

December 10, 2025

# Equital Ltd. (the Company)

To:Israel Securities AuthorityVia MAGNA

To:Tel Aviv Stock Exchange Ltd.Via MAYA

Dear Sir/Madam,

**Subject: Initiation of Arbitration Proceedings by The Israel Electric Corporation Ltd. Against All Partners in the Project**

**Tamar**

Further to section 9.4.4.3 of Chapter A of the Company's annual report for 2024 published on March 31, 2025 (reference no. 2025-01-023400) (hereinafter: the annual report), regarding the gas supply agreement

between the partners in the Tamar project (hereinafter: **Tamar Partners**) and The Israel Electric Corporation Ltd. (hereinafter:

IEC) signed on March 14, 2012, as amended from time to time (hereinafter: the IEC Agreement), and further to the immediate report

dated July 24, 2025 (reference no. 2025-01-055327), regarding the signing by Isramco Negev 2 Limited Partnership

(hereinafter: Isramco Negev 2) (and some of the other Tamar Partners) of a non-binding memorandum of understanding with IEC to amend

the IEC Agreement (hereinafter: **the memorandum of understanding**), and to the immediate report of September 9, 2025 (reference

no. 2025-01-068087), regarding the decision of the general partner of Isramco Negev 2 not to advance the amendment

to the IEC Agreement at this time, the company wishes to update that on December 9, 2025, IEC initiated arbitration proceedings

in the London Court of International Arbitration against all Tamar Partners, within which it is requested to determine, among other things,

that as of January 1, 2025, the gas price in the IEC Agreement in relation to the minimum chargeable quantity (as defined

in section 7.4.4.2(1) of the annual report), as stipulated in the IEC Agreement, will be reduced to the maximum rate

set forth in the IEC Agreement (for details regarding the price adjustment mechanism, see section 9.4.4.3(7)A of the annual report).

Isramco Negev 2 completely rejects IEC's position, and will submit its detailed position within the framework of the arbitration proceedings.

arbitration proceedings.

**The partners in the Tamar project and their respective holdings are as follows:**

28.75%	Isramco Negev 2, Limited Partnership
25%	Chevron Mediterranean Limited
16.75%	Tamar Petroleum Ltd.
11.00%	Mubadala Energy (Tamar) RSC LTD
11.00%	Tamar Investment 2 Limited

4.00%	Dor Gas Exploration, Limited Partnership
-------	--

Union Energy & Systems 2 Ltd.

3.50%

Respectfully,

Equital Ltd.

By Eran Landner, CEO

and Eitan Voloch, CFO