

RATIO OIL EXPLORATION (1992) LIMITED PARTNERSHIP

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INVESTORS PRESENTATION
OCTOBER 2018
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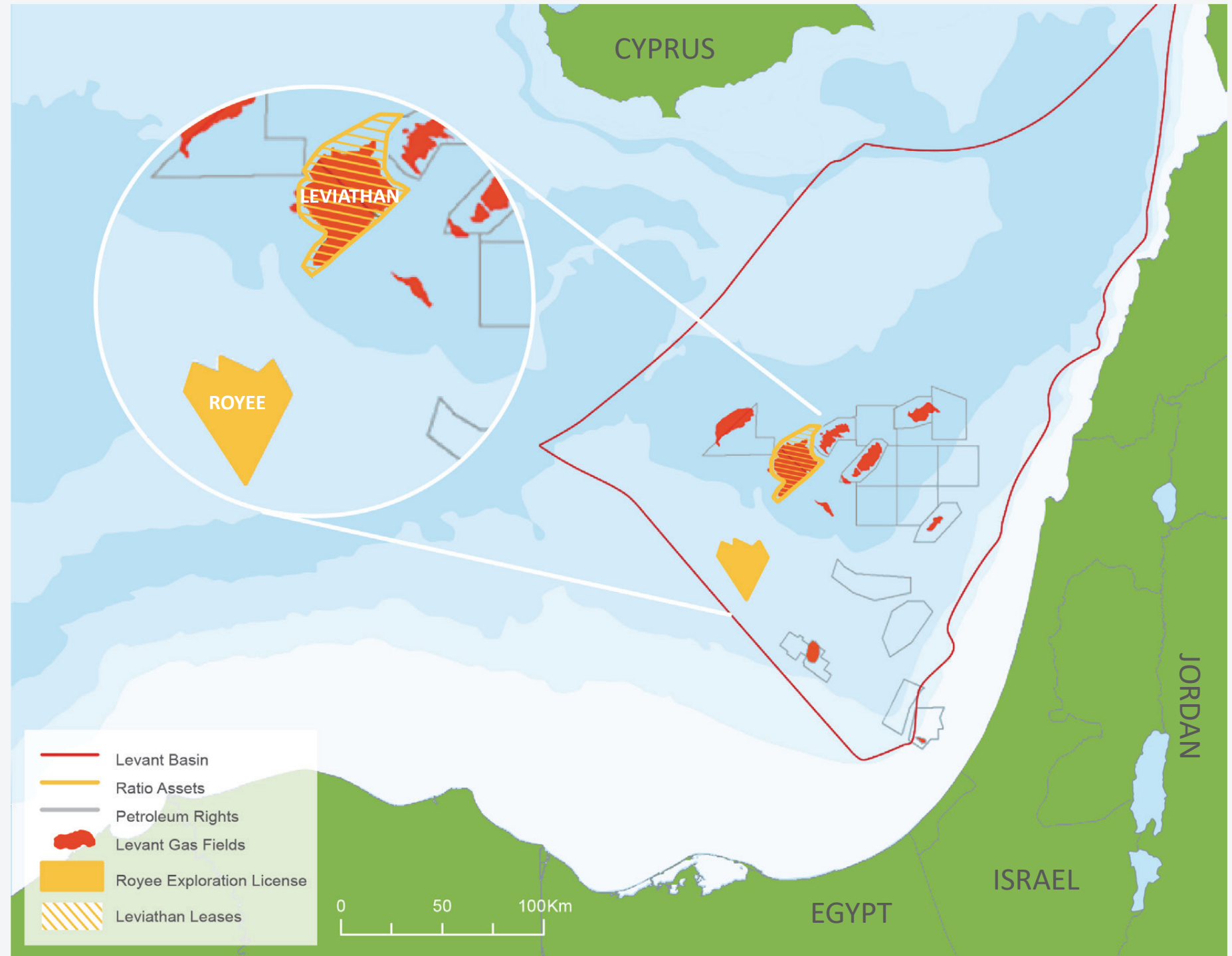
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RATIO's ASSETS

Experienced Israeli E&P player, focused on deep-water hydrocarbon exploration & development in the East Med.



LEVIATHAN FIELD

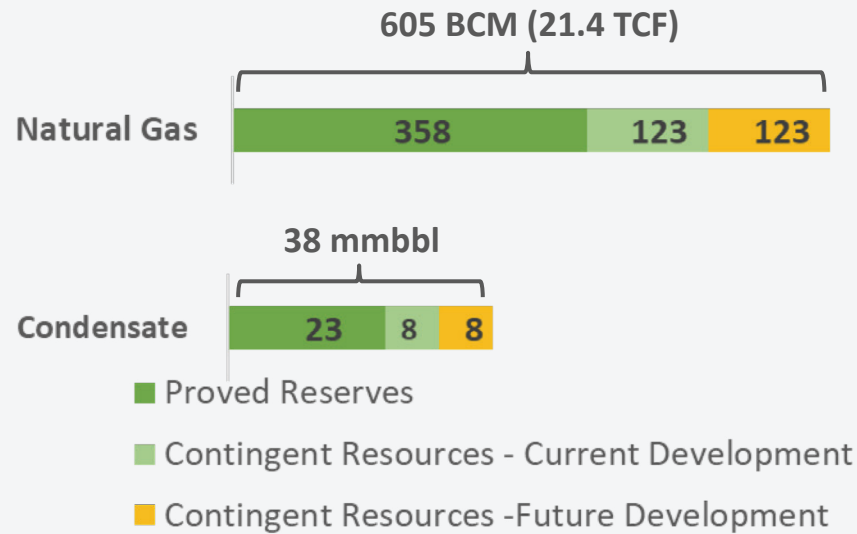
World class asset in terms of quantity, quality and potential for high production delivery.

Leviathan is a regional energy anchor.

