

# RATIO ENERGIES

## LIMITED PARTNERSHIP

INVESTORS PRESENTATION  
MAY 2022







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# RATIO ENERGIES AT A GLANCE

An experienced E&P player with strong entrepreneurial qualities, and part of Ratio group

**PROSPECT GENERATOR** of the largest natural gas discovery in the Med-Sea

**15%** WI in **LEVIATHAN FIELD**

Natural Gas

**631**

**BCM<sub>(GROSS)</sub><sup>1</sup>**

NGL (Condensate)

**49**

**MMBBL<sub>(GROSS)</sub><sup>1</sup>**

Production Capacity

**1.2**

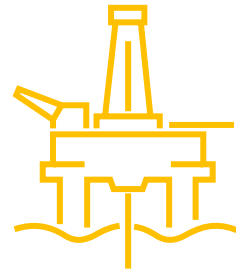
**BCF/d**

4 wells

Carbon Intensity

**2**

**Kg/bbl**



**30 YEARS**  
of activity

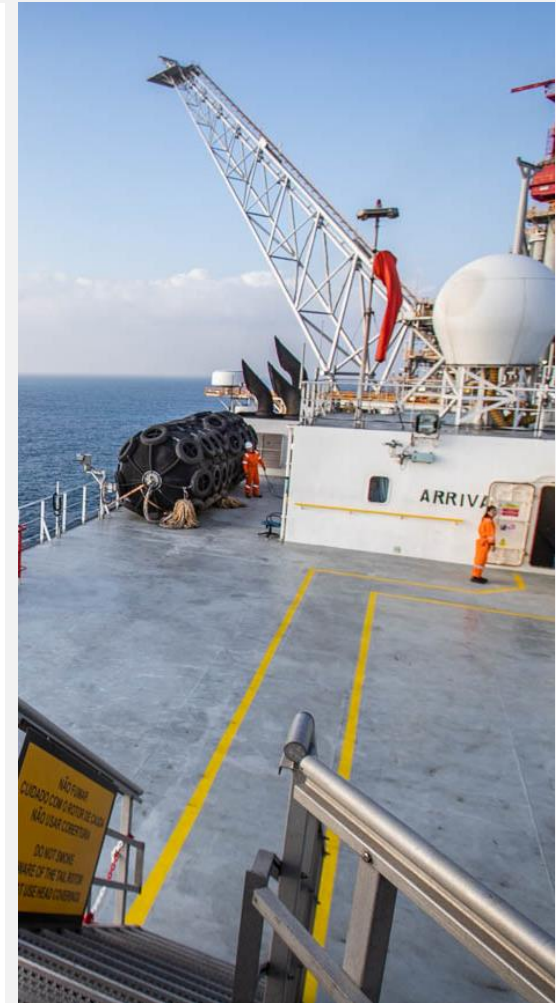
**888**  
\$M

Market Cap on  
29/05/2022

Main  
Indexes

**TA-90**  
**TA-125**  
**TA-Oil & Gas**

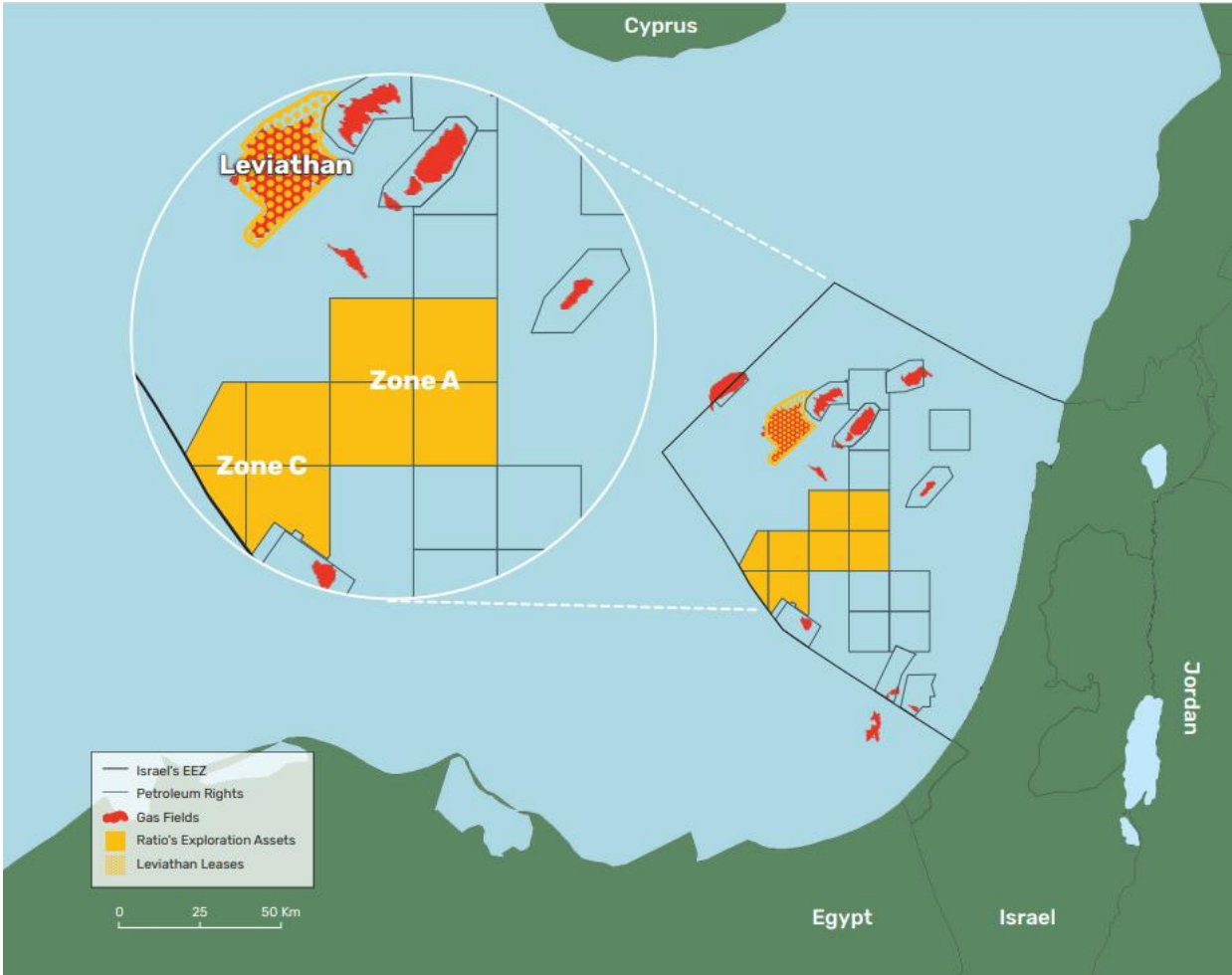
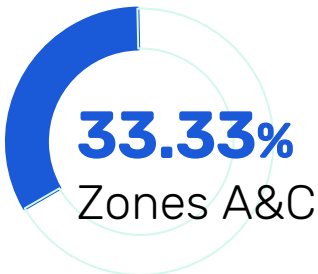
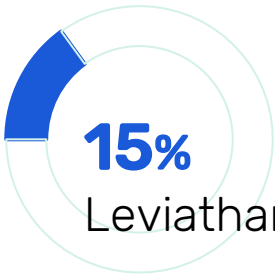
	Q1 2022	Q1 2021	% Change
<b>Revenues</b>	<b>\$82M</b>	<b>\$72M</b>	<b>+14%</b>
<b>EBITDA</b>	<b>\$56M</b>	<b>\$50M</b>	<b>+12%</b>



