

# RATIO OIL EXPLORATION (1992) LIMITED PARTNERSHIP

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INVESTORS PRESENTATION  
MAY 2019  
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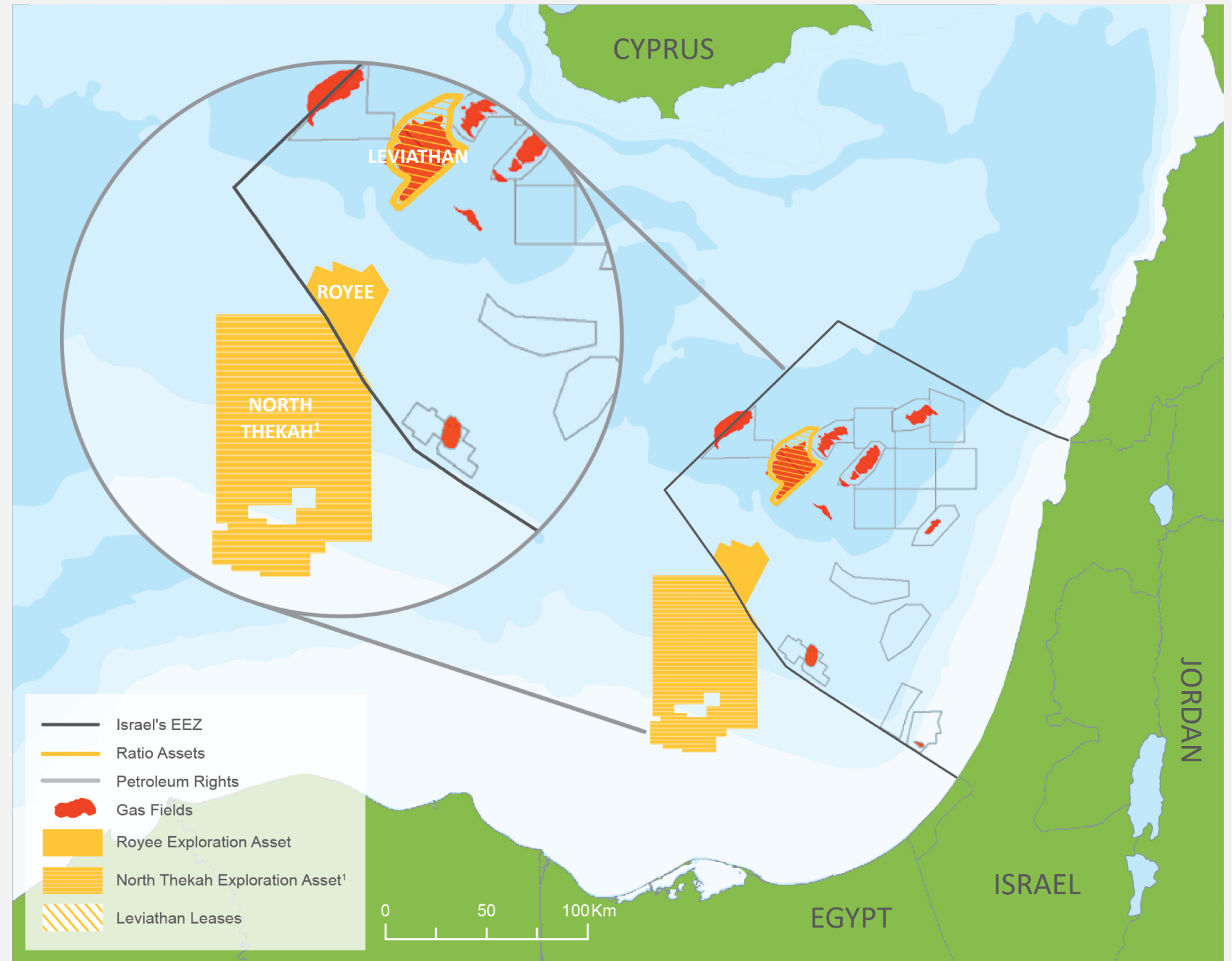
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# RATIO's ASSETS

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



1. Subject to farm-in completion

# LEVIATHAN FIELD

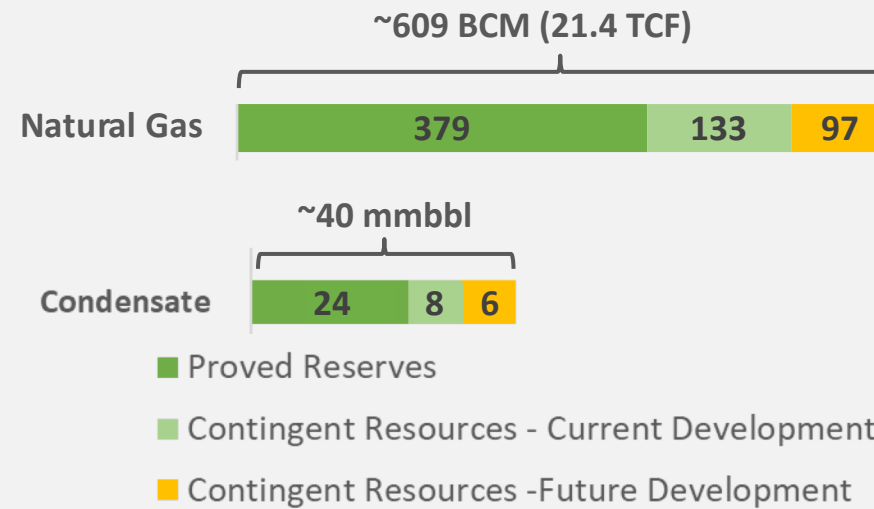
World class asset in terms of quantity, quality and potential for high production delivery.

Leviathan is a regional energy anchor.

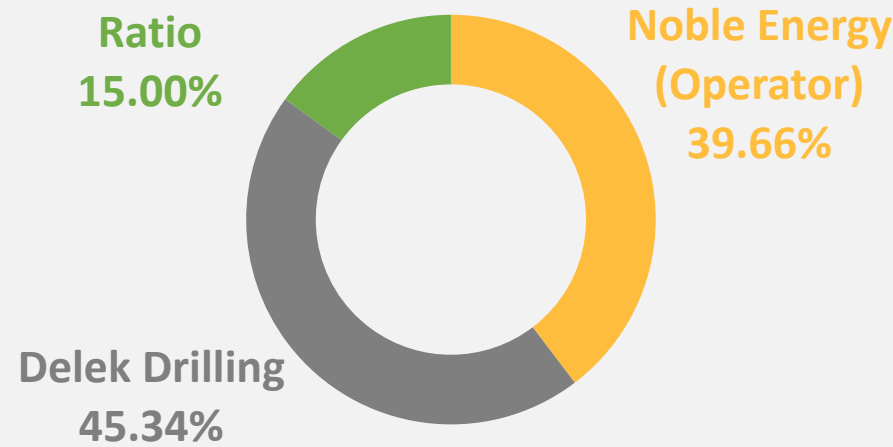
Visit our newly established Leviathan Project website:  
<https://www.leviathanproject.co.il/eng>