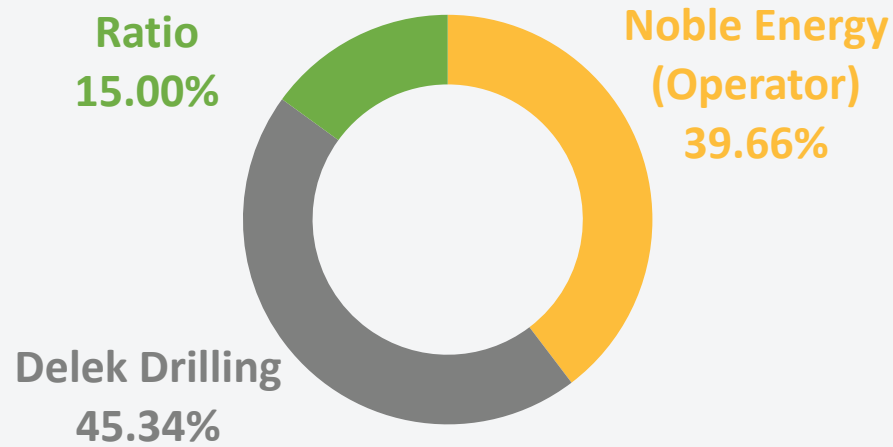
Visit our newly established Leviathan Project website:
<https://www.leviathanproject.co.il/eng>



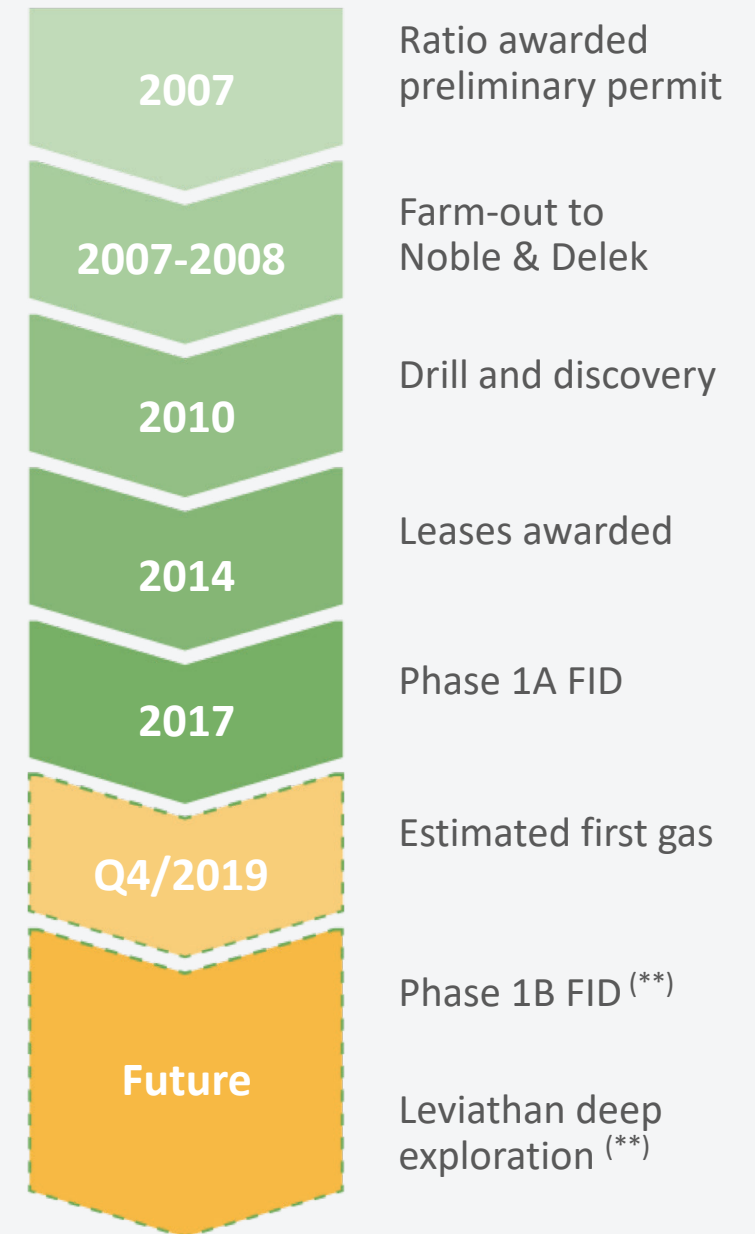
Gross Resources (*)



Working Interest



Leviathan Chronology



(*) As per the Partnership's immediate report dated March 21, 2018, based on NSAI's 2P+2C estimate

(**) Subject to Leviathan JV approvals

LEVIATHAN PHASED DEVELOPMENT

Aggregate project's processing capacity will be built on the same platform and will reach 2.1 bcf/d.



