

Tamar Petroleum Ltd.
(the "Company")

October 4, 2020

Israel Securities Authority
22 Kanfei Nesharim Street
Jerusalem 9546434

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

Via Magna

Dear Sir/Madam,

Re: **Execution of a supplement to the agreement for the supply of gas to Israel Electric Company Ltd.**

The Company hereby respectfully notifies that on October 4, 2020, the Company, Isramco Negev 2 Limited Partnership, Dor Gas Exploration Limited Partnership and Everest Infrastructures Limited Partnership (the “**Sellers**”) signed a supplement to the agreement for the supply of natural gas from Tamar reservoir to Israel Electric Company Ltd. (“**IEC**”), as described in Section 7.4.4(d) of the Company’s 2019 periodic report which was released on March 30, 2020 (Ref.: 2020-01-028765) (the “**Supply Agreement**” and the “**Supplement**”, respectively), updating the price of the quantities of natural gas that will be supplied to IEC, if any, over and above the minimum quantity billable according to the Supply Agreement, all as specified below.

In the Supplement, the other partners in the Tamar lease – Noble Energy Mediterranean Ltd. (“**Noble**”) and Delek Drilling Limited Partnership (“**Delek**”) were offered an option to join the Supplement within 60 days from the date of signing thereof. Notice of such option was sent to Delek Drilling and Noble by the Sellers in proximity to the date of signing of the Supplement. Insofar as Noble and/or Delek shall choose not to join the Supplement, the Sellers will supply to IEC the quantities nominated under the Supplement from their share in the reserves of the Tamar reservoir. In such a case, the ratio of the Seller’s gas supply out of the quantities sold under the Supplement, shall be higher than their holding rates in the reservoir.

The Supplement took effect upon the execution thereof, and will be in effect until July 1, 2021 (the “**Term of the Supplement**”).

The Supplement does not derogate from IEC’s commitment to purchase the minimum quantity billable according to the Supply Agreement and it does not include a commitment by IEC to purchase any quantity over and above the minimum quantity billable under the Supply Agreement.

The price of the natural gas that will be purchased by IEC according to the Supplement is lower than the price of gas under the Supply Agreement, and is not linked (the “**Basic Price**”). The Basic Price might decrease according to the mechanism prescribed by the Supplement, which is influenced by the quantity of gas that will be nominated by IEC according to the Supplement, subject to the approval of the Competition Authority of the said mechanism, or its written confirmation that such approval or consent thereby

are not required, or that in the present case a process of self-evaluation applies. If no such confirmation is received within 45 days, the Basic Price shall continue to apply in respect of all of the gas quantities purchased by IEC according to the Supplement.

In the Sellers' estimation, IEC is expected to purchase during the Term of the Supplement approx. 2 BCM of natural gas over and above the minimum quantity billable according to the Supply Agreement. If IEC will purchase the abovementioned expected quantity according to the Supplement, the aggregate income from the sale of natural gas to IEC (for 100% of the transaction) according to such estimation, may total c. U.S. \$290 million. It is emphasized that the actual revenues depend on a variety of factors, including the quantities of gas actually purchased by IEC under the Agreement and the Supplement.

Caution concerning forward-looking information:

The above estimations regarding the quantity that IEC is expected to purchase and the aggregate revenues from the sale of natural gas to IEC according to the Supplement as aforesaid, constitutes forward-looking information as defined in the Securities Law 5728-1968, which there is no certainty of the materialization thereof, in whole or in part, and which may materialize in a materially different manner, due to various factors including changes to the scope and timing of the consumption of natural gas by IEC, *inter alia* as a result of the purchase of gas and/or other energy sources from other suppliers, and/or as a result of changes to demand in the natural gas market or other factors which cannot be foreseen at this time and/or other factors over which the Company has no 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 Weissman, CEO and
Yuval Raikin, CFO