

RATIO ENERGIES

Limited Partnership

INVESTOR
PRESENTATION

August 2023



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Entrepreneurial E&P player, prospect generator and 15% WI holder in the Leviathan Field

H1 2023 by the numbers

\$176M

Revenues

\$64M

Net Income

5.3 BCM

Gas Sales

6.1\$/MMbtu

Average Price

\$30M

**Interim half-year
Dividend 2023**

Key highlights

New bids for exploration

Submitted bids for new exploration licenses offshore Israel, as part of a global consortium

FID for 14 BCM/y

FID taken for laying a 3rd gathering line from the Leviathan field to the platform, increasing production capacity to ~14 BCM/y

Completion of new well

Completion of 5th production well, on time and on budget

LEVIATHAN

World-class asset and regional energy anchor



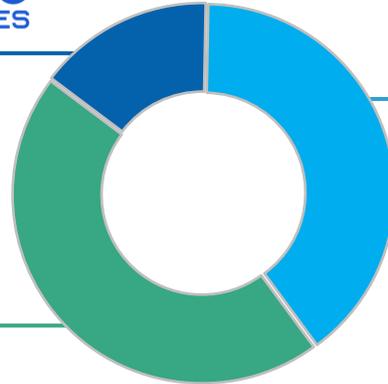
Ownership



15%



45.34%



39.66%

World-class operator assuring the highest standards of operations and unlocking opportunities for future development

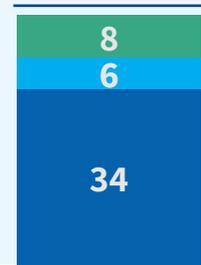
Gross Reserves & Resources¹

619 BCM



Gas

48 mmbbl



Condensate

Contingent resources Future development
Contingent resources Current development
Proved resources Current development

By the numbers

12 BCM/y
production capacity

5 Wells
currently producing

330 km²
reservoir area

3.5 years
of production

>35 BCM
of natural gas supplied

<2 kgCO₂e/boe
carbon intensity

1. 100%, as per the Partnership's immediate report dated March 19, 2023, "Leviathan discounted cash flow projections" and based on NSAI's 2P+2C estimate as of 31.12.2022.

PHASE 1 A UPSTREAM

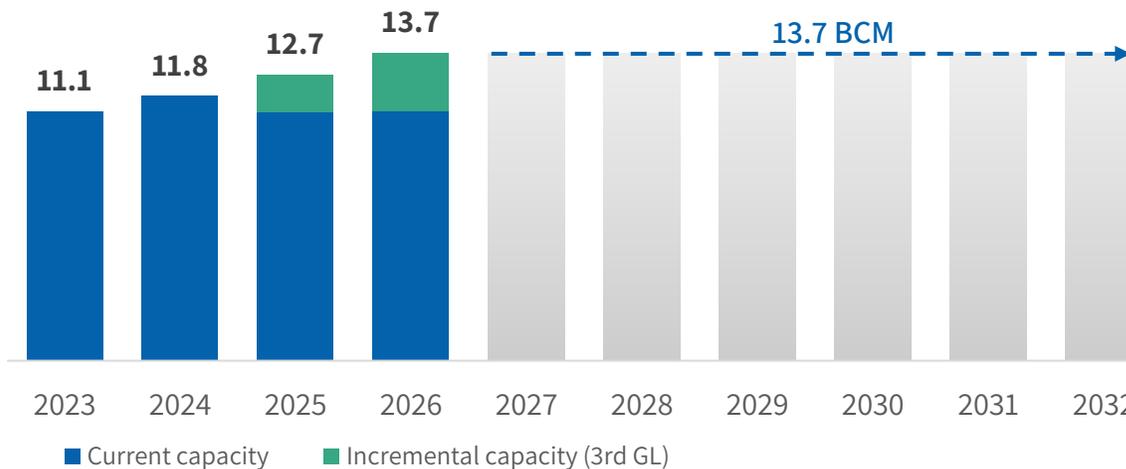
Optimizing
production &
monetizing
opportunities

Phase 1a Near-mid Term Optimization

Project	Status
 Completion of 5 th production well	Completed in Q2 2023
 Expediting 3 rd gathering line ¹	FID taken in Q2 2023
 Completion of condensate transport infrastructure	Expected completion in Q4 2023