Phase 1A - In Construction

FID

February 2017

Est. First Gas Delivery

Q4/2019

Approved Capex

\$3.75 Bn gross

Processing Capacity

~1.2 bcf/d

Markets

Israel, Jordan, Egypt (Domestic) & PA



Phase 1B - Future Expansion

Future FID

- Driven by markets maturity
- Approved development plan

Est. Capex

\$1.5-2 Bn gross

Additional Processing Capacity

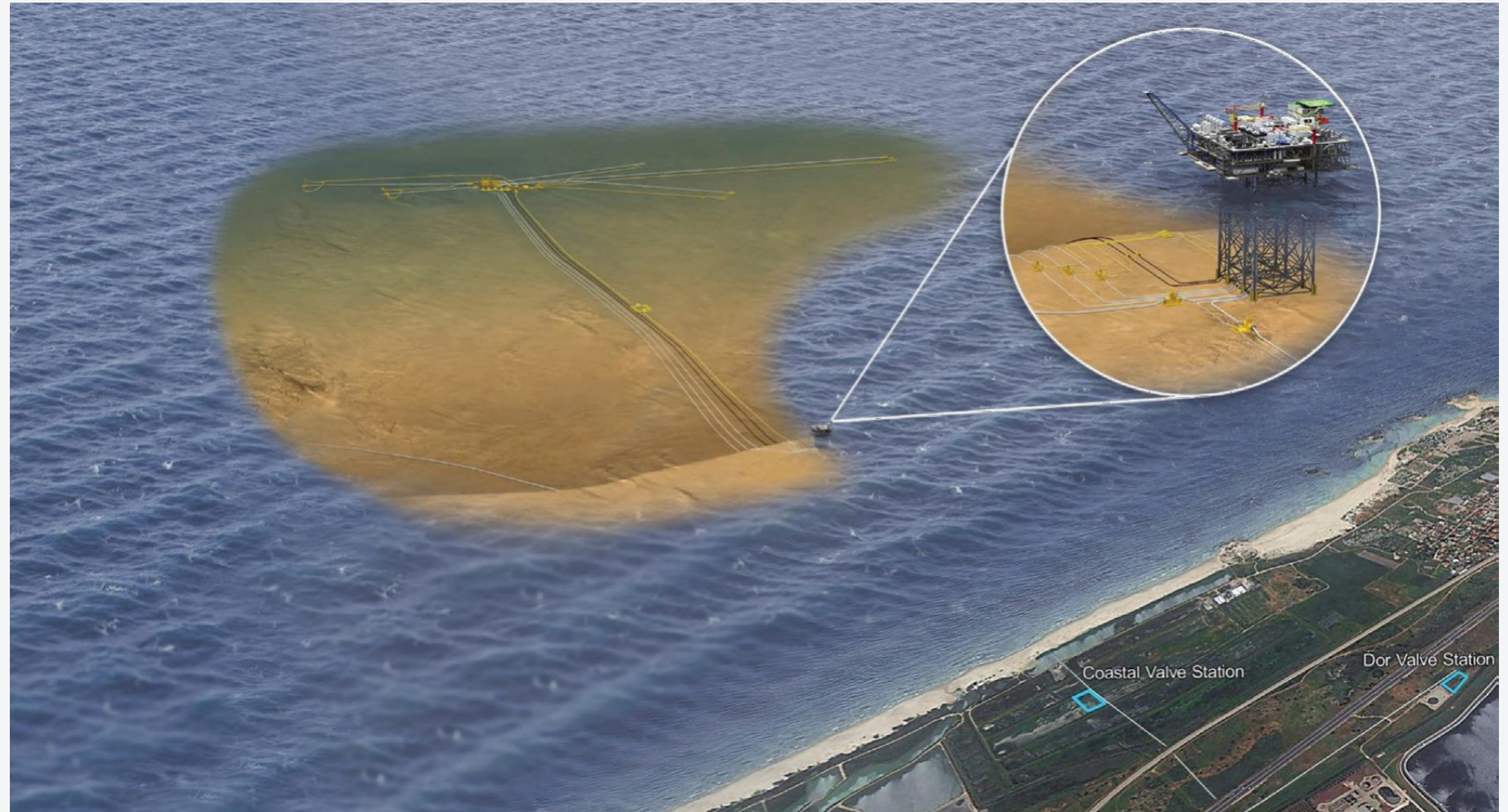
~0.9 bcf/d

Potential Markets

Egypt (LNG), Turkey, Europe & Israel

PHASE 1A DEVELOPMENT

Subsea tie-back to a fixed
production platform.



- Four producing wells at first gas with an aggregate capacity of ~1.2 bcf/d
- Gas will be delivered via dual 18", 115 km tie-back flowlines to the production platform
- Fixed platform will be located 10 km offshore Israel with full processing capabilities
- Processed gas will be delivered from the platform via a 32" pipeline to the INGL transmission system

PHASE 1A STATUS

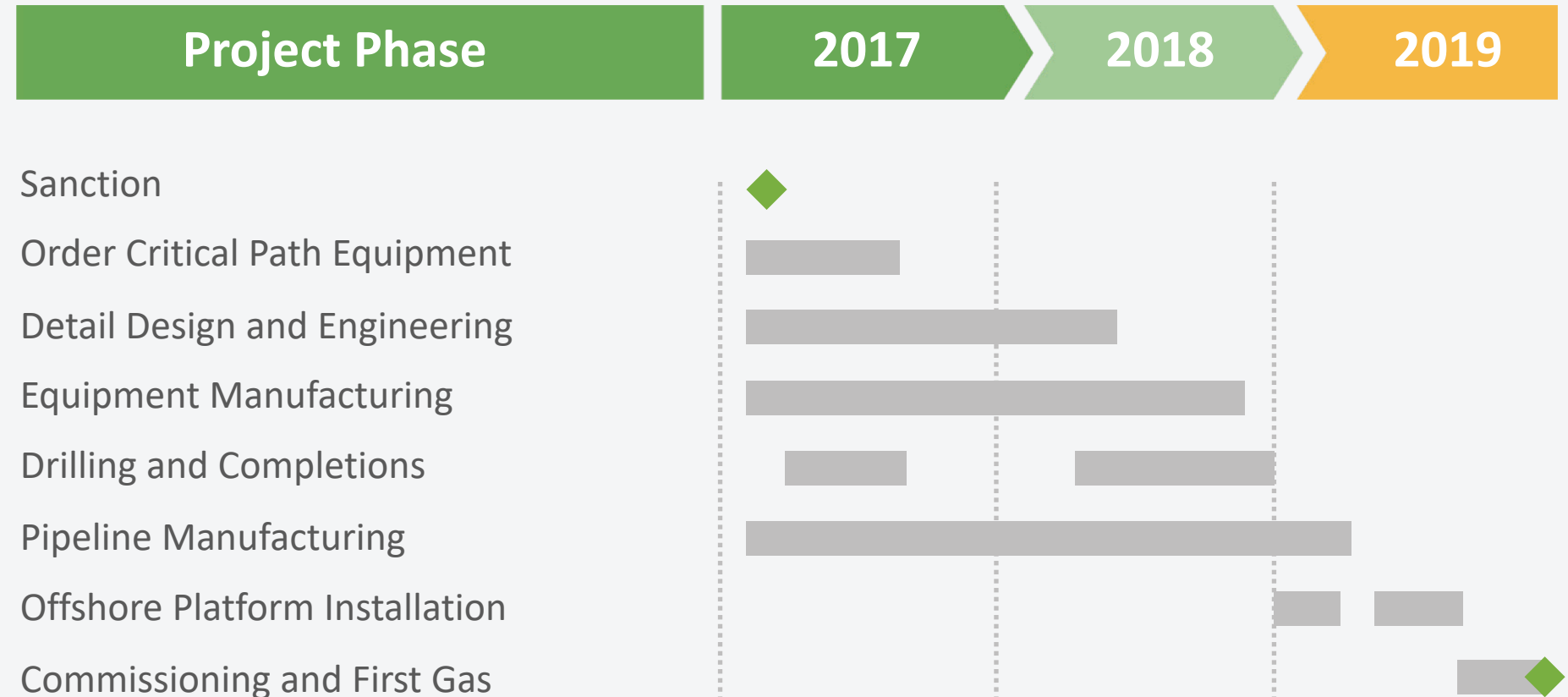
2019 key milestones:

- Platform transportation & installation
- Commissioning

**Targeted first gas
by Q4/2019**

Project Remains on
Schedule & Budget

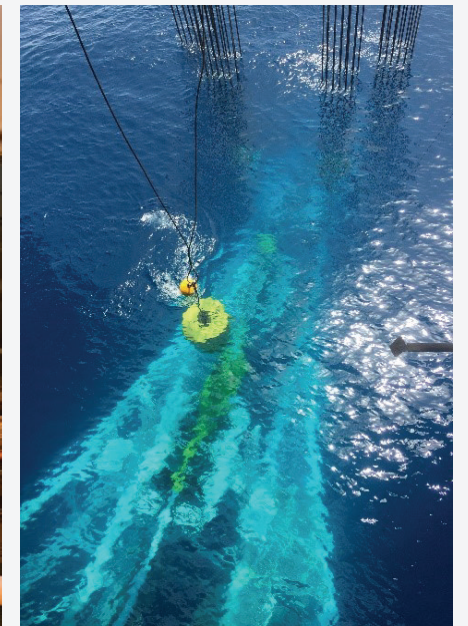
**~64% of Project
Development Completed (*)**



(*) As per the Operator report of September 15 ,2018 (Form 8-K)

LEVIATHAN PHOTOS

Subsea Installation



LEVIATHAN PHOTOS

Platform Fabrication



LEVIATHAN - A REGIONAL ENERGY ANCHORE

On-going negotiations for domestic & export GSPAs for Phases 1A & 1B.

Phase 1B will create an upside at relatively low incremental cost.

