

Navitas Petroleum, Limited Partnership
(hereinafter: "the Partnership")

22 December 2024

To:
The Israel Securities Authority
Via MAGNA

To:
The Tel Aviv Stock Exchange Ltd.
Via MAGNA

To whom it may concern,

RE: **Shenandoah Project—Expansion and Acceleration of Project Development and Increase in Project Financing**

Further to Section 8.1.4 of Chapter A of the Partnership's Annual Report of 2023 published on March 6, 2024 (Ref. No. 2024-01-019726) (hereinafter: the "**Annual Report**"), regarding the development plan of the Shenandoah Project (hereinafter: the "**Project**" or "**Shenandoah**"), which is currently in advanced stages of development and expected to commence production in the second quarter of 2025, the Partnership is pleased to update that on 20 December 2024, the Project Partners approved the expansion and acceleration of the Project development (hereinafter: the "**Expanded Development Plan**"). It includes, *inter alia*, the advancement of key future stages, with the aim of advancing and enhancing the value creation from the oil asset, while ensuring the optimal capacity of the Floating Production System (hereinafter: "**FPS**") that will serve the Project.

The Expanded Development Plan includes the following main components:

- Increasing the FPS's capacity from 120,000 barrels of oil per day to 140,000 barrels of oil per day via debottlenecking activities, which will accommodate the additional production volumes from Shenandoah, as well as the Monument and Shenandoah South (fka North Yucatan) oil assets.¹
- Drilling two additional development and production wells, with the first drilling scheduled to commence in early 2026² and the second in early 2028.
- Installation of subsea pumps, starting in early 2028, is expected to increase the oil flow rate from the production wells to the FPS, extend the expected production lifespan of the wells, and extend the anticipated production duration from them.

The Expanded Development Plan was approved at this time in order to capitalize on the existing market opportunity, to ensure the provision of services by a suitable drillship for the execution of the required operations in the coming years, and to order long-lead items.

The updated total budget for the Expanded Development Plan, designated for capital investments until the end of 2028, is approximately 753 million USD (the Partnership's interest is approximately 369 million USD). Of this, approximately 319 million USD has been approved at this time (the Partnership's interest is approximately 156 million USD), and the remaining amounts are to be approved subject to election by the Project Partners.

¹ As part of the Partnership's efforts to generate additional value from the FPS by utilizing it as a regional HUB for oil discoveries in the area, the FPS is also expected to serve the Monument oil asset, located approximately 27 kilometers south of Shenandoah, in which the Partnership holds a 28.57% interest (for details, see Section 8.3.12(c) of the Annual Report), as well as the Shenandoah South oil asset (fka as North Yucatan) adjacent to Shenandoah, in which the Partnership holds a 41.85% interest (for further details regarding the Shenandoah South oil asset, please refer to Section 8.7 of the Annual Report). It should be noted that the Partnership, together with the other Partners in the Shenandoah South (fka North Yucatan) asset, is advancing towards the Final Investment Decision (FID) for the development of the asset (including its connection to Shenandoah's FPS) which is anticipated to be achieved by Q2 2025.

² This date has been advanced by approximately two years from the anticipated date included in the Project's planned work program as described in Section 8.1.4 of the Annual Report.

In accordance with the provisions of the existing Project Financing Agreement for the Project's development (hereinafter: the "**Project Financing**"),³ the lenders have approved the Expanded Development Plan. Simultaneously, the lenders approved an increase in the existing Project Financing by approximately 150 million USD (100%), with the Partnership's interest being approximately 73.5 million USD (hereinafter: the "**Financing Increase**")⁴. The Financing Increase includes some of the existing lenders, as well as new international lenders. As part of the Financing Increase, the existing financial model has also been updated to reflect the total budget of the Expanded Development Plan. It is clarified that, apart from updating the financial model, the Financing Increase does not materially change any of the Project Financing terms.

In accordance with the updated financial model as described above, the total budget for the Partnership's interest in the Project from the date of the Final Investment Decision (in August 2021) until the first oil is estimated at approximately 1,028 million USD.

Upon the publication of this report, the Partnership will publish an updated reserves and cash flow report for the Project reflecting the updates described above.

Disclaimer regarding forward-looking information:

The above assessments regarding the Expanded Development Plan, including those related to the expected timelines for its various components and the development budget for the Partnership's interest in the Project until production commencement, as well as estimates regarding the additional use of the FPS for Monument and Shenandoah South (fka North Yucatan) oil assets, including estimates regarding the Final Investment Decision (FID) for Shenandoah South (fka North Yucatan) oil asset, are forward-looking information, as defined in the Securities Law, 1968. The information above is based on estimates from the Project Operator, BOE Exploration & Production, LLC (the "Operator"), and other operators at Monument and Shenandoah South (fka North Yucatan), based on the information currently available to them. These estimates may not materialize, or may materialize significantly differently due to factors beyond the Partnership's control, including, *inter alia*, updates to the Operator's estimates and assumptions, regulatory requirements, and/or changes in the operational and technical conditions of the Project. Additionally, there is no certainty that the Expanded Development Plan will be fully implemented, and changes may occur in its various components.

Below are the names and WI of the partners in the Shenandoah Project:

ShenHai LLC5	49%
Beacon Offshore Energy Development LLC	20.05%
HEQ Blue Ridge, LLC	20%
BOE II Exploration LLC	10.95%

Respectfully,

FLR Oil and Gas Management Ltd.,

General Partner in Navitas Petroleum, Limited Partnership

By Amit Kornhauser, CEO and member of the board

Tamar Rosenberg, CFO

³ For details regarding the Project Financing, please refer to the Immediate Report dated August 2, 2021 (Ref. No. 2021-01-060337) as well as Section 14.2 of the Shelf Registration for the issuance of debentures (Series C) published by the Partnership on November 8, 2021 (Ref. No. 2021-01-164094).

⁴ The Financing Increase along with the expected cash flow from the Project, will be used to execute the Expanded Development Plan.

⁵ A wholly-owned subsidiary (indirectly held) (100%) of the Partnership.