

RATIO OIL EXPLORATION (1992) LIMITED PARTNERSHIP

INVESTORS' PRESENTATION
JUNE 2021





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The Partnership does not undertake to update and/or change any data included in the presentation and/or forecasts and/or estimates to reflect events and/or circumstances occurring after the date of preparation of this presentation.

RATIO OIL EXPLORATION (1992) - LIMITED PARTNERSHIP

An experienced E&P player focused on the gas-rich Levant Basin

PROSPECT GENERATOR of the largest natural gas discovery in the Med-Sea
LEVIATHAN FIELD

Natural Gas

642

BCM_(GROSS)¹

Condensate

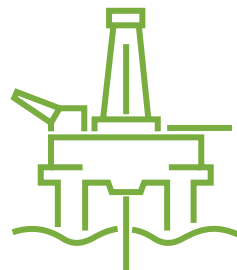
50

MMBBL_(GROSS)¹



ZONES A&C
Exploration
Acreage

2,698km²
(GROSS)



30 YEARS
of experience

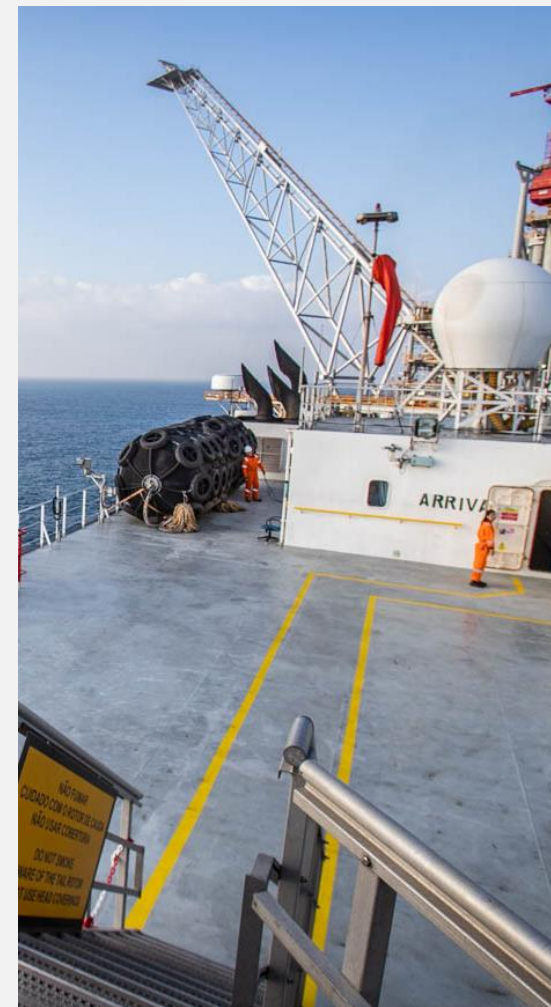
\$490M

Market Cap⁽²⁾