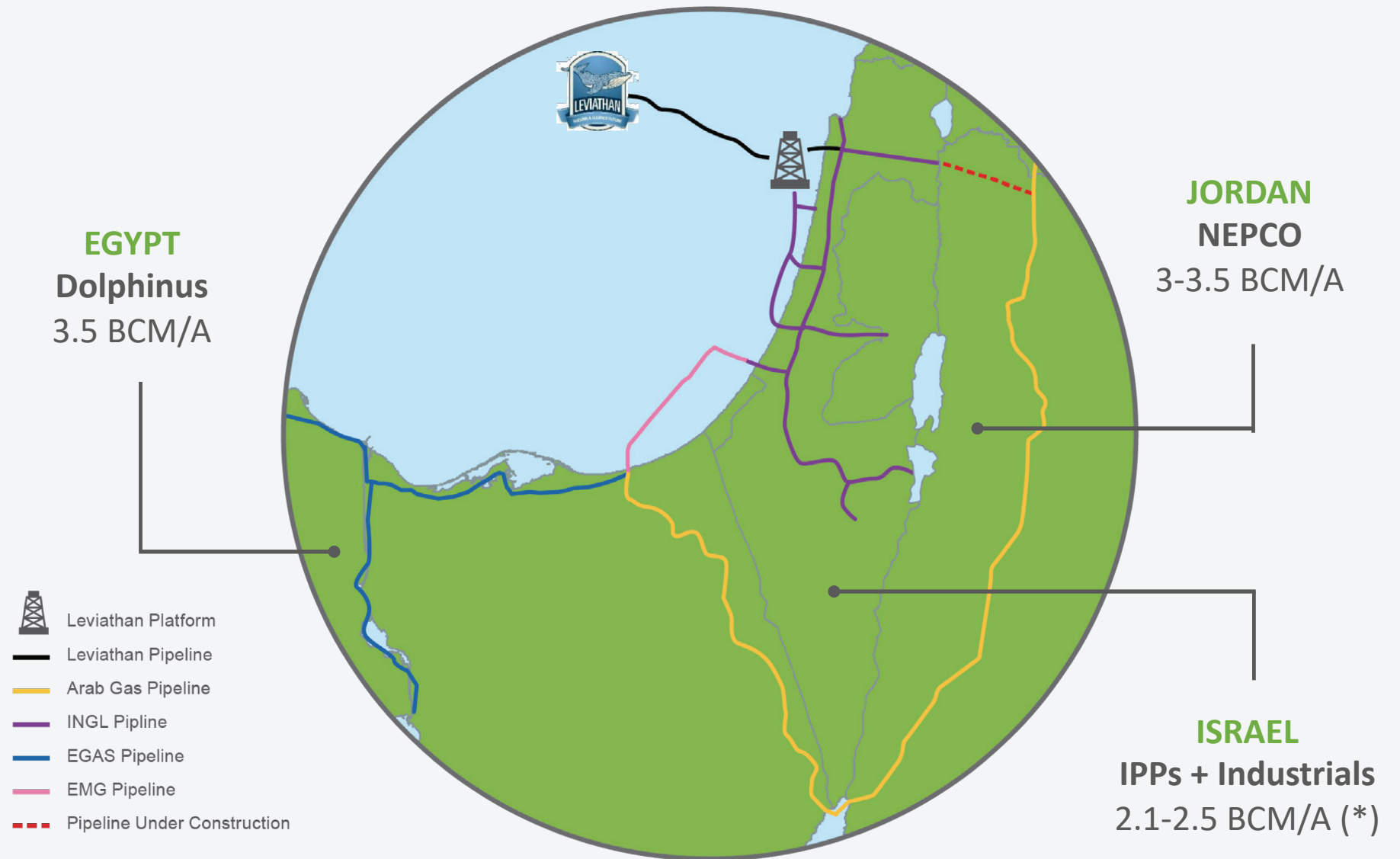


PHASE 1A MARKETING

- Using existing infrastructures for export
- Favourable GSPAs terms: long term, high TOP, price linkage to the Brent/PUA with floor price

On-going negotiation to fill up Phase 1A.

Phase 1A - Executed GSPAs of ~ 9 BCM/A



(*) Including Short-Term agreement with Israel Chemicals of ~0.4-0.8 BCM/A

The Partnership's estimations with respect to the quantities of Natural Gas to be delivered under the executed GSPA's constitute forward-looking information as defined in the Israeli Securities Law, which is uncertain and of which the realization or non-realization may be affected, or may differ materially from that presented in this presentation, among other things, by the fulfillment of the conditions precedent under the GSPA's (so far as such conditions precedent have not been fulfilled yet), the granting of regulatory approvals, delays in timetables, geopolitical impacts, variations in the quantities, rate and/or the timing of consumptions of Natural Gas by the offtakers under those GSPA's, etc. The potential usage of regional infrastructure in export agreements, whether existing or being developed, has yet to be finalized and there is no certainty as to whether this is partially or fully feasible.

ISRAEL'S NATURAL GAS REVOLUTION

Extensive growth driven by structural reform & regulatory changes supporting additional gas consumption.