# OUR ASSETS



## Our Assets



## Our Partners



# NATURAL GAS WILL CONTINUE TO BE A PRIMARY ENERGY SOURCE IN THE COMING DECADES



## Energy Transition

Natural gas will play a key role over the next decades in global efforts to reduce GHG emissions



## Economic recovery from COVID-19

Led to a sharp growth in energy demand



## Global Energy Crisis

Energy supply did not meet rising demand



## Green Energy

The EU proposed to classify Natural gas as green energy



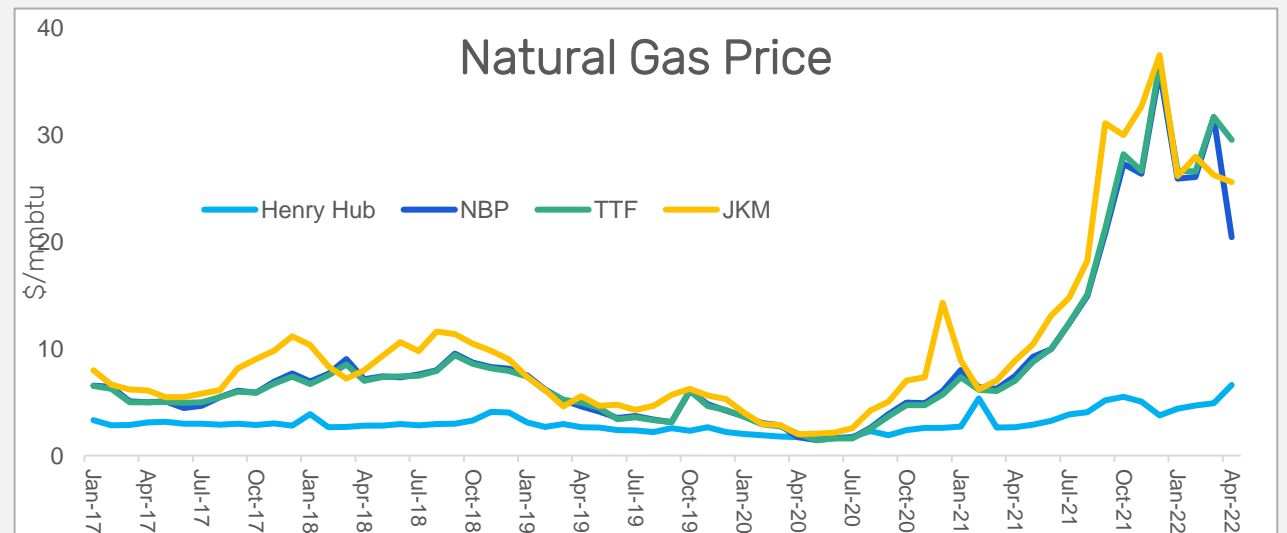
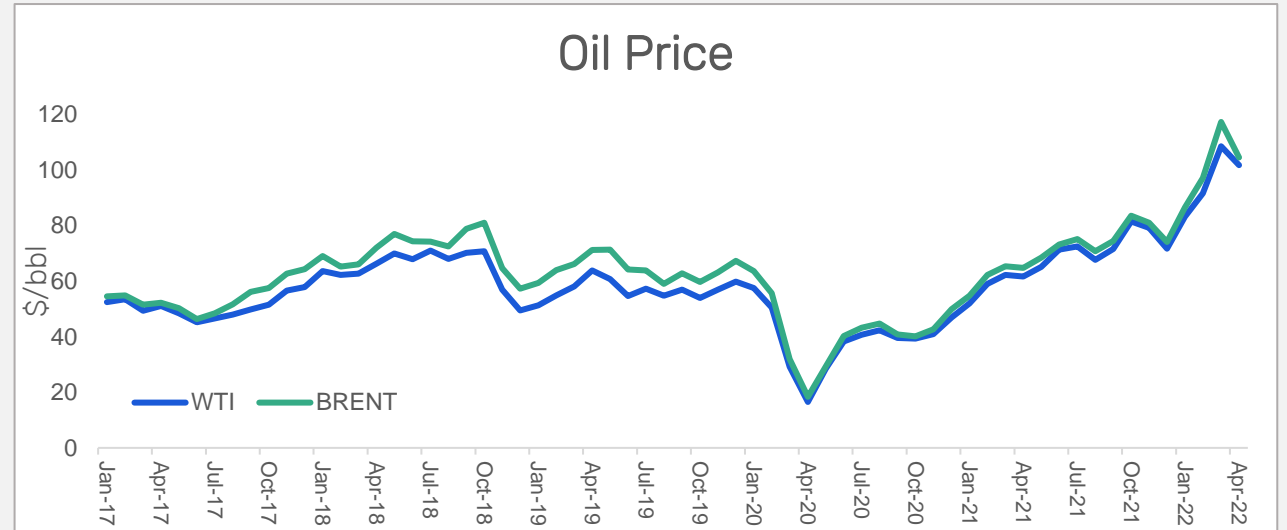
## Russia-Ukraine Crisis

