a better flow from the reservoir – without paying overriding royalties – at an improved price
- Improvement in the coverage ratio – the repayment schedule in the transaction is predetermined
- Increasing the weight of the Company and the impact on the decision making system at Tamar project
- Significant increase in the value and revenues of the Company while maintaining similar overhead
- Increase in the value and weight of the share in the indices in the long-term
- Increase in the scope of the Company's operations without changing the nature of the risk factors

Comprehensive income proforma for 9 months

Ended on September 30, 2017

1-9.2017 // in Dollars in thousands (excluding number of shares and figure per share)

Proforma figures	Proforma Adjustments	Figures before proforma adjustments*	
239,882	107,410	132,472	Revenues from the sale of natural gas and condensate
38,614	11,986	26,628	Net of royalties
201,267	95,424	105,844	Net income
15,959	7,146	8,813	Cost of natural gas production
34,555	21,455	13,100	Depreciation, depletion and amortization expenses
1,070	38	1,032	General and Administrative Expenses
51,583	28,638	22,945	
149,684	66,786	82,899	Income from ordinary activities
(43,349)	(19,759)	(23,590)	Financing expenses
246	110	136	Financing revenues
(43,102)	(19,648)	(23,454)	Financing expenses, net
106,582	47,137	59,445	Profit before taxes on income
25,436	11,313	14,123	Taxes on income
81,146	35,824	45,322	Net income and total comprehensive income for the period
115,701	57,279	58,422	Net income net of depreciation, depletion and amortization expenses
88,496	38,496	50,000	Number of shares (in thousands)
1.31	1.49	1.17	Net income net of depreciation, depletion and amortization expenses per share

- The aforesaid figures regarding proforma comprehensive income for the 9 months ended on September 30, 2017 were prepared according to the presentation basis and the assumptions specified in the Proforma Condensed Financial Statements as of September 30, 2017 for the transaction of the purchase of 7.5% of the rights in the Tamar and Dalit Leases (unaudited), which were released in an immediate report as of January 30, 2018, excluding the rate of the overriding royalties to the third parties, which was calculated based on the rate of the overriding royalties to which the third parties are entitled after the return of investment, and the effect thereof on the Company's financial results. For further detail see the said condensed financial statements attached to the immediate report as of January 30, 2018.

High quality reservoir on a global level

The development system was built in a manner which creates redundancy and backup in the system, stable production and flow for many years, Uptime of approx. 99.7%

Tamar Reservoir Basic Data

Reserves as of December 31, 2017
(2P, Tamar and Tamar SW Reservoirs)
Approx. 11 tcf (313 BCM) and in addition approx. 14.4 million condensate barrels

Piping commencement date
March 31, 2013

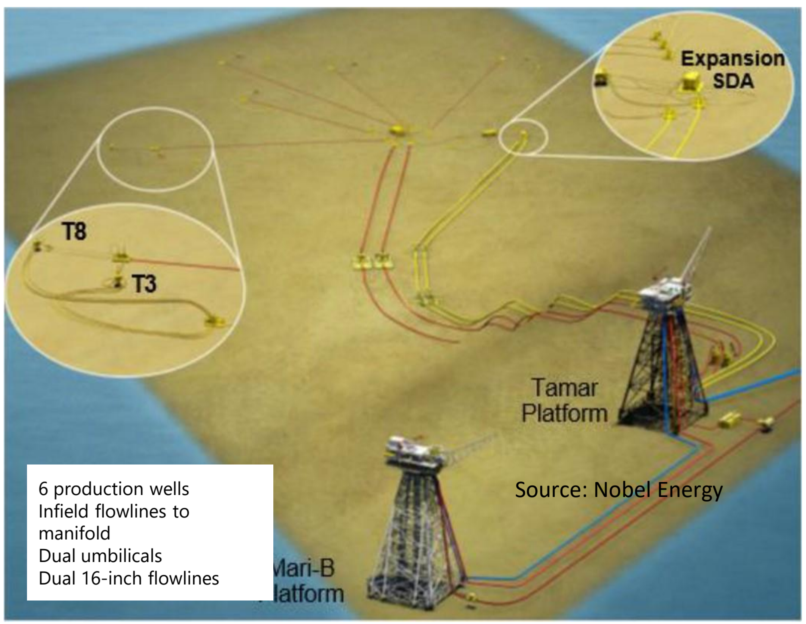
Initial Development Budget
Approx. $3.1 billion (100%)

Total capital costs at Tamar until December 31, 2017
Approx. $4.6 billion (100%)

Production capacity
Up to 1.1 BCF per day (approx. 11.5 BCM per year)

International scale success
Less than 4.5 years from the discovery to the piping commencement.

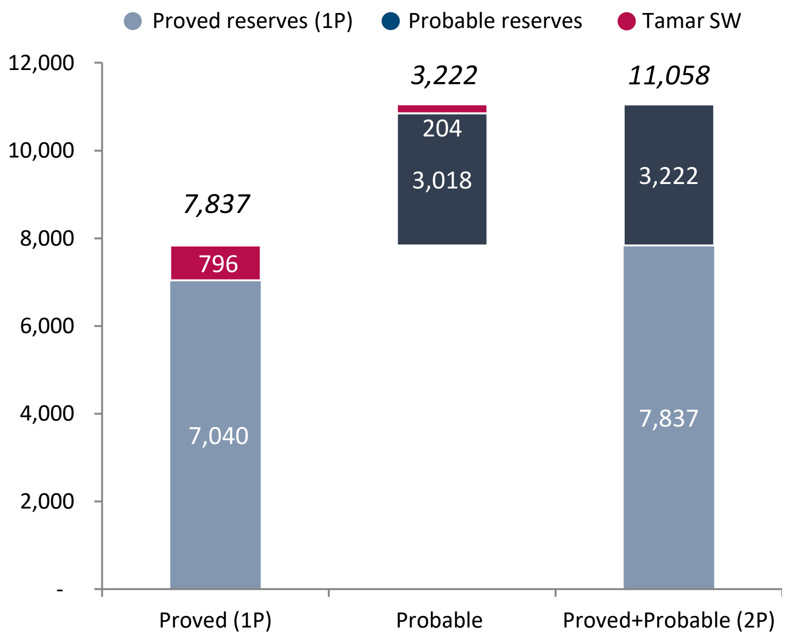
Tamar production system chart



Source: Nobel Energy

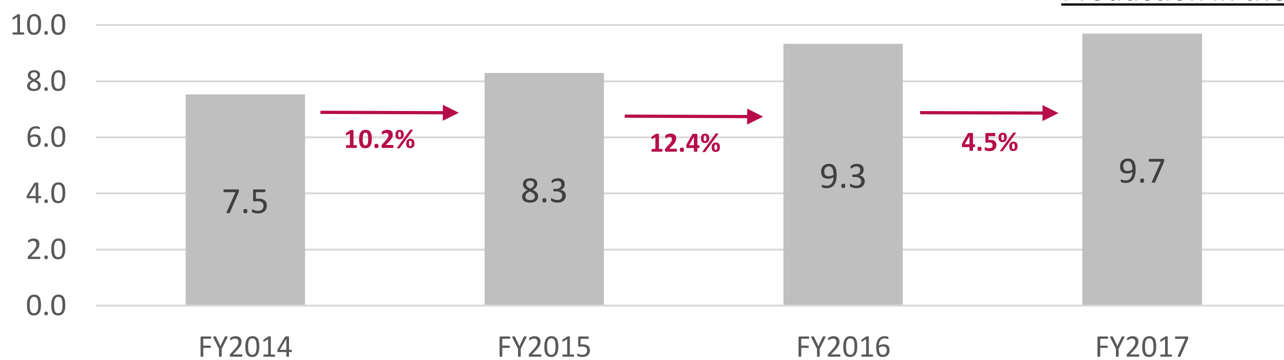
Proven Reserves in a high quality reservoir

