Navitas Petroleum, Limited Partnership

Consolidated Interim Financial Statements as of June 30, 2026

In USD thousand

Unaudited

Contents

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Independent Auditors' Review Report to the Partners of Navitas Petroleum - Limited Partnership

Introduction

We have reviewed the accompanying financial information of Navitas Petroleum - Limited Partnership (hereinafter - the "**Partnership**") and consolidated companies, which includes the condensed consolidated statement of financial position as of June 30, 2026, and the condensed statements of comprehensive income, changes in the Partnership's equity capital, and cash flows for the six-month and three-month periods then ended. The Board of Directors and management of the General Partner are responsible for preparing and presenting financial information for these interim periods in accordance with IAS 34, Interim Financial Reporting, and are also responsible for preparing financial information for these interim periods under Chapter D of the Securities Regulations (Periodic and Immediate Reports), 1970. Our responsibility is to express a conclusion regarding the financial information for these interim periods based on our review.

Scope of the Review

We performed our review pursuant to Review Standard (Israel) 2410 of the Institute of Certified Public Accountants in Israel, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of interim financial information consists of inquiries, mostly of persons responsible for financial and accounting issues, and of applying analytical and other review procedures. A review is substantially smaller in scope than an audit performed pursuant to generally accepted auditing standards in Israel and, as a result, does not enable us to obtain assurance that we would become aware of all significant matters that may be identified in an audit. Consequently, we are not expressing an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the abovementioned financial information is not prepared, in all material respects, in accordance with IAS 34.

Additionally, based on our review, nothing has come to our attention that causes us to believe that this financial information is not prepared, in all material respects, in accordance with the disclosure provisions of Chapter D to the Securities Regulations (Periodic and Immediate Reports), 1970.

Tel Aviv,
August 23, 2026

Kost Forer Gabbay & Kasierer
Certified Public Accountants

Consolidated Statements of Financial Position

	As of June 30		As of December 31
	2026	2025	2025
	Unaudited		Audited
	USD thousand		
Current assets			
Cash and cash equivalents	360,763	268,091	591,906
Short-term investments	15,035	41,856	53,377
Trade receivables	87,098	8,088	84,917
Receivables and debit balances	30,041	5,046	24,253
Financial derivatives	50,846	14,096	68,097
	543,783	337,177	822,550
Non-current assets			
Investments in oil and gas assets, net	2,337,301	1,680,848	1,946,098
Restricted amounts	53,504	8,201	1,680
Long-term investments	98,764	-	-
Receivables for sublease	84,117	-	-
Deferred debt raising costs	48,249	8,132	45,663
Financial derivatives	45,173	1,057	727
Deferred taxes	185,341	-	183,000
Right-of-use assets	7,257	2,365	3,498
Property, plant, and equipment, net	2,778	332	384
	2,862,484	1,700,935	2,181,050
	3,406,267	2,038,112	3,003,600

Consolidated Statements of Financial Position (cont.)

	As of June 30		As of December 31
	2026	2025	2025
	Unaudited		Audited
	USD thousand		
Current liabilities			
Current maturity of long-term loans from banking corporations and financial institutions, net	-	174,148	189,869
Current maturity of debentures, net	23,196	16,235	105,078
Trade payables	74,986	22,562	33,188
Payables and credit balances	83,269	74,316	176,639
Taxes payable	3,389	1,258	7,451
Interest payable for debentures and long-term loans	5,403	6,854	9,164
Financial derivatives	24,612	661	-
Current maturity of lease liabilities	1,769	1,298	997
	216,624	297,332	522,386
Non-current liabilities			
Long-term loans from banking corporations and financial institutions, net	1,119,730	442,810	345,590
Debentures, net	795,739	760,549	979,033
Financial derivatives	62,272	-	-
Provision for an obligation to decommission oil and gas assets	57,724	31,329	45,376
Deferred taxes	69,466	16,953	41,619
Lease liabilities	246,620	1,553	2,983
Other liabilities	1,532	23,947	9,268
	2,353,083	1,277,141	1,423,869
Partnership's equity capital			
Capital of participation units	784,082	416,796	767,868
Conversion component of debentures	1,328	2,576	2,321
Reserve for share-based payment	16,462	12,185	14,500
Reserve for transactions with a controlling shareholder	8,004	8,004	8,004
Reserve for hedging transactions	(52,220)	(268)	4,985
Capital reserve for investments in debentures	(1,016)	-	-
Capital reserve for transactions with non-controlling interests	(19,200)	-	-
Options	16,697	-	16,805
Retained earnings (loss)	82,423	(61,017)	152,071
	836,560	378,276	966,554
Non-controlling interests	-	85,363	90,791
Total equity	836,560	463,639	1,057,345
	3,406,267	2,038,112	3,003,600

The accompanying notes are an integral part of the Consolidated Interim Financial Statements.

August 23, 2026			
Approval date of the financial statements	Gideon Tadmor Chairman of the Board FLR Oil and Gas Management Ltd. The General Partner	Amit Kornhauser CEO and Director FLR Oil and Gas Management Ltd. The General Partner	Tamar Rosenberg CFO FLR Oil and Gas Management Ltd. The General Partner

Consolidated Statements of Comprehensive Income

	For the 6 months ended June 30		For the 3 months ended June 30		For the year ended December 31
	2026	2025	2026	2025	2025
	Unaudited				Audited
	USD thousand (excluding net profit (loss) per participation unit)				
Revenues from oil and gas sales, net of royalties	517,169	35,793	279,199	18,145	365,203
Cost of oil and gas production	(77,575)	(15,582)	(37,030)	(7,511)	(84,456)
Depreciation and depletion expenses	(99,732)	(6,171)	(46,132)	(3,189)	(90,685)
Gross profit	339,862	14,040	196,037	7,445	190,062
Expenses for oil and gas exploration and project development	(2,031)	(1,118)	(794)	(657)	(3,731)
General and administrative expenses	(17,690)	(8,521)	(7,729)	(3,816)	(19,965)
Other expenses, net	(6,792)	(588)	(6,169)	(489)	(2,886)
Operating profit	313,349	3,813	181,345	2,483	163,480
Finance income	14,701	6,020	7,047	3,813	16,480
Finance expenses	(148,655)	(1,614)	(50,600)	(510)	(66,327)
Expenses from exchange rate differences, net	(38,980)	(46,703)	(28,515)	(58,251)	(89,508)
Income (loss) before taxes on income	140,415	(38,484)	109,277	(52,465)	24,125
Tax benefit (taxes on income)	(59,423)	(1,428)	(32,126)	(1,234)	154,479
Net profit (loss)	80,992	(39,912)	77,151	(53,699)	178,604
Other comprehensive income (loss) (net of tax effect):					
Amounts classified or reclassified to profit or loss under specific conditions:					
Gain (loss) from cash flow hedges, net	(63,955)	9	16,674	707	4,187
Transfer to profit or loss for cash flow hedges	6,750	1,299	(3,832)	614	2,374
Loss for investments in debentures	(1,016)	-	(1,016)	-	-
Total other comprehensive income (loss)	(58,221)	1,308	11,826	1,321	6,561
Total comprehensive income (loss)	22,771	(38,604)	88,977	(52,378)	185,165
Net profit (loss) attributable to:					
Owners of the Partnership's participation units	80,352	(45,282)	77,151	(56,399)	167,806
Non-controlling interests	640	5,370	-	2,700	10,798
	80,992	(39,912)	77,151	(53,699)	178,604
Total comprehensive income (loss) attributable to:					
Owners of the Partnership's participation units	22,131	(43,974)	88,977	(55,078)	174,367
Non-controlling interests	640	5,370	-	2,700	10,798
	22,771	(38,604)	88,977	(52,378)	185,165
Net profit (loss) per participation unit (in USD):					
Basic earnings (loss)	0.679	(0.445)	0.651	(0.549)	1.569
Diluted earnings (loss)	0.638	(0.445)	0.608	(0.549)	1.455

The accompanying notes are an integral part of the Consolidated Interim Financial Statements.

