

Navitas Petroleum, Limited Partnership
("the Partnership")

March 2, 2026

To:
The Israel Securities Authority (ISA)
22 Kanfei Nesharim St.
Jerusalem

To:
The Tel Aviv Stock Exchange Ltd.
2 Ahuzat Bayit St.
Tel Aviv

To whom it may concern,

Re: **Execution of binding transaction documents for the acquisition of rights in License PL001 adjacent to the Sea-Lion project in the Falkland Islands**

Further to the Partnership's report dated January 12, 2026¹ regarding the Partnership's engagement in a non-binding MOU with JHI Associates Inc.² (hereinafter: "**JHI**") for the acquisition of 65% of the rights in License PL001, adjacent to the Sea-Lion project in the Falkland Islands, for which the final investment decision (FID) was received in December 2025 (hereinafter: the "**License**" and the "**Sea-Lion project**", respectively), the Partnership respectfully updates that on February, 27 2026, binding transaction agreements were executed, the terms of which are detailed below (hereinafter: the "**Transaction**").

1. **Background and description of the Transaction**

- The License is an exploration license adjacent to the Sea-Lion project and covers the same geological basin. The License contains many potential oil prospects identified in a high-quality 3D seismic survey. Some of the prospects in the License area are in a vertical sequence, which will allow for the testing of multiple targets in a single well. Activity in the License will allow the Partnership to leverage its success in the Sea-Lion project to expand its activity in the same geological basin.
- Similar to other licenses adjacent to the Sea-Lion project held by the Partnership, this License, if a discovery is made therein, may be developed, inter alia, via a tie-back to the Floating Production Storage and Offloading (FPSO) facilities to be established in the various phases of

¹ For further details, please refer to the immediate report dated January 12, 2026 (Ref. No. 2026-01-005007), which is incorporated herein by reference (hereinbefore and hereinafter: the "**Immediate Report regarding the MOU**").

² A private company incorporated in Canada.

the Sea-Lion project, an outline that may reduce the overall development and operational costs of the projects while creating a regional HUB.

- Within the framework of the Transaction, Navitas Petroleum Atlantic Limited, a private company incorporated in England, wholly owned by the Partnership (indirectly), will acquire from JHI Falkland Inc., a private company wholly owned by JHI, 65% of the rights in the License and will be appointed as operator under the License (hereinafter: "NPAL", "JHIF", the "**Acquired Rights**" and the "**Purchase Agreement**", respectively). JHIF will continue to hold the remaining rights in the License (35%).
- As part of the Transaction terms, NPAL will provide a loan to JHIF in connection with JHIF's share of the costs related to activity under the License, as detailed in Section 3 below (hereinafter: the "**Loan**").
- Within the framework of the Transaction, JHI provided a parent company guarantee to secure the performance of JHIF's undertakings under the Purchase Agreement and under the Loan Agreement.
- For additional details regarding the License, see Section 3 of the immediate report regarding the MOU.

2. **The Purchase Agreement**

- A Farm-In agreement for the transfer of the Acquired Rights from JHIF to NPAL on the Transaction completion date and for the appointment of NPAL as operator under the License, in consideration for the payment by NPAL of its share of JHIF's past costs in connection with the License in a non-material amount, and providing the Loan in respect of JHIF's share of costs in connection with works relating to the License and associated costs (Carry Loan Agreement), as detailed in Section 3 below.
- The Purchase Agreement further provides that if the License (which is due to expire on 31.12.2026) is extended for a period of at least five years and the extension terms require the performance of an exploration well, and if NPAL as operator does not commence drilling operations or does not enter into a material agreement with a contractor for the purpose of performing the drilling by 18 months prior to the later of the expiration date of the extended license or the last date for performing the drilling, according to the license terms, JHIF will be entitled to receive back the Acquired Rights for no consideration.
- Completion of the Transaction is conditional upon receiving the consent of the Government of the Falkland Islands to transfer the Acquired Rights in the License to NPAL and to appoint NPAL as operator under the License, and upon receipt of the license transfer documents signed by the Government of the Falkland Islands (hereinafter: the "**Conditions Precedent**").

- Until completion of the Transaction, NPAL will be entitled to cancel the agreement if JHIF or JHI breaches an undertaking or representation in the Purchase Agreement (and does not cure within the cure period set forth in the agreement), in the event of insolvency of either of them, or in the event of a change of control in JHI or in JHIF without NPAL's consent, or if a material adverse event occurs in relation to the Acquired Rights. In addition, if the Conditions Precedent for completion of the Transaction are not satisfied within 6 months from the date of execution of the agreement, each of the parties will be entitled to cancel the agreement.
- On the Transaction completion date, the Loan Agreement will be signed, and a joint operating agreement (hereinafter: the "JOA") will be executed between the partners in the License, the wording of which has been agreed, and it is substantially similar to the existing JOA in the Sea-Lion project.

3. **The Carry Loan Agreement**

As part of the Transaction terms, NPAL undertook to provide JHIF with a loan in respect of its share of costs in connection with works relating to the License and associated costs, the main terms of which are as follows:

- NPAL will bear JHIF's share of all costs, expenses and liabilities in connection with possible works under the License and associated costs, excluding certain excluded costs (including, inter alia: license fees above an agreed amount, taxes, decommissioning and restoration costs, and costs accrued prior to the execution of the agreement), up to an aggregate cap of USD 14,000,000.
- The Loan will bear annual interest of 8% and will be repaid from 85% of JHIF's free cash flow from production from the License, if production is carried out thereunder.
- To secure repayment of the Loan, JHIF will grant NPAL a first-ranking lien over its free cash flow from the License as well as over all of its rights under the JOA and the ancillary agreements.
- JHIF's voting rights in respect of actions under the JOA that will be financed by the Loan will be assigned in full to NPAL until the Loan is repaid, except for agreed matters requiring unanimous consent under the JOA, , relating to amendments to the JOA or to material agreements relating to the project, and decisions regarding sole risk operations.
- The Loan Agreement includes customary events for acceleration of the Loan for immediate repayment, including JHIF's or JHI's insolvency, a change of control therein without NPAL's consent, and the transfer of rights in the License without NPAL's consent.

Disclaimer regarding forward-looking information - The information detailed above regarding the extension of the license period, the potential for oil discoveries and joint development of the license together with the Sea-Lion project, the satisfaction of the Conditions Precedent, completion of the Transaction, and repayment of the Loan from 85% of JHIF's free cash flow, constitutes forward-looking information, as defined in the Securities Law, 5728-1968, and there is no certainty that it will materialize, in whole or in part, in the manner stated or in any other manner. Completion of the Transaction is subject, inter alia, to the satisfaction of the Conditions Precedent as detailed above, which are not under the Partnership's control. The Partnership's estimate regarding costs in connection with works under the License and associated costs may change and is based on the information available to the Partnership as of the date of this report. There is no certainty that the aforementioned information, including regarding the Transaction, the License and the planned works, will materialize, in whole or in part, in the manner stated or in any other manner, due to various factors, including non-satisfaction of the Conditions Precedent to the Transaction, receipt of additional information regarding the License that may be discovered in the period after execution of the Transaction and after completion of the Transaction, and/or as a result of a combination of various factors related to the consummation of the Transaction.

The partners in the project and their working interests (assuming completion of the transaction) are as follows:

Navitas Petroleum Atlantic Limited	65%
JHI Falkland Inc.	35%

Respectfully,

**FLR Oil and Gas Management Ltd.,
General Partner in Navitas Petroleum, Limited Partnership**

By: Amit Kornhauser, CEO and Director

Tamar Rosenberg, CFO