Reserves as of December 31, 2017 (BCF)*



- High quality reservoir on a global level: Dry gas, approx. 99% Methane, high porosity and permeability level, high connectivity between the sections of the reservoir
- Independent reserve assessment by NSAI, the production data and the accrued information support the reserve assessment and the projected production profile
- Average production of 921 mmcf/d during the last two years (2016-2017)
- Increase in production and sales between 2013-2017 as a result of growth in the demand and expansion of the production capacity

Production in the past four years (BCM)

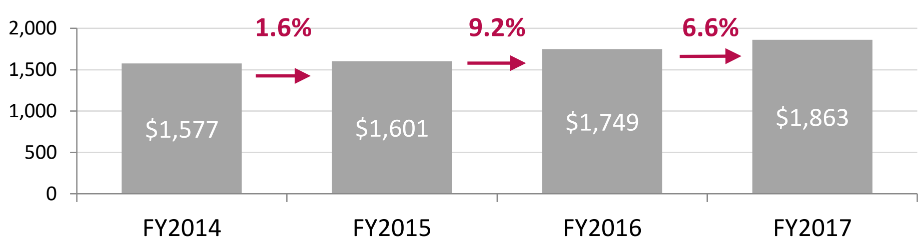


Over 99% up-time since the establishment

* Including Tamar SW

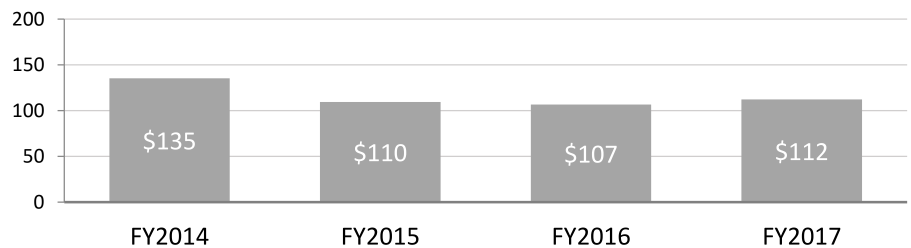
Stability in Revenues and Cash Flow

As a result of long-term contracts and low operation costs



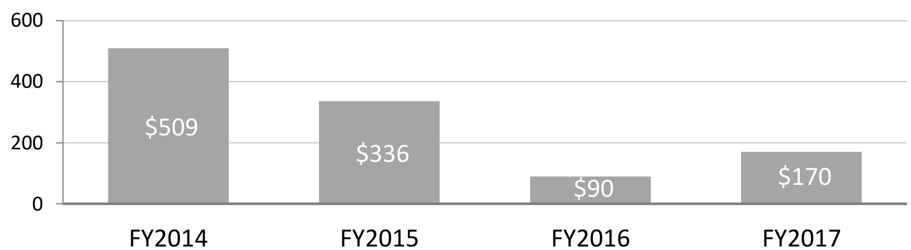
Gross revenues (100% - $million)

- Increase in revenues as a result of constant increase in demand
- Most of the contracts are long-term



Operational costs (100% Tamar - $million)

- Low operational costs compared to the produced quantity
- Most of the operational costs are fixed



Investments (100% Tamar - $million)

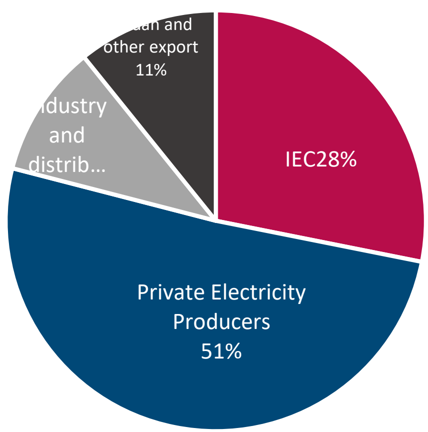
- Up to now approx. $4.6 billion were invested in the project
- Decrease in the capital costs in the coming years following completion of the development plan, the compressors project, drilling and connection of Tamar 8 and completion of the costs of the agreement for use of the Yam Tethys facilities
- Very low capital investments on the project level up to 2021

The figures for 2014-2016 are proforma figures adjusted to 100% rights in Tamar. The figures for 2017 are unaudited. The operational costs do not include insurance premium paid on the partner level.

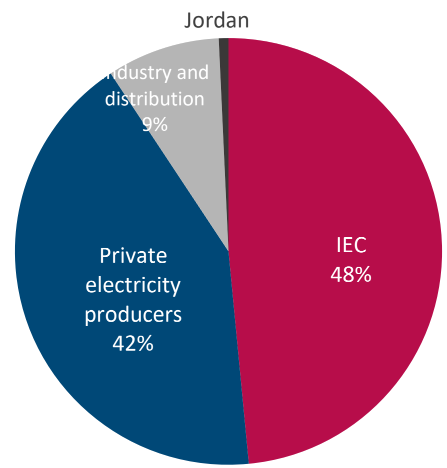
Sales Distribution actual and future

- **Quantities –** minimum quantities in contracts (Take or Pay)
- **Prices –** linkage to CPI and bottom prices (according to the type of agreement)