Consolidated Statements of Changes in Equity of the Partnership

	Attributable to owners of the Partnership's participation units											
	Partnership's equity capital	Options	Conversion component of debentures	Capital reserve for transactions with non-controlling interests	Reserve for transactions with a controlling shareholder	Reserve for share-based payment	Capital reserve for investments in debentures	Reserve for hedging transactions	Retained earnings	Total	Non-controlling interests	Total equity
	Unaudited											
	USD thousand											
Balance as of January 1, 2026 (audited)	767,868	16,805	2,321	-	8,004	14,500	-	4,985	152,071	966,554	90,791	1,057,345
Net profit	-	-	-	-	-	-	-	-	80,352	80,352	640	80,992
Other comprehensive loss	-	-	-	-	-	-	(1,016)	(57,205)	-	(58,221)	-	(58,221)
Total comprehensive income (loss)	-	-	-	-	-	-	(1,016)	(57,205)	80,352	22,131	640	22,771
Share-based payment	-	-	-	-	-	4,315	-	-	-	4,315	-	4,315
Deferred taxes for share-based payment	-	-	-	-	-	(35)	-	-	-	(35)	-	(35)
Redemption of preferred shares	-	-	-	(19,200)	-	-	-	-	-	(19,200)	(91,431)	(110,631)
Profit distribution	-	-	-	-	-	-	-	-	(150,000)	(150,000)	-	(150,000)
Issuance of participation units from exercise of marketable options	1,066	(108)	-	-	-	-	-	-	-	958	-	958
Issue of participation units from vesting of RSUs	2,308	-	-	-	-	(2,308)	-	-	-	-	-	-
Exercise of non-marketable options awarded to employees	49	-	-	-	-	(10)	-	-	-	39	-	39
Conversion of debentures into participation units	12,791	-	(993)	-	-	-	-	-	-	11,798	-	11,798
Balance as of June 30, 2026	784,082	16,697	1,328	(19,200)	8,004	16,462	(1,016)	(52,220)	82,423	836,560	-	836,560

The accompanying notes are an integral part of the Consolidated Interim Financial Statements.

Consolidated Statements of Changes in Equity of the Partnership (cont.)

	Attributable to owners of the Partnership's participation units									
	Partnership's equity capital	Options	Conversion component of debentures	Reserve for transactions with a controlling shareholder	Reserve for share-based payment	Reserve for hedging transactions	Retained loss	Total	Non-controlling interests	Total equity
	Unaudited									
	USD thousand									
Balance as of January 1, 2025 (audited)	379,158	3,135	3,156	8,004	11,721	(1,576)	(15,735)	387,863	79,993	467,856
Net profit (loss)	-	-	-	-	-	-	(45,282)	(45,282)	5,370	(39,912)
Other comprehensive income	-	-	-	-	-	1,308	-	1,308	-	1,308
Total comprehensive income (loss)	-	-	-	-	-	1,308	(45,282)	(43,974)	5,370	(38,604)
Share-based payment	-	-	-	-	1,765	-	-	1,765	-	1,765
Deferred taxes for share-based payment	-	-	-	-	363	-	-	363	-	363
Issuance of participation units from exercise of marketable options	25,757	(3,135)	-	-	-	-	-	22,622	-	22,622
Issue of participation units from vesting of RSUs	1,331	-	-	-	(1,331)	-	-	-	-	-
Exercise of non-marketable options awarded to employees	1,505	-	-	-	(333)	-	-	1,172	-	1,172
Conversion of debentures into participation units	9,045	-	(580)	-	-	-	-	8,465	-	8,465
Balance as of June 30, 2025	416,796	-	2,576	8,004	12,185	(268)	(61,017)	378,276	85,363	463,639

The accompanying notes are an integral part of the Consolidated Interim Financial Statements.

Consolidated Statements of Changes in Equity of the Partnership (cont.)

	Attributable to owners of the Partnership's participation units									
	Partnership's equity capital	Options	Conversion component of debentures	Capital reserve for transactions with non-controlling interests	Reserve for transactions with a controlling shareholder	Reserve for share-based payment	Capital reserve for investments in debentures	Reserve for hedging transactions	Retained earnings	Total equity
	Unaudited									
	USD thousand									
Balance as of April 1, 2026	781,644	16,803	1,363	(19,200)	8,004	15,415	-	(65,062)	5,272	744,239
Net profit	-	-	-	-	-	-	-	-	77,151	77,151
Other comprehensive income (loss)	-	-	-	-	-	-	(1,016)	12,842	-	11,826
Total comprehensive income (loss)	-	-	-	-	-	-	(1,016)	12,842	77,151	88,977
Share-based payment	-	-	-	-	-	2,308	-	-	-	2,308
Deferred taxes for share-based payment	-	-	-	-	-	(276)	-	-	-	(276)
Issuance of participation units from exercise of marketable options	1,050	(106)	-	-	-	-	-	-	-	944
Issue of participation units from vesting of RSUs	985	-	-	-	-	(985)	-	-	-	-
Conversion of debentures into participation units	403	-	(35)	-	-	-	-	-	-	368
Balance as of June 30, 2026	784,082	16,697	1,328	(19,200)	8,004	16,462	(1,016)	(52,220)	82,423	836,560

The accompanying notes are an integral part of the Consolidated Interim Financial Statements.

Consolidated Statements of Changes in Equity of the Partnership (cont.)

	Attributable to owners of the Partnership's participation units								
	Partnership's equity capital	Conversion component of debentures	Reserve for transactions with a controlling shareholder	Reserve for share-based payment	Reserve for hedging transactions	Retained loss	Total	Non-controlling interests	Total equity
	Unaudited								
	USD thousand								
Balance as of April 1, 2025	407,839	3,117	8,004	11,538	(1,589)	(4,618)	424,291	82,663	506,954
Net profit (loss)	-	-	-	-	-	(56,399)	(56,399)	2,700	(53,699)
Other comprehensive income	-	-	-	-	1,321	-	1,321	-	1,321
Total comprehensive income (loss)	-	-	-	-	1,321	(56,399)	(55,078)	2,700	(52,378)
Share-based payment	-	-	-	1,066	-	-	1,066	-	1,066
Deferred taxes for share-based payment	-	-	-	242	-	-	242	-	242
Issue of participation units from vesting of RSUs	650	-	-	(650)	-	-	-	-	-
Exercise of non-marketable options awarded to employees	35	-	-	(11)	-	-	24	-	24
Conversion of debentures into participation units	8,272	(541)	-	-	-	-	7,731	-	7,731
Balance as of June 30, 2025	416,796	2,576	8,004	12,185	(268)	(61,017)	378,276	85,363	463,639

The accompanying notes are an integral part of the Consolidated Interim Financial Statements.

Consolidated Statements of Changes in Equity of the Partnership (cont.)