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

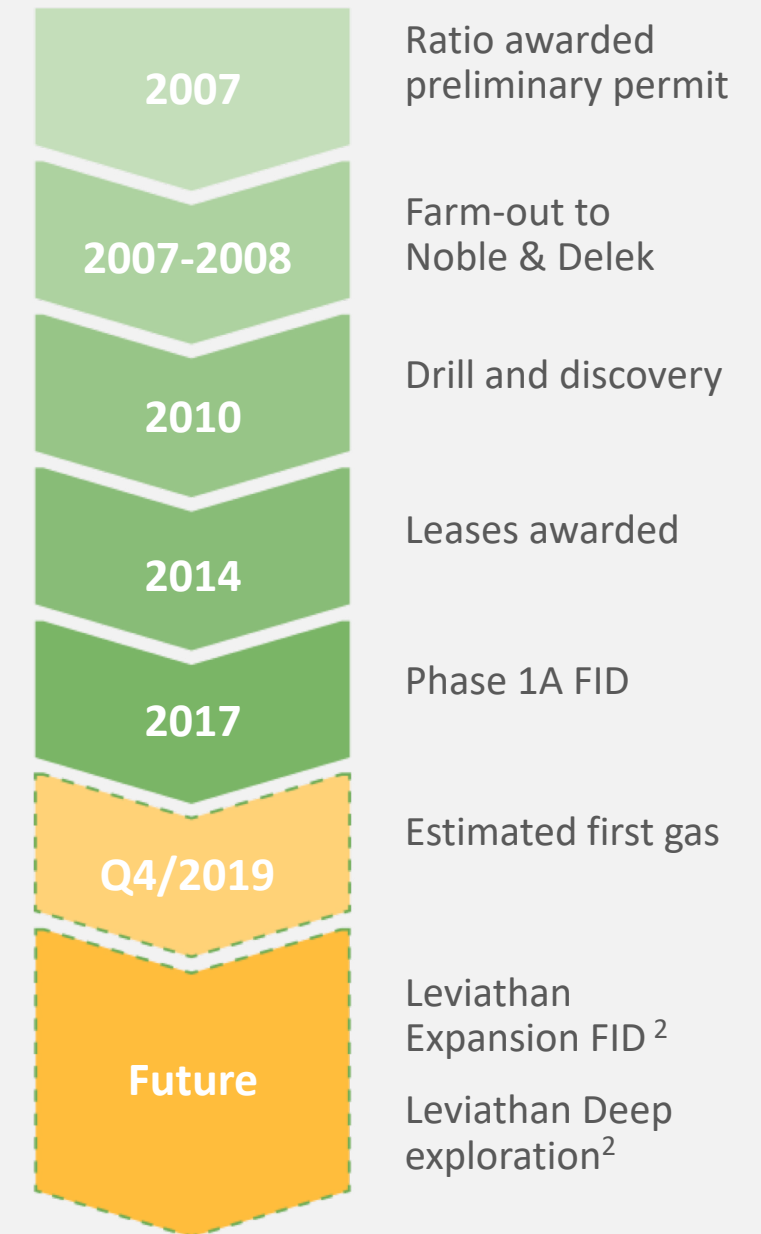


## Working Interest



1. As per the Partnership's immediate report dated March 25, 2019, based on NSAI's 2P+2C estimate  
 2. Subject to Leviathan JV approvals

## Leviathan Chronology



# LEVIATHAN PHASED DEVELOPMENT

The operator is examining various alternatives to expand the platform processing capacity of up to 2.4 bcf/d.

## Phase 1A – In Construction

**FID**  
February 2017

**Est. First Gas Delivery**  
Q4/2019

**Approved Capex**  
\$3.75 Bn gross

Source: Noble Energy

**Processing Capacity**  
~1.2 bcf/d

**Markets**  
Israel, Jordan, Egypt  
(Domestic) & PA



**DSMX**  
~ 1.6 bcf/d of Processing  
Capacity



**Phase 1B**  
~ 2.1-2.4 bcf/d of  
Processing Capacity



Future Expansion

# PHASE 1A STATUS

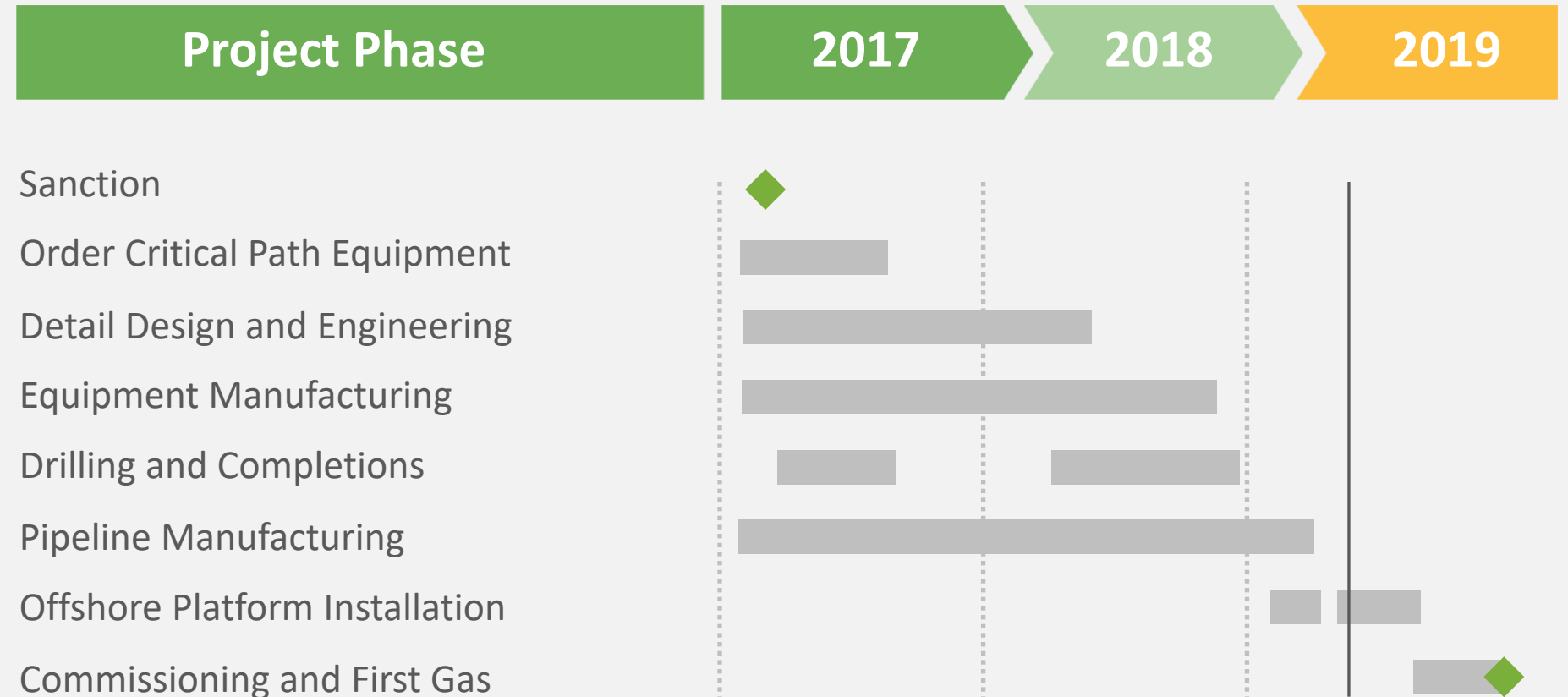
2019 key milestones:

- Platform mobilization & installation mid year
- Commissioning

**Targeted first gas  
by Q4/2019.**

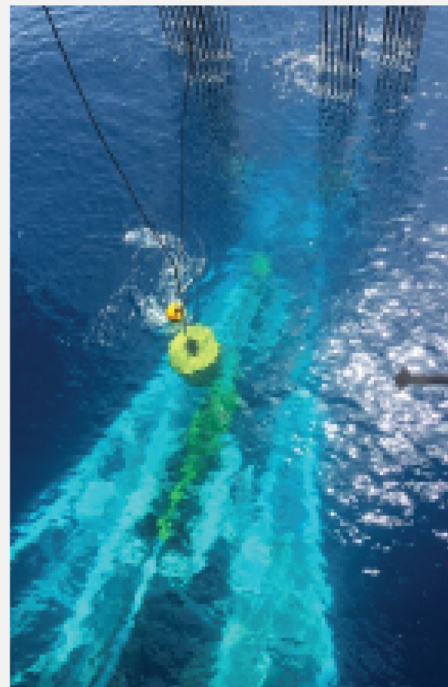
Project Remains on  
**Schedule & Budget**

**~80%** of Project  
Development **Completed**<sup>1</sup>



1. As per the Operator report of April 15 ,2019 (Form 8-K)

# LEVIATHAN PHOTOS



# JACKET LAUNCH

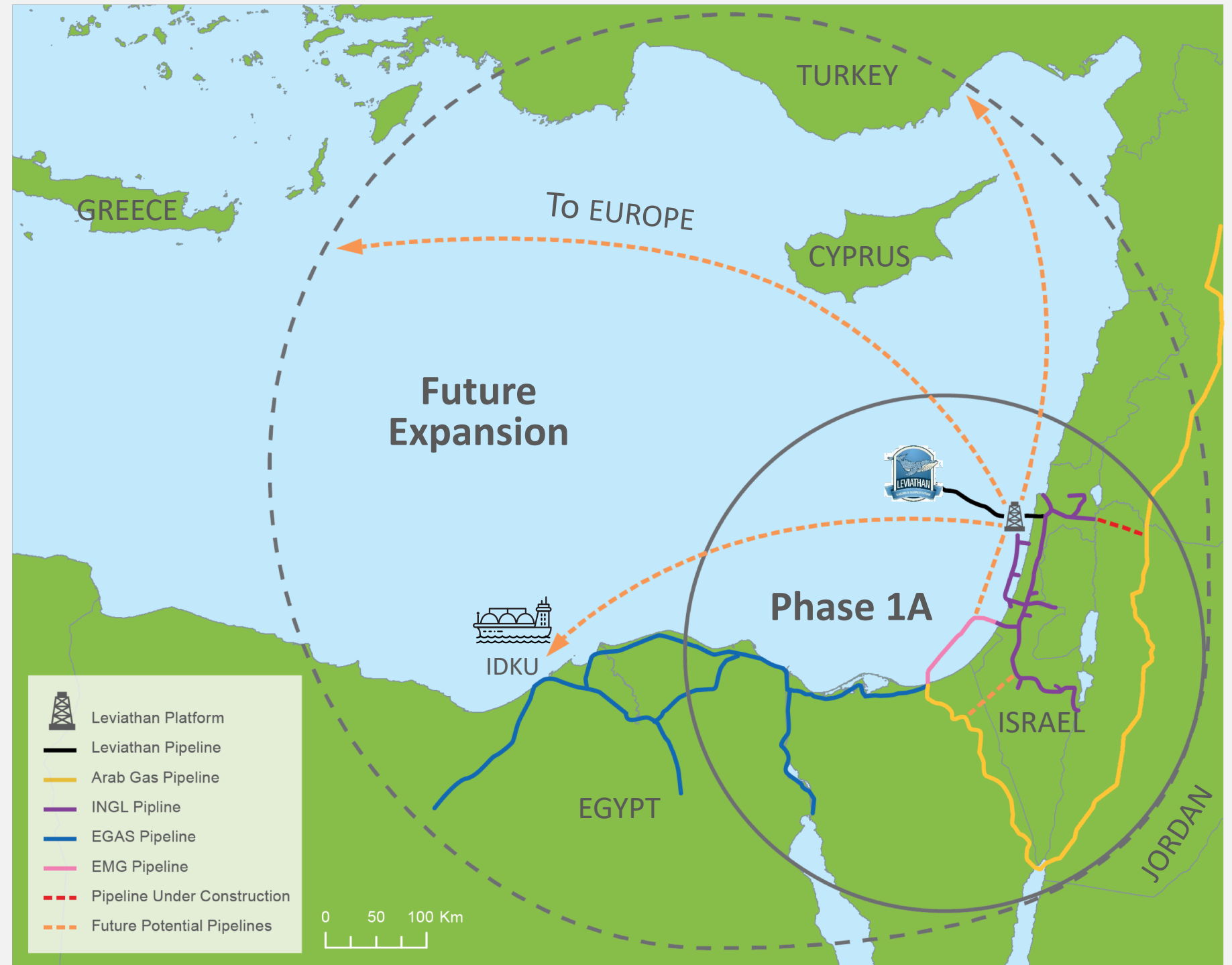
## Jacket Launch Leviathan





# LEVIATHAN - A REGIONAL ENERGY ANCHOR

On-going negotiations for  
domestic & export GSPAs.