Sales distribution forecast: 2022



Actual sales distribution: 2017

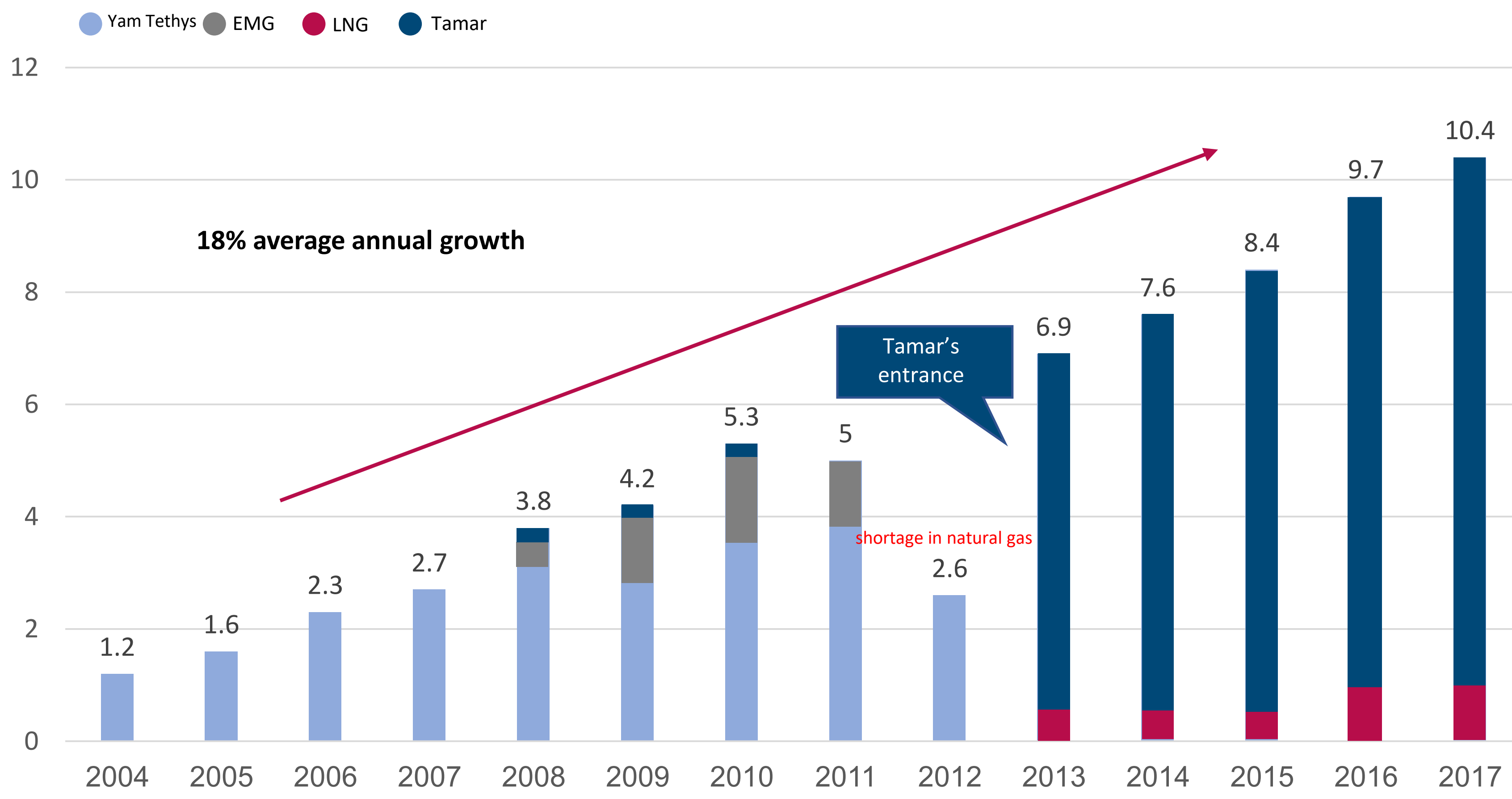


- Increase in the sales to private electricity producers concurrently with the reduction in the share of the Israel Electric Corporation
- Increase in the export sales forecast

The sales distribution forecast for 2022 is forward looking information based on the Company's processing of the demand forecasts for the local market and the price linking indices prepared by BDO Ziv Haft Consulting & Management Ltd. ("BDO"), which there is no certainty that it will materialize, in whole or in part, and which materialization might differ significantly due to various factors including actual demand in the local and regional market, the development of competition conditions and their effect on the Company's business operations

Natural Gas Consumption in the Israeli market

Natural gas consumption in Israel in the years 2004-2017 (BCM)



Source: the figures for 2014-2016 are the publications of the Ministry of Energy. The figure for 2017 is according to the Company's assessment.

Growth engines in natural gas demand increase

"we will take Israel completely off the habit of using petrol until 2030"

Uri Adiri, the director general of the Ministry of Energy at an electric transportation conference in Israel: "the Ministry is preparing a plan for placing a few thousand charging stations financed by the State"

Steinitz: "The water market sector is in a state of emergency, we shall promote the construction of desalination facilities"

The Minister of Energy convened a professional discussion today regarding the steps to be initiated by the Water Authority and Mekorot ■ The expected rainfall this year will be approx. 70% of the multi-annual average

The Ministers of Energy and Environment: coal burning for electricity production will be reduced by 30%

The ministers Steinitz and Elkin announced that the reduction will be effective immediately. Today scrubbers will be operated for the first time in Hadera, also helping in the reduction of coal emissions – constituting a main health risk factor in air pollution

The Ministers of Energy and Environmental Protection instructed the Israel Electric Corporation to reduce the use of coal by 10% more

If the Electric Corporation will meet its new objectives, its use of coal will be reduced by approx. 30% since the initial instruction in 2015 to reduce the use of this polluting fuel. The new instruction will lead to a reduction in air pollution originating in the coal power stations.

Lior Gutman

The power stations of the Israel Electric Corporation in Hadera will be replaced by private stations

Units 1-4 with a production capacity of 1,440 are supposed to be closed down under the decision of Steinitz until 2022, provided that until then there will be three gas pipes from the sea to the shore, and alternative power stations will be constructed

The Minister of Energy declared: State of Emergency in the Water Market Sector

For the first time in History, in the coming summer, the Kinneret is expected to go below the black line – which puts the ability to pump therefrom at risk. In preparation for a fifth consecutive drought year in Israel, a designated team recommended to the Minister Yuval Steinitz of a series of actions that should be taken in order to cope with the severe problem

CES 2018

"Until 2025 all of the Toyota and Lexus models will be electric"

This is the commitment of Akio Toyoda, the president of the Japanese Car giant, Toyota, at the CES exhibition in Las Vegas. According to Toyoda, "currently , less than 1% of the cars sold in the USA are electric, so there is a lot of work to increase the demand. We are working on the establishment of charging stations and developing a new battery technology which will make them smaller and lighter"

Omer Cabir, Las Vegas

"Until 2025, all of the Toyota and Lexus models will be electric or will include the option of being electric" – this is the commitment of the president of the Japanese vehicle giant, Akio Toyoda, at a press conference held yesterday towards

כלכלה economy

The Ministry of Finance revealed the 2019 budget plan

Growth Engines in natural gas demand increase

10.4 BCM		**Actual Demand in 2017**
4.2 BCM	• Affected mainly by increase in the population, increase in free income and increase in standard of living, as well as the increase in the uses for electricity and energy-intensive systems	Increase in electricity demand
3.1 BCM	• Clean and cheap natural gas is expected to significantly reduce the use of coal for electricity production • In a macro-economic vision – the taxation deriving from the production of natural gas in Israel is dramatically higher than taxation or excise deriving from the import of coal for electricity production	Change in the fuel mix for electricity production
1.1 BCM	• Development of industry based on natural gas such as: Ammonia, Methanol, Urea etc. as well as replacing the use of Petcoke with a cement production process with natural gas • According to a global trend of the penetration of CNG preventive vehicles	Chemical, petrochemical industry and natural gas for transportation
1.1 BCM	• Completion of the connection of industrial plants to the natural gas distribution and transmission network • Connection of agriculture and small and domestic consumers to the distribution network	Development of the distribution network
0.2 BCM	• Completion of the project of transitioning the railway from using diesel oil to natural gas based electricity. As well as growth in electric vehicles, whereby Israel is a country with preferable conditions for the adoption thereof.	Railway electrification and electric vehicle
0.2 BCM	• Increase in population will lead to an increase in the demand for desalinated water, the production of which is energy intensive	Increase in water desalination
20.3 BCM	**2025 Demand Forecast**	

The demand in 2017 is according to the Company's assessment. The demands for 2018-2025 are according to the assessments of BDO, this forecast constitutes forward-looking information, which there is no certainty that it will materialize, in whole or in part, and which materialization might substantially differ, due to various factors, including development of the growth in Israeli economy, the climate conditions in Israel and the government policy in fields directly or indirectly pertaining the increase in demand for natural gas