Deepened the energy crisis; Expectation for structural changes in EU energy demand



## Energy Security for Israel

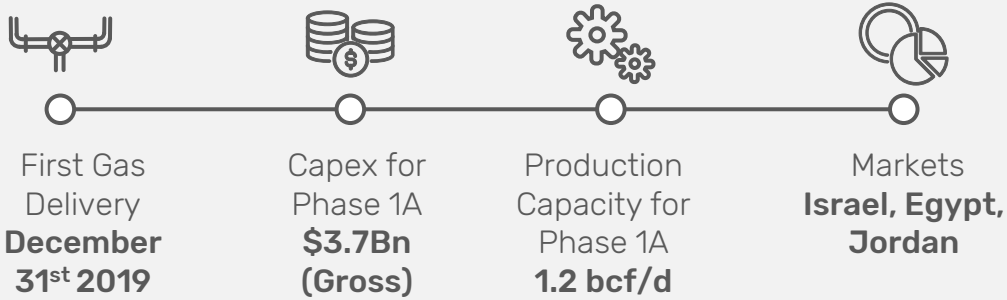
Reliable supply and stable prices amid a global energy crisis



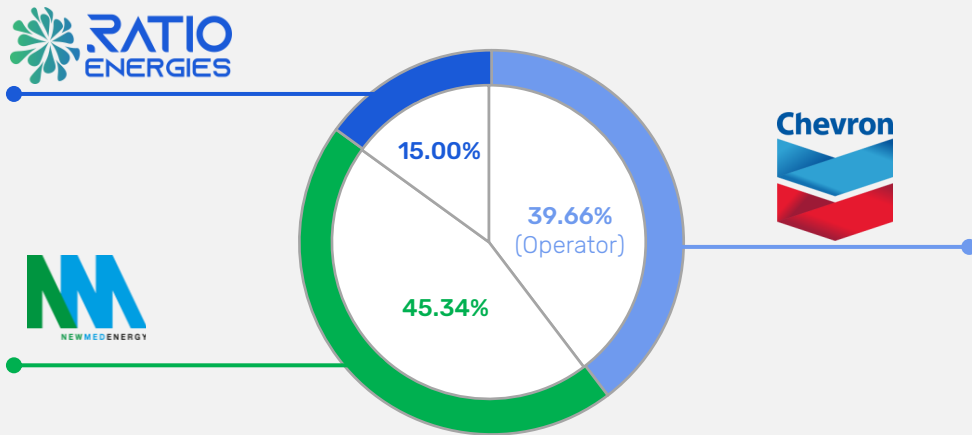


# LEVIATHAN PROJECT

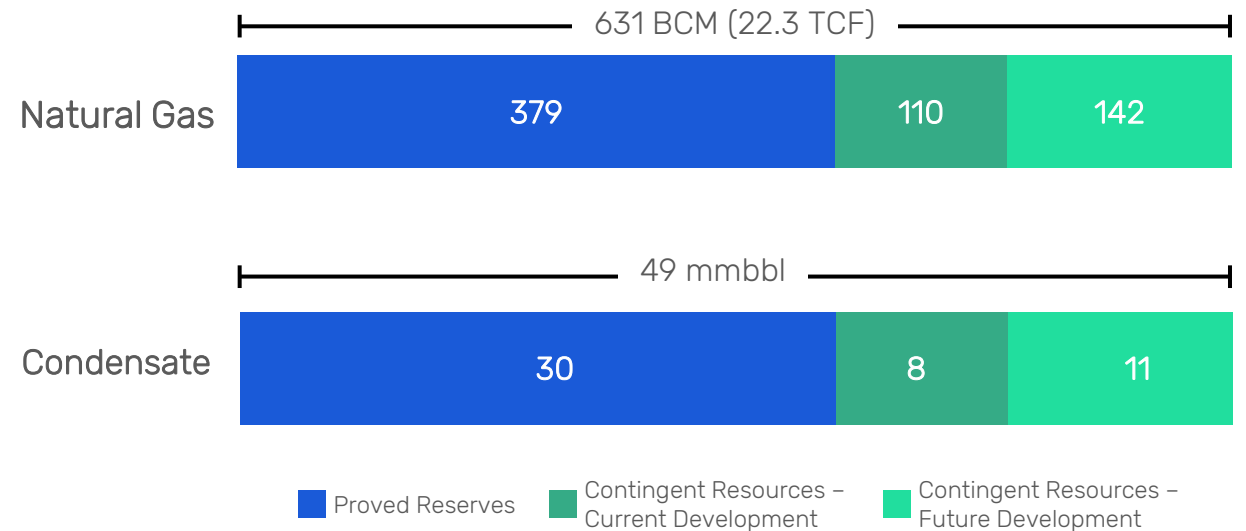
A regional energy anchor with extensive strategic significance



## Ownership Structure

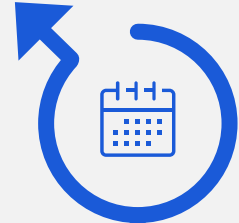


## Gross Reserves & Resources<sup>1</sup>

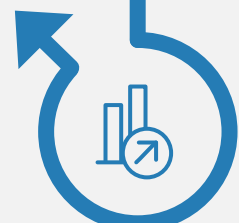


<sup>1</sup> As per the Partnership's immediate report dated February 20, 2022, based on NSA's 2P+2C as of 31.12.2021; Not including Prospective Reserves in deep Leviathan prospects

# LEVIATHAN EXPANTION ALTERNATIVES



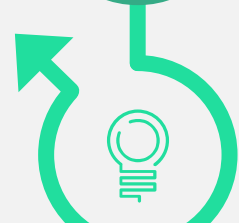
Several development alternatives being considered; concept selection expected during 2022