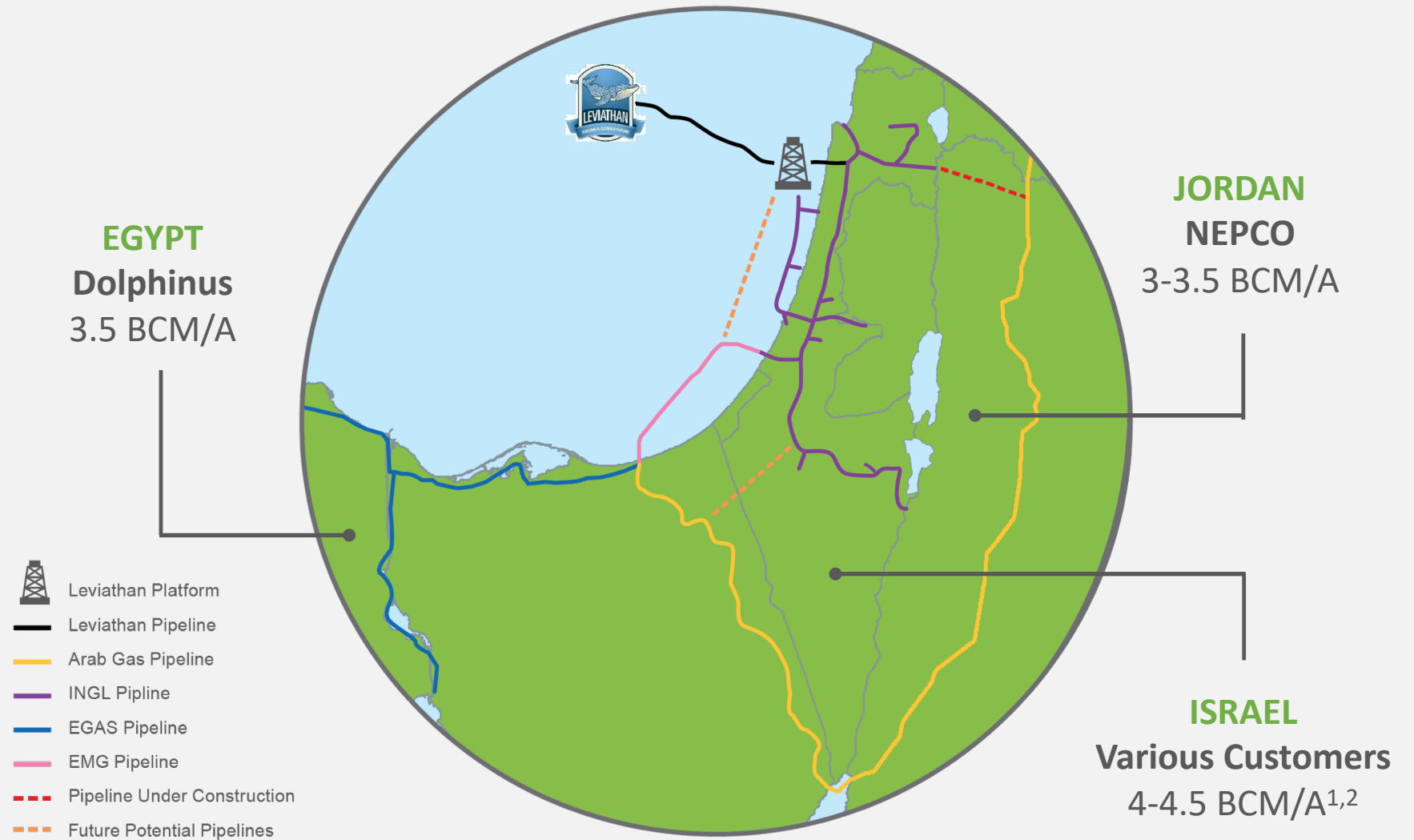


# PHASE 1A MARKETING

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

On-going negotiations to fill-up Phase 1A.

## Phase 1A GSPAs of ~ 11 BCM/A



1. Including short-term agreement

2. Including short-term agreement with IEC, pursuant the Leviathan partners winning of a competitive process, as per the Partnership immediate report dated on April 7, 2019

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 off-takers 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