Forecast of the demand for natural gas in the Israeli market

// Long-term Growth

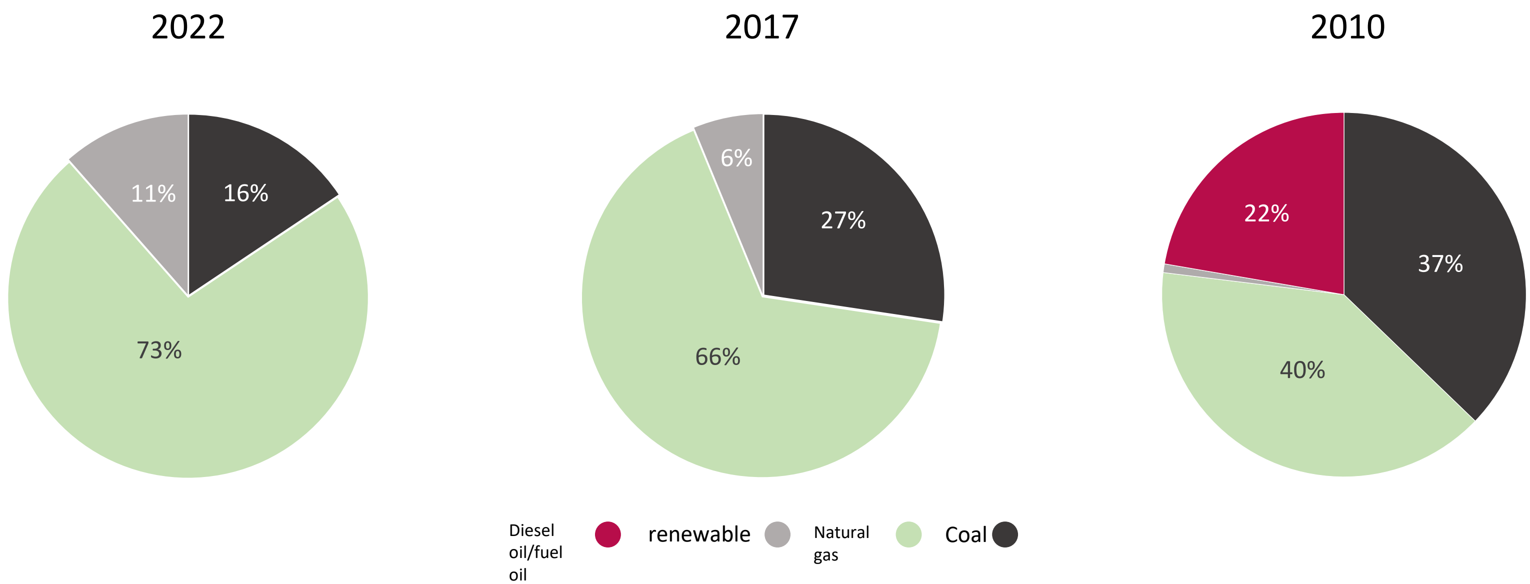
- The energy sector is undergoing a dramatic structural change deriving from a change of the fuel mix leading to an increase of the Economy's relative advantage
- The main increase in demand for natural gas derives from the increase in demand for electricity together with the increase in the weight of natural gas in the production mix and the reduction of coal use
- The entire increase in the electricity production capacity (combined cycle, cogeneration, open cycle) in the coming years (except for a relatively small rate of renewables) is in natural gas
- Due to the limitations of natural gas supply (already now, the current transmission system of Tamar cannot provide all of the existing demand in the market) the market is still far from utilizing the full potential of use of local natural gas.
- In addition to the demand for natural gas for the production of electricity, demand is expected for energy intensive industry, electricity and natural gas based transportation, the manufacture of chemical and petrochemical products based on natural gas etc.

The demand in 2017 is according to the Company's assessment. The demands for 2018-2029 are according to the assessments of BDO, this forecast constitutes forward-looking information, which there is no certainty that it will materialize, in whole or in part, and which materialization might substantially differ, due to various factors, including development of the growth in Israeli economy, the climate conditions in Israel and the government policy in fields directly or indirectly pertaining the increase in demand for natural gas

Reduction of the use of coal increase in the demand for natural gas

- The coal consumption in the electricity market sector (as of 2017) is equal to the consumption of natural gas in the amount of approx. 5BCM per year
- Assuming full production in natural gas with no coal, the gas consumption in the market would have been now at approx. 15 BCM per year
- There is a constant decline in the scope of electricity production with coal which could continue more intensely from 2020 forth according to governmental policy

<u>The electricity production capacity in the market (historic development and expected capacity) broken down by types of fuels:</u>



The aforesaid figures are based on BDO's assessments. The forecast for the production capacity for 2022 constitutes forward looking information, which there is no certainty that it will materialize, in whole or in part, and which materialization might substantially differ, due to various factors, including development of the growth in Israeli economy, the climate conditions in Israel and the government policy in fields directly or indirectly pertaining the increase in demand for natural gas

Reduction of the use of coal

//economic analysis from the point of view of the electricity sector and the point of view of the market

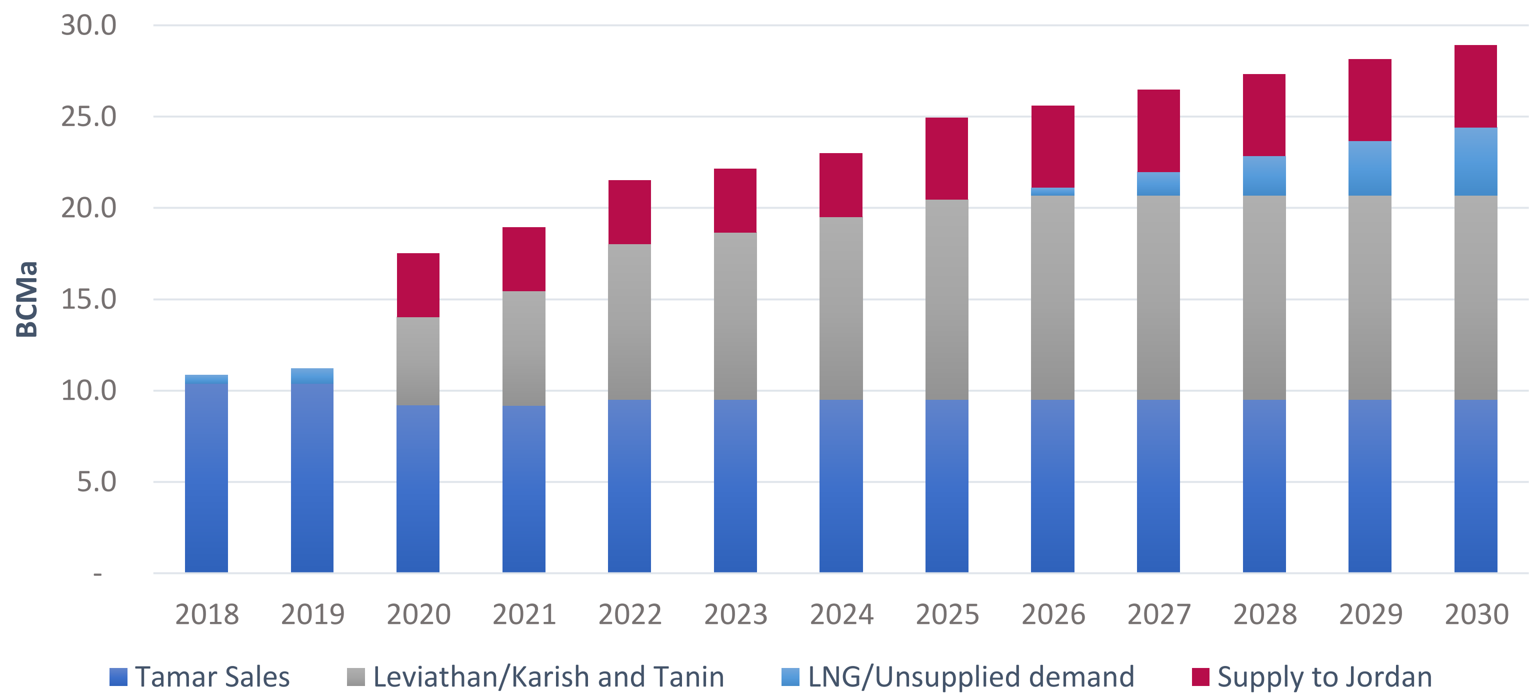
	Coal	Natural Gas
Fuel Cost ($/MMBTU)	$4.6 ($80/tone+$30 BLO)	$5.34 ($5.24+0.1$ BLO)
Energy Efficiency	39%	58%
Cost to Electricity Producer	4.5 Cent/kWh	3.6 Cent/kWh
GT (government take)	25% (Blo excise tax)	50%
Energy Cost to National Economy Cent/kWh (without environmental costs)	3.4	1.9