Leviathan Phase 1A production (BCM)²



10-year outlook for Ratio³

+\$4.4 bn
accumulated revenue

+\$1.8 bn
accumulated cash flow

1. FID taken in Q2 2023, excepted completion in mid 2025
 2. Forecast assumptions are as per the Partnership's immediate report dated March 19, 2023, "Leviathan discounted cash flow projections" and based on NSAI's 2P+2C estimate as of 31.12.2022
 3. Cash flow represents undiscounted Ratio's revenues less royalties, operating expenses, capex and taxes (Levy & CIT) before debt service (principal & interest) & other expenses

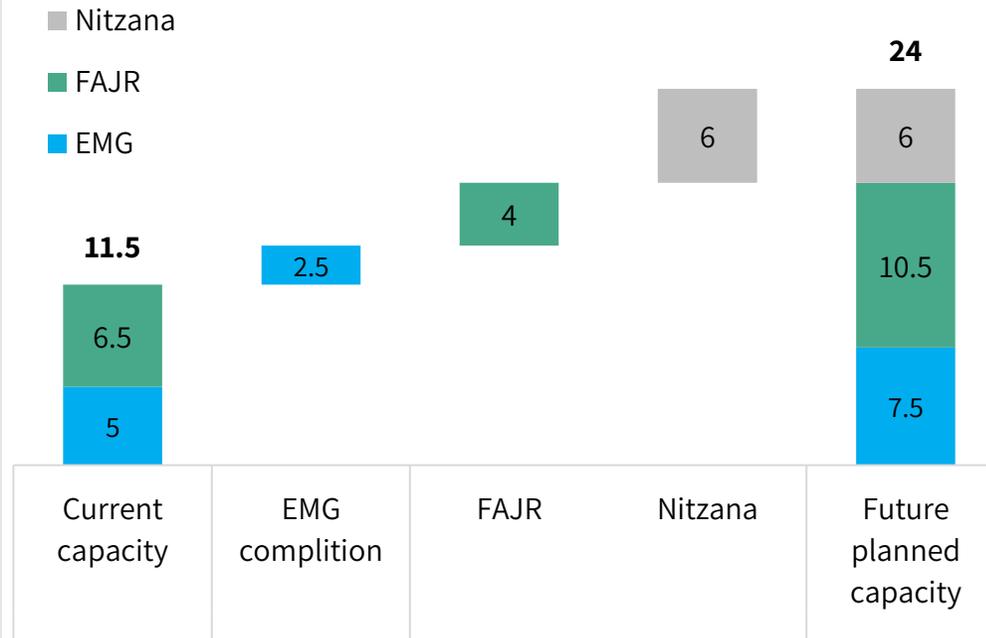
PHASE 1A MIDSTREAM

Expanding infrastructure to meet regional gas demand

Current and planned development projects

- 1 **EMG** Capacity expansion by laying a new offshore pipeline between Ashdod and Ashkelon
- 2 **FAJR*** Increasing existing pipeline capacity for transportation of incremental volumes to Egypt
- 3 **Nitzana*** New onshore pipeline between Israel and Egypt

Current and future export capacity (BCM/y)



* Nitzana and FAJR expansion projects are in early planning phases, no FID taken. Planned total capacity and Leviathan partners' investment yet to determined

LEVIATHAN PHASE 1B

Increasing production capacity, entering new markets

Upstream

Approved development plan to increase production to ~ 21 BCM/y

Leviathan platform expansion

\$45M budget in 2023 for Pre-FEED*



Current Capacity

12
BCM/y



Near-term Capacity

14
BCM/y



Phase 1B Capacity

21
BCM/y



Midstream

Several infrastructure alternatives for gas exports being considered:

FLNG Facility



\$51M budget in 2023 for Pre-FEED*

Pipeline to LNG plants in Egypt



Pipeline connections to Europe

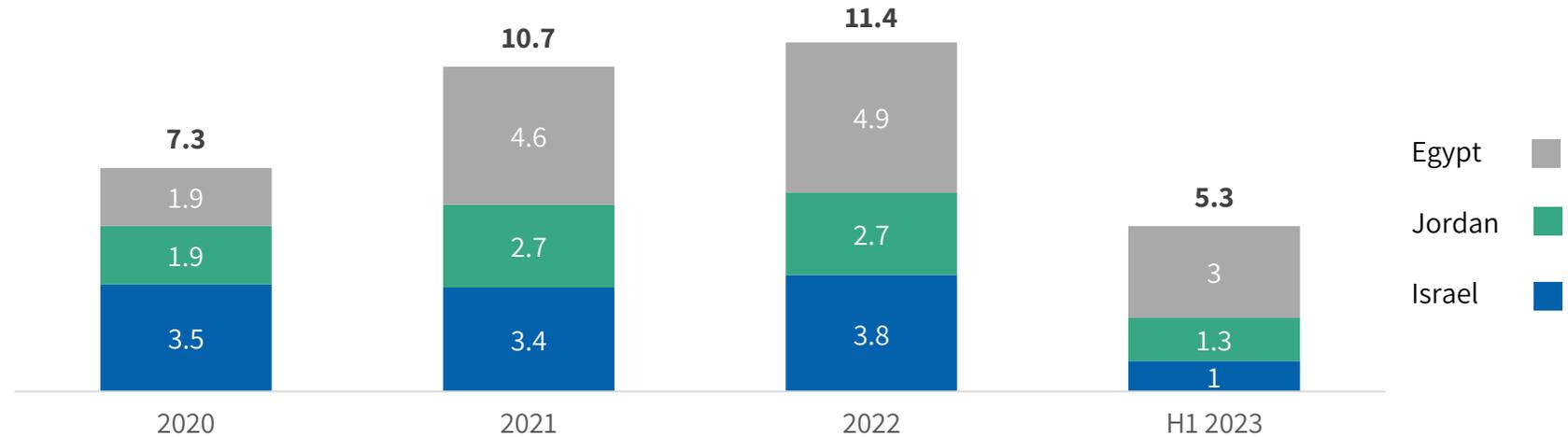


* Total budget of Leviathan partners (Ratio 15% share)

LEVIATHAN'S MARKETING ADVANTAGE

Long-term strategic agreements in high demand markets

Sales mix 2020-2023 (BCM)



Egypt

Blue Ocean long-term agreement (until 2034)

- **60 BCM** total contract quantity
- Brent linkage, floor price, take-or-pay
- Additional spot sales



Jordan

NEPCO long-term agreement (until 2034)

- **45 BCM** total contract quantity:
- Brent linkage, floor price, take-or-pay
- Additional spot sales



Israel

Mixture of long- and short-term contracts

- **~30 BCM** contracted quantity
- Diverse customer base: IPPs, cogeneration, industry
- Additional spot sales

