NewMed Energy – Limited Partnership
(the "Partnership")

August 7, 2025

To
Israel Securities Authority
Via Magna

To
Tel Aviv Stock Exchange Ltd.
Via Magna

Dear Sir/Madam,

Re: Transaction to Increase Natural Gas Export Volumes to Egypt

Further to Section 7.12.3(c) of Chapter A of the Partnership's 2024 periodic report, as released on 10 March 2025 (Ref. 2025-01-015633) (the "**Periodic Report**"), regarding negotiations for the sale of additional gas quantities to Blue Ocean Energy (the "**Buyer**"), the Partnership respectfully reports that on August 7, 2025, the holders of the interests in the Leviathan project (the "**Sellers**") engaged with the Buyer in an amendment to the export to Egypt agreement by and between the Sellers and the Buyer, of 26 September 2019, as amended from time to time (the "**Export Agreement**" and the "**Amendment to the Export Agreement**" or the "**Amendment**", respectively).

Below is a description of the highlights of the Amendment to the Export Agreement:

1. Under the Amendment, the total contract quantity under the Export Agreement shall be increased by two increments by a total volume of 130 BCM (jointly: the "**Additional Quantities**"), as specified below: (a) An additional gas quantity of ~20 BCM from the taking effect of the Amendment (the "**First Increment**"); and (b) An additional gas quantity of ~110 BCM, subject to satisfaction of the conditions specified in Section 3 below (the "**Second Increment**")[1].

2. The First Increment: The daily gas quantity that the Sellers are obligated to supply to the Buyer in the Export Agreement shall be increased from 450 MMSCF per day (~4.7 BCM per annum) to 650 MMSCF (~6.7 BCM per annum), from the date on which Israel Natural Gas Lines Ltd. ("**INGL**") completes the construction of the Ashdod-Ashkelon offshore section and the Sellers complete construction of the third pipeline project[2].

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[1] By 31 December 2024, the holders of the interests in the Leviathan project had supplied the Buyer with ~23.5 BCM out of a maximum contract quantity under the Export Agreement of ~60 BCM. For details, see Section 7.12.3 of Chapter A of the Periodic Report.
[2] For further details regarding the third pipeline project and the Ashdod-Ashkelon offshore section, see Sections 7.2.5(b)(1) and 7.13.2(b)(1) of Chapter A of the Periodic Report and Section 8(b) of the Board of Directors' Report which was included in the quarterly report as released on 12 May 2025 (Ref. 2025-01-032985).

3. The Second Increment: The Sellers' undertaking to supply the Second Increment is subject to satisfaction of the following conditions: (a) Adoption of a final investment decision (FID) by the Sellers regarding the expansion project in the context of the updated development plan for the Leviathan reservoir (the "**Expansion Project**")[3]; and (b) Engagement by the Sellers (or another on their behalf) with INGL in a transmission agreement for the Nitzana pipeline (collectively: the "**Conditions to the Second Increment**") for the supply of gas to the Buyer at the Delivery Point at the Israel-Egypt border. Insofar as the Conditions to the Second Increment are not satisfied by 30 September 2025, with an option for an extension for a period of up to an additional 6 months according to the Sellers' decision, the provisions of the Amendment to the Export Agreement that pertain to the Second Increment shall not take effect.

   Subject to satisfaction of the Conditions to the Second Increment, the daily supply quantity shall be increased to 1,150-1,250 MMSCF (~11.9-12.9 BCM per annum). It should be noted that this quantity was determined in consideration, *inter alia*, of the forecasted natural gas demand and supply of the Israeli domestic market, with the aim of guaranteeing the supply for the domestic market's needs.

   The Amendment to the Export Agreement determines a mechanism for the timing of commencement of the supply of the increased daily quantity (the "**Expansion Date**"), which is primarily based on the Sellers' estimate regarding the progress of the projects required for expansion of the daily supply quantity, and chiefly completion of phase one of the Expansion Project[4] and completion of the project for the construction of the Nitzana pipeline[5]. To the Sellers' assessment, as of the report date, the said projects are expected to be completed in 2029.