- With no reference to environmental costs – emissions and pollutants
- Coal price of $80 per ton represents the price forecast for 2020, the price is currently at approx. $90 per ton
- Natural gas price – according to the average price for the local market for Q4/2017 as released by the Natural Gas Authority

Source: BDS Assessments

Tamar Sales with respect to the demand and supply in the market

//Israel and Jordan



Sales to Jordan according to **3.5BCM per year** during the first 5 years from 2020, increases to **4.5 BCM per year** thereafter

Tamar has an integral competitive capacity due to it being an existing supplier, whose main investments have already been made and on the date of the competitors' entrance it is already paying a levy

Source: demand forecasts for the local market BDO, processed by the Company

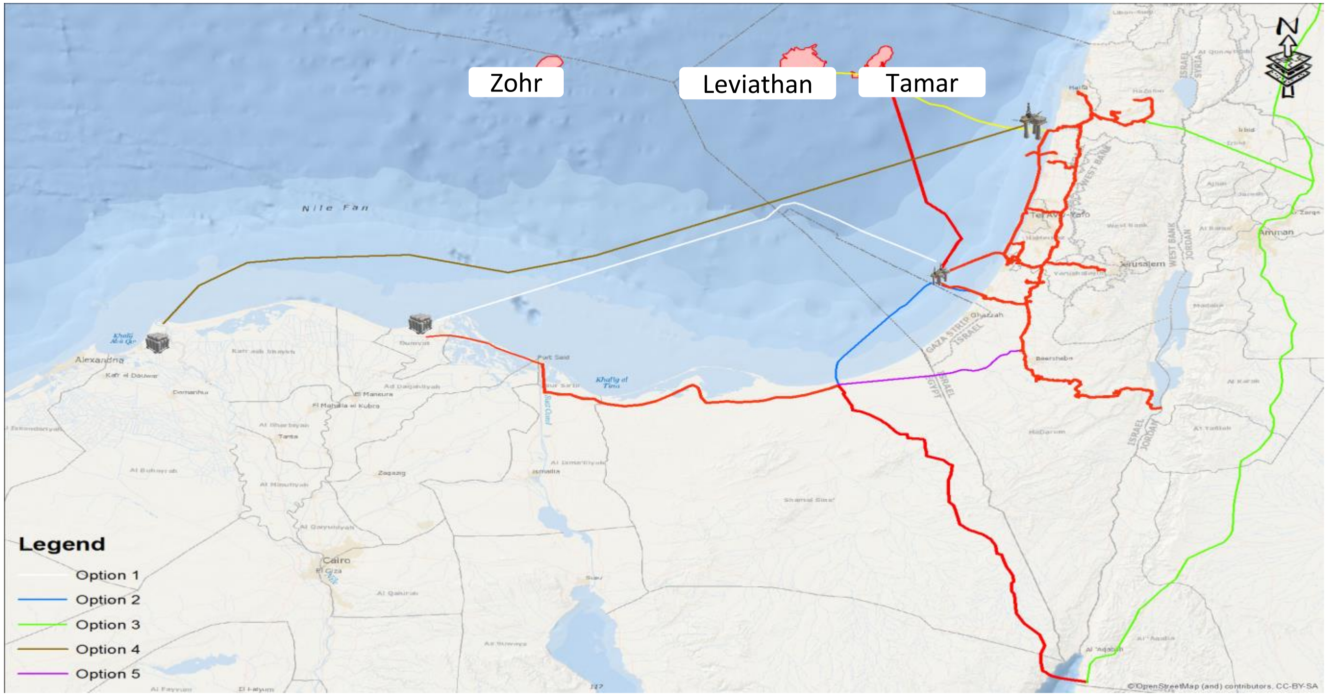
Clear strategy for the extraction of value from the reservoir

• Identification and mapping of deep targets within the Tamar Lease area	**Exploration potential**
• Expansion of the Tamar project for supply to the increasing demand in the local market and/or export	**Expansion of output**
• Continued promotion of the export plans to the regional markets through designated pipelines or existing infrastructure	**Export**
• Continued optimal output from the Tamar reservoir according to the long-term contracts, alongside other engagements and the anticipated increase in demand existing in the market	**Natural gas supply**

Tamar Petroleum allows direct and optimal exposure to the Tamar reservoir in a manner expected to provide the investors with stable return over time.

Exhaustion of the local sales potential

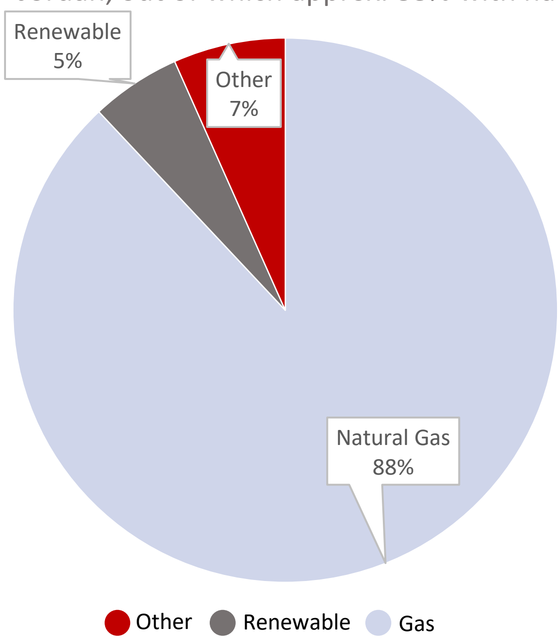
- Jordan constitutes a market of approx. 5-6BCM per year with no own resources (Tamar already exports natural gas to customers in Jordan)
- Egypt is a market with comprehensive demand of over 80BCM per year which is not fully provided through own sources, aiming to be a regional Hub
- The northern connection in Israel, the Pan-Arabic pipe in Jordan and the connection to the Egyptian system, allow additional annual sales of approx. 10 BCM
- Infrastructure connection to Jordan and Egypt (expected until 2020) will allow an increase of output and sales with a negligible marginal investment



The anticipation for the infrastructure connection to Jordan and Egypt is forward-looking information based on publications of the partners of Leviathan. There is no certainty that such anticipation will materialize, in whole or in part, and the materialization thereof might differ significantly due to various factors including delays in the development of the Leviathan reservoir, *inter alia*, due to regulatory constraints etc.

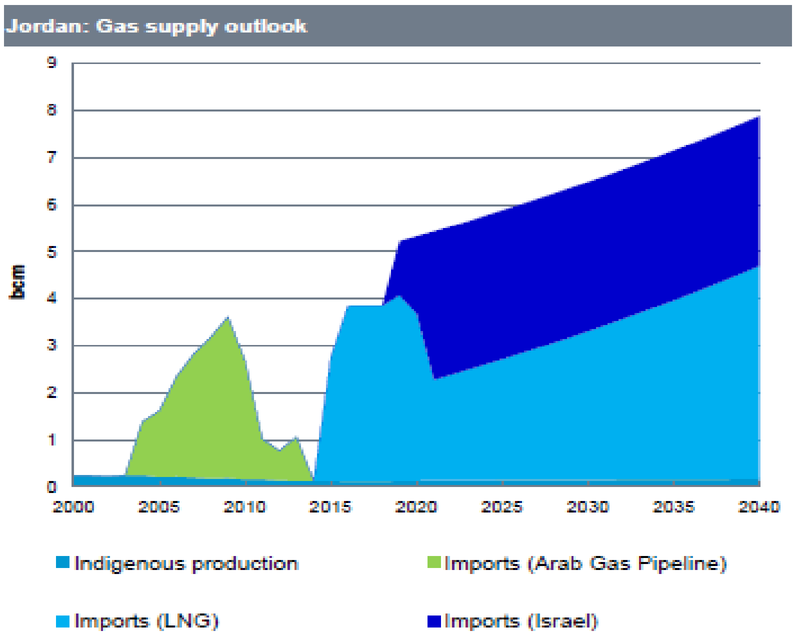
Potential of Sales to the Jordanian Market