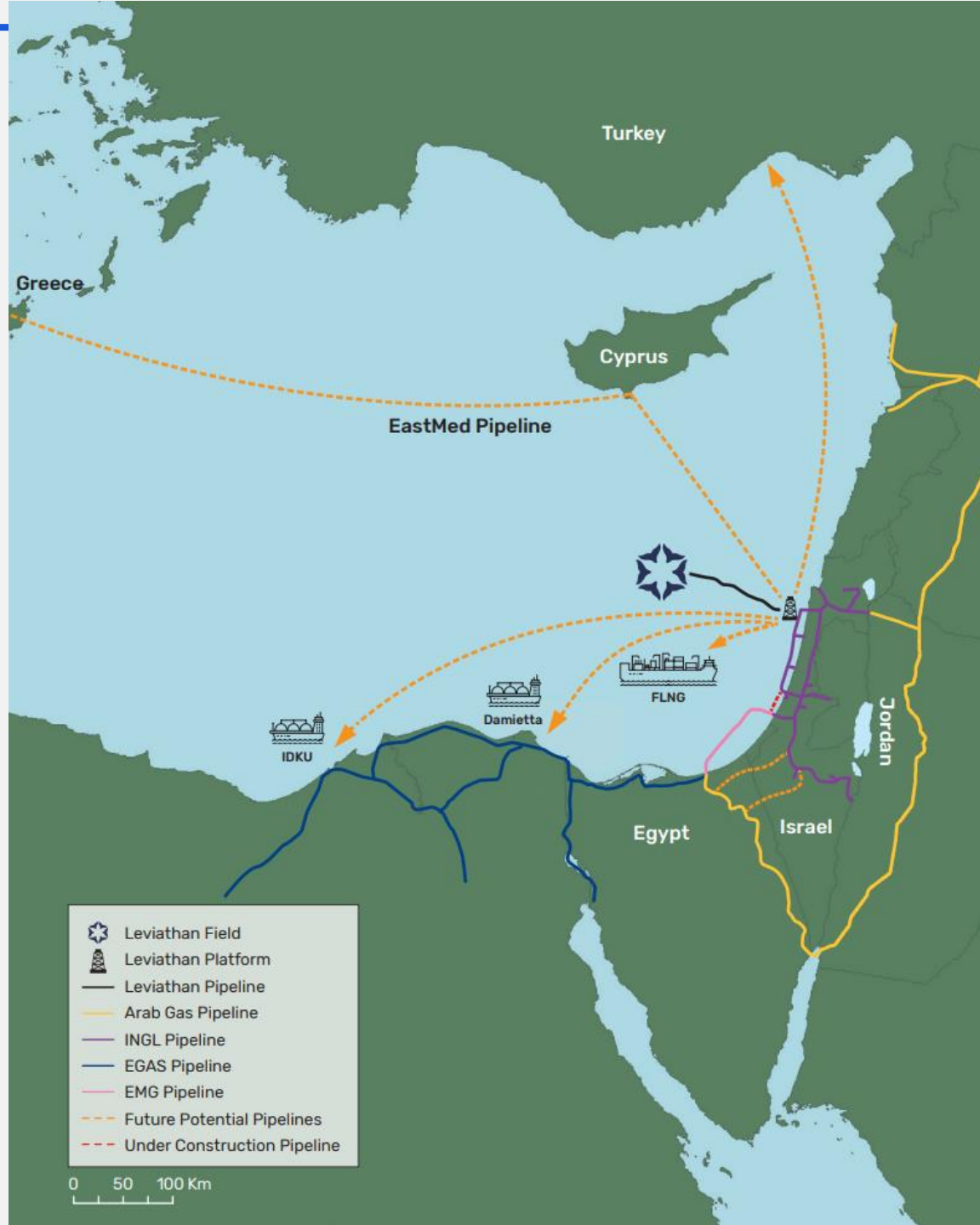
Approved development plan to increase annual production capacity to ~ 21 BCM/A



Phase 1B will increase Leviathan's exposure to the global LNG market



Further long-term potential expansion phases



## Diverse Export Infrastructure Alternatives



Offshore pipeline to LNG facility in Egypt



FLNG



EastMed Pipeline

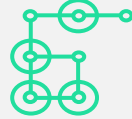


# LEVIATHAN'S MARKETING STRATEGY

Proven long-term regional and global strategy



Strategically located in the East Med, well positioned to take advantage of increasing regional & global natural gas demand



Utilizing current infrastructure, while evaluating new infrastructure developments for export aiming to maximize regional and global sales opportunities



Signed GSPAs with a balance of Firm (long-term), Spot and Interruptible contracts



Material GSPAs include Take or Pay commitments and floor price protection



Ongoing negotiations with additional potential consumers, focusing on export markets