4. According to the Amendment to the Export Agreement, on the date of completion of the Ashdod-Ashkelon offshore section and the third pipeline project, the supply period shall be extended until 10 years after such date or until the date on which the Buyer shall consume the total contract quantity (i.e., including the First Increment), whichever is earlier. In addition, on the Expansion Date, the supply period shall be extended until 31 December 2040 or until the date on which the Buyer shall consume the total contract quantity (i.e., including the Second Increment), whichever is earlier. If, at the end of the supply period, the Buyer shall not have consumed the total contract quantity, the supply period shall automatically be extended until the date on which the Buyer shall consume the total contract quantity, provided that the extension period does not exceed an additional two years.

[3] For further details, see Section 7.2.5 of Chapter A of the Periodic Report.
[4] For further details regarding the phase one of the Expansion Project, see Section 7.2.5(b)(2) of Chapter A of the Periodic Report.
[5] For further details regarding the Nitzana pipeline, see Section 7.13.2(b)(5) of Chapter A of the Periodic Report.

5. The Amendment to the Export Agreement includes, *inter alia*, the following additional changes:

(a) The Buyer undertook to take or pay (TOP) for the Additional Quantities according to the mechanisms determined in the Amendment to the Export Agreement.

(b) The Buyer's right to reduce the TOP quantity in a year in which the average Brent price (as defined in the agreement) falls below $50 per barrel (see Section 7.12.3(c)(2)(c) of Chapter A of the Periodic Report), was cancelled;

(c) Provisions were determined regarding the price of the gas that shall be supplied to the Buyer under the Export Agreement as well as a price mechanism in relation to the gas quantities that shall be supplied in the context of the Second Increment, in accordance with a formula that is based on the Brent oil barrel price which includes a "floor price". The Partnership estimates that the total aggregate revenues from the sale of the Additional Quantities to the Buyer under the Amendment to the Export Agreement (100%) may total approx. U.S. $35 billion. This estimate is based, *inter alia*, on the assumption that the Buyer will consume the full Additional Quantities, as well as on the Partnership's estimates regarding the natural gas price and the Brent price during the supply period. It is clarified that in practice, the revenues shall be derived from a gamut of other factors which are beyond the Partnership's control.

(d) The current mechanism for updating the price (within the meaning thereof in Section 7.12.3(c)(2)(d) of Chapter A of the Periodic Report) shall apply to the outstanding quantities to be supplied under the original total contract quantity of the Export Agreement as well as to quantities to be supplied in the context of the First Increment. With respect to quantities that shall be supplied in the context of the Second Increment, a similar mechanism shall apply for updating the price by up to 10% (up or down) after the fifth year (to the Sellers' assessment on 2035) and after the tenth year from the Expansion Date (to the Sellers' assessment on 2040), while in a case where the parties do not reach agreements regarding the price update as described above, each one of the parties shall be entitled to reduce the outstanding daily gas quantity to be supplied under the Amendment, as specified in Section 3 above, by up to 30% on the first adjustment date and up to 30% on the second adjustment date;

(e) The Buyer's right to terminate the Export Agreement in the event of termination of the export agreement between the Buyer and the holders of the interests in the Tamar project (see Section 7.12.3(c)(2)(e) of Chapter A of the Periodic Report), was canceled.

6. The entrance into effect of the Amendment to the Export Agreement is subject to satisfaction of conditions precedent which include, *inter alia*,

receipt of the approvals required from the parties' competent organs, receipt of the regulatory approvals required for the supply of the Additional Quantities to the Buyer, including export approval and a ruling in favor of the Sellers from the tax authorities (insofar as required), the Sellers' engagement in arrangements with providers of transmission services in connection with the transmission of the Additional Quantities to the Buyer, and the Buyer's engagement in an arrangement for transmission of the Additional Quantities via the EMG pipeline. Insofar as the conditions precedent are not satisfied by 30 September 2025, the Sellers shall be entitled to extend the said deadline by an additional 30 days. Insofar as the conditions precedent are not satisfied by the end of the said period, each one of the parties will be entitled to terminate the Amendment to the Export Agreement by prior notice of 7 days.