	Attributable to owners of the Partnership's participation units									
	Partnership's equity capital	Options	Conversion component of debentures	Reserve for transactions with a controlling shareholder	Reserve for share-based payment	Reserve for hedging transactions	Retained earnings (loss)	Total	Non-controlling interests	Total equity
	Audited									
	USD thousand									
Balance as of January 1, 2025	379,158	3,135	3,156	8,004	11,721	(1,576)	(15,735)	387,863	79,993	467,856
Net profit	-	-	-	-	-	-	167,806	167,806	10,798	178,604
Other comprehensive income	-	-	-	-	-	6,561	-	6,561	-	6,561
Total comprehensive income	-	-	-	-	-	6,561	167,806	174,367	10,798	185,165
Issuance of participation units and options, net	346,529	16,805	-	-	-	-	-	363,334	-	363,334
Share-based payment	-	-	-	-	5,026	-	-	5,026	-	5,026
Deferred taxes for share-based payment	-	-	-	-	591	-	-	591	-	591
Issuance of participation units from exercise of marketable options	25,757	(3,135)	-	-	-	-	-	22,622	-	22,622
Issue of participation units from vesting of RSUs	2,505	-	-	-	(2,505)	-	-	-	-	-
Exercise of non-marketable options awarded to employees	1,505	-	-	-	(333)	-	-	1,172	-	1,172
Conversion of debentures into participation units	12,414	-	(835)	-	-	-	-	11,579	-	11,579
Balance as of December 31, 2025	767,868	16,805	2,321	8,004	14,500	4,985	152,071	966,554	90,791	1,057,345

The accompanying notes are an integral part of the Consolidated Interim Financial Statements.

Consolidated Statements of Cash Flows

	For the 6 months ended June 30		For the 3 months ended June 30		For the year ended December 31
	2026	2025	2026	2025	2025
	Unaudited				Audited
	USD thousand				
Cash flows from operating activities					
Net profit (loss)	80,992	(39,912)	77,151	(53,699)	178,604
Adjustments to reconcile cash flows from operating activities:					
Adjustments to profit and loss line items:					
Depletion, depreciation and amortization	99,980	6,500	46,154	3,355	91,380
Impairment of oil and gas assets	4,298	399	4,298	399	6,522
Share-based payment	4,315	1,765	2,308	1,066	5,026
Deferred taxes, net	40,771	459	34,209	314	(158,891)
Finance expenses, net	173,628	51,997	90,523	65,245	140,442
Exchange rate differences for cash balances, net	(3,531)	(9,341)	(4,907)	(9,056)	(11,146)
	319,461	51,779	172,585	61,323	73,333
Changes in assets and liabilities line items:					
Decrease (increase) in trade receivables	(2,181)	1,852	27,603	(81)	(74,977)
Increase in receivables and debit balances	(7,925)	(55)	(17,335)	(1,028)	(17,920)
Cash flow hedges	(86,108)	(1,493)	(41,306)	(420)	(6,446)
Increase (decrease) in trade payables and other payables	21,668	2,288	(12,773)	7,333	44,189
	(74,546)	2,592	(43,811)	5,804	(55,154)
Interest received	13,702	4,598	6,464	2,402	14,868
Interest paid	(82,166)	(41)	(57,846)	(20)	(45,476)
Taxes paid	(16,292)	(2,487)	(9,182)	(788)	(7,234)
Net cash provided by operating activities	241,151	16,529	145,361	15,022	158,941
Cash flows from investing activities					
Investment in oil and gas assets	(327,688)	(207,501)	(183,100)	(91,348)	(505,499)
Interest paid and capitalized to oil and gas assets, net	(19,283)	(53,677)	(11,552)	(41,214)	(68,394)
Movements in restricted amounts, net	(19,142)	15,168	(52,898)	(5,484)	3,570
Movements in deposits, net	9,057	(1,501)	4,447	17,734	5,427
Investments in marketable securities	(103,141)	-	(9,648)	-	-
Purchase of fixed assets	(2,297)	(74)	(2,149)	(19)	(196)
Net cash used for investing activities	(462,494)	(247,585)	(254,900)	(120,331)	(565,092)

The accompanying notes are an integral part of the Consolidated Interim Financial Statements.

Consolidated Statements of Cash Flows (cont.)

	For the 6 months ended June 30		For the 3 months ended June 30		For the year ended December 31
	2026	2025	2026	2025	2025
	Unaudited				Audited
	USD thousand				
Cash flow from financing activities					
Dividend paid	(150,000)	-	(150,000)	-	-
Receipt of loans from banks and financial institutions	1,367,513	147,038	56,655	81,933	147,038
Repayment of loans from banks and financial institutions	(810,718)	(4,852)	(250,000)	(4,852)	(96,025)
Repayment of lease liabilities	(709)	(658)	(267)	(354)	(1,425)
Issue of debentures	105,663	216,101	-	105,938	479,390
Costs of raising loans and debentures	(8,219)	(10,438)	(3,771)	(2,125)	(48,024)
Repayment of debentures	(407,227)	-	-	-	-
Exercise of non-marketable options awarded to employees into participation units	39	1,172	-	24	1,172
Exercise of marketable options into participation units	958	22,956	944	-	22,956
Issuance of participation units and options	-	-	-	-	368,366
Costs of raising capital and exercise of options	-	(342)	-	-	(5,366)
Repayment of preferred shares to non-controlling interests	(110,631)	-	-	-	-
Net cash provided by (used in) financing activities	(13,331)	370,977	(346,439)	180,564	868,082
Effect of changes in exchange rates on cash balances held in foreign currency	3,531	9,341	4,907	9,056	11,146
Increase (decrease) in cash and cash equivalents	(231,143)	149,262	(451,071)	84,311	473,077
Balance of cash and cash equivalents at the beginning of the period	591,906	118,829	811,834	183,780	118,829
Balance of cash and cash equivalents at the end of the period	360,763	268,091	360,763	268,091	591,906
Significant non-cash activities					
Investment in oil and gas assets against trade payables and other payables (including capitalized interest expenses)	27,038	80,577	27,038	80,577	118,803
Conversion of debentures into participation units	11,798	8,465	368	7,731	11,579
Recognition of a lease liability against oil and gas assets and receivables for sublease (see Note 3B(2))	240,335	-	240,335	-	-

The accompanying notes are an integral part of the Consolidated Interim Financial Statements.

NOTE 1 - GENERAL

A. These financial statements were prepared in condensed format as of June 30, 2026 and for the six-and three-month periods then ended (hereinafter - the "**Consolidated Interim Financial Statements**"). The financial statements should be read in the context of the Partnership's annual financial statements as of December 31, 2025 for the year then ended, and their accompanying notes (hereinafter - the "**Consolidated Annual Financial Statements**").

B. Navitas Petroleum - Limited Partnership (hereinafter - the "**Partnership**") was established under a limited partnership agreement signed on August 30, 2015, amended from time to time. The Partnership was registered on September 8, 2015 under the Partnership Ordinance, 1975. The purpose of the Partnership is oil and gas exploration, development, and production.

C. Further to that which is stated in Note 1D to the Consolidated Annual Financial Statements, on February 28, 2026, a combined offensive - named Operation Lion's Roar - was launched by the State of Israel and the US against Iranian regime targets. On April 8, 2026, a ceasefire was reached between the US and Iran. These events have led, among other things, to an increase in the volatility of oil and gas prices in international markets. The Partnership's activity is carried out mostly outside Israel and therefore there is no significant direct impact on the Partnership's operational activities. The increase in oil prices in the said period contributed to an improvement in the oil price environment and has positively affected the Partnership's revenues, cash flows and financial results, on the back of market trends. On the other hand, there has been a weakening of the USD-NIS exchange rate. The Partnership has currency exposure arising mainly from NIS-denominated debts. Therefore, the weakening of the USD exchange rate, as stated, adversely affects the Partnership's finance expenses and financial results. See also Note 3B below.

As of the approval date of the Financial Statements, the Partnership is unable to assess the scope of the possible ramifications of these events on its operations and financial results.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

<u>Preparation format of the Interim Financial Statements</u>

The Interim Financial Statements have been prepared in accordance with IAS 34, "Interim Financial Reporting", as well as in accordance with the disclosure provisions outlined in Chapter D to the Securities Regulations (Periodic and Immediate Reports), 1970.