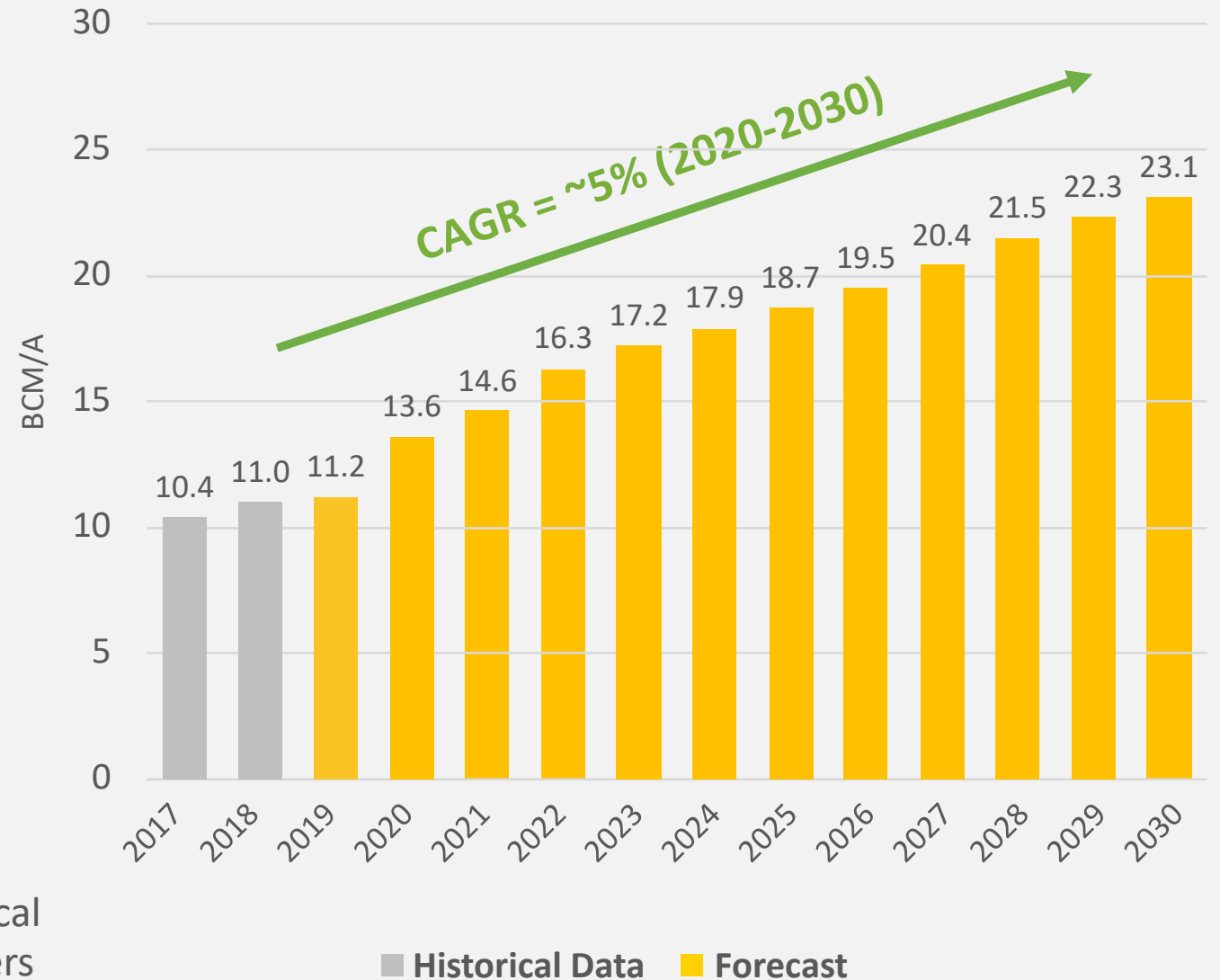
Industrial  
Penetration



Chemical, CNG, Electrical  
Transportation & Others



## Natural Gas Demand Forecast

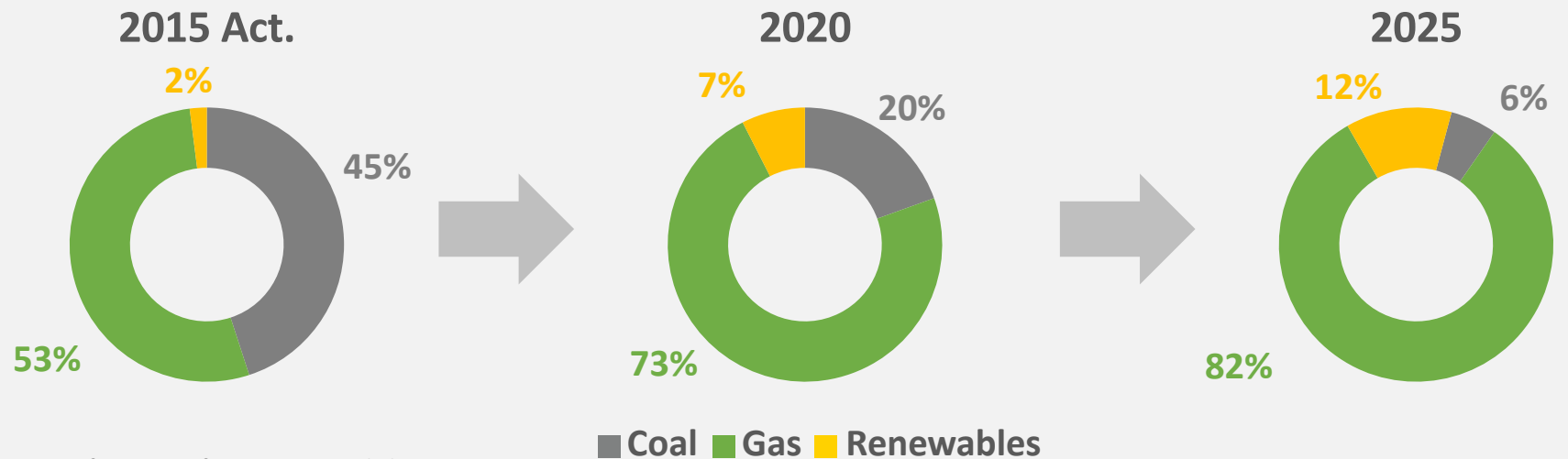
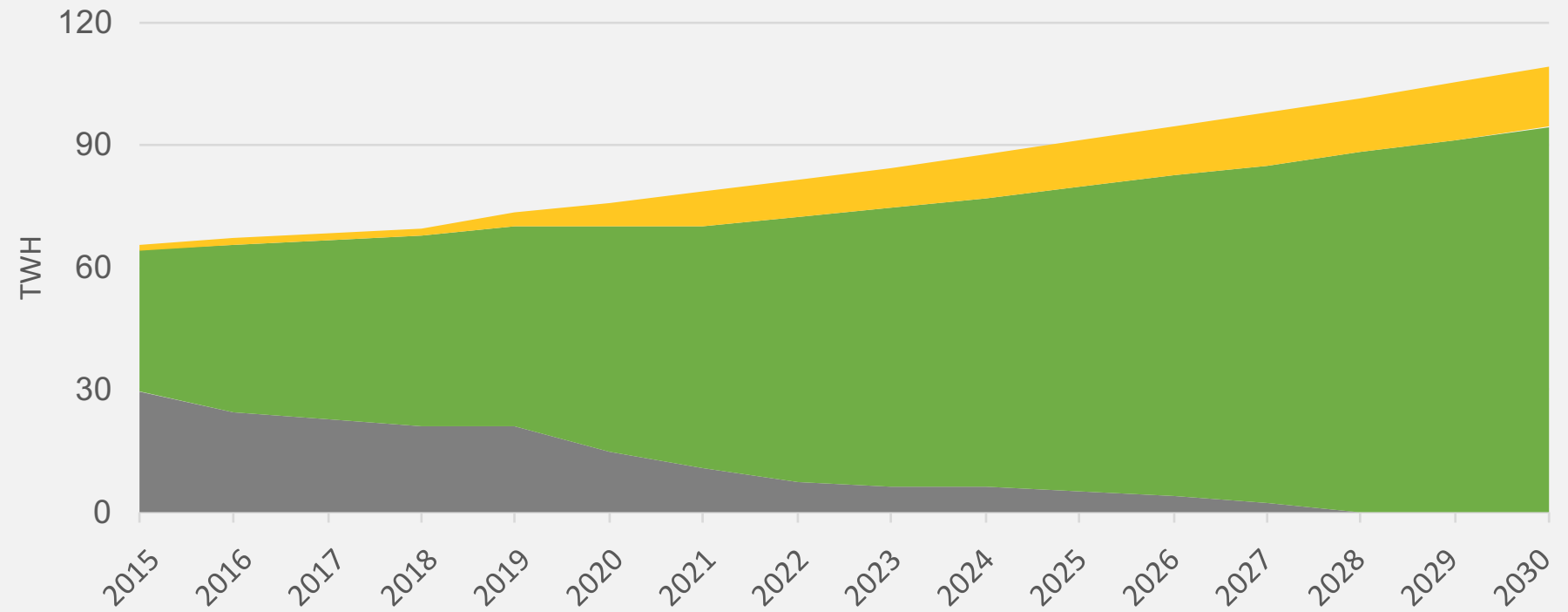


# NATURAL GAS AS A PRIMARY ENERGY SOURCE

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<sup>1</sup>.

