

Ithaca Energy Limited
Operations & Trading Update

28 November 2019

Ithaca Energy Limited (IAECN: ISINs US46567TAA25 / USG49774AA35) (“Ithaca” or the “Company”) is pleased to provide the following operations and trading update alongside issuance of the Company’s financial statements for the nine-month period ended 30 September 2019 (“Q3-2019”). The Company completed the acquisition of Chevron North Sea Limited (“CNSL”) on 8 November 2019 and in line with the terms of the senior notes indenture will commence formal financial reporting with the full year 2019 results that will be issued in March 2020.

CNSL acquisition efficiently completed and activities underway to deliver a successful transformation

- Taking into account the interim period cashflows generated by CNSL since the transaction effective date of 1 January 2019 (“Effective Date”), the \$200 million deposit paid at signing of the transaction and conventional working capital adjustments, the price payable at completion of the acquisition was \$1.5 billion
- The acquisition transition and integration programme was completed in under six months and all personnel (onshore) are now located in one office
- The focus over the coming months turns to the transformation programme, which is centred on process simplification, operational efficiencies and value creation

2019 has marked a significant year of operational activities, with investment programmes centred on quick payback infill drilling and subsea tieback development activities

- On a pro-forma basis, taking into account the Chevron acquisition from the transaction Effective Date, full year 2019 production is expected to average approximately 75,000 barrels of oil equivalent per day (boepd), approximately 60% liquids. Given the ultimate schedule of drilling activities completed over the course of the year, the Company is forecast to exit 2019 with average production over the final quarter of the year of approximately 80,000 boepd
- The 2019 drilling campaign on the Ithaca-operated Captain field, which involved the drilling of five infill wells and two well workovers, was completed in November. This concludes the first of the two planned well campaigns that encompass the Phase 1 enhanced oil recovery programme on the platform area of the main field, with the second campaign scheduled to commence at the start of 2021. The production performance of the field resulting from the injection of polymerised water to enhance reserves recovery continues to be in line with expectations
- On the Vorlich development, which represents the third satellite field tieback to the Ithaca-operated Greater Stella Area (“GSA”) production hub, the two planned production wells on the field have been successfully drilled, tested and suspended ready for start-up of the field in the second half of 2020. The risers connecting the subsea infrastructure to the “FPF-1” floating production facility have been installed and the pre-assembled units for enhanced recovery of natural gas liquids that are being installed on the FPF-1 as part of the development have been lifted on to the vessel. The main outstanding activities to be completed prior to start-up of the field involve the tie-in of the additional FPF-1 processing facilities and installation of the approximately 10-kilometre infield flowline between the wells and the vessel

- Drilling of an infill well on the Stella field has been successfully completed as planned during the year and the well was brought onstream in August. Additionally, execution of the water injection project on the Ithaca-operated Cook field, which involved drilling of a well and installation of the associated subsea infrastructure, has been successfully completed and water injection into the field commenced in October 2019. The well is scheduled to boost reservoir pressure and maximise long term reserves recovery
- Various infill drilling activities have also been taking place on the Company's non-operated asset portfolio. An infill well on the Brodgar field was brought onstream in October and production from the first of two planned infill wells on the Elgin / Franklin field started up in August, with operations on the second well nearing completion

Continued strategic focus on delivering high-value incremental production and reserves

- With the CNSL acquisition now completed, work is underway to finalise the 2020 operational and capital investment work programmes and budgets. The 2020 investment programme will involve infill drilling activities on the Ithaca-operated Alba field, with the drilling crew currently being mobilised following completion of the Captain drilling programme, along with a further infill well on the Elgin / Franklin field and a well on the Callanish field
- Seven licence applications have been submitted as part of the 32nd UK Offshore Licensing Round, with an announcement on the results of the licence awards expected from the Oil & Gas Authority in the first half of 2020. The licence applications made by the Company relate to a range of undeveloped discoveries and near-field exploration targets in the vicinity of the Company's existing portfolio. The work programmes associated with the applications relate predominantly to the performance of subsurface and technical studies in order to make "drill or drop" decisions within a period of two to four years