The accounting policies applied in the preparation of the Interim Financial Statements are consistent with those applied in the preparation of the Consolidated Annual Financial Statements.

NOTE 3 - INVESTMENTS IN OIL AND GAS ASSETS, NET

A. Composition

	June 30		December 31,
	2026	2025	2025
	Unaudited		Audited
	USD thousand		
Oil and gas assets			
Shenandoah project	1,369,269	1,335,212	1,427,214
Sea Lion project	308,043	-	132,967
Sea Lion Project (loans to RKH)	96,618	-	77,440
Sea Lion project (right-of-use asset) (see Note 3B(2))	156,218	-	-
Buckskin project	94,942	83,051	91,510
Monument Project	188,462	55,108	94,757
Denbury project	83,365	92,606	88,271
Neches Project	21,769	18,527	21,974
Shenandoah South Project	4,347	2,586	4,064
	2,323,033	1,587,090	1,938,197
Exploration and evaluation assets			
Sea Lion project	-	59,303	-
Sea Lion Project (loans to RKH)	-	29,131	-
Other	14,268	5,324	7,901
	14,268	93,758	7,901
	2,337,301	1,680,848	1,946,098

NOTE 3 - INVESTMENTS IN OIL AND GAS ASSETS (cont.)

B. Sea Lion project

1. Following the February 2026 war with Iran and its subsequent impacts, the Partnership chose to relocate the FPSO upgrade and modification works scheduled for the project's first phase, transferring them to a Southeast Asian shipyard rather than proceeding with the original Middle East plans. Following the change, an estimated total of approx. USD 45 million (100%) was added to the project budget. Therefore, the total equity to be made available for the project by the Partnership is approx. USD 773 million (including the loan component to Rockhopper Exploration (Hydrocarbons) Ltd., the partner to the project), to be funded by its existing sources until the first drawdown date, which is expected at the end of the first quarter of 2027.

   Construction work is progressing as planned and first oil from the project is expected in March 2028.

   Under the development of the project, the project company entered into binding Agreements with major suppliers and contractors, including, among other things, agreements with two marketing companies for the marketing of the oil barrels from the project.

2. FPSO lease

   Further to Note 13C to the Consolidated Annual Financial Statements, NPDP entered into a set of binding agreements for the leasing, upgrading, operation, and maintenance of a floating production storage and offloading facility (hereinafter - "**FPSO**") intended for the development and production of oil and gas in the Sea Lion project. The Agreement grants the NPDP the right to use the FPSO for a period of up to 20 years.

   In accordance with the provisions of IFRS 16, the lease liability is measured according to the present value of the future lease payments (fixed payments only), which are expected to be paid - assuming the extension options under the agreement are exercised - over approx. 20 years of the lease, discounted at an annual interest rate of approx. 8.4%.

   In accordance with the above, since NPDP - which signed the FPSO lease agreement as the operator of the Sea Lion project - received the FPSO in June 2026, during the reporting period, NPDP recognized 100% of the lease liability for entering into the FPSO lease agreement, totaling approx. USD 240 million. In addition, NPDP recognized a finance sublease of the FPSO to its project partner, Rockhopper Exploration (Hydrocarbons) Ltd. (hereinafter - "**RKH**"), such that as of June 30, 2026, the Financial Statements include a right-of-use asset under the investments in oil and gas assets line item, reflecting the Partnership's 65% share in the project, and a receivables for sublease asset reflecting the project partner's - RKH's - 35% share in the project.

NOTE 3 - INVESTMENTS IN OIL AND GAS ASSETS (cont.)

B. Sea Lion project (cont.)

3. Subsequent to the statement of financial position date, on August 17, 2026, the Partnership exercised an option to purchase the vessel OSX1, which will be used - after upgrading and modification work as the second FPSO (hereinafter - "FPSO2") for the Sea Lion project, and in the coming month, it is expected to complete the purchase for approx. USD 125 million (100%), which will be financed by the Partnership's existing independent sources**.** In the first stage, the Partnership will be the sole owner of the FPSO2 and bear the full costs until RKH, the partner in the project, finances its share. RKH has updated the Partnership that it is working to raise the necessary funding sources to complete its share of the costs by the end of 2027, including its share in the purchase of the FPSO2. This purchase is expected to enable the acceleration and increase in the project's total production volume to approx. 180 thousand barrels per day at the end of 2030.

4. According to the resources report prepared by an independent reserves evaluator as of July 31, 2026, the proved reserves (1P) in the Sea Lion Project (100%) are estimated at approx. 232 MMBBL of oil and approx. 73 BCF of natural gas. The proved and Probable reserves (2P) in the reservoir (100%) are estimated at approx. 314 MMBBL of oil and approx. 108 BCF of natural gas.

   In addition, the best estimate of contingent resources (2C) in the Sea Lion Project (100%) is estimated at approx. 626 MMBBL of oil and 2,312 BCF of natural gas.

C. Buckskin project

Further to Note 7D(3) to the Consolidated Annual Financial Statements, the completion operation on the fifth development drilling in the northern reservoir was successfully completed in January 2026, and production from this drilling began in June 2026.

D. Monument Project

Further to Note 7D(4) to the Consolidated Annual Financial Statements, in June 2026, the project operator, Beacon Offshore Energy Production LLC, informed the partners that it has successfully completed the drilling of the first development and production drilling in the project reaching its final depth. First oil from this drilling is expected by the end of 2026.

Production from the project's second drilling is expected to commence during the first quarter of 2027. For details regarding the Project Finance Agreement, see Note 5E below.

NOTE 3 - INVESTMENTS IN OIL AND GAS ASSETS (cont.)

E. License PL001 near the Sea Lion discovery in the Falkland Islands

Further to Note 7D(9) to the Consolidated Annual Financial Statements, on February 27, 2026, the Partnership (through a subsidiary) signed, with JHI Falkland Inc. (hereinafter - "**JHI**") and JHI Associates Inc. (hereinafter - "**JHI Associates**") (both privately held companies incorporated in Canada), an agreement to acquire 65% of the rights to the PL001 license, which is adjacent to the Sea Lion project, and its appointment as the license's operator (hereinafter – the "License").

Similar to the additional adjacent licenses for the Sea Lion project held by the Partnership, this license, insofar as a discovery is found in it, may be developed, among other things, by way of a tie-back to the production facilities, which will be built during the various stages of the Sea Lion project - a plan which may reduce the projects' overall development and operating costs, creating a regional hub.

The Partnership will provide JHI with a loan for its share of costs with respect to possible licensed works (including, insofar as there shall be any, exploration drilling and in the case of discovery - evaluation drilling), as well as ancillary costs, up to a cumulative ceiling of USD 14 million. These amounts shall bear interest and shall be repaid to the Partnership from 85% of JHI's free cash flow from the production under the license, insofar as there shall be any. In addition, the Partnership will bear the reimbursement of past costs incurred by JHI.

The current expiration date of the license is December 31, 2026. The Acquisition Agreement stipulates that if the license is extended for a period of at least five years and the extension terms and conditions require execution of exploration drilling, and if the Partnership as an operator does not begin drilling operations or does not enter into a material agreement with a contractor for the purpose of drilling up to 18 months prior to the expiration of the extended license or the drilling deadline, under the terms and conditions of the license, JHI shall be entitled to receive back the acquired rights, free of charge.

F. Exploration asset - South Africa

Pursuant to the Partnership's strategy, which involves prospecting and limited investment in exploration assets, on May 19, 2026 - the Partnership exercised its option to contract, through Navitas Petroleum Africa Ltd. (hereinafter - "**NPA**") with Azinam South Africa Limited (a wholly-owned subsidiary of Eco (Atlantic) Oil & Gas Ltd.) (hereinafter - "**Azinam**"), for USD 4 million, to acquire interests in the Block 1 CBK exploration license in South Africa, such that once the transaction is completed, NPA will hold 37.5% of the asset and act as its operator.