1. Ministry Of Energy and Water Resources as of October 9, 2018

## Domestic Market Fuel Mix by Electricity Generation

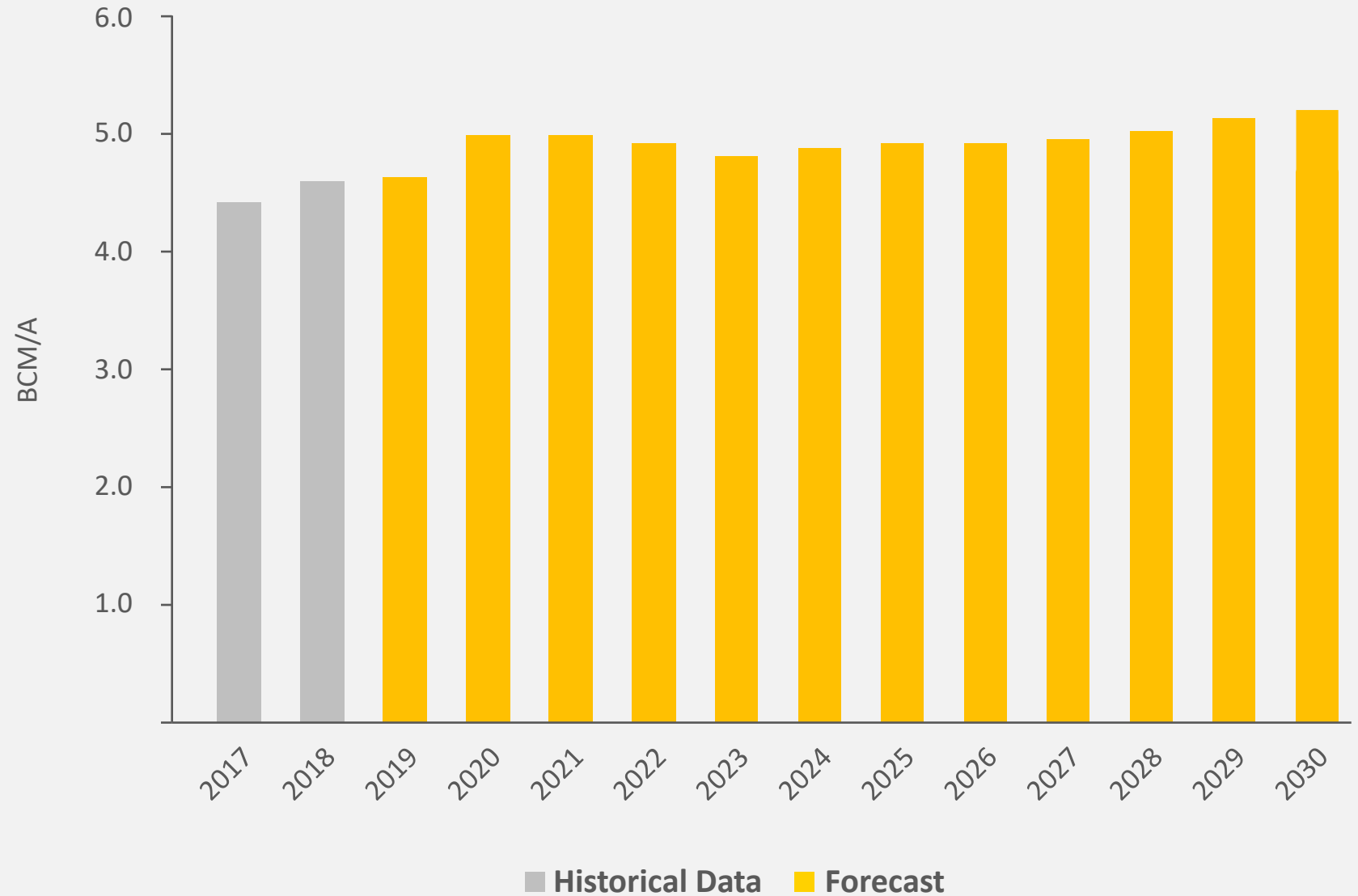


Source: BDO forecast as of January 2019, including PA

Jordan's supply mix currently relies almost entirely on import.

- Gas demand is dominated by the power sector
- Leviathan piped gas is set to displace LNG import

## Gas Demand (2017-2030)



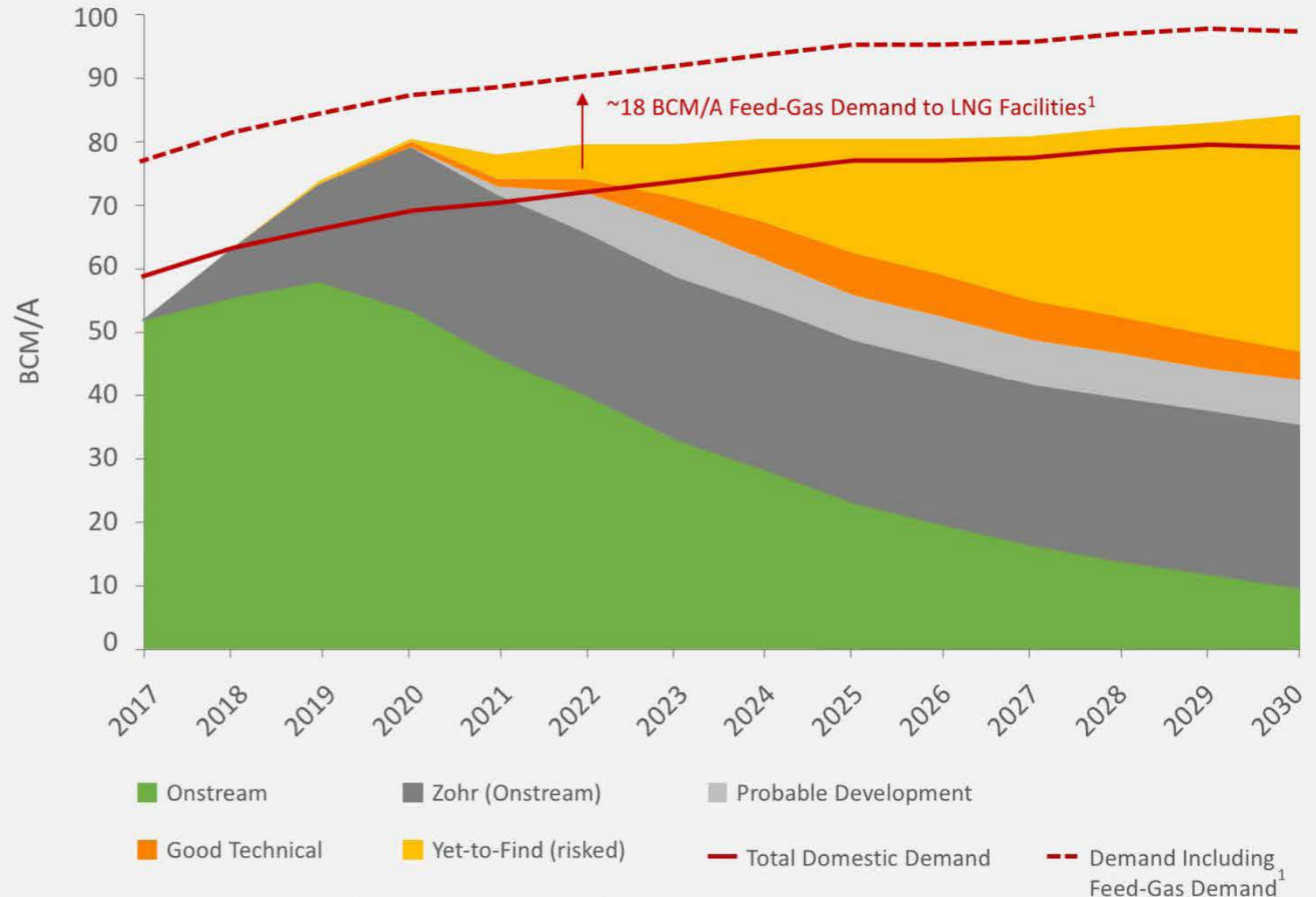
Source: Historical Data: IEA; Forecast: Wood Mackenzie Energy Markets Service, September 2018