## DIVERSIFIED CUSTOMER PORTFOLIO

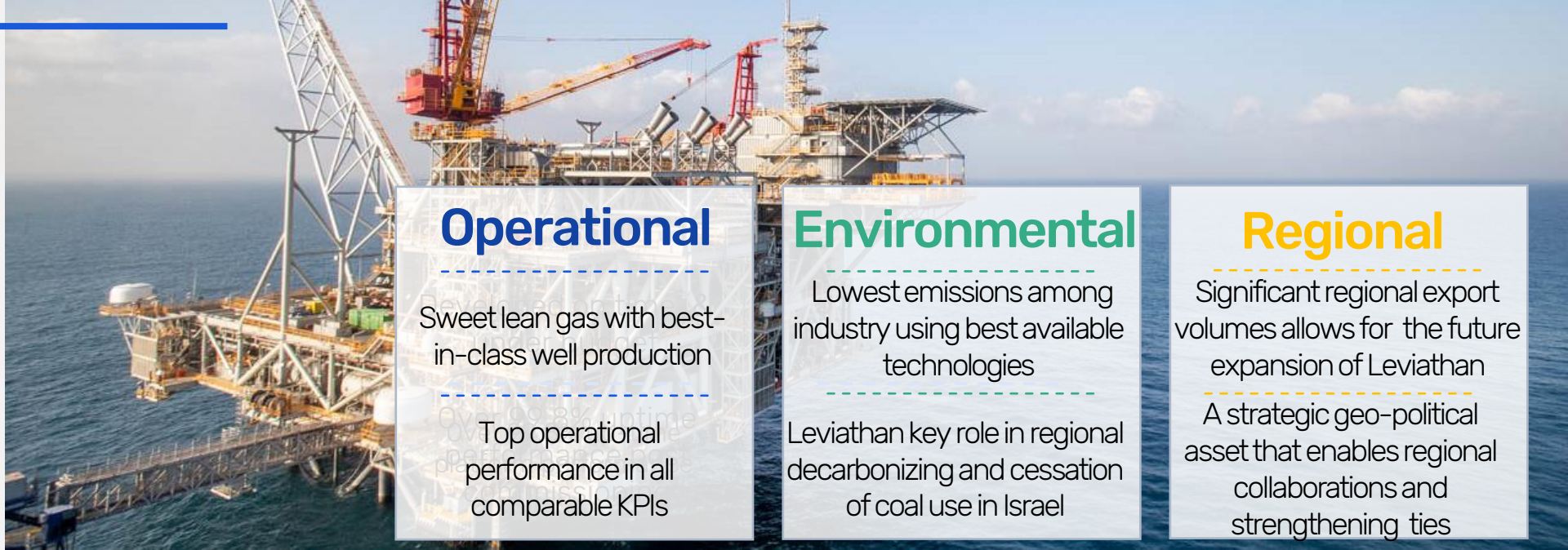


Firm GSPAs to date amount to total quantity of c. 150 BCM



# LEVIATHAN HIGHLIGHTS

World class asset, top quality reservoir



## Operational

Sweet lean gas with best-in-class well production

Top operational performance in all comparable KPIs

## Environmental

Lowest emissions among industry using best available technologies

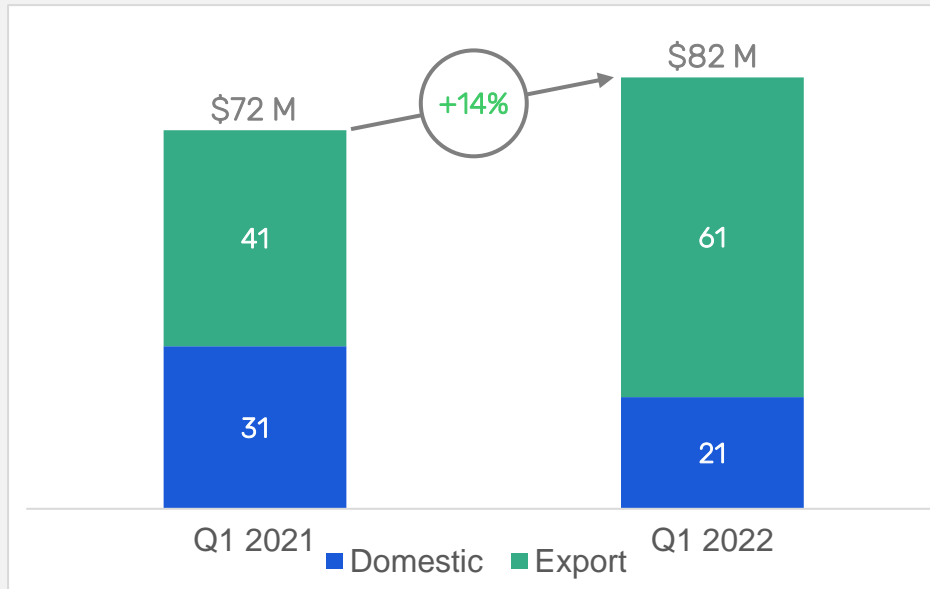
Leviathan key role in regional decarbonizing and cessation of coal use in Israel

## Regional

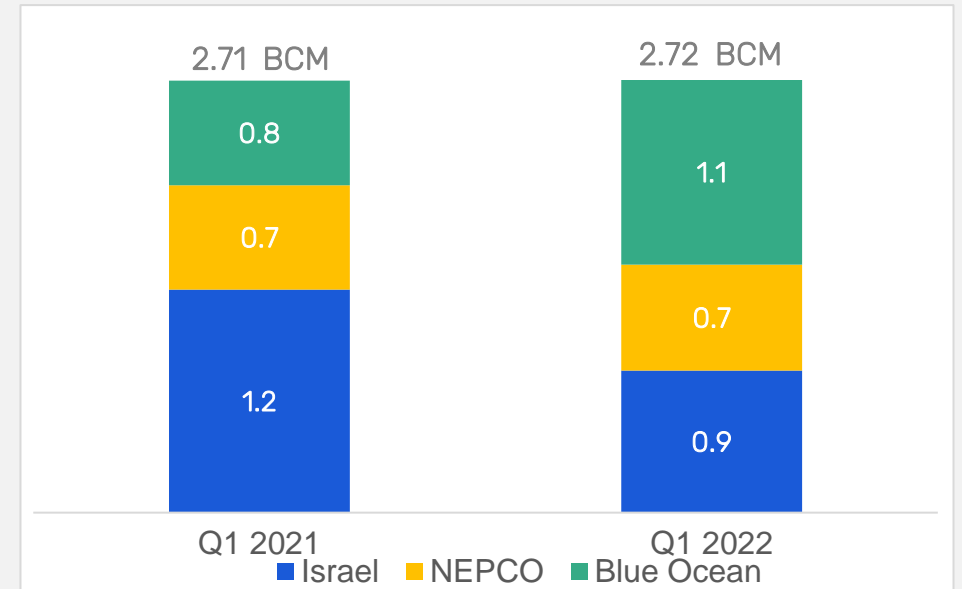
Significant regional export volumes allows for the future expansion of Leviathan

A strategic geo-political asset that enables regional collaborations and strengthening ties