Growth Engines



Increased
Electricity Demand



Further Coal
Reduction



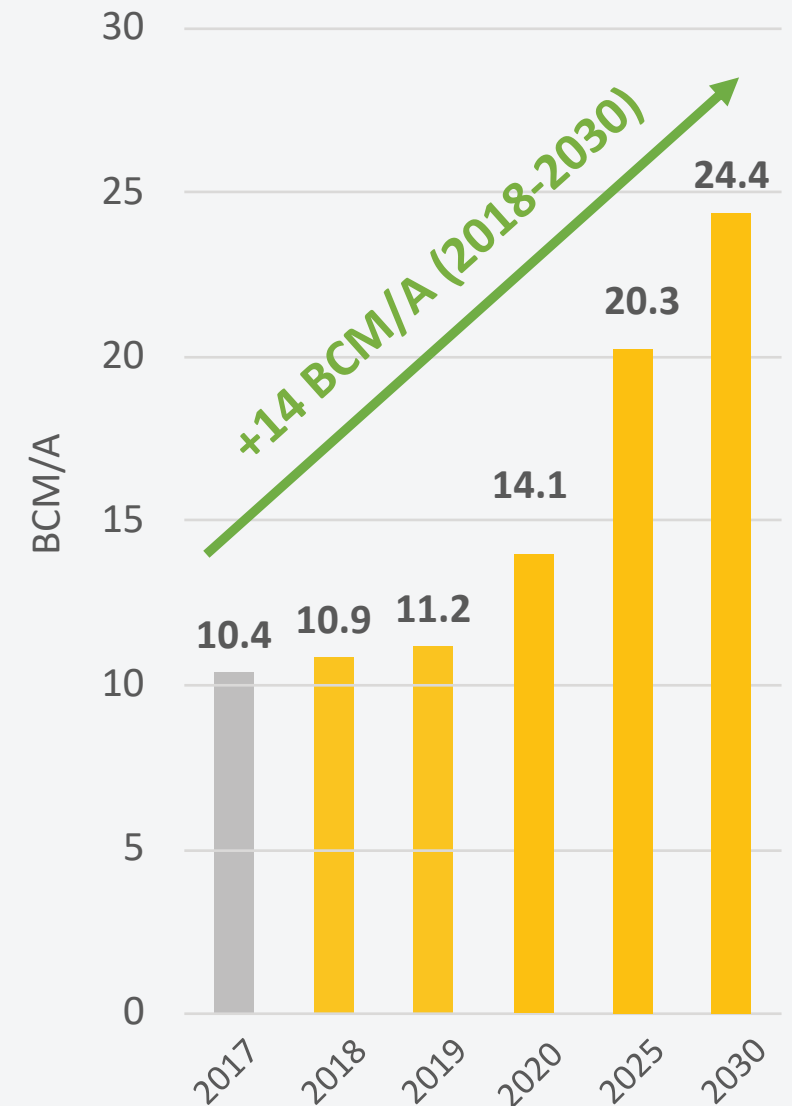
Industrial Penetration



Chemical, CNG, Electrical
Transportation & Others



Natural Gas Demand Forecast

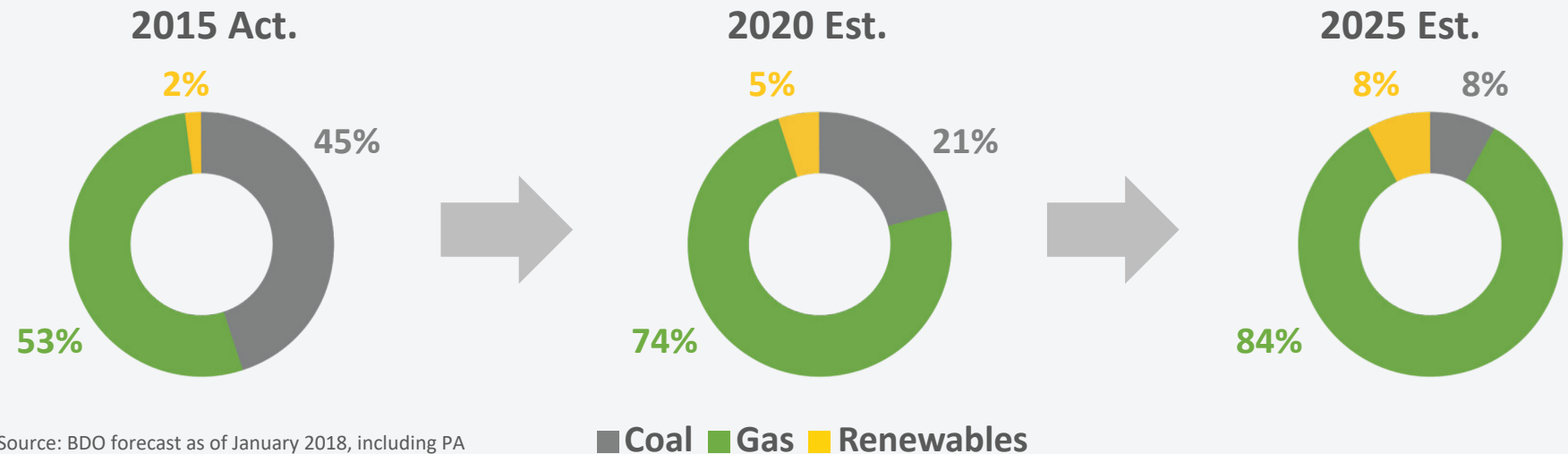
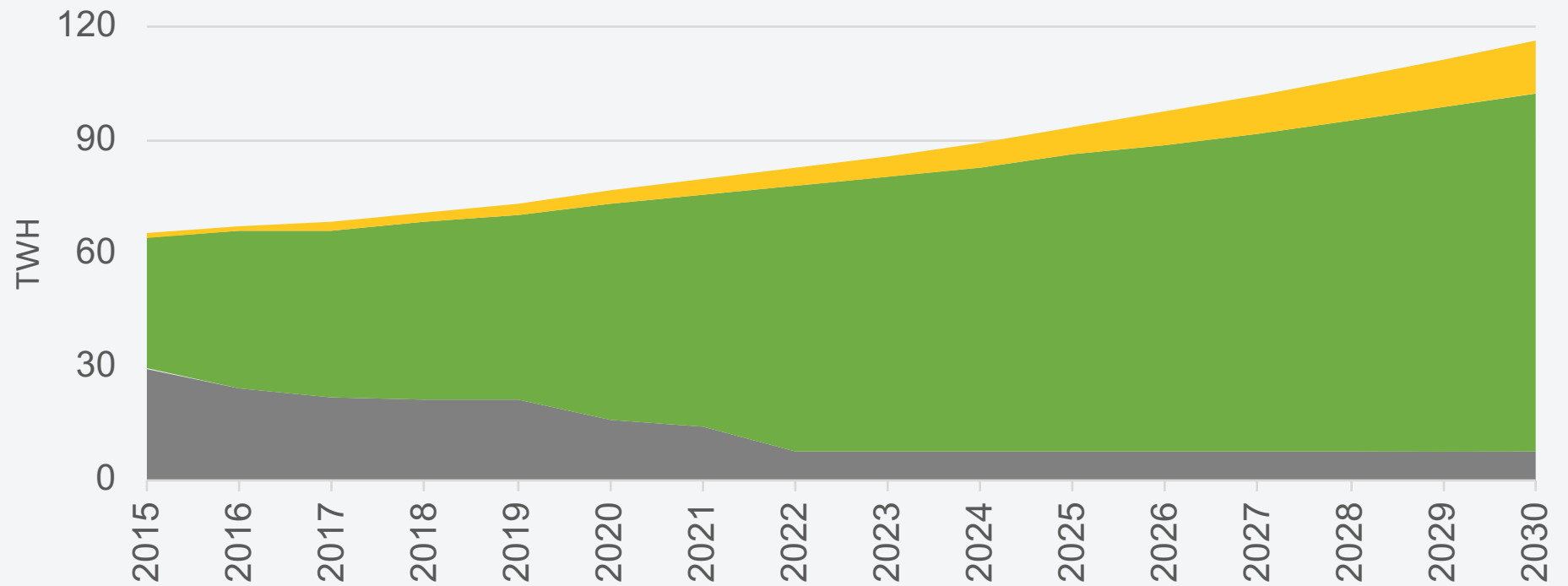


NATURAL GAS AS A PRIMARY ENERGY SOURCE

According to the “*Plan to save Israel from polluting energy*” Israel will stop the use of coal, gasoline and diesel by 2030 and rely exclusively on natural gas and renewables^(*).

(*) Ministry Of Energy and Water Resources as of October 9, 2018

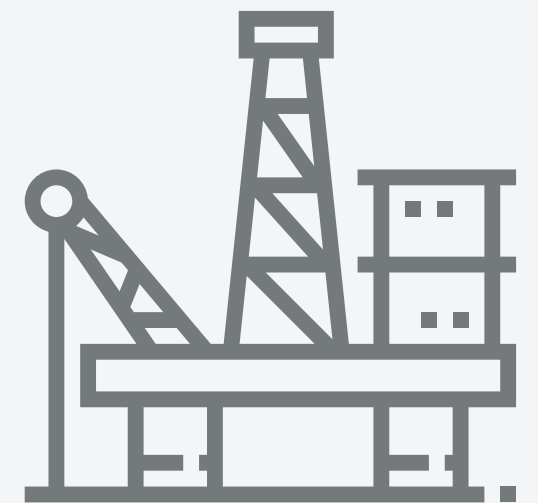
Domestic Market Fuel Mix by Electricity Generation