- The Jordanian market is anticipated to consume in 2020 more than 5BCM, with the vast majority of the demand coming from the electricity sector
- The Jordanian electricity market sector relies completely on natural gas. In 2017, approx. 19 TWh were produced in Jordan, out of which approx. 88% with natural gas



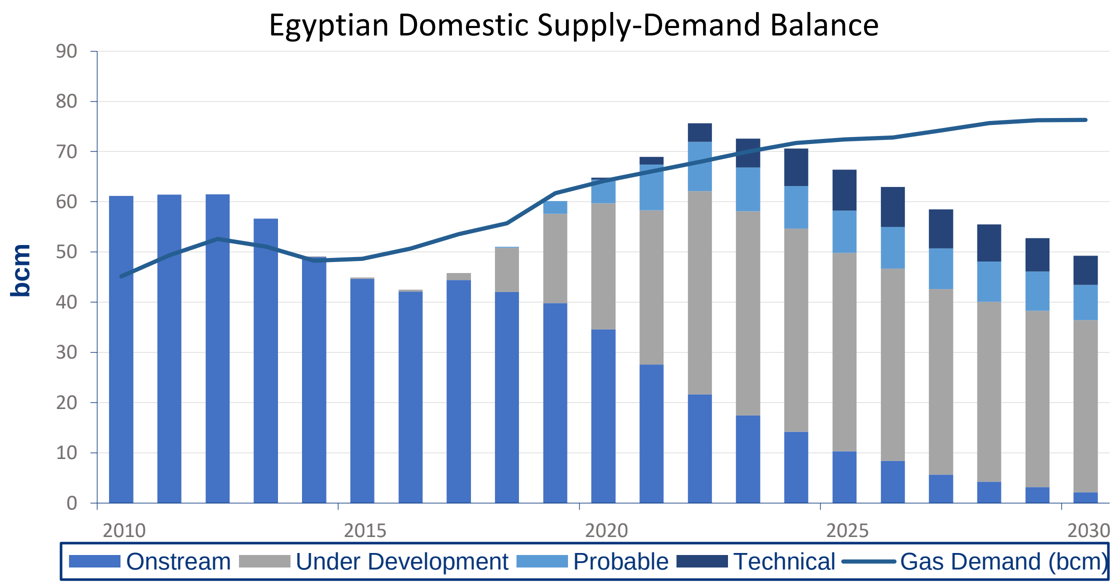
Source :Jordan Times, January 22, 2018

Distribution of gas production in Jordan 2017



Potential of Sales to the Egyptian Market

- Demand for natural gas in the Egyptian market in 2020 is anticipated to be approx. 83BCM, out of which approx. 65BCM in the local market and approx. 18BCM in the existing liquefaction plants
- In recent years, due to shortage, the use of natural gas has been limited. Upon the increase in the local supply, until 2020 a significant increase is expected for use of natural gas, mainly to produce electricity and industries such as metal, fertilizers and chemical industries.
- The natural gas supply in the coming years is anticipated to significantly grow upon the completion of the development of the Zohr and West Nile Delta reservoirs which are anticipated to provide at the peak approx. 30BCM per year, but this is only an interim solution and not a long-term one.

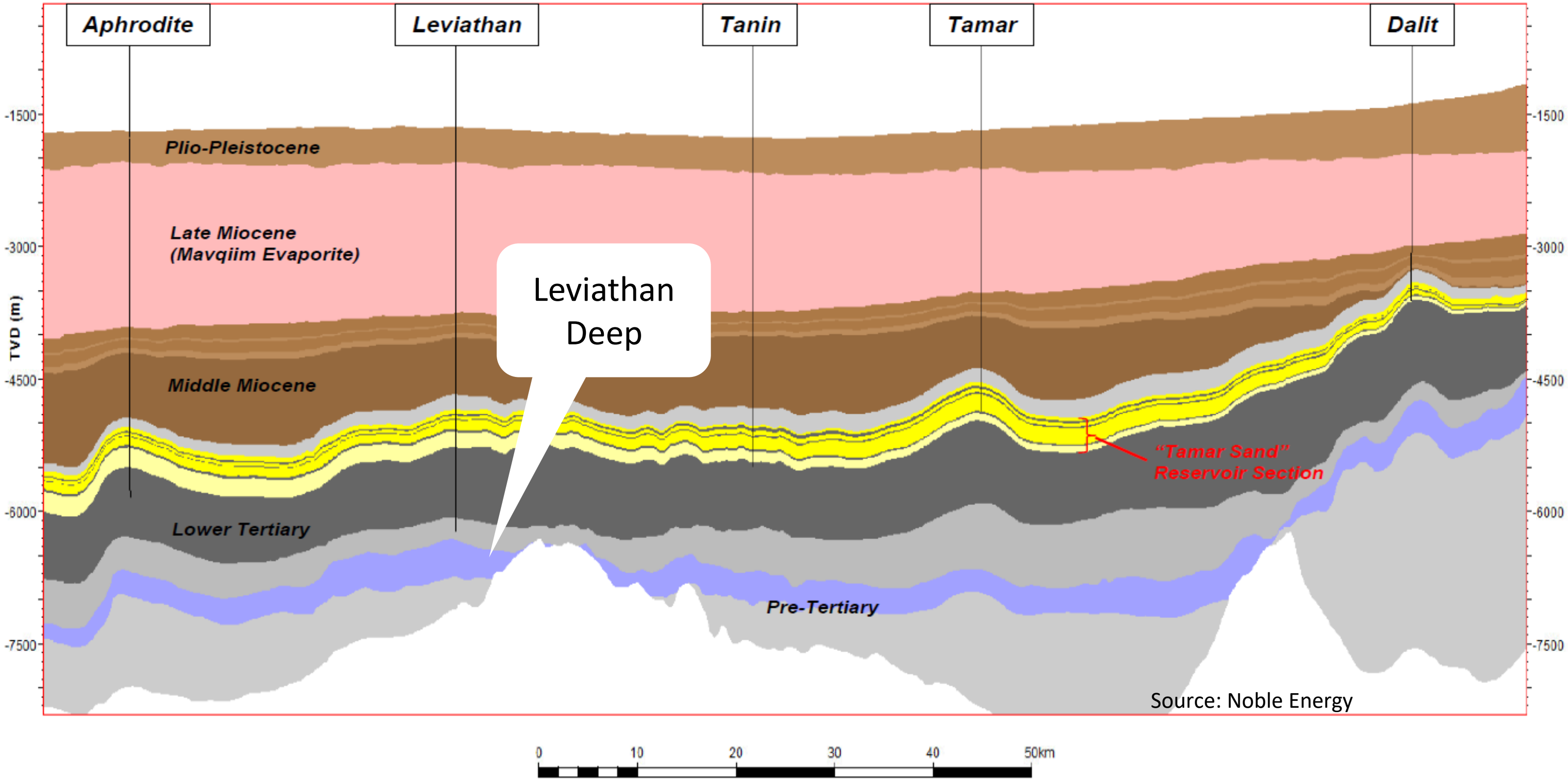


Source: Historic Data: IEA, EGAS; Forecast: Wood Mackenzie; Not including 'Yet to find'

* The chart does not include a forecasted consumption of approx. 18BCM in the two existing liquefaction plants