Egypt is a mature natural gas market, willing to become a regional energy hub.

→ Strong domestic demand

→ Two LNG facilities with significant feed-gas demand

## Gas Supply by Status vs Demand (2017-2030)



Source: Wood Mackenzie, Egypt Gas Market Study, Supply and Demand, March 2018

1. Liquefaction capacity ~ 13 MMTP/A of Idku & Damietta LNG Facilities; Source: [www.shell.com](http://www.shell.com) & [www.unionfenosagas.com](http://www.unionfenosagas.com)

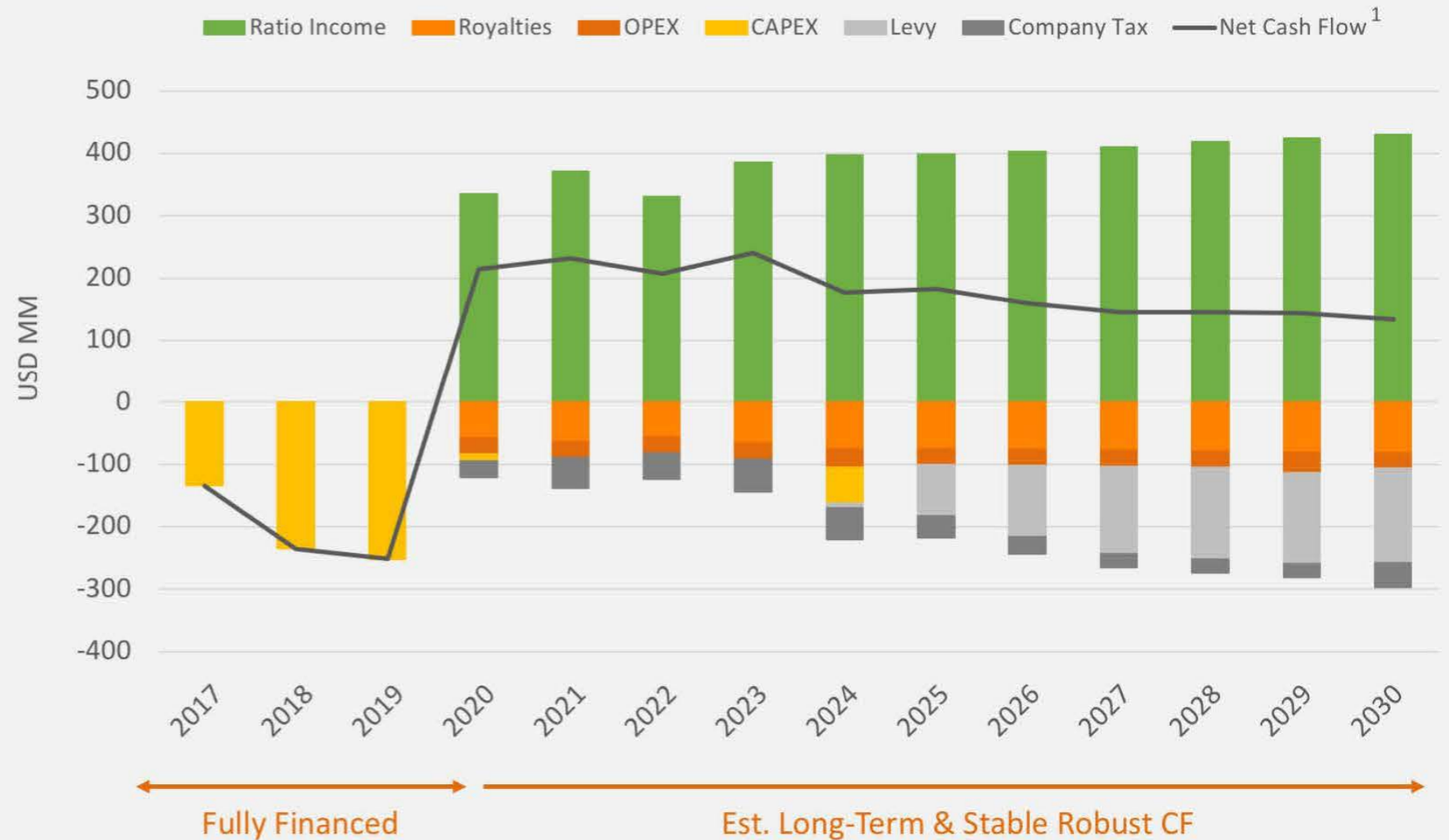
# PHASE 1A ROBUST FUTURE CASH FLOW

Cum. est. net cash flow of ~ \$2 Bn (Phase 1A, 2020-2030).