## 14% increase in revenue YoY



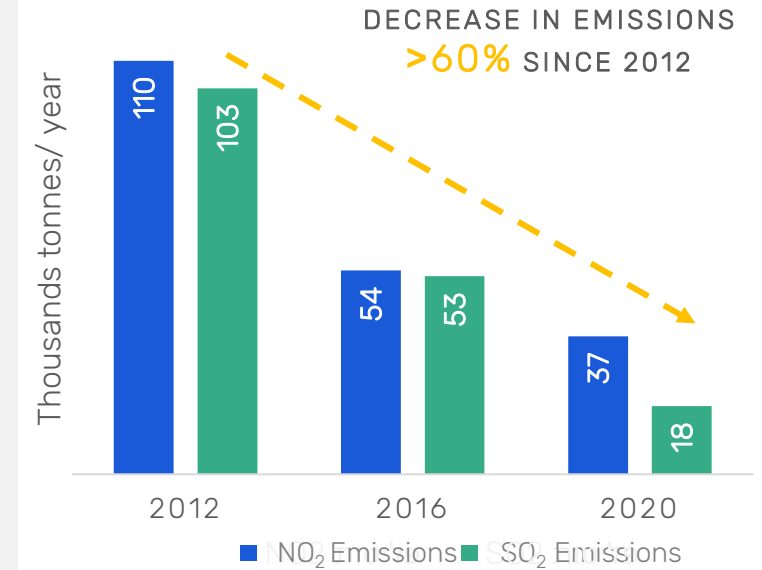
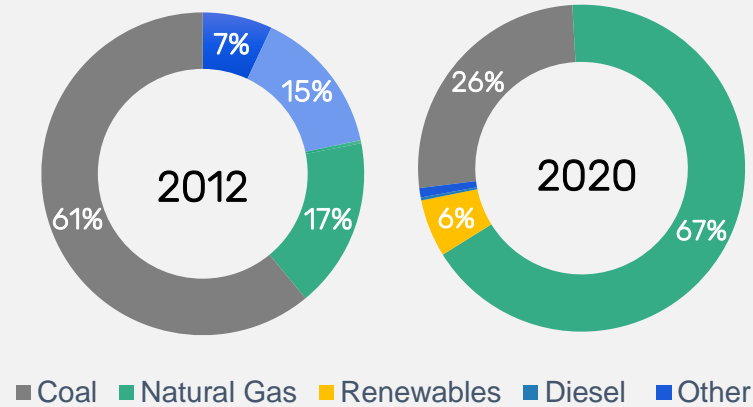
## Robust demand for NG in all markets



# NATURAL GAS USE AFFECT ON REDUCING AIR POLLUTANTS

Significant reduction in pollutant emissions in the electricity sector thanks to the entry of natural gas and the reduction of coal use, **despite a 15% increase in electricity production since 2012**

Power Generation Fuel Mix



Natural gas plays a key role in the **ENERGY TRANSITION** in Israel and around the world to achieving 2050 **NET ZERO EMISSION** targets

**LEVIATHAN** accelerated the **cessation of coal** in Israel and will help to meet the target to end coal usage until 2025