Strong balance sheet, underpinned by commodity hedging and UK tax allowances

- Cashflow from operations in the nine months to the end of Q3-2019, excluding any contribution from the CNSL portfolio, was \$148 million
- Net debt at completion of the acquisition was \$1.6 billion. In addition to the \$500 million senior notes, the total net debt reflects utilisation of \$1.1 billion of the Company's \$1.65 billion reserves based lending facility
- The Company continues to steadily build its commodity hedging book, with over 70% of 2020 oil production from currently producing fields now hedged and providing a floor price of \$64/bbl. Combined oil and gas hedging is over 66% of forecast production in 2020 and over 50% in 2021. The Company continues to seek optimal value through its hedging programme via a combination of swaps and put options
- The Company had a UK tax allowances pool of approximately \$2.4 billion carried forward as of 30 September 2019

The financial statements for Q3-2019 are available on the Company's website: www.ithacaenergy.com.

Ithaca will change the auditors of the Company to Ernst & Young prior to the end of the year in order to align with its parent company, the Delek Group Limited.

2019 Financial Results

The Company will be issuing its full year 2019 financial statements and associated Management Discussion and Analysis in March 2020. A conference call and webcast will be

held on the day the results are issued, with a playback facility being made available on the Company's website later that day. A presentation to accompany the results will be available on the Company's website prior to the call.

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About Ithaca Energy

Ithaca Energy is an independent oil and gas company with production, development and exploration operations focused on the UK North Sea. The Company was founded in 2004 and has grown through a combination of acquisitions and new field developments. Our strategy is focused on establishing the company as a leading North Sea operator, delivering sustainable growth in free cash flow generation, underpinned by operational excellence and financial discipline.

Ithaca Energy is a wholly owned subsidiary of the Tel Aviv stock exchange listed Delek Group Limited (TASE: DLEKG, US ADR: DGRLY), Israel's leading integrated energy company. For further information please consult the Company's website www.ithacaenergy.com.

Forward-looking Statements

This press release contains projections, information, beliefs, opinions and other forward-looking statements (collectively "forward-looking statements") regarding future events and the performance, financial condition, results of operations and business of the Company and CNSL. All statements and information other than present and historical facts contained in this release are forward-looking. When used in this press release, the words and phrases like "forecast", "anticipate", "continue", "estimate", "expect", "may", "will", "project", "plan", "should", "believe", "could", "target", "in the process of", "on track" and similar expressions, and the negatives thereof, whether used in connection with production forecasts, operational activities, drilling plans, anticipated timing for the commencement of production from new fields and wells, budgetary figures, future operating costs, financing activities, anticipated net debt, anticipated funding requirements and uses of available credit under the Company's debt facilities, potential developments including the timing of closing and anticipated benefits of acquisitions and dispositions or otherwise, expected future payments in connection with such acquisitions and dispositions, statements relating to reserves, or otherwise, are intended to identify forward-looking statements. Forward-looking statements are based on the Company's current internal expectations, estimates, projections, assumptions and beliefs, including, among other things, assumptions with respect to production, drilling, construction and maintenance times, well completion times, risks associated with operations, future capital and operating expenditures, financing activities, continued availability of financing for future capital expenditures, future acquisitions and dispositions and cash flow, required regulatory, partner and other third party approvals. The reader is cautioned that assumptions used in the preparation of such information may prove to be incorrect. Such statements are not promises or guarantees and are subject to known and unknown risks, uncertainties and other factors that are in many cases beyond the control of the Company or CNSL and that may cause actual

results or events to differ materially from those anticipated in such forward-looking statements. Past performance of the Company or CNSL cannot be relied on as a guide to future performance. The Company believes that the expectations reflected in those forward-looking statements are reasonable at the date of this press release but no assurance can be given that these expectations, or the assumptions underlying these expectations, will prove to be correct and such forward-looking statements included in this press release should not be unduly relied upon. Ithaca expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any change in its expectations with regard thereto or any change in events, conditions or circumstances on which any forward-looking statement is based except as required by applicable securities laws.