Source: BDO forecast as of January 2018, including PA

EGYPT BECOMING AN ENERGY HUB

- A huge natural gas market → Total demand is expected to reach 90 bcf/d by 2020-2022 (*)
- Import piped natural gas from Israel (Dolphinus GSPA) will enable Egypt to meet full domestic demand
- Leviathan's gas to Dolphinus expect to be delivered via EMG pipeline (**)
- Leviathan Phase 1B will allow Egypt to become an energy-exporting hub by full utilization of its LNG facilities



(*) Egypt Gas Market Study, Wood Mackenzie, March 2018 (including LNG facilities capacity)

(**) Noble Energy, Delek Drilling & East Gas announce in September 27, 2018 a USD518 M agreement to buy 39% of EMG shares & rights in the EMG pipeline

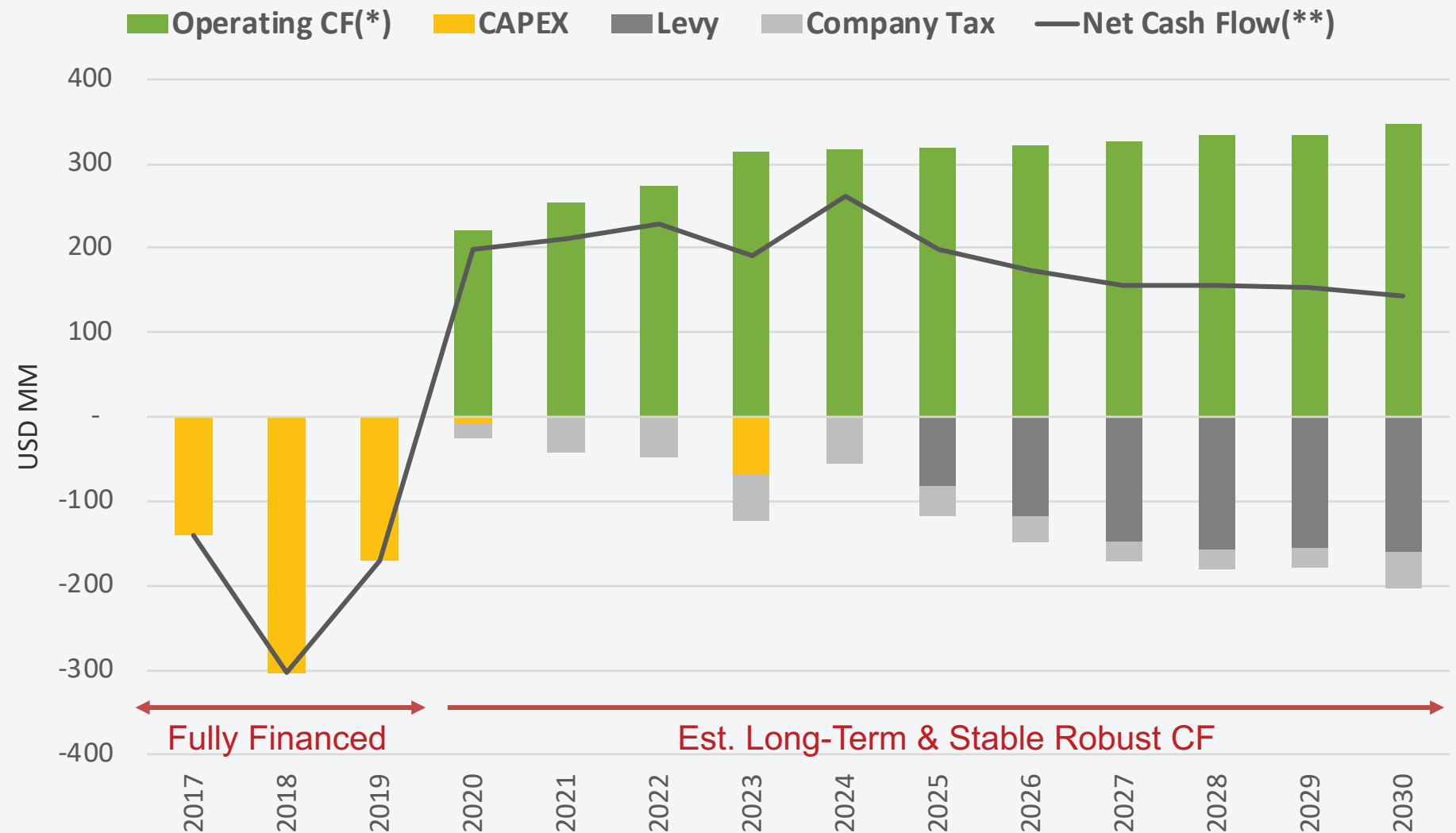
PHASE 1A ROBUST FUTURE CASH FLOW

Cum. est. net cash flow of ~ \$2.1 Bn (Phase 1A, 2020-2030)

Phase 1B will create an upside at relatively low incremental cost.



Phase 1A – Ratio's Net Cash Flow Forecast



As per the Partnership's immediate report dated March 21, 2018 "Leviathan discounted cash flow projections" and based on NSAI's 2P+2C estimate

(*) Operating cash flow represents undiscounted Ratio's revenue less royalties and operating expenses

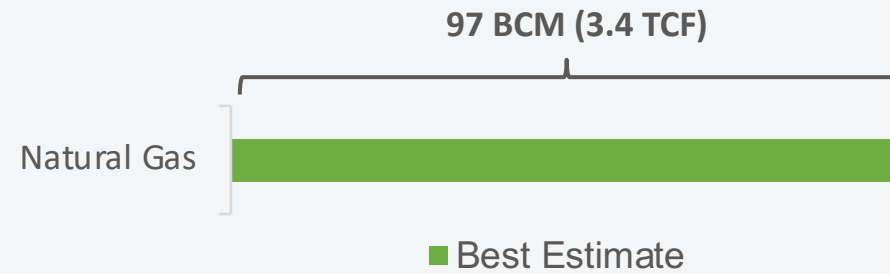
(**) Net cash flow represents undiscounted Ratio's revenue less royalties, operating expenses, capex and taxes before financing (principal & interest) & other expenses