**LEVIATHAN PROJECT** operates with the highest standards in the industry of **environmental monitoring & control**







**Financial  
Overview**

# Q1 2022 HIGHLIGHTS:

Record Revenue: **\$82M**

Production Of **2.7 BCM**  
Of Which **67%** Sold to Export Markets

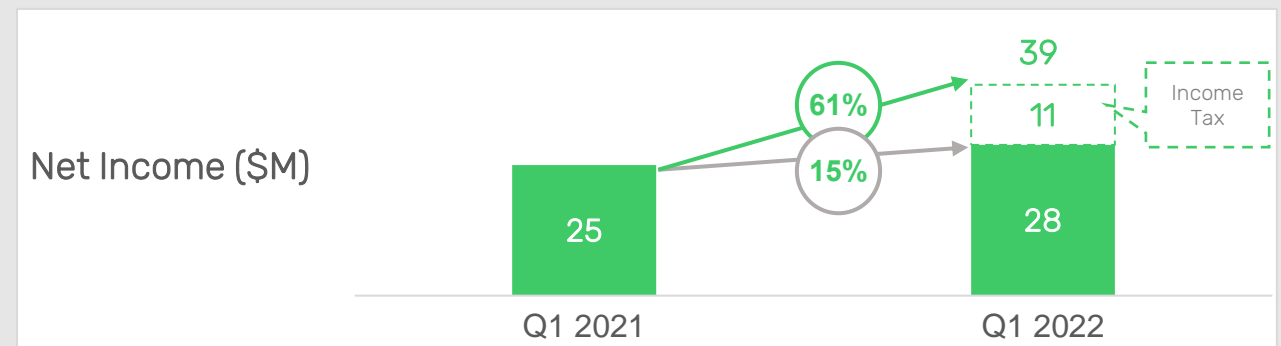
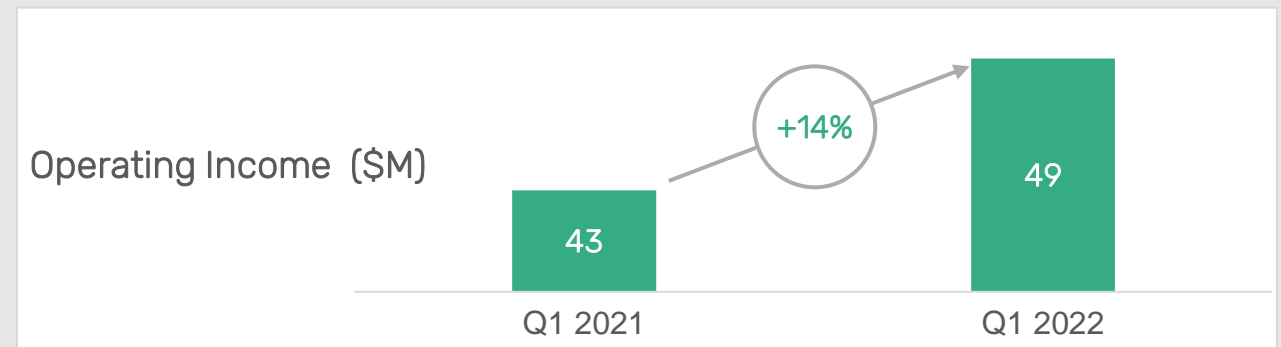
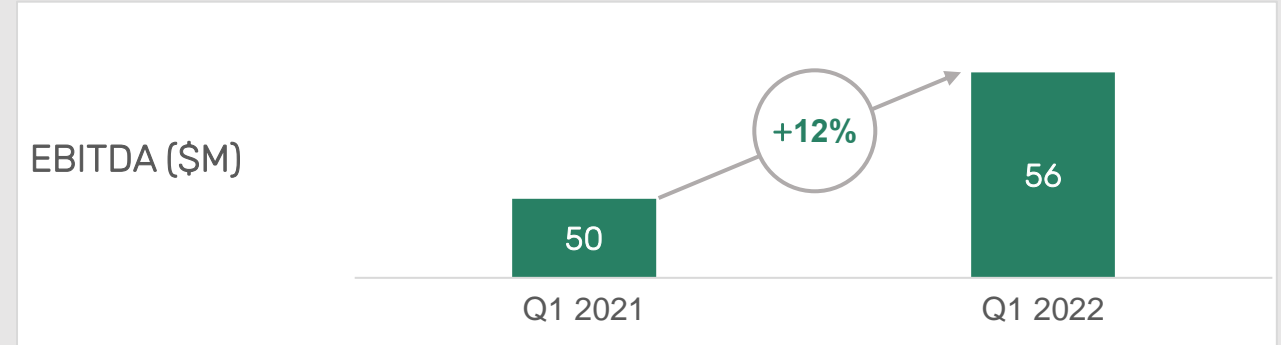
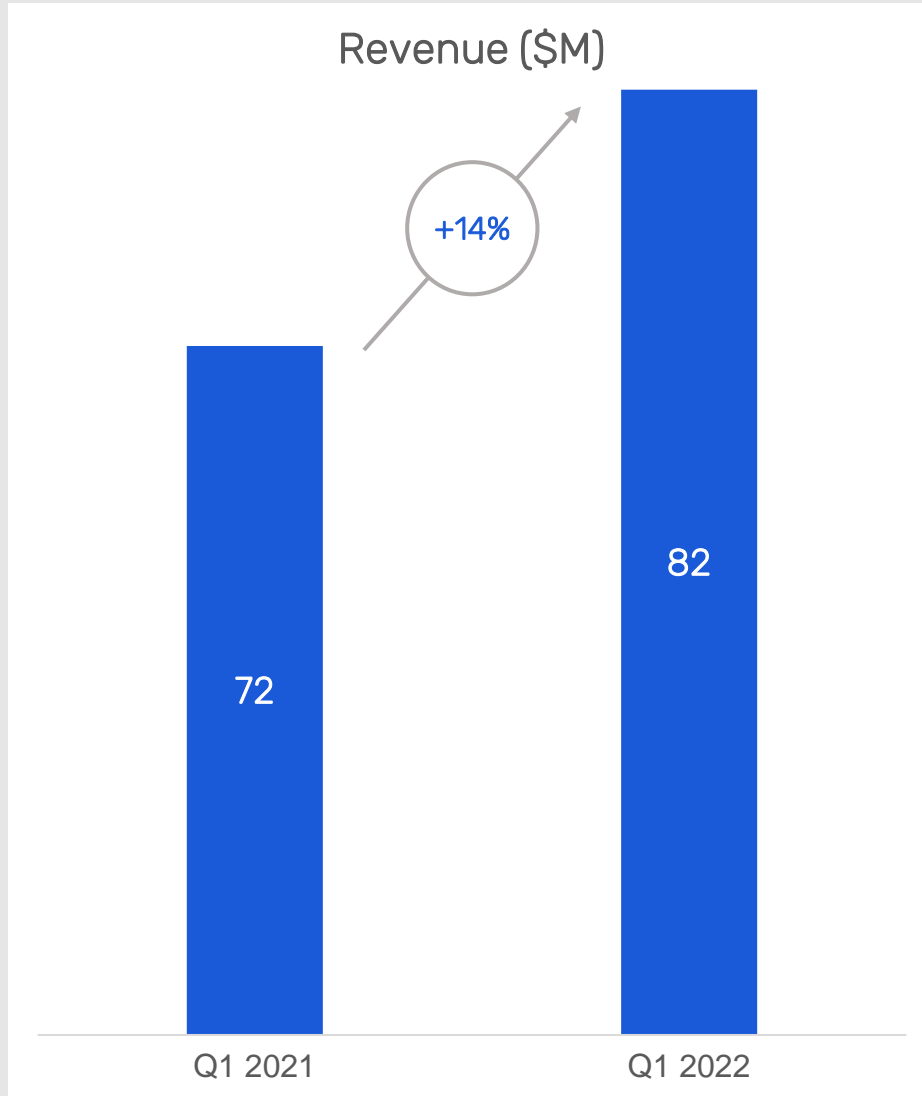
Average Price of **\$5.6/MMbtu**

**Maximizing Export Volumes:**  
First Export through FAJR pipeline to Egypt  
Ongoing Work at INGL Ashdod-Ashkelon to Increase Capacity

**Leviathan 8** Drilling Operations – 5<sup>th</sup> Producing well



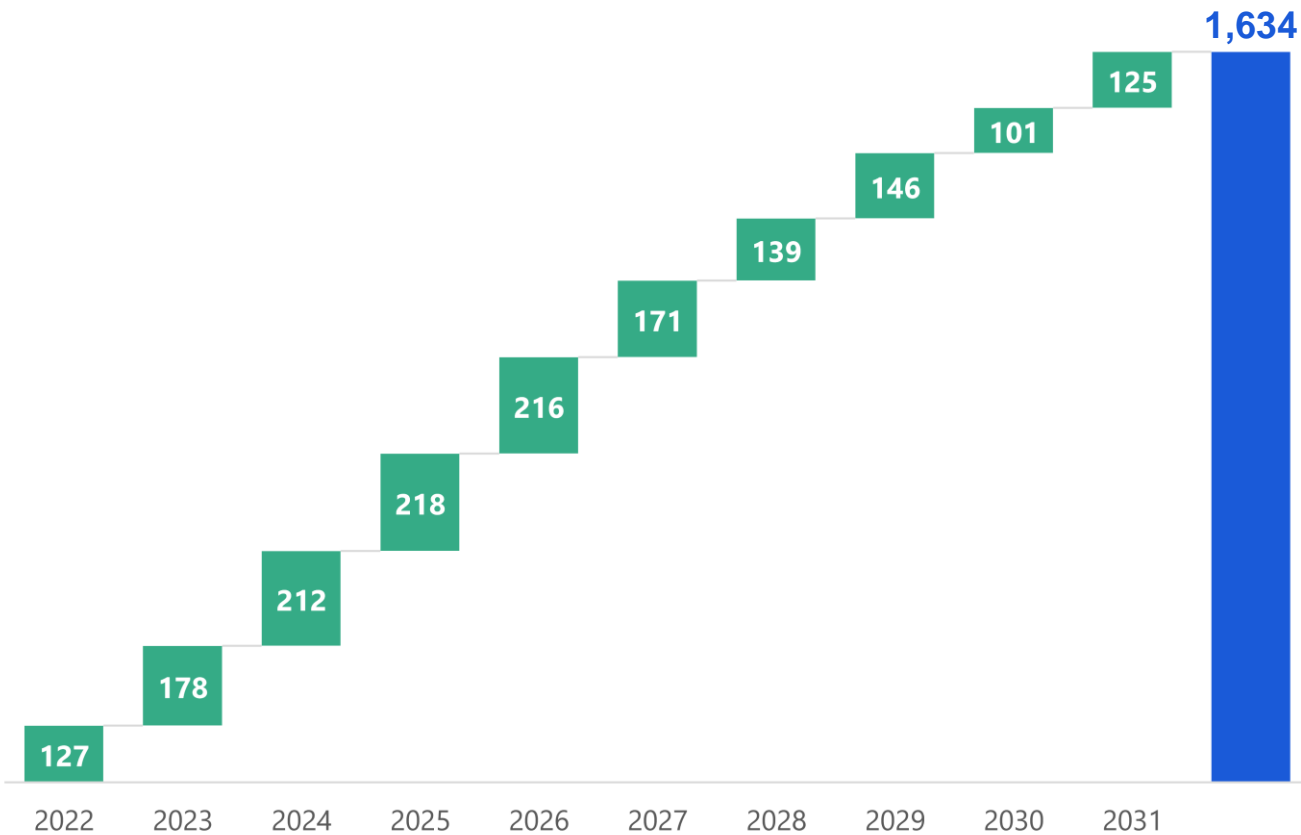
# Q1 ROUNDUP: IMPROVEMENT ON ALL FINANCIAL METRICS



