

EQUITAL LTD. (the "Company")

October 26, 2025

To:

Israel Securities Authority
Via MAGNA

TEL AVIV STOCK EXCHANGE LTD
2 Ahuzat Bayit St.
Tel Aviv

22 Kanfei Nesharim St.
Jerusalem

Dear Sir/Madam,

Re: Entry into a System of Agreements for the Transmission of Natural Gas to Egypt via the Ramat Hovav-Nitzana Line

Further to the provisions of Sections 9.2.2.8(b) and 9.1.2.17 of Chapter A of the Company's 2024 periodic report published on March 31, 2025 (Reference No.: 2025-01-023400) (hereinafter: the "Periodic Report"), Section 1.5.4 of the Board of Directors' report for the first quarter of 2025 published on May 29, 2025 (Reference No.: 2025-01-039349), and Section 1.5.4 of the Board of Directors' report for the second quarter of 2025 published on August 31, 2025 (Reference No.: 2025-01-065780), regarding a project to establish a compression station in the Ramat Hovav area along with the laying of an onshore pipeline from this station to near the Nitzana border crossing (hereinafter: the "Nitzana Project" or the "Project"), the Company is pleased to update on the signing of a system of agreements in connection with the Nitzana Project, as detailed below:

1.

On October 23, 2025, the operator in the Tamar Project, Limited Mediterranean Chevron (hereinafter: "Chevron"), entered into an agreement with ISRAEL NATURAL GAS LINES COMPANY LTD. (hereinafter: "INGL") for the establishment of the Nitzana Project and for the provision of natural gas transmission services from the Tamar reservoir via the Ramat Hovav-Nitzana line (hereinafter: the "Transmission Agreement"). The agreement was made pursuant to Resolution No. 2/2014 of the Natural Gas Sector Council regarding "Financing Export Projects via the Israeli Transmission System" and Resolution No. 3/2023 regarding "Financing and Allocating Space in All Export Lines via the Israeli Transmission System, as well as in the Ramat Hovav-Nitzana Line and the currently available space in the Jordan North Line beyond the existing continuous transmission agreements in this line as of August 1, 2023" (hereinafter: "Resolution 3/2023") (as detailed in Section 9.1.2.17 of Chapter A of the Periodic Report). The main points of the Transmission Agreement are as follows:

- (a) INGL undertook to establish the Nitzana Project subject to and in accordance with the provisions of the Transmission Agreement. Chevron's share (on behalf of all partners in the Tamar reservoir (hereinafter: "Tamar Partners")) in the total financing of the establishment of the Nitzana Project will be in accordance with the allocation rate to the Tamar Partners in the Ramat Hovav-Nitzana line, which stands at 41.8%. The Transmission Agreement sets an estimated budget for the establishment of the project at a total of approximately \$609 million (Tamar Partners' share is about \$254 million, and the share of Isramco Negev 2, Limited Partnership (hereinafter: "Isramco Negev 2") is about \$73 million) (hereinafter: the "Estimated Budget"). The Transmission Agreement also stipulates that INGL may update the estimated budget by no more than 12%, according to the actual project costs (in addition to index and exchange rate differences as set in the agreement). Payment will be made according to milestones set in the agreement, with 40% of the amount to be paid.

FOOTNOTE:

¹⁰¹ It should be noted that on October 23, 2025, the Natural Gas Authority notified the Tamar Partners of the said allocation, in light of a change in the allocation requested by the rights holders in the Karish-Tanin reservoir, and after the capacity that became available in the line was offered to the rights holders in the Tamar and Leviathan reservoirs, in accordance with the mechanism set in Resolution 3/2023.

¹⁰² The budget includes amounts in NIS, Euro, and USD, and was converted to USD according to the representative exchange rates as of October 22, 2025.

In the coming days, and the balance will be paid according to the progress of the project. In addition, the Tamar Partners are required to provide guarantees to INGL

- (Each partner according to its relative share in the Tamar Project) to secure Chevron's obligations for project financing and payments for transmission under the agreement.