EGYPT GAS MARKET



Regional gas hub

Egypt is a mature natural gas market which aspires to become a regional gas hub



Demand-production gap

Fast-rising domestic gas demand with production from legacy fields declining



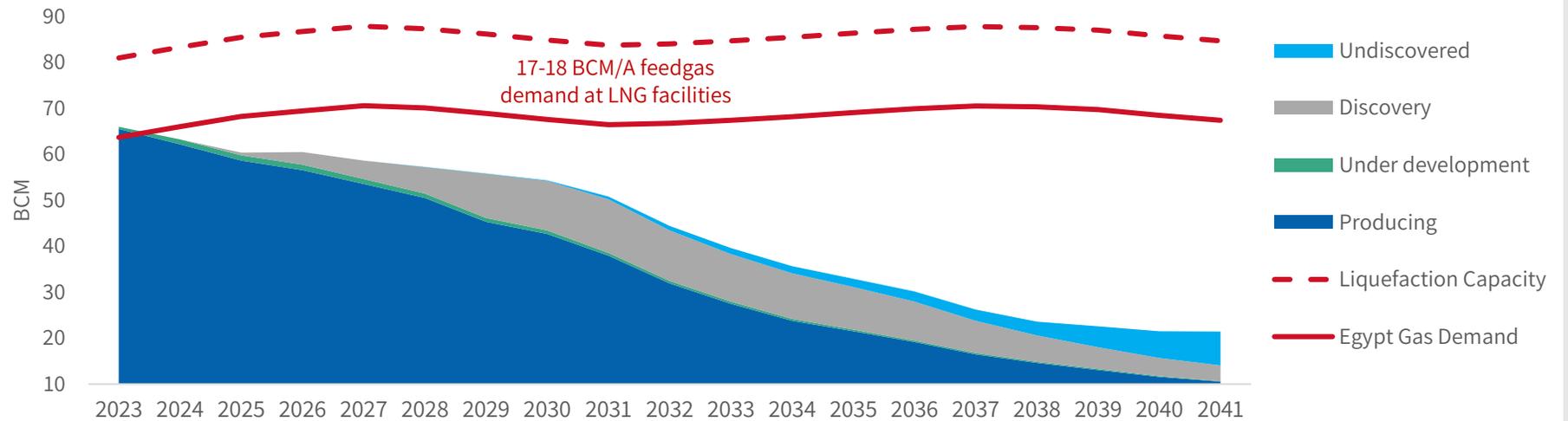
Feedgas demand for LNG exports

Egypt exported ~8 mt (~11 BCM) of LNG in 2022 and aims to maintain LNG exports

Growing demand for Leviathan gas to meet domestic & LNG export needs



Egypt's gas market outlook: production & demand¹



1. Egypt gas market outlook – Rystad Energy March 2023 base case scenario

ISRAEL GAS MARKET

Leviathan will continue to offer reliable supply and seek opportunities in the Israeli market



Rising gas demand

Driven by growing usage of gas in power generation, industry, and transport



Competitive environment

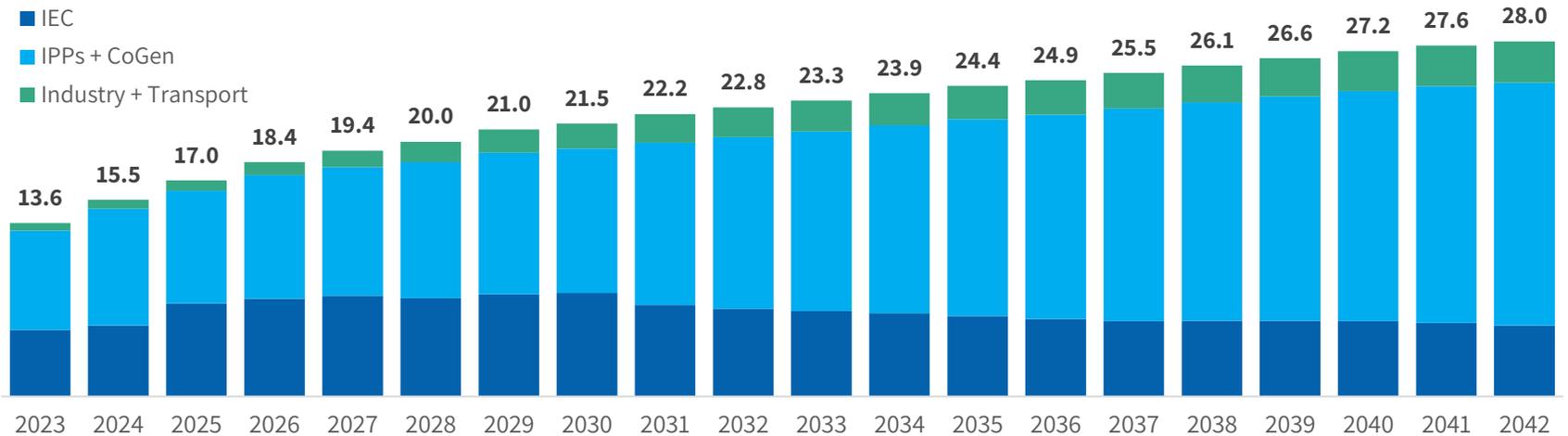
3 gas fields supply all of Israel gas consumption, assuring Israel's energy security and stable price environment



Opportunities

New opportunities for Leviathan in Israel with privatization, conversion and construction of power plants

Israel gas demand outlook by sector (BCM)¹



1. Outlook data for Israeli gas consumption source: BDO (2023)

JORDAN GAS MARKET

Leviathan will remain the key energy source for Jordan



 **Steady gas demand**

Jordan gas consumption is projected to remain steady as raising power demand will be met by a boost in renewables