The Levantine Basin Exploration Potential

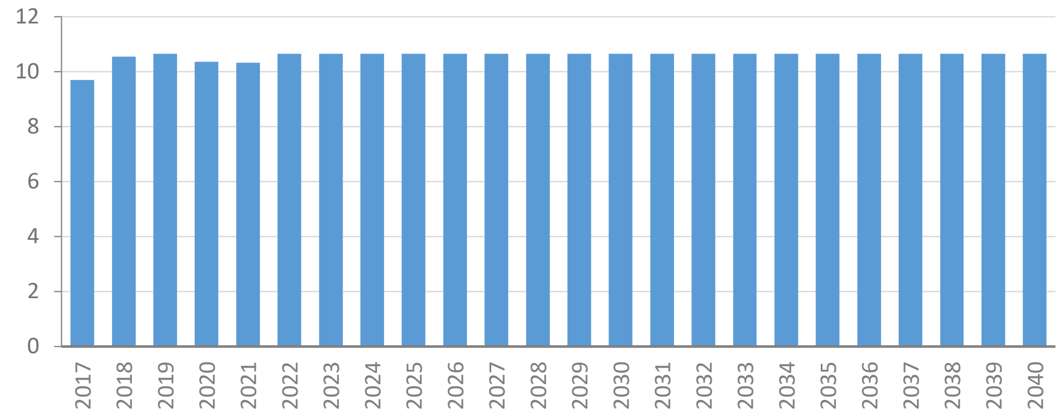
Deep prospective targets in Leviathan which are estimated by NSAI in 560 million oil barrels and 4.5TCF natural gas, could affect the potential for the finding of additional oil and gas at the Tamar and Dalit Leases



Source: Noble Energy

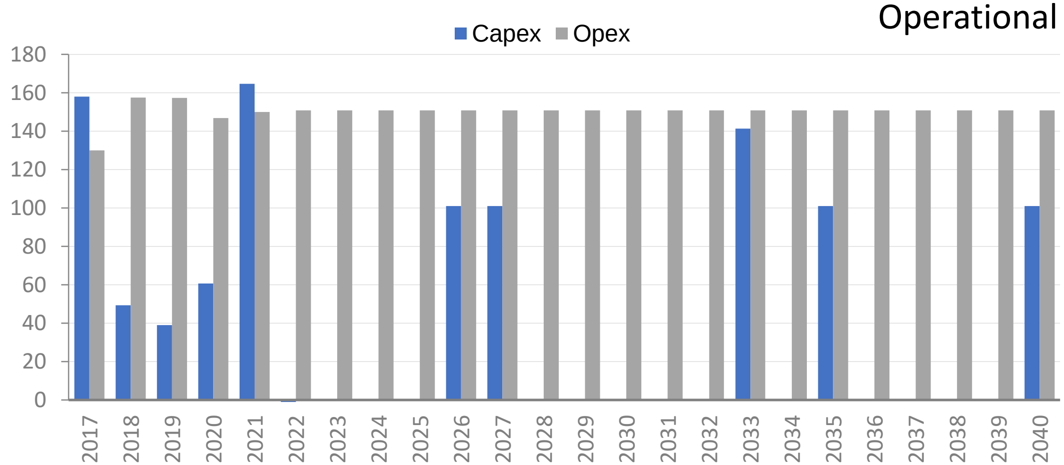
Tamar Reservoir Production and expenses profile

Anticipated profile 2P production from the reservoir – (BCM)



- The production is anticipated to continue growing and to stabilize on a fixed level at an annual scope of 10.65BCM per year for approx. 20 years

Operational costs and projected capital investments



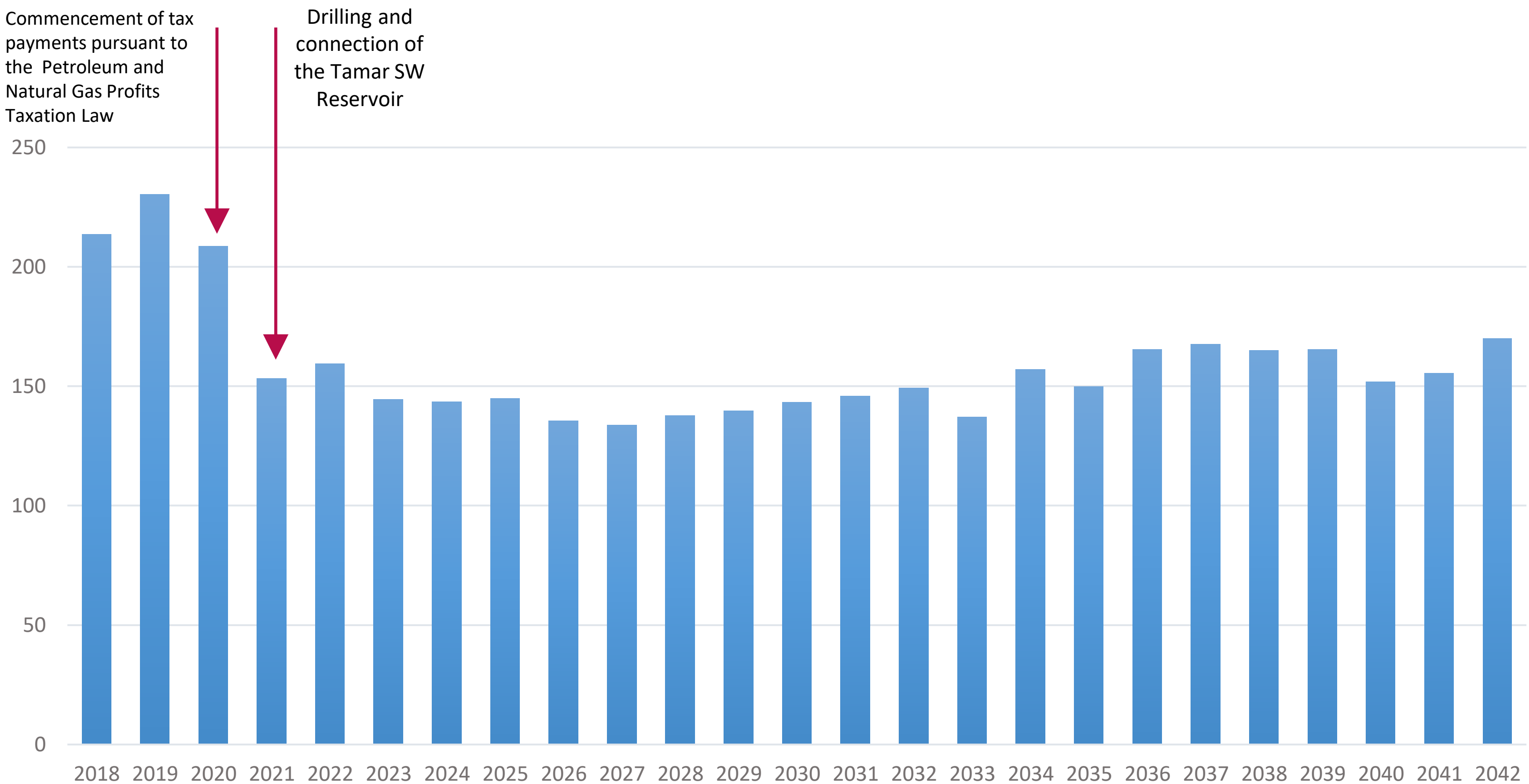
- In 2017 – completion of Tamar 8 project
- In the years 2019-2021 the capital investments include investment in a liquids treatment facility (MRU)
- In 2021 an investment in the development of Tamar SW is expected at an amount of $124 million (100%)
- After 2021 production wells will be drilled every few years as necessary

The anticipated quantities, operational costs and capital investments are according to the Company's assessment and constitute forward-looking information which is based, *inter alia*, on the production capacity from the reservoirs and assessments regarding the scope of demand in the local market in each of the project years, on the ability to supply gas from the Tamar project to the transmission system of INGL, the development plan at the Tamar project and on prior knowledge which NSAI holds from previous projects. There is no certainty that these assessments will materialize in whole or in part, and their materialization might differ significantly, *inter alia*, as a result of operational and technical conditions and/or regulatory changes and/or conditions of supply and demand in the natural gas and/or condensate market and/or the project's actual performance and/or as a result of geopolitical changes which will occur.