Main
Indexes

TA-90
TA-125
TA-Oil & Gas

	FY/2020	Q1/2020	Q1/2021
Revenues	\$195M	\$47M	\$72M
EBITDA	\$131M	\$32M	\$50M



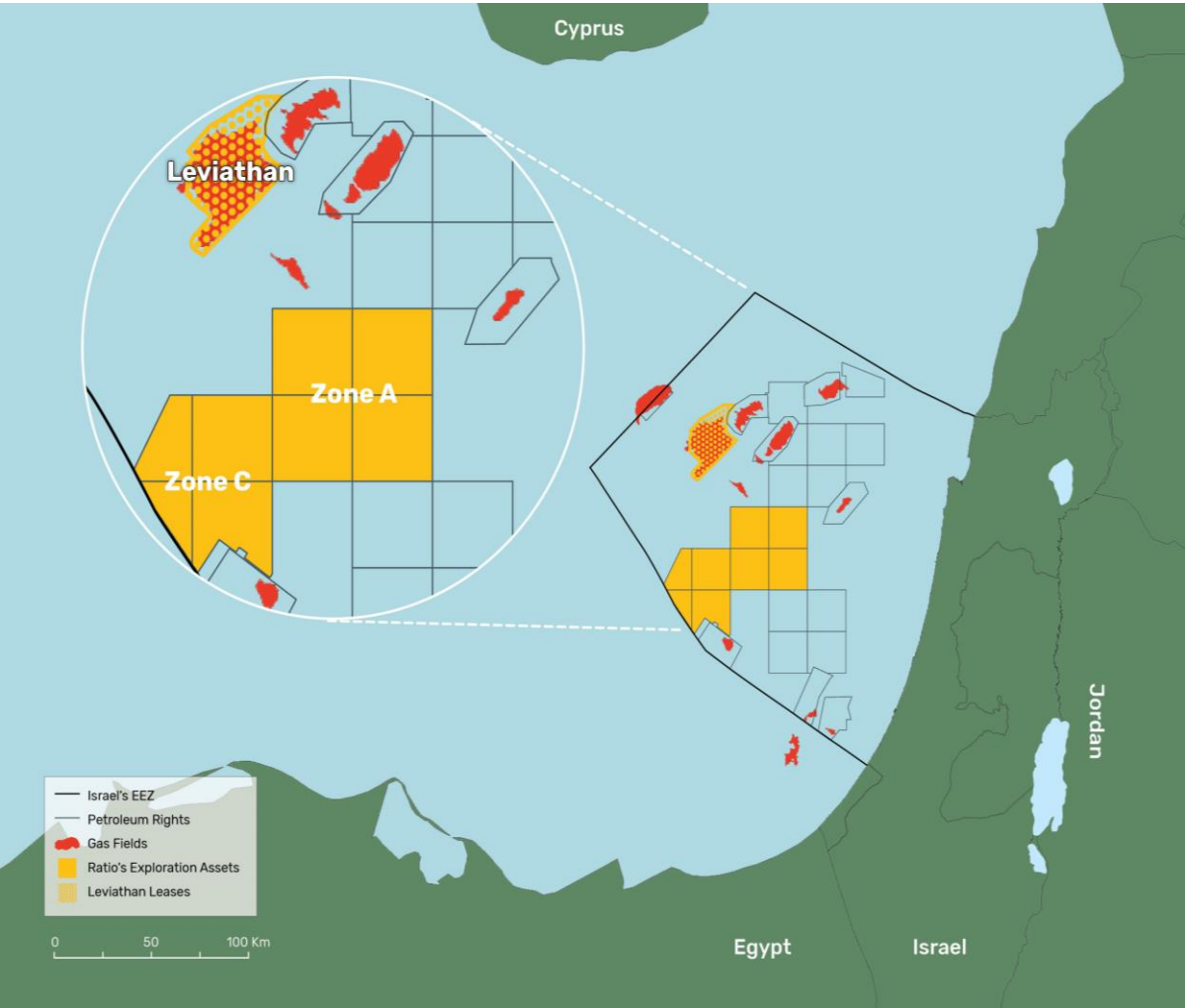
INTRODUCTION TO RATIO



Our Assets

15%
Leviathan Leases

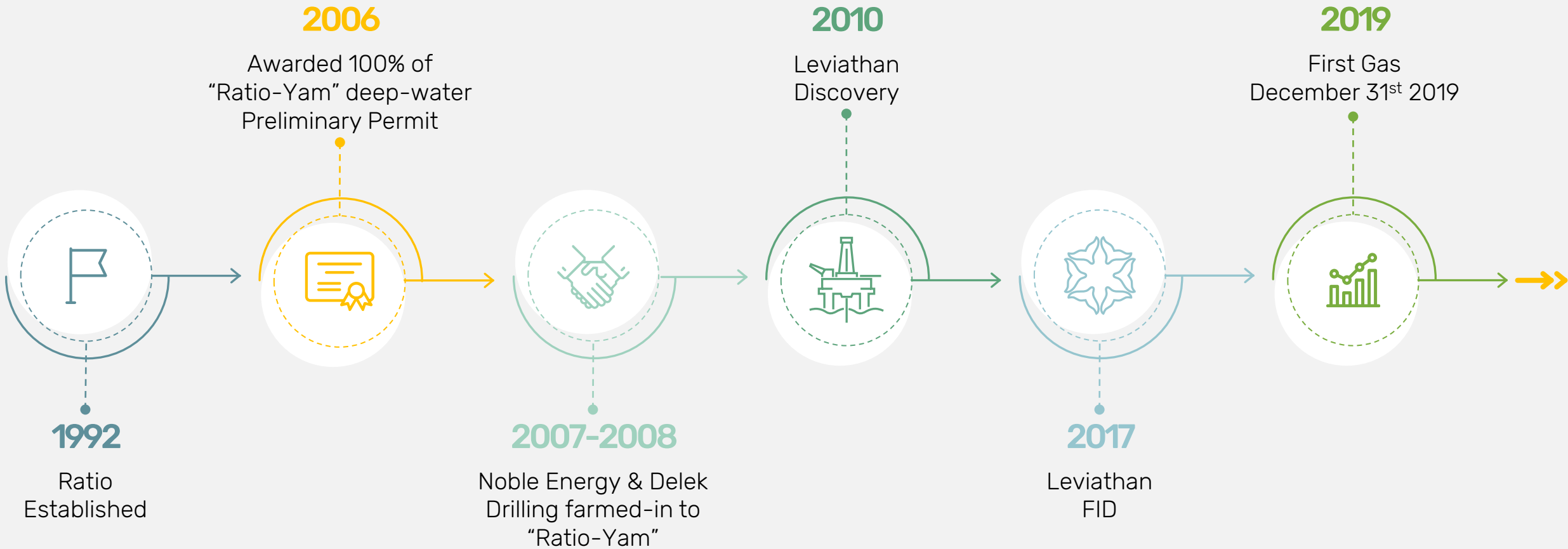
33.33%
Zones A&C



Our Partners



LEVIATHAN MILESTONES



Successful 1st year of natural gas supply to domestic (Israel) & export markets



Well financed and robust long-term capital structure

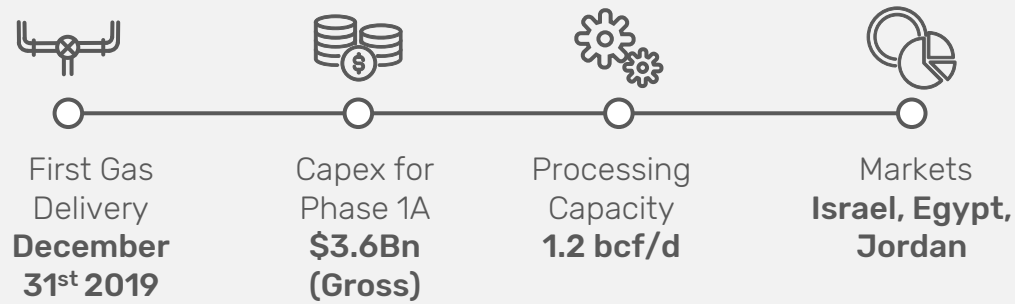
2020 TURNING POINT FOR RATIO

Tier-1 operational performance and business resilience during Covid-19

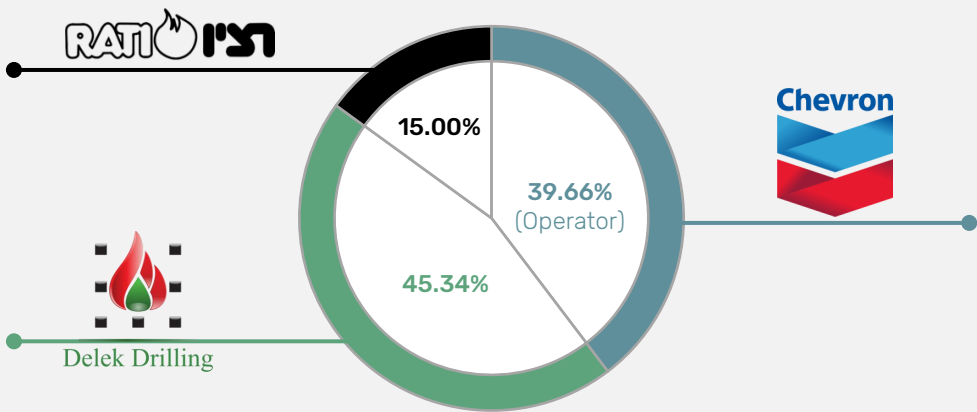


Additional growth engines including the potential entry into Renewable Energy projects

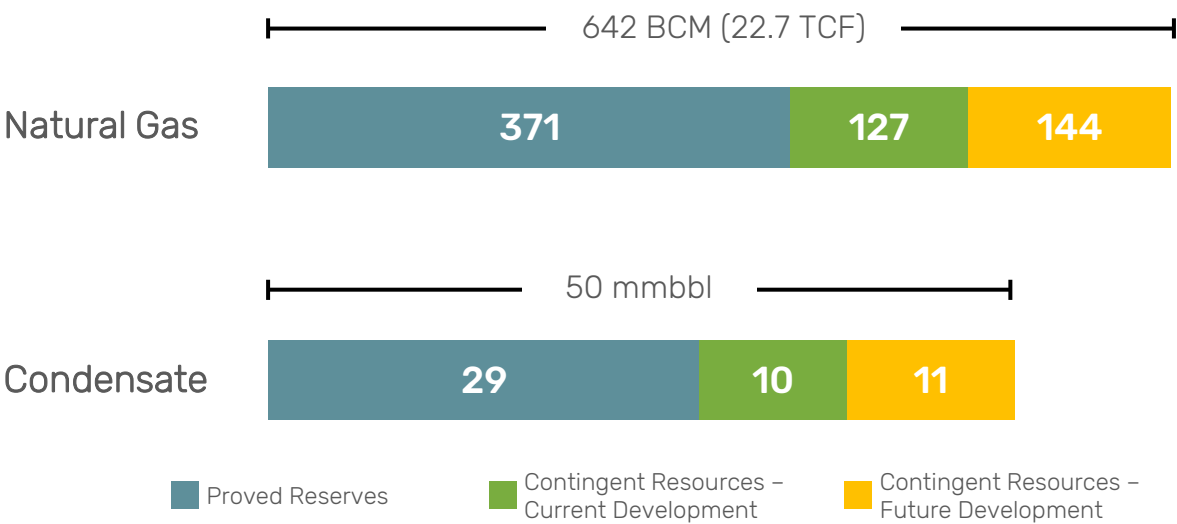
LEVIATHAN AS THE ANCHOR FOR REGIONAL ENERGY