ROYEE LICENSE

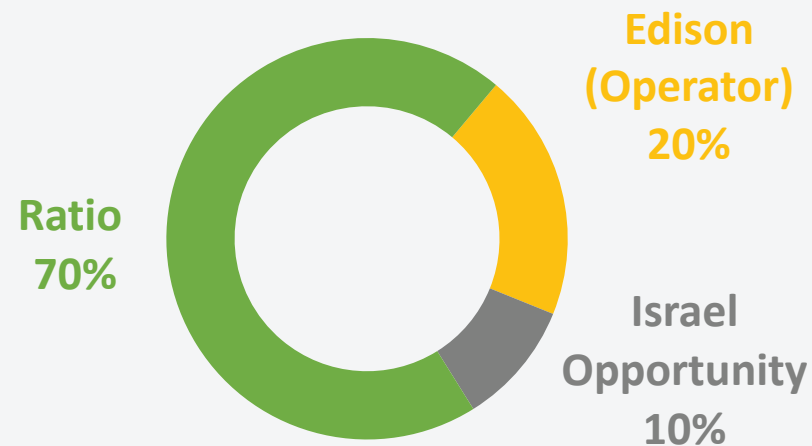
Ratio initiated the exploration activities in the license area.

Pre-drill prospective resources are estimated ~ 3.4 TCF of natural gas with a forecasted 36% geological chance of success^(*).

Prospective Resources^(*)



Working Interest



Royee Chronology



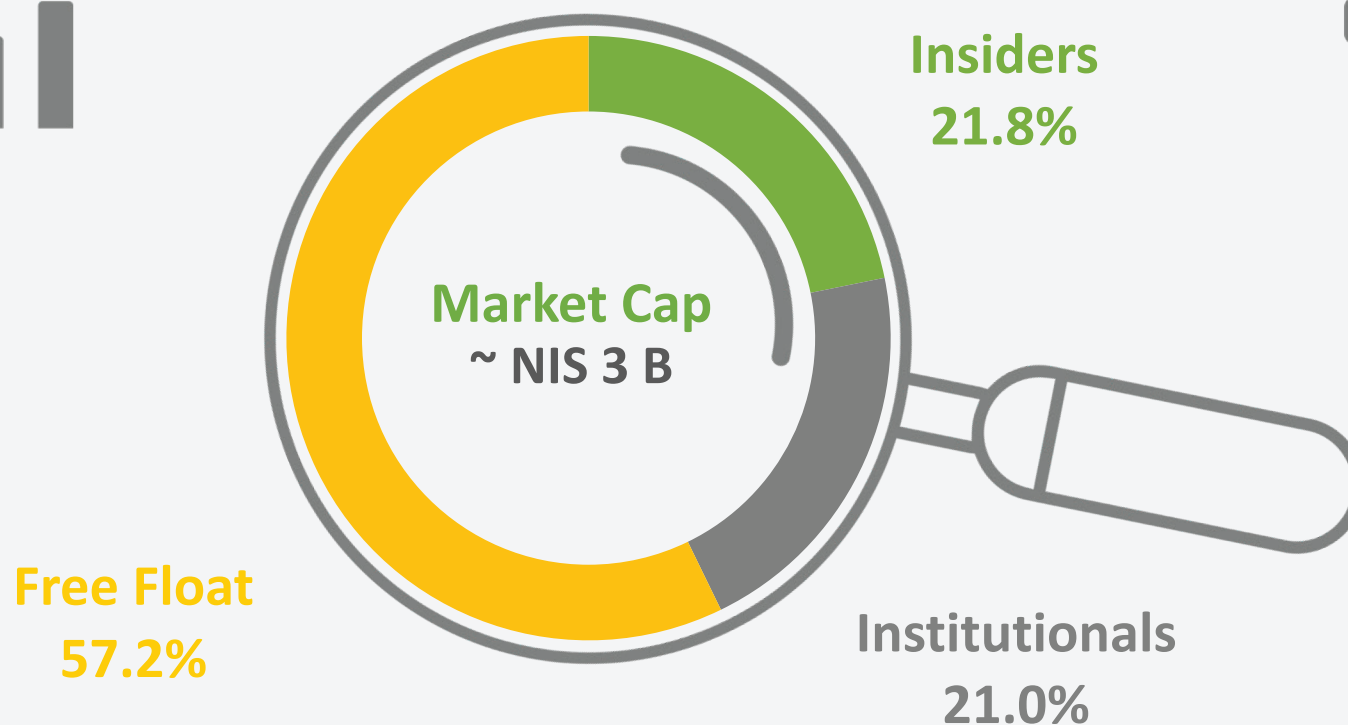
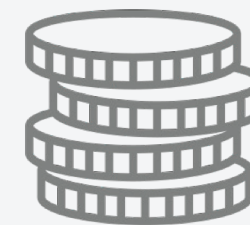
^(*) As per the Partnership's immediate report dated May 28, 2017, based on Best Estimate category

^(**) Subject to JV partners approval. License period ends on April 14, 2020.

RATIO IN THE TEL AVIV STOCK EXCHANGE(*)

Ticker
RATIp.TA

Main Indexes
TA-90, TA-125
TA-Oil & Gas



Warrants

Series	Expiration Date	Exercise Price (**)	Proceeds (**)
17	15/11/18	NIS 2.66	USD 85 MM
18	15/11/20	NIS 3.58	USD 76 MM

Bonds

Series	Yield	Linkage	Maturity
B	3.92%	NIS	2021-2023
C	5.77%	USD	2021-2023

(*) As of October 12, 2018

(**) Assuming full exercise of warrants; Exercise prices adjusted USD/NIS rate of 3.814 NIS and reflect the consolidation of participant units (1:8)

CONTACT DETAILS

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