NPA will assume Azinam's share of all costs, expenses, and liabilities related to work on the asset, up to a total cap of USD 7.5 million. The amounts to be borne by NPA with respect to that those of Azinam shall bear an annual interest rate of 8% and shall be repaid from 85% of Azinam's free cash flow from the production of the oil asset, insofar as it becomes a producing asset.

Completion of the transaction is subject, among other things, to the approval of the South African regulator and of another partner to the License, in accordance with the existing JOA for the asset.

NOTE 3 - INVESTMENTS IN OIL AND GAS ASSETS (cont.)

G. Acquisition of rights in the Tiberius and Logan discoveries in the Gulf of America

Subsequent to the statement of financial position date, on July 31, 2026, the Partnership, through Navitas Petroleum US, LLC (hereinafter - "**Navitas US**"), entered into agreements with companies from the Kosmos and Occidental groups to acquire 33.33% participation rights in each of the Tiberius and Logan oil discoveries in the Gulf of America (hereinafter - the "**Agreements**", the "**Sellers**", "**Tiberius**", "**Logan**" and jointly - the "**Oil Assets**" and the "**Transaction**", as applicable).

In accordance with the Agreements, the Partnership will acquire from the Sellers approx. 33.33% of the rights in the Oil Assets (hereinafter - the "**Acquired Rights**"), such that upon completion of the Transaction the holding structure in the two Oil Assets will be identical among the three partners.

The effective date for the Transaction is January 1, 2026 (hereinafter - the "**Effective Date**").

In exchange for the Acquired Rights, Navitas US undertook the following payments:

Navitas US paid the Sellers the actual expenses incurred for its share of the Acquired Rights with respect to Tiberius as from the Effective Date and through the Agreements' signing date totaling approx. USD 4.6 million.

Navitas US will bear the Sellers' share of Tiberius' future development costs, up to a cap of USD 68 million, reflecting reimbursement of the Sellers' past costs incurred prior to the Effective Date. Out of the above cap approx. USD 9.2 million was paid to the Sellers on the Agreements' signing date. Furthermore, Navitas US will pay USD 3 million in consideration for the Acquired Rights in Logan.

Navitas US will pay the Sellers two future contingent payments of approx. USD 7.5 million each, for meeting the targets pertaining to production from the two wells to be drilled in Tiberius under Phase 1.

Furthermore, Navitas US will also assume the Seller's existing liabilities (royalties to third parties) in respect of the rights to the Tiberius oil asset.

According to the resources report prepared by an independent reserves evaluator as of July 31, 2026, the proved reserves (1P) in the Tiberius Project (100%) are estimated at approx. 16.2 MMBBL of oil and approx. 4.9 BCF of natural gas. The proved and Probable reserves (2P) in the reservoir (100%) are estimated at approx. 39.3 MMBBL of oil and approx. 11.9 BCF of natural gas.

In addition, the best estimate of contingent resources (2C) in the Tiberius Project (100%) is estimated at approx. 5.6 MMBBL of oil and 1,703 MMCF of natural gas.

According to the resources report prepared by an independent reserves evaluator, as of July 31, 2026, the best estimate of the contingent resources (2C) in the Logan Project (100%) is approx. 27.4 MMBBL of oil and 12,978 MMCF of natural gas.

NOTE 4 - DEBENTURES

A. Debentures (Series C)

Further to that which is stated in Note 11A to the Annual Financial Statements, on February 4, 2026 a full early redemption was executed, at the Partnership's initiative, of the full outstanding balance of the Debentures (Series C) in circulation (approx. NIS 274,989 thousand p.v.) for approx. NIS 279,661 thousand (approx. USD 91 million). As a result of the repayment of the Debentures (Series C), in the first quarter of 2026 the Partnership recognized a loss of approx. USD 1.6 million in respect of the early redemption, which was included under the finance expenses line item in the statement of comprehensive income.

B. Debentures (Series E)

Further to that which is stated in Note 11C to the Annual Financial Statements, on February 4, 2026 a full early redemption was executed, at the Partnership's initiative, of the full outstanding balance of the Debentures (Series E) in circulation for approx. NIS 523,353 thousand (approx. USD 170 million). As a result of the repayment of the Debentures (Series E), in the first quarter of 2026 the Partnership recognized a loss of approx. USD 13.5 million in respect of the early redemption, which was included under the finance expenses line item in the statement of comprehensive income.

C. Debentures (Series F)

Further to that which is stated in Note 11 to the Annual Financial Statements, on March 31, 2026, partial early redemption was carried out at the Partnership's initiative of NIS 440,000,000 p.v., of the outstanding Debentures (Series F) in consideration for approx. NIS 495 million (approx. USD 160 million) (including accrued interest). As a result of the repayment of the Debentures (Series F), in the first quarter of 2026 the Partnership recognized a loss of approx. USD 8.5 million in respect of the early redemption, which was included under the finance expenses line item in the statement of comprehensive income.

D. Debentures (Series H)

Further to Note 11F to the Annual Financial Statements, on February 15, 2026, the Partnership issued NIS 330,000,000 p.v. in Debentures (Series H) by way of a series expansion, as part of a private placement; the issuance proceeds totaled approx. NIS 325,545 thousand (approx. USD 106 million).
The issuance expenses totaled approx. USD 0.3 million. The effective interest rate in the said issuance is approx. 7.53%.
As of June 30, 2026, the Partnership meets the set covenants.

NOTE 5 - LOANS FROM BANKS AND FINANCIAL INSTITUTIONS

A. Entering into a reserve-based lending (hereinafter - "**RBL**") Agreement

On January 19, 2026, Navitas Petroleum Holdings, LLC - a wholly-owned subsidiary of the Partnership (hereinafter - the "**Borrower**") - entered into an RBL (reserves based lending) agreement for a revolving borrowing base facility totaling USD 1.35 billion. On January 21, 2026, the Agreement's financial closing was completed, and the Partnership withdrew the full finance facility amount. The financing was provided by a consortium of foreign and Israeli banks and local and foreign financial institutions (hereinafter - the "**Agreement**", the "**Lenders**" and the "**Finance Facility**", respectively).
The loan was used, among other things, to repay the following debts and financial instruments: (1) The financing for the development of the Shenandoah Project (the balance of the principal and interest of which was approx. USD 433 million) (see Note 5B below), as well as the Partnership's Debentures (Series C) totaling NIS 274,989,000 in p.v. (approx. USD 88 million) (see Note 4A below); (2) The Partnership's Debentures (Series E) totaling NIS 500,000,000 in p.v. (approx. USD 160 million) (see Note 4B below); (3) Redemption of the Borrower's preferred stock allocated to an institutional entity in exchange for extending an equity loan to the Borrower for the development of the Shenandoah Project (see Note 7 below); and (4) A credit facility of USD 100 million taken out by a subsidiary of the Partnership (see Note 5D below).

The Finance Facility is of the revolving credit type, such that as of the financial closing date and up to one month prior to the final repayment date (as described below), the Borrower may once again withdraw a loan which has already been withdrawn and repaid, except for once again withdrawing amounts repaid due to an early repayment obligation and which cannot be withdrawn under the terms and conditions of the Agreement.
The total Finance Facility will be gradually reduced, at predetermined rates, every March 31 and September 30 (as of March 31, 2027) until the final repayment date on September 30, 2032 (or when the balance of the reserves expected in the pledged oil assets will fall below the threshold set forth in the Agreement, whichever is earlier) (hereinafter - the **"Finance Facility Reduction Date**").