Ownership Structure



Gross Reserves & Resources¹



1. As per the Partnership's immediate report dated March 10, 2021 based on NSAI's 2P+2C estimate; Not including Leviathan deep-oil prospective resources

LEVIATHAN 1st YEAR OF SUPPLY



CHEVRON BECOMES LEVIATHAN'S OPERATOR

Supermajor capabilities facilitate expansion beyond regional markets to become a global natural gas supplier

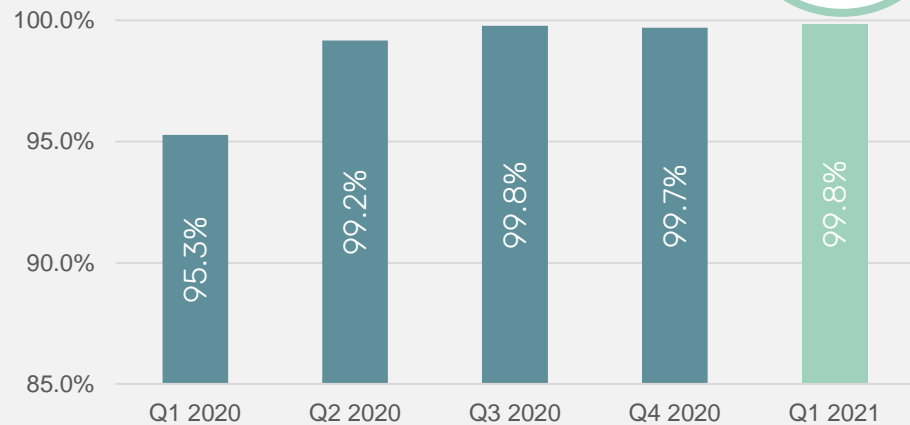
DIVERSIFIED CUSTOMERS PORTFOLIO

A reliable and material source of natural gas supply to domestic (Israel) and export customers

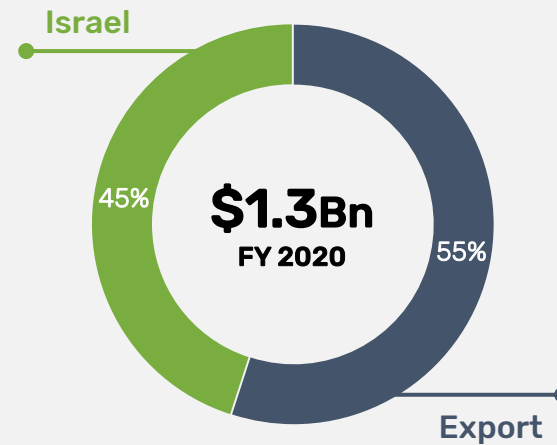
ALL SEGMENTS MET GUIDANCE

Completed Phase 1A development and exceeded COVID-19 financial forecasts

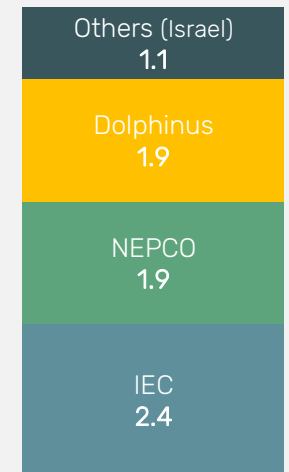
Uptime Performance



Total Sales



7.25 BCM FY 2020



LEVIATHAN FUTURE EXPANSION

Phase 1A (DSM)
Capacity of
~12 BCM/A

Phase 1A
Expansion
(DSMX)

Capacity
expansion to
**~16
BCM/A**

Phase 1B
(REM)

Capacity
expansion to
**~21-24
BCM/A**



Diverse Export Infrastructure Options



Pipeline
to LNG facility
in Egypt



FLNG



EastMed
Pipeline

LEVIATHAN'S MARKETING STRENGTHS

Strategic asset providing vital energy security



Strategically located in the East Med, well positioned to take advantage of the increasing regional natural gas demand



Signed GSPAs represent a balanced composition of domestic (Israel) and international offtakers



Majority of GSPAs include TOP commitments and floor price protection



Ongoing discussions with additional potential consumers

DIVERSIFIED CUSTOMERS



Signed GSPAs to date amount to total quantity of c. 150 BCM



RATI רציו

EXPORT MARKETS

Strength of strategic regional markets



EGYPT

DOLPHINUS¹ GSPA

TCQ of **60 BCM** over 15 years

TOP and **FLOOR PRICE**



Egypt is a mature natural gas market, with long-term ambitions to become a regional natural gas hub