Leviathan Expansion 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 25, 2019 “Leviathan discounted cash flow projections” and based on NSAI’s 2P+2C estimate

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

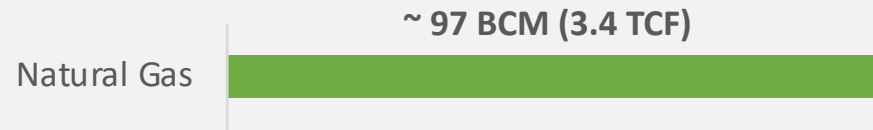
# ROYEE & NORTH THEKAH OPPORTUNITIES

- Two ready-to-drill prospects
- Cumulative gross prospective resources of ~ 188 BCM (6.3 TCF)<sup>1,2</sup>
- Multiple synergies
- Joint development potential



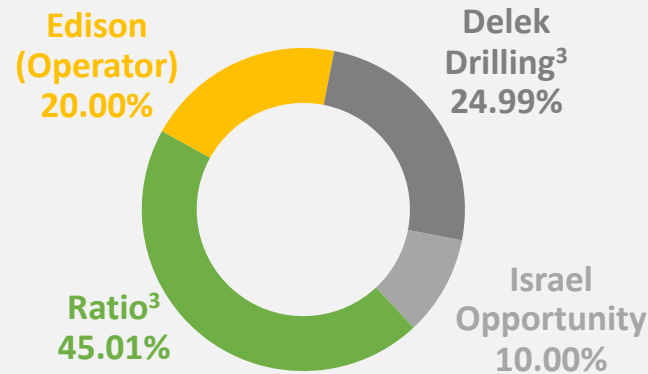
## Royee (Israel)

### Prospective Resources<sup>1</sup>



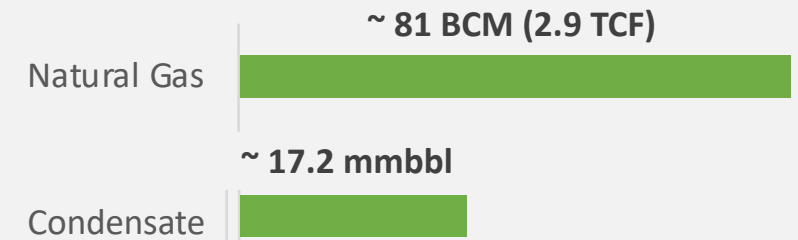
**36%** Geological Chance of Success

### Working Interest



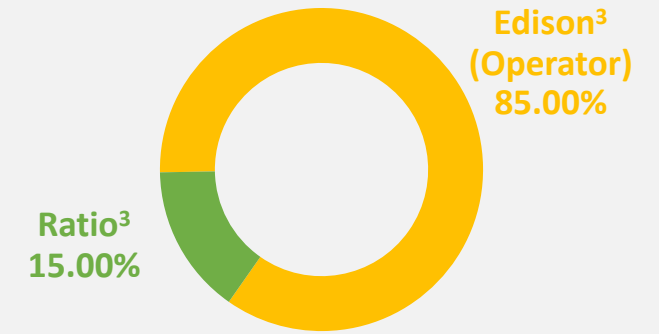
## North Thekah (Egypt)

### Prospective Resources<sup>2</sup>



**27%** Geological Chance of Success

### Working Interest



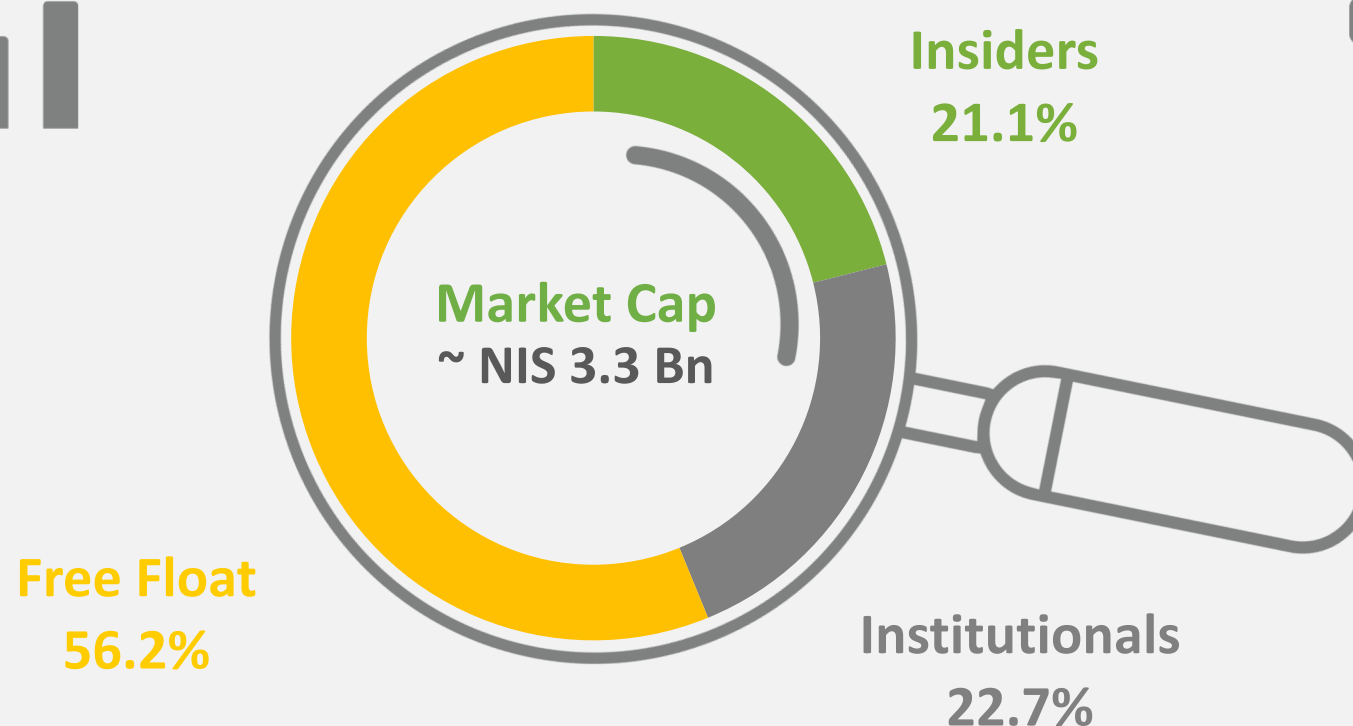
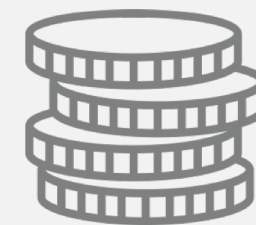
1. As per the Partnership's immediate report dated May 28, 2017, based on Best Estimate category  
 2. As per the Partnership's immediate report dated April 18, 2019, based on Best Estimate category  
 3. Subject to farm-in completions



# RATIO IN THE TEL AVIV STOCK EXCHANGE<sup>1</sup>

Ticker  
RATI.L

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



## Warrants

Series	Expiration Date	Exercise Price <sup>1</sup>	Proceeds <sup>2</sup>
18	15/11/20	NIS 3.56	USD 76 MM

## Bonds<sup>3</sup>

Series	Par Value <sup>1</sup>	Yield	Linkage	Maturity
B	USD 171 MM	5.14%	NIS	2021-2023
C	USD 181 MM	7.20%	USD	2021-2023

1. As of April 30, 2019

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

3. Issued by Ratio Oil Exploration (Finance) Ltd.

# CONTACT DETAILS

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