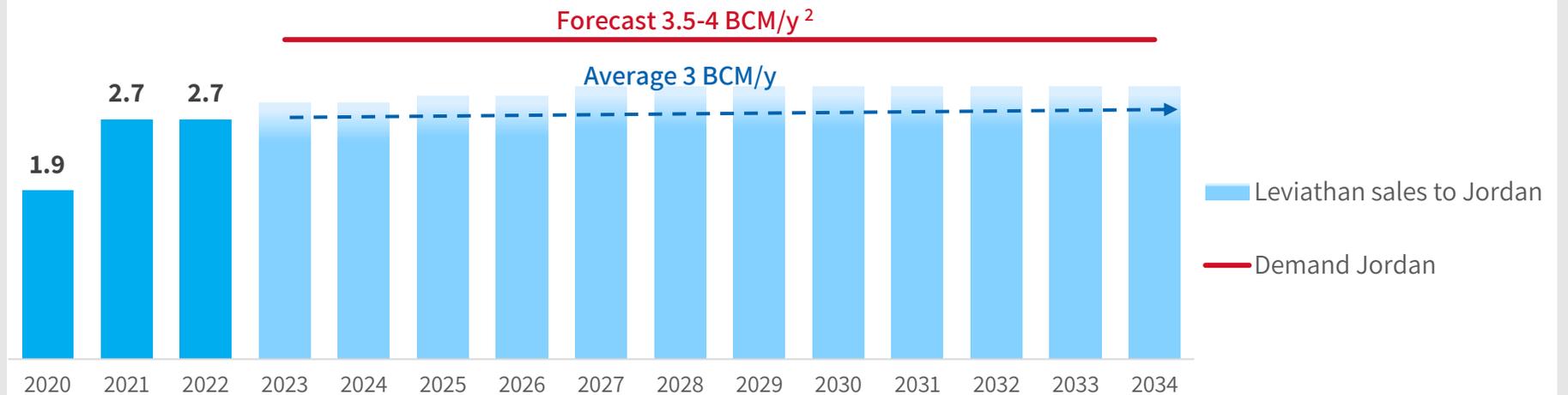
 **Expanding regional collaborations**

Being already the key energy supplier for Jordan, Leviathan will benefit from infrastructure expansion and strengthening regional ties

 **Opportunities**

New opportunities for Leviathan in Jordan arise from local industry's transition from polluting fossil fuels (coal, oil) to natural gas

Leviathan supply¹ and Jordan market outlook



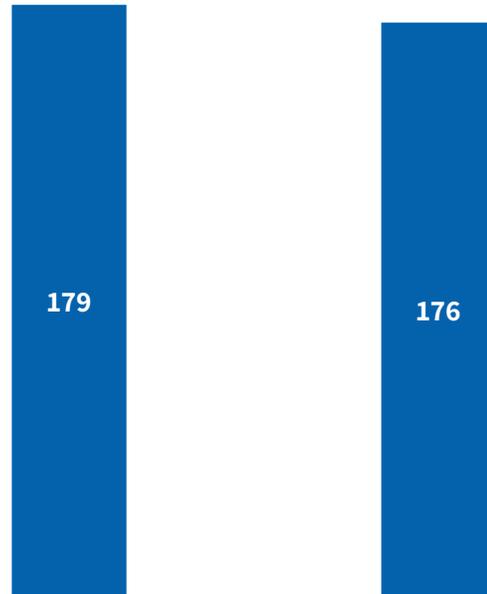
1. 2020-2022 actual, 2023 onwards: Ratio estimates
 2. Jordan gas market outlook – Rystad Energy March 2023

FINANCIAL RESULTS



H1 2023 KEY FINANCIAL METRICS

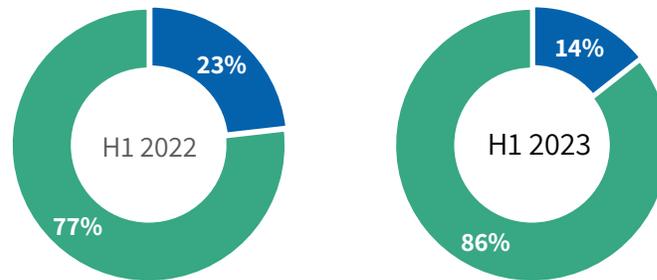
Revenue (\$M)



H1 2022

H1 2023

Revenue mix



■ Export Markets ■ Domestic Market

EBITDA (\$M)



H1 2022

H1 2023

Operating Cash Flow (\$M)



H1 2022

H1 2023

Net Income (\$M)