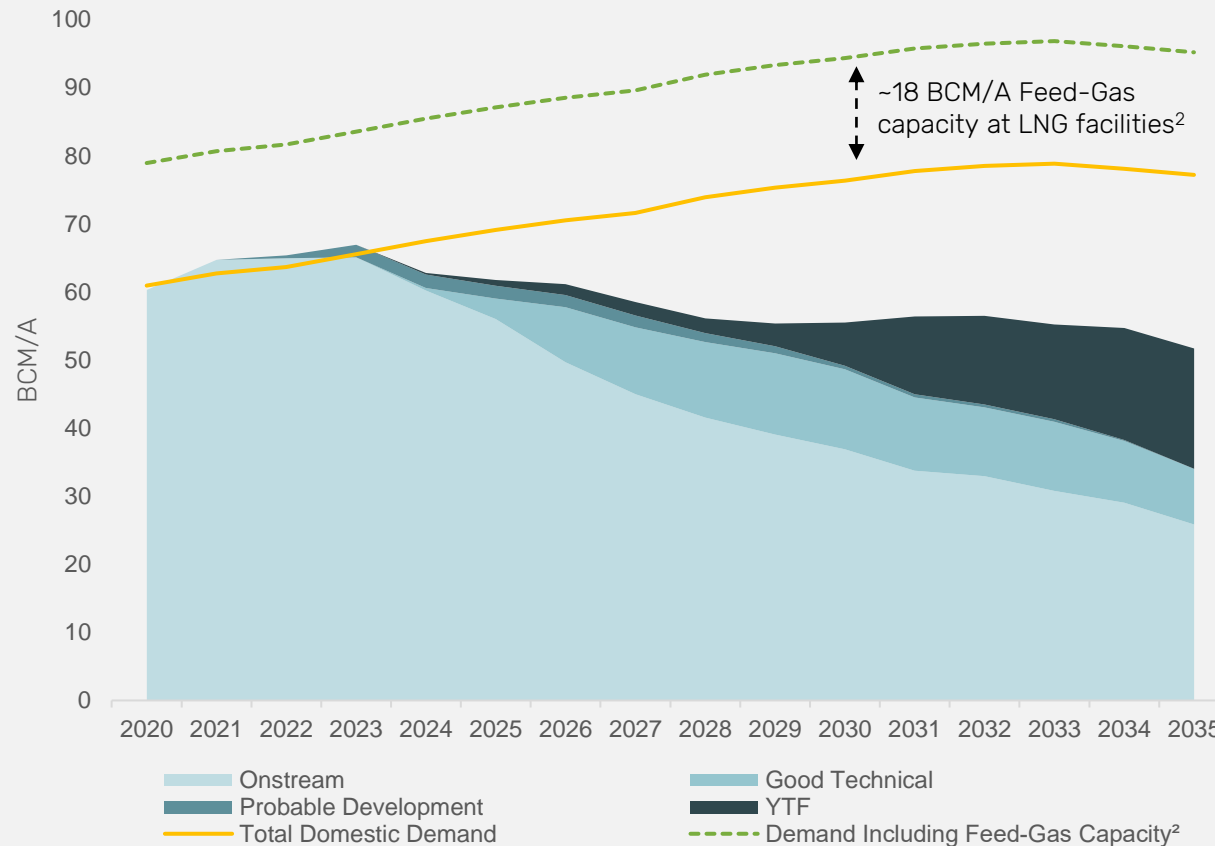


Significant additional natural gas supply required to meet increasing local (Egypt) demand and maintain utilization of two LNG facilities with total capacity of 17-18 BCM/A²



Natural gas serves as the primary source for electricity generation in Egypt and contributes ~85% of total electricity output

Fast-rising domestic natural gas demand alongside declining production from mature fields



Source: Wood Mackenzie, Energy Markets Service, March 2021

1. In June 2020, the Dolphinus Export Agreement was novated to Blue Ocean Energy (a Cayman Islands company and an affiliate of Dolphinus)

2. Total liquification capacity of c.13 MMTP/A at ELNG (Idku) & SEGAS LNG (Damietta) LNG Facilities; Source: www.shell.com & www.eni.com

The foregoing graph was obtained from The Energy Market Service™ and Global Gas Service™, products of Wood Mackenzie.

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EXPORT MARKETS

Strength of strategic regional markets



JORDAN

NEPCO GSPA
TCQ of **45 BCM** over 15 years
TOP and **FLOOR PRICE**



Jordan has limited local energy sources and relies on imports for ~ 97% of its natural gas requirements

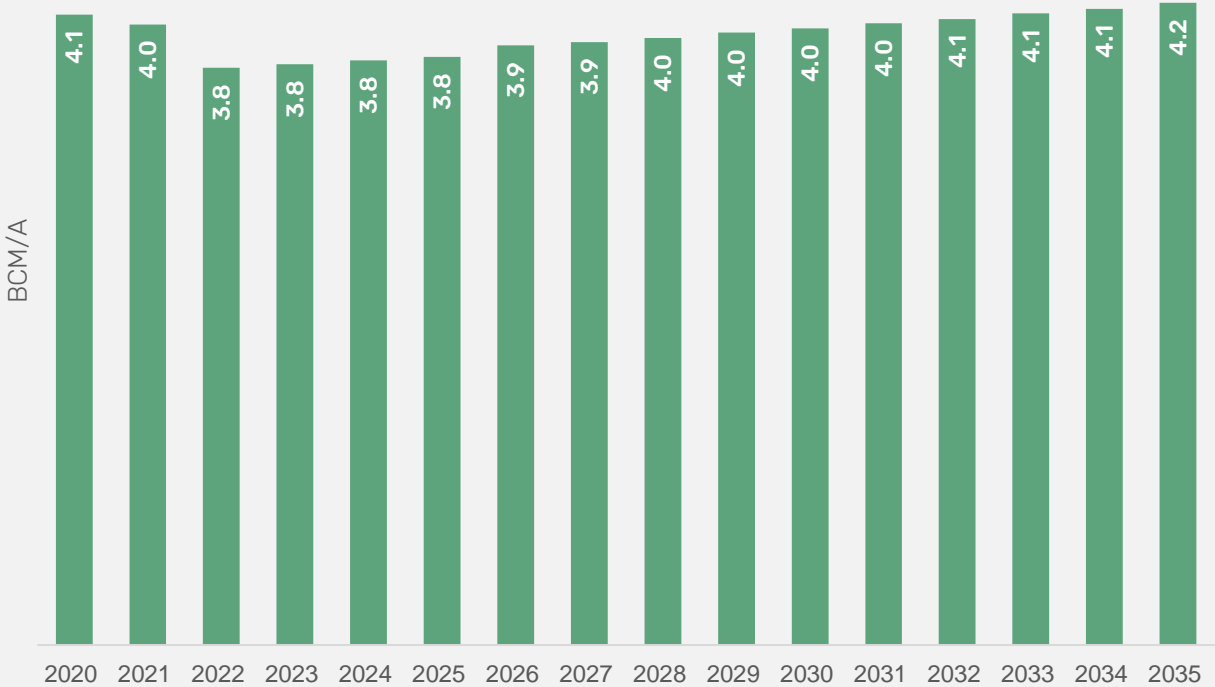


Natural gas has largely replaced oil as the main fuel used for power generation



Availability of natural gas supply will encourage transition from alternative fuels (coal/oil) to natural gas in the industrial sector

Jordan Natural Gas Demand (BCM)

