



Ratio Energies – Limited Partnership
(the “Partnership”)

January 19, 2023

To
Israel Securities Authority
22 Kanfei Nesharim St.
Jerusalem

To
Tel Aviv Stock Exchange Ltd.
2 Ahuzat Bayit St.
Tel Aviv

Dear Sir/Madam,

Re: Agreement for the Sale of Condensate from the Leviathan Reservoir

Further to the periodic report of the Partnership of September 1, 2022 (Ref. no.: 2022-01-091311) and Section 1.7 of Part A of the Board of Directors report which was included in the Q3/2022 report of the Partnership, as released on November 30, 2022 (Ref. no.: 2022-01-115422) regarding an agreement for the transmission of condensate produced from the Leviathan reservoir, which was signed between Chevron, as operator of the Leviathan project, and Energy Infrastructures Ltd. ("PEI" and the "**Transmission Agreement**", as applicable), the Partnership hereby respectfully announces that on January 18, 2023, the partners of the Leviathan project, including the Partnership (the "**Sellers**") entered into an agreement with Paz Ashdod Oil Refinery Ltd. ("**Paz**") for the sale of condensate to Paz (the "**Agreement**"), the main provisions of which are as follows:

1. According to the Agreement, the Sellers undertook to provide to Paz, condensate that is produced from the Leviathan reservoir, which will be transferred through PEI's systems to Paz Oil Refinery facility in Ashdod.
2. The Agreement stipulated, *inter alia*, provisions regarding limitations on the maximum quantities (on a daily and monthly level) of the condensate to be supplied to Paz, fines in the event of a breach of the provisions of the Agreement, and other provisions as customary in agreements of such type.
3. The flow of the condensate to Paz will begin on the date of completion of the work according to the Transmission Agreement and upon adjustment of PEI pipeline (the "**Flow Commencement Date**") and will continue for a period of 4 years. In the Partnership's assessment, the Flow Commencement Date will be during Q4/2023, subject to the fulfillment of the closing conditions of the Transmission Agreement.

4. The price to be paid to the Sellers was determined according to the price of a Brent oil barrel less a margin, in a graduated manner, as specified in the Agreement.
5. The Sellers estimate that the total amount of revenues that will accrue to the Sellers from the Agreement may amount to approx. \$200 to \$300 million (the Partnership's part approx. \$30 to \$45 million), based on the level of Brent prices on the date hereof. It is clarified that there is no certainty regarding the Flow Commencement Date, the extent of the condensate to be produced and sold, and that the actual revenues will be derived from a set of factors, including from the quantities of condensate that will be produced and sold to Paz and from Brent prices.

Caution concerning forward-looking information:

The information specified above in connection with the Agreement, including with respect to the Flow Commencement Date, the scope of revenues that is expected to be derived from the Agreement, constitutes forward-looking information, within the meaning thereof in the Securities Law, 5728-1968, and there is no certainty that it will be realized, in whole or in part, and it may be realized in a significantly different manner due to various factors, that are not under the Partnership's control, including an unusual delay in the completion of the work on PEI's pipeline, changes in the scope, rate and timing of condensate consumption by Paz, and the price of condensate to be determined in accordance with Brent prices.

The rights holders in the Leviathan project, and their holding rates are as follows:

The Partnership	15.00%
NewMed Energy – Limited Partnership	45.34%
Chevron Mediterranean Limited	39.66%

Sincerely,

Ratio Energies Management Ltd.

General Partner of Ratio Energies - Limited Partnership

By Ligad Rotlevy, Chairman