Projected cash flow after completion of the transaction

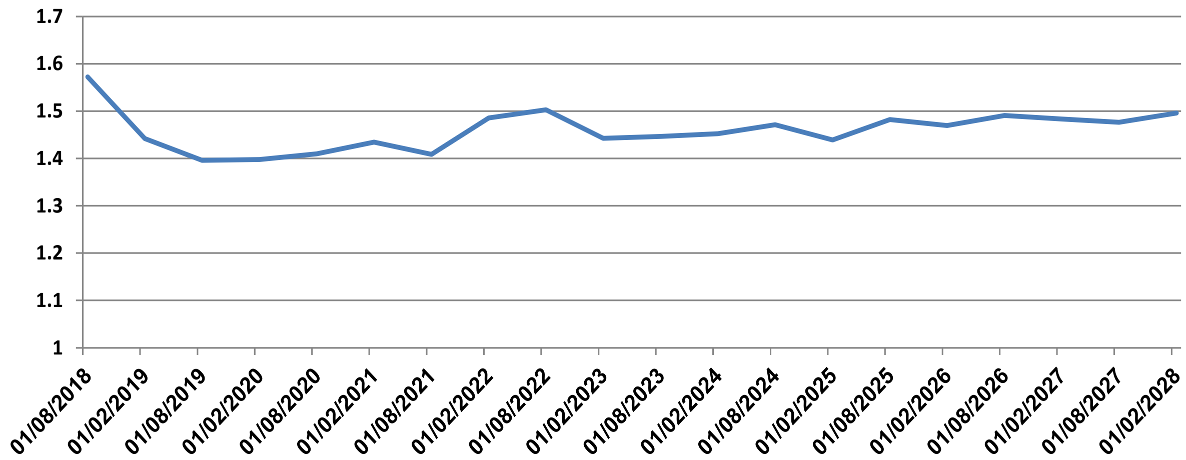
//Tamar Petroleum – Noble

Projected cash flow (without financing) – Tamar Petroleum, approx. 16.75% of the rights in the Tamar Reservoir (unlevered free cash flows mm$)



The projected cash flow is according to the Company's assessment and it constitutes forward-looking information which is based, *inter alia*, on the production capacity from the reservoirs and assessments regarding the scope of demand in the local market in each of the project years, on the ability to supply gas from the Tamar project to the transmission system of INGL, the development plan at the Tamar project and on prior knowledge which NSAI holds from previous projects. There is no certainty that these assessments will materialize in whole or in part, and their materialization might differ significantly, *inter alia,* as a result of operational and technical conditions and/or regulatory changes and/or conditions of supply and demand in the natural gas and/or condensate market and/or the project's actual performance and/or as a result of geopolitical changes which will occur.

Coverage ratio (ADSCR) Company Debt Scenario after the transaction



- Average ADSCR : 1.46
- Minimal ADSCR: 1.40

- Based on sales forecast of 10BCM per year commencing in 2020
- The average coverage ratio according to the DCF: 1.53
- The minimal coverage ratio according to the DCF: 1.42 (for 2019)

The cash flow Tamar Petroleum after the transaction

	Revenues	• Revenues of 16.75% of the total revenues of the Tamar Reservoir
–	**Royalties**	• Royalties to the State* at a rate of 12.5% wellhead revenues, in addition to overriding royalties at a rate of approx. 5.48%
–	**Operational expenses**	• Operational costs of 16.75% of the total reservoir management and operational expenses
–	**Sheshinski Levy**	• Payment of the Sheshinski levy after a return of 2 times the investment, in the R-factor method. The levy rises from 0% to 46.8%
–	**Tax**	• 23% corporate tax payment
+	**Depreciation (tax protection)**	• Depreciation on the total purchase cost (7.5%+9.25%)
–	**Capital Investments**	• Participation at a rate of 16.75% of the total capital investments required for the Tamar Project
=	**Free Cash Flow for Debt Service**	
–	**Interest expenses**	• Fixed interest at a rate of 4.69%
+	**Tax protection due to interest expenses**	• Interest expenses are recognized for tax purposes
–	**Principal Payments**	• Combination of amortization and clearance of the balance by way of refinancing
=	**Free Cash Flow for Dividend Distribution**	

*The rate of the royalty to which the State is entitled under the Petroleum Law: 12.5%, calculated according to the wellhead market value of the royalties; the effective royalty rate with the assumption of discounted cash flow : 11.5%; the royalty rate according to which Tamar partners paid advance payments for 2017: 11.65%.

Issuance Structure B Bonds

Debt Issuance

Amount of rated debt	$560 million
Channel	Dollar linked
Interest payment	Twice a year in the end of every February and August between the years 2018-2028 commencing from August 2018 until August 2028
Repayment of the Principal	21 different principal payments derived from the cashflow of the Tamar Reservoir between the years 2018-2028 First principal payment at a rate of approx. 3.26% on August 30, 2018 Last principal payment at a rate of approx. 46.38% on August 30, 2028 (out of which a principal payment of approx. 43% will be refinanced)
Gas remaining on the date of the refinancing	According to 2P: Approx. 200BCM*
Duration	Approx. 6.2 years
Rating	(P)A1.il
Interest	4.69%
Minimum price at the tender	To be released later
Early commitment fee	To be released later

* Assuming that the production up to the said date will be according to the quantities set forth in the discounted cash flow

Collateral and Financial Covenants

Midroog determines an A1.il (P) Rating[1] with a stable outlook for the senior debt (Series B) to be raised by Tamar Petroleum Ltd. In an amount of up to approx. $560 million.

Debt service reserve	• Until 2022: an amount equal at any time to 3 months of debt service • Commencing from 2022: an amount equal at any time to 6 months of debt service[2]
Designated reserve for reducing the risk of the refinancing	If before the repayment of the full senior debt, the Tamar project sold commencing on January 1, 2018 more than 130 BCM of the reservoir, the Company will provide an accrued cushion in the amount of $1.5 million for every BCM sold over the said 130 BCM. The mechanism will take effect, if it will be relevant, on March 31 of each year, based on the sales figures of the previous calendar year. The designated reserve will serve the Company, at its discretion, for prepayment of the debt
Financial covenants for a failure event	• Projected ADSCR coverage rate lower than 1.05 • Minimal equity – the Company's equity (as defined in the indenture) will be no less than an amount of $250 million[3] for two consecutive quarters. • Minimal economic equity – the Company's economic equity (as defined in the indenture) will be no less than $250 million for two consecutive quarters
Financial covenant for dividend distribution	• Projected ADSCR coverage rate lower than 1.20 • Historic ADSCR coverage rate lower than 1.20 • As a result of the distribution: the Company's minimal equity (as defined in the indenture) and the Company's economic equity (as defined in the indenture) will not be less than the aforesaid
Collateral	First ranking fixed charge for an unlimited amount on rights at a rate of 7.5% in the Tamar Lease, in JOA, in material agreements for the sale of gas, in bank accounts and more. All as specified in the indenture.

1. The debt rating is contingent, upon the fulfillment of the said conditions, the marking of the rating as contingent will be removed: 1) signed indenture 2) Due diligence inspection of the financial model 3) legal opinion regarding the legal structure.
2. Except for the last principal payment in which only an amount for the payment of interest will be deposited.
3. The equity is calculated to include the minority rights, net of the capital reserve recognized in the financial statements of the Company as of September 30, 2017 (the "Minimal Capital") plus loans which are inferior to the rights of the debtholders.

Thank You