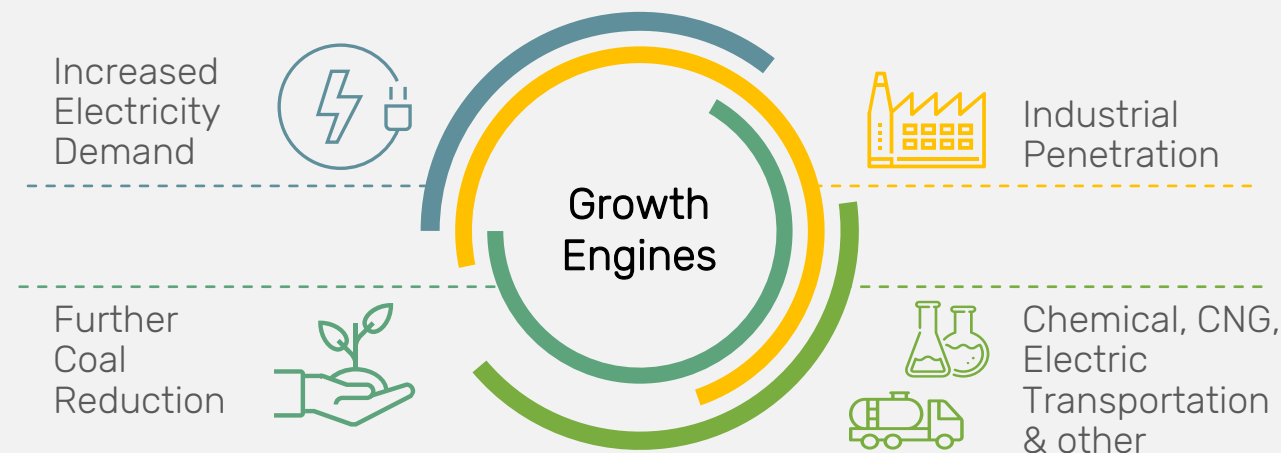


Source: Wood Mackenzie, Energy Markets Service, May 2020

ISRAEL'S NATURAL GAS REVOLUTION

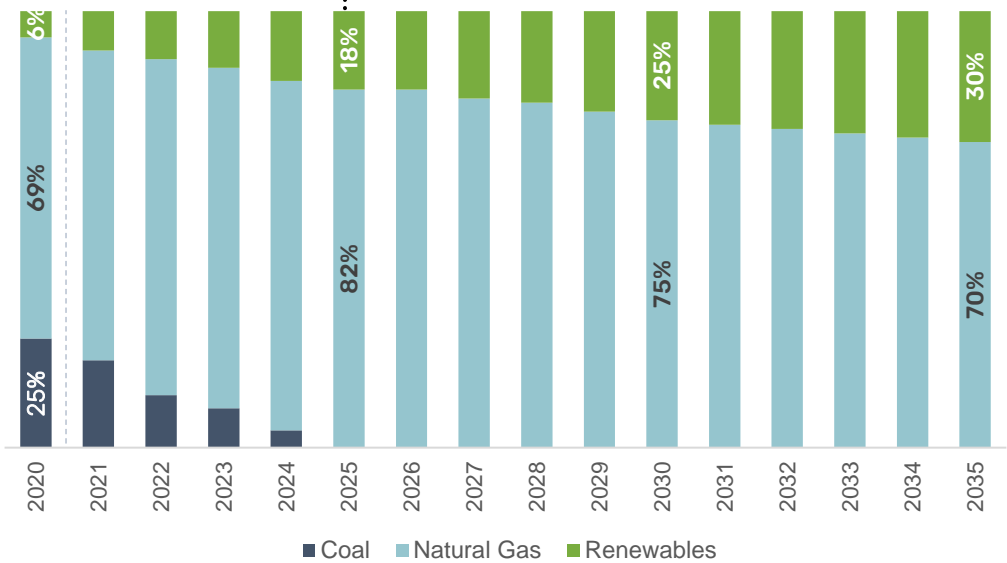
Energy transition from coal to natural gas powered electricity generation

Forecast predicts natural gas demand growth driven by structural reform of the electricity market along with regulatory and environmental directives

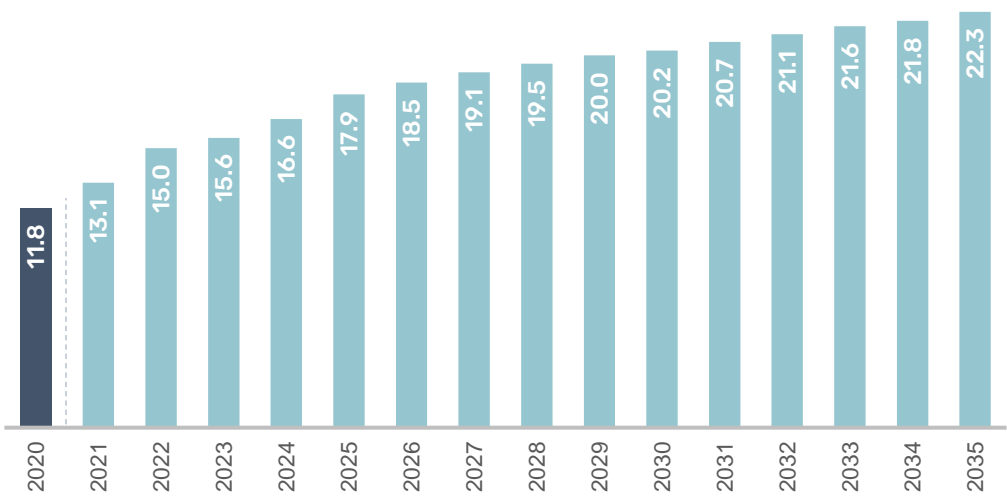


Generation by Fuel Mix

End of Coal Usage



Israel Natural Gas Demand (BCM)