(b)

INGL undertook to provide firm (Firm) transmission services for the natural gas supplied from the Tamar reservoir, and to maintain a daily basic capacity of approximately 175,560 MMBTU (hereinafter: the "Basic Capacity").

In return for payment of a capacity fee for the basic capacity and a throughput fee for the actual quantity of gas transmitted, according to the transmission tariffs customary in Israel, as updated from time to time. INGL also undertook to provide interruptible transmission services for additional quantities of gas beyond the basic capacity, subject to the capacity available in the transmission system, at a minimum volume of no less than 1.8 BCM per year (for all exporters who enter into a transmission agreement with INGL in connection with the Nitzana Project) (hereinafter: the "Additional Quantities").

The Additional Quantities

For the transmission of the additional quantities, Chevron will pay a transmission tariff for interruptible transmission services according to the quantities actually transmitted, as determined by the Natural Gas Authority. In addition, Chevron will bear its relative share (according to the allocation rate to the Tamar Partners) of the operating costs of the Nitzana Project facilities, including fixed costs of the project facilities, including the compressor station, and variable costs for electricity consumption for operating the compressor station, according to the actual usage rate, all as detailed in the Transmission Agreement.

(c)

Transmission of gas under the Transmission Agreement will commence no later than 36 months from the effective date of the agreement as stated in section (h) below (hereinafter: the "Commencement Date").

(d)

The Transmission Agreement will terminate at the earliest of:

- (1) The date the agreement is canceled according to its terms;
- (2) 15 years from the Commencement Date;
- (3) Upon expiration of INGL's transmission license.

(e)

Chevron will be entitled to terminate the Transmission Agreement with prior notice, after:

- (1) 8 years have passed from the Commencement Date;
- (2) The date on which the cumulative quantity transmitted under the Transmission Agreement equals approximately 14.3 BCM.

In addition, in the event of a cessation of 90% or more of natural gas exports from Israel to Egypt (except via secondary trade or through the EMG pipeline), not due to an act or omission of Chevron, Chevron will be entitled, once during the term of the Transmission Agreement, to cancel the Transmission Agreement with prior notice. If, after the cancellation and until the end of 15 years from the Commencement Date, exports to Egypt are renewed, the Transmission Agreement will be renewed according to the capacity available in the transmission system at that time.

INGL will be entitled to terminate the Transmission Agreement if one of the exporters who signed a transmission agreement fails to meet its obligations as stated in the agreement (and in such a case will lose its share in the line), and no other exporter is willing to assume the defaulting exporter's share.

The Transmission Agreement includes other standard provisions allowing each party to terminate it.

Footnotes:

(Footnotes are not shown in the body of the text, see the footnote section below)

(f) In the period until the Commencement Date, and also after the Commencement Date if gas transmission in the Ramat Hovav-Nitzana line is not possible for any reason, Chevron will be entitled to divert the basic capacity or part of it to the Jordan North line, subject to the conditions set in the Transmission Agreement.

(g) The Transmission Agreement includes provisions regarding the limitation of the parties' liability and agreed compensation to be paid by INGL in the event of failure and/or delay in the provision of transmission services by INGL.

(h) The Transmission Agreement entered into force on October 23, 2025, after the signing of gas transmission agreements with INGL by all exporters who received an allocation in the Ramat Hovav-Nitzana line, covering the full costs of establishing the project.

2. Shortly before the signing of the Transmission Agreement, Chevron and the other Tamar Partners signed a back-to-back agreement to the Transmission Agreement, under which, inter alia, Chevron's entry into the Transmission Agreement is made for and on behalf of the Tamar Partners on a 'back-to-back' basis, so that all risks, costs, obligations, and rights associated with the performance of the Transmission Agreement will be attributed to them, according to their relative share in the Tamar Project, as if they were a party to the Transmission Agreement. The said agreement sets out the decision-making mechanisms by which Chevron will exercise the rights, powers, and discretion granted to it under the Transmission Agreement. It is also stipulated that each partner will bear, according to its relative share in the Tamar Project, the costs related to the Transmission Agreement, including establishment costs, transmission fees, and operating costs of the Nitzana Project.