The Agreement includes an accordion mechanism according to which the Borrower may, at any time during the 36-month period after the financial closing date, request an increase of up to USD 500 million in liabilities. Existing or new lenders may agree to the increase request, and the increase will be subject, inter alia, to the fact that at the increase date, no breach event has occurred and there is no potential breach event that may occur as a result of the increase, as well as maintaining compliance with the financial ratios.

Subject to compliance with the conditions precedent attached to drawdowns as detailed in the Agreement, the Borrower may withdraw loans from the Finance Facility (in the amount available at the drawdown date) from the closing date until one month before the final repayment date (hereinafter - the "**Availability Period**" and the "**Loans**", respectively).
The maximum amount, which the Borrower may effectively withdraw will be the lower of: (a) The total amount of the Lenders' undertaking at that time; and (b) the borrowing base amount as defined below (hereinafter - the "**Maximum Drawdown Amount**").

NOTE 5 - LOANS FROM BANKS AND FINANCIAL INSTITUTIONS (cont.)

A. Entering into a reserve-based lending (hereinafter - "**RBL**") Agreement (cont.)

In accordance with the terms of the Agreement, the Partnership will be allowed to pledge additional oil and gas assets it owns in the United States, such that they will be included under the Pledged Oil Assets and thereby increase the Maximum Withdrawal Amount, at the approval of a special majority of the Lenders.

The Borrowing Base Amount - will be revised from time to time and redetermined on September 30 and March 31 (as from September 30, 2026) until the final repayment date by the Lenders based on the banking model, which will be the lower of the NPV (Project Life) divided by 1.5 and NPV (Loan Life) divided by 1.3. The Borrowing Base Amount may also be revised on interim dates, by adopting a revised banking model, in circumstances defined in the Agreement (including, among other things, where there is an indication of a material reduction in the Borrowing Base Amount and/or a deviation from the Borrowing Base Amount, and with respect to changes in the loan's underlying assets), and on the interim date to be set for this purpose.

The Loans will bear, from the date they are advanced, variable annual interest based on the CME Term SOFR plus a tiered annual spread as follows: (1) 4.25% until the end of two years from the Agreement signing date; (2) 4.50% from the end of two years until the end of four years from the signing date; and (3) 4.75% from the end of four years from the signing date onwards. (Effective interest rate - approx. 9.5%).

The interest will be paid at the end of each interest period, which will be set to one, 3 or 6 months (as determined by the Borrower).

The Agreement also stipulates interest on arrears in respect of a payment default at a rate of 2% above the relevant interest rate.

On the date each Loan is advanced, the Borrower may set an interest period applicable to thereto, at the end of which both the principal and the interest in respect of that Loan shall be paid. The Borrower may opt for an interest period of one month, three months or six months (or another period at the Lenders' consent), provided that the interest period does not end after the final repayment date of the Credit Facility. On the payment date of a loan's principal and interest, the Borrower may refinance the loan by taking out a new loan under the facility.

In addition, insofar as on the Finance Facility Reduction Date, the total principal of the Loans withdrawn shall exceed the cap of the reduced Finance Facility at that time, the Borrower will be required to repay the difference, so as not to exceed the reduced facility.

Main collateral

To secure the repayment of the Loans and compliance with the existing undertakings under the Agreement, the following, among other things, will be pledged under a first-rank fixed pledge:

(1) The rights of the Borrower and the subsidiaries holding the Pledged Oil Assets (hereinafter - the "**Project Companies**" and the "**Pledged Oil Assets**", respectively), which include: (a) the Shenandoah oil asset; (b) the onshore oil fields in the Denbury project and the Neches onshore oil field (hereinafter - the "**Onshore Assets**"), and the assets associated with the Pledged Oil Assets (including rights in the projects' equipment and facilities and the projects' agreements, all as defined in the agreement);

NOTE 5 - LOANS FROM BANKS AND FINANCIAL INSTITUTIONS (cont.)

A. Entering into a reserve-based lending (hereinafter - "**RBL**") Agreement (cont.)

Main collateral (cont.)

(2) A pledge on all assets of the Borrower and the Project Companies, including their rights under material agreements, insurance policies and bank accounts, and on the Borrower's equity interests in each of the Project Companies all subject to generally accepted exceptions;
Furthermore, the Partnership will pledge in favor of the Lenders its entire equity interest in the Borrower.

In accordance with the provisions of the Agreement, if the total outstanding principal amount of the Loans exceeds the Maximum Withdrawal Amount, the Borrower is required to make a mandatory early repayment of the Loans up in an amount by which the Loans exceed the Maximum Withdrawal Amount within the period defined in the Agreement.

In addition, the Agreement stipulates a requirement to execute full or partial early repayment in the following circumstances: the sale of rights in all Pledged Oil Assets; a change of control; in the event that a sanction event has occurred (such as a Debtor's representation or statement regarding sanctions found to be incorrect, a Debtor's inclusion in the sanctions list or a breach of a Debtor's undertakings regarding sanctions); or where the continued advancement of the Credit Facility becomes unlawful for any Lender or any of its affiliates.

Financial covenants

The Agreement sets forth a financial covenant which the Borrower is required to comply with, and whose violation gives the Lenders the right to demand immediate repayment of the Loans (unless a remediation was carried out as described below), as detailed below:
Leverage ratio - the ratio between the debtors' total net debt and their adjusted EBITDAX (as defined in the agreement) shall not exceed 3.5 on the assessment date. The leverage ratio will be assessed on June 30 and December 31 of each year (with respect to the 12 months ended on that date); the above may be remediated by way of capital injection on the dates set in the Agreement and subject to restrictions detailed therein. As of June 30, 2026, the Partnership meets the set covenant.

The Agreement includes an obligation to perform hedging transactions for oil and gas prices (net of royalties), at the following amounts:

1. With respect to the first year (on a rolling basis) - hedging at least 50% of the expected oil and gas production.
2. With respect to the second year (on a rolling basis) - hedging at least 33.33% of the expected production.
3. With respect to up to the third year (on a rolling basis) - hedging at least 25% of the expected production.

NOTE 5 - LOANS FROM BANKS AND FINANCIAL INSTITUTIONS (cont.)

A. Entering into a reserve-based lending (hereinafter - "**RBL**") Agreement (cont.)

Financial covenants (cont.)

However, the Agreement includes an expedient, according to which when the FLCR exceeds 2.5x, the abovementioned minimum hedging requirements cease to apply for the period of up to two years prior to the final repayment date. If the FLCR falls below 2.5x in one of the subsequent banking models, the minimum hedging requirements will be renewed and will apply in full. Furthermore, the Agreement includes a restriction regarding the maximum volume of oil and gas which may be hedged under certain circumstances.

In May 2026, the Borrower decreased the financing amount by a total of approx. USD 250 million, such that the gross outstanding loan balance as of June 30, 2026 is approx. USD 1.1 billion.
As of June 30, 2026, the Borrower has complied with the undertaking to conduct the abovementioned hedges.

B. Loans for funding the Shenandoah Project

Further to that which is stated in Note 10C to the Consolidated Annual Financial Statements regarding loans to the Shenandoah project, in January 2026, the Partnership executed an early repayment, as permitted under the Project Finance Agreement, of the outstanding loan amount and accrued interest in respect thereof for a total of approx. USD 433 million (net of the share of the ShenHai Financing). The repayment was made from the RBL consideration as stated in Note 5A above. As a result of the repayment of the loan as stated above, in the first quarter of 2026, the Partnership recognized an expense of approx. USD 23.9 million in respect of the amortization of the balance of the loan raising costs.