Source: BDO forecast as of February 2021, including PA

GROWTH ENGINE IN THE LEVANT BASIN

Exploration Licenses Zones A & C

2,698km²

Gross Acreage

8

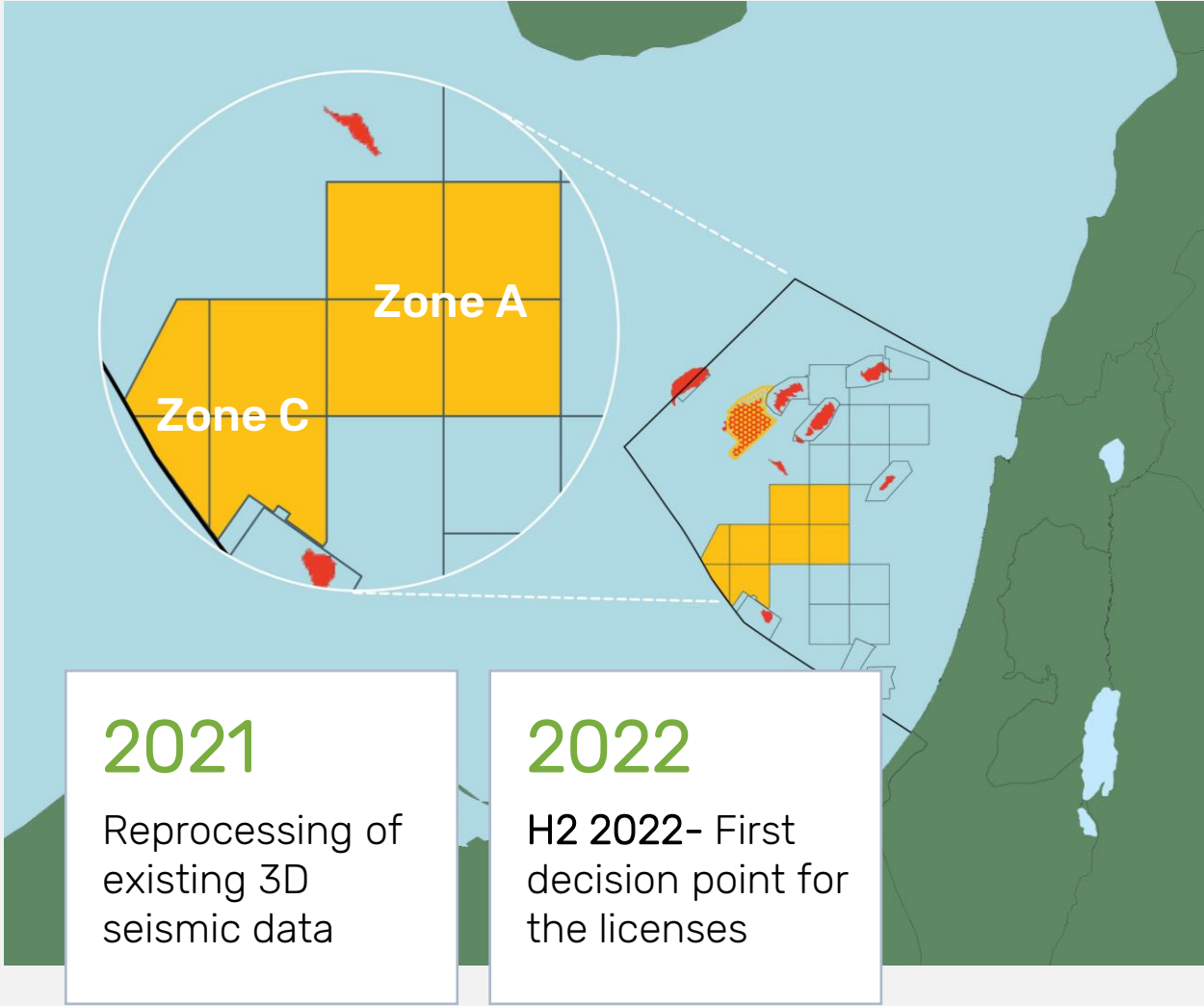
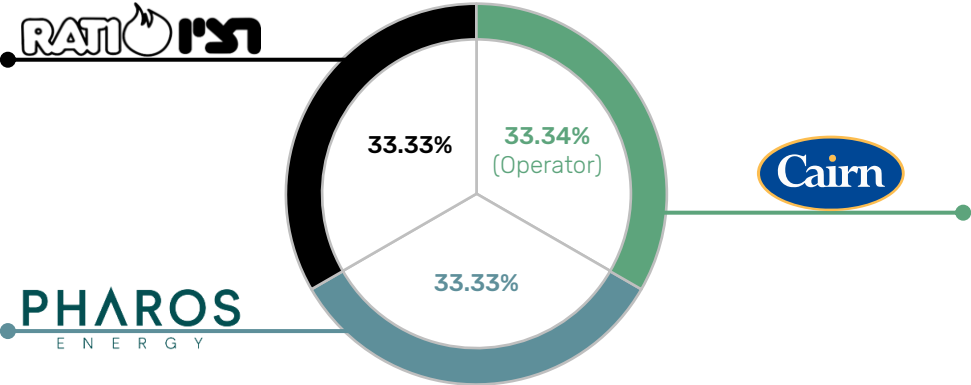
Licenses

10/2019

Licenses Awarded

No firm well commitment in the current exploration phase

Ownership Structure

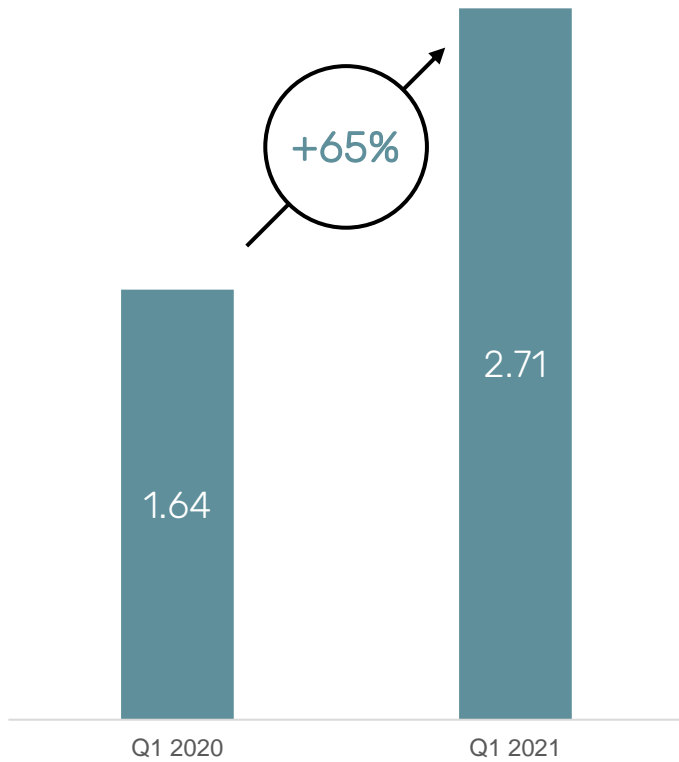




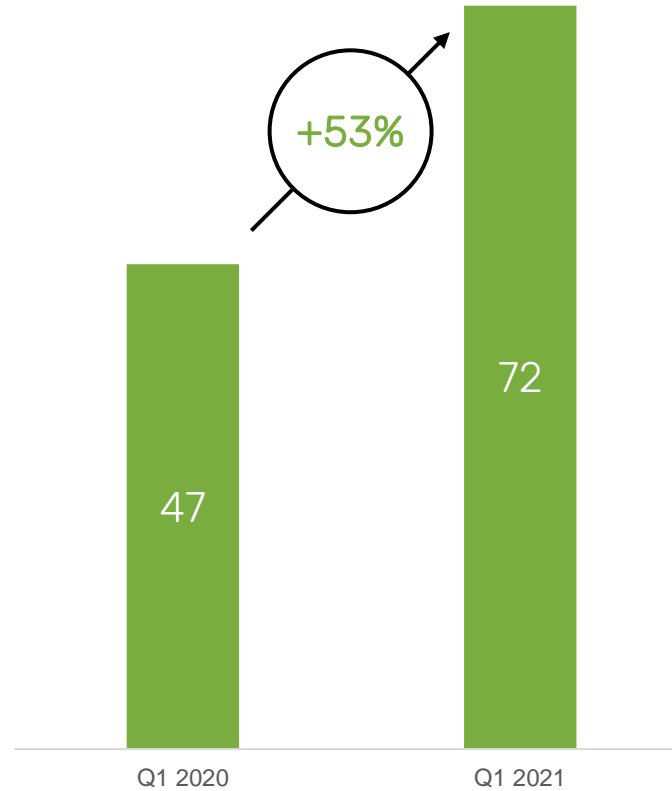
Financial Overview

IMPERSSIVE Q1 2021 FINANCIAL PERFORMANCE

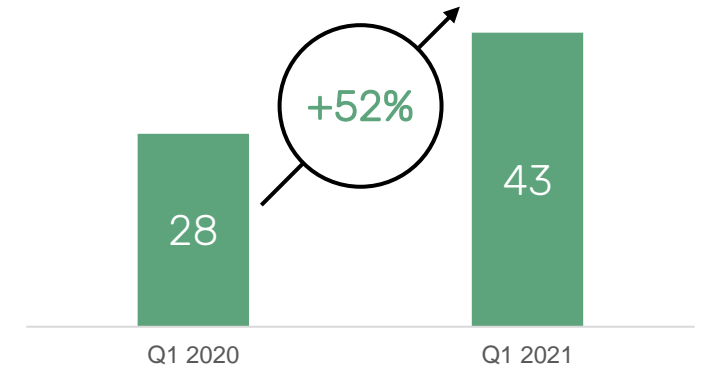
Gross Sales
(BCM)



