Equital Ltd. ("the Company")

June 29, 2026

To
Israel Securities Authority
via MAGNA

To
The Tel-Aviv Stock Exchange Ltd.
via MAYA

Dear Sir/Madam,

Subject: Sale of oil and gas assets of a subsidiary in the USA

The Company is pleased to announce that on June 26, 2026, a subsidiary of Naphta Israel Petroleum Corp. Ltd. (hereinafter: "Naphta") entered into an agreement for the sale of part of its oil and gas assets located in Texas, USA, in which the subsidiary serves as the operator, to a third party for a total consideration of $1 million (approx. NIS 3 million). The economic effective date of the transaction was set for June 1, 2026, and from this date, the revenues, expenses, and liabilities related to the assets are shared between the parties in accordance with the provisions of the agreement and subject to final settlement. The book value of the wells in the Company's books amounts to approx. $0.5 million (approx. NIS 1.5 million) and the liability for removal, evacuation and restoration of the sites where the oil and gas assets are located amounts to approx. $7 million (approx. NIS 21 million). In addition to the cash consideration, the subsidiary is entitled to an overriding royalty at a rate of 4% of the revenues from the assets. The purchaser assumed the operating, abandonment, decommissioning and environmental liabilities in accordance with the agreement. As a result of the transaction, and based on Naphta's estimates as of the reporting date, Naphta is expected to record a profit from the sale of the assets, before tax, in an estimated amount of approx. $8 million (approx. NIS 24 million).

Both parties included customary representations and warranties in the agreement regarding the transaction, which constitute an integral part of the agreement and the terms of the transaction, including the rights, obligations, and remedies of the parties in connection with the transaction.

Forward-Looking Information Warning - **The Company's assessment regarding the estimated expected profit constitutes "forward-looking information", as defined in the Securities Law, 5728-1968, based, inter alia, on Naphta's preliminary estimate only, on various assumptions regarding the completion of the final settlement and the accounting treatment of the transaction. There is no certainty that the above assessment will materialize, and it may materialize in a materially different way, due to various factors beyond the Company's control including, inter alia, various adjustments set in the agreement, the completion of the final settlement and the accounting treatment to be applied.**

Sincerely,

Equital Ltd.

By: Eran Landner, CEO
and Eitan Wallouch, CFO