3. It should be noted that Chevron is expected to enter into an Engineering, Procurement, and Construction (EPC) agreement with INGL for the construction of the compressor station in the Nitzana Project for a fixed amount of approximately \$285 million (hereinafter: the "Fixed Cost"), which is included in the estimated budget as stated in Section 1(a) above, and reflects the cost estimated for the compressor station in December 2024. Since, according to Chevron's estimate, the actual costs of constructing the compressor station are expected to be higher than the Fixed Cost (hereinafter: the "Excess Costs"), Chevron and the other Tamar Partners signed an additional back-to-back agreement, under which the Tamar Partners, each according to its relative share in the Tamar Project, undertook to bear 50% of the Excess Costs, if any, beyond the Fixed Cost. According to Chevron's estimate, the Excess Costs currently amount to approximately \$64 million (100% of the project; Tamar Partners' share is about \$32 million, and Isramco Negev 2's share is about \$9.2 million).

Forward-Looking Information Warning: The above estimates regarding the project's establishment costs constitute "forward-looking information" as defined in the Securities Law, 1968, based, inter alia, on the estimates of Isramco Negev 2 and its work plans as of this date, on INGL's estimates, and on Chevron's estimates and plans as of this date, regarding the availability of equipment and services, costs and schedules, receipt of regulatory approvals, and assumptions regarding the duration of the project's extension. There is no certainty that the above estimates will be realized, in whole or in part, and they may be realized in a materially different manner, due to various factors not dependent on the Company, including changes in the project's plans, regulatory changes or requirements, geopolitical changes or changes in the security situation in the area, operational or technical difficulties, as well as the occurrence of any of the risk factors detailed in Section 9.20 of Chapter A of the Periodic Report.

The partners in the Tamar Project and their holdings are as follows:

Isramco Negev 2, Limited Partnership	28.75%
Chevron Mediterranean Limited	25%
TAMAR PETROLEUM LTD	16.75%
Mubadala Energy (Tamar) RSC LTD	11.00%
Tamar Investment 2 Limited	11.00%
Dor Gas Exploration, Limited Partnership	4.00%
Union Energy & Systems 2 Ltd	3.50%

Sincerely,

EQUITAL LTD.

By Eran Landner, CEO
and Eitan Wallach, CFO

4.

FOOTNOTE:

¹⁰¹ It should be noted that on October 23, 2025, the Natural Gas Authority notified the Tamar Partners of the said allocation, in light of a change in the allocation requested by the rights holders in the Karish-Tanin reservoir, and after the capacity that became available in the line was offered to the rights holders in the Tamar and Leviathan reservoirs, in accordance with the mechanism set in Resolution 3/2023.

¹⁰² The budget includes amounts in NIS, Euro, and USD, and was converted to USD according to the representative exchange rates as of October 22, 2025.

²⁰³ In this framework, Isramco Negev 2 is required to provide a bank guarantee at a rate of 35% of its share in the estimated budget (about \$26 million) and a partnership guarantee at a rate of 25% of its share in the estimated budget (about \$18 million).

²⁰⁴ It should be noted that according to the Transmission Agreement, if INGL determines that the transmission capacity in the Ramat Hovav-Nitzana line can be increased, it must notify the Natural Gas Authority, which will offer the additional capacity to the various exporters who have entered into transmission agreements in the line. If the total capacity in the line increases and the Tamar Partners exercise their right to receive part of the additional capacity, the basic capacity may increase accordingly.

²⁰⁵ Chevron will be entitled to extend the Transmission Agreement with prior notice, for a period of up to 5 additional years.