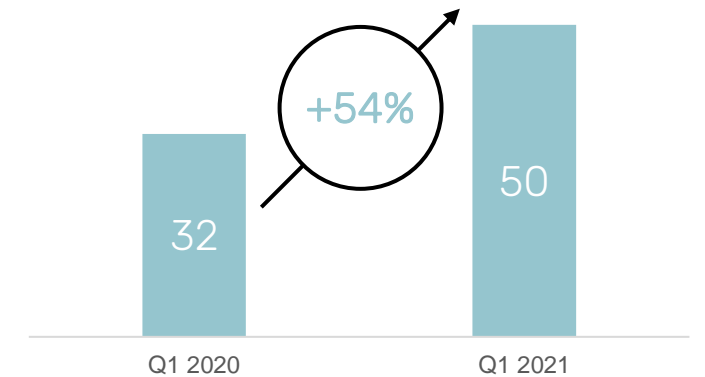
Revenues
(M\$)



Operating Income (M\$)

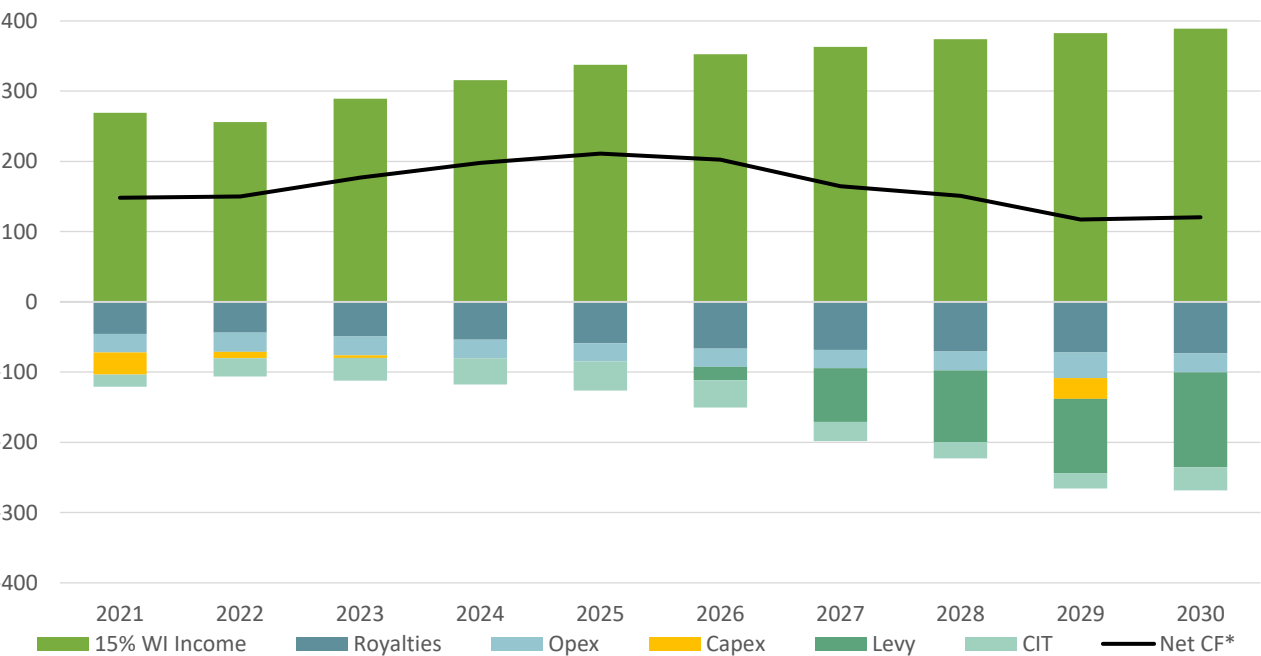


EBITDA (M\$)



PHASE 1A LONG-TERM & STABLE ROBUST CASH FLOW

Ratio's 10 years Net Cash Flow Forecast (2P+2C)¹



Phase 1A value
for Ratio (15%)²
as of 31.12.2020

NPV 10%
\$1.5Bn

NPV 7.5%
\$1.8Bn

Majority of GSPAs include TOP and floor price protection

Limited exposure to oil price volatility

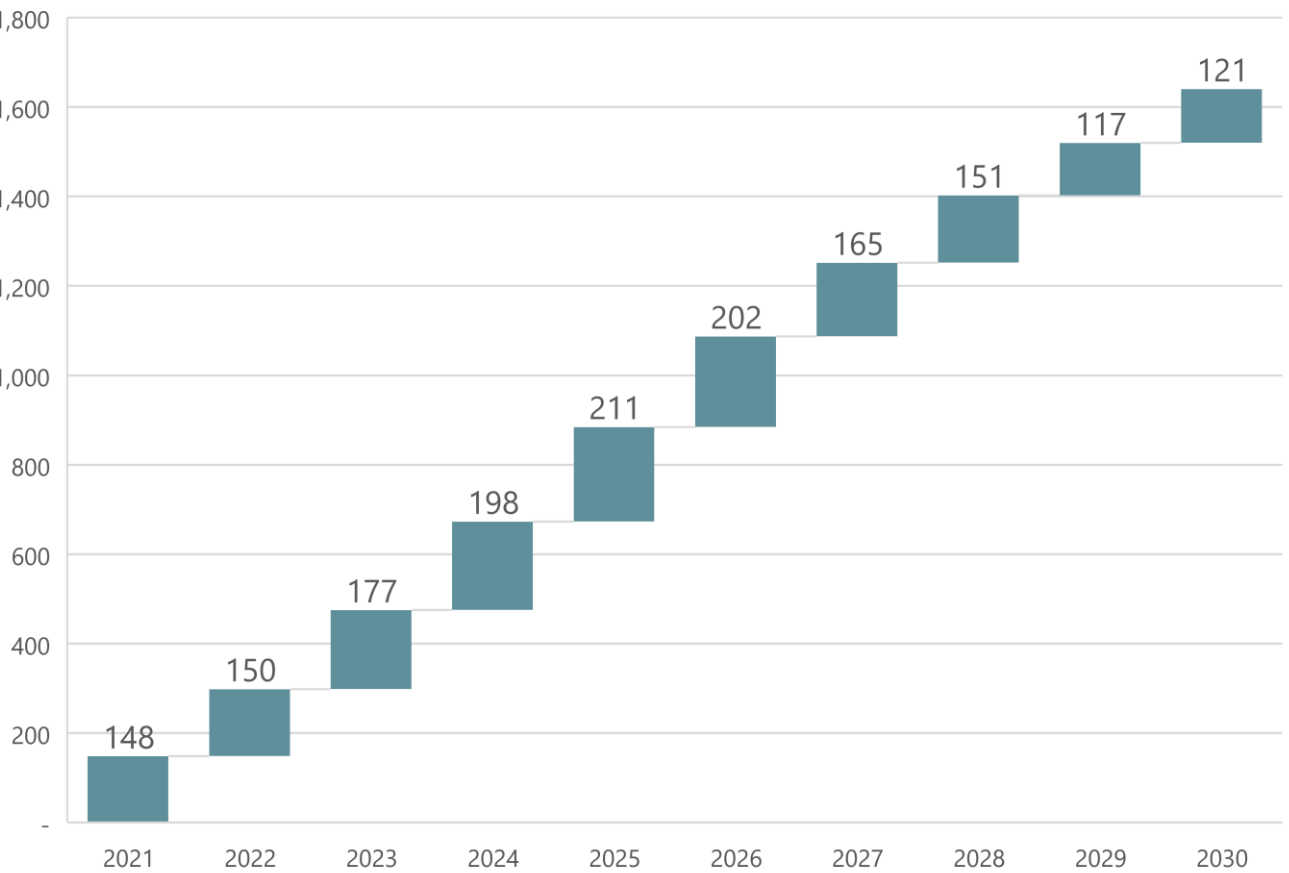
Low maintenance capex thanks to the high quality project