C. Loans for funding the Denbury project

Further to Note 10D to the Annual Financial Statements, following a decision by the Partnership, in December 2025, to exercise full early repayment, as permitted in the loans agreement, of the outstanding loans and the accrued interest, in January 2026, the Partnership repaid - by way of early repayment - the outstanding balance of the loans and accrued interest thereon in the total amount of approx. USD 30 million. As a result of the repayment of the loans as stated above, in the fourth quarter of 2025, the Partnership recognized an expense of approx. USD 1 million in respect of the amortization of the balance of the loan raising costs and early repayment fees.

D. Credit from a financial institution

Further to that which is stated in Note 10E to the Annual Financial Statements, in January 2026, the Partnership executed an early repayment, as permitted under the loan agreement, of the outstanding loan amount and accrued interest in respect thereof for a total of approx. USD 100.5 million. As a result of the repayment of the loan as stated above, in the first quarter of 2026, the Partnership recognized an expense of approx. USD 2.3 million in respect of the amortization of the balance of the loan raising costs, which was included in the finance expenses line item in the Statement of Comprehensive Income.

NOTE 5 - LOANS FROM BANKS AND FINANCIAL INSTITUTIONS (cont.)

E. Loans for funding the Monument Project

Further to that stated in Note 10F to the Consolidated Annual Financial Statements, up to the first quarter of 2026, all the equity required for the development of the project was invested and withdrawals from the project finance facility began. Out of the project financing amount which the Borrower is entitled to withdraw, totaling approx. USD 150 million, approx. USD 68 million was withdrawn by June 30, 2026, and by the approval date of the financial statements - an additional approx. USD 17.9 million was withdrawn.

F. Engagement in a finance agreement with an institutional entity

Subsequent to the statement of financial position date, in July 2026, the Partnership transferred its entire holding stake in Navitas Petroleum Holdings, LLC (which incorporates the Partnership's activity in the United States) to a new subsidiary, Navitas Petroleum Lux SARL, incorporated in Luxembourg and wholly-owned by the Partnership; the transfer is tax-exempt in accordance with the provisions of Section 104A to the Income Tax Ordinance. Under the Israel Tax Authority's approval of the abovementioned transfer, the Partnership undertook to comply with the provisions of Section 104A.

On July 30, 2026, Navitas Petroleum Lux SARL (hereinafter - the "**Borrower**") entered into an agreement for the provision of a credit facility from an institutional entity, totaling up to USD 250 million (hereinafter - the "**Finance Facility**", the "**Agreement**" and the "**Lender**", as applicable). Furthermore, on that date USD 100 million were provided as a loan out of the credit facility.

Subject to the terms of the Agreement, the Borrower will be entitled to withdraw loans from time to time by virtue of the Finance Facility during the Availability Period, which commences on the Financial Closing Date and ends after 24 months from the Agreement Date (hereinafter - the "**Availability Period**" and the "**Loans**", as applicable). The Finance Facility which will not be utilized by the end of the Availability Period will be immediately canceled. A commitment fee will be paid on the unutilized facility amount set in the Agreement.

As from their provision date, the Loans will bear variable annual interest at a rate similar to that set in the RBL Agreement (as detailed in Section A above) plus a spread as set in the Agreement.

The Finance Facility includes a gradual reduction until the end of the Availability Period. The Loans which will be drawn will be repaid on the semi-annual reduction dates set in the Agreement, as from March 31, 2027 and through March 31, 2031, in a manner which ensures that the outstanding principal balance will not exceed the caps set in the Agreement for those dates.

To secure the repayment of the Loans and compliance with the existing liabilities under the Agreement, collateral was provided comprising a pledge on the Borrower's shares and a pledge on their bank accounts.

NOTE 5 - LOANS FROM BANKS AND FINANCIAL INSTITUTIONS (cont.)

F. Engagement in a finance agreement with an institutional entity (cont.)

The Agreement sets grounds for execution of early, full or partial prepayment, among other things, in the following cases: (a) In the event of a change of control in the Borrower or if the Borrower ceases to wholly own (100%) of the capital and voting rights in Navitas Petroleum Holdings, LLC; (b) If the RBL Facility is fully repaid and cancelled, or if the total liabilities thereunder increase, subject to exceptions set in the Agreement; (c) If an asset from the RBL Facility borrowing base is sold or ceases to be classified as such, a proportionate portion of the Loans will be accelerated, calculated according to that asset's contribution rate to the borrowing base amount (as defined above) immediately prior that event; (d) If a portion of the RBL Facility is voluntarily repaid and permanently cancelled, then at the Lender's request, a proportionate portion of the Finance Facility will be cancelled and a proportionate portion of the Loans will be repaid; and (e) If one or more of the licenses of the pledged assets under the RBL Facility, which together constitute more than 5% of the borrowing base amount in the RBL Facility, are cancelled or suspended for a consecutive period of more than six months, a proportionate portion of the Loans will be accelerated. The repayment dates, amount and calculation methods vary according to the relevant grounds.

Financial covenants and distribution restrictions

The Agreement sets several financial covenants which the Borrower is required to comply with and which are similar to those set in the RBL Facility, and distribution restrictions similar to those set in the RBL Facility ensuring the coverage ratio set with the institutional entity.

G. Credit facilities from banks

In June 2026 and August 2026, the Partnership entered into agreements with banking corporations for the provision of unsecured credit facilities totaling up to USD 200 million for a period of 24-30 months. As of the approval date of the financial statements, credit has not yet been withdrawn from these facilities. The Partnership undertook to comply with financial covenants, interest rate adjustments for non-compliance with the financial covenants, and distribution restrictions similar to those set for Debentures (Series H), see Note 11F to the Consolidated Annual Financial Statements. For the utilized balance, the Partnership will pay interest at a rate of SOFR plus a spread, and for the unutilized balance, the Partnership will pay a credit allocation fee, as set in the agreement. As of June 30, 2026 and shortly prior to the financial statements’ approval date, the credit was not utilized.

NOTE 6 - PARTNERSHIP’S EQUITY CAPITAL

A. Further to Note 14D to the Consolidated Annual Financial Statements, during the reporting period, 27,521 Options (Series 6) were exercised into 27,521 participation units of the Partnership for a total of approx. NIS 2,814 thousand (approx. USD 958 thousand). Subsequent to the statement of financial position date, in July and August 2026, 864,375 Options (Series 6) were exercised into 864,375 participation units of the Partnership in consideration for approx. NIS 90,022 thousand (approx. USD 30,089 thousand).

NOTE 6 - PARTNERSHIP'S EQUITY CAPITAL (cont.)

B. Further to Note 11C to the Consolidated Annual Financial Statements, during the reporting period, NIS 37,642,212 p.v. of Debentures (Series D) were converted into 1,395,652 participation units of the Partnership.
As of June 30, 2026, the outstanding principal of Debentures (Series D) convertible into the Partnership's participation units, amounts to NIS 73,092,625 p.v.
Subsequent to the statement of financial position date, in July and August 2026, NIS 8,974,363 p.v. of Debentures (Series D) were converted into NIS 342,745 participation units of the Partnership, and the outstanding par value of the Debentures (Series D) convertible into the Partnership's participation units is NIS 64,118,262 p.v.

C. On March 17, 2026, the General Partner's Board of Directors approved a profit distribution totaling approx. NIS 468 million (approx. USD 150 million), with the effective date for the distribution set for April 3, 2026. The profit distribution was carried out on April 14, 2026. The earnings distribution per participation unit was USD 1.27 (NIS 3.95)

As part of the profit distribution as stated above, and further to that stated in Notes 11B and 14D to the Consolidated Annual Financial Statements, the adjusted conversion rate of Debenture (Series D) is NIS 26.18372 and the new exercise price of an Option (Series 6) is NIS 116.37209 per participation unit.