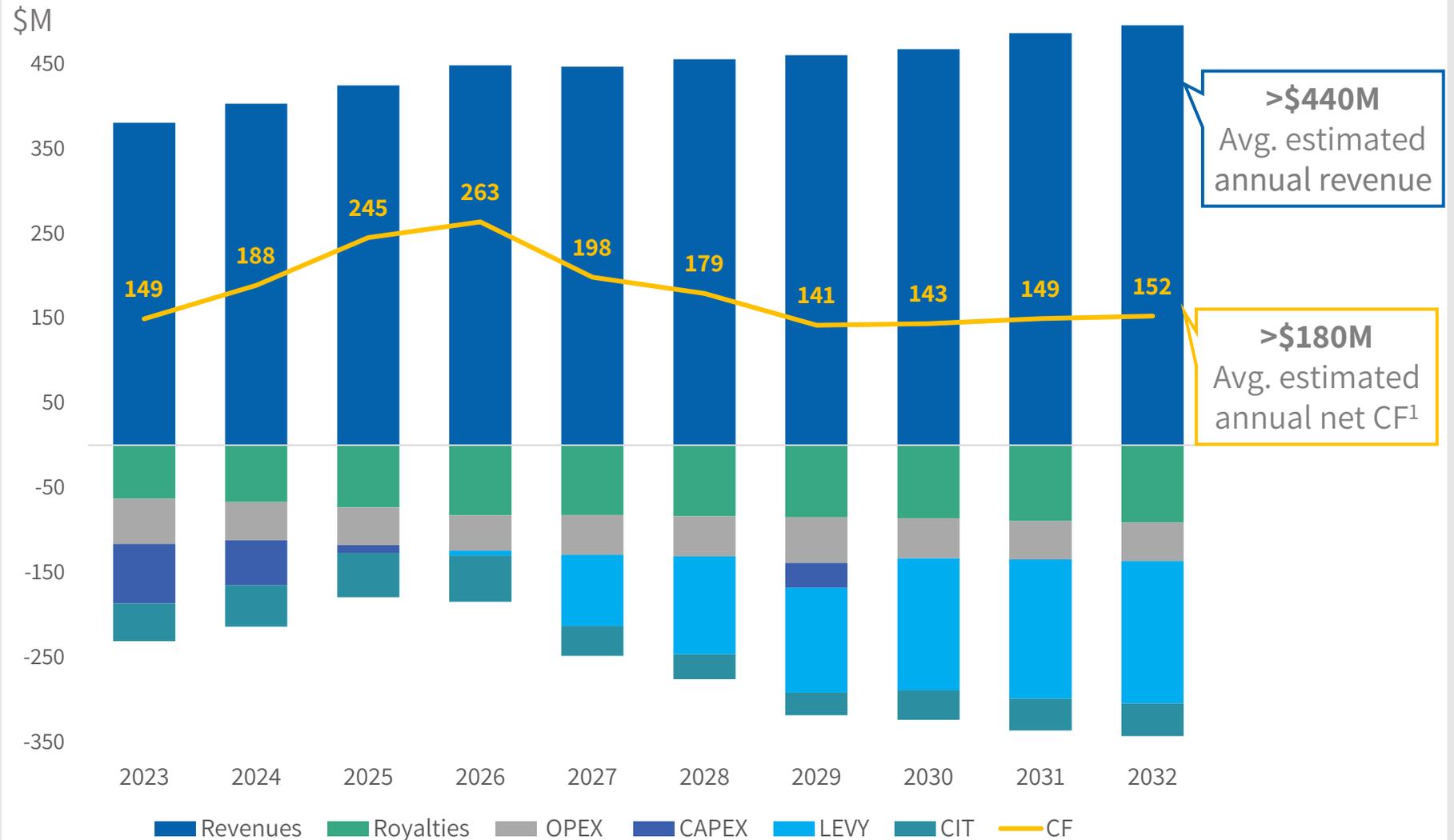
H1 2022

H1 2023

ROBUST & STEADY CASH FLOW FROM PHASE 1A

Allows sustainable dividend, debt payment, and future investments

10 years Net Cash Flow Forecast from Phase 1A (2P+2C)¹



1. Forecast assumptions are as per the Partnership's immediate report dated March 18, 2023, "Leviathan discounted cash flow projections" and based on NSAI's 2P+2C estimate as of 31.12.2022. Net Cash Flow represents undiscounted Ratio's revenues less royalties, operating expenses, capex and taxes (Levy & CIT) before debt service (principal & interest) & other expenses