1. As per the Partnership's immediate report dated March 10, 2021 "Leviathan discounted cash flow projections" and based on NSAI's 2P+2C estimate. Net Cash Flow represents undiscounted Ratio's revenues less royalties, operating expenses, capex and taxes before debt service (principal & interest) & other expenses
2. Forecast assumptions are until 2064

HIGH DEBT SERVICE CAPABILITIES

Cumulative UFCF¹ > \$1.6Bn (2P+2C)
Expected sales of ~115 BCM over the next 10 years



AS OF
31.03.21



**Strong liquidity
and conservative
leverage profile**

\$171M

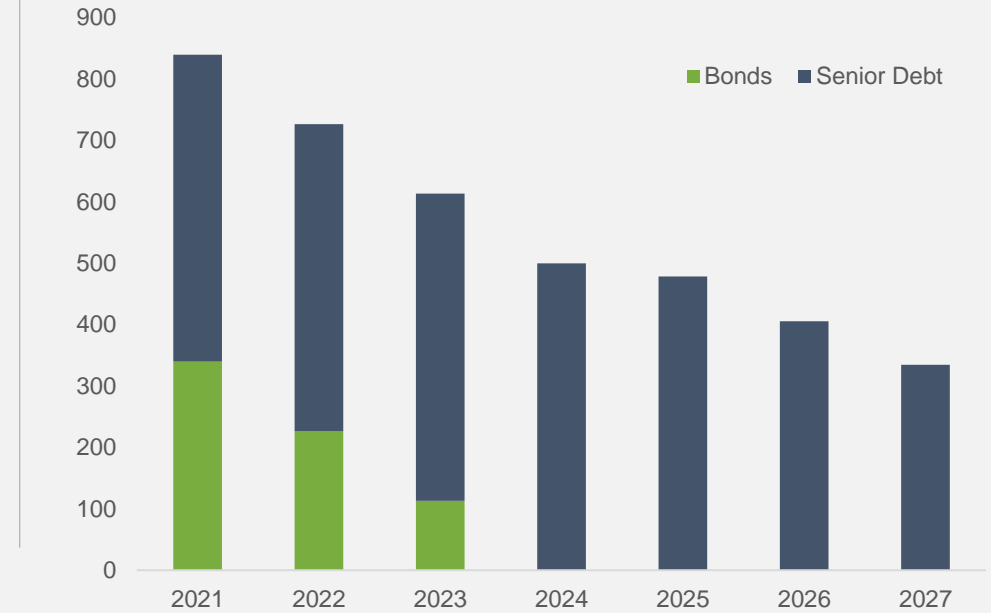
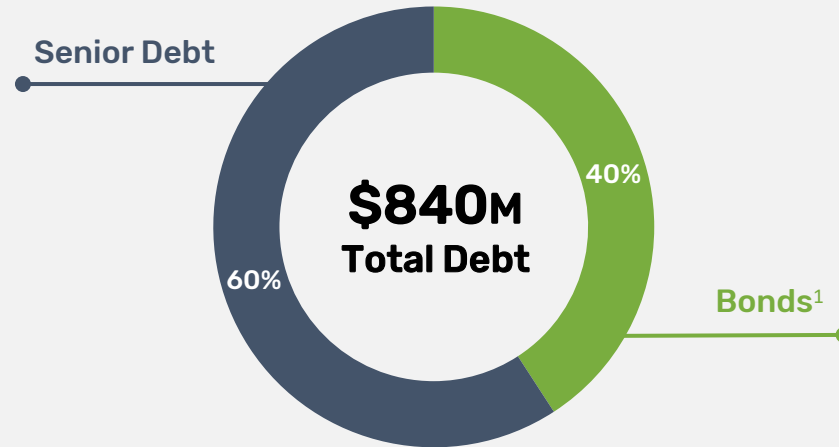
Cash & Cash
Equivalents²

\$(698)M

Net Debt

1. UFCF = Unlevered Free Cash Flow. based on NSAI's 2P+2C estimate from Partnership's immediate report dated March 10, 2021 "Leviathan discounted cash flow projections"
2. Includes cash, deposit and short-term securities.

OPTIMAL LONG-TERM CAPITAL STRUCTURE



SIGNIFICANT SENIOR DEBT FLEXIBILITY

Principle 3-year grace (2024)

Balloon \$300-350M end period (2027)

Available facilities for future Leviathan phases

Early repayment option



HIGH DEBT REPAYMENT CAPABILITY

3 equal annual installments
commencing by August 2021

Robust cash flow projection to
service upcoming bonds repayment



OPTIMIZATION OF CAPITAL STRUCTURE

Financial readiness for future
Leviathan expansion phases

Conservative capital structure and
decreasing long-term leverage

KEY HIGHLIGHTS



1 Production from Leviathan remains strong with 2.7 bcm in Q1 2021

2

Leviathan strategically positioned to take advantage of the increasing domestic (Israel) and regional natural gas demand

3

Chevron's Supermajor capabilities facilitate expansion beyond regional markets to become a global natural gas supplier

4

Leviathan Phase 1A provides for a long-term robust & stable cash flow with future growth engines

5

Optimization of debt structure for future development and profit distributions

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