NOTE 7 - REDEMPTION OF PREFERRED SHARES BY A SUBSIDIARY

Further to that which is stated in Note 13A to the Consolidated Annual Financial Statements, on January 22, 2026, a full redemption was made at the Partnership's initiative, of the full balance of the preferred shares issued, totaling approx. USD 110.6 million. As a result of the initiated redemption of the Preferred Shares and in accordance with the Agreement, the amounts paid to the Preferred Shareholders include additional amounts beyond those recognized in the Financial Statements up to the Early Redemption Date.
The surplus of the said amounts totals approx. USD 19.2 million and was stated in the first quarter of 2026, under a (negative) reserve from transactions with non-controlling interests.

NOTE 8 - SHARE-BASED PAYMENTS

A. Further to Note 15 to the Consolidated Annual Financial Statements, in April 2026, the Partnership allotted 120,718 RSUs under a private placement to officers and employees of the Partnership and wholly-owned subsidiaries thereof. The fair value of the allotted equity instruments was estimated at approx. USD 4 million at the allotment date.

B. Further to that said in Note 14 to the Consolidated Annual Financial Statements:
   1) During the reporting period, 343,160 RSUs vested into 343,160 participation units of the Partnership after the offerees had met the vesting conditions set out in the Plan.

   2) Subsequent to the statement of financial position date, 4,167 RSUs vested into 4,167 participation units of the Partnership after the offerees had met the vesting conditions set out in the Plan.

   3) During the reporting period, 8,923 awarded non-marketable options were exercised into 8,710 participation units of the Partnership in consideration for approx. USD 39 thousand.

NOTE 9 - FINANCIAL INSTRUMENTS

A. Fair value

Following are carrying amounts and fair values of financial instruments measured at amortized cost (excluding those whose amortized cost is not materially different from their fair value):

	June 30, 2026		June 30, 2025		December 31, 2025	
	Carrying amount	Fair value *)	Carrying amount	Fair value *)	Carrying amount	Fair value *)
	Unaudited				Audited	
	USD thousand					
Financial liabilities						
Debentures (Series C)	-	-	99,698	100,458	105,552	106,479
Debentures (Series D)	(**24,523	125,249	(**39,719	132,557	(**) 36,930	150,828
Debentures (Series E)	-	-	140,292	153,381	149,743	162,476
Debentures (Series F)	159,438	169,898	272,635	288,437	288,496	305,321
Debentures (Series G)	331,436	346,474	233,860	240,448	308,987	318,433
Debentures (Series H)	307,501	325,823	-	-	205,888	216,395
	822,898	967,444	786,204	915,281	1,095,596	1,259,932

(*) According to quoted market price (Level 1) in the fair value hierarchy.

(**) Represents the outstanding par value (including the conversion component).

B. Hedging and derivatives

The Group is exposed to changes in the oil prices in respect of its future sales. To hedge the said exposure, the Group enters into oil prices hedges for some of its future production (put transactions, swaps transactions and capped swaps (a transaction that combines swap with the exposure capped at a specific price through the purchase of a call option). Information about open transactions as of June 30, 2026:

			Average price (USD/barrel)			
Hedging strategy	Term of hedge	Quantity (MBBL)	Put	Floor Price	Ceiling price	Swap
Put	July to December 2026	4,589	63	-	-	-
Capped Swap	July to December 2026	30	-	55	68	-
Put	2027	3,782	62	-	-	-
Capped Swap	2027	3,154	-	55	62	-
Swap	2028	3,646	-	-	-	61
Capped Swap	2028	550	-	55	64	-
Swap	January to August 2029	1,786	-	-	-	62

The fair value of the assets, net in respect of the foregoing hedging transactions as of June 30, 2026 was approx. USD 9,301 thousand.

NOTE 9 - FINANCIAL INSTRUMENTS (cont.)

A. Hedging and derivatives (cont.)

Subsequent to the statement of financial position date, the Group entered into additional hedges, as detailed below:

- Put options to hedge WTI oil totaling approx. 350 thousand barrels of oil in the period from August 2026 to September 2027, at a minimum average price per barrel of approx. USD 62.

- Swaps to hedge WTI oil for approx. 60 thousand barrels of oil in the period from July 2026 to September 2029, at a minimum average price per barrel of approx. USD 65.

Further to that which is stated in Note 19B to the Consolidated Annual Financial Statements, as of June 30, 2026 the Partnership has open NIS/USD hedges as stated below-

- Purchase of call options for September, 2026 totaling USD 5 million at a price of NIS 3.1 per USD 1 and for December, 2026 - totaling USD 5 million at a price of NIS 3.1 per USD 1.
- Forward delivery transactions for the acquisition of NIS and the sale of USD for July 2026 totaling USD 5 million at a price of NIS 2.999 per USD 1, for September, 2026 totaling USD 5 million at a price of NIS 2.8716 per USD 1 and for December 2026 totaling USD 5 million at a price of NIS 2.8779 per USD 1.

The fair value of the liability in respect of the foregoing hedging transactions as of June 30, 2026 was approx. USD 166 thousand.

NOTE 10 - GEOGRAPHICAL SEGMENT REPORTING

A. General

In accordance with IFRS-8, the Partnership’s operating segments are determined on the basis of management reports based on the geographic location of the Partnership's assets.

The operating segments are as follows:

- The Oil and Gas Exploration, Development and Production in the US Segment - most of the activity during the reporting period has taken place in the following projects: Shenandoah, Buckskin, Monument and Shenandoah South in the waters of the Gulf of America south of the coast of Texas and Louisiana and in onshore oil fields in Texas, in the Denbury and Neches fields.

- Development and Production of Gas and Oil Assets in the Northern Southwest Atlantic Ocean Segment – as part of the Sea Lion discovery in the Falkland Islands.

- Other segments include rights to a negligible offshore exploration license in the Philippines and an option to join as a partner in another offshore oil asset located off the coast of Morocco.

NOTE 10 - GEOGRAPHICAL SEGMENT REPORTING (cont.)

A. General (cont.)

	Oil and Gas Exploration, Development and Production in the US Segment	Exploration, Development and Production of Oil and Gas in the Southwest Atlantic Segment	Other operations	Not allocated	Total
	USD thousand				
Assets and liabilities					
As of June 30, 2026 (unaudited)					
Segment assets	2,304,683	757,430	9,438	334,716	3,406,267
Segment liabilities	1,347,795	323,059	31	898,822	2,569,707
As of June 30, 2025 (unaudited)					
Segment assets	1,726,687	90,077	5,324	216,024	2,038,112
Segment liabilities	655,717	17,810	-	900,946	1,574,473
As of December 31, 2025 (audited)					
Segment assets	2,155,252	456,355	7,654	384,339	3,003,600
Segment liabilities	666,099	38,387	-	1,241,769	1,946,255

NOTE 10 - GEOGRAPHICAL SEGMENT REPORTING (cont.)

A. General (cont.)

	Oil and Gas Exploration, Development and Production in the US Segment	Exploration, Development and Production of Oil and Gas in the Southwest Atlantic Segment	Other operations	Total
	USD thousand			
Capital expenditures				
For the six-month period ended June 30, 2026 (unaudited)	150,635	365,694	1,784	518,113
For the six-month period ended June 30, 2025 (unaudited)	308,437	37,301	209	345,947
For the three-month period ended June 30, 2026 (unaudited)	91,807	300,773	1,626	394,206
For the three-month period ended June 30, 2025 (unaudited)	140,907	20,986	169	162,062
For the year ended December 31, 2025 (audited)	489,563	160,250	2,636	652,449

B. Since the Exploration, Development and Production of Oil and Gas in the Southwest Atlantic Segment is at the development stage (the Sea Lion project), the effect of this segment on the Statement of Comprehensive Income is negligible and immaterial, and since the Partnership's revenues and operating profit are, at this stage, derived from the Oil and Gas Exploration, Development and Production in the US Segment, no information regarding the operating results of the segments is presented.

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