FINANCIAL SOUNDNESS & HIGH LIQUIDITY

Conservative debt structure enables financial flexibility

Long-term debt planning

Debt service from cash flow eliminates need to refinance in short-mid term

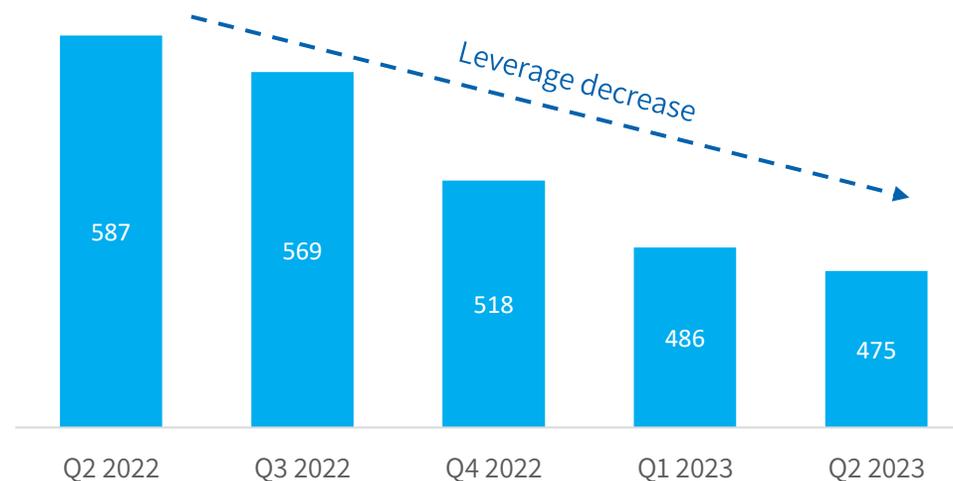
Conservative debt management

Hedging transactions as part of the partnership risk-management in a changing interest rate environment

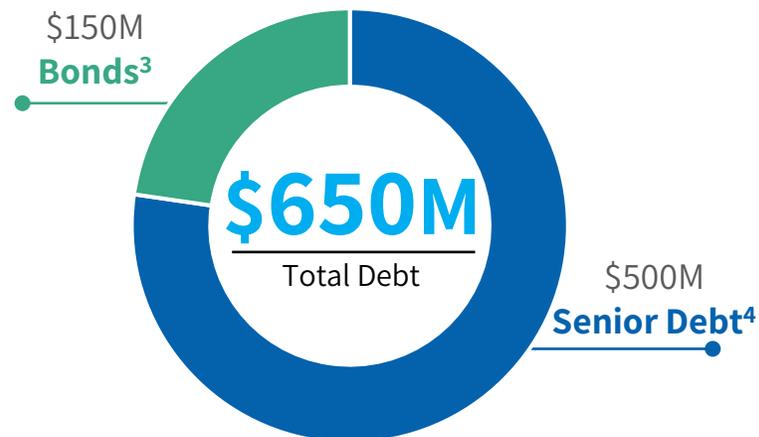
Financial structure ready for future growth

Additional substantial available debt facilities to finance future expansions

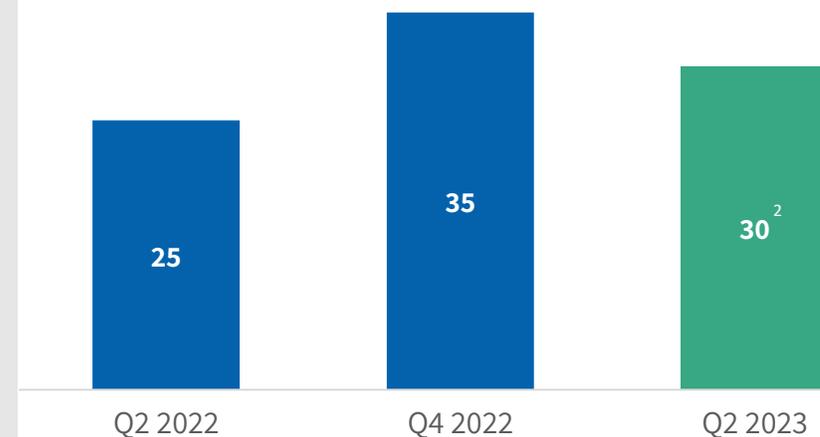
Net Financial Debt¹ (\$M)



Debt Structure



Past and Declared Dividend Payout (\$M)



1. Includes cash, deposits, short-term securities and non-current financial assets
 2. Interim dividend declared based on H1 2023 results, approved post Q2 end date (June 30, 2023)
 3. Bond series C, and D issued by Ratio Energies (Finance). During H1 Ratio Energies acquired ~\$1.4m of Bond C, equivalent to ~2.2% of the series, Data presented excluding LP's share
 4. Actual used facility as of June 30, 2023

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