# HIGH DEBT SERVICE CAPACITY

Cumulative UFCF<sup>1</sup> > \$1.6Bn (2P+2C)

Expected sales of ~117 BCM over the next 10 years



As Of  
March 31, 2022



**Strong liquidity  
and conservative  
leverage profile**

**\$222M**

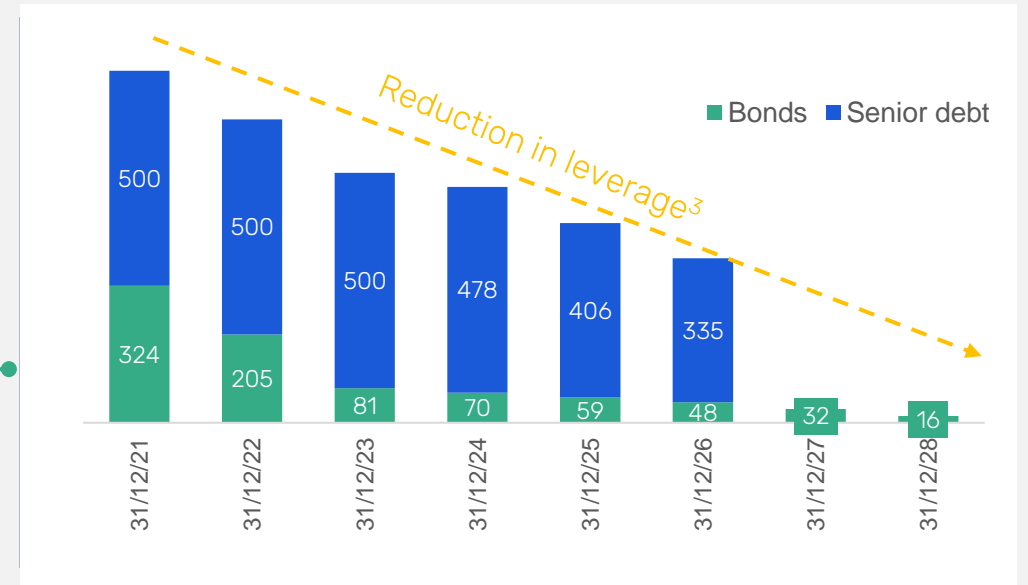
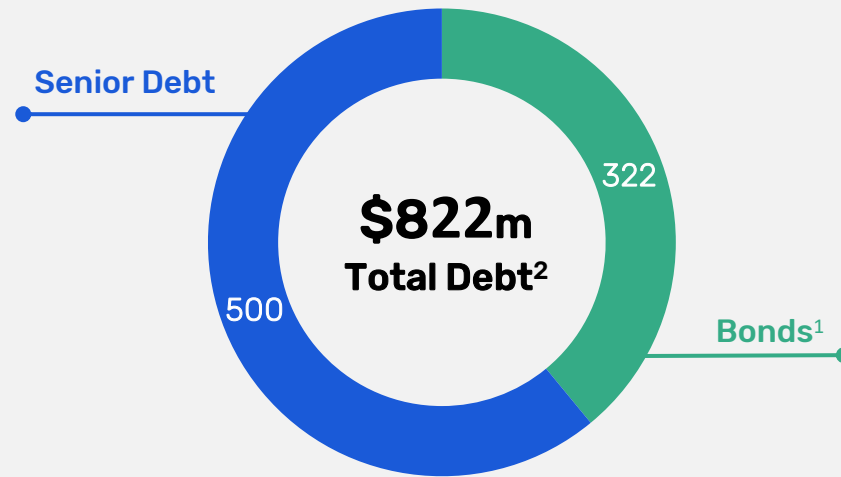
Cash & Cash  
Equivalents<sup>2</sup>

**\$(610)M**

Net Debt



# OPTIMAL DEBT STRUCTURE AND HIGH FINANCIAL FLEXIBILITY



## OPTIMIZATION OF CAPITAL STRUCTURE

Financial structure ready for future growth

Long-term debt planning to align with projected cash flow

Expect first profit sharing based on 2022 results



## SENIOR DEBT FLEXIBILITY

Attractive interest rate of LIBOR+3.5%

Principle 3-year grace (2024)

\$300-350M end of period (2027) Balloon

Early repayment option without penalty

Available \$450M facility for future expansion



## HIGH DEBT REPAYMENT CAPABILITY

Balanced debt mix of bank and capital market financing

Principal payments of bonds series B & C during 2021-2023, in accordance with preliminary planning, upon commencement of production

Issued long-duration series D bond in July 2021 with expansion option



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