Following the signing of the Amendment to the Export Agreement, the Sellers promote the process of obtaining the export permit for the Additional Quantities, and to work towards adopting the FID in Q4/2025. The Sellers submitted to the Petroleum Commissioner at the Ministry of Energy and Infrastructure ("**Petroleum Commissioner**") an application for an export permit in accordance with the terms and conditions of the Amendment to the Export Agreement. As of the report date, the said approval has not yet been received[6].

Caution concerning forward-looking information: The information presented in this report pertaining to the Amendment to the Export Agreement which relates, *inter alia*, to expansion of the total contract quantity, expansion of the daily gas quantity, the estimated amount of the revenues that shall derive from the sale of the Additional Quantities, completion of the Ashdod-Ashkelon offshore section, completion of the third pipeline project, completion of the Expansion Project, completion of the Nitzana pipeline project, adoption of a final investment decision (FID) by the Sellers regarding the Expansion Project, engagement by the Sellers (or another on their behalf) with INGL in a transmission agreement for the Nitzana pipeline, receipt of the required regulatory approvals, including export approval, and the Buyer's engagement in an arrangement for the transmission of the Additional Quantities in the EMG pipeline, and the possibility for timely satisfaction of all of the conditions to the taking effect and performance of the Amendment to the Export Agreement (collectively: the "Conditions to the Transaction"), constitute forward-looking information, within the meaning thereof in Section 32A of the Securities Law, 5728-1968. It is emphasized that as of the report date, satisfaction of the Conditions to the Transaction is uncertain, and there is therefore no assurance that the total contract quantity and the daily gas quantity will actually be increased in accordance with the

[6] For details regarding an in-principle application by the holders of the interests in the Leviathan project to the Petroleum Commissioner in connection with expansion of the natural gas export volume produced from the Leviathan reservoir and the Commissioner's response of 18 April 2024, see Section 7.2.5(d) of the Periodic Report.

Amendment to the Export Agreement, as specified herein, and even if the conditions are satisfied, there is no assurance regarding the timing thereof or the date on which the production quantities will be increased (if at all). Satisfaction of the Conditions to the Transaction and materialization of the possibility of increasing the total gas quantity and the daily quantity as well as the timing thereof, are dependent and contingent on many factors that are not within the control of the Partnership alone (or at all), and in this context are contingent on the results of multidisciplinary feasibility studies, which include the preparation of current geological and economic models with the assistance of the Partnership's professional advisors, *inter alia* with the aim of examining how the significant capital investments that shall be required of the holders of the interests in the Leviathan projects in the coming years in order to enable a significant increase in the daily production volume in the longer term, may affect the Partnership's net profit in the different timeframes and the value of the Leviathan reservoir, in addition to the approvals and actions required of third parties, including, *inter alia*, the State and INGL. The said studies and all of the other Conditions to the Transaction have not been completed or satisfied as of the date of this report, and the likelihood of satisfaction of all or part of the conditions to performance of the transaction cannot be assessed. In addition, the materialization of one or more of the risk factors specified in the "Risk Factors" chapter (in Section 7.30 of Chapter A of the Periodic Report) may have a material effect on the prospects of the closing of the transaction.

The holders of the interests in the Leviathan project and their holding rates are as follows:

The Partnership	45.34%
Chevron Mediterranean Limited	39.66%
Ratio Energies – Limited Partnership	15.00%

Sincerely,

NewMed Energy Management Ltd.
General Partner of NewMed Energy – Limited Partnership
By Yossi Abu, CEO
Saar Prag, VP Trade